

CONNECTING POSSIBILITIES

Annual Report | **2020**



Connecting Possibilities

‘Connecting’ and ‘Possibilities’ – two words that do not hold much resonance apart – but expounds a plethora of yet to be explored opportunities when united.

Connectivity – unlocking possibilities that augment the capabilities of a people and a nation. Today, unfettered connectivity has unleashed Bangladesh’s potential to smoothly continue moving forward and complete day-to-day operational tasks with ease, even during the Covid-19 crisis.

In March 1997, Grameenphone embarked on its journey with the vision to bridge the digital divide between rural and urban Bangladesh. Twenty-three years hence, empowering society and Grameenphone are inextricably linked for more than 79 million Bangladeshis across the nation. The years of advancement have all been part of the foundation for the nation to achieve a unified goal – becoming a developed country by 2041. Over the years, Grameenphone has been providing numerous services that have transcended beyond just voice and data services – the Company has consistently lead from the front, pioneering innovative digital solutions that connect the people to what matters most to them.

Thanks in part to the rapid advancement in technology, today, we are on the verge of endless possibilities. Grameenphone aspires to keep the wheels of progress and possibilities in motion and explore every opportunity for a truly Digital Bangladesh. As a new dawn awakens through digitalisation, the Company aims to reinforce its commitment to its purpose and build a better Bangladesh by being the conduit for connecting possibilities.



Our Cover

Last year, our world faced the storm of Covid-19, something we had never faced or anticipated. Though not out of it entirely, we continue to fight it together, forging new bonds. As a digital connectivity partner, Grameenphone too was put to test in an attempt to ensure the best possible critical connectivity during this crisis. Every step we took was to awaken a new hope. That is the story of our cover, the rising of a new dawn proclaiming, ‘this too, shall pass’.

WHAT'S INSIDE

Welcome to our Annual Report 2020

Reporting Period

The report covers our financial and non-financial performance from 1 January 2020 to 31 December 2020, unless stated otherwise.

Scope

This report aims to inform stakeholders about our financial and non-financial performance in 2020. This includes a look at how we create value over time and how our strategy addresses the challenges, risks and opportunities Grameenphone faces in a fast-changing world.

24th

Annual General Meeting

Virtual Shareholder Meeting

📅 Monday, 19 April 2021

🕒 10:30 AM, Dhaka Time

🖥️ Live Webcast

<https://tinyurl.com/gpagm2021>

> See page 166 for AGM notice

> See page 167 for Frequently Asked Questions (FAQs) on Virtual Shareholder Meeting

View Our
Report Online



Annual Report 2020

Go green and help reduce
carbon footprint

Visit: www.grameenphone.com
to view the online version of this
Annual Report



You can download a digital
copy of this Annual Report
by scanning this QR code
from your smart device.

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How We Create Value

2020 will go down in history as the year Covid-19 put a halt to daily life as we know it. It will also be the year remembered for profound changes in communication behaviour. As a connectivity partner, we will play our part to unleash future Bangladesh by modernising ourselves and attaining new-normal customer needs. Grameenphone believes that connected societies are empowered societies. We've built a culture at Grameenphone that values a commitment to our customers, diversity and inclusion, and a responsibility to our community and environment. At Grameenphone we believe in creating value for all stakeholders such as our shareholders, customers, employees, the public sphere, communities, suppliers, and people driving innovation.

For Our Society



We have contributed
BDT 853.7b
to the National Exchequer
since our inception

Launched Bangla Version
global child online safety
resource- **Digiworld**

Nationwide
Enrichment
Programme **8,200+**

avid readers were awarded in
recognition of their reading habit



Supporting
communities
around our
network



Provided
50,000 units
of personal protective
equipment (PPE)
to hospitals
during Covid-19



Safeguarding
the future



Educated over
650,000
Children
in online safety

Supported
200,000
families through
emergency relief



Empowering
the start-up
community through
GP Accelerator
Programme

We supported
44 start-ups
throughout
the programme

BDT 45m+
non-financial
support

BDT 4.59m
in cash grants

For Our Customers

We have invested



BDT 379.6b
since our inception
BDT 13.8b

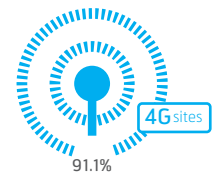
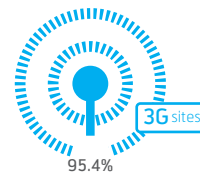
in 2020 to rollout 4G LTE sites,
expanding network coverage,
capacity enhancement, as well as
building higher IT readiness



We cover
99.6%
of the Bangladeshi
population

Expanding our Network
coverage and breadth

population coverage in Bangladesh



In our operations we have:

16,547 Total sites

14,000 4G sites

We successfully implemented 100%
data-enabled network across the country



79.0 MILLION
SUBSCRIBERS

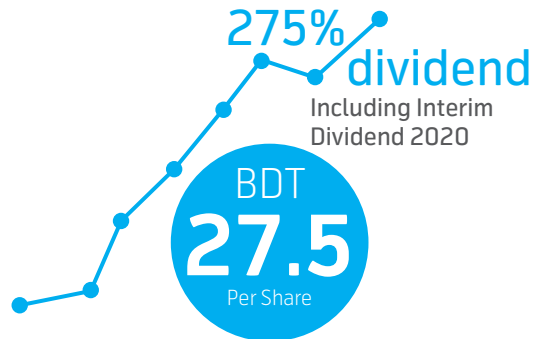
41.3 MILLION
MOBILE
DATA USERS

For Our Investors



Best Telecom Brand in Bangladesh

awarded by
Bangladesh Brand Forum

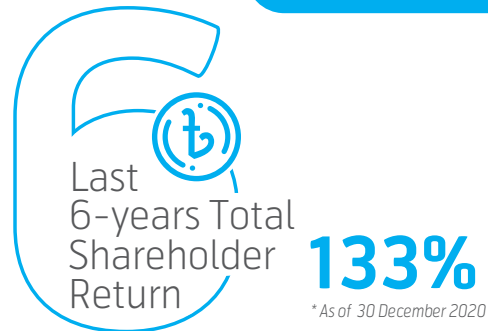


ACCOLADES

- ▶ Best presented Annual Report 2019 by SAFA and ICAB
- ▶ Best Corporate Governance Excellence award 2019 by ICSB



OVER 29,500 SHAREHOLDERS



For Our Employees

Evolving processes through robotics process automation

99

RPA experts developed in-house (**RoboGen**)

Daily **60%** of the manhour was saved with **0 errors**



We supported more than

36



students through our internship and industrial attachment programme this year

digitalninja

collaborate with coders and developers in Bangladesh to co-create innovative solutions.



Employees spent

116,000+

Hours of total Learning

Distance leadership programme covered **450+** leaders

PLATFORM
SHE

A mentorship platform to mentor and develop future female talents in the tech industry

58+



Average Hours per employee spent on e-learning



110+

Children accommodated in Day Care Centre

Partnership with leading learning platforms to provide employees with Company sponsored diverse e-Learning library

coursera

LinkedIn LEARNING

telenor campus

tmforum

Linux Academy

UDACITY



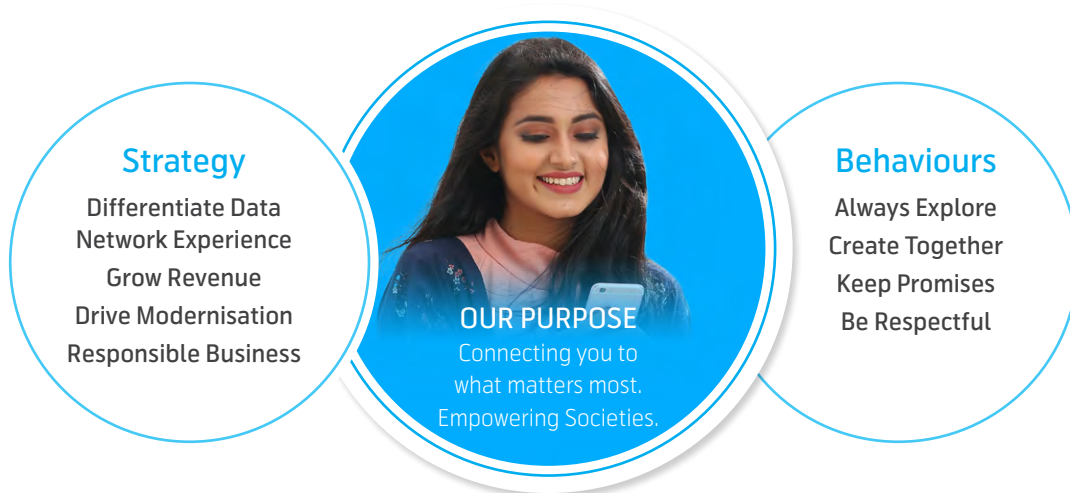
**TURNING ANY ROOM
INTO A CLASSROOM**

IS POSSIBLE



Our Culture

Our strategy spells out what we do; our behaviours explain how we deliver; and our purpose is our reason for existence. Being a part of, or a partner with Grameenphone means sharing our commitment and passion for the key elements that shape our culture.



Our purpose

Connecting you 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.

Our behaviours

We have four behaviours that guide the way we work:



In addition to our purpose and behaviours, everyone working with or for Grameenphone is required to commit to, abide by, and annually renew their signature on our Code of Conduct.

Our Ethical Conduct

We understand that our business depends on the trust of our customers and partners and we are committed to always conducting our business in a responsible, ethical and lawful manner. This is why we have adopted a Code of Conduct that lays high standards of integrity on how we do business. The Code further sets clear expectations and requirements for each and every one of us, regardless of our designation, role or location. We are expected to act as guardians of Grameenphone's integrity and to follow the 4 key principles that define the basis of our business conduct.

Our Principles



We play by the rules

We follow laws, regulations and our policies and, if in conflict, we uphold the highest standard



We are accountable for our actions

We actively seek information, understand our responsibilities, and recognise our wider impact on the societies in which we operate



We are transparent and honest

We are open and truthful about our challenges



We speak up

We ask questions when in doubt and raise concerns without concern of retaliation

Key achievements in 2020



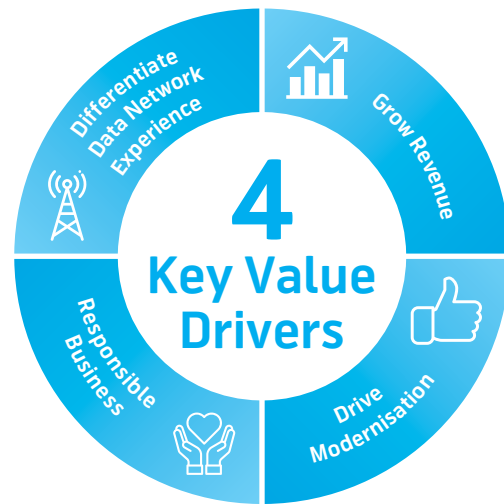
1. In 2020, Grameenphone adopted an updated Code of Conduct. In addition, 100% of Grameenphone employees completed a mandatory Code of Conduct e-learning and electronically signed off on their commitment to always comply with Grameenphone's Code of Conduct.
2. With a high focus on training and awareness activities, the Ethics and Compliance team organised a Company-wide celebration of International Anti-Corruption Day and observed Anti-Sexual Harassment week to increase awareness among Grameenphone employees. In addition to the successful launch of our new Anti-corruption e-learning, the Ethics & Compliance team conducted more than 20 virtual, live training sessions and workshops for Grameenphone employees and partners.
3. Conducted its annual Integrity Risk Assessment and implemented an integrity risk mitigation plan to lessen the likelihood and impact of identified risks. The Integrity Risk Assessment and Mitigation plan is reviewed and followed up quarterly to ensure effectiveness.
4. In line with our Code of Conduct, Grameenphone employees submitted Conflict of Interest declarations. Service to Grameenphone can never be subordinated to an individual's personal gain or advantage. Any decision on behalf of Grameenphone shall be based on an objective and fair assessment of Grameenphone's interest, our Code of Conduct and our Values.



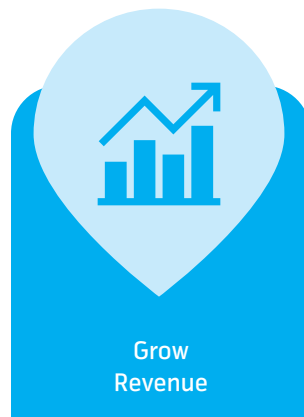
Our Strategy

Grameenphone has been a partner of Bangladesh's development journey for the last two decades and more, and we continue to see that role being strengthened going ahead in the new Digital Bangladesh. Grameenphone's Strategic Ambition for 2021-23 is defined as follows: Continue to be the leading technology service provider to unleash the potential of Bangladesh and continue growing shareholder value.

The overarching ambitions in our strategy is bolstered on the following four key Value Drivers:



We will focus more to ensure the right data network experience to our customers by network investments, implementing a customer-centric operating model and setting up for sustainable future success.



Our focus is on maintaining leadership in the market, and at the same time scaling up growth segments. For customers with high-usage, we focus on the best experience and service bundling. For the new entrants into Data, our focus is on 4G handset, USIM conversion, and segmented offers. For everybody, we focus on coverage and personalised offerings to suit their needs.



To support the growth ambition, Grameenphone would be developing an efficient operating model with optimum level of skilled headcount equipped with modernised capabilities in the form of training human resources, scaling up digital channels, retail transformation and service modernisation.



Grameenphone's responsible business strategy is built around four building blocks: continue being partner to country development as the foundation, ensuring fully compliant business growth, support Modernisation and resolving pending issues.

Building our capabilities around Customer Focused Data Driven Decisioning will enable us to achieve the strategic ambition.

Our journey



23 Years Journey of

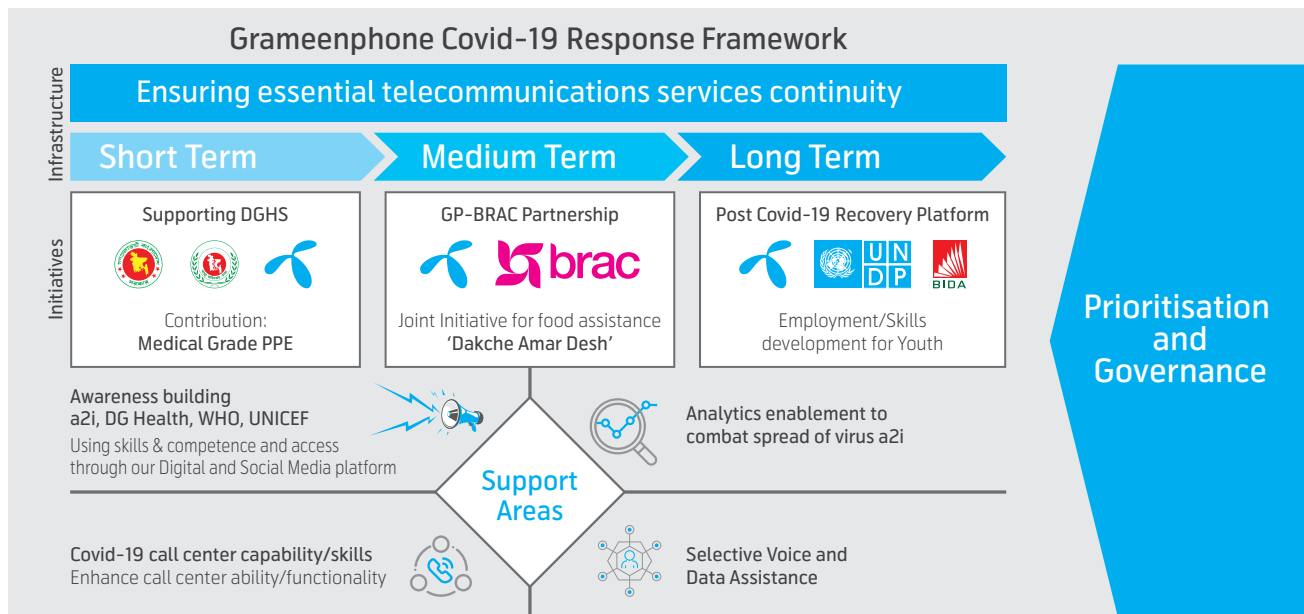
empowering society and connecting customers to a digital future

2021 & beyond
Much more to come!

Our Response to Covid-19 Pandemic

During the Covid-19 pandemic that emerged in March 2020, several services including telecommunications, were labelled as “essential” by the authorities. Hence, Grameenphone's role was instrumental for social and economic well-being of citizens amidst lockdowns. Grameenphone responded rapidly and closely collaborated with relevant authorities and partners to ensure access to connectivity and vital services through our mobile network.

Further, Grameenphone endeavoured to extend its care for the community beyond its core services by undertaking a series of initiatives that were deployed through active collaboration and coordination with government institutions, regulatory bodies, NGOs and other development partners.



Enabling frontline heroes to stay safe and connected while fighting the virus

Health care workers were the first line of defense in the fight against Covid-19. Grameenphone provided 50,000 units of medical-grade personal protective equipment (PPE) to 12 (twelve) hospitals designated by the Directorate General of Health Services (DGHS) to support the medical frontier fighting coronavirus. Furthermore, the Company provided special internet packs for the 25,000 on-duty doctors fighting coronavirus selected by the DGHS for six (6) months.



Food Assistance initiative 'Dakche Amar Desh' for the most vulnerable families of our community

The Covid-19 pandemic also took its toll on people who survive on daily wages and other vulnerable communities. The Company partnered with Brac, the leading development agency of Bangladesh, to stand beside and support those who have been most affected by Covid-19, through the 'Dakche Amar Desh' initiative; and contributed BDT 15 crore to Brac's emergency food assistance fund, which enabled Brac to reach 100,000 affected families. Each family received BDT 1,500 for two weeks essential food supplies. Grameenphone is also very grateful to all the private businesses and individuals who joined the 'Dakche Amar Desh' call and donated generously to support the most vulnerable members of our society.



Post Covid-19 Recovery Platform

Grameenphone is the private sector lead for the New Skills and Employment workstream of the Private Sector Platform for Covid-19 response and recovery initiated by UNDP and BIDA. Under this workstream, the Company in collaboration with UNDP and BIDA is exploring to co-create a national level program that aims to help expedite post Covid economic recovery for the country through youth skills development and employment.

**PROVIDING HEALTHCARE
FROM ANYWHERE**

IS POSSIBLE



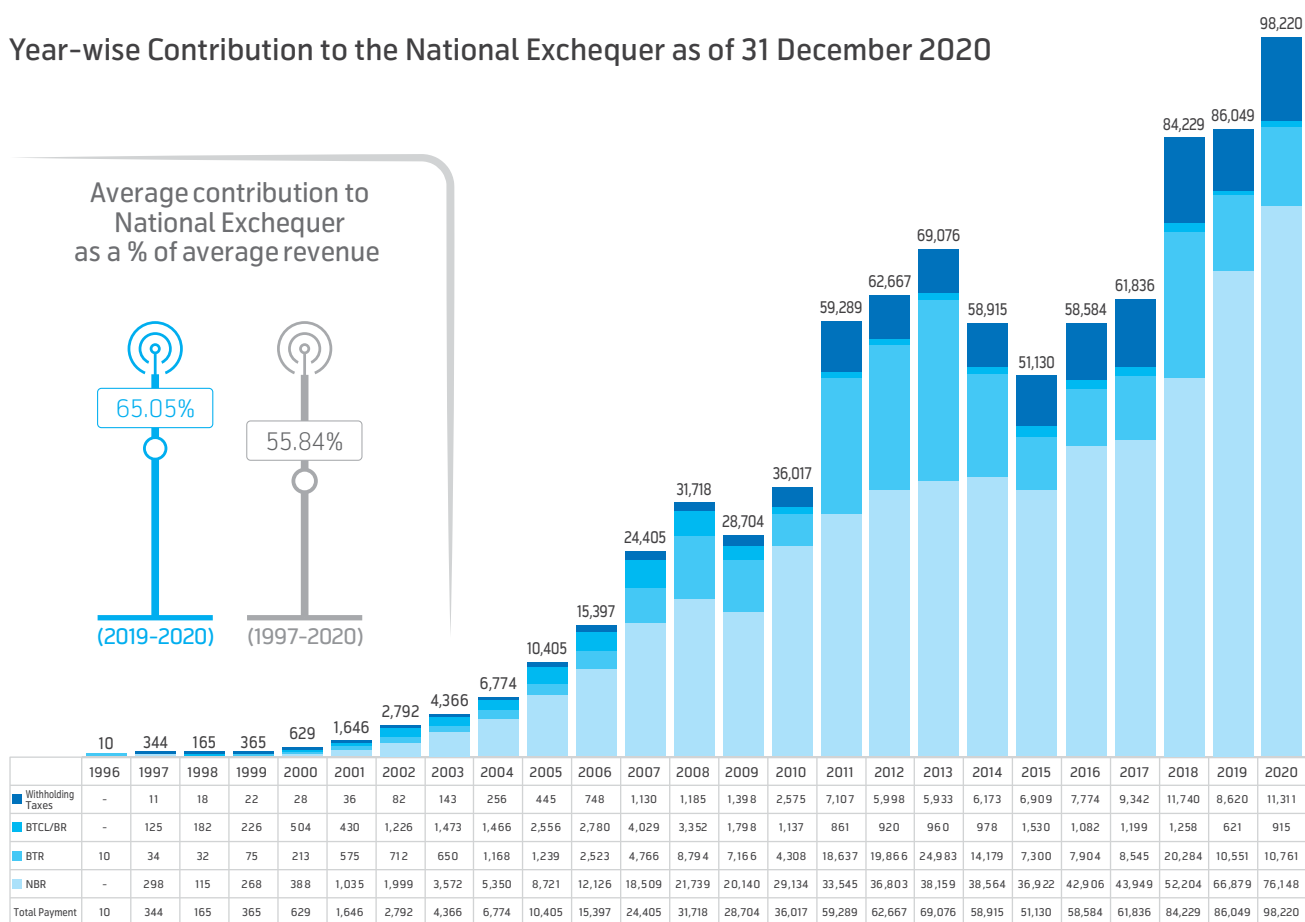
Contribution to the National Exchequer

The collective contribution to the National Exchequer since inception until December 2020 was BDT 853.7 billion, of which BDT 98.2 billion was made in 2020. Average contribution to the National Exchequer as a percentage of average revenue was 65.05% over 2019 - 2020 period and 55.84% since 1997 to 2020. Out of total BDT 853.7 billion, BDT 764.7 billion was made on account of direct tax, VAT and duties through National Board of Revenue (NBR) and Bangladesh Telecommunication Regulatory Commission (BTRC) including BDT 33.9 billion on account of renewal of 2G license and spectrum in 2011-13, purchase of additional spectrum in 2008; BDT 17.2 billion on account of 3G license and spectrum fee for 10MHz over 2013-14; BDT 13.8 billion on account of 4G license acquisition, spectrum fee for 5MHz and 2G technology neutrality over 2018-2020; and BDT 89.0 billion as indirect payments on account of local and foreign staff income taxes and withholding taxes on operating expenditure payments. Grameenphone was recognised by the National Board of Revenue as the largest corporate taxpayer in the Telecommunication sector from 2014 to 2018.

Grameenphone has also generated direct and indirect employment for a large number of people over the years. As at 31 December 2020, the Company had 2,086 permanent full time employees in addition to the many people who are directly and indirectly dependent on Grameenphone for their livelihood, working for the distributors, retailers, suppliers, vendors, contractors and other business partners.

With the payment of taxes and the investment in the network, Grameenphone is making a significant contribution to the country's growth and development.

Year-wise Contribution to the National Exchequer as of 31 December 2020



Notes:

1. As disclosed in Note 9.1 of the Financial Statements for the year 2020, a deposit of BDT 20 billion was made to BTRC pursuant to the order of Hon'ble Appellate Division of the Supreme Court of Bangladesh which is not considered for the purpose of determining the total amount of contribution to the Exchequer.

2. The contribution amount as stated for the year 2019 is updated by BDT 1 billion on account of payment to the Large Taxpayers Unit (LTU) - VAT.

Sustainability and Partnership to Reduce Inequalities

Grameenphone is committed to reducing inequalities and empowering societies through ensuring access to connectivity, digital & technological inclusion, as well as timely social responses and environmental challenges over time. The ambition is to contribute to UN SDG #10 – Reduced Inequalities, 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.

Combating Covid-19

The Covid-19 situation has presented both the world and Bangladesh with critical new challenges. It became more important now than ever that government, businesses and development agencies work together. Grameenphone collaborated with authorities, NGOs and other partners supporting the nation and citizens during these trying times through the co-creation of some key initiatives. This aspect is discussed more elaborately in the “Our Response to Covid-19” section of the Annual Report 2020 on page 9.

Standing by the Community

Grameenphone contributed to reduce the hardships faced by many communities that had to deal with pandemic as well as flood impact. 100,000 families were provided emergency relief support across 16 districts in partnership with Bangladesh Red Crescent Society.

Continue Journey Towards Creating a Safer Digital Experience for Children

Amidst the Covid-19 pandemic, internet connectivity has proven to be an important reliable solution to connect children to the education system. As digital participation of children significantly increased the need to equip them to safely use the internet also increased. Grameenphone continued to work with Telenor and UNICEF on the Child Online Safety Programme – “Be Smart, Use Heart” to create a meaningful and safer digital participation especially in the context of Covid-19. The programme aims to create a safer learning space for everyone, regardless of gender, location and socio-economic background. 2020 saw a pivot to the Child Online Safety programme to make it more relevant and meaningful during Covid-19, as all initiatives and contents were made digitally accessible. The programme realised the following milestones in 2020:

- Educated over 650,000 children through online education, educational broadcast and training.
- Engaged policy makers through dialogues
- Launched Bangla version of global child online safety resource Digiworld (<https://gpsocial.co/digiworld>)
- Continued the social Advocacy campaign with Sabina continued. Also added a new dimension by including the popular UNICEF mascot Meena to promote a safer online space. The campaign generated awareness of more than 10 million people in 2020.

Drive for Creating Enlightened Minds

Grameenphone continued its support to Bishwo Shahitto Kendro to continue the drive of creating enlightened minds. In 2020, we supported the prize giving ceremonies of the Book Reading Programme in Khulna and Chattogram where a total of 8,266 young avid readers were awarded for their healthy reading habits. Unfortunately, the prize giving ceremonies in Barishal, Rajshahi and Dhaka was suspended due to Covid-19 pandemic where another 11,208 students were supposed to receive awards for their reading habits.



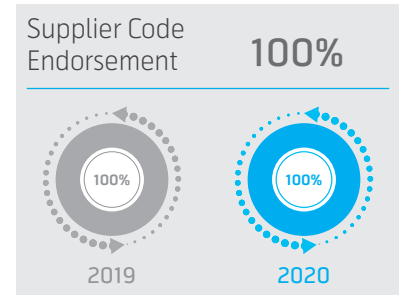
Supply Chain Sustainability

Commitment and Policy

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, labour rights, working conditions, conflict and other unsustainably mined minerals, environment, privacy and freedom of expression and prohibited business practices.

Supplier Code Endorsement

Grameenphone's approach to supply chain sustainability starts with a contractual obligation for the supplier to uphold responsible business practices, monitor compliance with Grameenphone's requirements, and build capacity on these topics within the supply chain. All suppliers are obliged to extend the supplier requirements to their own supplier base to ensure that the conditions are implemented throughout the supply chain. Grameenphone believes that partnership and cooperation with suppliers and industry peers are vital to achieving a responsible supply chain.

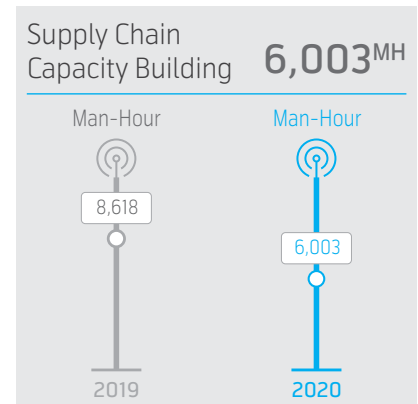


Key Supply Chain Risks

Grameenphone's key risks in the supply chain continue to be health and safety issues such as road accidents, safety at work, risks related to working at heights; other working condition deficits associated with working hours and payment of wages; risks related to labour standards such as the existence of underage labour, different forms of forced or bonded labour and risks to business ethics.

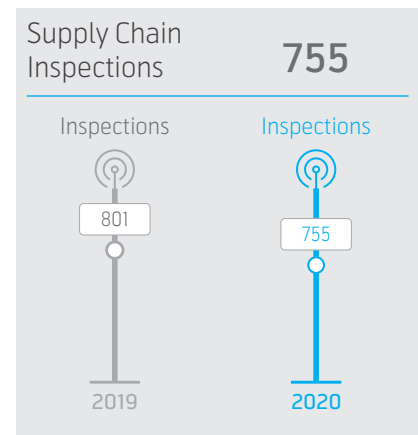
Supply Chain Capacity Building

Grameenphone conducted 6,003 man-hours of supply chain capacity building in 2020. The capacity building involved various efforts to build the suppliers and sub-suppliers' competence and know-how to drive continuous improvement in the supply chain. The activities vary from supplier to supplier depending on the overall risk picture of the operation. In this Covid-19 context, the typical activities include on-site briefings, electronic awareness sessions, virtual workshops, video learning sessions, process supports, online portals and resource guides, etc. The capacity building was adapted to the practical situation and in accordance with the real need of the supplier, focusing on the awareness of Supplier Conduct Principles (SCP) issues and specific activities related to skill development (e.g., working at height, road safety). In general, the usual topics are health and safety (especially on the preventive awareness on Covid-19), labour standards & human rights, anti-corruption, sustainability requirements as well as green telecom, women empowerment, diversity and road safety.



Supply Chain Monitoring

Grameenphone carries out inspections in order to monitor compliance with the requirements of responsible business conduct. In 2020, Grameenphone carried out 755 inspections (ranging from simple site visits to more comprehensive assessments or audits) across the supply chain. Due to the impact of Covid-19, most of the supply chain audit and inspections were held electronically in 2020. More than 90 percent of the audit findings are resolved within the year.



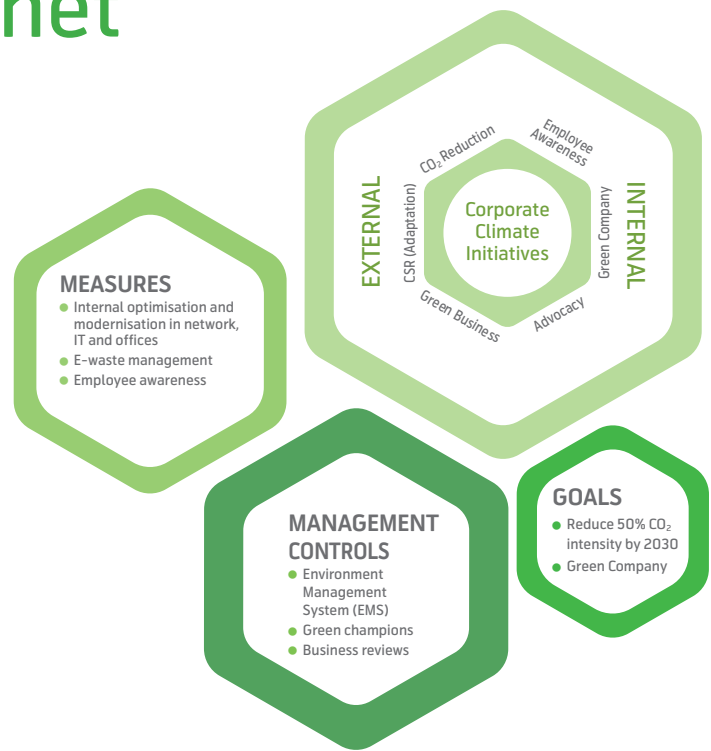
Looking Ahead

Effective risk management in Grameenphone's supply chain will remain a priority in 2021. 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.

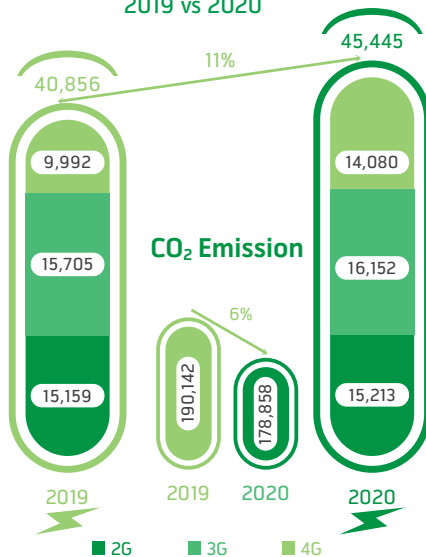
For a Green Business and a Green Planet

Grameenphone aims to make the planet greener and more liveable for the generations to come by optimising energy consumption and increasing the use of renewable energy. Grameenphone's priority is to take responsibility for the excess CO₂ emissions generated by its own operations. Grameenphone has set a target to reduce 50% carbon emissions (CO₂) by 2030, taking 2019 as the baseline. As a continuous effort towards a greener future, the Company adopted an Environment Management System (EMS) in 2010 in accordance with ISO 14001.

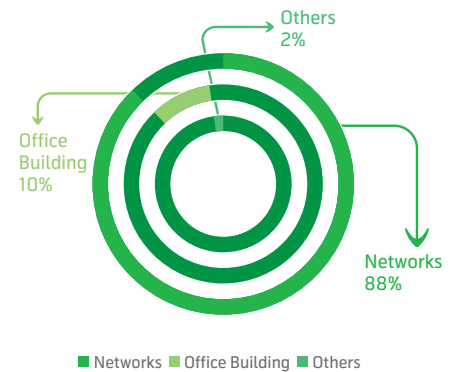
The Company is committed to the continuous deployment of enhanced sustainable solutions for an energy-efficient and environment-friendly network. In the year 2020, Grameenphone took the below major climate change initiatives:



Network Growth Vs CO₂ Emission
2019 vs 2020



Area-wise energy consumption in 2020

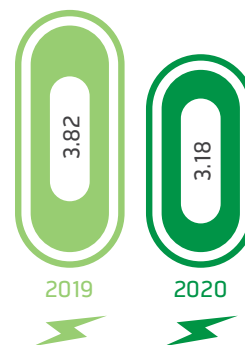


Green Initiatives

Hybrid BTS

In 2020, Grameenphone has converted 63 Generator+Solar sites to Commercial Power+Solar Hybrid sites. These Hybrid sites will provide additional savings of 200,000 litres of fuel which is around 96 tons of CO₂ reduction per year.

Consumption of Fossil Fuel 2019 Vs 2020 (Million Liters)



Deployment of Li-ion Battery

Grameenphone has modernised 2,700 more sites with Li-ion batteries in 2020. Now, these sites are running on battery back-up instead of under generator power during grid unavailability.

E-waste Recycling

As of 31st December, 2020, more than 85 tons of e-waste (GSM, microwave antennas, and other electronic accessories) has been recycled through our recycling partner. Recycling is completed in Bangladesh and abroad in accordance with ISO 14000, OSHAS 18000, and R2 standards.

Battery Reuse & Recycling

Recycling and reuse of 100% used lead acid batteries has been set as our internal KPI. In 2020, Grameenphone has recycled more than 34,160 old batteries.



In Grameenphone, we are continuously committed to minimising the environmental impact of our operations. It is an ongoing programme that focuses on five areas – reduction of carbon emissions, creation of employee awareness, adoption of green practices, creation of a green momentum in society, and provision of green services to our customers. Our Environmental Management System (EMS) policy provides the framework for setting and reviewing our environmental objectives and targets.

Human Resources Management

Rising to Challenges and Uplifting Customer-centricity Through Modernisation, Agility and an Inclusive Culture

Grameenphone continues its journey of becoming a dynamic technology company through sustainable innovation by focusing on its agility and capability. The Company is continuously up-skilling its resources with relevant skill sets to stay ahead of the curve in the market. Aiming to become our customers' preferred lifestyle partner, our focus remains on the digital space and ICT. An Agile Way of Work has already been applied in many customer-centric projects. Driving the digital employee experience through enhanced HR self-services continues to encourage and drive agility within Grameenphone. As part of its cultural initiatives Grameenphone's guiding principles remain a cornerstone through 'Grameenphone Behaviours'.

In order to deliver further on the promise of empowering societies, the organisation uplifted tools, systems and processes during Covid-19 to bring up to speed what is required to serve its customers while protecting employees' well-being. A collaborative approach towards supporting each other amidst the pandemic has resulted in renewed passion and energy to contribute towards our purpose of connecting our customers to what matters most, and the importance of coming together as a strong team. This has only been possible due to a capable and engaged workforce driving towards targets closely aligned with Company's vision of Empowering Societies while ensuring a Responsible Business.

Boosting the Potential of Employees

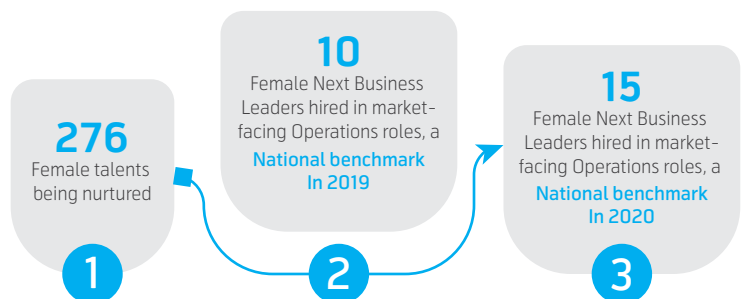
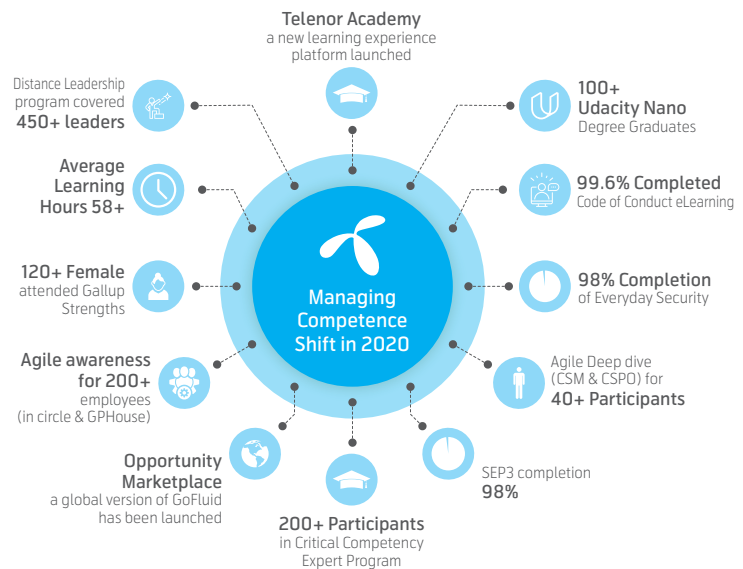
While focus has been sharpened to "Boosting our potential" in 2021, a good number of milestones were achieved in 2020 in the areas of learning and development through "Managing competence shift". For the 3rd year in a row, the 40 hr challenge was achieved, moreover, in 2020, more than 58 hours have been spent on average – which is one of the highest among the Business Units. Employees spent more time this year learning different critical competencies covering both the Technology and Market arena. The Company also launched Go Fluid – an opportunity marketplace where employees are now able to show their interest in projects beyond their own functional area of work.

Emphasis has been given on building capability around 5G through different trainings on latest tech trends and systems around 5G, IOT & AI. To prepare Grameenphone leaders in managing flexible way of work, Distance Leadership has been strengthened. To make learning more interactive and to bring personalised offerings, new Learning Experience Platform (LXP) – Telenor Academy by HowNow – has been introduced.

Extending the Baton Towards Female Leadership

The Company has championed gender diversity as a top priority in 2020 as well. This year, 84% of all external hires were females, including an exclusively female team of Territory Managers in the sales force as a continuation of embracing the continued national benchmark in 2020. Female representation across all Divisional Management teams and the involvement of promising females in critical projects are some of the key steps the Company has undertaken.

Change is the End Result of All True Learnings



Attracting the best to be an Employer of Choice

Focused Development & Empowerment

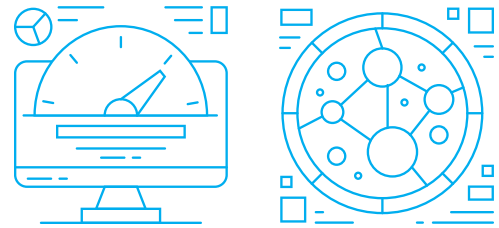
Embracing a Culture of Winning Together

Female Friendly Organisation Policies & Infrastructure

Leadership Commitment in championing strength from our differences

Enhancing Decision-Making Through Data Driven Culture in HR

As a part of the ambition to build a data driven culture in HR, Microsoft Power BI dashboards were customised to manage information by tracking HR data points that are important to the business. This platform provided a consolidated view of all data across the organisation to deliver valuable insights. HR data can be derived and analysed, key performance indicators (KPIs) displayed to assess performance measures and generate actionable insights. There were dashboards with employee information at the fingertips, usage of transport, utility & facility services, employee benefits utilisation, and personnel cost management, etc.



Reinforcing HR-Tech Adoption

A significant challenge lies in the adoption of technology by employees and its integration into business processes and the corporate culture. High focus was placed on HR-Tech adoption through 2020 and several methods were facilitated to increase employee engagement with technology.



