





ABOUT THIS REPORT

As part of our reporting principles, The City Bank Limited's Sustainability Report 2022 has been prepared in accordance with the GRI Standards 2021.

The aim of this report is to demonstrate how we put our mission of "Transitioning Towards Net Zero" into action through our business. It covers our Environmental, Social and Governance (ESG) activities, performance and strategy for the financial year 2022 (1 January – 31 December), which is a broader standard than that used in our financial disclosures. This report is also focused on the issues we have determined to be of material importance to us and our stakeholders from a banking and financial services perspective. This report will be published every year on an annual basis.

We have also integrated our reporting on the UN Sustainable Development Goals (SDGs) in appropriate portions of the report where the bank has a direct role in achieving progress toward its chosen goals.

Finally, this report complements the data in our 2022 Annual Report. Unless otherwise noted, all reporting and performance statistics are confined to information for City Bank and its subsidiaries. Our website has further information on City Bank.

More information can be accessed through:

Sustainable Finance Unit

Email: sustainable-finance-unit@thecitybank.com

Thank you for taking the time out to read this report.

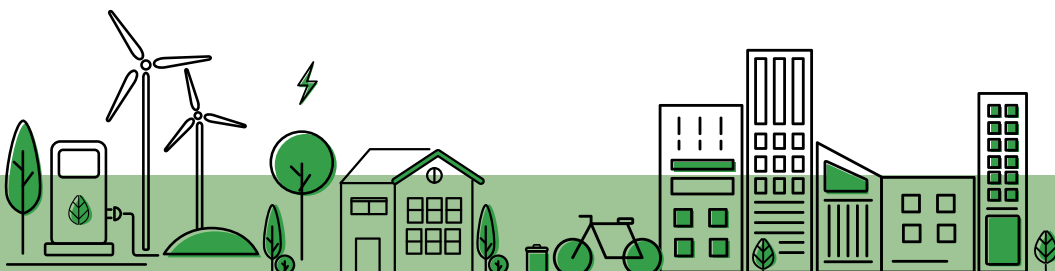


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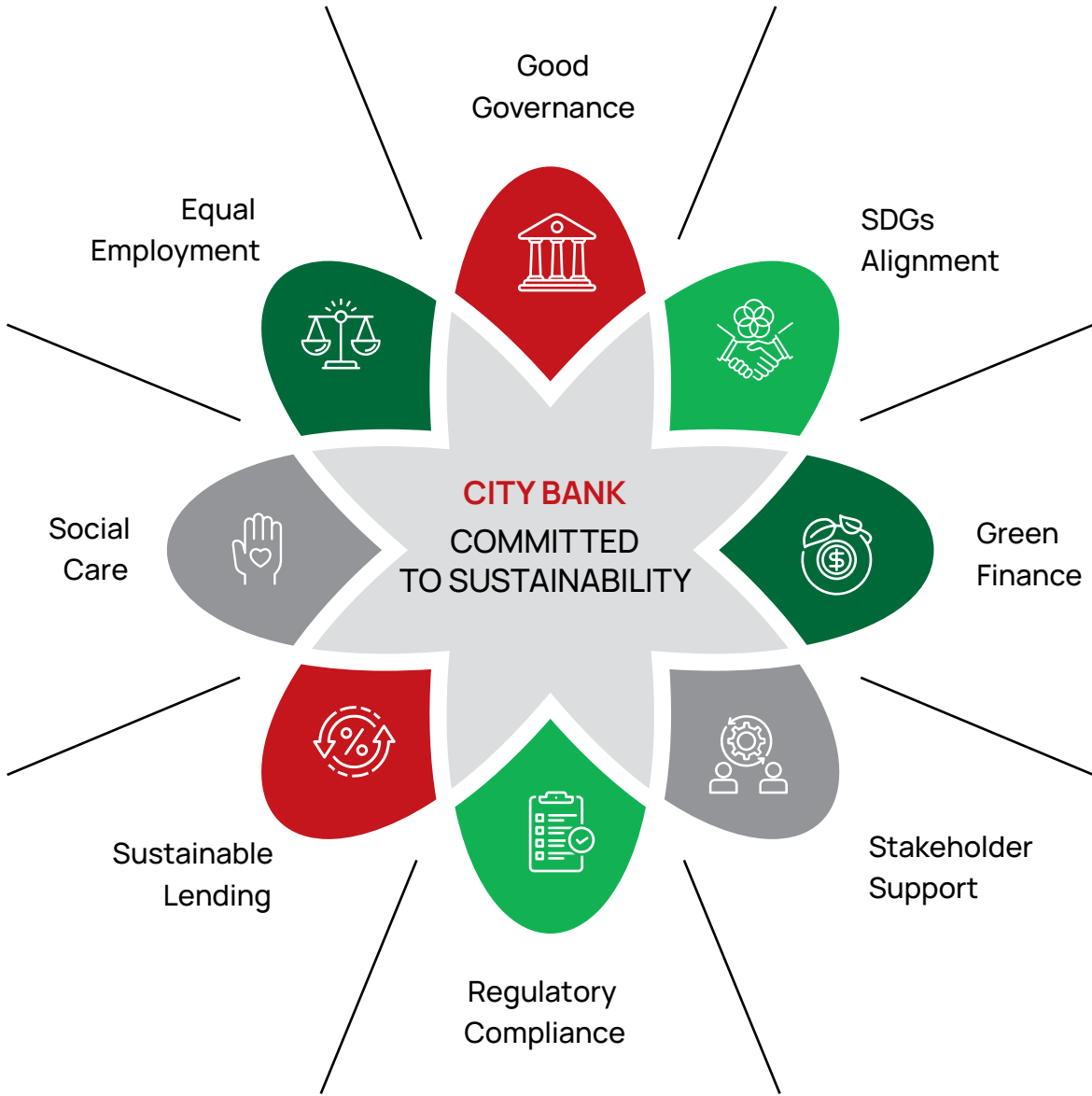
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Managing
Sustainability

CITY BANK'S PRINCIPLES



VISION

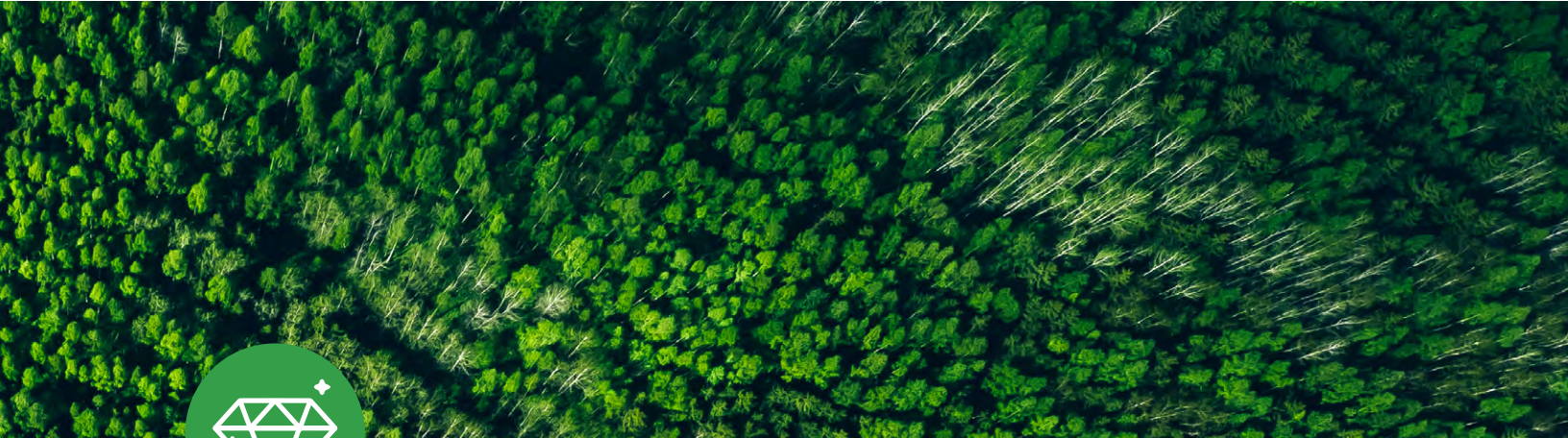
The financial supermarket with a winning culture offering enjoyable experiences.