Standardised physical training



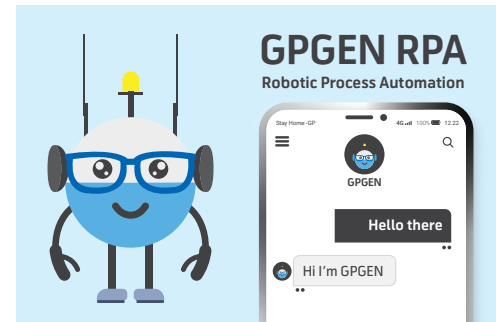
Customised eLearning



Delivering bite-sized tech

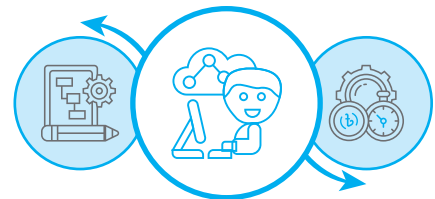
Evolving Processes through Robotics Process Automation

Robotic Process Automation (RPA) is a key element of the foundation Grameenphone is laying for the future with the objective to bring efficiency in business processes, increase employee productivity, ensure faster execution & provide overall superior experiences to our customers. A greater objective of this initiative was to develop internal resources through up-skilling programmes and equip them with a competency very relevant for the future. Forty-one processes have been automated through RPA. Previously, it took around 130 hours daily for employees to complete the tasks associated with these processes along with some inadvertent errors but after applying RPA, daily 60% of the man-hour was saved with zero errors.



Other noteworthy impacts of this initiative:

- Increased Employee Productivity thereby enabling them to become more creative & Innovative.
- 99 RPA experts developed in-house (RoboGen).
- Ensured access to accurate and error free data that has improved the quality of data analytics leading to better decision making and increased Customer Satisfaction.
- Ensured faster execution of tasks and business processes leading to overall Organisational Agility.



Grameenphone has also been awarded "Excellence in Automation-Bangladesh" at the UiPath Automation Excellence Awards 2020 for Robotic Process Automation (RPA) integration in its internal operations. Last year, 37 winners across the 14 award categories were declared at the UiPath Automation Excellence Awards 2020, in association with The Economic Times.

Digital Acceleration During Covid



'No touch' health insurance reimbursement

8500+ OPD
1300+ IPD



Digital lifestyle fair

145 orders worth BDT
720K from 39 organisations



Digital investment fair

281 employees purchased financial instruments



Virtual market for new Joiners

5 new joiners had virtual market tour over Microsoft Teams

Empowering the Youth Through Creative Initiatives

Digital Ninja Codemasters: As a connectivity partner to Digital Bangladesh, Grameenphone has been evolving its platform “Digital Ninja” to collaborate with coders and developers in Bangladesh to co-create innovative solutions. Since its inception, the primary vision of Digital Ninja was to build a freelancer community that connects local developers and IT professionals; empowering them to apply digital skills to develop solutions that will create convenience in our customers’ lives. In December 2020, the organisation arranged a series of Hackathons “Codemasters” as a flagship event under this platform, with an overwhelming response of 1300+ registrations. The platform has helped Grameenphone identify competent coders and IT professionals to achieve its modernisation and digitisation ambitions.



Platform SHE: Grameenphone leverages successful female leaders to mentor and develop future female talents in the tech industry. The ambition of this programme is not only to contribute to female talent development but also provide insight to them regarding tech industry careers. The spirit of the programme was to make a positive impact on Grameenphone brand presence amongst universities, inspire gender diversity and attract potential fresh talents, thereby enabling women empowerment.



Employee Well-being at the Heart of the Business

Taking into consideration “People First”, Grameenphone puts utmost priority in promoting the Health, Safety & Security (HS&S) culture. The organisation focuses on continuous improvement of HS&S to establish a safe and healthy work environment. Routine risk assessments are conducted to identify workplace hazards and enforce control mechanisms as per local legislation, international guidelines and best practices.

Focus area of 2020: Heightened precautionary measures have been taken to prevent the Covid-19 spread by reducing exposure and transmission of illness. In order to control the spread of the pandemic, Grameenphone introduced work from home from mid-March 2020, which followed implementation of digital ways to collaborate and work from anywhere. Business operations were resumed by adopting to the strictest hygiene and health precautions. Rigorous awareness across the value chain to serve customers in the best possible ways have been ensured. Proactive initiatives like HS&S advisory, 24/7 doctor consultation, Covid control guidelines, including use of PPEs, has also been enforced. To ensure business continuity during any unforeseen situation, extensive alignment was carried out with the authorities as an emergency telecommunication service. Emergency medical support has been ensured for employees including the distribution of face mask packs.

Health, Safety & Security awareness have played a big part in this journey where 7,976 hours of training was carried out for the employees and supporting workforce in the ecosystem. Covid-19 prevention and Mental Health were also the prime focus in 2020 to ensure a right balance of physical and mental well-being. Grameenphone’s Safety Committee was also revamped in alignment with local legal compliance requirements.

Covid-19 Protect yourself and others



Cough and sneeze into a tissue or elbow



Wash your hands thoroughly and regularly



Keep your distance
Stand 1 meter or 3 feet apart



Avoid shaking hands



Stay at home if you feel ill



Be kind, avoid stigma

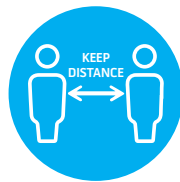
Covid-19 Pandemic Guideline - Outdoor Workshop & Meeting



Avoid Crowd



Wear Mask



Maintain Distance



Carry Water Bottle

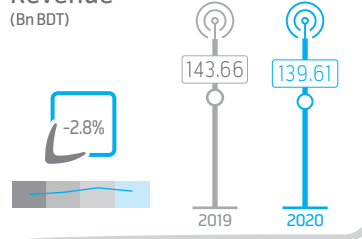


Avoid Travel if Sick

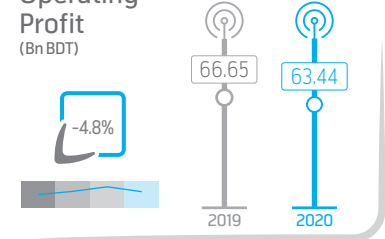
Our Performance 2020

Solid operational **PERFORMANCE** amidst economic **UNCERTAINTY**

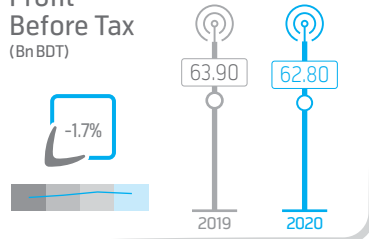
Revenue
(Bn BDT)



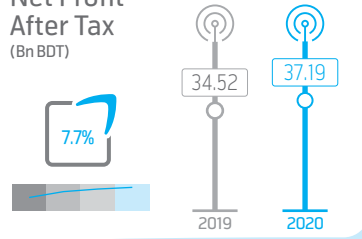
Operating Profit
(Bn BDT)



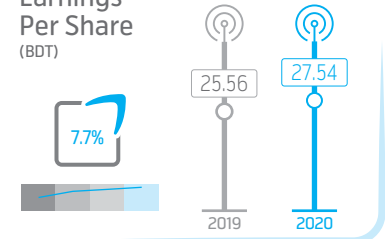
Profit Before Tax
(Bn BDT)



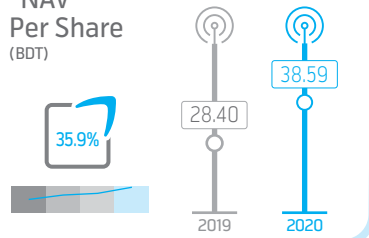
Net Profit After Tax
(Bn BDT)



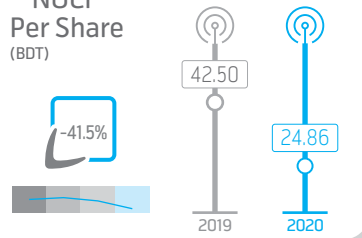
Earnings Per Share
(BDT)



*NAV Per Share
(BDT)



**NOCF Per Share
(BDT)

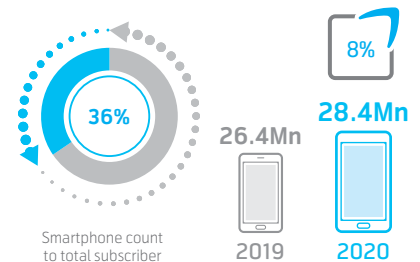


*NAV- Net Asset Value;
**NOCF- Net Operating Cash Flow

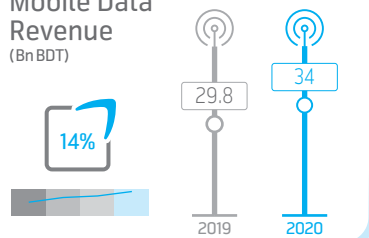
Number of Subscribers 79 (million)



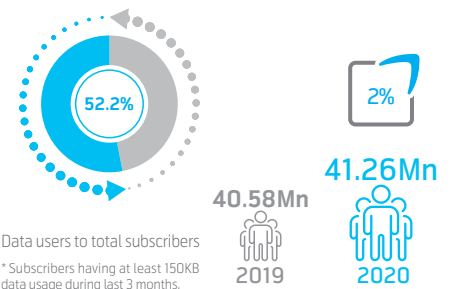
Smartphone Device No. 28.4 (million)



Mobile Data Revenue
(Bn BDT)



Mobile Data Users* 41.26 (million)



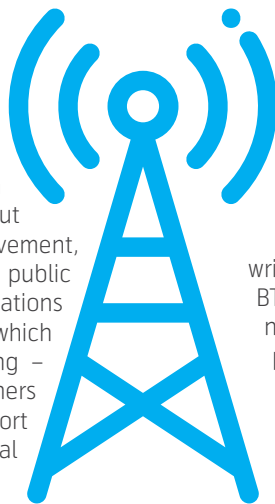
Quarterly Business Highlights 2020

Q1 Grameenphone reported a reduced growth momentum in the first quarter mainly due to an increasingly challenging regulatory environment. The number series scarcity and the lengthy process of recycling numbers led to lower gross adds, resulting in an overall negative net add in the subscriber base.

- Our network rollout continued to be hampered due to restrictions imposed by the regulator, nonetheless, we reached over 10,200 4G sites. We also successfully drove 4G conversion, reaching 14.2 Mn 4G customers at the end of the quarter, contributing to more than 50% of total data volume. At the direction of the Hon'ble Appellate Division, Grameenphone made an adjustable deposit of BDT 10 Bn, after which the injunction was passed, and the regulator was directed not to hinder Grameenphone's operations.
- We focused on a revenue drive by launching ambitious packs which reached the promised uptake. We revised the validity of our existing rate cutters and popular minute packs which resulted in incremental revenue increases. A recharge-based handset campaign was also launched which received a positive response from both retailers and customers, increasing our daily hits on rate cutters. Large internet packs were launched on Flexiplan while our trigger portfolio was launched through MFS channels, further, combo packs were launched through self-service channels.
- As a means to delight customers and enrich their digital life and internet experience, the ATL data packs were revamped, including new data pack offers with increased volumes and new combo packs. We engaged successfully in converting customers to adapt to self-service channels through various BTL campaigns. We witnessed growth of usage and revenue from self-service channels by providing bonus on monthly packs, churn back and follow up offers.
- In Bangladesh the first few cases of Covid-19 were detected in March, with a rapid increase in the number of cases and deaths in the following weeks. Educational institutes were declared closed on 16th March, while the government announced general holidays from 26th March. The general holidays brought about many challenges such as restrictions on movement, lockdowns, closure of commercial areas, and public places, among others. However, telecommunications services were declared an essential service, which prompted us to keep our operations running – providing connectivity to our valued customers during a national crisis, with immense support from law enforcement, stakeholders, and local communities.

Q2 The severe impact from Covid-19 during the second quarter resulted in Grameenphone reporting a year-over-year revenue degrowth for the first time in at least 6 years. The general holidays caused an overall slowdown of the economy with the most negative impact witnessed in April. We started to see gradual recovery as the holidays were lifted at the end of May.

- There were strict measures taken by the authorities to prevent the spread of Covid-19, including restrictions on movement through geographical lockdowns, as well as the continued closure of educational institutes, businesses, and other commercial sectors. We continued our operations in the face of these restrictions with the help of a very strong business contingency plan. Under the guidance of management and functional leaders, we successfully identified, quantified, and mitigated possible risks related to Covid which extensively covered the health and safety of our employees, customers, partners and the value chain, as well as counter measures to the impact on our business.
- From the end of the previous quarter, the regulator started approving our NOCs which enabled us to resume our network rollout and expansion. Over the past few years, we have invested in building a sustainable network, which helped us recover from the extensive destruction caused by Cyclone Amphan, the largest recorded storm over the Bay of Bengal. The destruction left by Amphan was massive, resulting in prolonged floods, power and network outage and extensive damage to infrastructure.
- After experiencing low GA due to the number series scarcity from the previous quarter, we regained our subscriber acquisition position in the second quarter. We launched our very first service bundling offer of Grameenphone prepaid with Bioscope. Driven by the pandemic and lockdown, we witnessed a significant growth in adaptation to digital reload options by our customers. Grameenphone launched VoLTE (Voice over LTE) in June, which provided customers with High Definition quality over voice calls and faster call setup time over the 4G network.
- The supplementary duty on telecom services was increased from 10% to 15% in the finance budget announcement for the year, effective from June. In June the regulator issued SMP directives on Grameenphone, imposing asymmetric MNP lock-in periods, asymmetric approval processes for products, and asymmetric interconnection charges, which were made effective from July. Grameenphone wrote to BTRC requesting to review these directives to which the regulator did not respond; subsequently Grameenphone filed a writ petition. In July Grameenphone sent a letter to BTRC questioning the rationale of the directives, but nonetheless complying under protest and without prejudice to its rights under law. Grameenphone also deposited the second adjustable deposit of BDT 10 Bn relating to the injunction. No further hearing took place on either of the cases due to the limited operations of the Courts due to Covid-19.



Q3 As the economic activities gradually resumed, Grameenphone witnessed a recovering topline following the initial months of the Covid-19 pandemic. In addition to the adverse impact from Covid-19, there were additional challenges in the third quarter from adverse weather conditions due to rainfall and floods.

- During this quarter businesses and the overall economic activities began to resume towards normal operations, which also led to increased movement of people beyond their homes. The number of Covid-19 cases started to gradually decline with no new restrictions since May. Protective measures were placed in most public areas, and from September many businesses resumed normal operations while government offices also started operations.
- Our network rollout continued into the third quarter as we added 1,070 sites to our 4G/LTE network. Through market execution, revamp of our data portfolio and an emphasis on 4G conversion we gained 2.6 Mn new 4G users, reaching 17.8 Mn active 4G data users at the end of the quarter. After obtaining approval for recycled numbers, we focused on GA, providing channel-specific offers and real-time activation commissions. We extended the recharge validity for subscribers and introduced pre- to post-migration from the MyGP app. We launched new voice triggers which contributed heavily towards our revenue and offered additional value with ATL packs to ensure retention of infrequent subscribers. We drove rental revenue from alternative channels which in turn led to increased daily revenues.
- Due to Covid-19, heavy emphasis was put on the self-service segment, with BTL campaign making a positive impact in converting customer purchases. We revamped the ATL portfolio in phases and made them more competitive by offering better value for money. We added new data packs over the ATL channel, launching exclusive packs for MyGP users to create value for customers.
- We engaged in meaningful consultations and dialogue with our regulators and authorities on all matters, leading to significant development such as the approval of the proposed agreement between Grameenphone and Towerco. This enabled Grameenphone to roll out new sites under the Towerco framework, significantly enhancing our network and enabling us to provide an even better experience to our customers throughout the country.



Q4 We wrapped 2020, which proved to be an exceptional year, with a slower than expected economic recovery from the pandemic. Despite unconventional challenges, a solid operational performance by our teams led us to a stronger foundation as we enter 2021. Utilising our strength in market execution, we drove acquisition, resulting in a higher net add of subscribers in the quarter.

- By the end of the year, the number of Covid-19 related cases and deaths had declined significantly, with no further foreseeable lockdowns. The educational sector, which remained closed since March, is slowly gearing up to reopen while vaccination arrangements have started. Faced by this pandemic, Grameenphone has adapted several contingency and new ways of work, prioritising health and safety of employees, partners, and customers. The sales and distribution value chain remained unaffected as an outcome of our combined efforts.
- We drove our data business by launching various campaigns and revamping our product portfolio, focusing on monthly and weekly packages with attractive contextual offers to customers, with a view to increase monthly subscribers. We also focused on churn management and new data subscribers to ensure quality subscribers through various campaigns on attractive products. Our drive on 4G conversion led us to 19.8 Mn 4G users at the end of the year.
- We teamed up with MFS partners, launching 100% cash campaign on trigger offers, which increased customer engagement. We also launched exclusive voice packs for MFS and MyGP, while revamping overall portfolios on Flexiplan. We are continuously working on simplifying the customer journey, providing real-time notifications for customers' convenience as well as service bundling with popular apps with free and discounted packs.
- A service level agreement was signed with Edotco following regulatory approval, which will fast track the acquisition of new towers. This partnership extends our commitment to ensure access to data and voice across the country with an increased number of towers. BTRC and PTD proposed to form a 7-member committee to deal with the recovery of the BTRC's audit claim, requesting Grameenphone to nominate two persons. Grameenphone responded asking for clarifications with regards to the terms of reference and decision process of this committee. Grameenphone and BTRC are in continuing dialogue on this matter over multiple engagements.

Message from the Chair and the CEO

As a connectivity partner to this journey, we look forward to contributing more to unlock future Bangladesh by delivering on new-normal customer's needs.



Chair

Mr. Jørgen C. Arentz Rostrup



Dear Shareholders,

We have all been experiencing an unprecedented and challenging year due to the outbreak of Covid-19. Whilst the pandemic has had a tremendous impact on our socio-economic lives, it also brought our role as a connectivity partner to the fore when Bangladesh needed us the most. Our essential services were imperative for people to stay in touch, for businesses to continue their operations and for the society at large to continue to function.

In 2020, we have been agile in running our operations in the face of Covid-19 and resilient in tackling natural calamities ensuring our employee's safety. We are grateful to Government, regulators, authorities and development partners for their guidance and collaboration in devising a series of responses in aiding frontline health professionals, the most vulnerable members of our community, driving mass awareness and keeping our network up and running during the lockdown.

The Company reported a total revenue of BDT 139.6 billion, down 2.8% year on year from 2019. The de-growth in revenue can be attributed mainly to lower voice and interconnectivity revenues that were only partly offset by growth in data revenue. The decline of voice revenues by 7.2% was due to not only lower usage during the pandemic but also in part to the introduction of an additional 5% Supplementary Duty in the June 2020 National Budget. Data revenues, however, increased by 14.0% from 2019, on the back of a 1.7% increase in the number of data users and a data volume growth of 60.6% from 2019 volumes. The growth in data volumes has been attributed to the higher dependency on data connectivity due to the pandemic forcing millions of people having to work remotely throughout most of the year.

Net profit after tax (NPAT) for the year stood at BDT 37.2 billion with a margin of 26.6%. Earnings per Share (EPS) for 2020 was declared at BDT 27.54 against BDT 25.56 last year 2019, registering a 7.7% year-on-year increase. Despite a revenue de-growth of 2.8% from the 2019, Grameenphone has successfully added 3.4% to its customer base, closing the year with 79.0 million active subscribers, of which 41.3 million (or 52.2% of the base) are internet users.

Throughout 2020, we demonstrated operational resilience based on our solid financial foundation, customer centric approach and innovation in product and services. It is our pleasure to announce that the Board of Directors of Grameenphone Ltd. has recommended a final dividend for the year 2020 in cash at the rate of 145% of the paid-up capital (i.e. BDT 14.5 per share of BDT 10 each). With this, the total cash dividend stands at 275% of paid-up capital, amounting to 99.86% of Profit After Tax for the year 2020 (including 130% interim cash dividend).

In total the Company has contributed BDT 98.2 billion equalling 70.4% of total revenues, to the National Exchequer in the form of taxes, VAT, duties, fees, 4G license and spectrum assignment in the year of 2020. Total contribution to the Exchequer since inception until 2020 amounts to BDT 853.7 billion.

Committed to its role as a connectivity partner in the nation's digitalisation journey, Grameenphone has pressed on with its mobile broadband deployment with the rolling out of 14,000 4G LTE sites. In Q4'20 alone Grameenphone invested BDT 4.0 billion (excluding license & lease) for network coverage, to enhance its network with the total number of sites at the end of 2020 standing at 16,547.

Despite the challenges due to the global pandemic, Grameenphone has been able to pivot and extend its services to customers and, at the same time, expand on network capability thanks to the agility and innovation of the Grameenphone team. The Company had focused on developing organisational capability that has ensured that the successful operations with most of the employees working from home. Grameenphone also served a significant number of customers through digital platforms like MyGP during the lockdown.

As the Company grows it becomes more and more aware of the impact of its operations on the environment it operates in and continues to take steps to offset the impact of business operations on the eco-system. Grameenphone has taken responsibility of its operations by opting for optimisation of energy consumption and increasing use of renewable energy in its operations.

Through collaboration and dialogue, we have resolved several regulatory issues during the year. However, some of the regulatory challenges still remain. The government also, imposed new duties on the sector in June 2020, as a result of which customers now pay 33.25% as tax to the government for mobile phone usage.

Our focus in the year ahead will be to ensure Grameenphone's long-term sustainability as we continue to adapt to the challenges and opportunities of the Covid-19 environment. We believe that the Company is focused on the elements that will help it continue to offer better network experience, ensure growth, innovation, modernisation, and stand by the society through responsible business conducts. Bangladesh is celebrating 50 years of nationhood and aims to become a high-income country. As a connectivity partner to this journey, we look forward to contributing more to unlock future Bangladesh by delivering on new-normal customer needs. That commitment remains as is the commitment to deliver value to our shareholders and our customers.

As always, we are grateful to the Board of Directors for their wisdom and steadfastness, especially during this extraordinary period. We thank our Shareholders for their co-operation and support and remain grateful to our valued customers for their trust in our services.

Finally, our sincere thanks to the entire Grameenphone Management Team and the employees for the strength of their commitment and their ability to effectively pivot and perform in what has been a trying year.

We sincerely look forward to welcoming you to our 24th Annual General Meeting (AGM).

27 January 2021

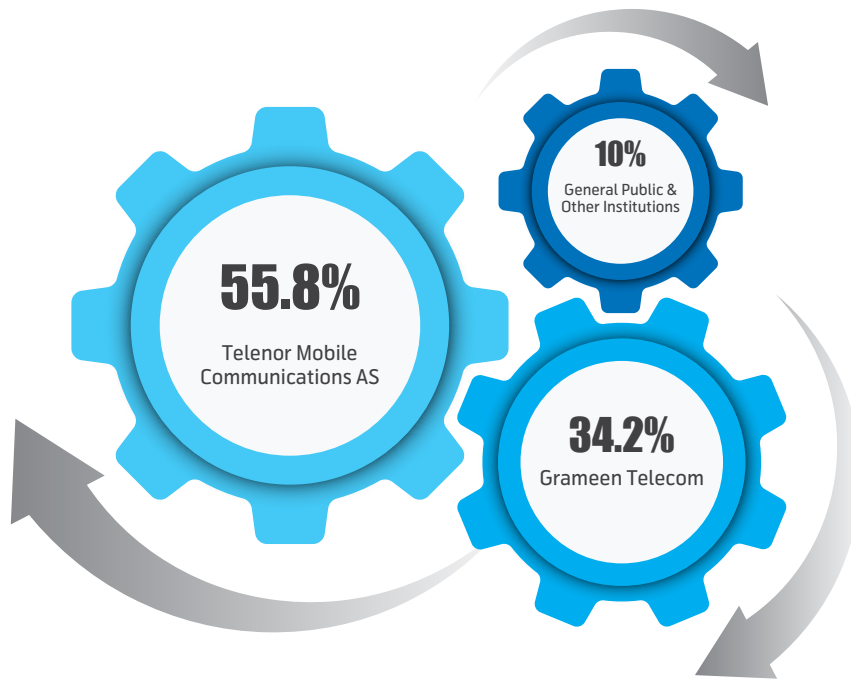


Throughout 2020, we demonstrated operational resilience based on our solid financial foundation, customer centric approach and innovation in product and services.

CEO
Yasir Azman

The Shareholders

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 (2.13%), Foreign (3.38%) and other institutions (4.49%), as of 31 December 2020.



Telenor Mobile Communications AS (TMC)

Telenor Mobile Communications AS (TMC) is an indirectly wholly-owned subsidiary of Telenor ASA. Telenor ASA is the leading Telecommunications Company of Norway listed on the Oslo Stock Exchange. TMC owns 55.80% shares of Grameenphone Ltd. Telenor was founded in 1855 and builds on over a 160 years of telecom experience from Norway. Through international expansion, today Telenor has mobile operations with solid market positions in the Nordics and Asia. Telenor has, as of 31 December 2020, 182 million mobile subscribers across its footprint, as well as 2 million fixed broadband and 1.5 million TV customers in the Nordics. In addition to Norway and Bangladesh, Telenor owns mobile telephony companies in Sweden, Denmark, Finland, Thailand, Malaysia, Pakistan and Myanmar. Telenor uses the expertise it has gained at its home and international markets for the development of emerging markets like Bangladesh.

Grameen Telecom (GTC)

Grameen Telecom (GTC), which owns 34.20% of the shares of Grameenphone Ltd., is a not-for-profit Company in Bangladesh established by Professor Muhammad Yunus, winner of the Nobel Peace Prize 2006.

GTC's mandate is to provide easy access to GSM cellular services in rural Bangladesh and create new opportunities for income generation through self-employment by providing villagers, mostly the poor rural women, with access to modern information and communication-based technologies.

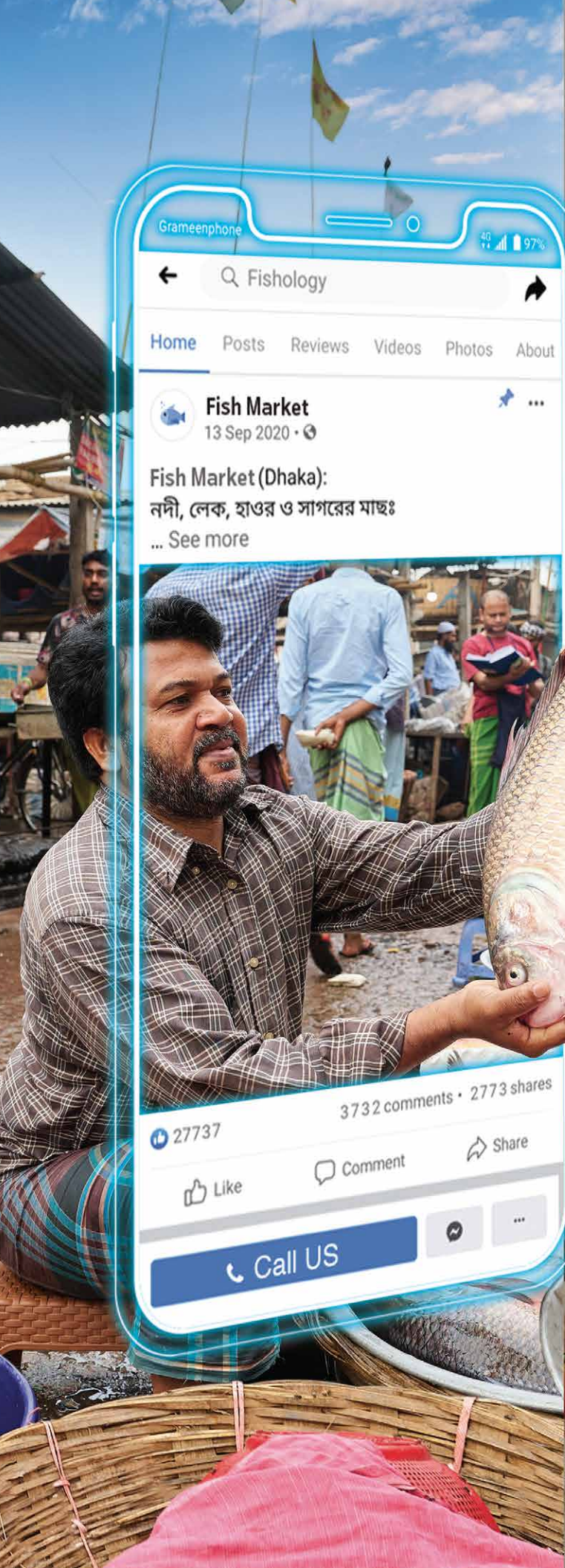
GTC has been acclaimed for its innovative Village Phone Program. GTC and its Chairman, Nobel laureate, Professor Muhammad Yunus, have received several awards which include; "First ITU World information Society Award in 2005"; "Petersburg Prize for Use of the IT to improve Poor People's Lives in 2004"; "GSM Association Award for "GSM in Community Service" in 1998"; "CAPM Bronze Award for service to the public 1998".

Top Twenty Shareholders as on 31 December 2020

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	BBH A/C Matthews Asia Dividend Fund	14,140,431	1.05%
4	Government of Norway	13,462,123	1.00%
5	Grameen Bank Borrower's Investment Trust	11,037,221	0.82%
6	A.K. Khan & Company Ltd.	8,564,553	0.63%
7	ICB Unit Fund	4,242,598	0.31%
8	The Bank of New York Mellon As Agent of Consilium Frontier Equity Fund LP	3,760,327	0.28%
9	SSBT A/c Wellington Management Funds (Ireland) Public Limited Company- Wellington Global Impact Fund	2,008,434	0.15%
10	Grameen One: Scheme Two	1,400,000	0.10%
11	Delta Life Insurance Co. Ltd.	1,378,100	0.10%
12	IDLC Finance Limited	1,300,797	0.10%
13	Bangladesh Fund	1,203,000	0.09%
14	Brac Bank Limited	1,104,556	0.08%
15	1st Bangladesh Fixed Income Fund	1,013,010	0.08%
16	LR Global A/C LR Global Bangladesh Mutual Fund One	971,023	0.07%
17	Pubali Bank Limited	940,000	0.07%
18	Modhumoti Bank Limited	921,189	0.07%
19	BBS-United Commercial Bank Limited- BB Scheme	904,033	0.07%
20	BBH A/C Japan Trustee Services Bank Ltd. As Trustee of SMTB Global Impact Mother Fund	838,939	0.06%
	Total	1,284,364,897	95.13%

**ACCESS TO MARKET
FROM ANYWHERE**

IS POSSIBLE



Grameenphone

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Fish Market

13 Sep 2020 • 🌐

Fish Market (Dhaka):

নদী, লেক, হাওর ও সাগরের মাছঃ

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3732 comments • 2773 shares

👍 27737



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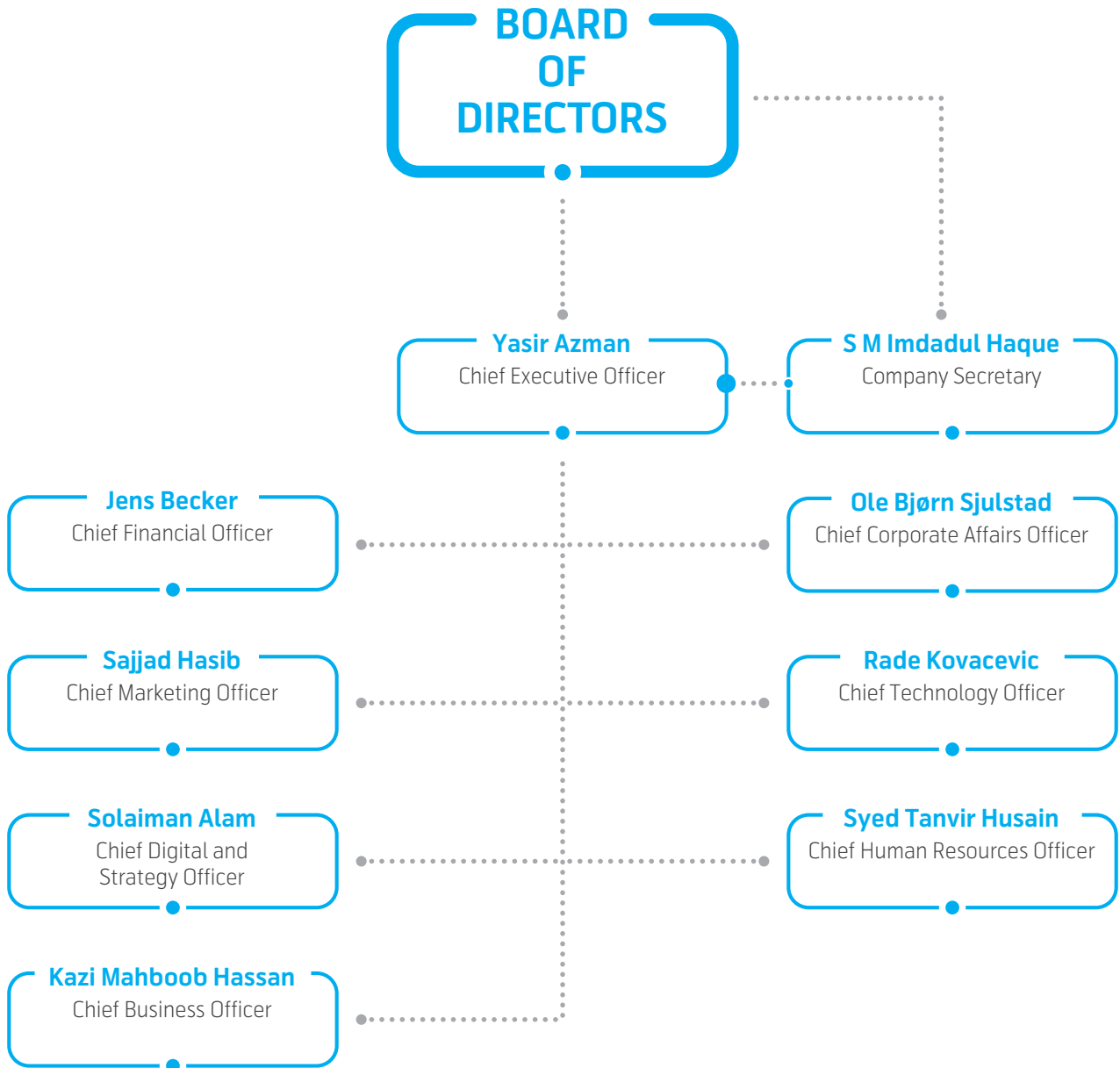
💬 Comment

🔗 Share

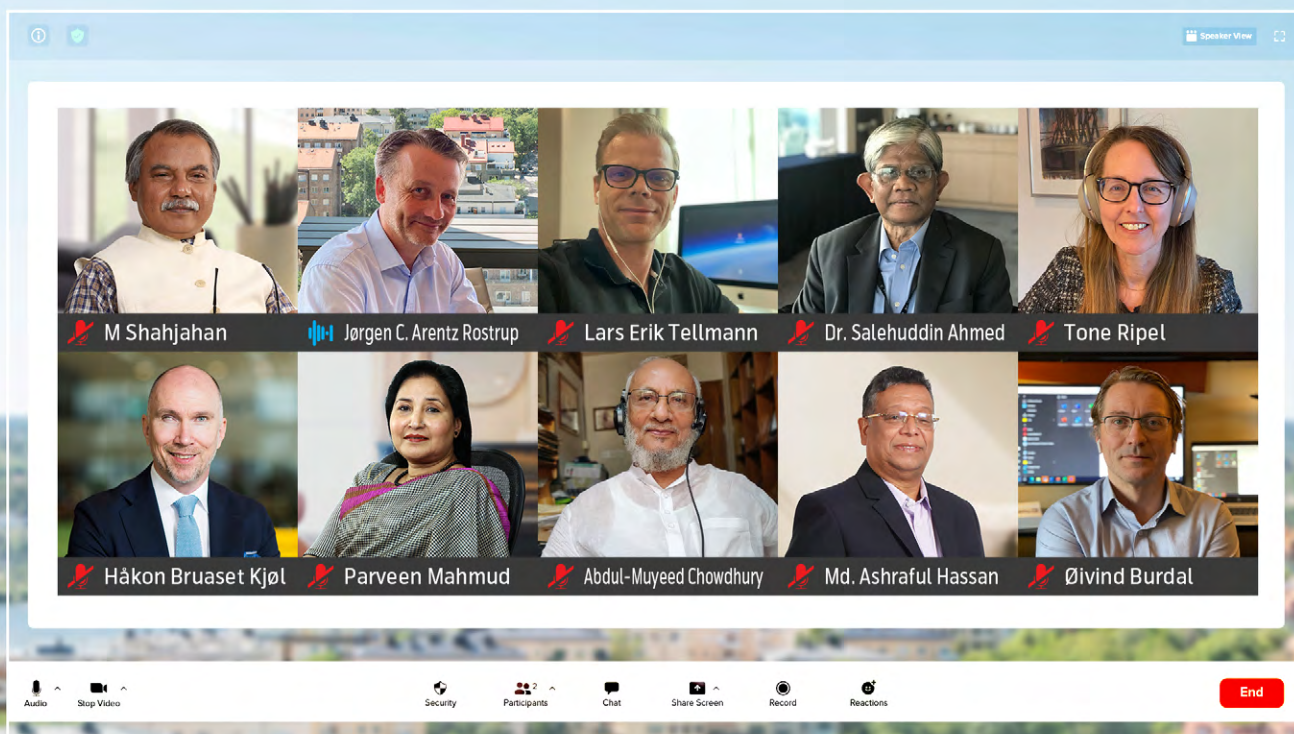
☎ Call US



Organisational Structure



* The information in this section is as on 01 February 2021



Board of Directors

Our business is led by our Board of Directors ('the Board'). They bring years of experience with them. Their breadth of knowledge guides our decisions and actions.



Directors' Profile



Jørgen C. Arentz Rostrup

Non-Executive Director and Chair

Nationality Norwegian | **Age** 55 | **Gender** Male

Date of Appointment 9 June 2020 | **Committee Membership** None

Mr. M Shahjahan was appointed to the Board on 26 June 2006 and is also Chair of the Company's Treasury Committee. He is the former Managing Director of Grameen Bank. He acted as the Managing Director of Grameen Bank from 14 August 2011 to 30 October 2014. Now, he is the Managing Director of Grameen Telecom Trust. Earlier, he served as the Deputy Managing Director, the General Manager and Head of the Accounts, Finance, Planning, Monitoring and Evaluation Division, the 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.

He obtained a Bachelor of Commerce (Honours) degree in Accounting from the University of Dhaka in 1976, as well as a Master's degree in Accounting in 1977 and a Master's degree in Finance in 1981. He was awarded ICAB Medal (Silver) for passing the 'C.A. Intermediate' examination at the earliest eligible chance in 1981.



Håkon Bruaset Kjøl

Non-Executive Director

Nationality Norwegian | **Age** 49 | **Gender** Male

Date of Appointment 14 September 2011 | **Last Re-elected** 19 April 2018
Committee Membership NRC Committee

Mr. Jørgen C. Arentz Rostrup was appointed to the Board on 09 June 2020 and is also the Chair of Grameenphone Board. Mr. Jørgen Rostrup is Executive Vice President and Member of Executive Board of Telenor Group and Head of Telenor Asia. He has more than 25 years' business experience in an international context and comes from the position as CFO in Telenor Group, a position he has held since November 2016. Throughout his career, Mr. Jørgen has lived and worked on four continents and now has his second spell in Asia. Prior to joining Telenor, he served as President of Yara North America, Inc. He has a broad range of management positions in three of Norway's leading companies, including 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. Mr. Jørgen has also been on several Boards, including positions within the private equity and investment banking area.

Mr. Jørgen holds a Master's Degree in Economics and Business Administration from the Norwegian School of Economics (NHH).



M Shahjahan

Non-Executive Director

Nationality Bangladeshi | **Age** 65 | **Gender** Male

Date of Appointment 26 June 2006 | **Last Re-elected** 21 April 2020

Committee Membership Audit Committee, Treasury Committee, and HSSE Committee

Mr. Håkon Bruaset Kjøl was appointed to the Board on 14 September 2011. He is a senior corporate and public affairs professional with extensive experience from the telecom and digital industries in Europe and Asia. He is currently the Senior Vice President and Head of External Relations for Telenor in Asia. Prior to this, Mr. Håkon served as Chief Strategy and Transformation Officer of Telenor Group's mobile operator in Thailand, dtac. Mr. Håkon serves on the Board of Directors of several Telenor Group companies in Singapore, Telenor Myanmar and Digi in Malaysia where he serves as the Chair of the Board. He is also a non-executive Director of the internationally renowned architect and design company Snohetta AS headquartered in Oslo.

He holds a Master of Business Administration degree from BI Norwegian Business School in Oslo, where he also studied public relations.



Md. Ashraful Hassan

Non-Executive Director

 **Nationality**
Bangladeshi

 **Age**
59

 **Gender**
Male

Date of Appointment
20 January 2010

Last Re-elected
20 April 2017

Committee Membership
NRC Committee

Mr. Md. Ashraful Hassan was appointed to the Board on 20 January 2010. He currently serves as Managing Director of Grameen Telecom and is engaged in promoting and providing easy access to GSM cellular services in rural Bangladesh. He also serves as Executive Vice Chairman of Grameen Knitwear Ltd. & Grameen Fabrics & Fashions Ltd. and Managing Director of Grameen Distribution Ltd, Grameen Shamogree and CEO of Grameen Telecom Trust. He has profound knowledge in sales channels, product sourcing, business development and supply chain management. He has extensive and diversified knowledge in various industrial sectors, especially in the field of textile & electronics focusing on resource and energy efficient production. He has wide exposure in industrial management, local & export market, labour management, developing rural artists & artisan goods and so on. He has an extensive knowledge in the field of construction engineering, now he is responsible for establishing most of the mega projects of Grameen Group. He started his career in Grameen Bank in 1984. During his 15 years tenure with the bank, he held various key positions, including the Chief of Engineering section and made notable contribution to the infrastructural development of Grameen Bank. He serves as a member of the Board of Directors of several enterprises that play a commendable role in the fields of renewable energy, health care, food and nutrition, information and communication technology, employment generation and so forth.

He holds a Bachelor of Science degree in Engineering from Khulna University of Engineering and Technology, Bangladesh.

Ms. Parveen Mahmud FCA was appointed to the Board on 17 October 2012. Ms. Mahmud serves in various Boards, including the Chairperson of Underprivileged Children Education Programme (UCEP) and Her Story Foundation. She was the Chairperson, Shasha Denims Ltd., MIDAS (Micro Industries Development Assistance and Services) and Acid Survivors Foundation. She served three terms in the Council and Past President of the Institute of Chartered Accountants of Bangladesh (ICAB). In her diversified professional career, Ms. Mahmud worked in the development sector and was a practicing Chartered Accountant. Ms. Mahmud started her career with Brac, and was the Managing Director, Grameen Telecom Trust and Deputy Managing Director of Palli Karma-Sahayak Foundation (PKSF). She was a partner of ACNABIN, Chartered Accountants. She was the first female President of ICAB for the year 2011 and also the first female Board member and President of accounting professional body in the South Asian Federation of Accountants (SAFA), the apex accounting professional body of the SAARC. She was the Chairperson, CA Female Forum, ICAB. She was the member of National Advisory Panel for SME Development of Bangladesh and founding Board member of SME Foundation and Convener, SME Women's Forum. Ms. Parveen Mahmud is the recipient of Chittagong Digest award 2020 for Social Changemaker, Ananyanna Top Ten Women- 2018 Award in 2019 for social development, Joya Alokita Nari- 2018 Award from RTV for entrepreneurship and women's empowerment, "Women at Work -2017" Award from Association of Software and Information Services (BASIS) and "Women of Inspiration Awards"-2017 from the Bangladesh Organisation for Learning & Development (BOLD). She received the Begum Rokeya Shining Personality Award 2006 from Narikantha Foundation for women's empowerment.



Parveen Mahmud

Non-Executive Director

 **Nationality**
Bangladeshi

 **Age**
65

 **Gender**
Female

Date of Appointment
17 October 2012

Last Re-elected
19 April 2018

Committee Membership
None



Tone Ripel

Non-Executive Director

Nationality Norwegian | **Age** 50 | **Gender** Female

Date of Appointment
18 October 2020

Committee Membership
None

Mr. Lars Erik Tellmann was appointed to the Board on 11 December 2019 and he is also Chair of the Company's HSSE Committee. Mr. Tellmann is Senior Vice President and Head of Telenor Financial Services, Telenor Group. Mr. Tellmann joined Telenor Group in 2001 and has since served in a various leadership positions in both Norway, Malaysia, Thailand and Myanmar. He was Chief Financial Officer of Telenor Myanmar Limited from 2013 to 2016, and Chief Executive Officer of Telenor Myanmar Limited. from 2016 to 2018. Before joining Telenor, Mr. Tellmann had his initial experience in the Software industry with Agresso Group ASA in Norway. He had also served as Board Member of Grameenphone from December 2011 to December 2013. Currently, he is also a Board member of Digi Telecommunications Sdn Bhd, Malaysia, Telenor Pakistan Ltd., Wave Money Ltd. in Myanmar, Telenor Microfinance Bank Ltd. in Pakistan and Carousell Pte. Ltd. in Singapore.

Mr Tellmann holds a Master of Science in Business (M.Sc. / Siviløkonom) degree from NORD University in Norway, and a Master of Business Administration (MBA) from Heriot-Watt University, Edinburgh.



Øivind Burdal

Non-Executive Director

Nationality Norwegian | **Age** 51 | **Gender** Male

Date of Appointment
18 May 2016

Last Re-elected
21 April 2020

Committee Membership
Audit Committee

Ms. Tone Ripel was appointed to the Board on 18 October 2020. Ms. Tone started her career as Higher Executive Officer, advisor and senior advisor in Norwegian Competition Authority for three years. In 1999, she joined Wiersholm Law firm 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 served as Director of Digi Telecommunications Sdn Bhd, Malaysia in 2018-2019 and Telenor Norge AS, Norway in 2017-2019. Ms. Tone started to work in Telenor in 2013 and currently holds the position as Attorney at Law in the Group Legal of Telenor ASA. She is also the Director of Total Access Communications Public Company Limited (DTAC), Thailand.

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



Lars Erik Tellmann

Non-Executive Director

Nationality Norwegian | **Age** 49 | **Gender** Male

Date of Appointment
11 December 2019

Last Re-elected
21 April 2020

Committee Membership
HSSE Committee

Mr. Øivind Burdal was appointed to the Board on 18 May 2016. In 2004, he joined the Legal Department of Telenor ASA where he has 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, in 1998, he joined Thommessen Krefting Greve Lund, one of the major law firms in Norway, focusing on M&A and TMT.

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



Dr. Salehuddin Ahmed

Independent Director



Nationality
Bangladeshi



Age
72



Gender
Male

Date of Appointment
12 December 2018

Committee Membership
Audit Committee

Dr. Salehuddin Ahmed was appointed to the Board on 12 December 2018 as an Independent Director and he is also Chair of the Company's Audit Committee. He 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 started his career as a lecturer in Economics at Dhaka University in 1970. Joining the erstwhile Civil Service of Pakistan (CSP), he served in various capacities in the field of administration of the Government of Bangladesh. He worked in the Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP), a regional inter-governmental organisation with its headquarters in Dhaka. Dr. Ahmed was the Director General of Bangladesh Academy for Rural Development (BARD), Cumilla and also Director General of the NGO Affairs Bureau of the Office of the Prime Minister. During 1996–2005, Dr. Salehuddin Ahmed was the Managing Director of Palli Karma Sahayak Foundation (PKSF), the apex funding agency of micro credit operations in Bangladesh. Dr. Ahmed is a non-executive Independent Director of ASA International Group plc. He has authored several books, reports and journal articles which have been published at home and abroad. He is on governing bodies of several Government and Non-Government agencies and universities in Bangladesh. Dr. Ahmed was awarded Nawab Sir Salimullah Foundation Gold Medal for contributions in Economics in 2006. He also received the Distinguished Alumni Award from McMaster University, Canada at the Convocation held in Hamilton, Ontario, Canada in November 2006. Besides these, he was given several other awards by different bodies.

Dr. Ahmed did his Master Degrees in Economics from Dhaka University and McMaster University in 1969 and 1974 respectively and obtained his Ph.D. in Economics from McMaster University, Canada in 1978. Presently, he is a Professor at the Graduate School of Management (GSM), Brac University, Dhaka, Bangladesh.

Mr. Abdul-Muyeed Chowdhury was appointed to the Board on 14 September 2020 as an Independent Director and he is also Chair of the Company's Nomination and Remuneration Committee (NRC). Currently, he is serving as the Managing Director & CEO of Tiger Tours Limited. Besides, he was the Chairperson of BRACNet Limited (2005–2016) and member of the Board of Directors of several listed and non-listed companies and Independent Director of two other listed companies. Mr. Chowdhury spent more than three decades in the civil service of Bangladesh. He served as a Secretary to the Government of Bangladesh from 1994 to 2000 holding charge of various ministries. Mr. Chowdhury, a CSP, served as an Adviser to the non-party Caretaker Government of Bangladesh in 2001 and was in charge of five Ministries. He served as Secretary of Internal Resources Division (IRD) of the Ministry of Finance and ex-officio Chairman of National Board of Revenue (NBR), Managing Director of Biman Bangladesh Airlines, Secretary, Jamuna Bridge Division and Executive Director of Jamuna Multipurpose Bridge Authority, President of National Shooting Federation of Bangladesh, Chairman of SME Foundation, Executive Director of Brac and Vice President of Bangladesh Olympic Association. Also, he is a Member of the Board of Trustees of Brac University. He was made a Fellow of the Institution of Civil Engineers (FICE), UK for his leadership of the mega-project of Jamuna Multipurpose Bridge.

Mr. Chowdhury obtained his Bachelor of Arts with honors in Modern History and Master of Arts (1st Class) from Dhaka University. He also attended certificate course in Public Administration in the University of Tennessee, Knoxville, USA.



Abdul-Muyeed Chowdhury

Independent Director



Nationality
Bangladeshi



Age
77



Gender
Male

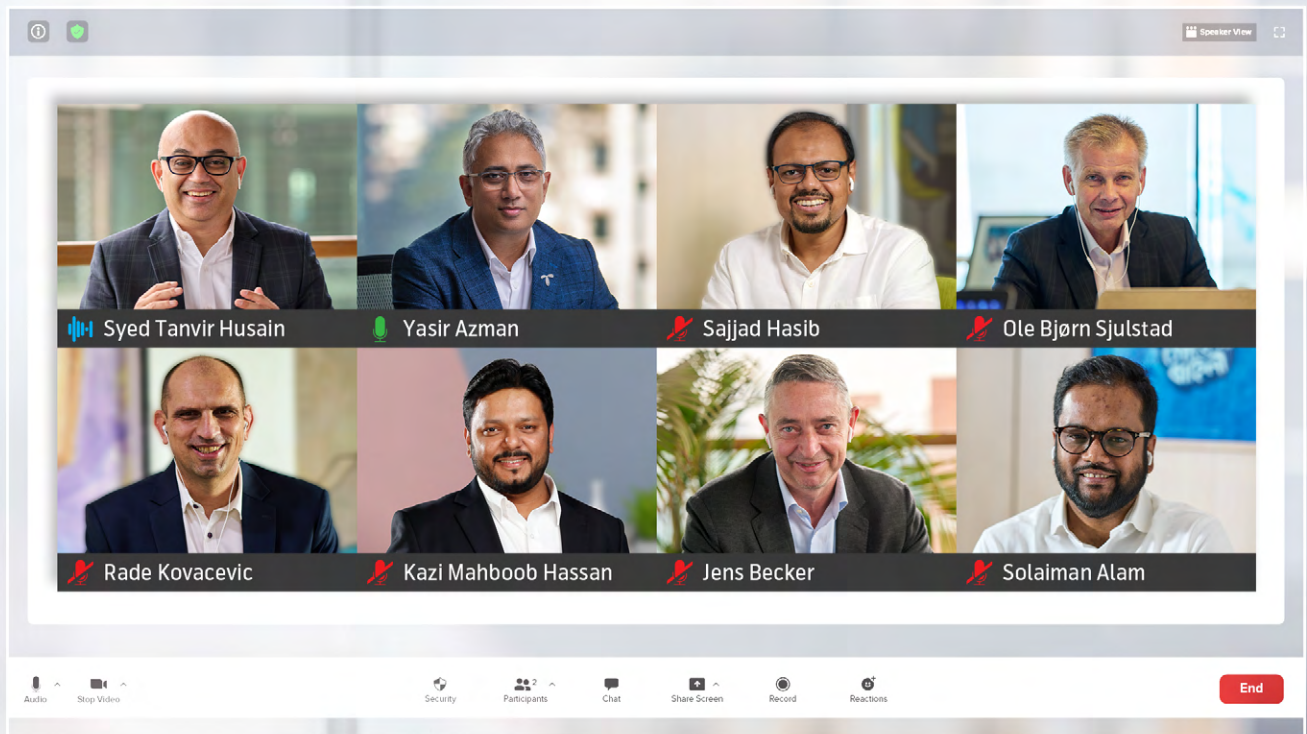
Date of Appointment
14 September 2020

Committee Membership
NRC Committee

Companies (other than Grameenphone Ltd.) in which Grameenphone Directors hold directorship and committee memberships:

Sl. No	Name of Director	Directorship	Member of Board committees	Other Business Occupation
1	Mr. Jørgen C. Arentz Rostrup	None	None	EVP & Head of Telenor Asia Singapore
2	Mr. M Shahjahan	Grameen Distribution Samajik Health Science Institute and Research Center Limited Grameen Krishi Foundation Member of Board of Trustees Grameen Trust Nobel Laureate Trust Grameen Telecom Trust Grameen Healthcare Trust	None	Managing Director Grameen Telecom Trust
3	Mr. Håkon Bruaset Kjøl	Telenor Asia Pte. Ltd., Singapore Telenor South Asia Investment Pte. Ltd., Singapore Telenor South East Asia Investment Pte. Ltd., Singapore Telenor Asia (IHQ) Limited, Thailand Telenor Myanmar Limited, Myanmar Digi Telecommunications Sdn Bhd, Malaysia Digi.com Berhad, Malaysia Snøhetta AS, Norway Total Access Communications PCL (dtac), Thailand	Digi.com, Berhad, Malaysia <i>Nomination Committee</i> <i>Remuneration Committee</i> Telenor Myanmar Limited, Myanmar <i>Audit Committee</i> dtac, Thailand <i>Nomination and Remuneration Committee</i>	SVP, Head of External Relations Telenor Asia, Singapore
4	Mr. Md. Ashraful Hassan	Grameen Shakti Grameen Kalyan Grameen Telecom Grameen Knitwear Ltd. Grameen Solutions Ltd. Grameen Distribution Ltd. Grameen Veolia Water Ltd. Grameen Danone Foods Ltd. G. Japan Sunpower Auto Ltd. Grameen Fabrics and Fashions Ltd. Grameen Health Care Services Ltd. Grameen Employment Services Ltd. Grameen Shakti Samajik Byabosa Ltd. Grameen Shangdu Microcredit co., Ltd. Samajik Health Science Institute and Research Center Limited Member of Board of Trust Grameen Telecom Trust	None	Managing Director Grameen Telecom

Sl. No	Name of Director	Directorship	Member of Board committees	Other Business Occupation
5	Ms. Parveen Mahmud	Shasha Spinning Ltd. Shasha Apparels Ltd. Shasha Garments Ltd. Shasha Millners & Textiles Ltd. Saburo Indigo Ltd. Berger Bangladesh Ltd. Apex Footwear Ltd. MARICO Bangladesh Ltd. MIDAS Palli Karma Sahayak Foundation (PKSF) Brac International Manusher Jonno Foundation (MJF) DAM Foundation for Economic Development (DFED) Rangpur Dinajpur Rural Services (RDRS)- Bangladesh UCEP Bangladesh Friendship Her Story Foundation Ghashful Moner Bondhu Heroes for All Cider International School, Chattogram Syeda Anjuman Ara Girls School, Chauddagam, Cumilla Transparency International Bangladesh (TIB) Centre for Policy Dialogue (CPD) Bishsho Shanitto Kendro (BSK) Grameen Health Care Services Ltd. Grameen Shamogri Ltd.	Berger Bangladesh Ltd. <i>Audit Committee</i> <i>HR Committee</i> Apex Footwear Ltd. <i>Audit Committee</i> <i>HR Committee</i> Brac International <i>Audit Committee</i> Manusher Jonno Foundation (MJF) <i>Audit Committee</i> DAM Foundation <i>Audit Committee</i> TIB <i>Audit Committee</i>	Chairman Underprivileged Children's Educational Programmes (UCEP) Bangladesh
6	Ms. Tone Ripel	Total Access Communications PCL (dtac), Thailand	dtac, Thailand <i>Corporate Governance Committee</i>	Attorney at Law in the Group Legal of Telenor ASA, Norway
7	Mr. Lars Erik Tellmann	Telenor Financial Services AS, Norway Telenor Pakistan Ltd., Pakistan Telenor Health AS, Norway Digi Telecommunications Sdn Bhd, Malaysia BCTN Holding Ltd., Thailand BCTN Innovation Ltd., Thailand Wave Money Ltd., Myanmar Telenor Microfinance Bank Ltd., Pakistan Carousell Pte. Ltd., Singapore	Telenor Microfinance Bank Ltd. <i>Compliance Committee</i> <i>IT Committee</i> <i>Risk Committee</i>	Senior Vice President and Head of Telenor Financial Services, Telenor Group
8	Mr. Øivind Burdal	Telenor Pensjonskasse, Norway (Deputy Director) Telenor Pakistan Ltd., Pakistan Telenor Myanmar Ltd., Myanmar	None	Vice President Head of Group Legal, Asia Telenor ASA
9	Dr. Salehuddin Ahmed	ASA International Group plc	None	Professor, Graduate School of Management (GSM), BARC University
10	Mr. Abdul-Muyeed Chowdhury	Advanced Chemical Industries Limited ACI Formulations Ltd. MJL Bangladesh Limited Omera Fuels Ltd. Omera Petroleum Ltd. Omera Cylinders Ltd. Summit Alliance Port Limited National Housing Finance and Investments Limited	ACI Formulations Ltd. <i>Audit Committee</i> <i>Nomination and Remuneration Committee</i> Summit Alliance Port Limited <i>Audit Committee</i> <i>National Housing Finance and Investments Limited</i> <i>Audit Committee</i>	Managing Director & CEO Tiger Tours Limited



Management Team

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.



Management Team Profile



Yasir Azman

Chief Executive Officer



Nationality
Bangladeshi



Age
46



Gender
Male

Mr. Yasir Azman was appointed as Chief Executive Officer (CEO) from 01 February 2020. Prior to that, he served as Deputy Chief Executive Officer (DCEO) from 26 May 2017. He also served as Chief Marketing Officer (CMO) from 15 June 2015. Mr. Azman is an experienced professional with vast international experience in multiple countries and cultures. Before joining as CMO Grameenphone, Mr. Azman served as Telenor Group's Head of Distribution & eBusiness and worked across all Telenor Operations. He has also worked in Telenor India operations as EVP & Circle Business Head for Orissa and Karnataka circles during 2010-2012. In his previous tenure in Grameenphone, Mr. Azman played a leading role to set up Grameenphone sales and distribution organisation and to transform Grameenphone distribution structure. As a CMO in Grameenphone, Mr. Azman has transformed Grameenphone towards a high performing and a digital-centric organisation. Throughout his career, Mr. Azman has a proven track record as a leader in transformation, change management and business development.

He has an MBA from Institute of Business Administration, Dhaka University, and also attended several executive educational programmes in the London Business School and INSEAD, France.

Mr. Jens Becker was appointed as Chief Financial Officer (CFO) effective from 15 August 2019. Prior to joining Grameenphone, he served as CFO of T-Mobile Poland (formerly Polska Telefonia Cyfrowa) from 2007 to 2016 and was engaged with consultancy and entrepreneur ventures since then. During the first half of 2015 he also served as interim CEO for GTS Poland. Earlier, he was CFO at T-Online International AG from 2004 to 2007. With 20 years of experience in Deutsche Telekom Group, he has held leadership positions in Germany and Poland and was also responsible for controlling of T-Online's subsidiaries in France and Spain, among others.

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



Jens Becker

Chief Financial Officer



Nationality
German



Age
53



Gender
Male

Mr. Ole Bjørn Sjulstad was appointed as Chief Corporate Affairs Officer (CCAO) effective from 02 December 2018. He joined Telenor Asia Pte Ltd. Singapore, as Vice President in 2000 and served as its Managing Director from 2002 till 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 20 years of experience with Telenor Group he has served as a member in the Board of Directors in Grameenphone (Bangladesh), Digi (Malaysia), UCOM (Thailand) and Vimpelcom (now VEON). Prior to joining Telenor Group, Mr. Sjulstad held various leadership and project management positions within the Information and Telecommunications sector, as well as Subsea Engineering & Production business relating to the oil and gas industry.

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.



Ole Bjørn Sjulstad

Chief Corporate Affairs Officer



Nationality
Norwegian



Age
59



Gender
Male

Mr. Sajjad Hasib was appointed as Chief Marketing Officer (CMO) from 01 February 2020. Before that, he served as Head of Operations from August 2017. Mr. Sajjad brings in 20 years of Sales, Marketing, and Business management experience into the management team. He started his career in Citycell as Distribution Officer and worked in various companies at home and abroad before joining Grameenphone as Area Sales Manager in 2006. In the last 15 years in Grameenphone, he rose through the ranks contributing to all major commercial successes of Grameenphone in various roles including Circle Business Head of Dhaka & Sylhet. Over the years, he has led several Digitisation & Transformation programmes to modernise the Sales & Distribution, and Commercial operation of Grameenphone. His substantial experience in driving growth through innovation, analytics, growth mindset, engaging leadership, and effective marketing tactics will help the management team to take the future growth journey forward. Mr. Sajjad has a strong passion for superior customer experience & aims to delight Grameenphone customers at every interaction.

Mr. Sajjad has an MBA from the University of Bedfordshire (UK), a bachelor's from NSU (Dhaka), and several executive training from London Business & INSEAD business school.



Sajjad Hasib

Chief Marketing Officer

 **Nationality**
Bangladeshi

 **Age**
42

 **Gender**
Male

Overview

Sustainability

Business Performance

4

Governance


Financial Analysis

Additional Information



Syed Tanvir Husain

Chief Human Resources Officer

 **Nationality**
Bangladeshi

 **Age**
46

 **Gender**
Male

Mr. Syed Tanvir Hussain was appointed as Chief Human Resources Officer (CHRO) effective from 12 June 2018. Mr. Tanvir is a transformational HR leader with over 22 years of distinct experiences in both Bangladesh and abroad. Prior to becoming CHRO in Grameenphone, he led the Centre of Expertise function, Shared Services, in People & Organisation Division. Since joining Grameenphone in June 2013, he has been significantly contributing to employee competence shift programmes to upskill and reskill employees for fluidity and future-fit relevance. He has also been driving the organisation Modernisation ambition through an agile & responsive organisation structure. His exemplary passion for automation and digitalisation has reshaped employee experience across the organisation. Mr. Tanvir champions Diversity and Inclusive Culture and steers anchoring of a safe and healthy work environment. Mr. Tanvir comes with a depth of experiences across different industries. He began his career as a Management Trainee in BAT Bangladesh and held diverse roles along his journey, including leadership roles such as Head of HR, Citibank N.A and CHRO, Airtel Bangladesh.

Mr. Tanvir is an MBA graduate from IBA, University of Dhaka.

Mr. Rade Kovacevic was appointed as Chief Technology Officer (CTO) effective from 30 January 2018. Earlier, he was serving as the Interim CTO in Grameenphone from 18 June 2017. Prior to joining Grameenphone, Mr. Kovacevic was working as Head of IT Asia (acting), Technology & Services of Telenor Group. Prior to that, he also worked as Head of Sourcing at Telenor India. He has 20 years of experience in the telecom industry, working in different senior positions.

Mr. Kovacevic has an MSc in Electronics and Computer Science from University of Montenegro.



Rade Kovacevic

Chief Technology Officer

 **Nationality**
Montenegro

 **Age**
48

 **Gender**
Male



Solaiman Alam

Chief Digital and Strategy Officer



Nationality
Bangladeshi



Age
42



Gender
Male

Mr. Solaiman Alam was appointed as the Chief Digital and Strategy Officer (CDSO) from 01 January 2020. Mr. Solaiman has 20 years of professional experience in the FMCG and telecom industry in various roles spanning digital channel and services, marketing, product management, brand management, trade marketing and sales. A graduate from IBA, University of Dhaka, he started his career in Sales in British American Tobacco Bangladesh (2000 – 2005) after which he moved to Orascom Telecom Bangladesh, Banglalink. He played a vital role in establishing Banglalink as one of the most recognised brands in the country. He has worked directly in Brands, Product and Pricing, VAS and Internet, Research, High Value Loyalty Management, Postpaid and B2B, Mobile Financial Services (MFS) etc. When he left Banglalink in 2016, he was Director, Marketing of Banglalink. Mr. Solaiman joined Grameenphone as Director Marketing in February 2016 and in 2018, he was appointed as the Head of Digital Division to pursue the vision of establishing a Telco Digital Ecosystem.

He has attended a host of courses and certifications from organisations like London Business School, INSEAD France, HFI, IDEO etc.

Mr. Kazi Mahboob Hassan was appointed Chief Business Officer (CBO) effective from 28 June 2020. Previously he has served as the Chief Strategy & Transformation Officer from 1 April 2018 to 31 December 2019 and headed transformation within Enterprise Division in the interim. Prior to joining Grameenphone, he was a Senior Management Consultant at Deloitte UK responsible for leading business transformation programmes for clients across a variety of sectors including Telecom, Oil & Gas, Consumer Business and Financial Services. He has also held senior positions in Finance and Marketing with IBM UK and BAT Bangladesh.

He has an MBA degree from University of Oxford, is a Fellow Chartered Certified Accountant (FCCA) with professional accountancy body ACCA, UK and has a BBA degree from University of Dhaka (IBA).



Kazi Mahboob Hassan

Chief Business Officer



Nationality
Bangladeshi



Age
40



Gender
Male



S M Imdadul Haque

Company Secretary



Nationality
Bangladeshi



Age
47



Gender
Male

Mr. S M Imdadul Haque was appointed as Company Secretary effective from 21 April 2017. Mr. Imdad joined Grameenphone on May 2004 and started his career with Internal Audit function. Then he moved to the Department of Company Secretary on August 2006 and has been working there for more than 14 years. During his long tenure in the Department of Company Secretary of such a big company like Grameenphone, he gathered vast knowledge on Company Secretarial function, Corporate Governance, Compliance, Stakeholder Management, Public Communications etc. Before joining Grameenphone, Mr. Imdad worked in KPMG Rahman Rahman Huq, Chartered Accountants from May 2002 to April 2004 where he was also an articled student during November 1998 to April 2002 and passed "C.A. Intermediate" examination.

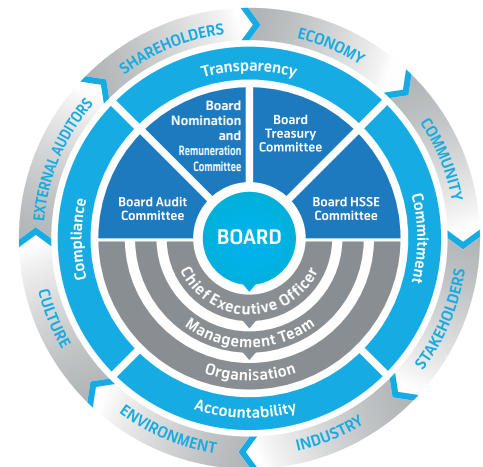
He has a Master's degree in Commerce and attended various training programmes at different institutions and educational programme, including INSEAD.

Corporate Governance in Grameenphone

The Board of Directors (the Board) recognises the importance of good corporate governance and is committed to ensure 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 delivering long-term shareholders' value, safeguard stakeholders' interest and maintain investors' trust and confidence.

Corporate Governance Framework

As a technology-oriented business entity, Grameenphone emphasises on transparency, accountability and compliance, which are the essence of corporate governance. Grameenphone's high standards of corporate governance plays an important part towards the Company's continued growth and success. The Company has always strived to maintain the highest standards of corporate governance and business conduct so as to 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, and we believe that running our businesses in an ethical manner creates 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 Practices

As part of its governance pursuits, Grameenphone is committed to ensuring the highest standards of governance designed to protect the interests of all stakeholders while promoting integrity, transparency and accountability. The Board and the Management Team also put their best efforts to comply with all the laws of the country and all internal regulations, policies and procedures to make Grameenphone a thoroughly transparent Company.

Corporate Governance Report 2020

Grameenphone is listed on the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. The Board is of the view that throughout the year ended 31 December 2020, 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 FY2020 with reference to the Code.

Board Matters

a) 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.

b) 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 in discharging its responsibilities.

c) Salient features of the Rules of Procedure for the Board

- | | |
|---|---|
| <ul style="list-style-type: none"> • Purpose • Matters reserved to the Board • Principal Roles and Responsibilities of the Board • Specific focus areas | <ul style="list-style-type: none"> • Division of work between the Board and CEO • Proceedings of Board Meetings • Conflict of Interest • Chair's Roles & Responsibilities |
|---|---|

d) 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 NRC Committee are Independent Directors; and
- Management do not sit on the Board.

e) 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 BSEC Corporate Governance Code.

f) 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 about 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.

A list of Directors and their respective biographies are set out on pages 29 to 34 of this Annual Report.

g) 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.

h) 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.

i) 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. The Board accordingly met twelve (12) times during the year 2020. Board meetings for the upcoming financial year are scheduled in advance before the end of the current financial year to enable Directors to

Board Composition and Diversity

The Board recognises the benefits of a diverse leadership team. The charts below illustrate the composition and diversity of the Board.

Composition



Gender



Tenure



Nationality



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 twelve (12) times during the year 2020 and attendance of the Board members in the meetings was as follows.

Board meeting and AGM Attendance of Directors during 2020																	
Name of the directors	AGM 21 April, 2020	Board meeting number												Held during tenure	Attended	% of attendance	
		1	2	3	4	5	6	7	8	9	10	11	12				
Mr. M Shahjahan														12	12	<div><div></div></div> 100%	
Mr. Md. Ashraful Hassan														12	12	<div><div></div></div> 100%	
Mr. Håkon Bruaset Kjøl****		×												12	11	<div><div></div></div> 92%	
Ms. Parveen Mahmud														12	12	<div><div></div></div> 100%	
Mr. Øivind Burdal														12	12	<div><div></div></div> 100%	
Dr. Salehuddin Ahmed****			×											12	11	<div><div></div></div> 92%	
Mr. Lars Erik Tellmann														12	12	<div><div></div></div> 100%	
Mr. Jørgen C. Arentz Røstrup	—	—	—	—	—	—	—	—						05	05	<div><div></div></div> 100%	
Mr. Abdul-Muyeed Chowdhury	—	—	—	—	—	—	—	—	—	—	—			02	02	<div><div></div></div> 100%	
Ms. Tone Ripel	—	—	—	—	—	—	—	—	—	—	—			02	02	<div><div></div></div> 100%	
Prof. (Dr.) Jamilur Reza Chowdhury*		×		×				—	—	—	—	—	—	06	04	<div><div></div></div> 67%	
Mr. Petter Boerre Furberg**									—	—	—	—	—	08	08	<div><div></div></div> 100%	
Mr. Irfan Wahab Khan***								×					—	11	10	<div><div></div></div> 91%	

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

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

* Prof. (Dr.) Jamilur Reza Chowdhury passed away on Tuesday, 28 April 2020

** Mr. Petter Boerre Furberg retired from the Board on 09 June 2020

*** Mr. Irfan Wahab Khan retired from the Board on 18 October 2020

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

j) Board Activities

Board Activities During 2020	
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 2019 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 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"> Approved 2019 Annual Report Contents Approved the appointment of Board members Established and identified succession plan for leadership Reviewed yearly report of Supply Chain Sustainability, Competition Compliance Programme, Internal HS&S Management, and Anti-Corruption Programme Approved revision to the Company Governing Documents Approved Internal Audit Plan and Compliance Plan Review Internal Audit Reports Approved related party transactions Approved 2019 Short Term Incentive (STI) Achievement and 2020 STI plan for the CEO Reviewed the outcome of the BSEC Corporate Governance Code Compliance Audit Reviewed the update from Board Sub-Committees

k) 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 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.

l) 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.

m) 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

n) 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, the Directors are continually updated on the Company's business and the regulatory and industry specific environment in which it operates. These updates are transmitted to them by way of written briefs and meetings with Senior Executives, and where appropriate, external sources.

o) 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 in top level executives. The Company strives to maintain an appropriate balance of skills and experience within the organisation.

p) 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.

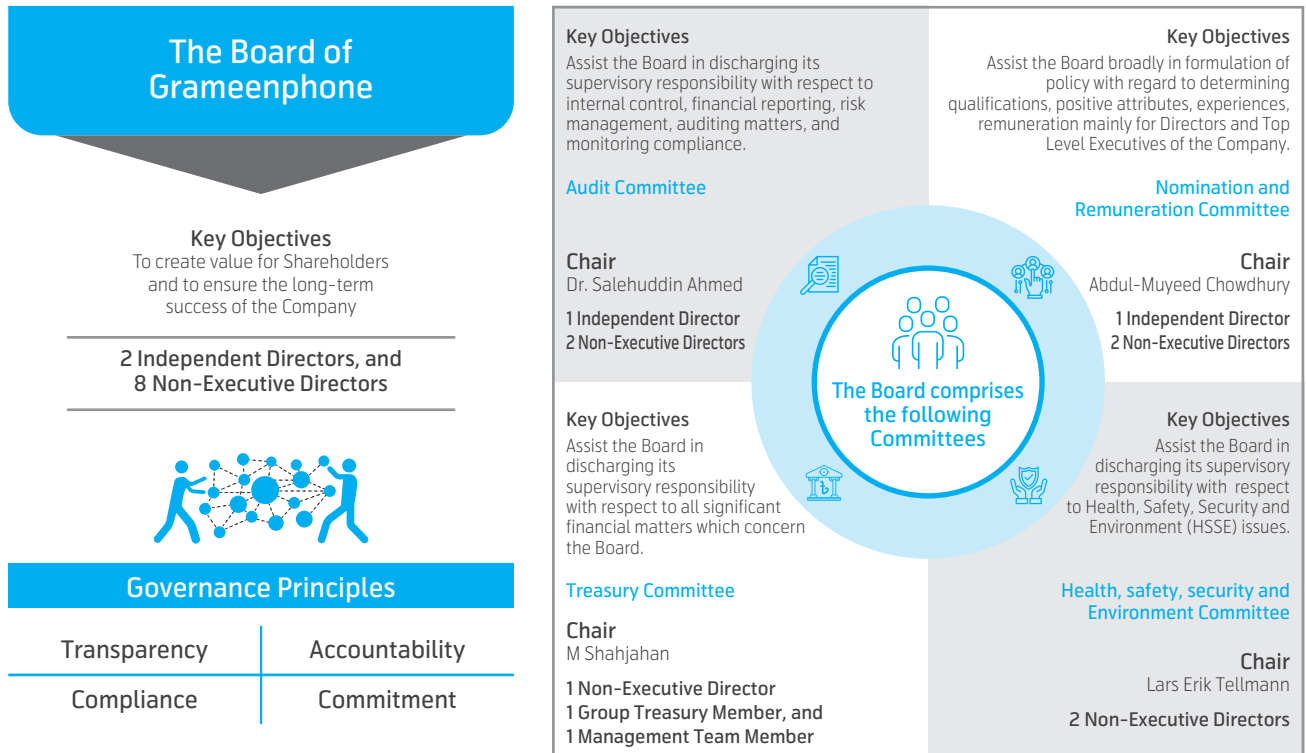
Each Director shall receive reasonable remuneration from the Company for every meeting attended, which includes travelling expenses from and to usual place of residence and an allowance per day for the number of meeting days. The amounts will be determined by the Shareholders at the General Meeting.

q) Evaluation of the Board

To establish and improve the operating effectiveness of the Board, the Board shall carry out an evaluation once a year of its work, functions, and performance as well as monitoring of internal control over financial reporting for the preparation of external financial statements and the safeguarding of assets. 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 2021 and the result was dealt by the Board at its Board Meeting on 27 January 2021.

Board Committees

For better, quicker and furnished flow of information and thereby exercising effective governance, the Board has also constituted four (4) sub-committees, viz: Audit Committee; Nomination and Remuneration Committee; Treasury Committee; and Health, Safety, Security & Environment Committee and has delegated certain responsibilities to the Committees to assist the Board in the discharge of its responsibilities. The role of Board Committees is to review and appraise in the respective areas and then to advise and make recommendations to the Board. Each Committee operates in accordance with the Charter/Terms of Reference (ToR) approved by the Board. The Board reviews the ToR of the Committees from time to time. The Board appoints the members and Chair of each Committee. A brief description of each Committee is presented below:



a) Audit Committee

The Audit Committee was established in late 2008 as a sub-committee of the Board and has jurisdiction over all the Company. The Audit Committee is comprised of two (2) Non-Executive Directors and one (1) Independent Director. The Chair of the Committee is an Independent Director, as required under the BSEC Corporate Governance Code. The Chief Executive Officer, the Chief Financial Officer, the Company Secretary and the Head of Internal Audit are permanent invitees to the Audit Committee meetings.

The Audit Committee assists the Board in discharging its supervisory responsibility with respect to internal control, financial reporting, risk management, auditing matters and Grameenphone's own processes of monitoring compliance with applicable legal & regulatory requirements and the Code of Conduct. The Audit Committee Charter, as approved by the Board, defines the purpose, authority, composition, meetings, duties and responsibilities of the Audit Committee.

The detailed activities of the Audit Committee during 2020 are given on page 57 of this Annual Report.

The Audit Committee met eight (8) times during the year 2020 and attendance of the Committee members in the meetings was as follows:

Name of Directors	Number of meetings attended during 2020								Held during tenure	Attended	% of attendance
	1	2	3	4	5	6	7	8			
Dr. Salehuddin Ahmed									8	8	100%
Mr. M Shahjahan									8	8	100%
Mr. Øivind Burdal									8	8	100%

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

b) Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) was established on 11 December 2018 as a sub-committee of the Board in place of earlier Human Resources Committee. The NRC is comprised of two (2) Non-Executive Directors and one (1) Independent Director. The Chair of the Committee is an Independent Director, as required under the BSEC Corporate Governance Code. The Committee assists the Board broadly in formulation of policy with regard to determining qualifications, positive attributes, experiences, and remuneration mainly for Directors and Top-Level-Executives. The detailed activities of the NRC during 2020 are given on page 59 of this Annual Report. The NRC met seven (7) times during the year 2020 and attendance of the Committee members in the meetings was as follows:

Name of Directors	Number of meetings attended during 2020							Held during tenure	Attended	% of attendance	Remarks
	1	2	3	4	5	6	7				
Mr. Abdul-Muyeed Chowdhury	-	-	-	-	-	-		1	1	100%	Effective from 14 September 2020
Mr. Håkon Bruaset Kjøl		×						7	6	86%	
Mr. Md. Ashraful Hassan								7	7	100%	
Prof. (Dr.) Jamilur Reza Chowdhury				-	-	-	-	3	3	100%	Passed away on 28 April 2020

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

c) Treasury Committee

This Committee consists of three (3) members who are appointed by the Grameenphone Board. All significant financial matters which concern the Board are discussed in this committee meeting in detail. Upon endorsement of the Treasury Committee, such issues are forwarded to the Board for their final review and approval. The Treasury Committee met three (3) times during the year 2020 and attendance of the Committee members in the meetings was as follows:

Name of Directors	Number of meetings attended during 2020			Held during tenure	Attended	% of attendance
	1	2	3			
Mr. M Shahjahan				3	3	100%
Mr. Pal Stette				3	3	100%
Mr. Jens Becker				3	3	100%

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

d) Health, Safety, Security and Environment Committee

This Committee consists of two (2) members who are appointed by the Grameenphone Board. The Committee meets whenever necessary and supports the Board in fulfilling its legal and other obligations with respect to Health, Safety, Security and Environment (HSSE) issues. The Committee also assists the Board in obtaining assurance that appropriate systems are in place to mitigate HSSE risks in relation to the general environment, Company, employees, vendors, etc. The HSSE Committee met two (2) times during the year 2020 and attendance of the Committee members in the meeting was as follows:

Name of Directors	Number of meetings attended during 2020		Held during tenure	Attended	% of attendance
	1	2			
Mr. Lars Erik Tellmann			2	2	100%
Mr. M Shahjahan			2	2	100%

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

Company Secretary

To ensure 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.

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 the 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 Control Environment in Grameenphone

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

a) Beyond Budgeting Management Model

Grameenphone employs a Beyond Budgeting Strategic Management model ensuring a more agile organisation which gives the flexibility to adapt to dynamic business environments. Each year, the Company reviews its ambitions & plans over its 3-year strategic period; and sets annual and quarterly targets on key KPIs for the upcoming year. The quarterly targets are subject to rigorous monitoring thereby ensuring a performance driven culture focused on attaining the targets and steering the Company towards fulfilling its strategic ambitions.

Furthermore, every quarter, the Company also prepares a realistic rolling forecast for the next five quarters providing management guidance on future direction for the organisation. The Company continually assesses performance, forecasts, gap with yearly ambitions while also focusing on initiatives to minimise the gap between the targets (KPIs) and forecasts.

The corporate level initiatives are cascaded down to divisional as well as individual levels. The resource allocations are dynamic and are based on the intended actions linked with the target and strategy. It aims to build a culture of accountability, transparency and trust, with a purpose of connecting its customers to what matters most and thereby empower society.

b) 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 1987, 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. 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 on page 54 of the Annual Report

c) Structural simplification and efficiency

In the journey of modernising Grameenphone, continuous efforts are put forward to make processes simpler and more efficient. On one hand we ensure simplified processes for customers and on the other hand it brings significant efficiency for the Company.

In 2020, the main focus continue on structural changes and the distribution process. Distribution is our core strength and the automation of the distribution processes brings great value addition not only for front-lines colleagues but also enables stronger performance management. Digitisation brings great result and better customer satisfaction. Serving more customers over digital channels is critical, being a forerunner in modernisation provides us great results. This has also enabled us to support and serve the customer better during Covid. We have made significant progress in building the eco-system in 2020 and will continue focusing on serving customers better and more efficiently over our digital platforms in the coming years.

Grameenphone follows a structured yet dynamic approach ensuring faster time to market, enhancement of service quality with resource efficiency thus meeting the business targets.

Operational expenditure effectiveness on network operation, market spend, capital expenditure efficiency, efficiency in admin and other overhead spend, business process efficiency, and functional cost benchmarking are some of the corner stones of our scope of work. The team works together with empowered cross-functional teams to analyse and review the need and expected outcome of spending to ensure priority of business needs and optimise results. Progress of the milestones and efficiency are subject to assessment by Management and are reflected in the financial results. The progress of the efficiency initiatives are also reported to the Board of Directors and Management Team on a regular basis.

d) Business Reviews and Financial Reviews

Business reviews and financial reviews are conducted on a quarterly basis. The purpose of business reviews is to monitor 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.

e) Management of Assets

Grameenphone, in its pursuit of best quality network for its subscribers, has been investing in cutting-edge telecom technology since its inception. Transparency and accountability are ensured at all stages from acquisition to disposal to protect the interest of Shareholders. Internationally accepted safety measures have been implemented and periodic physical verification is undertaken on a test basis to safeguard assets and to ensure accuracy and authenticity of the reported number of assets. All critical assets are adequately insured against industrial risks with local and international insurance companies.

f) Statutory Audit and Certification

Auditing of the Company is governed by the Companies Act, 1994 and the Bangladesh Securities and Exchange Commission Rules 1987 and conducted in accordance with International Standards on Auditing (ISA). As per these regulations, auditors are appointed by Shareholders at each Annual General Meeting (AGM) and their remuneration is also fixed by the Shareholders at the AGM. 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. The Board Audit Committee reviews the Financial Statements before its submission to the Board of Directors for approval. Auditors also have access to the Board Audit Committee and the Board for communication of any issues. In addition to the audit of annual financial statements, the auditors also carry out audit of half-yearly financial statements of the Company, when required.