MISSION






We are focused on our Mission of becoming the financial services group of choice in Bangladesh. Towards this extent, we will:

- Offer a wide array of products and services that differentiate and excite all customer segments
- Be the 'Employer of choice' by offering an environment where people excel and leadership is created
- Continuously challenge processes and platforms to enhance effectiveness and efficiency
- Promote innovation and automation with a view to guaranteeing and enhancing excellence in service
- Ensure respect for the community, good governance and compliance in everything we do



VALUES

Our Values define the way we think, work and act. We believe that we can realise our Vision and Mission when the expected behaviour from our employees is clearly defined. Our core values reflect the following:

 <p>We are 'RESULT DRIVEN'</p>	 <p>We are 'ENGAGED AND INSPIRED'</p>	 <p>We are 'ACCOUNTABLE AND TRANSPARENT'</p>	 <p>We are 'COURAGEOUS AND RESPECTFUL'</p>	 <p>We are focused on 'CUSTOMER DELIGHT'</p>
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To us, "Shared Growth" means working together with the government to accomplish important national goals, making a positive long-term impact on society, and creating wealth for investors. Our comprehensive sustainability strategy allows us to provide value-based benefits to all our stakeholders.

CODE OF CONDUCT



At City Bank, we believe that upholding ethics and transparency and alignment to best-in-class governance standards is not just a business imperative, but a key sustainability driver too.

We have established robust processes and structures that are expressed in our Code of Conduct (CoC) and ethical guidelines for facilitating responsible and values-driven management and control. Our CoC and ethical guidelines reflect our commitment to international standards and industry best practices, and are enshrined in the following tenets:

RIGOROUS COMPLIANCE WITH LAWS AND STATUTES

All employees follow and comply with the laws of the land and internal rules, regulations and guidelines of the bank.

INTEGRITY OF RECORDS

All our employees are expected to maintain books and records with integrity and ensure accuracy and timely documentation of all transactions, while maintaining privacy and security of customer data. As per our rules, employees are barred from divulging the bank's plans, methods, activities and other such information that is considered to be proprietary, sensitive and classified as confidential, without proper authorization. This helps in safeguarding the integrity of our classified records and documents.

MISAPPROPRIATION OF ASSETS

Employees of the bank are strictly restricted from converting any funds or property that is not legitimately theirs for their own use and benefit, nor are they expected to deliberately assist any other person in such misuse and exploitation.

MONEY LAUNDERING AND TERRORIST FINANCING

City Bank strongly opposes all forms of money laundering and shall take all the necessary steps to prevent its financial channels from being used by others for the purpose of laundering money. Employees responsible for opening accounts are required to fulfil all formalities, and also review accounts periodically, as per regulatory guidelines. Further, employees are expected to remain vigilant of suspected transactions of funds and require to report as per guidelines with the aim to combat any sort of terrorist financing activity.

WORK ENVIRONMENT

It is expected that employees should conduct themselves with the highest standards of integrity and professionalism in the workplace, or any other location while on business, and shall ensure that none of his/her actions cause any nuisance, disturbance and debase the image, goodwill or reputation of others or of the bank. Employees shall treat all City Bank customers, suppliers, co-workers and others with due respect.





CONFLICT OF INTEREST

Employees must not use their position in the bank for any kind of personal benefit for themselves or members of their families/friends. Employees who are members of different school boards, societies or recreational bodies should be aware of conflicts of interest and declare any such conflict.

HONESTY AND INTEGRITY

Employees are expected to act honestly and with integrity at all times. They should act in an upright, ethical and equitable way while dealing with the public and their co-workers.