Further, to ensure adequate regulatory discharge, a Compliance Certificate is obtained from licensed practicing professional who certify that the Company has duly complied with all the regulatory requirements as stipulated by the Bangladesh Securities and Exchange Commission (BSEC).

Moreover, for remittance of technical assistance fees and consultancy fees, auditors also certify payable amount and calculation for each remittance.

g) 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 are 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 Internal Audit reports functionally to the Board and its Audit Committee and administratively to the Chief Executive Officer. Internal Audit and Investigation activities are governed by the 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. 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 in sharing knowledge and resources to ensure achievement of internal audit deliverables and objectives.

h) Internal Control Over Financial Reporting (ICFR)

Preparing reliable financial statements in accordance with applicable accounting standards and relevant laws and regulations is a key responsibility of the Grameenphone Management. Grameenphone has implemented necessary Internal Controls to ensure that the financial statements prepared are free from material misstatement, whether due to fraud or error and the financial statements are compliant with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 and Corporate Governance Code 2018.

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 the overall responsibility lying with the CEO and CFO. A dedicated Internal Control Team is also in place for conducting internal control related activities.

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 2020.

i) 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 in respect of the transactions 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.

j) 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 payout. Grameenphone shall aim 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."

k) 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 55.

l) Revenue Assurance & Fraud Management

Revenue Assurance function is accountable to ensure the accuracy, completeness, integrity and timeliness of all revenue related events, transactions and primary revenue driving cost components. Along with providing support to give assurance on correct revenue recognition and reporting, this function also performs continuous monitoring to prevent revenue leakages. Fraud Management systems and processes are in place to ensure innovative and effective defence mechanisms to prevent losses from internal/external service frauds.

m) Compliance with Rules & Regulations of the Country

In Grameenphone, we believe that compliance is key towards a sustainable business. Therefore, being respectful and compliant to the laws of the land is a priority for us at Grameenphone.

As the leaders of a compliant Company, the Management Team members of Grameenphone adopted strategies that assure compliance with all legal and regulatory requirements. This ensures that good governance is properly cascaded throughout the Company. Grameenphone is subject to close monitoring of the regulatory bodies that focus on transparency and requires that Grameenphone provides accurate and periodic reporting of issues/events and certification where necessary. In this context, Grameenphone regularly provides a complete set of financial statements and relevant 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 all other relevant bodies and authorities. Further, in order to conduct its day-to-day business in a compliant manner, Grameenphone renders its best efforts to comply with the laws of the land.

n) Business Continuity and Crisis Management (BCCM)

As a Telecom Operator, Grameenphone always keeps its focus on resiliency in network infrastructure. It has distributed its core network in different geographical locations ensuring redundancy in major voice and data service platforms. Optical Fibre Networks (Backbone) have redundancies. Assessment of vulnerability and protection in collaboration with partners are in place to ensure a quick recovery. Grameenphone has already started multiple projects to remediate security gaps identified in Network and IT infrastructure to uplift its data centre quality. Apart from these, Cloud Technology has been adopted, and several applications have been moved to the cloud thus enhancing disaster recovery capabilities.

BCPs are in place for critical business processes in the organisation. Effective plans on different scenarios and timely execution helps us to ensure essential telecom service for valued customers in the unprecedented Covid-19 situation. We prioritise Crisis Management preparedness. This is an established Crisis Management Organisation (CMT) and Tabletop Exercises (TTX) and drills are performed with top managements' participation. This preparedness, collaboration with authorities, and partners has paid off and allowed Grameenphone to recover its services from major natural disaster like Cyclone Amphan, Fani, and Roanu, etc. with minimal disruption.

We are continually improving Business Continuity Management (BCM) capabilities by identifying potential threats, their impact on business operations, and taking necessary measures in process and infrastructure readiness.

o) Supply Chain Sustainability

Supply Chain Sustainability is a part of the organisational strategy of Grameenphone that strives for high labour standards and continuous improvement in its own operations and throughout its entire supply chain. The focus of Grameenphone is to ensure ethical and responsible business practices in its supply chain through structured risk-based sustainability operations that include supplier code endorsement, supply chain capacity building, and periodic audits and inspections. All suppliers and parties having a direct contractual relationship with Grameenphone must comply with Grameenphone's Supplier Conduct Principles (SCP). Besides, all suppliers are obliged to extend the requirements further down in their supply chain. Considering the local market context and long-term risk reduction, Grameenphone emphasises on supply chain capacity building and enhancement of skills. Grameenphone believes that decent working conditions, respect for human rights and the environment, as well as willingness to improve standards amongst our suppliers, is the only viable route forward. Grameenphone also carries out systematic inspections and audits to monitor compliance with the requirements of responsible business conduct. Any identified gaps are shared with the respective suppliers for development. Grameenphone believes supply chain sustainability is a journey to empower and reduce inequalities in the supply chain.

p) 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).

q) Ethics and Behaviour

i. Ethics and Compliance Function

Grameenphone's Ethics and Compliance team manages and executes the Grameenphone Compliance Programme. The team manages annual and ongoing processes for compliance risk assessment, maintenance of policies and manuals, implementation of controls, resolution of reported concerns, execution of awareness initiatives and training programmes, monitoring and functional reporting, and evaluation and improvement measures to ensure that internal and external requirements are met. To safeguard the independence and objectivity of the Ethics and Compliance team, the Head of Ethics and Compliance has reporting lines to the Board of Directors as well as to the Chief Executive Officer.

ii. Code of Conduct

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. This year Grameenphone adopted an updated Code of Conduct approved by the Board of Directors. It 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 from breaches within the organisation. The regular electronic re-signing of the Code of Conduct helps remind our employees of our joint commitment towards a zero-tolerance policy for corruption and promotion of ethical business behaviour. When employees face any dilemmas and challenges in their day-to-day work, Grameenphone's Ethics and Compliance team is always available to help them navigate through those dilemmas in full alignment with our key principles. Our Ethics and Compliance team manages an annual web-based "E-learning" and conducts several live, dilemma-based awareness and training programmes on the Code of Conduct and specific risk areas to further enhance employee knowledge and help them identify and correctly respond to ethical dilemmas.

Our Code of Conduct emphasises the duty to speak up whenever there is a potential breach of the legislation or the Code itself. Grameenphone has a web-based reporting channel, the "Integrity Hotline" –that is operated by an international, independent company and is designed to protect the privacy of individuals who report a concern, and individuals who are the subject of a reported concern. Individuals may choose to remain anonymous and can report without fear of retaliation.

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 Compliance Management Policy

Grameenphone expects its Business Partners to meet Grameenphone standards and respective values. To meet that requirement the Company has adopted the Business Partner Compliance Management Policy which ensures our relationships with business partners do not pose unacceptable compliance risks within the chain. The Company has adopted the risk-based approach in managing business partner compliance risks which includes, but are not limited to risks of corruption, fraud, money laundering, trade sanctions, privacy, business security, health and safety, human rights, and the environment.

v. Supplier Conduct Principles

The Supplier Conduct Principles (SCP) outline the standards for ethical and business conduct expected from suppliers and contractors in their relationship with the Company. The SCP are binding on the Company's suppliers through the confirmation and signing of the Agreement on Responsible Business Conduct to ensure high standards of business ethics amongst all suppliers of the Company.

vi. Anti-Corruption Policy

"Zero Tolerance" for corruption is Grameenphone's bedrock principle for combatting corruption. Grameenphone's Anti-Corruption policy applies to its Board members, employees, and others with the authority to act on our behalf. The Company has a robust anti-corruption programme that conducts a targeted integrity risk assessment of all of its organisational processes in order to identify risk areas and develop effective mitigations. These risk assessments are conducted annually and updated quarterly. Grameenphone's risk-based mitigation plan is designed to prevent or reduce exposure to corruption and minimise our risk of involvement in bribery, facilitation of payments, or trading in influence. Grameenphone's top management demonstrates a visible and active commitment to our "Zero Tolerance" for corruption through Town Halls, written communications and in its day-to-day activities, where they lead by example. Grameenphone maintains 100% completion rate for its anti-corruption e-learning and Code of Conduct sign off, where each Grameenphone employee commits to complying with the Company's requirements. Grameenphone expects its business partners to meet the same anti-corruption standards and exercises due care before engaging any of them.

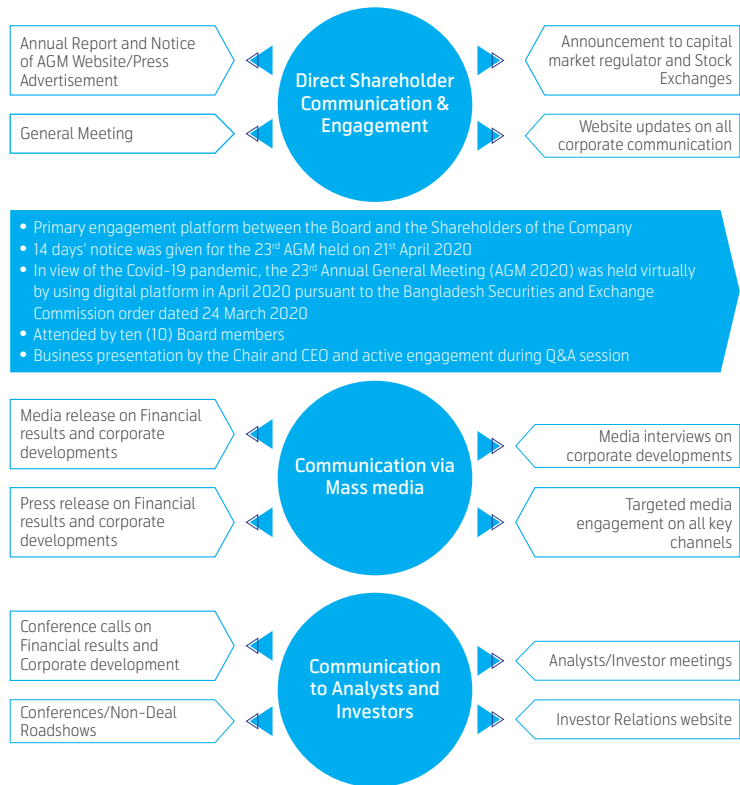
All Grameenphone business partners must accept our extensive anti-corruption requirements (which are embedded in their contracts with us) and our Ethics and Compliance team regularly engages them in corruption awareness sessions and verification activities meant to ensure their compliance with their anti-corruption commitments to us.

r) 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 the most effective two-way communication with 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, and as a specialised function maintains close contact with worldwide investors, analysts, market experts, capital markets and financial community on a proactive basis. Through this, the relevant stakeholders are kept informed about the Company's financial results, regulatory landscape, growth opportunities and strategic ambitions, while objectively sharing the associated risk and reward profile.

Grameenphone uses a number of channels for communication with shareholders and stakeholders particularly:



This also reflects Grameenphone's commitment towards developing the capital market of the country by introducing global best practices and ensuring transparency, accountability and compliance. Grameenphone's Investor Relations website is updated with the latest information. An email address and hotline number is listed for direct access to key persons. Notable events that IR conducted during the year 2020 were quarterly earnings release, frequent conference calls with the investment community, participation in foreign non-deal road shows and participation in frontier market conferences.

s) Shareholders

i) Communications with Shareholders

We believe good Corporate Governance involves openness and trustful cooperation between all stakeholders involved in the Company, including the owners of the Company – the Shareholders. We value the importance of effective communication with our Shareholders and Investors. Information is communicated to the Shareholders regularly through a number of 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 Shareholders' 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 the Shareholders' queries on the result 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.

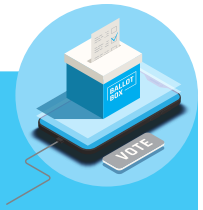
In view of the Covid-19 pandemic, the 23rd Annual General Meeting (AGM 2020) was held virtually by using a digital platform in April 2020, pursuant to the Bangladesh Securities and Exchange Commission order dated 24 March 2020.

In order to encourage the participation of shareholders at its general meeting, we designed the virtual format of 23rd AGM to enhance, rather than constrain, shareholder access, participation and communication. For example, the online format allowed Shareholders to communicate with us in advance of and during the meeting so that they could ask any relevant questions or provide with comments on the performance or any other aspect of the Company. Shareholders were allowed to cast their vote 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.

As required under "Bangladesh Secretarial Standard 2: Secretarial Standard on General Meetings" issued by Institute of Chartered Secretaries of Bangladesh (ICSB), particulars of last three years General meetings are disclosed herewith:

General Meeting	Date, Time and Place	Participants	Approved Resolution
23 rd Annual General Meeting	Date: Tuesday, 21 April 2020 Time: 10:30 AM Place: Virtual Shareholder Meeting by using digital platform through the following link http://bit.ly/gpvirtualagm-2020	298 Shareholders attended in person and 1 Shareholder attended by proxy which represent 1,238,846,483 shares being 91.74% of paid up share capital of the Company	Agenda 1: Consideration and adoption of the Directors' Report and the Audited Financial Statements of the Company for the year ended 31 December 2019 together with the Auditors' Report thereon. Agenda 2: Declaration of Dividend for the year ended 31 December 2019 as recommended by the Board of Directors. Agenda 3: Election/Re-election of Directors. Agenda 4: Appointment of Statutory Auditors and fixation of their remuneration.



Electronic Poll Voting at Grameenphone General Meeting

In view of the Covid-19 pandemic, voting by shareholders at the AGM 2020 was done by poll pursuant to the provision of the Companies Act, 1994 and BSEC's notification dated 24 March 2020.

All resolutions at Grameenphone's 23rd AGM were voted on by poll so as to reflect shareholders' shareholding interests and ensure greater transparency. Grameenphone used electronics poll voting system to register the votes of shareholders who participated the AGM.

When voting on a resolution has closed, the poll voting results, including the number and percentage of votes cast for and against the resolution, were immediately broadcasted. The poll voting results were filed with BSEC after the AGM.

General Meeting	Date, Time and Place	Participants	Approved Resolution
22 nd Annual General Meeting	Date: Tuesday, 23 April 2019 Time: 10:30 AM Place: International Convention City, Bashundhara (ICCB), Hall-1, (Gulnaksha) Joar Sahara, Khilkhet, Dhaka-1229	70 Shareholders attended in person and 53 Shareholders attended by proxy which represent 1,267,263,154 shares being 93.85% of paid up share capital of the Company	Agenda 1: Consideration and adoption of the Directors' Report and the Audited Financial Statements of the Company for the year ended 31 December 2018 together with the Auditors' Report thereon. Agenda 2: Declaration of Dividend for the year ended 31 December 2018 as recommended by the Board of Directors. Agenda 3: Election/Re-election of Directors. Agenda 4: Appointment of Auditors and fixation of their remuneration.
21 st Annual General Meeting	Date: Thursday, 19 April 2018 Time: 10:30 AM Place: ICCB, Hall-1, (Gulnaksha) Joar Sahara, Khilkhet, Dhaka-1229	Total 238 Shareholders attended in person or by proxy which represent 1,262,068,788 shares being 93.47% of paid up share capital of the Company	Agenda 1: Consideration and adoption of the Directors' Report and the Audited Financial Statements of the Company for the year ended 31 December 2017 together with the Auditors' Report thereon. Agenda 2: Declaration of Dividend for the year ended 31 December 2017 as recommended by the Board of Directors. Agenda 3: Election/Re-election of Directors. Agenda 4: Appointment of Auditors and fixation of their remuneration.
21 st Extra-Ordinary General Meeting	Date: Thursday, 19 April 2018 Time: 3:30 PM Place: ICCB, Hall-1, (Gulnaksha) Joar Sahara, Khilkhet, Dhaka-1229	Total 220 Shareholders attended in person or by proxy which represent 1,255,819,155 shares being 93.00% of paid up share capital of the Company	Agenda 1: Amendment to the Object Clauses of the Memorandum of Association of the Company

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 mailed to Grameenphone Share Office at shareoffice@grameenphone.com.

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

AMPLIFYING

**THE POSSIBILITY OF
SKILL BUILDING**



Internal Control over Financial Reporting (ICFR)

Establishing adequate internal control and ensuring effective control environment is high on Grameenphone Management agenda. Grameenphone has instituted Internal Control over Financial Reporting (ICFR) and established monitoring mechanism to ensure operational effectiveness of those controls. At Grameenphone, internal controls are specifically designed to address the risks related to financial reporting. Internal controls over financial reporting are intended 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.

Grameenphone has adopted an internal control model developed by the Committee of Sponsoring Organisations of the Treadway Commission (COSO), which is widely recognised as a definitive standard for measurement of effectiveness of internal control systems. 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.

Grameenphone follows a risk-based approach for designing and implementing effective internal controls. Currently, the entire financial reporting of Grameenphone encompasses 18 inter-related processes. Risk assessment exercise is performed for each of the processes on an annual basis. As part of the risk assessment, each process is evaluated through probability and impact matrix and categorised into a four-point ordinal scale (Very High, High, Medium and Low). Internal controls are designed and deployed to mitigate identified risks to an acceptable level.



Figure 1: COSO Internal Control Framework

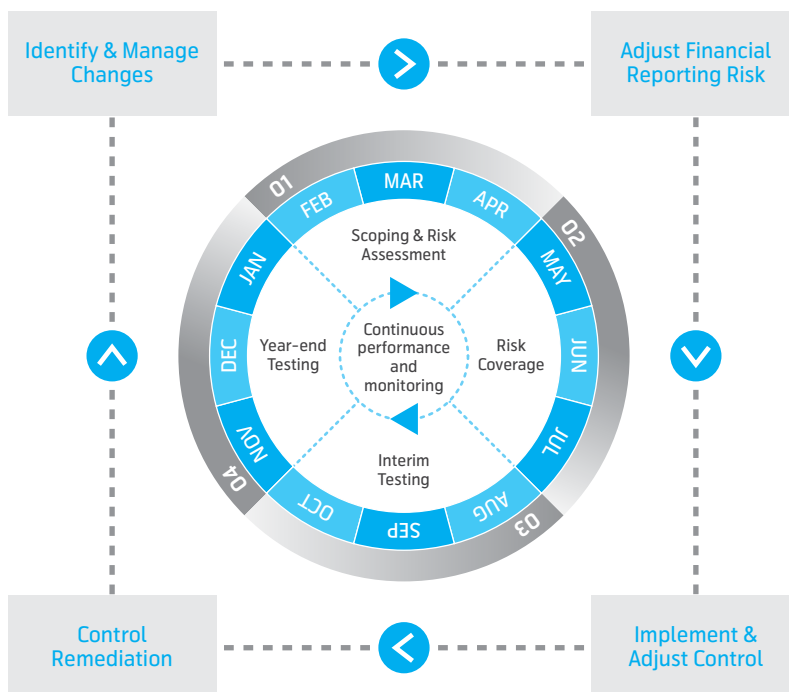


Figure 2: ICFR Routine in Grameenphone

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 instituted controls.

Grameenphone has a dedicated Internal Control Team, accountable for conducting activities related to internal controls over financial reporting. The team is adequately resourced and empowered to deliver its responsibilities. ICFR team works independent of but closely with Internal Audit and Telenor Group ICFR team to ensure risks are identified, reported and mitigated timely.

Enterprise Risk Management

While operating in a dynamic industry and highly competitive market, Grameenphone is exposed to a wide range of risks that may affect its business. The Company aims to earn competitive returns at acceptable risk levels. Risk management is a continuous process and an integrated part of business throughout the entity. All managers are required to assume responsibility for risk management within their areas of responsibility and ensure that risk management is embedded in day-to-day business processes. The Risk Management Forum established within the Company ensures active participation from different functional areas to increase its effectiveness.

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

Below are the key risk areas identified at Grameenphone:

Financial Risk

Financial risk includes credit risks, liquidity risks, currency risks and interest rate risks. The Company's exposure to financial risks is disclosed in detail under note 39 to the financial statements.

Regulatory Risk

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.

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 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 will affect growth and sustainability of the Company as well as the industry either positively or negatively.

The risk is particularly high with issues related to high spectrum prices, 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. For further information on tax, legal and regulatory contingencies please see note 45 to the financial statements.

Transformation/Modernisation Risk

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.

Grameenphone competes on several dimensions, e.g. product portfolio, price, network quality, network coverage, reliability, sales, distribution and brand. The Company's ability to differentiate through these dimensions largely impact the ability to attract and retain customers and drive usage.

Furthermore, revenue growth is partly dependent on the development and deployment of new products, services, technologies and applications. If such new releases are not technically or commercially successful, or if limitations in existing or new services and products affect the customer experience, Grameenphone's ability to attract or retain customers may be impaired.

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.

Operational Risk

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, including its ability to attract and retain subscribers. Grameenphone depends on key suppliers and third-party providers for supply and maintenance of equipment and services. Problems that manifest in relation to the supply chain may adversely affect the Company's business and results of operations.

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.

Grameenphone handles substantial volumes of confidential information. Loss, alteration or unauthorised disclosure of such information, may adversely affect the Company's business and reputation.

Political instability and violence, including social unrest, terrorist attacks etc., may prevent the Company from operating its business effectively.

Safety, Sustainability and Compliance

Grameenphone strives for high standards on sustainability and continuous improvement in its operations throughout the supply chain. Grameenphone's Supplier Conduct Principles (SCP) are based on nationally and internationally recognised standards, including requirements on human rights, health and safety, labour rights, environment and anti-corruption. All the suppliers of Grameenphone must agree to these principles. Strong supply chain surveillance, capacity building and long-term risk reduction will continue to remain a high priority as a part of Grameenphone's commitment to promoting responsible business conduct. In 2020, Grameenphone strove towards long-term risk reduction, focusing on continual improvement in the supply chain.

Audit Committee Report

The Audit Committee of Grameenphone, being one of its prime Board sub-committees, assists the Board in discharging its governance responsibilities. The Committee plays a key role in the governance of the Company's financial reporting, risk management, control and assurance processes and the external audit.

Dear Shareholders,

This report provides an overview of how the Committee operated, an insight into the Committee's activities and 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 eight (8) meetings were held during 2020. Mr. Md. Ashraf Hassan (Managing Director, Grameen Telecom) attended the meetings as a special invitee. A record of the Members' attendance at the Audit Committee meetings during 2020 is given below:

Committee members	Attendance	% (Percentage)	Committee members since
Dr. Salehuddin Ahmed	8/8	<div><div></div></div> 100%	12 December 2018
Mr. M Shahjahan	8/8	<div><div></div></div> 100%	09 December 2009
Mr. Øivind Burdal	8/8	<div><div></div></div> 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 34.*

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 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, and oversee and evaluate the works performed by 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 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 quarterly and annual Financial Statements for the year ended 31 December 2020.
- Reviewed the Internal Audit Plan 2020 and its subsequent revision and monitored the progress.
- Reviewed the Compliance Plan 2020.
- Reviewed the Internal Audit Plan 2021.
- Reviewed the Managements' Discussion & Analysis 2019.
- Discussed Internal Audit reports and findings and guided completion of annual audit plan
- Monitored the status of implementation of audit action plans and provided guidance to ensure timely completion of action plans.
- Discussed Investigation reports and monitored the status of implementation of action plans.
- Reviewed and recommended related party transactions for foreign remittance.
- Reviewed compliance of Code of Conduct of the Company.
- Reviewed Management Letter issued by the External Auditors in their presence.
- Considered and made recommendation to the Board on the appointment and remuneration of statutory auditors, A Qasem & Co, Chartered Accountants.
- Reviewed and received report on the matters as per 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

27 January 2021

Nomination and Remuneration Committee Report

The Nomination and Remuneration Committee (NRC) of Grameenphone, being one of its Board sub-committees, assists the Board broadly in formulation of policy with regard to determining qualifications, positive attributes, experiences, remuneration mainly for Directors and Top-Level Executives of the Company.

Dear Shareholders,

This report provides an overview of how the Committee operates, an insight into the Committee's activities and its role. A brief of the NRC and its roles, responsibilities and functions are appended below:





Composition and Meetings

The NRC of Grameenphone comprises 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

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

A total of seven (7) meetings were held during 2020. Mr. M Shahjahan (Managing Director, Grameen Telecom Trust) attended the meetings as a special invitee. A record of the Members' attendance at the NRC meetings during 2020 is given below:

Committee members	Attendance	% (Percentage)	Committee member since
Mr. Abdul-Muyeed Chowdhury	1/1	 100%	14 September 2020
Mr. Håkon Bruaset Kjøl	6/7	 86%	11 December 2018
Mr. Md. Ashraful Hassan	7/7	 100%	11 December 2018
Prof. (Dr.) Jamilur Reza Choudhury	4/4	 100%	11 December 2018 (Passed away on 28 April 2020)

* Details of the Committee members' experience and expertise are given in their biographies under 'Directors' Profile' on pages 29 and 34.

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 attend the meetings at occasions, as required.

Major Responsibilities of NRC

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

- Recommend a policy on Board's diversity taking into consideration age, gender, experience, education and nationality;
- Formulate the criteria for determining qualifications and independence of Directors;
- Identify persons who are qualified to become Directors and top level executives and recommend their appointment and removal;
- Formulate the criteria for evaluation of performance of Independent Directors and the Board;
- Recommend a policy to the Board relating to the remuneration of the Directors, and Top-Level Executives;
- Assess as to whether the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the Company successfully;
- Evaluate as to 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;

- Recommend and review annually the Company's human resources and training policies;
- Recommend the remuneration policy of the Company, particularly in relation to the yearly increment principle; and
- Recommend the Code of Conduct for the Chair of the Board, other Board Members and Chief Executive Officer (CEO) of the Company.

Nomination, Election and Selection of Directors

The NRC is responsible to ensure that the procedures for appointing new Directors are transparent and rigorous. The Board places great emphasis on ensuring its membership reflecting diversity in broader sense. A combination of age, gender, experience, ethnicity, educational background, nationality and other relevant personal attributes in the Board is important in providing a range of perspectives, insights and challenges needed to support right decision making. Recruitment and selection processes for Board members identify candidates with the most suitable skills, knowledge, experiences and personal values. Qualifications stated explicitly in Grameenphone's corporate governance promote the equitable and unbiased selection.

Evaluation of the Board

The NRC is responsible for ensuring the effectiveness of the Board. The Board shall carry out an evaluation once a year of its work, functions, performance as well as monitoring of internal control over financial reporting for the preparation of external financial statements and the safeguarding of assets. 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 evaluation includes a review of the administration of the Board and its committees covering their operations, agenda, reports, and information produced for consideration, and relationship with Management.

Top Level Executive Selection and Remuneration Policy

The performance of the Company depends upon the quality of its Directors and Top-Level Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

The recruitment process for Top-Level-Executives shall be transparent, non-discriminatory, diversified and in alignment with the Code of Conduct. Recruitment standards shall support Grameenphone's reputation as an attractive employer.

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

Remuneration for Board of Directors

Each Director shall receive reasonable remuneration from the Company for every meeting attended, plus travelling expenses from and to usual place of residence and an allowance per day for the number of days spent attending, travelling to and returning from Board meetings. The amounts will be determined by the Shareholders at the General Meeting.

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

- Reviewed and recommended Annual Salary Increment Proposal for 2020.
- Approved 2019 yearly report to the shareholders from the NRC Committee.
- Reviewed and recommended 2019 Short Term Incentive (STI) achievements and 2020 STI plan for the CEO of Grameenphone.
- Reviewed and recommended 2020 Long Term Incentive (LTI) allocation for the CEO of Grameenphone.
- Recommended appointment of Director and Independent Director to the Grameenphone Board.
- Recommended appointment of Chief Executive Officer (CEO), Chief Marketing Officer (CMO), Chief Digital & Strategy Officer (CDSO) and Chief Business Officer (CBO) of Grameenphone.
- Recommended Voluntary Retirement Scheme (VRS).
- Approved the criteria for evaluation of performance of the Board and the CEO.
- Reviewed and recommended the revision in the "Code of Conduct of Grameenphone".
- For and on behalf of the Nomination and Remuneration Committee of Grameenphone Ltd.



Abdul-Muyeed Chowdhury

Chair

Nomination and Remuneration Committee

27 January 2021

MAKING

**WORK POSSIBLE
FROM ANYWHERE**



Six Years' Financial Summary

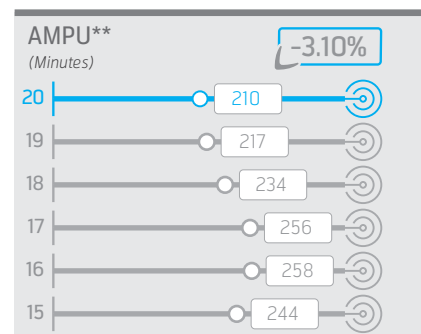
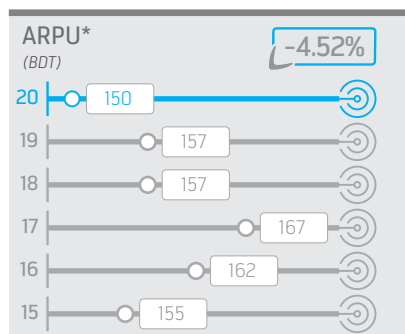
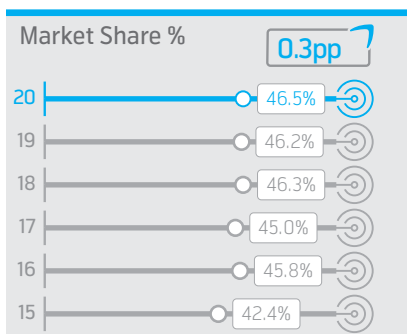
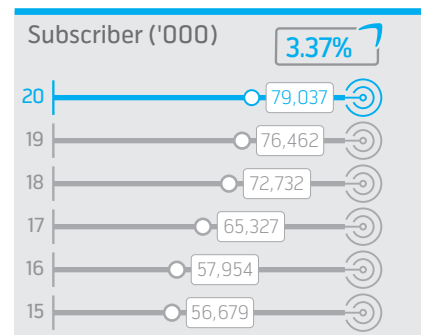
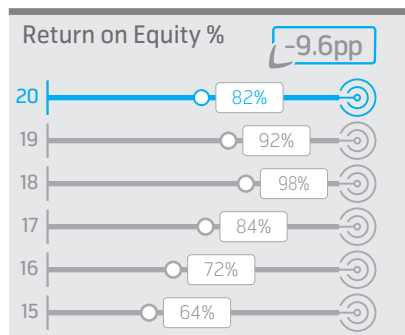
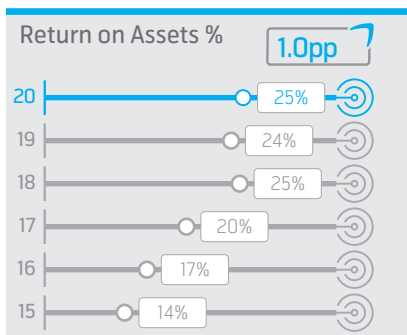
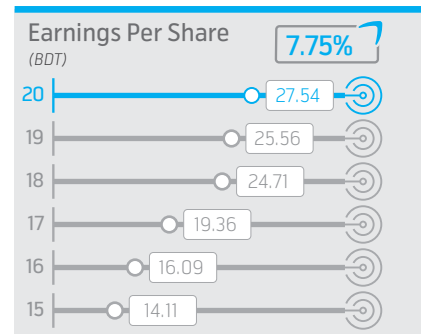
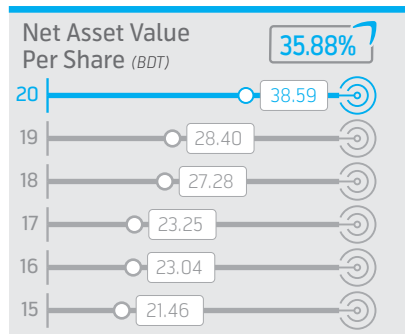
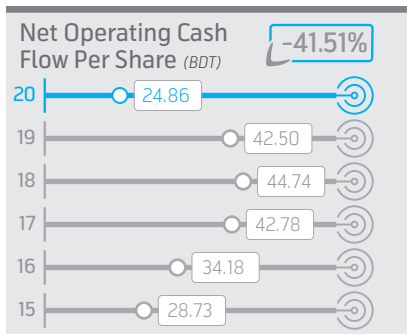
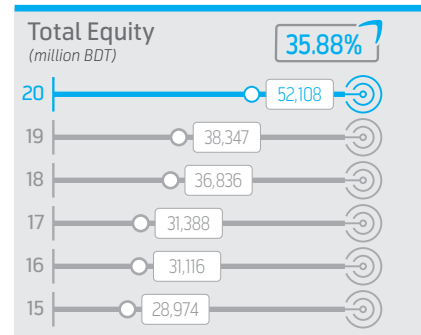
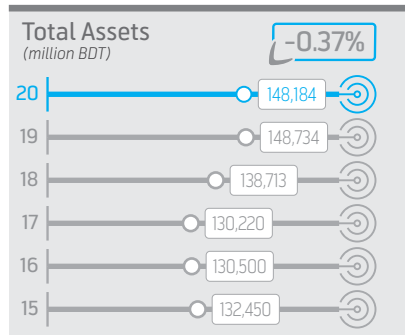
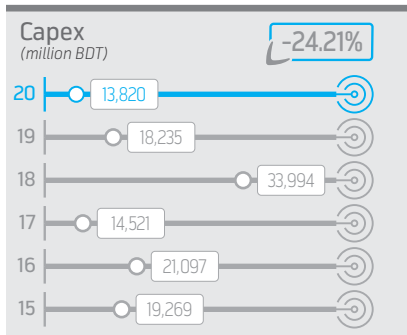
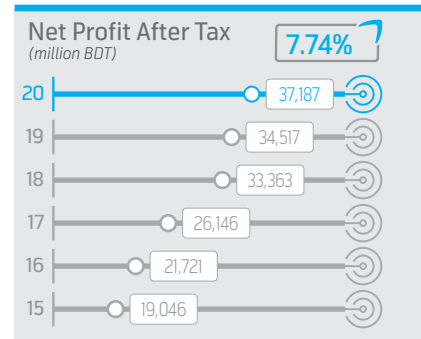
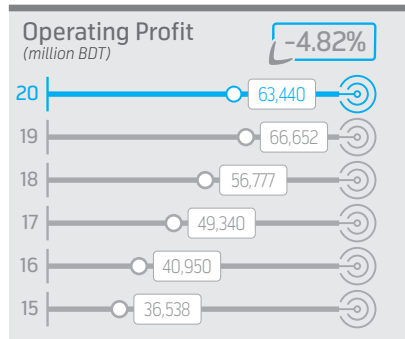
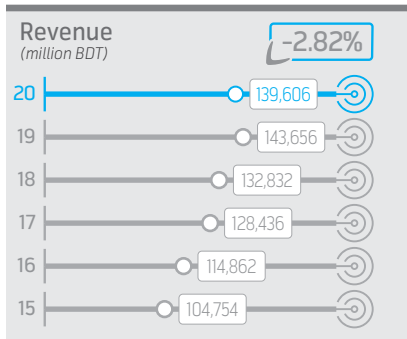
	2020	2019	2018 Restated	2017 Adjusted	2016 Adjusted	2015 Adjusted
Financial Performance in million BDT						
Revenue	139,606	143,656	132,832	128,436	114,862	104,754
Operating Profit	63,440	66,652	56,777	49,340	40,950	36,538
Profit before tax	62,801	63,899	54,848	46,419	37,127	34,091
Net Profit after tax	37,187	34,517	33,363	26,146	21,721	19,046
Financial Position in million BDT						
Paid-up Capital	13,503	13,503	13,503	13,503	13,503	13,503
Shareholders' equity	52,108	38,347	36,836	31,388	31,116	28,974
Total assets	148,184	148,734	138,713	130,220	130,500	132,450
Total liabilities	96,077	110,387	101,877	98,832	99,384	103,476
Current assets	9,931	20,999	13,369	20,658	10,941	11,928
Current liabilities	76,656	90,426	82,963	78,274	70,536	69,276
Non current assets	138,253	127,735	125,345	109,562	119,558	120,522
Non current liabilities	19,420	19,961	18,914	20,558	28,848	34,199
Cash Flows in million BDT						
Net cash generated from operating activities	33,572	57,393	60,413	57,771	46,152	38,791
Net cash used in investing activities	(11,217)	(14,263)	(30,200)	(12,944)	(19,839)	(19,907)
Net cash used in financing activities	(33,517)	(35,308)	(36,699)	(35,336)	(27,553)	(19,491)
Financial Ratios						
Current Asset to Current Liability	0.13	0.23	0.16	0.26	0.16	0.17
Debt to Equity	0.42	0.62	0.50	0.63	0.87	1.19
Operating Profit Margin	45%	46%	43%	38%	36%	35%
Net Profit Margin	27%	24%	25%	20%	19%	18%
Return on Equity	82%	92%	98%	84%	72%	64%
Return on Total Assets	25%	24%	25%	20%	17%	14%
Ordinary Shares Information						
Ordinary Shares outstanding (in million)	1,350	1,350	1,350	1,350	1,350	1,350
Face Value per share	10	10	10	10	10	10
Cash Dividend on paid up capital ¹	275%	130%	280%	205%	175%	140%
Dividend payout ¹	99.86%	50.86%	113%	106%	109%	99%
NAV per Share ²	38.59	28.40	27.28	23.25	23.04	21.46
Net Operating Cash Flow per Share ³	24.86	42.50	44.74	42.78	34.18	28.73
Earnings Per Share ³	27.54	25.56	24.71	19.36	16.09	14.11

*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 at 31 December.

³Based on weighted average number of share of BDT 10 each.



* ARPU - Average Revenue Per User

** AMPU - Average Minutes Per User

**CREATING NEW
MARKETPLACE**

IS POSSIBLE



Value Added Statement 2020

in '000 BDT

Value Added

Revenue
Other income including interest income
Indirect taxes

Less: Cost of network and services

Available for distribution

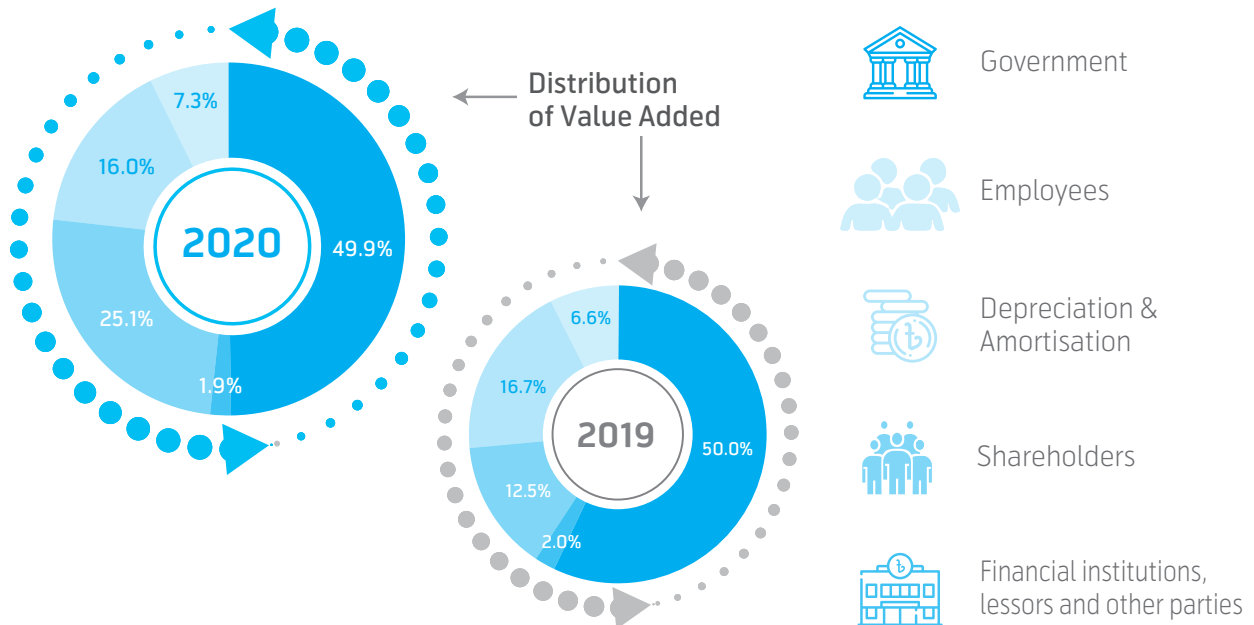
Distributions

Employees
Government
Providers of finance:
 Financial institutions, lessors and other parties
 Shareholders

Value reinvested and retained

Depreciation and amortisation
Retained profit

	2020	%	2019	%
Revenue	139,606,161		143,656,271	
Other income including interest income	577,236		725,963	
Indirect taxes	40,081,094		30,099,158	
	180,264,491		174,481,392	
Less: Cost of network and services	32,473,881		34,366,743	
Available for distribution	147,790,610	100%	140,114,649	100%
Employees	10,810,306	7.3%	9,309,919	6.6%
Government	73,793,883	49.9%	69,999,527	50.0%
Providers of finance:				
Financial institutions, lessors and other parties	2,819,281	1.9%	2,760,809	2.0%
Shareholders	37,133,250	25.1%	17,553,900	12.5%
	124,556,721	84.3%	99,624,154	71.1%
Value reinvested and retained				
Depreciation and amortisation	23,649,950	16.0%	23,451,039	16.7%
Retained profit	(416,061)	-0.3%	17,039,456	12.2%
	23,233,889	15.7%	40,490,495	28.9%
	147,790,610	100.0%	140,114,649	100.0%



Directors' Report

For the Year Ended 31 December 2020

Dear Shareholders, I welcome you all to the 24th Annual General Meeting (AGM) of Grameenphone Ltd on behalf of the Board of Directors and Management during this most challenging time. We have the pleasure to place the Directors' Report and the Auditor's Report, together with the Company's Audited Financial Statements. The year ended 31 December 2020 for your valued consideration, approval, and adoption.