ACCEPTANCE OF GIFTS

Employees are discouraged to accept gifts, benefits or any sort of invitations of questionable nature from customers and persons with business interests with the bank.

HARASSMENT, DISCRIMINATION AND INAPPROPRIATE BEHAVIOUR

City Bank is committed to the principles of equality and meritocracy in its employment practice and fosters a work environment that respects diversity and individual differences. It does not tolerate discrimination, intimidation, harassment, bias or retaliation, whether direct or indirect, by its employees towards anyone else.

ETHICAL RESPONSIBILITY

City Bank's goal is to do business ethically and to prevent improper business practices. Hence, the bank places importance on ethical validation and appropriate authorization of all decisions and actions of the bank's employees before they are initiated.





CITY BANK'S WHISTLE-BLOWER POLICY

City Bank's Whistle-Blower Policy has been formulated to encourage employees to report misconduct in good faith without having to fear that their voluntary action may have adverse consequences in the future. It is a key element for safeguarding the bank's integrity and transparency, and one of the tools for combating practices that may inflict harm to its operations and reputation. Any form of retaliation undertaken by an employee against any person for whistle-blowing is strictly dealt with.

Similar to the Whistle-Blower Policy, the bank has many other policies in place that help to guide day-to-day conduct while also ensuring responsible stewardship.

APPROACH TO SUSTAINABILITY

How City Bank embeds sustainability in its day-to-day operations

Sustainability authority and delegation

As per our standard operating procedure, all environmental, social and governance (ESG) policies and strategies undergo a thorough approval process. While the Board Risk Management Committee (BRMC) grants its in-principle consent, the final authority is vested to the board.

The BRMC directs the Sustainable Finance Committee (SFC) to oversee and supervise all activities related to sustainability. The Committee-

- Sets strategies and provides instructions and necessary approvals for the functions of the Sustainable Finance Unit and Sustainable Finance Committee.
- Provides the approval of utilization of the annual budget for Green Finance, CSR, Climate Risk Fund, and Green Marketing.

The SFC carries out its mandate through the Sustainable Finance Unit, which ensures that all projects and programs comply with the established ESG policies. The Committee -

- Monitors and evaluates the functions of the Sustainable Finance Unit, and also provides the necessary management-level approval.

- Provides annual target for the Sustainable Finance Unit's necessary activities and evaluation of the same.
- Ensures proper coordination and support of all relevant divisions for the functions of the Sustainable Finance Unit.

Moreover, our organization has established an ERS committee, called the Emission Reduction Steering Committee. The Committee-

- Coordinates and oversees carbon footprint measurement and emission reduction-related activities related to CBL's commitment to the Net-Zero Banking Alliance.
- Collaborates with relevant divisions (whenever & wherever necessary) on the implementation of low-carbon emission initiatives.
- Monitors and assesses emissions of CBL's own operation & supply chain (lending portfolio) and arranges awareness sessions for employees on carbon footprint reduction and its significance.

In summary, our organization has a comprehensive framework in place to ensure that all ESG policies and strategies are rigorously reviewed, approved and implemented. This approach emphasizes our commitment to sustainability, environmental responsibility, and good corporate governance practices.

SUSTAINABILITY MANDATE

In 2023, City Bank celebrates its 40th anniversary. Since the bank's inception, its journey has reflected and resonated with that of Bangladesh. Putting its exclusive social and economic transformation mandate into practice, City Bank has helped build sustainability through its full gamut of financial services encompassing all its customers and projects.

City Bank is a listed, private sector bank of Bangladesh that is devoted to its purpose of social and economic transformation. The bank achieves this through its sustainability strategy and multistakeholder approach that takes into cognizance the holistic requirements and needs of society.

City Bank's sustainability charter enshrines a mission-driven approach that is focused on three priority lines of action:



Environmental sustainability

Prioritising the protection of the environment, climate mitigation and adaptation by emphasising these aspects in all our projects. Through this focus we have instituted stricter project screening norms to ensure sustainable non-polluting industrialisation, accelerated green finance through a dedicated focus reflected in the establishment of City SFU (Sustainable Finance Unit) created a policy, prohibiting any kind of lending to industry in our negative list (exclusion list), and providing advice to accelerate industry transition to green development and a net-zero future.