2020: Accelerating Digital Transformation

2020 has proven to be the most challenging year for all of us worldwide in the face of the Covid-19 pandemic. As a joint force, we stood by society and delivered the mobile industry's vital contribution to social and economic well-being. Bangladesh especially stands out in tackling the Covid-19 pandemic, Cyclone Amphan and subsequent flood and bad weather while at the same time maintaining strong social and economic progress in line with the trajectory of recent years. The challenges of 2020 were unprecedented, but as an economy, Bangladesh continued to deliver at an average rate of 6.8% during the last decade on rising productivity. At the same time, the country recorded considerable improvement across several Human Development Indices (HDIs).

Our role as a connectivity partner to the Digital Bangladesh journey has helped society to tackle challenges of community lockdown by ensuring access to connectivity, which had become a lifeline for many essential services during the Covid-19 pandemic. Collective efforts with credible partners and authorities enabled the government to provide a range of vital services to alleviate the impact of the pandemic on vulnerable individuals and communities.

We overcame significant global and operational challenges over the year to deliver to a higher number of customers in 2020. While Grameenphone reported total revenues of BDT 139.6 billion for FY 2020, it still accounted for an 2.8% de-growth from the previous year. Net Profit After Taxes (NPAT) for the year was BDT 37.2 billion, with 26.6% margin. Earnings per share (EPS) for the year stood at BDT 27.5. The Company also ended the year with 79.0 million total customers, of which 52.2%, or 41.3 million, are data customers. During the year, the Company also registered a promising 14% growth in data revenue brought about from higher dependence on data connectivity due to the pandemic.

During the year, the Company invested BDT 13.8 billion (excluding license & lease) for network coverage, adding 4,172 new 4G sites to its network, which picked up pace through the third quarter. With clearance on NOCs from BTRC secured, the Company could focus on customer experience to a greater degree. The Company has paid BDT 98.2 billion equalling 70.4% of its total revenues, to the National Exchequer in taxes, VAT, duties, fees, 4G license and spectrum assignment.

Grameenphone has taken significant steps this year to diversify its business further, transitioning from a more commodity-based telco to a platform-based digital technology company that offers exciting opportunities and partnerships in IoT and digital content. It is expected that the market will see further acceleration as more and more people adopt data, following the widespread digitisation after effects of the pandemic.

2020 has been a year of exploration and innovation to drive results and at the same time showing resilience and being ready to face any consequences. It was also been a year of collaboration and a year spent unlocking the possibilities of the internet to the unreached. Grameenphone is always committed to stand by the nation, contributing to economic growth and investing to build a quality network to move Bangladesh ahead. In 2020, we have reached the 14,000 4G BTS milestone which opens up even newer possibilities for Bangladesh.

The promise of 'empowering societies' has never carried more weight as the Company's purpose than it had in 2020 given the market uncertainties. Recognised as an essential service against Covid-19 in Bangladesh, Grameenphone has contributed to society through several initiatives, rolled out in close collaboration with credible partners, i.e., regulator, authorities and development partners.

Furthermore, transformation and modernisation within the organisation over the past few years has ensured the Company was able to rapidly adapt to a new way of work with employees working safely work from home.

Telecommunication Industry Scenario

Bangladesh has been maintaining one of the fastest economic growth rates in the world over the last few years, a stable economic performance that has helped to reduce poverty and social inequalities. The country has seen considerable improvement across several Human Development Indices (HDIs), including adult literacy rates, life expectancy at birth, and gender parity in school enrolment. Much of this progress has coincided with the rapid adoption of mobile services and the utilisation of mobile platforms to deliver life-enhancing services.

At the end of 2020, there were 89 million unique mobile subscribers in Bangladesh, whereas total connection numbers reached 169 million, representing connection penetration of more than 100%. The data market has seen a steady growth of around 13.9% with total mobile internet connections standing at 110 million subscribers. With 52.5% unique mobile internet subscribers, there is still strong potential for further growth in data services.

2020 was a unique year for the telecom industry, which has gone through a notable natural and regulatory challenges, however, the industry has played a significant role in keeping the economy and essential services up and running. In addition to providing access to connectivity, which has become a lifeline for many essential services during the Covid-19 pandemic, mobile operators have actively engaged with citizens and the government to provide a range of vital services that have alleviated the impact of the pandemic on vulnerable individuals and communities.

Telecom Regulatory Environment

The Telecom regulatory environment in Bangladesh continued to remain challenging throughout the year. Since the end of the first quarter of 2020, due to Covid-19, mobile internet has become a lifeline for many economic and essential services. However, in the 2020-21 budget, supplementary duty on mobile usage has been increased from 10% to 15% on top of other applicable taxes. As a result, with the new tax ratio, customers now pay 33.25% as tax to the government for mobile phone usage.

In 2020, as per a court order, Grameenphone deposited BDT 20 billion to avoid operational restrictions imposed by BTRC in relation to the disputed BTRC Audit. In June 2020, BTRC imposed SMP directives on Grameenphone. Earlier, Grameenphone had legally challenged SMP directives, but this time, Grameenphone chose to enter into dialogue with the regulator.

Grameenphone implemented the SMP directives but continued discussion with the BTRC to establish the SMP framework based on the principle of market competition and international best practices. Throughout the year there had been several rounds of discussions between the regulator (Ministry and BTRC) and industry on the TowerCo guidelines and operations, up until the new regime became finally operational at the end of 2020. Grameenphone has signed an agreement with one of the TowerCos to roll out new towers under the new regime. At the end of 2020, there had been intensive consultation between the industry and the regulator (both Ministry and BTRC) with respect to the fibre network regime. It became more and more apparent that the current NTDN regime is facing a challenge to drive the country's digitalisation needs. The ministry formed a committee, which included AMTOB (Association of Mobile Operators of Bangladesh) as a member to fix the tariff of the NTDN operators. A report from AMTOB was submitted to the committee highlighting the challenges in the current fibre regime along with the recommendations and pricing principles for NTDN operators. Although the committee was primarily formed to set the tariff, the committee was also delegated to address problems the industry was facing.

At the beginning of 2020, BTRC and the Ministry kicked off consultations regarding 5G launch in 2021, however, this consultation process shall continue further. In the fourth quarter of 2020, BTRC started discussions with the MNOs regarding allocations of spectrum after Robi renewed 11.6 MHz spectrum from 900 MHz and 1800 MHz bands for another 10 years. The Ministry initiated the consultation process for amendment of BTRA (Bangladesh Telecommunication Regulatory Act) where MNO's participated and collectively provided their observations under the AMTOB banner.

The Telecom Regulatory Framework continues to present challenges and the industry continues advocating for amending the BTRA for ensuring predictability and sustainability in the framework.

Capital Market Overview 2020

The Bangladesh stock market witnessed a positive year in 2020, registering a growth of 21.3% after experiencing two consecutive negative years in 2018 and 2019. This was the second-highest return in the world after NASDAQ (43.4%) despite the pandemic. In peer markets, Bangladesh posted the highest returns followed by India's 15.5% and Vietnam's 14.6%. In the DSE, Telecommunication posted the highest gain of 16.6% in 2020, followed by 12.7% gain from Engineering.

The capital market was impacted significantly due to Covid-19. Subsequently, BSEC imposed floor prices to control the free fall. Moreover, both stock markets in Bangladesh remained closed for 66 days during the first half of the year due to the nationwide lockdown measures. The government's declaration of a stimulus package with the national budget announcement had a positive

influence on the market; coupled with several policy changes brought about by the Bangladesh Bank, such as decline in deposit rates, were key to persuading investors to look for alternative investment opportunities. The new regulatory commission made further changes which were investor friendly, such as strict stance on compliance issues, enlistment of reputed companies, regaining faith from local and foreign investors.

On the Dhaka Stock Exchange (DSEX), the broad and free-float weighted DSEX index gained 21.3% powered by the Engineering, Telecommunication and Pharmaceutical sectors. Daily average turnover value increased by 18.57% while market capitalisation increased by 32.01% in 2020, compared to the preceding year. Grameenphone share price increased by 21.4%, closing at BDT 347.1 at year-end with a daily average turnover value of BDT 86.5 million (BDT 8.6 crore). During the year, the highest value of Grameenphone share price was BDT 356.8 and the lowest was BDT 219.5. Grameenphone market capitalisation on 30 December 2020 stood at BDT 468.7 billion (BDT 46,868 crore), representing 10.5% of the DSE's total equity market capitalisation.

**Source: Dhaka Stock Exchange*

Product & Services that Connect People to What Matters Most

During the pandemic, Grameenphone understood the urgency to stand by the nation through these trying times, and quickly shifted focus on utilising its connectivity backbone and digital expertise. Grameenphone began to develop and launch relevant products and services that would meet customer needs and simplified digital eco-system adaption to support the nation and empower the society.

It cannot be argued that while the whole country was under lockdown and mobility was restricted, mobile connectivity played a pivotal role in connecting people to what mattered most to them. People were stressed and needed affordable, seamless connectivity for their communication, news, entertainment, education, work and daily requirements.

At the same time, as the economy suffered, overall income levels had dropped during this period. In response, Grameenphone launched limited time bound offers by reducing voice tariff, increasing recharge validity during the lockdown, introducing discounted data packs and 100% data bonus volumes to make connectivity more affordable and accessible.

In the 2020-21 national budget, supplementary duty (SD) was increased by 5% on all mobile services. Grameenphone took a conscious call to absorb most of the additional SD for the smaller voice packs used by the lower-income segment, and around 80% of the same for the data packs, to support connectivity during the pandemic. Grameenphone introduced affordable communication packs for different educational institutions to empower teachers and students to conduct online classes and ensure the best possible learning journey. The Company supported its corporate customers with right-connectivity value propositions for their business needs while working from home. Moreover, the Company provided financial assistance to small retailers to support them and help them restart their businesses to offset the economic setbacks of the pandemic.

Grameenphone also joined hands with the government and a2i (access to information, a programme of the Bangladesh government's Digital Bangladesh agenda, specialising in introducing citizen-centric public service innovation) to collaborate with our data analytics, research and AI-based solutions. The Company generated analytics data to help the authorities manage Covid-19 situation by developing an AI-based model to facilitate health care for the right people.

Further, Grameenphone conducted online/offline campaigns to make its customers aware of the alternative service channels available through its health, education and donor partners. In collaboration with the ICT Division, a2i and Google, Grameenphone launched the 'Bangladesh Challenge Campaign' that promoted general public to pinpoint important locations such as hospitals, commodity markets, mobile balance recharge points, Nagad/bKash points, and others in their respective locality so as to make the locations easily identifiable by the wider public.

While the pandemic brought unprecedented challenges, it also opened people to the digital eco-systems more than ever. This swift behavioural change helped the Company connect customers and partners digitally, helped customers experience the possibilities of the internet and the efficiency of digital solutions. Grameenphone continued to simplify its digital solutions and build digital adaption awareness in 2020. The Company is constantly striving to come up with products and services that facilitate access to education, skills, marketplaces and other necessities for a better life.

During this pandemic, the distribution operation and maintaining health & safety for the distributor field force were very challenging; but Grameenphone brought innovative tools and techniques like retail-to-retail transfer and retail credit to serve the market in the best possible manner. The Company also took good care of its distribution and retail partners by offering additional financial support (BDT 10 crore safety-net credit scheme for affected retailers), regular hygiene supplies to sales representatives and retailers, as well as hospitalisation and medical support to sales representatives when required.

Transforming the Customer Experience with Innovation

Grameenphone is continuously driving to ensure better experience. Given adverse challenges in 2020, Grameenphone has prioritised uninterrupted services for its customers across the country. Throughout the year the Company has driven its expansion plans to enable its customers with a robust network and connectivity at affordable prices with packages for different segments; ensuring that customers can remain connected from anywhere in the country. Moreover, in consideration of customer safety and security, mainly to provide social distancing, the Company has streamlined customer journey processes in 2020 to give them greater empowerment and control over their connections. Critically these improved processes, over different platforms, have allowed customers to access and enjoy services without unnecessary human interaction.

Additionally, Grameenphone continued pandemic awareness initiatives across different channels throughout the year. As a result of these activities, Grameenphone has successfully retained its industry-leading position in the Net Promoter Score (NPS).

Grameenphone Expanding its 4G Network Across Bangladesh and Enhancing Related Services to Ensure Better Customer Experience

Grameenphone demonstrated its commitment towards ensuring quality mobile broadband by rolling out over 14,000 4G sites, thus also ensuring the widest 4G coverage in the country. The Company is humbled by the fact that within three years of launch, almost 70% of the total national data volume is carried over Grameenphone's 4G network. Substantial growth of data volumes over its 4G network has sustained the country towards a Digital Bangladesh. The capacity of existing 4,500 4G sites were also enhanced to cater to the growing demand of 4G. Traffic steering and optimisation between 2G, 3G and 4G technologies has ensured that subscribers receive the best voice and data experience on the Grameenphone network. As demand for new growth areas in the network increased The Company teamed up with a TowerCo to start building new sites across the country. In parallel, Grameenphone also started to rollout and strengthen its fibre network for future 5G technology readiness.

As a result of VoLTE (Voice over LTE) launched over the 4G network, Grameenphone customers now enjoy voice calls with HD voice quality and reduced (1-2 second) call set up time. More than one million Grameenphone subscribers are now using the VoLTE services.

In line with its digital ambition, Grameenphone also implemented new service bundling capability in 2020 throughout its network; hence, customers can now provision for and enjoy video on demand & communication pack service bundles (i.e. Bioscope, Zee5, Zoom, Google Duo, Teams etc.) on Grameenphone's robust data network. Furthermore, other digital services such as MyGP 4.0, GPAY, Flexiplan, Retail App, and the Franchisee's App have been revamped under a new architecture and User Interface, leading to improved user experiences. MyGP capacity has been enhanced; POL (payment orchestration layer) has been introduced and launched with Recharge capability from MyGP, bKash etc. SSC result registration and other hotline services for health have also been provided to customers.

Grameenphone has also modernised its Credit-control and Invoicing systems to extend better customer experience to post-paid users. A Big Data-based Analytics Enabler Platform (AEP) has also been implemented to fulfil Grameenphone's ambition for AIML-based personalisation services and near real time BI (business intelligence) reporting to get customer insights in granularity.

As soon as the lockdown was lifted in June 2020, the entire telecom industry faced a significantly higher number of fibre cuts in 2020 due to the massive construction projects by the government, which caused great challenges maintaining network availability. Nonetheless, armed with strong surveillance and field teams, the Company has managed to be resilient and been able to limit network downtime.

Altogether, 2020 was a year of strong network growth and great technological advancement, in line with the business growth, against a very challenging economic and unprecedented dysfunctional environment.

Rising to Challenges and Uplifting Customer-Centricity through Modernisation, Agility and an Inclusive Culture

Grameenphone continues its journey on becoming a dynamic technology company by focusing on agility and capability. The Company is continuously up-skilling its resources with relevant skillsets and innovation to stay ahead of the curve in the market. The digital space, alongside ICT, remains the focus for the Company to catalyse its growth as its customers' preferred lifestyle partner.

Capitalising on enhanced HR self-services throughout 2020, Grameenphone introduced of relevant programmes and digital interventions. By building capabilities around future-fit competencies, the Company has been able to develop in-house expertise in critical skill areas such as – Automation, Cyber Security, Data & Analytics, Cloud & Virtualisation etc. To support the organisational agility, HS&S launched a structured agile capability development programme labelled "Distance Leadership" to enable learning during the "work from home" set up.

Like last year, the Company has championed Gender Diversity as a top priority in 2020 as well. 84% external female employees were recruited, including an exclusively female team of Territory Managers in the sales force. Female representation across all Divisional Management teams, involvement of promising females in critical projects are some of the key steps the Company has undertaken. 2020 ended with a Full Time Equivalent employee base of 2,086.

Robotic Process Automation (RPA) has also a key element in the foundation for modernisation in 2020 that has brought in efficiency in business processes, increased employee productivity, faster execution and extend superior experience to customers.

Despite a very challenging year, Grameenphone has had one of its best performance relays in 2020. A collaborative approach towards supporting each other amidst the pandemic has resulted in renewed passion and energy towards the Company's purpose of connecting customers to what matters most to them, and the coming together as a strong team. This has only been possible thanks to a capable and engaged workforce closely aligned with Company's vision of empowering societies and responsible business.

Sustainability Initiatives toward Reducing Inequalities

Grameenphone is committed to reducing inequalities and empowering societies through ensuring access to connectivity, digital & technological inclusion, timely responses and environmental challenges. The ambition is to contribute to UN SDG #10 – Reduced Inequalities, and responsible business practices.

In 2020, as Covid-19 emerged, Grameenphone assessed the situation quickly and developed the Covid-19 response framework in collaboration with the credible partners, i.e. regulator, authorities, development partners, and volunteers to support the nation. Grameenphone's contribution to support the country combat the pandemic ranged from providing 50,000 ICU-grade PPEs (amid the broken global supply chain) to 12 hospitals, in collaboration with DGHS; emergency food support for 100,000 affected families who lost their jobs due to the pandemic, in partnership with Brac, the world's largest NGO, under the "Dakche Amar Desh (My Country Calls)" initiative; and finally, relief support for 100,000 families in 16 districts, in partnership with Bangladesh Red Crescent Society and the Disaster Response Ministry, when the country faced severe flood which bore greater criticality under Covid-19 conditions. Grameenphone also developed and deployed initiatives to create mass awareness on how to remain safe during the Covid-19 pandemic.

Additionally, the Company continued its journey in reducing inequalities through its Child Online Safety program, in partnership with UNICEF and Telenor, to create a safer online experience for children in partnership with UNICEF, a2i, WHO, DGHS.

Grameenphone has further strengthened its commitment to establish a sustainable supply chain by implementing Supplier Conduct Principles (SCP), based on internationally recognised standards around human rights, health and safety, labour rights, environment, and anti-corruption. All suppliers and partners of Grameenphone have endorsed the Supplier Conduct Principles (SCP) and Agreement on responsible Business Conduct (ABC). In 2020, the Company conducted more than 6000 man-hours of capacity building to enhance the supply chain's competence and capabilities. Besides, Grameenphone has performed a total of 755 supply chain inspections throughout the year, monitoring responsible business conduct at partner locations. The Company puts 'People' first and believes in continual improvement to implement and establish a safe working environment and responsible business practices.

For a Green Business and a Green Planet

Grameenphone aims to do its part in making the planet greener and more liveable for generations to come by optimising energy consumption and increasing the use of renewable energy. Grameenphone's priority is to take responsibility for the excess CO₂ emissions generated by its own operations and has set a target to reduce 50% carbon emission (CO₂) by 2030, considering 2019 as the baseline. Grameenphone has launched awareness programmes for employees and stakeholders to make them more conscious of the environment and climate. Moreover, the Company initiated several programmes to enhance environmental sustainability, including reducing dependency on diesel generators, operational travel time, and the use of valuable resources.

The Company is committed to the continuous deployment of enhanced sustainable solutions for an energy-efficient and environment-friendly network. Detailed information on the initiatives of the Company is provided in the Climate Change section of the Annual Report on page 14.

Health, Safety and Security

Grameenphone places utmost priority on promoting HS&S culture. Grameenphone focuses on continuous improvement of HS&S to establish a safe and healthy work environment. Keeping "People First" in mind, routine risk assessments are conducted to identify workplace hazards and enforce control mechanisms as per local legislation, international guidelines and best practices.

Heightened precautionary measures have been taken to prevent the Covid-19 spread amongst the employees by reducing exposure and transmission of the virus. In order to control the pandemic, Grameenphone introduced work from home from

mid-March and implemented digital tools to collaborate and work from home. Business operations were resumed by adopting strict hygiene and health precautions while ensuring rigorous awareness across the value chain in order to serve customers in the best possible and safest manner. Proactive initiatives like HS&S advisory, 24/7 doctor consultation, Covid-control guidelines including use of PPEs, were enforced. To ensure business continuity, as an emergency telecommunication service provider, there has been extensive alignment and cooperation with the authorities. Grameenphone has also ensured emergency medical support (hospitalisation, ambulance etc.) for employees. Distribution of face mask packs and appropriate Covid-control measures have been implemented in Grameenphone establishments for the safekeeping of employees and customers.

In 2020, total 7,976 hours of HS&S training, including online awareness, were carried out for all employees with special focus on Covid-19 prevention and mental health. Safety committees were revamped in alignment with compliance of local legal requirements.

Corporate Governance Approach

Governance is continuously evolving and remains central to long-term business sustainability and value creation. The Company recognises that a robust and sound governance framework is vital in providing a solid foundation for our business's sustainable long-term success and the value creation for Grameenphone's stakeholders. The Board of Directors and Management of Grameenphone are pledge bound to continue implementing the highest standards of Corporate Governance in the Company through a culture of accountability, transparency and well-understood policies and procedures. This aspect is discussed in the "Corporate Governance in Grameenphone" section of the Annual Report on page 39.

In line with the same, the Company has complied with the conditions as stipulated in the Corporate Governance Code issued on 03 June 2018 by BSEC. In this connection, compliance status has been annexed to this report as Annexure-I on page 77. Furthermore, a certificate of compliance from ACNABIN, Chartered Accountants, confirming compliance of conditions of Corporate Governance Code, as stipulated under condition 9(i) of the BSEC Code is also annexed to this report as Annexure-VI on page 97.

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

• Industry Outlook and Possible Future Developments

While voice revenue trend is declining against increased data growth and adjacent businesses, it still remains the main revenue driver and is expected to remain so over the next few years. The increasing trend of OTT usage is also contributing to decline in voice usage. Through the Covid-19 pandemic, adoption of a digital lifestyle and working culture has accelerated. Mobile telephone services have contributed significantly to these economic activities and other essential services. The government on its part has been supportive in the effort of digitalising public and private services. The government's incentive on assembling mobile phones locally is expected to also facilitate the penetration of mobile internet and smart phones in the country. The emergence of new digital services, convergence of technologies/IoT, and increased financial inclusion are all shaping up the digital transformation journey in Bangladesh.

Further, the government of Bangladesh has reinforced its goals and objectives for a Digital Bangladesh through its 7th Five Year Plan. The campaign is adopting IT practices and tools on a wide scale to enable economic, cultural, and social development. As part of this nation-wide initiative, particular focus is given to greater adoption of e-Governance and e-Services solutions. The government is aiming to digitalise 90% of its service by 2021. As per ICT Division the government has already digitalised 600 public services, moving towards digitalising 2,800 public services in 2021. So far, the government has been serving around 60 million people through 6,790 Digital Centres and is in the process of building 39 IT parks across the country.

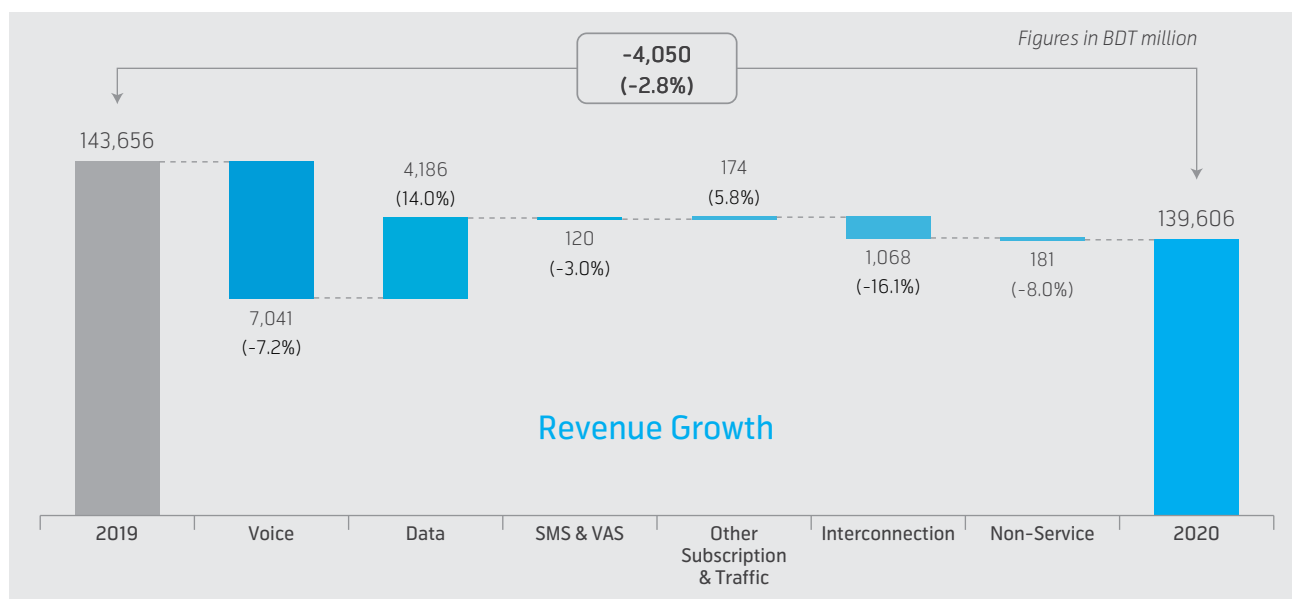
With the increased collaboration between the government and the Telecom Industry, the Digital Bangladesh journey is fast gaining momentum.

• Segment/Product Wise Performance

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

Grameenphone posted BDT 139.6 billion of total revenue for the year 2020 with 2.8% decrease compared to the previous year. The decrease in total revenue was mainly driven by lower voice and interconnect revenues, partly offset by growth in data services.

The 7.2% decrease in voice revenue in 2020 was mainly attributed to the lower usage due to the Covid-19 pandemic and unfavourable impact from additional 5% Supplementary Duty implementation in June 2020. Grameenphone added 2.6 million subscribers in 2020 despite number series crisis in the first quarter and retail closure during general holidays under Covid-19. At the end of 2020, Grameenphone's total subscriber base reached at 79 million, with 3.4% growth from last year and 0.3 percentage point improvement in subscription market share.



Data revenue has increased by 14.0% from 2019, mainly driven by 1.7% increase in the number of data users and 60.6% growth in data volume in 2020. The substantial growth in data volume was achieved through rolling-out more than 4,000 4G sites during the year, continued focus on investment for network capacity and coverage expansion as well as bringing competitive product & market offers. At the end of 2020, 52.2% of Grameenphone's subscriber base were active data users.

'SMS and VAS' includes Content service, SMS and MMS revenue, decreased by 3.0% in 2020. 'Other Subscription & Traffic' mainly includes revenue from bundled services, outbound roaming services and USSD revenue from mobile-financial services. Growth in this segment was mainly driven by higher bundle services revenue in 2020.

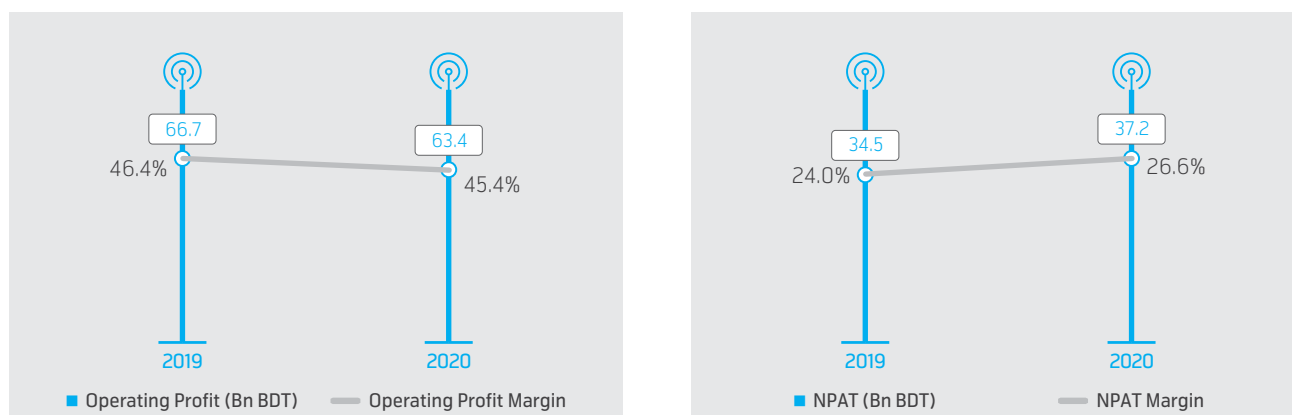
Interconnection revenue, generated from the incoming traffic originating from outside the Grameenphone network, decreased by 16.1% in 2020 from 2019 following a decrease in incoming minutes from international operators owing to the global uptrend of OTT services. Additionally, the interconnect revenue in 2020 had two-fold negative impact from reduction in international call termination rate and implementation of SMP directives (reduction in national call termination rate)

'Non-Service Revenue' segment includes customer equipment, i.e. sales of handsets, internet modems and Vehicle Tracking System, and revenue from telecom infrastructure sharing, commission from financial services, etc.

● 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 and license fees, depreciation and amortisation expense, and other expenses. Operating expense for 2020 was BDT 76.2 billion with 1.1% decrease compared to last year. The decrease in operating expense mainly came from lower sales, marketing and commission cost, partly offset by higher cost of material and traffic charges and higher CSR cost for Covid-19 and flood. Operating profit for 2020 stood at BDT 63.4 billion, with a margin of 45.4%.

Operating Profit Margin and Net Profit Margin



Net profit after tax for 2020 was BDT 37.2 billion with a margin of 26.6%. BDT 2.7 billion growth in net profit after tax mainly came from BDT 3.8 billion lower tax expense, which was partly offset by BDT 1.1 billion lower profit before tax. As a result, Earnings Per Share (EPS) for the year 2020 stood at BDT 27.54 as compared to BDT 25.56 for the year 2019, registering year-on-year growth of 7.7%.

● **Risks & Concerns**

Risk Management is always a high priority issue in Grameenphone. The Company recognises that risk management is integral to the achievement of Grameenphone's strategic imperatives and how decisions are made. 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 challenging 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 befitting 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. This aspect is discussed in the "Enterprise Risk Management" section of the Annual Report on page 55.

● **Extraordinary gain or loss**

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.

● **Related Party Transactions**

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 2020 as per the relevant IFRS requirements.

● **Utilisation of Proceeds from IPO**

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.

● **Significant Variance of Financial Statements**

No significant variations have occurred between quarterly and annual financial performances of the Company during the year 2020 except for a de-growth in revenue which is discussed in "Review of Segment/Product Wise Performance" segment of this report. Besides, during the year Grameenphone has deposited BDT 20 billion to BTRC 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 the annual financial statements. Other variances from business operation are sufficiently disclosed in the relevant segments of this Annual Report.

● **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 2020, attendance fees in connection with Board and Board Sub-Committee meetings were BDT 753,931 (2019: BDT 865,161). Foreign Directors have decided not to receive the attendance fees in connection with Board and Board Sub-Committee meetings.

● **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:

- 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;
- Proper books of account of the Company have been maintained;
- 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;
- International Financial Reporting Standards (IFRSs) have been followed in preparation of the Financial Statements and any departure therefrom has been adequately disclosed;
- The system of internal control is sound in design and has been effectively implemented and monitored; and
- There is no doubt upon the Company's ability to continue as a going concern.

• Declaration of the CEO and the CFO on the Financial Statements

As required under BSEC's Corporate Governance Code, the declaration by the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) on Financial Statements 2020 to the Board as prescribed is annexed to this report as Annexure-IV on page 90.

• 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.

• Management's Discussion and Analysis

Management's Discussion and Analysis signed by the CEO presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements and other requirements of the Corporate Governance Code is disclosed in Annexure-V of this report on page 91.

• Other 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 under Financial Analysis section of this Annual Report on page 64.
- Grameenphone has declared interim dividend and recommended final dividend for the year 2020.
- Grameenphone has not declared Bonus Share as Interim and Final Dividend in 2020.
- During 2020, a total of 12 (twelve) 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 91.
- Shareholding pattern of the Company as on 31 December 2020 is shown in Annexure-III of this report on page 89.

Annual Results and Allocations

The Directors take pleasure in reporting the financial results of the Company for the year ended 31 December 2020 and recommended the appropriation as mentioned in the 'Appropriation of Profit' table below:

Figures in BDT million

	2020	2019
Profit available for Appropriation		
Profit/ (Loss) after tax	37,187	34,517
Other comprehensive income (loss), net of tax	(470)	77
Un-appropriated profit brought forward from previous year	16,988	15,477
Total Amount available for Appropriation	53,705	50,070
Appropriation		
Final Dividend Paid for Previous Year	(5,401)	(20,930)
Interim Dividend Paid for Current Year	(17,554)	(12,153)
Closing Retained Earnings at year end (before Proposed Final Dividend)	30,750	16,988
Proposed Final Dividend for the year (2020: 145% and 2019: 40% cash)	19,579	(5,401)
Retained Earnings after Proposed Dividend	11,171	11,587

Contribution to the National Exchequer

As one of the largest contributors to the National Exchequer for the last several consecutive years, the collective contribution of Grameenphone from inception up to December 2020 was BDT 853.7 billion. During 2020 alone, the Company contributed BDT 98.2 billion to the national exchequer which represents about 70.35% of Grameenphone's total revenue of 2020. Grameenphone has paid BDT 30.4 billion corporate taxes during 2020.

Dividend

For the year ended 31 December 2020, the Board of Directors of the Company has paid an Interim Cash Dividend @ 130% of the paid-up capital amounting to BDT 17,553,900,286 which was BDT 13 per share of BDT 10 each. Now, the Directors are pleased to recommend a Final Cash Dividend @ 145% of the paid-up capital amounting to BDT 19,579,350,319 which is BDT 14.5 per share of BDT 10 each for the year 2020 out of the divisible profits of the Company for consideration and approval of the Shareholders for distribution. Inclusive of the Interim Dividend of 130% paid already, this would make a cumulative total dividend @ 275% of the paid-up capital of the Company which represents 99.86% of the Profit After Tax for the year 2020 amounting to BDT 37,133,250,605.

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 2020 on page 47.

Board of Directors

The composition of the Board of Directors who held office during the year was as below:

1. Mr. M Shahjahan, Grameen Telecom, Director
2. Mr. Md. Ashraful Hassan, Grameen Telecom, Director
3. Mr. Håkon Bruaset Kjøl, Telenor Mobile Communications AS, Director
4. Ms. Parveen Mahmud, Grameen Telecom, Director
5. Mr. Øivind Burdal, Telenor Mobile Communications AS, Director
6. Dr. Salehuddin Ahmed, Independent Director
7. Mr. Lars Erik Tellmann, Telenor Mobile Communications AS, Director
8. Mr. Jørgen C. Arentz Rostrup, Telenor Mobile Communications AS, Director and Chair [effective from 09 June 2020]
9. Mr. Abdul-Muyeed Chowdhury, Independent Director [effective from 14 September 2020]
10. Ms. Tone Ripel, Telenor Mobile Communications AS, Director [effective from 18 October 2020]

Changes in the Board, Appointment of New Chairman and New Independent Director

During the period under review, there were several changes in the Board. Grameenphone announced the appointment of Mr. Jørgen C. Arentz Rostrup as Director and Chair of the Board replacing Mr. Petter Boerre Furberg with effect from 09 June 2020 and expected that his dynamic leadership would take the Company to further heights in the future. In April 2020, one of our Independent Directors, Prof (Dr.) Jamilur Reza Chowdhury's position fell vacant due to his sudden and sad demise. The Company was obliged to fill the vacancy within the regulatory timeline and, accordingly, Mr. Abdul-Muyeed Chowdhury was appointed as Independent Director, with effect from 14 September 2020. The said appointment will be approved by the Shareholder in upcoming 24th Annual General Meeting. Ms. Tone Ripel joined the Board in October 2020 as nominated by Telenor Mobile Communications AS in place of Mr. Irfan Wahab Khan. The Board welcomes Mr. Abdul-Muyeed Chowdhury and Ms. Tone Ripel to the Board and looks forward for their enriching contribution to the governance of the Company.

The Board of Directors would also like to take this opportunity to deeply thank and bid farewell to two esteemed Board members for their invaluable contribution to the Board over the years and help the Board discharge its governance responsibilities towards the Company. The Board wishes them the very best for their futures. The Board also expresses its profound grief and sorrow over the sad and sudden demise of Prof. (Dr.) Jamilur Reza Choudhury on 28 April 2020 who was an Independent Director of Grameenphone Board since 15 June 2016. The Board acknowledges his remarkable contributions to Grameenphone, and to the nation, particularly in the field of education and development.

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. Håkon Bruaset Kjøl
2. Mr. Md. Ashraful Hassan
3. Ms. Parveen Mahmud

As per the Corporate Governance Code 2018, after the appointment of Independent Director by the Board, the Shareholders will approve the said appointment in the Annual General Meeting. Accordingly, Mr. Abdul-Muyeed Chowdhury's appointment is to be vetted and confirmed at the Company's ensuing 24th AGM.

Brief profiles of the Directors being proposed for re-appointment are given on page 29 of the Annual Report, which fulfils condition 1(5)(xxiv) of the Corporate Governance Code of BSEC.

Appointment of Auditors and Corporate Governance Compliance Auditor

As per the Companies Act 1994 and the Articles of Association of Grameenphone, the statutory auditors of the Company, A Qasem & Co, Chartered Accountants, shall retire at this AGM. As per BSEC Order No. SEC/CMRRCD/2009-193/104/Admin dated 27 July 2011, an audit firm cannot be engaged for more than three consecutive years as statutory auditors of the same Company. A Qasem & Co, Chartered Accountants has been the statutory auditors of the Company since 2018. In compliance with the BSEC order, we are required to appoint new statutory auditors for the Company. ACNABIN, Chartered Accountants has offered their willingness to be appointed as statutory auditors of Grameenphone. On the suggestion of the Audit Committee, the Board recommends their appointment for the year 2021 and continuation till the next AGM at a fee of BDT 3 million plus VAT.

In compliance with the BSEC Corporate Governance Code, the Board appointed M/S Al-Muqtadir Associates as Corporate Governance Compliance Auditor of the Company for the year 2021 at a fee of BDT 204,445 and the said appointment will be approved by the Shareholders in the upcoming 24th AGM.

Outlook 2021: Unleash the Potential of Bangladesh and Continue Growing Shareholder Value

The telecom industry is changing to accommodate technological advancements, customer needs and economic progression rapidly. While the Covid-19 pandemic has somewhat accelerated and even shifted the progression roadmap, it is in line with the paradigm shift in the present times' evolving communication needs. Connecting our customers to what matters most to them is at the core of Grameenphone's existence

As a connectivity partner on the Digital Bangladesh journey, Grameenphone's goal is to keep innovating to improve its customers and stakeholders' lives. The Company is committed to creating a brighter digital future to maintain the largest 4G LTE network and introduce innovative solutions. Grameenphone aims to continue investing in the country and building a strong network and distribution ecosystem to deliver value to its shareholders and customers. The Company has built agile capabilities, ensured employee safety and fast-forwarded its transformation agenda to meet and match customers' new-normal requirements and behavioural changes. With this set platform, our resilient network is also getting ready to take on the challenges and opportunities of 2021 when Bangladesh is getting ready to celebrate 50 years of nationhood and its national journey and socioeconomic development to become a middle-income economy.

Appreciation

The Board of Directors expresses their gratitude to all the Company's shareholders, investors, regulators, customers and partners for their trust and support over the years. Moreover, the Board of Directors thanks Grameenphone employees for their enthusiasm and untiring commitment to the Company. 2020 presented many unprecedented challenges that had affected just about every aspect of the business. Yet, the people at Grameenphone had risen to the occasion as always and proven their agility and commitment to duty. Under these trying circumstances, achieving such a result is testament to their hard work, skill, and desire to deliver to the business and our customers. Employees have demonstrated commendable effort in collaborating with our partners to build a sustainable and enterprising organisation such as Grameenphone.

Looking towards 2021 and the plans for the next 12 months, we have a large pipeline of exciting activities already ahead of us.