Inclusive growth

Working to promote access to economic and financial opportunities to ensure a prosperous future for all. City Bank aims to support inclusive growth, especially investment in sectors such as cottage, micro, small and medium enterprises (CMSMEs), microlending, housing and education loans, among others. Through this focus we are able to take small steps in meeting some of the big goals of financial inclusion, economic formalisation, employment creation, citizen empowerment, civic engagement and tax contribution, among others.



Support to underprivileged groups

Bringing the most marginalised members of society into the mainstream by addressing sensitive issues like gender, age and disaster preparedness. By narrowing our attention in this way, we are increasing the influence and reach of our institution to address challenges unique to Bangladesh's development profile and speed up the country's progress towards the SDGs. Our interventional areas here span from City Alo that shines a light on women entrepreneurship and empowerment, to Digital Nano Loan that supports digital disbursement of small-ticket bridge finance, to supporting communities via emergency response.

SUSTAINABILITY PILLARS

City Bank's ESG strategy

To achieve our purpose to deliver our strategy in a way that is sustainable, we are guided by our values. We also focus on building strong relationships with all our stakeholders who comprise people who work for us, customers who bank with us, investors and shareholders who own us, regulators who govern us, and those who live in the societies we serve and the planet we all inhabit. We continue to make progress on our climate ambition to support our customers in their transition to net-zero and a sustainable future, through providing and facilitating sustainable finance and investment.

ESG Pillars

We are on a journey to embed ESG principles across the organisation, including incorporating climate change-related risks within the risk framework, training our workforce, incorporating climate-related targets within executive scorecards, and engaging with customers and suppliers.

We have incorporated our ESG goals into three pillars in our operations:



We engage in responsible financing and lending practices, support our customers' transition towards more sustainable low-carbon business models and improve customers' ESG investments. We conduct our business in a fair and responsible manner. This includes advancing financial inclusion, ensuring economic mobility, taking a proactive stance to protect our customers' information, and preventing financial crime. Our focus on Responsible banking has a positive influence on the following SDGs:



Responsible Business Practices



Our people always focus on doing the right thing and consider the impact our business operations have on the environment and the society. We provide an inclusive and empowered workplace environment, manage our direct environmental footprint, and seek to influence our customers towards adopting sustainable practices. We also pay our fair share of taxes and make socio-economic contributions to the communities where we operate. Our focus on Responsible Business Practices has a sphere of impact encompassing the following SDGs:



Creating Social Impact



We seek to be a force for good by supporting social and other enterprises that address social needs in a creative, innovative and effective manner. We also give back to the communities in the regions surrounding our operations. We help drive impact in the areas of education, environment, etc., and impact the following SDGs:



SUSTAINABILITY PROGRESS

Our impact as exhibited in key highlights as on December 31, 2022.

PEOPLE ADVANCING PROSPERITY



56

CSR projects

86,569

CSR beneficiaries

173.8

CSR investment (Tk mn)

72%

YoY increase in CSR
investment (%)

10,633

Exchequer deposit
(BDT mn)

PLANET NURTURING SUSTAINABILITY

83%

YoY growth in green finance
disbursement

1,799

Total green projects
supported from 2019 to 2022

8,408

Total disbursement in green projects
from 2019 to 2022 (BDT mn)

14,030

Total disbursement in agriculture
from FY2019-20 to FY2021-22 (BDT mn)



PROFIT PROTECTING VIABILITY

506,847

Total Balance Sheet (BDT mn)

3.8

Earnings per share (BDT)

4,508

Profit after tax (BDT mn)

104.7%

Provision Coverage Ratio

3.9

NPA (%)





Corporate
Identity

CITY BANK

AT A GLANCE

As a leading private sector bank in Bangladesh, City Bank has a long history of influencing positive change in the country.