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



Jørgen C. Arentz Rostrup
Chair

27 January 2021

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; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s)	√		There are 2 (Two) Independent Directors (ID) out of total 10 (Ten) Directors
1(2)(b)	Independent Director means a Director:			
1(2)(b)(i)	who either does not hold any share in the Company or holds less than one percent (1%) shares of the total paid-up shares of the Company	√		The IDs have submitted declarations about their compliances
1(2)(b)(ii)	who is not a sponsor of the Company or is not connected with the Company's any sponsor or director or nominated director or shareholder of the Company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the Company	√		-do-
1(2)(b)(iii)	who has not been an executive of the Company in the immediately preceding 2 (two) financial years	√		-do-
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary or associated companies	√		-do-
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	√		-do-
1(2)(b)(vi)	who 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)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned Company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code	√		-do-
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies	√		-do-
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI)	√		-do-
1(2)(b)(x)	who 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)	√		a) Dr. Salehuddin Ahmed, in his 1 st term, and his appointment was approved at 22 nd AGM b) The Board appointed Mr. Abdul-Muyeed Chowdhury, and the shareholders would approve his appointment at the upcoming 24 th AGM
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	√		The position of Prof. (Dr.) Jamilur Reza Chowdhury, Independent Director was vacant on 28 April 2020 due to his sudden demise. The Board appointed Mr. Abdul-Muyeed Chowdhury as a new Independent Director on 14 September 2020 within the extended time as granted by BSEC
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	√		The IDs are in their regular term of office
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)	Independent director shall have following qualifications:			
1(3)(b)(i)	Business leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of BDT 100 million or any listed company or a member of any national or international chamber of commerce or business association; or	Not applicable		
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; or	Not applicable		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of Bachelor degree in Economics or Commerce or Business or Law	√		
1(3)(b)(iv)	University teacher who has educational background in Economics or Commerce or Business Studies or Law	√		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification	Not applicable		
1(3)(c)	The independent director shall have at least 10 (ten) years' experiences in any field mentioned in clause (b)	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission	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	
1(4)	Duality of Chair of the Board of Directors and Chief Executive Officer			
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 Chief Executive Officer (CEO) of a listed company 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 Chief Executive Officer	√		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 71 of the Annual Report
1(5)(ii)	Segment-wise or product-wise performance	√		Included in the Directors' report on Page 71 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 73 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 72 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 73 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 73 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 73 of the Annual Report
1(5)(viii)	Explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.	√		Included in the Directors' report on Page 74 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 73 of the Annual Report
1(5)(x)	Statement of remuneration paid to the directors including independent directors	√		Included in the Directors' report on Page 73 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 73 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 73 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 73 of the Annual Report

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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 73 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 73 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 74 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 74 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 74 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 62 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	√		Stated in the Directors' report on Page 74 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 74 of the Annual Report
1(5)(xxiii)	Pattern of shareholding and name wise details (disclosing aggregate number of shares):			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties	√		Included in the Directors' report on Page 89 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 89 of the Annual Report
1(5)(xxiii)(c)	Executives	√		Included in the Directors' report on Page 89 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 89 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 33 of the Annual Report

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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 93 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	√		Stated as Annexure -V (Management's Discussion and Analysis) of the Directors' Report on Page 94 of the Annual Report
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	√		Stated as Annexure -V (Management's Discussion and Analysis) of the Directors' Report on Page 95 of the Annual Report
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 as required under condition No. 3(3)	√		Stated as Annexure -IV of the Directors' Report on Page 90 of the Annual Report
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed	√		The Certificate regarding compliance of the conditions is disclosed on page 97 of the Annual Report
1(6)	Meetings of the Board of Directors			
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), in so far as those standards are not inconsistent with any condition of this Code	√		Company conducts its Board meetings and record the minutes of the meetings as well as keep required books and records as per provisions of Bangladesh Secretarial Standards (BSS) as adopted by ICSB
1(7)	Code of Conduct for the Chair, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the 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 including, among others, prudent conduct and behaviour; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency	√		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			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	Not applicable		Grameenphone does not have any subsidiary Company as on reporting date
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company	Not applicable		-do-
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	Not applicable		-do-
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	Not applicable		-do-
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	Not applicable		-do-
3	Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a 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 Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals	√		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)	√		In practice
3(2)	Requirement to attend Board of Directors' Meetings			
	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)	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
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 90 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-

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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	√		The CEO and CFO have duly certified to the Board and the declaration is disclosed as Annexure-IV on page 90 of the Annual Report
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 90 of the Annual Report
4	Board of Directors' Committee			
	For ensuring good governance in the Company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee	√		The Board formed the Audit Committee on 10 November 2008
4(ii)	Nomination and Remuneration Committee	√		The Board formed the NRC on 11 December 2018
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The Company shall have an Audit Committee as a subcommittee of the Board	√		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)	Constitution of the Audit Committee			
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 page 31 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

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of three (3) persons, the Board shall appoint new Committee member to fill up the 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)	Chair of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director	√		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 Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes	None		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 23 rd AGM held on 21 April 2020
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least four (4) meetings in a financial year	√		There were eight (8) 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 process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	√		-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-

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval	√		The Audit Committee performs as per BSEC's guidelines
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 based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	√		-do-
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer 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 2020
5(6)	Reporting of the Audit Committee			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board	√		
5(6)(a)(ii)(a)	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 57 of the Annual Report
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board	√		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

Condition No.	Title	Compliance Status ("✓" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b)	✓		The duties of the NRC are clearly defined in the Board approved NRC Charter as per BSEC's guidelines
6(2)	Constitution of the NRC			
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)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within one hundred eighty (180) days of such vacancy occurring in the Committee	✓		The position of Prof. (Dr.) Jamilur Reza Chowdhury, Independent Director was vacant on 28 April 2020 due to his sudden demise. The Board appointed Mr. Abdul-Muyeed Chowdhury as new Independent Director on 14 September 2020 within the extended time as granted by BSEC
6(2)(f)	The Chairperson of the Committee may appoint or coopt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or is valuable for the Committee	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)	Chair of the NRC			
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	✓		The reason for the absence of the NRC Chair was duly recorded in the minutes
6(3)(c)	The Chairperson 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 23 rd AGM held on 21 April 2020
6(4)	Meeting of the NRC			
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

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an Independent Director is must as required under condition No. 6(2)(h)	√		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)	Role of the NRC			
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; and	√		-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 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 59 of the Annual Report
7	External or Statutory Auditors			
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-

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1) ; and	√		-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 23 rd AGM held on 21 April 2020
8	Maintaining a website by the Company			
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	Reporting and Compliance of Corporate Governance			
9(1)	Obtaining 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 ACNABIN, Chartered Accountants regarding compliance of conditions of Corporate Governance Code 2018 and such certificate is disclosed on page 97 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 77 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 2020

Name of Directors	Board Member Since	Number of meetings attended during 2020
Mr. M Shahjahan	26 June 2006	12/12
Mr. Md. Ashraful Hassan	20 January 2010	12/12
Mr. Håkon Bruaset Kjøl****	14 September 2011	11/12
Ms. Parveen Mahmud	17 October 2012	12/12
Mr. Øivind Burdal	18 May 2016	12/12
Dr. Salehuddin Ahmed****	12 December 2018	11/12
Mr. Lars Erik Tellmann	11 December 2019	12/12
Mr. Jørgen C. Arentz Rostrup	9 June 2020	05/05
Mr. Abdul-Muyeed Chowdhury	14 September 2020	02/02
Ms. Tone Ripel	18 October 2020	02/02
Prof. (Dr.) Jamilur Reza Choudhury*	15 June 2016	04/06
Mr. Petter Boerre Furberg**	26 May 2017	08/08
Mr. Irfan Wahab Khan***	14 July 2019	10/11

* Prof. (Dr.) Jamilur Reza Choudhury passed away on Tuesday, 28 April 2020

** Mr. Petter Boerre Furberg retired from the Board on 09 June 2020

*** Mr. Irfan Wahab Khan retired from the Board on 18 October 2020

**** 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 2020

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. M Shahjahan	Board Member	-	-
Mr. Md. Ashraful Hassan	Board Member	-	-
Mr. Håkon Bruaset Kjøl	Board Member	-	-
Ms. Parveen Mahmud	Board Member	-	-
Mr. Øivind Burdal	Board Member	-	-
Dr. Salehuddin Ahmed	Board Member	-	-
Mr. Lars Erik Tellmann	Board Member	-	-
Mr. Abdul-Muyeed Chowdhury	Board Member	-	-
Ms. Tone Ripel	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	-	-
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)			
Mr. Solaiman Alam	Chief Digital & Strategy Officer	-	-
Mr. Mohammad Sajjad Hasib	Chief Marketing Officer	2000	0.00%
Mr. Syed Tanvir Husain	Chief Human Resources Officer	-	-
Mr. Kazi Mahboob Hassan	Chief Business Officer	-	-
Mr. Hossain Sadat	Director Public and Regulatory Affairs	376	0.00%
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 2020.

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 2020 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 2020 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)

27 January 2021

Annexure -V

Management's Discussion and Analysis

As per condition no. 1 (5) (xxv) of the Corporate Governance Code 2018 issued by Bangladesh Securities and Exchange Commission, the Management's Discussion & Analysis are as follows:

2020 Key Highlights

Grameenphone generated total revenue of BDT 139.6 billion (2019: BDT 143.7 billion), with a growth of -2.8% in year 2020 compared to previous year. Net profit after tax for 2020 stood at BDT 37.2 billion (2019: BDT 34.5 billion). Grameenphone added 2.6 million subscriptions in 2020 taking the year-end subscription base to 79.0 million, despite number series scarcity in the beginning of the year and retail closure during general holidays triggered by Covid-19. Total number of internet users stood at 41.3 million at the end of 2020 which was 52.2% of the Company's total subscriber base. This also includes 19.8Mn 4G data user which was 65.6% higher than last year. Number of 4G sites of Grameenphone reached more than 14,000 by the end of year, while investment on data capacity enhancement and coverage expansion continued in 2020. This has resulted into 99.6% population coverage for Grameenphone including 91.1% coverage with 4G network. Grameenphone's growth momentum in 2020 was mainly hampered by Covid-19, resulting into a 4.8% decrease in operating profit in year 2020.

In addition to Covid-19, despite facing significant challenges from increased supplementary duty, NOC restrictions and imposition of SMP directives by regulatory bodies, Grameenphone continued its profitability, while maintaining its superior positioning as a data & digital service provider.

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

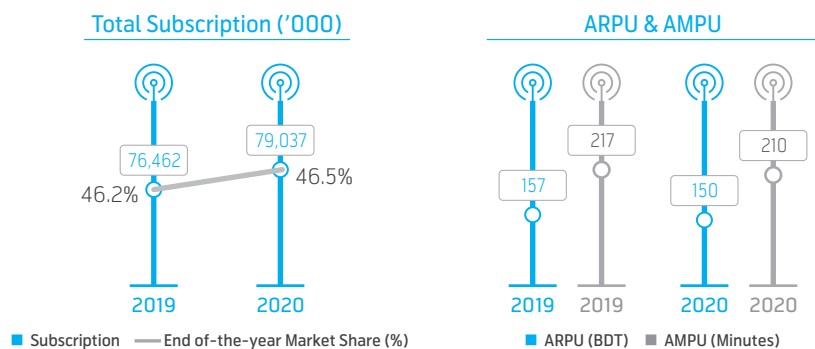
The subscription base of Grameenphone stood at 79.0 million at the end of 2020 with a growth of 3.4% from last year. Number series scarcity followed by general holidays and retail closure due to Covid-19 had a negative impact on subscription growth in the first half of the year. Grameenphone's subscription market share stood at 46.5% at the year-end, with 0.3pp improvement from last year.

ARPU of Grameenphone decreased at BDT 150 in year 2020 (2019: BDT 157), as lower contribution from voice & interconnect segment were partly offset by data services. In 2020, AMPU was 210 minutes (2019: 217 minutes) with a decrease of 3.1%, mainly attributed to lower usage due to Covid-19 pandemic and usage adjustment by subscribers after imposition of 5% additional supplementary duty (introduced in June 2020).

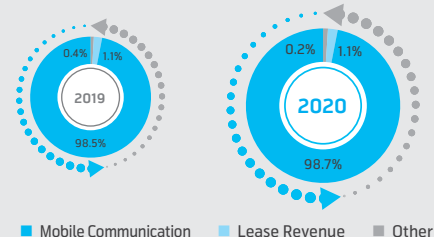
Revenue Performance

Grameenphone reported total revenue of BDT 139.6 billion for the year 2020 (2019: BDT 143.7 billion), with -2.8% growth. The decrease in total revenue mainly came from lower mobile communication revenue, which was driven by lower voice & interconnect, partly offset by higher revenue from data services.

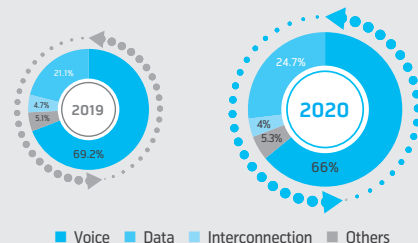
Revenue from voice service decreased by 7.2% against 3.4% growth in subscription base while interconnect revenue decreased by 16.1%.



Revenue Composition



Mobile Communication Revenue Composition



Data revenue increased by 14.0%, driven by 9.4% growth in data ARPU and 1.7% increase in active internet users in 2020. BDT 34.0 billion data revenue in 2020 accounts for 24.7% (2019: 21.1%) of mobile communication revenue for Grameenphone. Roll-out of 4,058 new 4G sites (total 4G sites by the end of 2020: 14,000+), focused investment in data capacity enhancement & coverage expansion, along with competitive, relevant and exciting product offers in the market enabled the aforementioned growth in data revenue in 2020.

Interconnection revenue continued to be on a declining trend in 2020 with a growth of -16.1%. In addition to the increasing proliferation of OTT services (e.g. WhatsApp, Viber, IMO, Facebook Messenger, etc.), interconnect revenue in 2020 was further impacted by reduced international call termination rate from first quarter, along with imposition of SMP directives from the third quarter

Cost and Margin Review

Total operating expense of Grameenphone stood at BDT 76.2 billion (2019: BDT 77.0 billion) with 1.1% decrease compared to last year. The de-growth in operating expense mainly came from lower sales, marketing and commission cost, partly offset by higher cost of material and traffic charges and higher CSR cost for Covid-19 and flood. Lower sales, marketing and commission cost was mainly driven by lower revenue, efficient market spending and increased share of digital sales. BDT 4.1 billion decrease in total revenue and BDT 0.8 billion decrease in operating expense resulted into BDT 3.2 billion decrease in operating profit for Grameenphone in 2020. Operating profit margin of Grameenphone stood at 45.4% (2019: 46.4%).

Profit after Tax

Net profit after tax for 2020 was BDT 37.2 billion (2019: 34.5 billion) with a strong margin of 26.6%, which was 2.6pp higher compared to last year. BDT 2.7 billion growth in net profit after tax came in combination of BDT 1.1 billion lower profit before tax and BDT 3.8 billion lower tax expense. The decrease in tax expense was mainly due to favourable impact from provision adjustment during the year, along with lower profit before tax in 2020.

Capital Expenditure (Capex) and Network Updates

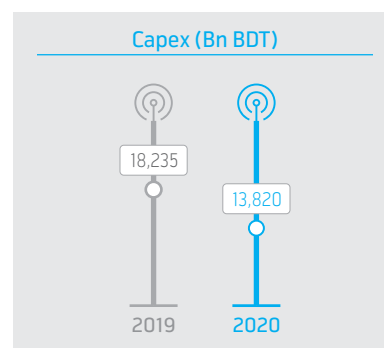
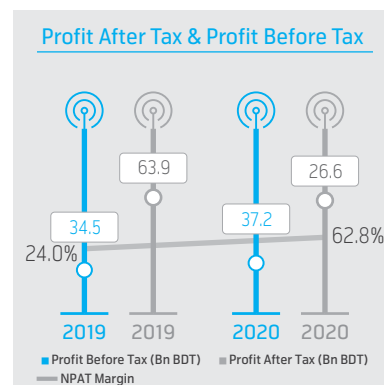
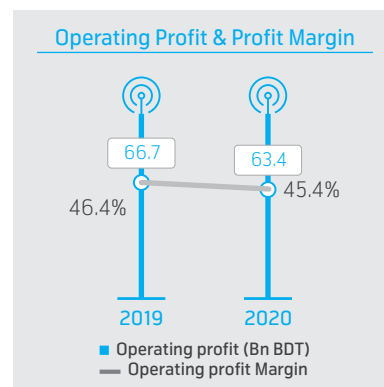
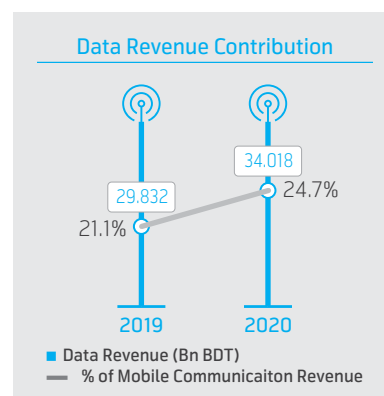
In 2020, Grameenphone reported BDT 13.8 billion as capital expenditure (2019: BDT 18.2 billion, with a 'total capex to sales' ratio of 9.9%). Majority of the investment in 2020 was related to rolling out of 4G sites, capacity increase for data traffic & coverage expansion - all in order to provide superior voice & data experience for the customers. In 2020, Grameenphone rolled out 4,058 new 4G sites taking the total number of 4G sites to 14,080, covering 91.1% population under 4G network (2019: 74.5%). With 16,547 sites across the country, Grameenphone currently provides its telecommunication services covering 99.6% of the total population of the country.

Balance Sheet

Total asset base decreased to BDT 148.2 billion (2019: BDT 148.7 billion) mainly for the decrease in current assets from cash and cash equivalents partly offset by increase in total non-current assets.

Total liabilities decreased during 2020, mainly for the payment of dividends to foreign shareholder which was unpaid at the end of 2019, decrease in provisions as a result of dispute settlement and repayment of IFC loans.

Total equity increased to BDT 52.1 billion (2019: BDT 38.3 billion) resulted from profit generated and dividend declared during the year 2020. The net profit generated from operations during the year 2020 was BDT 37.2 billion (2019: BDT 34.5 billion) which was partly offset by the final dividend for the year 2019 and interim dividend for the year 2020.



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

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 1987, 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 to 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.

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) with immediate preceding five years are as follows:

Reported numbers	2020	2019	2018 Restated	2017 Adjusted	2016 Adjusted	2015 Adjusted
Financial Performance (in million BDT)						
Revenue	139,606	143,656	132,832	128,436	114,862	104,754
Operating Profit	63,440	66,652	56,777	49,340	40,950	36,538
Profit before tax	62,801	63,899	54,848	46,419	37,127	34,091
Net Profit after tax	37,187	34,517	33,363	26,146	21,721	19,046
Financial Position (in million BDT)						
Paid-up Capital	13,503	13,503	13,503	13,503	13,503	13,503
Shareholders' equity	52,108	38,347	36,836	31,388	31,116	28,974
Total assets	148,184	148,734	138,713	130,220	130,500	132,450
Total liabilities	96,077	110,387	101,877	98,832	99,384	103,476
Current assets	9,931	20,999	13,369	20,658	10,941	11,928
Current liabilities	76,656	90,426	82,963	78,274	70,536	69,276
Non current assets	138,253	127,735	125,345	109,562	119,558	120,522
Non current liabilities	19,420	19,961	18,914	20,558	28,848	34,199
Cash Flows (in million BDT)						
Net cash generated from operating activities	33,572	57,393	60,413	57,771	46,152	38,791
Net cash used in investing activities	(11,217)	(14,263)	(30,200)	(12,944)	(19,839)	(19,907)
Net cash used in financing activities	(33,517)	(35,308)	(36,699)	(35,336)	(27,553)	(19,491)
Financial Ratios						
Current Asset to Current Liability	0.13	0.23	0.16	0.26	0.16	0.17
Debt to Equity	0.42	0.62	0.50	0.63	0.87	1.19
Operating Profit Margin	45%	46%	43%	38%	36%	35%
Net Profit Margin	27%	24%	25%	20%	19%	18%
Return on Equity	82%	92%	98%	84%	72%	64%
Return on Total Assets	25%	24%	25%	20%	17%	14%
Ordinary Shares Information						
Ordinary Shares outstanding (in million)	1,350	1,350	1,350	1,350	1,350	1,350
Face Value per share	10	10	10	10	10	10
Cash Dividend on paid up capital ¹	275%	130%	280%	205%	175%	140%
Dividend payout ¹	99.86%	50.86%	113%	106%	109%	99%
NAV per Share ²	38.59	28.40	27.28	23.25	23.04	21.46
Net Operating Cash Flow per Share ³	24.86	42.50	44.74	42.78	34.18	28.73
Earnings Per Share ³	27.54	25.56	24.71	19.36	16.09	14.11

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

¹ Including proposed dividend

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

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

Inflation Adjusted numbers	2020	2019	2018 Restated	2017 Adjusted	2016 Adjusted	2015 Adjusted
Financial Performance (in million BDT)						
Revenue	106,002	115,284	112,439	115,001	108,442	104,754
Operating Profit	48,169	53,488	48,060	44,179	38,662	36,538
Profit before tax	47,684	51,279	46,427	41,564	35,052	34,091
Net Profit after tax	28,236	27,700	28,241	23,411	20,507	19,046
Financial Position (in million BDT)						
Paid-up Capital	13,503	13,503	13,503	13,503	13,503	13,503
Shareholders' equity	39,565	30,774	31,181	28,105	29,377	28,974
Total assets	112,515	119,359	117,417	116,599	123,206	132,450
Total liabilities	72,950	88,585	86,236	88,494	93,829	103,476
Current assets	7,541	16,852	11,316	18,497	10,330	11,928
Current liabilities	58,205	72,567	70,226	70,087	66,593	69,276
Non current assets	104,975	102,507	106,101	98,102	112,876	120,522
Non current liabilities	14,746	16,018	16,010	18,408	27,236	34,199
Cash Flows (in million BDT)						
Net cash generated from operating activities	25,491	46,058	51,138	51,728	43,572	38,791
Net cash used in investing activities	(8,517)	(11,446)	(25,563)	(11,590)	(18,730)	(19,907)
Net cash used in financing activities	(25,450)	(28,334)	(31,065)	(31,640)	(26,013)	(19,491)
Inflation Rate						
	5.69%	5.48%	5.78%	5.44%	5.92%	6.41%

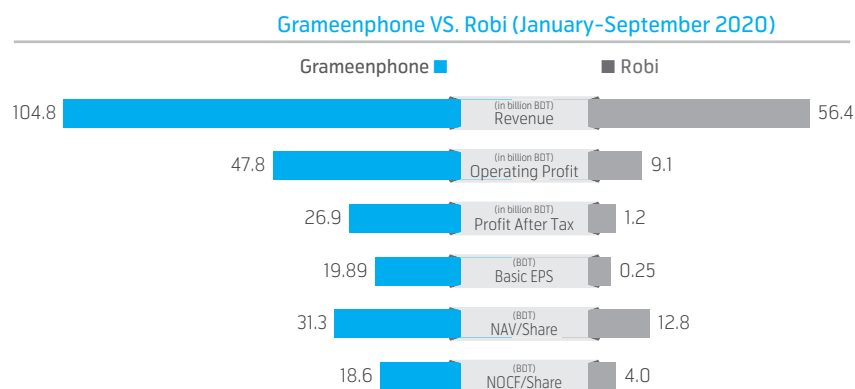
*Inflation Rate Source: Bangladesh Bureau of Statistics

*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 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 recently been enlisted with Dhaka Stock Exchange and Chittagong Stock Exchange on 24 December, 2020 and thus enable for a comparative benchmarking.

Following is the comparative peer review with Robi Axiata Limited and its subsidiary, based on its 3rd Quarter/9 Months un-audited Financial Statements 2020:



Financial and economic scenario of Bangladesh and the globe

Bangladesh remains a very attractive market for telecom with significant potential to grow fuelled by a young and evolving population heavily reliant on the cellular network as their primary means of voice and data connectivity. The youth, comprising of 46% of the total population of the country¹, are moving into the metro cities in increasing numbers looking for greater economic opportunities.

¹Youth = 0 - 24 years old. UN World Prospectus

With continuous effort from the government and relevant entities, secondary school enrolment in Bangladesh currently stands at 67% which is higher in comparison to similar markets². Roughly 50% of the population, ages 15+, have account ownership in a financial institution or with a mobile-money service provider³. Collectively these statistics account for a GDP growth rate of 8% in 2019.

While mobile usage at the individual level has seen significant increases over the years with AMBPU currently stands at 2,236 MB and AMPU at 160 Minutes⁴, room remains for the industry to grow as real SIM penetration in the country currently stands at 59.79%⁵ with Multi-SIM usage still being a prevalent behaviour. Significant room for growth in internet usage is predicted as the current smartphone penetration stands at 38.76%⁶ of mobile users.

Bangladesh was impacted by the pandemic from March 2020 which directly affected Grameenphone's business. The country's economy comprised of a large population of daily wage earners who were suddenly out of jobs. The economy also relied heavily on revenue from RMG export which saw also a significant decline⁷.

Globally, Covid-19 had triggered the deepest global recession in decades. While the ultimate outcome is still uncertain, the pandemic is expected to trigger major contractions across all the economies. The aftermath of Covid-19 will also have lasting impact on productivity and potential output. While the bounce-back rate and its timing will depend on a multitude of factors it is expected to be strongest in the Asian countries that have already shown better resilience during the pandemic.⁸

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).

Appropriate controls are designed and embedded in the processes to mitigate the identified risks to an acceptable level. 'Risk coverage' is carried out every year to update the control description and enhance control capabilities to ensure the effectiveness and efficiency of risk management. Risk mitigation status is monitored using 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 56.

Future Plan of Grameenphone 2021

Grameenphone has been at the forefront of Bangladesh's development, and the Company is optimistic that its role will be strengthened as it moves ahead. Grameenphone's strategic ambition is to be the leading technology service provider that will unleash the potential of Bangladesh and continue growing in shareholder value. The overarching ambitions in the Company's strategy is broken down into the following four key areas:

- 1. Differentiate Data Network Experience:** Focusing towards ensuring the right experience to its high value base by making granular investment choices, implementing a customer-centric operating model and setting up for sustainable future success.
- 2. Grow Revenue:** Focusing on maintaining leadership, growing ARPU and scaling up growth segments. For the high-profile group, the Company will focus on the best experience, and service bundling. For the mid-profile group focus is on 4G handset, USIM conversion, and segmented pricing. For the largest group, focus is on coverage and granular distribution.

²Average of 59% for Asian Telenor BU's

³Demirguc-Kunt et al., 2018, Global Financial Inclusion Database, World Bank

⁴Internal BU Data Analysis

⁵GSMA Intelligence and Internal BU data

⁶Internal BU Data Analysis

⁷World Bank, BBS

⁸Based on analysis from World Bank, IMF and OECD

3. **Drive Modernisation:** To support its growth ambition, Grameenphone is working towards developing a digital-focused operating model with modernised capabilities in the form of scaling up digital channels, retail transformation and service modernisation.
4. **Responsible Business:** Grameenphone's responsible business strategy is built around enabling growth and supporting modernisation. There is increased focus on long- and short-term advocacy as well as reputation and awareness building platforms to responsibly and proactively manage the business environment.

A strong emphasis on Customer-Focused Data-Driven Decisioning will enable the Company to achieve the above.

Grameenphone faces continued uncertainties related to the global Covid-19 pandemic, slower economic growth, a fragmented value chain governed by a complex regulatory regime, a business environment adversely impacted by the global trade slowdown as well as strong competition. While proactively managing these uncertainties and with strong execution on its strategic ambitions, Grameenphone will continued to position itself for sustainable growth in the future.



Yasir Azman
Chief Executive Officer

27 January 2021

Annexure –VI



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**Report to the Shareholders of
Grameenphone Ltd.
on Compliance with the Corporate Governance Code**
(As required under the BSEC Corporate Governance Guidelines)

We have examined the compliance status to the Corporate Governance Code by Grameenphone Ltd. for the year ended on 31 December 2020. This Code relates to the Notification No,BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 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 the 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:

- a) 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;
- b) 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;
- c) 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
- d) The Governance of the Company is satisfactory.

This is also no endorsement about quality of contents in the Annual Report of the Company for 2020.

Abu Sayed Mohammed Nayeem, FCA
Partner
ACNABIN
Chartered Accountants

27 January 2021



Financial Statements 2020

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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, 2020, 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 and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at 31 December, 2020, and of 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

We draw attention to Note 45(a) to the financial statements, wherein the management has explained the status of demand notice dated 02 April, 2019 for payment of BDT 125.80 billion, which was received from Bangladesh Telecommunication Regulatory Commission (BTRC) in relation to the information system audit conducted by BTRC, covering the period from the Company's inception in 1997 to 31 December, 2014. Based on legal advice and management's assessment of such demands, the management has contested these demands at the Court of Bangladesh. Pending final outcome of the Court proceedings, management has concluded that a significant uncertainty exists in order to enable any reliable estimation of a potential obligation, and no provision for these demands and consequential interest thereon has been made in the accompanying financial statements.

Our opinion is not modified in respect of the above matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for 2020. These matters were addressed in the context of the audit of the financial statements, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Regulatory matters

Referring to Note 45 (a) 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 the amounts of provisions or contingent liabilities are subject to significant management judgement.

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 judgment from management.

How our audit addressed the key audit matter:

We have gained an understanding of the process of identification of 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.

Our procedures also included among others:

- Discussion of material legal cases with the Company's Legal Department;
- Analysed responses in legal letters obtained by the Company from the external legal counsels of the Company;
- Reviewed and analysed management's detailed assessment of the probability of outcome substantiated by those legal opinions
- Sought and obtained confirmations from external legal counsel of the Company
- Read the minutes of meetings of the Board of Directors and the Board Audit Committee
- 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
- Assessed disclosures in the financial statements of material contingencies nature and their measurement.

Revenue recognition

Referring to Note 3.14 and Note 26 to the financial statements, Revenue of BDT 139.61 billion is recognised in the income statement 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.

How our audit addressed the key audit matter:

In light of the fact that 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. Our audit approach included testing of the controls and substantive audit procedures.

- We assessed the relevant systems supporting the accounting of revenue,
- Tested controls for IT-systems and procedures supporting revenue recognition;
- Assessed the invoicing and measurement systems up to entries in the general ledger.
- Analysed and tested customer contracts, invoices and receipts on a sample basis.
- Analysed the revenue charging model against the regulatory guidelines on a sample basis.

Furthermore, we assessed the accounting effects of new business and price models. We read and analysed the disclosures made in the financial statements.

Uncertain tax positions

Referring to Note 45 (b) to 45(d) 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 including indirect taxes and transaction related tax matters that could eventually require payments of taxes and possible additional charges. The assessment of uncertainty and risk of one or more unfavourable outcomes involve judgement from management.

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.

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.

How our audit addressed the key audit matter:

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 control over the significant income tax accounts and the related financial statement disclosures.

Our procedures also included among others:

- Obtained a listing of all ongoing tax litigations
- 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
- 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.
- Obtained and read the disclosures made in the accompanying financial statements

Other information included in the Company's 2020 Annual Report

Other information consists of the information included in The Company's 2020 Annual Report other than the financial statements and our auditor's report thereon. We obtained Director's Report, Management Discussion and Analysis, six years financial information, and Corporate Governance report prior to the date of our auditor's report, and we expect to obtain the remaining reports of the Annual Report after the date of our auditor's report. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not and will 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 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. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 1987 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 scepticism 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 or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 1987, we also report the following:

- I. 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;
- II. 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;
- III. 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; an
- IV. The expenditure incurred was for the purposes of the Company's business.

A. Qasem & Co.

Chartered Accountants

RJSC Firm Registration No.: PF 1015



Akhtar Sanjida Kasem, FCA, FCMA, CFE

Partner

Enrolment Number: 643

DVC: 2101270643AS982567

Place: Dhaka

Date: 27 January 2021


Grameenphone Ltd.

Statement of financial position

As at 31 December 2020

		31 December 2020	31 December 2019
		BDT (000)	BDT (000)
Assets	Notes		
Non-current assets			
Property, plant and equipment	4	56,901,192	62,396,558
Intangible assets	5	2,316,587	2,274,803
Right-of-use assets	6	53,532,673	58,028,533
Contract cost	8	4,934,438	4,480,157
Other non-current assets	9	20,568,456	555,200
Total non-current assets		138,253,346	127,735,251
Current assets			
Inventories	10	201,068	225,441
Trade receivables and others	11	7,131,165	7,013,053
Cash and cash equivalents	12	2,598,738	13,760,677
Total current assets		9,930,971	20,999,171
Total assets		148,184,317	148,734,422
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
Deposit from shareholders	17	-	1,880
Retained earnings		30,749,942	16,987,853
Total equity		52,107,614	38,347,405
Non-current liabilities			
Lease liabilities	6	14,146,840	13,484,106
Deferred tax liabilities	19	3,350,834	5,216,029
Employee benefits	20	1,641,383	936,703
Other non-current liabilities	21	281,272	323,957
Total non-current liabilities		19,420,329	19,960,795
Current liabilities			
Trade payables and others	22	23,988,115	22,676,406
Provisions	23	14,402,559	18,839,102
Lease liabilities	6	6,328,697	7,349,549
Loans and borrowings	18	1,240,000	2,934,284
Current tax liabilities	24	24,870,650	28,137,225
Other current liabilities	25	5,690,023	10,363,325
Unclaimed dividend		136,330	126,331
Total current liabilities		76,656,374	90,426,222
Total equity and liabilities		148,184,317	148,734,422

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


 Director


 Director


 Chief Executive Officer


 Company Secretary

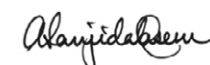
Dhaka, 27 January 2021

As per our report of same date.

A. Qasem & Co.

Chartered Accountants

RJSC Firm Registration No.: PF 1015



Akhtar Sanjida Kasem, FCA, FCMA, CFE

Partner

Enrolment Number: 643

DVC: 2101270643AS982567

Grameenphone Ltd.

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2020

		2020	2019
		BDT (000)	BDT (000)
	Notes		
Revenue	26	139,606,161	143,656,271
Cost of material and traffic charges	27	(8,812,905)	(8,465,283)
Salaries and personnel cost	28	(10,027,226)	(9,437,578)
Operation and maintenance	29	(4,984,745)	(5,898,863)
Sales, marketing and commissions	30	(11,771,112)	(13,480,018)
Revenue sharing and spectrum charges	31	(10,478,334)	(10,107,313)
Other operating (expenses)/income	32	(6,442,284)	(6,164,349)
Depreciation and amortisation	33	(23,649,950)	(23,451,039)
		(76,166,556)	(77,004,443)
Operating profit		63,439,605	66,651,828
Finance (expense)/income	34	(376,473)	(2,523,060)
Foreign exchange (loss)/gain		(262,226)	(229,809)
		(638,699)	(2,752,869)
Profit before tax		62,800,906	63,898,959
Income tax expense	35	(25,613,869)	(29,382,199)
Profit after tax		37,187,037	34,516,760
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan	20	(783,080)	127,659
Related taxes		313,232	(51,063)
		(469,848)	76,596
Total comprehensive income for the year		36,717,189	34,593,356
Earnings per share			
Basic earnings per share			
(per value BDT 10 each in BDT)	36	27.54	25.56

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

As per our report of same date.


 Director


 Director


 Chief Executive Officer


 Company Secretary

A. Qasem & Co.

Chartered Accountants

RJSC Firm Registration No.: PF 1015



Akhtar Sanjida Kasem, FCA, FCMA, CFE

Partner

Enrolment Number: 643

DVC: 2101270643AS982567

Dhaka, 27 January 2021

Grameenphone Ltd.
Statement of changes in equity
For the year ended 31 December 2020

	Share capital BDT (000)	Share premium BDT (000)	Capital reserve BDT (000)	Deposit from shareholders BDT (000)	Retained earnings BDT (000)	Total BDT (000)
Balance as at 01 January 2019	13,503,000	7,840,226	14,446	1,880	15,476,847	36,836,399
Transactions with the equity holders:						
Final dividend for 2018	-	-	-	-	(20,929,650)	(20,929,650)
Interim dividend for 2019	-	-	-	-	(12,152,700)	(12,152,700)
Total comprehensive income for 2019						
Profit for the year	-	-	-	-	34,516,760	34,516,760
Other comprehensive income/(loss)	-	-	-	-	76,596	76,596
Balance as at 31 December 2019	13,503,000	7,840,226	14,446	1,880	16,987,853	38,347,405
Balance as at 01 January 2020	13,503,000	7,840,226	14,446	1,880	16,987,853	38,347,405
Transfer of deposit from shareholder to other income:	-	-	-	(1,880)	-	(1,880)
Transactions with the equity holders:						
Final dividend for 2019	-	-	-	-	(5,401,200)	(5,401,200)
Interim dividend for 2020	-	-	-	-	(17,553,900)	(17,553,900)
Total comprehensive income for 2020						
Profit for the year	-	-	-	-	37,187,037	37,187,037
Other comprehensive income/(loss)	-	-	-	-	(469,848)	(469,848)
Balance as at 31 December 2020	13,503,000	7,840,226	14,446	-	30,749,942	52,107,614

Grameenphone Ltd.

Statement of cash flows

For the year ended 31 December 2020

	2020	2019
	BDT (000)	BDT (000)
Cash flows from operating activities		
Cash receipts from customers	139,628,379	144,125,682
Payroll and other payments to employees	(9,326,779)	(9,961,845)
Payments to suppliers, contractors and others	(64,683,697)	(44,161,847)
Interest received	376,627	597,542
Interest paid	(1,990,178)	(2,530,502)
Income tax paid	(30,432,387)	(30,675,929)
	(106,056,414)	(86,732,581)
Net cash generated from operating activities	33,571,965	57,393,101
Cash flows from investing activities		
Payment for acquisition of property, plant and equipment, Right-of-use and intangible assets	(11,423,892)	(14,457,903)
Proceeds from sale of property, plant and equipment	206,509	194,606
Net cash used in investing activities	(11,217,383)	(14,263,297)
Cash flows from financing activities		
Proceeds from short-term bank loan	1,240,000	-
Payment of long-term loan	(2,973,210)	(5,848,364)
Payment of dividend	(28,110,077)	(26,301,675)
Payment of lease liabilities	(3,674,124)	(3,157,864)
Net cash used in financing activities	(33,517,411)	(35,307,903)
Net change in cash and cash equivalents	(11,162,829)	7,821,901
Cash and cash equivalents as at 01 January	13,760,677	5,932,292
Effect of exchange rate fluctuations on cash held	890	6,484
Cash and cash equivalents as at 31 December (Note 12)	2,598,738	13,760,677

Grameenphone Ltd.
Notes to the financial statements
 For the year ended 31 December 2020

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 GP House, 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 1987, 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 has 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 2020. 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 27 January 2021.

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 2020 will be declared by Finance Act 2021. For the purpose of these financial statements, management has assumed that the existing corporate tax rate (40%) will be applicable for Income Year 2020 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 2020.
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 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:

	2020	2019
	years	years
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

(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:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) its intention to complete the intangible asset and use or sell it;
- (c) its ability to use or sell the intangible asset;
- (d) 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;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) 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:

Software and others:

Pulse Code Modulation (PCM)
Billing software
Other operational software
Network management software

2020	2019
years	years
5	5
5	5
3-7	3-7
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:

	2020 years	2019 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 upto 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 a 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 upto 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 sub-lease as follows:

- (i) if the sub-lease 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 sub-lease is classified as a finance lease, Grameenphone derecognises the right-of-use asset on the head lease at the sub-lease commencement date and continues to account for the original lease liability in accordance with the lessee accounting model. Grameenphone, as the sub-lessor, recognises a net investment in the sub-lease.

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
2020	40%
2019	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 roof-top 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 (fulfillment 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) 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 Grameenphone's products or services and fulfill 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 2020

Name of assets	Cost				Depreciation				Carrying amount As at 31 December 2020
	As at 01 January 2020	Additions during the year	Disposals/ Adjustments during the year	As at 31 December 2020	As at 01 January 2020	Charged during the year	Disposals/ Adjustments during the year	As at 31 December 2020	
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Land (Note 4.1)	1,010,608	43,522	-	1,054,130	-	-	-	-	1,054,130
Building	4,046,376	4,644	-	4,051,020	1,804,327	197,700	-	2,002,027	2,048,993
Base station	134,166,845	6,724,915	(5,553,899)	135,337,861	87,852,157	10,555,920	(5,553,866)	92,854,211	42,483,650
Transmission equipment	33,368,535	670,586	(12,501,732)	21,537,389	29,106,971	2,292,733	(12,501,732)	18,897,972	2,639,417
Computers and other IT equipment	8,158,828	1,545,230	(2,246,439)	7,457,619	6,518,470	954,186	(2,246,217)	5,226,439	2,231,180
Furniture and fixtures (including office equipment)	2,933,258	103,091	(190,592)	2,845,757	2,565,090	166,919	(185,685)	2,546,324	299,433
Vehicles	1,494,650	157,621	(619,613)	1,032,658	990,262	100,802	(491,824)	599,240	433,418
	185,179,100	9,249,609	(21,112,275)	173,316,434	128,837,277	14,268,260	(20,979,324)	122,126,213	51,190,221
Capital work in progress (Note 4.2)	6,054,735	8,970,819	(9,314,583)	5,710,971	-	-	-	-	5,710,971
	191,233,835	18,220,428	(30,426,858)	179,027,405	128,837,277	14,268,260	(20,979,324)	122,126,213	56,901,192

4 Property, plant and equipment

31 December 2019

Name of assets	Cost					Depreciation					Carrying amount As at 31 December 2019
	As at 01 January 2019	Additions during the year	Disposals/ Adjustments during the year	Reclassification during the year	As at 31 December 2019	As at 01 January 2019	Charged during the year	Disposals/ Adjustments during the year	Reclassification during the year	As at 31 December 2019	
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Land (Note 4.1)	807,050	203,558	-	-	1,010,608	-	-	-	-	-	1,010,608
Building	4,048,914	12,269	(14,807)	-	4,046,376	1,603,206	212,614	(11,493)	-	1,804,327	2,242,049
Base station	130,659,066	11,226,383	(7,718,604)	-	134,166,845	84,989,725	10,480,889	(7,618,457)	-	87,852,157	46,314,688
Transmission equipment	37,321,905	732,959	(4,686,329)	-	33,368,535	31,180,206	2,612,979	(4,686,214)	-	29,106,971	4,261,564
Computers and other IT equipment	7,965,572	715,450	(522,194)	-	8,158,828	6,061,439	978,453	(521,422)	-	6,518,470	1,640,358
Furniture and fixtures (including office equipment)	3,014,847	131,389	(212,978)	-	2,933,258	2,573,176	204,892	(212,978)	-	2,565,090	368,168
Vehicles	1,835,407	88,119	(428,876)	-	1,494,650	1,190,735	137,762	(338,235)	-	990,262	504,388
	185,652,761	13,110,127	(13,583,788)	-	185,179,100	127,598,487	14,627,589	(13,388,799)	-	128,837,277	56,341,823
	6,895,340	12,269,521	(13,110,126)	-	6,054,735	-	-	-	-	-	6,054,735
Capital work in progress (Note 4.2)	192,548,101	25,379,648	(26,693,914)	-	191,233,835	127,598,487	14,627,589	(13,388,799)	-	128,837,277	62,396,558
	10,384,982	-	-	(10,384,982)	-	5,558,977	-	-	(5,558,977)	-	-
Fibre Optic Network under finance lease	202,933,083	25,379,648	(26,693,914)	(10,384,982)	191,233,835	133,157,464	14,627,589	(13,388,799)	(5,558,977)	128,837,277	62,396,558

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:

	2020	2019
<u>Name of assets</u>	<u>BDT (000)</u>	<u>BDT (000)</u>
Land (Note 4.1)	43,522	203,558
Building	4,644	12,269
Base station	6,724,915	11,226,383
Transmission equipment	670,586	732,959
Computers and other IT equipment	1,545,230	715,450
Furniture and fixtures	103,091	131,389
Vehicles	157,621	88,119
	<u>9,249,609</u>	<u>13,110,127</u>

4.2.2 Capital work in progress-components

Capital work in progress as at 31 December 2020 included capital inventory of BDT 3,778,848,580 (2019: BDT 3,409,990,777) and work-in-progress of BDT 1,932,121,620 (2019: BDT 2,644,744,150).