City Bank: A Vibrant Financial Institution of Bangladesh

Headquartered in Dhaka, Bangladesh, The City Bank Limited is a systematically important financial institution in Bangladesh. Over its 40-year history, the bank has pioneered positive change, staying in step with its customers by catering to their evolving needs and requirements.

As a full-service banking institution serving the financial needs of a wide group of deposit-holders and borrowers, City Bank has made a mark in fulfilling the diverse needs and expectations of customers on both ends of the spectrum, staying true to its mandate of financial inclusion and empowerment.

On the liability side, the bank offers a suite of deposit and savings products varying across rates and tenures. On the asset side, the bank provides loans to a broad segment of borrowers, both retail and institutional. Through specific, custom solutions, the bank serves the needs of large corporates, medium-sized entities and micro and small businesses through its focused

business divisions helmed and managed by seasoned banking specialists.

The bank has a specialist treasury and ALCO management practice that is proactive in rate calibration to protect the financial viability of the business and ensure value creation for shareholders.

The bank's employees are its true asset. The team comprising of seasoned banking specialists and professionally qualified youth are unified by their purpose of serving customers and making the organisation the bank of choice for the public.

The bank also lays special attention to diversity, equality and inclusion (DEI) and has strong female representation. Women employees comprise 14.12% of the bank's total workforce. The Board of Directors sets the DEI tone from the top with the Board being composed of 30% women directors. Furthermore, the independence of the Board is also reflected in 20% of Board members being independent directors.

A comparative description of some of the key financial/non-financial parameters of the bank are given below.

Performance parameter	2022	2021	2020
Total assets	506,847	416,902	382,926
Net interest income	12,359	12,048	8,363
Net interest margin	3.70%	4.50%	4.30%
Net profit	4,508	4,743	4,012
Earnings per share (BDT)	3.8	4.4	3.9
Non-performing loans (%)	3.90%	4.90%	4.00%
Market capitalisation (at year-end)	26,173	29,135	25,206
Total employees (nos)	4,866	4,539	4,356

All metrics are in BDT mn, unless otherwise stated

CITY BANK

PROFILE

Nature of ownership and legal form

City Bank is a public limited company incorporated under the Companies Act, 1994 and is governed by the banking Companies Act, 1991. The bank received its Certificate of Incorporation on March 14, 1983, and obtained its banking license on March 23, 1983, from Bangladesh Bank, the central bank of Bangladesh. City Bank's shares are listed on the Dhaka Stock Exchange (DSE) in February 03, 1987 and the Chittagong Stock Exchange (CSE) on December 27, 1995.

Number of countries where the organization operates

City Bank operates primarily in Bangladesh, with a network of 133 branches and 351 ATMs (live) located throughout the country. City Bank also maintains a presence in other countries through its international banking services. The bank has correspondent banking relationships with 486 banks worldwide, allowing it to offer international banking services to its clients.

City Bank has an overseas presence through its subsidiaries, CBL Money Transfer Sdn. Bhd. located in Malaysia that is engaged in money transfer services from Malaysia to Bangladesh, and City Hong Kong Limited that provides end-to-end trade finance services to corporate customers.

Banking channels

City Bank has a footprint across Bangladesh. As of end-2022, the bank had a network of 133 branches and 116

Nature of ownership and legal form

133

Branches

32

Sustainable Finance Help-Desks

12

Sub-branches

332

Total deposits (BDT bn)

18%

Growth in total deposits

84.2

Low-cost deposits (BDT bn)

12%

Growth in low-cost deposit base

SME-S unit offices located throughout the country. The bank's branches are geographically dispersed.

Apart from its branches and SME service centers, City Bank has also established an extensive network of agent banking outlets throughout Bangladesh. As of end of 2022, the bank had a total of 690 agent banking outlets in 64 districts. This network allows the bank to reach out to its customers through individuals, institutions, UDCs and post offices. Additionally, the bank has 351 ATMs and 64 CDMs that provide banking services to customers on a 24x7 basis.