5 Intangible assets

31 December 2020

Name of assets	Cost				Amotisation				Carrying amount
	As at 01 January 2020	Additions during the year	Disposals/ Adjustments during the year	As at 31 December 2020	As at 01 January 2020	Charged during the year	Disposals/ Adjustments during the year	As at 31 December 2020	
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Software and others (Note 5.1)	11,490,298	1,207,680	(957,00)	12,697,021	9,906,438	1,035,729	(957,00)	10,941,210	1,755,811
Capital work in progress (Note 5.3)	11,490,298	1,207,680	(957)	12,697,021	9,906,438	1,035,729	(957)	10,941,210	1,755,811
	690,943	1,074,066	(1,204,233)	560,776	-	-	-	-	560,776
	12,181,241	2,281,746	(1,205,190)	13,257,797	9,906,438	1,035,729	(957)	10,941,210	2,316,587

31 December 2019

Name of assets	Cost				Amotisation				Carrying amount
	As at 01 January 2019	Additions during the year	Disposals/ Adjustments during the year	As at 31 December 2019	As at 01 January 2019	Charged during the year	Disposals/ Adjustments during the year	Reclassification during the year	As at 31 December 2019
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Software and others (Note 5.1)	10,245,735	1,244,563	-	11,490,298	8,924,554	981,884	-	-	1,583,860
Telecom licence and spectrum (Note 5.2)	70,187,066	-	-	(70,187,066)	24,493,540	-	-	(24,493,540)	-
Capital work in progress (Note 5.3)	80,432,801	1,244,563	-	11,490,298	33,418,094	981,884	-	(24,493,540)	1,583,860
	296,875	1,638,631	(1,244,563)	690,943	-	-	-	-	690,943
	80,729,676	2,883,194	(1,244,563)	12,181,241	33,418,094	981,884	-	(24,493,540)	2,274,803

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 Telecom licence 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 for BDT 12,849,500,000 and BDT 4,301,733,305 respectively. Grameenphone also obtained 4G/LTE Cellular Mobile Phone Services Operator License effective from 19 February 2018 from BTRC for BDT 100,000,000. 60% of the spectrum cost was paid at the time of acquisition whilst the rest 40% is payable in equal four installments within next 4 years. The above were recognised as intangible assets in accordance with IAS 38 Intangible Assets and measured at the cash equivalent price being the present value. The difference between total payment and the cash equivalent price is recognised as finance cost over the period of payment.

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.

5.3 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 fibre 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 2020

Name of assets	Cost				Amotisation				Carrying amount	
	As at 01 January 2020	Additions during the year	Disposals/ Adjustments during the year	As at 31 December 2020	As at 01 January 2020	Charged during the year	Disposals/ Adjustments during the year	As at 31 December 2020	As at 31 December 2020	
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	
Fibre Optic Network	10,497,263	154,659	-	10,651,922	6,110,443	569,459	-	6,679,902	3,972,020	
Telecom licence, annual licence renewal fees and spectrum	74,737,172	463,674	-	75,200,846	29,462,551	5,537,870	-	35,000,421	40,200,425	
Base transceiver station-Green Field	805,335	519,912	275	1,325,522	161,070	142,925	(285)	303,710	1,021,812	
Base transceiver station-Roof Top	3,215,050	1,014,730	9,539	4,239,319	684,012	730,985	(45,707)	1,369,290	2,870,029	
Infrastructure sharing site	5,892,139	1,470,164	(22,102)	7,340,201	1,216,478	1,196,894	(24,518.00)	2,388,854	4,951,347	
Office/residential space	714,671	152,266	(43,890)	823,047	198,543	167,828	(60,364)	306,007	517,040	
	95,861,630	3,775,405	(56,178)	99,580,857	37,833,097	8,345,961	(130,874)	46,048,184	53,532,673	

31 December 2019

Name of assets	Cost					Amotisation					Carrying amount
	As at 01 January 2019	Reclassi- fication	Adjustment on initial application of IFRS 16 as at 01 January 2019	Additions during the year	Disposals/ Adjustments during the year	As at 31 December 2019	As at 01 January 2019	Reclassi- fication	Charged during the year	Disposals/ Adjustments during the year	As at 31 December 2019
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Fibre Optic Network (Note 4)	-	10,384,982	-	112,281	-	10,497,263	-	5,558,977	551,466	-	6,110,443
Telecom licence, annual licence renewal fees and spectrum (Note 5)	-	70,187,067	953,261	3,596,844	-	74,737,172	-	24,493,540	4,969,011	-	29,462,551
Base transceiver station-Green Field	-	-	763,806	57,941	(16,412)	805,335	-	-	164,795	(3,725)	161,070
Base transceiver station-Roof Top	-	-	2,842,324	479,698	(106,972)	3,215,050	-	-	717,793	(33,781)	684,012
Infrastructure sharing site	-	-	5,923,282	(31,143)	-	5,892,139	-	-	1,216,478	-	1,216,478
Office/residential space	-	-	680,918	111,514	(77,761)	714,671	-	-	222,023	(23,480)	198,543
	-	80,572,049	11,163,591	4,327,135	(201,145)	95,861,630	-	30,052,517	7,841,566	(60,986)	37,833,097
											58,028,533

Right-of-use assets addition

Right-of-use assets addition for the year ended 31 December 2020 is BDT 3,775,405,000. BDT 105,118,540 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 3,670,286,460 is paid when they fall due and is classified as part of financing activities.

(ii) Lease liabilities

	2020	2019
	BDT (000)	BDT (000)
Lease liabilities-non-current portion	14,146,840	13,484,106
Lease liabilities-current portion	6,328,697	7,349,549
	<u>20,475,537</u>	<u>20,833,655</u>
(iii) Amounts recognised in profit or loss		
Interest on lease liabilities	1,803,873	2,121,092
Expense relating to variable lease payments and short term leases not included in measurement of lease liabilities:		
Revenue sharing and spectrum charges (including microwave fees)	10,792,304	10,334,075
Fuel and energy costs	390,990	406,413
Short term lease	10,638	-
	<u>12,997,805</u>	<u>12,861,580</u>
(iv) Amounts recognised in statement of cash flows		
Total cash outflow for right-of-use assets	5,457,324	5,177,354
Total cash outflow for right-of-use assets (VAT portion)	366,281	-
Total cash outflow for variable lease payment and short term leases	10,838,134	10,133,586

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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 2020 and 31 December 2019.

8 Contract cost

	As at 31 December 2020	As at 31 December 2019
	BDT (000)	BDT (000)
Opening balance	4,480,157	4,438,240
Additions during the year	2,653,445	2,231,493
Amortisation during the year	(2,199,164)	(2,189,576)
	<u>4,934,438</u>	<u>4,480,157</u>

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

Appeal deposits	552,299	532,910
Deposit to BTRC (Note 9.1)	20,000,000	-
Security deposits for utility services and other investments	16,157	22,290
	<u>20,568,456</u>	<u>555,200</u>

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 2020 BDT (000)	As at 31 December 2019 BDT (000)
Handset, data card and other devices	53,122	78,171
SIM card	122,694	132,610
Scratch card	25,252	14,660
	201,068	225,441

10.1 Movement of inventories

	Handset, data card and other device BDT (000)	SIM card BDT (000)	Scratch card BDT (000)
Balance as at 1 January 2019 (Gross)	178,920	129,074	19,655
Purchase during 2019	147,940	352,835	143,389
Issue during 2019	(221,655)	(331,981)	(146,281)
	105,205	149,928	16,763
Adjustment/write-off	(27,034)	(17,318)	(2,103)
Balance as at 31 December 2019 (Net)	78,171	132,610	14,660
Balance as at 1 January 2020 (Gross)	105,205	149,928	16,763
Purchase during 2020	75,026	345,168	164,738
Issue during 2020	(105,671)	(349,784)	(154,624)
	74,560	145,312	26,877
Adjustment/write-off	(21,438)	(22,618)	(1,625)
Balance as at 31 December 2020 (Net)	53,122	122,694	25,252

10.2 Number of inventories

	As at 31 December 2020 Units	As at 31 December 2019 Units
Handset, data card and other device	40,016	54,971
SIM card	7,391,480	5,805,717
Scratch card	194,400,785	139,530,442

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 2020	As at 31 December 2019
	BDT (000)	BDT (000)
Trade receivables		
Trade receivables, gross	6,762,952	6,415,255
Impairment loss allowance	(1,741,410)	(1,763,119)
	5,021,542	4,652,136
Other receivables		
Receivables from employees	1,175	9,007
Other non-interest-bearing receivables	1,892,978	1,720,645
Impairment loss allowance	(297,804)	-
	1,596,349	1,729,652
Other non-financial assets		
Prepaid expenses	513,274	631,265
	513,274	631,265
Total trade receivables and others	7,131,165	7,013,053

12 Cash and cash equivalents

Cash in hand	78,141	4,373
Cash at bank	2,520,597	13,756,304
	2,598,738	13,760,677

12.1 Restricted cash balance

Cash at bank as at 31 December 2020 includes BDT 52,593,221 (2019: BDT 59,551,312) equivalent to unused Mobicash points in customer wallet and is therefore treated as restricted cash balance.

Additionally, Cash at bank as at 31 December 2020 includes BDT 136,329,943 (2019: BDT 126,331,259) equivalent to dividend unclaimed amount, BDT 1,625,698,216 (2019: BDT 6,780,675,321) equivalent to unpaid dividend to foreign shareholders due to pending approval from Bangladesh Bank and BDT 12,759,497 (2019: BDT 12,761,511) equivalent to unclaimed IPO subscription amount. According to Articles of Association (AoA) of Grameenphone, if dividend has not been claimed for three years after passing of either the resolution at a General Meeting declaring the dividend or the resolution of the Board of Directors providing for payment for that dividend, the Board of Directors may invest the unclaimed dividend or use it in some other way for the benefit of the Company until the dividend is claimed.

13 Net asset value per share

Net Asset (BDT)	52,107,614,000	38,347,405,000
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)	38.59	28.40

14 Share capital

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 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019	
Telenor Mobile Communications AS, Norway	55.8%	55.8%	7,534,081,540	7,534,077,240	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
Nye Telenor Mobile Communications II AS, Norway	-	0.0%	-	2,150	31 May 2007 15 July 2008
Nye Telenor Mobile Communications III AS, Norway	-	0.0%	-	2,150	31 May 2007 15 July 2008
Telenor Asia Pte Ltd, Singapore	-	0.0%	-	2,150	31 May 2007 15 July 2008
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%	-	220	31 May 2007 15 July 2008 02 July 2009
Grameen Shakti, Bangladesh	-	0.0%	-	220	31 May 2007 15 July 2008 02 July 2009
General public, Grameenphone employees and institutional	10.0%	10.0%	1,351,254,590	1,351,252,000	28 Oct 2009
	100%	100%	13,503,000,220	13,503,000,220	

A total of 430 shares have been transferred to Telenor Mobile Communications AS, Norway from Nye Telenor Mobile Communications II AS, Norway and Nye Telenor Mobile Communications III AS, Norway. Further, another 259 shares have been reclassified under institutional shareholders from Telenor Asia Pte Ltd, Singapore, Grameen Kalyan Bangladesh, Grameen Shakti, Bangladesh as per regulatory direction.

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

	No. of shareholders		No. of shares	
	As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019
1-500	22,931	24,220	4,269,788	4,479,685
501-5,000	5,475	5,412	8,834,026	8,565,541
5,001-10,000	495	467	3,608,406	3,347,114
10,001-20,000	259	237	3,649,396	3,318,103
20,001-30,000	88	99	2,199,488	2,452,984
30,001-40,000	54	49	1,894,561	1,732,404
40,001-50,000	28	34	1,294,514	1,564,380
50,001-100,000	90	71	6,366,353	5,130,538
100,001-1,000,000	125	122	38,393,777	38,467,261
1,000,001-1,000,000,000	17	19	1,279,789,713	1,281,242,012
	29,562	30,730	1,350,300,022	1,350,300,022

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15 Share premium

Total amount of BDT 8,384,003,437 was received 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 Deposit from shareholders

Deposit from shareholders represents balance of the share money received from Telenor Mobile Communications AS, Norway, which aroused due to conversion of foreign currency remittance into BDT and the amount utilised for issuance of the exact number of shares Telenor intended to subscribe.

During the period, Grameenphone has transferred BDT 1,880,178 into other income from share money deposit as the owner of this money, Telenor Mobile Communications (TMC) AS, Norway ("Telenor") has in writing waived their right on this amount.

18 Loans and borrowings

Loans and borrowings include a long-term syndicated loan led by the International Finance Corporation (IFC) of USD 345 Million at 6-month-LIBOR + 3.5% interest rate. The full loan amount of USD 345 Million was drawn down in multiple tranches, the repayment of which was in 10 installments. The final installment has been paid in April 2020. The syndicate members include IFC, DEG, FMO, Proparco, CDC and OFID. This financial liability has been recognised at amortised cost as per IFRS 9 Financial Instruments: Recognition and Measurement.

Current portion of loans and borrowings include short-term bank loan of BDT 1,240,000,000 (2019: BDT 2,934,283,707 as the unpaid portion of long-term syndicated loan led by the International Finance Corporation (IFC))

19 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 2020			
Property, plant and equipment (excluding land and CWIP (Note 4))	50,136,088	33,946,437	16,189,651
Difference for vehicle (Note 19.1)	(127,168)	-	(127,168)
			16,062,483
Right of use assets (Note 6)	53,532,674	35,451,660	18,081,014
Trade receivables (Note 11)	(2,039,214)	-	(2,039,214)
Lease liabilities including current portion (Note 6)	(20,953,301)	-	(20,953,301)
Other current liabilities (profit sharing plan)	(314,004)	-	(314,004)
Employee benefit plans including obligation under voluntary retirement scheme (funded)	(2,524,163)	-	(2,524,163)
Contract acquisition cost (deferred)	270,313	-	270,313
Recoverable income tax on certain aged trading liability	(206,043)	-	(206,043)
Net taxable temporary difference			8,377,085
Net deferred tax liability @40% tax rate (Note 3.12)			3,350,834
As at 31 December 2019			
Property, plant and equipment (excluding land and CWIP (Note 4))	55,331,212	37,609,758	17,721,454
Difference for vehicle (Note 19.1)	(144,028)	-	(144,028)
			17,577,426
Right of use assets (Note 6)	58,028,533	39,150,821	18,877,712
Trade receivables (Note 11)	(1,763,119)	-	(1,763,119)
Lease liabilities including current portion (Note 6)	(21,065,897)	-	(21,065,897)
Other current liabilities (profit sharing plan)	(297,876)	-	(297,876)
Employee benefit plans (funded)	(936,702)	-	(936,702)
Contract acquisition cost (deferred)	940,822	-	940,822
Recoverable income tax on certain aged trading liability	(292,294)	-	(292,294)
Net taxable temporary difference			13,040,073
Net deferred tax liability @40% tax rate (Note 3.12)			5,216,029

19.1 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

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

Deferred tax liabilities as at 31 December 2020 includes net deferred tax asset of BDT 573,189,894 (2019: BDT 259,958,008) for actuarial gain/loss from re-measurement of defined benefit obligations corresponding impact of which has been recognised under other comprehensive income.

20 Employee benefits

Amounts recognised in the statement of financial position

Defined benefit obligation	(5,738,813)	(4,007,132)
Fair value of plan assets	4,097,430	3,070,429
Net defined benefit obligation	(1,641,383)	(936,703)

Change in benefit obligation

Benefit obligation at end of prior year	(4,007,132)	(3,996,697)
Service cost	(331,062)	(352,492)
Interest expense	(326,398)	(298,764)
Benefit payments from plan assets	227,414	357,166
Remeasurements due to change in demographic assumptions	(25,013)	-
Remeasurements due to change in financial assumptions	(1,109,357)	513,147
Remeasurements due to experience adjustments	(167,265)	(229,492)
Defined benefit obligation at end of year	(5,738,813)	(4,007,132)

Change in fair value of plan assets

Fair value of plan assets at end of prior year	3,070,429	2,397,575
Interest income	232,324	235,332
Employer contributions	503,536	950,685
Benefit payments from plan assets	(227,414)	(357,166)
Remeasurements for return on assets (excluding interest income)	518,555	(155,997)
Fair value of plan assets at end of year	4,097,430	3,070,429

Fair value of plan assets

Cash and cash equivalents	714,587	552,720
Debt instruments	3,382,843	2,517,708
Total	4,097,430	3,070,428

Components of Defined Benefit Cost (DBO)

Service cost	331,062	352,492
Interest expense on DBO	326,398	298,764
Interest (income) on plan assets	(232,324)	(235,332)
Defined benefit cost included in profit or loss	425,136	415,924

Remeasurements (recognised in other comprehensive income (OCI))

Due to change in demographic assumptions	25,013	-
Due to change in financial assumptions	1,109,357	(513,147)
Due to change in experience adjustments	167,265	229,492
(Return) on plan assets (excl. interest income)	(518,555)	155,997
Total remeasurements in OCI	783,080	(127,658)

Total defined benefit cost recognised in profit or loss and OCI

	1,208,216	288,266
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Net defined benefit liability (asset) reconciliation

Opening balance of net defined benefit liability (asset)
 Defined benefit cost included in profit or loss
 Total remeasurements included in OCI
 Employer contributions
 Net defined benefit liability (asset) as of end of year

As at 31 December 2020	As at 31 December 2019
BDT (000)	BDT (000)
936,703	1,599,122
425,136	415,924
783,080	(127,658)
(503,536)	(950,685)
<u>1,641,383</u>	<u>936,703</u>

Expected cash flows for following year

Expected employer contributions
 Expected total benefit payments
 Year 1
 Year 2
 Year 3
 Year 4
 Year 5
 Next 5 years

417,142	352,492
926,513	523,464
581,570	440,979
597,858	470,957
609,487	496,959
621,773	540,713
3,232,241	2,976,672

Significant actuarial assumptions

Discount rate in %
 Future salary growth in %
 Future turnover in %
 Up to age 30
 Age 31-45
 Above 45
 Expected average remaining working lives of employees

5.7%	9.3%
8.5%	8.5%
12.5%	12.5%
12.5%	10.0%
12.5%	10.0%
7 years	9 years

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 2020		As at 31 December 2019	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Discount rate in %	(293,431)	87,643	(240,517)	29,639
Future salary growth in %	68,985	(277,871)	21,031	(233,590)

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 : -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

21 Other non-current liabilities

Asset retirement obligations (Note 21.1)
Other non-current liabilities

21.1 Asset retirement obligations (ARO)

Opening balance
Provision made during the year

Provision released during the year
Paid during the year
Closing balance

As at 31 December 2020	As at 31 December 2019
BDT (000)	BDT (000)
151,400	152,391
129,872	171,566
281,272	323,957
152,391	144,275
2,305	4,609
154,696	148,884
(2,383)	3,507
(913)	-
151,400	152,391

Grameenphone recognises Asset Retirement Obligations (ARO) in respect of roof-top 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.

22 Trade payables and others

Financial liabilities

Trade payables including liability for capital expenditure
Accrued expenses
Indirect taxes

Other non-financial liabilities

Deferred connection revenue
Unearned revenue

Total trade payables and others

As at 31 December 2020	As at 31 December 2019
BDT (000)	BDT (000)
10,033,121	10,480,455
6,649,806	5,648,100
1,831,080	1,353,003
18,514,007	17,481,558
13,805	204,860
5,460,303	4,989,988
5,474,108	5,194,848
23,988,115	22,676,406

23 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 BTRC revenue share, annual operating licence fee, office running, other operational expenses and capital expenditure.

During the year Grameenphone reversed provisions of BDT 2,450,811,484 as a result of dispute settlement.

24 Current tax liabilities

Movement of current tax liabilities is shown as below:

	As at 31 December 2020 BDT (000)	As at 31 December 2019 BDT (000)
Opening balance	28,137,225	28,563,588
Provision made during the year including transactions for other comprehensive income	28,407,143	29,028,970
	56,544,368	57,592,558
Paid during the year (incl. tax deducted at source)	(30,432,387)	(30,675,929)
Provision released during the year	(1,241,331)	1,220,596
Closing balance	24,870,650	28,137,225

25 Other current liabilities

Accruals for profit sharing plan	314,004	297,876
Payable for bills pay receipts	328,603	518,691
Security deposits from subscribers and channel partners	566,584	537,093
Dividend payable	1,625,698	6,780,675
Others	2,855,134	2,228,990
	5,690,023	10,363,325

26 Revenue

The following is an analysis of revenue for the year:
Revenue from contract with customers (Note 26.1)
Lease revenues

	2020 BDT (000)	2019 BDT (000)
	138,036,441	142,117,999
	1,569,720	1,538,272
	139,606,161	143,656,271

26.1 Disaggregation of revenue from contract with customers

Type of goods/ services

Revenue from mobile communication (Note 26.2)	137,760,475	141,546,924
Revenue from customer equipment (Note 26.3)	130,928	185,351
Other revenues (Note 26.4)	145,038	385,724
	138,036,441	142,117,999

Type of subscription

Prepaid	131,289,340	135,527,213
Contract	6,471,135	6,019,711
Other	275,966	571,075
	138,036,441	142,117,999

Type of customer

Consumer	121,622,800	124,697,439
Business	16,413,641	17,420,560
	138,036,441	142,117,999

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

	2020	2019
	BDT (000)	BDT (000)
Traffic charges	7,488,776	7,253,612
Cost of materials and services	1,324,129	1,211,671
	8,812,905	8,465,283

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 968,187,004 (2019: BDT 820,193,023) for restructuring expense during the year and BDT 864,760,346 (2019: BDT 1,637,703,496) has been transferred during the year. The WPPF expense for the year ended 2020 is BDT 3,140,044,029 (2019: BDT 3,172,361,083) and BDT 3,123,915,567 (2019: BDT 3,152,431,133) 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 2,086 as at 31 December 2020 and 2,161 as at 31 December 2019.

29 Operation and maintenance

	2020	2019
	BDT (000)	BDT (000)
Service maintenance fee	3,203,648	3,407,893
Vehicle maintenance expense	112,455	369,210
Other operation and maintenance	1,668,642	2,121,760
	4,984,745	5,898,863

Service maintenance fee includes costs related to operation and maintenance of serviceability of mobile communication network.

30 Sales, marketing and commissions

	2020	2019
	BDT (000)	BDT (000)
Sales, marketing and representation costs (Note 30.1)	561,742	135,123
Advertisement expenses	1,144,092	1,354,187
Promotional expenses (Note 30.2)	121,785	215,046
Commissions	9,943,493	11,775,662
	11,771,112	13,480,018

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

30.2 Promotional expense has 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 annual spectrum fee and charges.

32 Other operating expenses/(income)

	2020	2019
	BDT (000)	BDT (000)
Consultancy and professional services (Note 32.1)	877,084	930,032
Statutory audit fees	3,000	2,500
Rental expense for property, plant and equipment	304,535	426,232
Fuel and energy costs	3,736,751	3,840,835
Impairment loss on trade receivables (Note 32.2)	464,313	155,302
Rental and other income	(200,609)	(128,421)
(Gain)/loss on disposal of assets	11,707	(47,514)
Others (Note 32.3)	1,245,503	985,383
	6,442,284	6,164,349

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

Allowance for impairment of trade receivables during the year (Note 39.1.3)	500,057	195,385
Recovery of impaired trade receivables during the year	(35,744)	(40,083)
	464,313	155,302

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. Other operating expenses include Covid-19 related CSR expenses of BDT 317,266,100 for the year.

33 Depreciation and amortisation

Property, plant and equipment	14,268,260	14,627,589
Intangible assets	1,035,729	981,884
Right-of-use assets	8,345,961	7,841,566
	23,649,950	23,451,039

34 Finance expense/income

Interest income	(376,627)	(597,542)
Interest expense	(1,245,125)	804,706
Net interest cost on defined benefit obligation	94,075	63,432
Interest expenses on lease liabilities	1,803,873	2,121,092
Other finance expenses	100,277	131,372
	376,473	2,523,060

35 Income tax expense

Current tax expense

Income tax expenses for the year
Adjustments / provision released during the year

Deferred tax expense/(income)

Deferred tax expense/(income) relating to origination and reversal of temporary differences

2020	2019
BDT (000)	BDT (000)
28,407,143	29,028,970
(1,241,332)	1,220,596
27,165,811	30,249,566
(1,551,942)	(867,367)
25,613,869	29,382,199

35.1 Reconciliation of effective tax rate

	2020	2020	2019	2019
	Percentage	BDT (000)	Percentage	BDT (000)
Profit before tax		62,800,906		63,898,959
Tax using the Company's tax rate	40.00%	25,120,362	40.00%	25,559,584
Tax effect of:				
Provision for non-deductible expenses	2.96%	1,859,458	2.91%	1,859,790
Adjustments / provision released during the year	-2.18%	(1,370,852)	2.05%	1,312,548
Other components of tax as per Income Tax Ordinance 1984	0.00%	2	0.99%	634,235
Permanent difference as per Income Tax Ordinance 1984	0.01%	4,899	0.03%	16,042
	40.79%	25,613,869	45.98%	29,382,199

36 Earnings per share

	2020	2019
	BDT	BDT
Profit for the year (in BDT)	37,187,037,000	34,516,760,000
Weighted average number of shares (Note 36.1)	1,350,300,022	1,350,300,022
Basic earnings per share (in BDT)	27.54	25.56

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

	2020	2019
	BDT (000)	BDT (000)
Profit after tax	37,187,037	34,516,760
Income tax expense	25,613,869	29,382,199
Profit before tax	62,800,906	63,898,959
Adjustment for:		
Depreciation & Amortisation	23,649,950	23,451,039
(Gain)/Loss on Sale of Fixed Assets	11,707	(47,514)
Finance (expense)/income, net	376,473	2,523,060
Other adjustments	(19,721,809)	(953,353)
	67,117,227	88,872,191
Changes in:		
Inventories	24,373	(1,082)
Trade receivables and others	(118,112)	198,994
Trade payables and others	1,694,582	1,703,414
Provisions	(3,581,842)	(1,656,989)
Other current liabilities	481,675	885,463
Cash generated from operating activities	65,617,903	90,001,990
Interest received	376,627	597,542
Interest paid	(1,990,178)	(2,530,502)
Income tax paid	(30,432,387)	(30,675,929)
Net cash generated from operating activities	33,571,965	57,393,101

38 Net operating cash flow per share

	2020	2019
	BDT	BDT
Net operating cash flow (BDT)	33,571,965,000	57,393,101,000
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)	24.86	42.50

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. Minimising 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 2020 BDT (000)	As at 31 December 2019 BDT (000)
Trade receivables (Note 11)	5,021,542	4,652,136
Other current receivables (Note 11)		
Receivables on Employees-Non-Interest Bearing	1,175	9,007
Other non-interest-bearing receivables	1,595,174	1,720,645
	1,596,349	1,729,652
Cash at bank (Note 12)	2,520,597	13,756,304
	9,138,488	20,138,092

39.1.2 Trade receivables, gross

This included interconnection receivables of BDT 2,909,255 as at 31 December 2020 (2019: BDT 3,496,132,460). The ageing of gross interconnection receivables as at the statement of financial position date was:

Not past due	1,133,723	1,543,125
0-30 days past due	55,205	74,047
31-60 days past due	22,161	59,667
61-90 days past due	12,259	58,214
91-180 days past due	33,356	164,920
181-365 days past due	42,360	39,821
over 365 days past due	1,610,191	1,556,338
	2,909,255	3,496,132

Other trade receivables (other than receivable from interconnection) as at 31 December 2020 was BDT 3,853,696 (2019: BDT 2,919,122,965) The ageing of other trade receivables as at the statement of financial position date was:

Not past due	1,668,493	994,133
0-30 days past due	1,258,825	854,839
31-60 days past due	158,652	255,053
61-90 days past due	69,718	85,409
91-180 days past due	119,697	194,309
181-365 days past due	201,010	208,148
over 365 days past due	377,301	327,232
	3,853,696	2,919,123

Total not past due trade receivables (gross) as at 31 December 2020 includes receivables of BDT 425,689,187 (2019: BDT 994,133,000) from customers against whom receivables of BDT 1,590,309,746 (2019: BDT 1,629,076,998) became over 365 days past due and provision for bad debt of BDT 1,472,308,306 (2019: BDT 1,473,522,573) 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 receivables during the year was as follows:

Opening balance	1,763,119	1,763,556
Net remeasurement of loss allowance	500,057	195,385
	2,263,176	1,958,941
Amounts written off	(223,962)	(195,822)
Closing balance	2,039,214	1,763,119

39.14 Security against trade receivables

Good and secured
 Good with personal security/unsecured
 Impaired
 Gross trade receivables
 Impairment loss allowance
 Trade receivables, net

As at 31 December 2020	As at 31 December 2019
BDT (000)	BDT (000)
588,356	559,817
4,433,186	4,092,319
1,741,410	1,763,119
6,762,952	6,415,255
(1,741,410)	(1,763,119)
5,021,542	4,652,136

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

Domestic
 Asia
 Europe
 Australia
 America
 Africa

4,918,570	4,581,939
19,009	35,530
79,907	24,682
28	878
3,913	7,922
115	1,185
5,021,542	4,652,136

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 minimises 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 2020

	Carrying amount BDT (000)	Maturity date	Nominal Interest rate	Contractual Cash flows BDT (000)	6 months or less BDT (000)	6-12 months BDT (000)	1-2 years BDT (000)	2-5 years BDT (000)	More than 5 years BDT (000)
Lease liabilities (including current portion)	20,475,537	Multiple	8.75% -15%	26,226,230	3,362,714	4,380,615	5,175,332	10,473,648	2,833,921
Loans and borrowings - short-term									
Local	1,240,000	January 2021	3%	-	1,240,000	-	1,240,000	-	-
Trade payables and others									
Trade payables including liability for capital expenditure	10,033,121	December 2021	N/A	10,033,121	7,139,247	2,893,874	-	-	-
Accrued expenses	6,649,806	December 2021	N/A	6,649,806	5,402,042	1,247,764	-	-	-
	5,690,023	December 2021	N/A	5,690,023	3,728,853	1,961,170	-	-	-
Other current liabilities	44,088,487			49,839,179	20,872,857	10,483,424	5,175,332	10,473,648	2,833,921

As at 31 December 2019

	Carrying amount BDT (000)	Maturity date	Nominal Interest rate	Contractual Cash flows BDT (000)	6 months or less BDT (000)	6-12 months BDT (000)	1-2 years BDT (000)	2-5 years BDT (000)	More than 5 years BDT (000)
Lease liabilities (including current portion)	20,833,655	Multiple	7.1%-15%	27,542,142	3,279,650	4,441,982	5,221,816	10,271,412	4,327,282
Loans and borrowings – long-term	-	-	-	-	-	-	-	-	-
Loans and borrowings – short-term	-	-	-	-	-	-	-	-	-
Foreign	2,934,284	April 2020	6-month-LIBOR + 3.5%	3,009,698	3,009,698	-	-	-	-
Local	-	-	-	-	-	-	-	-	-
Trade payables and others									
Trade payables including liability for capital expenditure	10,480,455	December 2020	N/A	10,480,455	7,065,485	3,414,970	-	-	-
Accrued expenses	5,648,100	December 2020	N/A	5,648,100	4,346,875	1,301,225	-	-	-
Other current liabilities	10,489,656	December 2020	N/A	10,489,656	7,800,753	2,688,903	-	-	-
	50,386,150			57,170,050	25,502,462	11,847,080	5,221,816	10,271,412	4,327,282

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 2020					As at 31 December 2019				
	USD	NOK	GBP	EUR	JPY	USD	NOK	GBP	EUR	JPY
Foreign currency denominated assets										
Receivables from Telenor entities	577,352	-	-	-	-	333,686	-	-	-	-
Receivables	94,709	-	-	-	-	307,692	-	-	-	-
Cash at bank	968,556	-	-	-	-	680,648	-	-	-	-
	1,640,617	-	-	-	-	1,322,026	-	-	-	-
Foreign currency denominated liabilities										
Loans and borrowings	-	-	-	-	-	(2,934,284)	-	-	-	-
Payables to others Telenor entities*	(1,891,736)	(5,795,317)	-	(947)	-	(1,579,658)	(4,408,224)	-	-	-
Trade payables and others	(425,350)	-	-	(67,375)	(1,032)	(404,216)	-	(9,424)	(22,797)	-
	(2,317,086)	(5,795,317)	-	(68,322)	(1,032)	(4,918,158)	(4,408,224)	(9,424)	(22,797)	-
Net exposure	(676,468)	(5,795,317)	-	(68,322)	(1,032)	(3,596,132)	(4,408,224)	(9,424)	(22,797)	-

* 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 2020	31 December 2019
	BDT	BDT
US Dollar (USD)	84.58	84.88
Norwegian Kroner (NOK)	9.93	9.67
Great Britain Pound (GBP)	115.51	111.37
EURO (EUR)	104.18	95.08
Japanese Yen (JPY)	0.82	0.78

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 BDT (000)	10 bp decrease BDT (000)	10 bp increase BDT (000)	10 bp decrease BDT (000)
31 December 2020				
Expenditures denominated in USD	(67,647)	67,647	(67,647)	67,647
Expenditures denominated in NOK	(579,532)	579,532	(579,532)	579,532
Expenditures denominated in GBP	-	-	-	-
Expenditures denominated in EURO	(6,832)	6,832	(6,832)	6,832
Expenditures denominated in JPY	(103)	103	(103)	103
Exchange rate sensitivity	(654,113)	654,113	(654,113)	654,113
31 December 2019				
Expenditures denominated in USD	(359,613)	359,613	(359,613)	359,613
Expenditures denominated in NOK	(440,822)	440,822	(440,822)	440,822
Expenditures denominated in GBP	(942)	942	(942)	942
Expenditures denominated in EURO	(2,280)	2,280	(2,280)	2,280
Expenditures denominated in JPY	-	-	-	-
Exchange rate sensitivity	(803,658)	803,658	(803,658)	803,658

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 2020, the interest rate profile of the Company's interest bearing financial instruments was:

	Carrying amount	
	As at 31 December 2020 BDT (000)	As at 31 December 2019 BDT (000)
Floating rate instruments		
<i>Financial liabilities</i>		
Loans and borrowings	1,240,000	2,934,284

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

Financial assets**Financial assets at amortised cost**

Trade receivables
Other receivables

Financial liabilities**Other financial liabilities**

Lease liabilities
Trade payables and others (except other non-financial liabilities)
Loans and borrowings – short-term
Other current liabilities

As at 31 December 2020	As at 31 December 2019
BDT (000)	BDT (000)
5,021,542	4,652,136
1,596,349	1,729,652
20,475,537	20,833,655
18,514,007	17,481,558
1,240,000	2,934,284
5,690,023	10,489,656

*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:

	2020	2019
Lease liabilities	8.75%	15.00%
Liability for spectrum acquisition	8.50%	8.50%
Loans and borrowings		
Foreign	NA	6-month-LIBOR + 3.5%
Local	3%	-

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 2020.

41 Related party disclosures

During the year ended 31 December 2020, 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

	2020 BDT (000)	2019 BDT (000)
Short term employee benefits	669,648	770,240
Post employment benefits	77,145	74,462
Other long term benefits	25,380	40,870
	772,173	885,572

Key management personnel compensation includes benefits for employees of the rank of 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 2020, attendance fees in connection with Board and Board Sub-Committee meetings are BDT 753,931 (2019: BDT 865,161).

41.2 Debts due from and due to key management personnel

Attendance fees of Board of Directors which are not yet paid, includes BDT 169,900 as at 31 December 2020 (2019: BDT 401,581). Other than that no debts were due from and due to key management personnel of the Company.

Key management personnel of Grameenphone, may use mobile communication services of Grameenphone. These services may be charged on the arm's length basis after a certain usage limit and trade receivables and others may include receivables for providing mobile communication services to them.

41.3 Other related party transactions during the year

Name of related parties	Nature	Nature of transactions	2020 BDT (000)	2019 BDT (000)
Telenor Mobile Communications AS	Shareholder	Dividend payment	17,962,912	11,677,820
Nye Telenor Mobile Communications II AS	Shareholder	Dividend payment	3	3
Nye Telenor Mobile Communications III AS	Shareholder	Dividend payment	3	3
Telenor Asia Pte. Ltd.	Shareholder	Dividend payment	3	3
Grameen Telecom	Shareholder	Dividend payment	7,850,028	11,313,277
		Commission expense	205,649	211,205
		Connection revenue	(2,350)	-

Name of related parties	Nature	Nature of transactions	2020	2019
			BDT (000)	BDT (000)
Grameen Kalyan	Shareholder	Dividend payment	0.3	0.5
Grameen Shakti	Shareholder	Dividend payment	0.3	0.5
Telenor ASA	Telenor group entity	Consultancy, professional and technical support service fee	925,338	1,021,786
Telenor Global Services AS	Telenor group entity	Consultancy, professional and technical support service fee	55,346	51,096
	A2P project revenue and professional service fee		(636,026)	
Telenor Global Shared Services AS	Telenor group entity	Consultancy, professional and technical support service fee	332,608	383,029
Telenor Go Pte Ltd.	Telenor group entity	Consultancy, professional and technical support service fee	239,218	253,709
Telenor Digital AS	Telenor group entity	Consultancy, professional and technical support service fee	(21,708)	155,653
Grameen Telecom Trust	Grameenphone's Board members nominated by Grameen Telecom are trustee of the entity	Cost of service	40,080	32,667
		Commission Expense	16,132	-
Telenor Procurement Company	Telenor group entity	Consultancy, professional and technical support service fee	450,803	392,983
		Software acquisition cost	199,044	-
Telenor Norway	Telenor group entity	Roaming revenue net of discount	(267)	(398)
		Roaming cost net of discount	44	86
Telenor Sweden	Telenor group entity	Roaming revenue net of discount	(132)	(419)
		Roaming cost net of discount	17	55
Telenor Denmark	Telenor group entity	Roaming revenue net of discount	(319)	(462)
		Roaming cost net of discount	111	324
Telenor Pakistan	Telenor group entity	Roaming revenue net of discount	(7)	(13)
		Roaming cost net of discount	27	62

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41.4 Receivables/(payables) with other related parties

Name of related parties	Nature	Nature of transactions	As at 31 December 2020	As at 31 December 2019
			BDT (000)	BDT (000)
Telenor Mobile Communications AS	Shareholder	Dividend payable	(1,625,698)	(6,780,670)
Nye Telenor Mobile Communications II AS	Shareholder	Dividend payable	-	(2)
Nye Telenor Mobile Communications III AS	Shareholder	Dividend payable	-	(2)
Telenor Asia Pte. Ltd.	Shareholder	Dividend payable	-	(2)
Grameen Telecom	Shareholder	Accounts receivable	5	-
		Accounts payable	(200)	(200)
Accenture Communications Infrastructure Solutions Ltd.	Associate	Accounts receivable	5,084	5,084
Telenor ASA		Accounts payable	(6,360)	(6,360)
	Telenor group entity	Accounts receivable	47,502	30,958
		Accounts payable	(3,763,750)	(2,833,356)
Telenor Consult AS	Telenor group entity	Accounts payable	(2,021)	(1,968)
Telenor Global Services AS	Telenor group entity	Accounts receivable	127,130	50,235
		Accounts payable	(127,903)	(96,676)
Telenor Global Shared Services AS	Telenor group entity	Accounts payable	(1,153,765)	(1,164,047)
Telenor Go Pte. Ltd.	Telenor group entity	Accounts receivable	77,034	50,191
		Accounts payable	(239,134)	(59,791)
Telenor Digital AS	Telenor group entity	Accounts receivable	181,514	7,686
		Accounts payable	(693,603)	(686,524)
Telenor Procurement Company	Telenor group entity	Accounts payable	(860,580)	(601,304)
Telenor Norge AS	Telenor group entity	Accounts receivable	853	853
		Accounts payable	(687,740)	(356,607)
Telenor Sweden	Telenor group entity	Accounts receivable	7	142
		Accounts payable	(1)	(3)

Name of related parties	Nature	Nature of transactions	As at	As at
			31 December 2020	31 December 2019
			BDT (000)	BDT (000)
Telenor Denmark	Telenor group entity	Accounts receivable	16	18
		Accounts payable	(0)	(10)
Telenor Pakistan	Telenor group entity	Accounts receivable	0	1
		Accounts payable	(2)	(9)
Telenor Myanmar	Telenor group entity	Accounts receivable	9,606	9,659
		Accounts payable	(0)	(53)
Dtac Thailand	Telenor group entity	Accounts receivable	52	1,423
		Accounts payable	(8)	(1,071)
Digi Malaysia	Telenor group entity	Accounts receivable	48	1,221
		Accounts payable	(4)	(486)
Telenor Norway	Telenor group entity	Accounts receivable	13	29
		Accounts payable	(1)	(22)
Telenor Southeast Asia Investment Limited	Telenor group entity	Accounts payable	(144,644)	(145,157)
Tapad Incorporation	Telenor group entity till 15 October 2020	Accounts payable	(146,065)	(126,129)
Grameen Solutions Limited	Related to Grameen Telecom	Accounts payable	(26)	(26)
Snehasish Mahmud & Co.	Associated entity of a member of Board of Directors	Accounts payable	-	(220)
Grameen Telecom Trust	Grameenphone's Board members	Accounts receivable	40,080	174,076
		Accounts payable		(71,418)
Telenor India	Telenor group entity	Accounts receivable	3,616	-
Telenor Health	Telenor group entity	Accounts receivable	248	-
DiGi Telecommunications Sdn Bhd	Telenor group entity	Accounts payable	(14,801)	(8,593)

41.5 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 20. During the year, BDT 625,953,057 (2019: BDT 548,866,392) was transferred to defined contribution plan, BDT 2,512,035,223 (2019: BDT 2,555,097,904) was transferred to Workers' Profit Participation Fund and BDT 314,004,403 (2019: 319,387,238) was transferred to Workers' Welfare Fund.

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

	2020	2019
	BDT (000)	BDT (000)
CIF value of imports		
Telecommunication equipment	5,659,757	5,766,109
Expenditure in foreign currency		
Consultancy fee	1,171,580	1,267,976
Consultancy fee – expatriate	249,725	259,741
Other fee (travel and training)	5,621	47,774
Online advertisement, membership and others	524,290	437,312
Technical know how	1,121,167	1,284,640
International roaming cost net of discount	60,467	54,408
Interest on foreign loan	48,657	375,154
Foreign earnings		
Revenue net of discount from roaming partners	(84,905)	(85,266)

43 Short-term credit facilities available as at 31 December 2020

The Company enjoys composite working capital facilities including both funded and non-funded facilities from 11 banks (2019: 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 41,316 million (2019: BDT 40,880 million) of which non-funded limit is BDT 23,286 million (2019: BDT 22,850 million) and funded limit is BDT 25,440 million (2019: BDT 25,440 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 25,500 million (2019: BDT 25,500 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 2020	As at 31 December 2019
	BDT (000)	BDT (000)
Capital commitment (open purchase order) for property, plant and equipment	4,183,108	3,202,421
Capital commitment (open purchase order) for intangible assets	71,549	269,993

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 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 made by BTRC 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 effective till disposal of the matter at the Hon'ble HCD.

It is to be noted that in a separate Writ Petition filed by another audit firm challenging the auditor appointment process of BTRC, the appointment of the said auditor by BTRC 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. On 30 September 2018, BTRC filed an application for dismissal of the Title Suit filed by Grameenphone without going into the merit. The hearing of the application has not taken place yet.

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 against the demand requesting BTRC to withdraw the demand and to engage in discussions with a view to find an amicable resolution. Thereafter, on 23 June 2019, as a legal recourse, Grameenphone served a notice of arbitration upon BTRC. On 30 June 2019, Grameenphone sent a 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 roughly by 30% on the ground of non-payment of the demanded amount. The direction was subsequently withdrawn on 17 July 2019 considering the impact on subscribers. However, on 22 July 2019, BTRC imposed operational restrictions through stopping No Objection Certificates (NOCs) and approvals on products and services and equipment import. In this context, on 30 July 2019, Arbitration applications were moved by Grameenphone before the Hon'ble HCD for appointment of an arbitrator on behalf of BTRC and for interim relief against the suspension of approval & NOCs by the BTRC which were subsequently rejected by the 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 road block 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, and on 28 August 2019, Grameenphone moved an application for injunction in the learned District Court with the prayer to stay the suspension of NOCs and to restrain BTRC from taking any steps based on, or pursuant to, or for the realisation or enforcement of the Audit Demand. The said application was rejected by the District Court. Against the rejection order, on 17 September 2019, Grameenphone filed an appeal (First Miscellaneous Appeal) before the Hon'ble HCD. 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 on 03 October, 2019.

In parallel, Grameenphone has 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 and impositions to resume normal operations immediately and that Grameenphone would suspend its legal efforts to facilitate a transparent process towards an amicable solution. Despite these constructive efforts, BTRC had not lifted any of the operational restrictions imposed by it or the show cause notice.

On 17 October 2019, in the First Miscellaneous Appeal filed earlier by Grameenphone, the Hon'ble HCD passed an interim order of injunction restraining BTRC, for a period of two months, from taking any steps on the basis of, or pursuant to, or for

the realisation of or enforcement of the Audit Demand dated 02 April 2019. The Hon'ble HCD also stayed, for a period of two months, operation of the BTRC letter dated 22 July 2019 (regarding suspension of NOC for importation of equipment/software and suspension of tariff/service package etc. approvals).

Challenging the said interim order of stay and injunction passed by the Hon'ble HCD, BTRC moved to the Hon'ble 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 20,000,000,000 to BTRC within a period of three months; in default of the payment of the said money within the specified time the interim order of stay and injunction passed by the Hon'ble HCD shall stand vacated.

On 26 January 2020, Grameenphone filed a Review Petition before the Hon'ble AD of the Supreme Court of Bangladesh. On 20 February 2020, in the hearing of the Review Petition the Hon'ble AD verbally directed Grameenphone to deposit BDT 10,000,000,000 within 24 February 2020. Following the said verbal direction, Grameenphone deposited the money on 23 February 2020 and booked the deposit as non-current receivables as disclosed in Note 8 to these financial statements. On 24 February 2020 the Hon'ble AD directed Grameenphone to deposit remaining BDT 10,000,000,000 by 31 May 2020 and in default of the said payment, the interim order of stay and injunction passed by the Hon'ble HCD shall stand vacated. Further, the Hon'ble AD also directed BTRC to allow Grameenphone to carry on its business without any hindrance and fixed the matter on 31 May 2020 for passing further order.

On 19 May 2020, Grameenphone further deposited BDT 10,000,000,000 in compliance with the direction of the Hon'ble AD dated 24 February 2020 and followed the same accounting treatment as did for the first deposit. With regard to the deposit, Grameenphone has submitted the compliance application in the Review Petition pending before the Hon'ble AD on 19 July 2020.

The hearings of Review Petition and Appeal have not taken place yet at Hon'ble AD and HCD respectively. Further hearing of the Review Petition and Appeal will take place as and when the matter will be listed by the Courts.

The original Title Suit is pending at the District Court. BTRC and its Auditor appeared in the suit earlier but they have not submitted their reply yet.

After making the first deposit of BDT 10,000,000,000 on 23 February 2020, Grameenphone met with BTRC representatives in several occasions for release of NOC for import of equipment and to address the number (new and recycle) crunch issue. After receiving the court order, BTRC started releasing NOC against our pending NOC requests, and by the end of July 2020, BTRC released all except for 03 (three) NOCs. The remaining NOCs and necessary permissions are matters of ongoing discussions with BTRC.

To recover the BTRC's Audit claim, Post and Telecommunication Division (PTD) proposed to form a committee. Accordingly, Grameenphone received letters from BTRC and PTD in October and November 2020 respectively with the same request of providing the names of Grameenphone representatives for the proposed committee. In response, Grameenphone sent a letter to BTRC, requesting, among others, to share the terms of reference of the Committee, the manner in which any recommendation would be made by the committee, the role of Grameenphone in the dialogue and a clear assurance that no recommendation would be imposed on Grameenphone unless Grameenphone agrees to the same in writing. The letter was later on shared with PTD also. In reply, BTRC did not entertain Grameenphone's query and asked Grameenphone again to provide the names of representative for the committee. Through a letter dated 31 December 2020, Grameenphone requested BTRC chairman for a discussion on this issue. A meeting took place on 13 January 2021 chaired by the BTRC Chairman and subsequent discussions may take place on this matter.

Despite Grameenphone disagreeing with the audit demand as a basis for the audit claim, Grameenphone has consistently tried to engage the authorities to find a transparent process towards an amicable solution based on the merits of the audit findings. BTRC has, however, refused to discuss the substance of the claims following the feedback Grameenphone provided against the audit observations in 2018; 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 and subsequent invitations for continued dialogue have been rejected. In light of these events, at this stage Grameenphone has concerns over the prospects of an amicable solution based on merit.

Grameenphone has performed a detailed assessment of the BTRC and NBR demands and obtained legal advice for each of the various matters/demands. 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) and are fully unjustified from Grameenphone's position; and no provision has been recorded based on the Audit Demand dated 02 April 2019 as such.

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 and requested the BTRC to engage in discussion for an amicable resolution. Thereafter, due to non-response by BTRC, applications for arbitration under local law and thereafter Civil Suit and appeal were filed in Bangladesh Courts. As of now, there has not been any judicial determination of the merits of the Audit Demand dated 02 April 2019 based on the disputed audit report nor any substantive discussion before any regulatory forum.

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 in conjunction with the absence of merit based determination through any solution process create significant uncertainty about the validity of the demand and outcome of the dispute.

Pointing out the errors in the substance, methodologies and procedures of the audit exercise Grameenphone disputed the whole Audit Demand and Grameenphone through its current assessment concluded that there is no such obligation against the audit claims.

(b) SIM tax on replacement SIMs

Large Taxpayers' Unit (LTU)-VAT through a letter dated 16 May, 2012 claimed SIM tax of 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 Grameenphone evaded SIM tax by selling new connections in the name of replacement SIMs. The said demand was made based on extrapolating the outcome of only five randomly purchased SIMs by LTU-VAT. Grameenphone challenged the demand by a Writ Petition before the Hon'ble High Court Division (HCD) and the Hon'ble HCD on 6 June, 2013 disposed of the Writ Petition directing the Commissioner, LTU-VAT to decide on this matter within 120 days and make no demand in the meantime. Consequently, a SIM Replacement Review Committee was constituted by the Commissioner. The LTU-VAT authority in January, 2014 finalised 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 Review Committee disregarded the spirit of the 'Terms of Reference' and agreed methodology as endorsed by BTRC in carrying out the review.

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

At this juncture, Grameenphone filed an appeal before the Customs, Excise & VAT Appellate Tribunal under Section 42(1) (Kha) of the VAT Act 1991 against the demand. Even though Grameenphone 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. Grameenphone considered the deposit as a contingent asset under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

On 5 June, 2017, the VAT Appellate Tribunal dismissed the Appeals filed by Grameenphone and other mobile operators. Subsequently on 19 July, 2017, challenging the said Judgment & Order of the Tribunal, Grameenphone filed a VAT Appeal before the Hon'ble HCD wherein the Hon'ble HCD has stayed the operation of the Judgment & Order of the Tribunal. The Hon'ble HCD fixed the appeal for hearing which will be concluded as per accommodation of the court.

Further, subsequently 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 for the period July, 2012 to June, 2015. On 20 February, 2018, Grameenphone filed appeal before the Customs, Excise and VAT Appellate Tribunal against the demand upon depositing 10% of the demanded amount as appeal fee 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 Tribunal passed judgment against Grameenphone and on 27 June, 2019 Grameenphone filed appeal before the Hon'ble HCD. On 27 August, 2019, the Hon'ble HCD stayed the operation of the judgment passed by the Tribunal. The appeal is now pending before the Hon'ble HCD for adjudication.

Subsequently during November, 2017, the Commissioner of 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 provision of the VAT Act-1991 which was prevailing at that point of time, LTU-VAT cannot claim any amount beyond 5 years, hence the claim is time barred. Grameenphone 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 License Renewal Guideline to make the payment 'without any deduction'. In 2011 mobile operators including Grameenphone challenged such stipulation in separate Writ Petitions before the Hon'ble High Court Division (HCD) wherein the Court allowed Grameenphone to exercise the right to claim rebate subject to payment of VAT in addition to BTRC's claim amount. However, Grameenphone, BTRC and NBR filed separate appeals before the Hon'ble Appellate Division (AD) which are now pending for hearing. It should be noted that after amendments in Value Added Tax Rules, 1991, in 2012 at the time of making payment for 2nd installment of 2G Spectrum Assignment Fee, Grameenphone exercised its right to claim rebate of VAT which was subsequently cancelled by the Large Taxpayers' Unit (LTU)-VAT since BTRC, not being a VAT registered entity, could not provide legally required VAT Challan i.e. Mushak-11. Grameenphone challenged such cancellation by another Writ Petition which is pending before the Hon'ble HCD.

100% of the Licence Renewal Fee has been capitalised based on the assumption that Grameenphone's VAT exposure will be nil. This assumption is based on the Hon'ble High Court's verdict which allowed Grameenphone to exercise its right to claim rebate against the paid VAT.

However, the lawsuit over the VAT mechanism is still pending before the AD for BDT 2,397,282,000 and Grameenphone's rebate right case for BDT 1,409,922,000 is pending before the Hon'ble HCD. Grameenphone considered the deposited VAT amount of BDT 3,807,204,000 as a contingent asset under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

If the Hon'ble AD rules that Grameenphone would be required to pay VAT and would not be able to exercise the right to claim rebate for this VAT, Grameenphone's financial exposure on capitalised License Renewal Fee for this would increase by BDT 1,069,596,000.

Out of this dispute, BDT 4,876,800,000 is also part of BTRC audit claim dated 02 April, 2019 as discussed in Note 45(a) above.

(d) Interest on SIM Tax during 24 August 2006 to 27 March 2007

National Board of Revenue (NBR) through a General Order dated 9 June, 2005 fixed Tariff Value determining SIM Tax (Supplementary Duty and VAT) on SIM Card at BDT 2,172.20. Challenging the legality of such imposition of SIM Tax, one subscriber filed a Writ Petition before the Hon'ble High Court Division (HCD) and the Hon'ble HCD on 25 June, 2005 by an interim order stayed the operation of the General Order. Accordingly, the mobile operators including Grameenphone could not collect SIM Tax from the customers since the collection of SIM Tax was suspended. Subsequently, on 24 August, 2006 Hon'ble HCD passed judgment declaring the imposition of SIM Tax on SIM Card as illegal. Upon a Civil Petition filed by the NBR, the judgment of the Hon'ble HCD was initially stayed by the Hon'ble Appellate Division (AD) on 27 March, 2007 and finally on 1 August, 2012 the Hon'ble AD 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 Grameenphone on 12 September, 2012 on protest.

On 9 May, 2016 Large Tax Payers' Unit (LTU)-VAT issued a show cause notice on Grameenphone for interest amounting BDT 4,525,263,202 for the delay in payment of SIM Tax on sale of SIM during the period 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 Grameenphone, 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 Grameenphone through filing an appeal before the Hon'ble Customs, Excise & VAT Appellate Tribunal. Even though Grameenphone believes that the claim against Grameenphone is not likely to be legally enforceable, 10% of the disputed amount was deposited at the time of filing

such appeal as part of the appeal procedure prescribed by law. 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. Grameenphone has considered the deposit as a contingent asset under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The Customs, Excise and VAT Appellate Tribunal upheld the demand of the Commissioner, LTU-VAT and issued its judgment on 11 April 2018. Subsequently, Grameenphone filed a VAT Appeal before Hon'ble HCD, challenging the said judgment of the Tribunal on 31 May 2018. On 10 July 2018, HCD stayed the judgment of the Tribunal till disposal of the VAT Appeal.

As per direction of the Hon'ble HCD, Grameenphone 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 is a dispute regarding payment of VAT (whether inclusive or exclusive) on the Guaranteed Annual Rent (GAR) paid to Bangladesh Railway (BR) to use its Fibre Optic Network (FON) under an Agreement dated 17 September, 1997. Grameenphone made payment to BR after deduction of VAT from the GAR following inclusive method. In 2008, BR requested Grameenphone to pay the amounts deducted as VAT otherwise threatened to disconnect the FON connection. Grameenphone filed a Writ Petition before the Hon'ble High Court Division (HCD) and HCD disposed of the Writ directing Grameenphone 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 Appellate Division (AD). BR issued a demand letter of BDT 319,670,457. Grameenphone 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. However, after assessment, Grameenphone 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 following the provisions of the agreement between Grameenphone and BR. Management's assessment based on external counsel's guidance is 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, Grameenphone 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.

A Certificate Case was filed by BR under Public Demands Recovery Act 1913 against Grameenphone, claiming BDT 1,316,513,243 as interest and penalty for alleged delayed payment of GAR. On 05 November 2020, Grameenphone filed a petition denying the claim. On 13 January 2021, BR submitted its response against the same. The next date of the hearing is yet to be fixed. Following the agreement, on 24 December 2020, Grameenphone served an Arbitration notice upon BR for Arbitration proceedings regarding the claim and accordingly requested BR to appoint arbitrator on their behalf.

46 Other disclosures

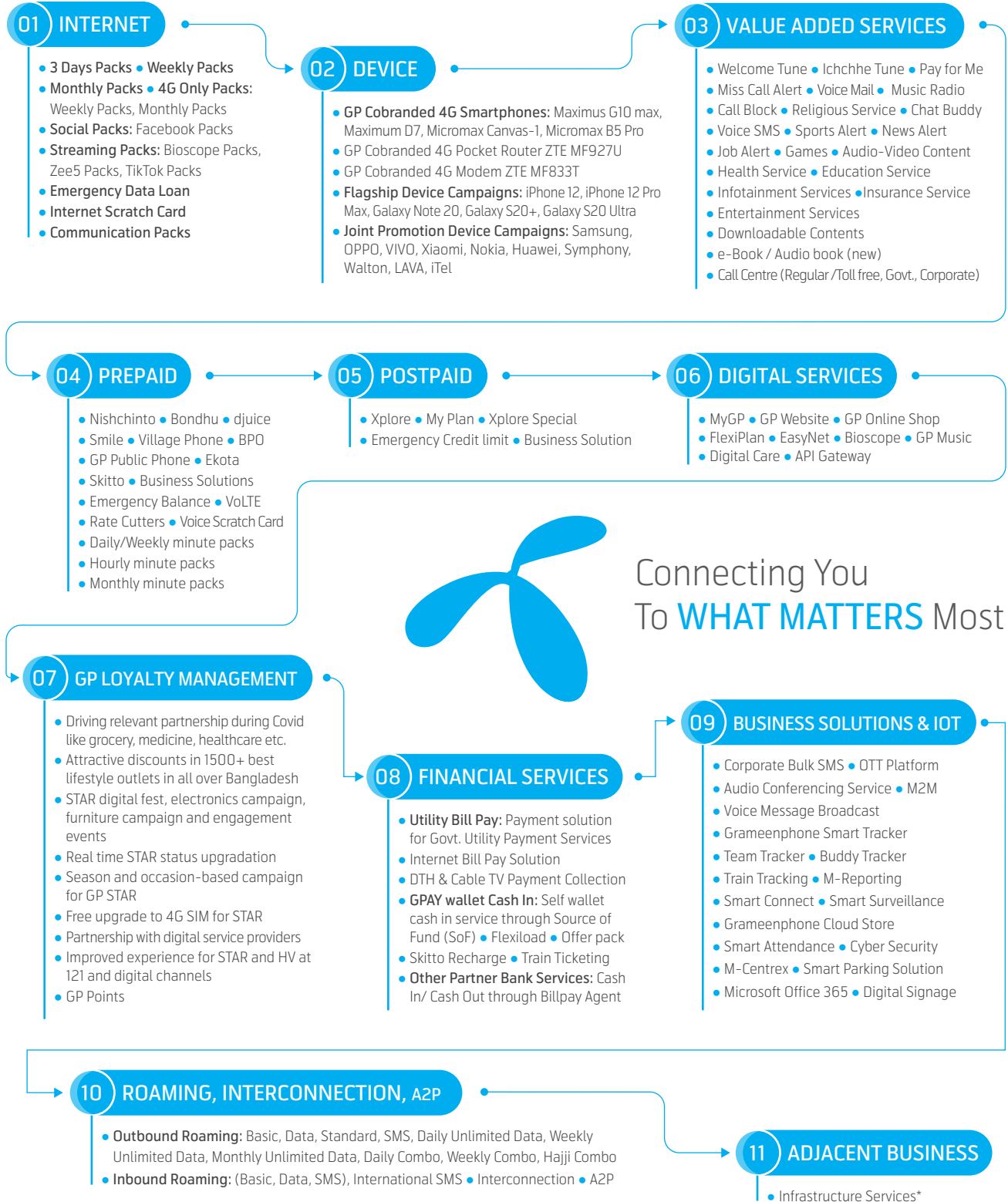
46.1 Segment information

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 227th meeting held on 27 January 2021 recommended a final cash dividend amounting to BDT 19,579,350,319 being 145% of the paid-up capital (i.e. BDT 14.50 per share) for the year 2020. Total cash dividend including this final cash dividend stands at 275% of the paid-up capital (i.e. BDT 27.50 per share) for the year 2020. These dividends are subject to final approval by the shareholders at the forthcoming annual general meeting of the company.

Products & Services



*In compliance with BTRC guidelines, Grameenphone is sharing its passive infrastructure with other licensees under 'Infrastructure Services'.

Our recognition 2020

Grameenphone diligently works to serve the community and all its stakeholders to the best of its abilities. The awards presented to Grameenphone in 2020 is testament to the Company's commitment to constantly improve itself and deliver unparalleled service each year. The awards encourage us to deliver better and stronger in the future but also serves as a humble reminder that the journey continues

Best Presented Annual Report/ Corporate Governance Award



Received **Gold Award** in 7th ICSB (Institute of Chartered Secretaries of Bangladesh) National Award 2019 for **Corporate Governance Excellence**



Adjudged **1st Position** for **Best Presented Annual Report 2019** by ICAB (The Institute of Chartered Accountants of Bangladesh)

Adjudged **1st Position** for **Best Presented Annual Report 2019** by SAFA (South Asian Federation of Accountants)



Other Awards



Received "**Superbrands award**", Bangladesh's Choice 2020-21 from Superbrands Bangladesh as the top brand in the Telecommunication category



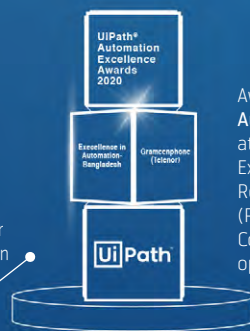
Received top awards as the "**Best Telecom Brand**" and "**Over all No. 5 Best Brand**". The awards were presented by the Bangladesh Brand Forum in partnership with the leading brand research company Nielsen Bangladesh



Grameenphone and its 3 partner agencies (Magnito Digital, Mindshare Bangladesh & Grey Bangladesh) won 16 awards in The "**Digital Marketing Award**" 2020 organised by the Bangladesh Brand Forum



Received "**Tax Card Honour Certificate 2020**" from National Board of Revenue (NBR) Bangladesh as the highest income tax payer in the Telecommunication sector for the year 2019-2020



Awarded "**Excellence in Automation-Bangladesh**" at the UiPath Automation Excellence Awards 2020 for Robotic Process Automation (RPA) integration in the Company's internal operations



Received "**VISA Payment Excellence Award 2019-2020**"

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. Distribution Schedule of the Shares as on December 31, 2020

Range of Shareholdings	Number of Shareholders	Total Number of Shares	Percentage
001 to 500	22,931	4,269,788	0.32%
501 to 5,000	5,475	8,834,026	0.65%
5,001 to 10,000	495	3,608,406	0.27%
10,001 to 20,000	259	3,649,396	0.27%
20,001 to 30,000	88	2,199,488	0.16%
30,001 to 40,000	54	1,894,561	0.14%
40,001 to 50,000	28	1,294,514	0.10%
50,001 to 100,000	90	6,366,353	0.47%
100,001 to 1,000,000	125	38,393,777	2.84%
1,000,001 to 1,000,000,000	17	1,279,789,713	94.78%
Total	29,562	1,350,300,022	100.00%

4. Dividend

For the Year	Dividend Rate	Dividend Per Share (BDT)	Par Value Per Share (BDT)	Dividend Type
2020	145% (Proposed 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
2016	90% (Final Dividend)	9.00	10.00	Cash
	85 % (Interim Dividend)	8.50	10.00	Cash
2015	60% (Final Dividend)	6.00	10.00	Cash
	80 % (Interim Dividend)	8.00	10.00	Cash

5. Unclaimed/Unpaid Dividend

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 remains 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 needs to be transferred to the Capital Market Stabilization Fund 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 of the Company is given below:

SL	Financial Year	Dividend Type	Rate of Dividend	Date of Declaration of the Dividend and Record Date as the case may be	Unclaimed Dividend as on 31 December 2020 (BDT'000)
1	2019	Final	40%	21 April 2020	4,456
		Interim	90%	4 August 2019	7,450
2	2018	Final	155%	23 April 2019	9,526
		Interim	125%	5 August 2018	7,735
3	2017	Final	100%	19 April 2018	3,695
		Interim	105%	2 August 2017	5,016
4	2016	Final	90%	20 April 2017	6,793
		Interim	85%	8 August 2016	3,795
5	2015	Final	60%	19 April 2016	3,853
		Interim	80%	29 July 2015	5,260
6	2014	Final	65%	21 April 2015	4,503
		Interim	95%	5 August 2014	6,252
7	2013	Final	50%	9 April 2014	6,272
		Interim	90%	29 July 2013	3,767
8	2012	Final	50%	10 April 2013	2,819
		Interim	90%	31 July 2012	5,095
9	2011	Final	65%	10 April 2012	6,222
		Interim	140%	28 July 2011	13,318
10	2010	Final	85%	19 April 2011	9,259
		Interim	35%	2 November 2010	8,059
11	2009	Final	60%	8 June 2010	13,185
Total					136,330

6. Credit Rating

The Company's credit rating was reaffirmed by Credit Rating Information and Services Limited (CRISL) on 30 April 2020 and is valid up to 29 April 2021.

Long Term

AAA

Short Term

ST-1

7. Associate Company

Name of the Company

Accenture Communications Infrastructure Solutions Ltd.
(Formerly known as Grameenphone IT Ltd.)

Holding

49%

Activity

IT Company

8. Grameenphone Share Performance at Stock Exchanges

- I. Monthly high, low and close share price and volume of the Company's Shares traded at Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) during the year 2020:

Month	DSE				CSE			
	High (BDT)	Low (BDT)	Close (BDT)	Volume (No.)	High (BDT)	Low (BDT)	Close (BDT)	Volume (No.)
January	282.90	231.40	257.80	5,887,799	285.50	230.20	256.70	140,433
February	319.60	256.20	274.40	9,644,197	318.30	256.50	275.70	287,440
March	271.40	219.50	238.80	4,945,839	271.90	218.60	238.00	86,621
April*	-	-	-	-	-	-	-	-
May*	258.80	238.80	255.90	260,301	255.30	255.30	255.30	7,844
June	243.50	238.80	238.80	2,453,006	245.60	238.00	238.00	70,177
July	258.50	238.80	258.50	7,700,319	260.10	238.00	260.10	217,971
August	318.40	254.20	318.40	11,519,018	316.00	255.50	315.50	211,672
September	352.80	320.10	330.00	7,475,104	352.90	318.60	329.70	174,346
October	341.10	326.60	329.70	3,565,170	340.10	324.00	330.50	91,396
November	337.20	318.20	319.10	3,076,767	335.50	316.20	320.90	120,916
December	356.80	318.00	347.10	5,093,412	355.40	319.90	346.10	478,960
Total shares traded during the year				61,620,932	1,887,776			

*The stock exchanges remained closed for 66 days on account of the general holidays declared by the government as a preventive measure against Covid-19.

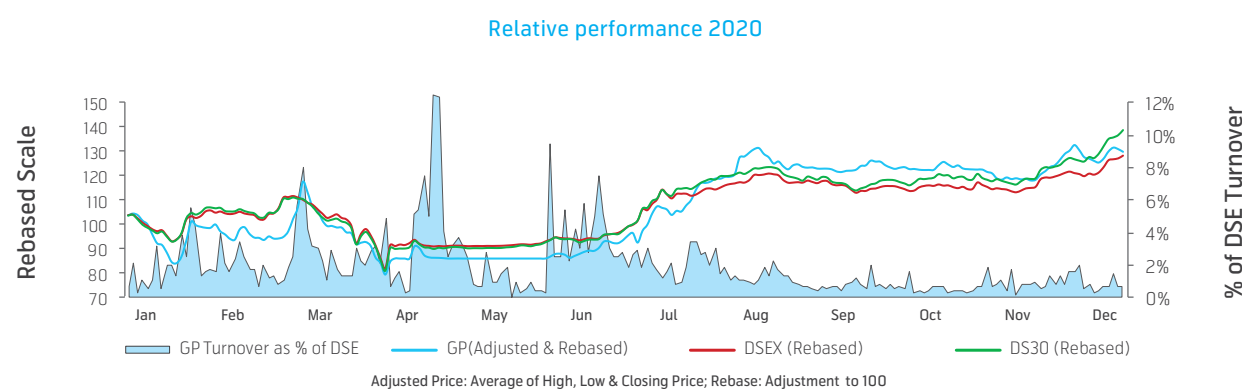
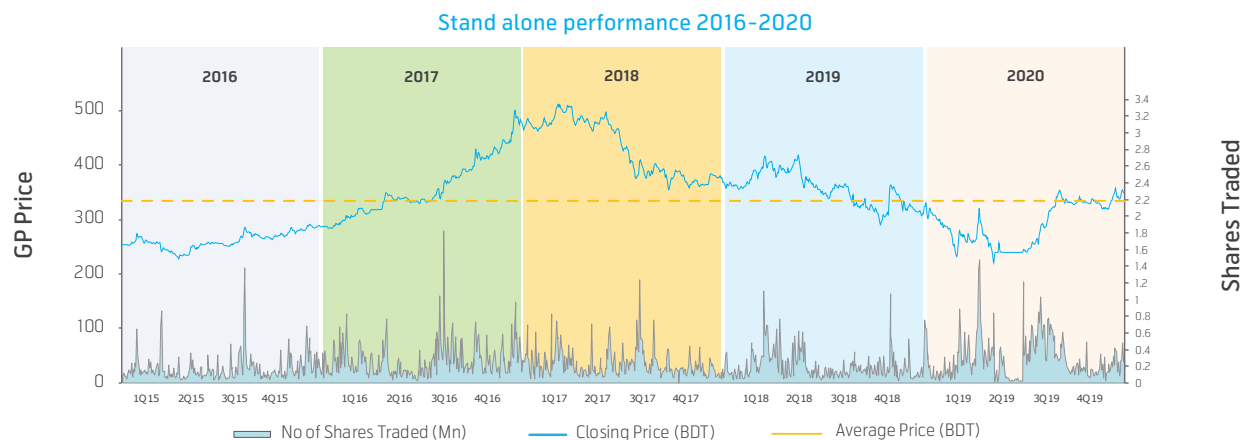
- II. Quarterly high-low price history of the Company's share traded at Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) during the year 2020 and 2019;

Period	DSE				CSE			
	2020		2019		2020		2019	
	High (BDT)	Low (BDT)	High (BDT)	Low (BDT)	High (BDT)	Low (BDT)	High (BDT)	Low (BDT)
Quarter 1	319.60	219.50	419.90	363.00	318.30	218.60	420.0	365.0
Quarter 2	255.90	238.80	419.70	336.70	255.30	238.00	418.4	336.1
Quarter 3	352.80	238.80	365.00	284.70	352.90	238.00	367.1	286.0
Quarter 4	356.80	318.00	352.40	275.50	355.40	316.20	349.3	276.0

- III. Grameenphone Share Price Trend Year wise traded at Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange during the year 2020 and 2019

	DSE		CSE	
	2020	2019	2020	2019
Highest Price (BDT)	356.80	419.90	355.40	420.0
Lowest Price (BDT)	219.50	275.50	218.60	276.0

IV. Grameenphone Share Performance in DSE: 2016 – 2020



8. Financial Calendar 2021



* Please note that these dates are provisional and subject to change, please check www.grameenphone.com/about/investor-relations for latest updates

9. Company Website

Anyone can get information regarding Company's activities, products and services or can view Annual Report 2020 at www.grameenphone.com

10. Investor Relations

Institutional investors, security analysts and other members of the professional financial community requiring additional financial information, please contact at **+880175552271** or can visit the Investor Relations section of the Company website: www.grameenphone.com

11. 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

Corporate Information

Company Name

Grameenphone Ltd.

Company Registration No.

C-31531 (652)/96

Legal Form

A public listed company with limited liability. Incorporated as a private limited company on 10 October 1996 and subsequently converted to a public limited company on 25 June 2007. Listed on the Dhaka and Chittagong Stock Exchanges on 11 November 2009.

Board of Directors

Chair

Jørgen C. Arentz Rostrup

Directors

M Shahjahan

Md. Ashraful Hassan

Håkon Bruaset Kjøl

Parveen Mahmud

Øivind Burdal

Lars Erik Tellmann

Tone Ripel

Independent Directors

Dr. Salehuddin Ahmed

Abdul-Muyeed Chowdhury

Health, Safety, Security & Environment Committee

Lars Erik Tellmann (Chair)

M Shahjahan

Hasanur Rahman Rakib (Secretary)

Management Team

Yasir Azman, Chief Executive Officer

Jens Becker, Chief Financial Officer

Ole Bjørn Sjulstad, Chief Corporate Affairs Officer

Rade Kovacevic, Chief Technology Officer

Sajjad Hasib, Chief Marketing Officer

Syed Tanvir Husain, Chief Human Resources Officer

Solaiman Alam, Chief Digital and Strategy Officer

Kazi Mahboob Hassan, Chief Business Officer

Company Secretary

S M Imdadul Haque

Audit Committee

Dr. Salehuddin Ahmed (Chair)

M Shahjahan

Øivind Burdal

S M Imdadul Haque (Secretary)

Nomination and Remuneration Committee

Abdul-Muyeed Chowdhury (Chair)

Håkon Bruaset Kjøl

Md. Ashraful Hassan

S M Imdadul Haque (Secretary)

Treasury Committee

M Shahjahan (Chair)

Pal Stette

Jens Becker

S M Imdadul Haque (Secretary)

Head of Internal Audit & Investigation

Hasan Faisal

Head of Ethics & Compliance

Stephanos Gulbraar Orestis

Statutory Auditors

A Qasem & Co

Chartered Accountants

Corporate Governance Compliance Auditors

ACNABIN

Chartered Accountants

Registered Office

GPHouse

Bashundhara, Baridhara, Dhaka-1229, Bangladesh

* The information in this section is as on 01 February 2021

Grameenphone Ltd.

Registered Office: GPHouse, Bashundhara, Baridhara, Dhaka-1229

Share Office: Cemex Shimul Trishna Trade Center (3rd Floor), Ka-86/1, Progoti Shoroni, Kuril Bishwaroad, Dhaka-1229

Notice of the 24th Annual General Meeting Virtual Shareholder Meeting

Notice is hereby given that the 24th Annual General Meeting (AGM) of Grameenphone Ltd. will be held on **Monday, 19 April 2021 at 10:30 am (Dhaka Time)**. The AGM will be held virtually by using digital platform through the following link <https://tinyurl.com/gpagm2021> to transact the following businesses:

AGENDA

Ordinary Businesses:

1. Consideration and adoption of the Directors' Report and the Audited Financial Statements of the Company for the year ended 31 December 2020 together with the Auditors' Report thereon.
2. Declaration of Dividend for the year ended 31 December 2020 as recommended by the Board of Directors.
3. Election/Re-election of Directors.
4. Appointment of Statutory Auditors and Corporate Governance Compliance Auditor and fixation of their remuneration.

Special Business:

As per the article 84 of the Articles of Association of Grameenphone, Directors of the Board are entitled to get allowances for attendance of the meetings in addition to other travelling expenses and these amounts need to be determined by the shareholders in the General Meeting. Accordingly, the following resolution shall be considered and passed with or without modification as ordinary resolution:

"Resolved that each non-executive Director and Independent Director of the Company will be entitled to receive USD 200 or equivalent BDT as allowance per meeting per day for the number of days spent attending the Board and sub-committee meetings of the Company. Each Board and sub-committee meeting will be considered as separate meeting even if held on the same day."

By order of the Board of Directors
Sd/-

28 March 2021

S M Imdadul Haque
Company Secretary

Notes:

- The Members whose names appeared on the Members/Depository Register as on the "Record Date" i.e. **17 February 2021** are eligible to participate in the 24th Annual General Meeting (AGM) and receive dividend.
- Pursuant to the Bangladesh Securities and Exchange Commission's Directive No. BSEC/CMRRCD/2009-193/12 dated 23 March 2021, the AGM will be virtual meeting of the Members, which will be conducted via live webcast by using 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://tinyurl.com/gpagm2021>
- 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 19 April 2021. 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 entitled to attend and vote at the AGM may appoint a Proxy to attend and vote in his/her stead. The "Proxy Form", duly filled, signed and stamped at BDT 20 must be sent through email to Grameenphone Share Office at shareoffice@grameenphone.com no later than 72 hours before commencement of the AGM.
- Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/ Admin/81 dated 20 June 2018, the soft copy of the Annual Report 2020 is being sent to 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 soft copy of the Annual Report 2020 will also be available on the Investor Relations section of the Company's website at: www.grameenphone.com

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 Directive No. BSEC/CMRRCD/2009-193/12 dated 23 March 2021, a listed company can arrange virtual shareholder meeting, which can be conducted via live webcast by using digital platform. Accordingly, in the light of prevailing Covid-19 situation in Bangladesh, considering the health and safety of all the shareholders, staff and others who plan to attend the AGM 2021, Grameenphone plans to convene its 24th AGM 2021 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. 17 February 2021.

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://tinyurl.com/gpagm2021>.

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://tinyurl.com/gpagm2021>. 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. 17 February 2021 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://tinyurl.com/gpagm2021>. 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://tinyurl.com/gpagm2021> prior to or during the meeting, please call +8801711555888.

Virtual Shareholder Meeting of Grameenphone Ltd.

Pursuant to the Bangladesh Securities and Exchange Commission's Directive No. BSEC/CMRRCD/2009-193/12 dated 23 March 2021, a listed company can arrange virtual shareholder meeting, which can be conducted via live webcast by using digital platform. Accordingly, in the light of prevailing Covid-19 situation in Bangladesh, considering the health and safety of all the shareholders, staff and others who plan to attend the AGM 2021, Grameenphone plans to convene its 24th AGM 2021 virtually by using digital platform and online shareholders tools that -

- Facilitate shareholder attendance and participation.
- Enable shareholders to participate fully, and equally, from any location around the world.



We believe the virtual shareholder meeting will increase the ability to engage with all the shareholders, regardless of their number of shares, resources, or physical location.

Access	Q&A	Vote
<p>Grameenphone values the importance of effective communication with its Shareholders. The Company recognises the rights of Shareholders and the Shareholders' interest are primarily ensured through Grameenphone's AGM. Accordingly, we have designed our virtual format to enhance, rather than constrain, Shareholder access, participation and communication.</p> <p>For example, the online format allows Shareholders to communicate with us in advance of and during the meeting so that they can ask any relevant questions or provide with comments on the performance or any other aspect of the Company.</p>	<p>The Company does not place restrictions on the type or form of questions that may be asked; however, the Company reserves the right to edit profanity or other inappropriate language for publication.</p> <p>During the live Q&A session of the meeting, the Chair or the Management will try to answer the questions as they come in.</p>	<p>The Shareholders will be able to cast their vote on the Agenda items and the results will be broadcasted in real time at the time of approval on the specific agenda item.</p>

We believe good Corporate Governance involves openness and trustful cooperation between all stakeholders involved in the Company, including the owners of the Company – the Shareholders. We have carefully designed the 24th AGM of the Company to provide continuous and meaningful Shareholder engagement and participation. Our committed Board of Directors and Management Team value these interactions and invest significant time and resources to ensure that it has an open line of communication with Shareholders.

Grameenphone Ltd.

Registered Office: GPHouse, Bashundhara, Baridhara, Dhaka-1229



Proxy Form

I/We.....of.....
..... being Member of Grameenphone Ltd. do hereby appoint
Mr./Ms. of
as my/our PROXY to participate and vote on my/our behalf at the **24th Annual General Meeting** of the Company to be held on Monday,
19 April 2021 at 10:30 am (Dhaka Time) virtually by using digital platform through the following link **<https://tinyurl.com/gpagm2021>**
and at any adjournment there of.

Signed this day of 2021

Signature of the Member(s)

Signature of the PROXY

Number of Shares held

BO ID No.																			
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Revenue
Stamp
BDT 20

Notes:

- The "Proxy Form", duly filled, signed and stamped at **BDT 20** must be sent through email to Grameenphone Share Office at **shareoffice@grameenphone.com** no later than 72 hours before commencement of the AGM.
- Signature of the Member(s) must be in accordance with the Specimen Signature recorded with the Company.

Signature Verified by

Authorised Signatory of the Company

Virtual Meeting Logistics



Date

Monday, 19 April 2021



Time

10:30 AM, Dhaka Time



Live Webcast

<https://tinyurl.com/gpagm2021>





DISCLAIMER

This report contains statements regarding the future in connection with Grameenphone's growth initiatives, profit levels, outlook strategies and objectives. 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.

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Here you will find downloadable PDFs of:

- Annual Report 2020
 - Proxy Form
 - Notice of 24th AGM
 - Frequently Asked Questions (FAQs) on Virtual Shareholder Meeting
-

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We care about our planet

Grameenphone wants to contribute to meet climate challenges and aims to reduce the 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.