ATM/CDM Network

415

Total terminals
(R-ATM: 240; ATM:
111; CDM: 64)

175 bn

ATM transaction
volume (BDT bn;
79% YoY growth)

227

ATM booths with
real-time cash
deposit option

695

Cash withdrawal via
cash-by-code through
ATM (BDT mn)

21

Cardless cash
deposits through
ATM (BDT bn)

In terms of digital banking, City Bank has been expanding its offerings to meet the changing needs of customers. As of end of year under review, the bank had 446,000+ active internet banking users, representing a significant 40% increase over the previous year. The bank has also introduced a range of mobile banking services that allow customers to perform transactions using their smartphones or other mobile devices.

Scale of the reporting organization

As of end of year, City Bank's total assets stood at BDT 506,847 mn. The bank's operating profit stood at BDT 11,827 mn, exhibiting a 7.51% growth YoY. The bank's Capital-to-Risk Weighted Assets Ratio (CRAR) stood at 14.5% in 2022, vs. 14.2% in the previous year.

Sectoral credit distribution, including bills purchased and discounted

	2022		2021	
	% of total loan	BDT mn	% of total loan	BDT mn
Readymade garments (RMG)	16.98%	60,249	19.52%	55,895
Consumer credit	16.56%	58,752	16.96%	48,579
Trade services	14.22%	50,465	11.36%	32,541
Other manufacturing industry	11.35%	40,266	7.36%	21,076
Energy and power industry	10.48%	37,192	13.37%	38,294
Textile & spinning mills	4.88%	17,318	5.09%	14,585
Real estate financing	4.83%	17,152	4.88%	13,981
Agri & micro-credit through NGO	4.53%	16,063	3.20%	9,150
Steel industry	3.12%	11,071	4.09%	11,714
Assembling industry	2.75%	9,746	2.58%	7,400
Service industry	2.71%	9,607	3.06%	8,764
Construction	2.40%	8,527	0.85%	2,422
Pharmaceuticals industry	1.53%	5,416	1.57%	4,487
Edible oil and food processing	0.93%	3,309	1.29%	3,687
Others	0.81%	2,871	2.94%	8,427
Transport, storage & communication	0.66%	2,342	0.81%	2,310
Chemical industry	0.58%	2,051	0.39%	1,112
Ship breaking & building	0.52%	1,857	0.49%	1,405
Hospitals	0.14%	512	0.19%	541
	100.00%	354,774	100.00%	286,379

Geographical location-wise loans and advances/investments

	2022		2021	
	% of total loan	BDT mn	% of total loan	BDT mn
Urban:				
Dhaka	79.34%	281,485	78.76%	225,566
Chattogram	9.81%	34,815	10.54%	30,174
Rajshahi	2.64%	9,371	2.76%	7,900
Khulna	2.49%	8,835	2.32%	6,637
Rangpur	0.85%	3,000	0.97%	2,775
Sylhet	0.46%	1,637	0.44%	1,249
Barishal	0.50%	1,770	0.44%	1,270
Mymensingh	0.24%	842	0.17%	482
	96.33%	341,758	96.40%	276,056
Rural:				
Dhaka	2.63%	9,333	2.64%	7,558
Chattogram	0.43%	1,526	0.49%	1,390
Rajshahi	0.18%	636	0.20%	570
Sylhet	0.07%	258	0.09%	247
Khulna	0.06%	198	0.05%	131
	3.37%	11,953	3.46%	9,899
Total inside Bangladesh	99.70%	353,711	99.85%	285,955
Outside Bangladesh	0.30%	1,062	0.15%	423
Grand total	100.00%	354,774	100.00%	286,379

Business segment-wise concentration of loans and advances/investments, including bills purchased and discounted

Segments	2022 (in BDT mn)	2021 (in BDT mn)
Corporate	170,670	139,069
Retail	71,160	57,468
SME (including agriculture loan and microcredit)	69,689	52,707
Off-shore banking Unit (OBU)	39,790	33,627
Staff loan	3,463	3,506
Total	354,774	286,379

PRODUCTS AND SERVICES

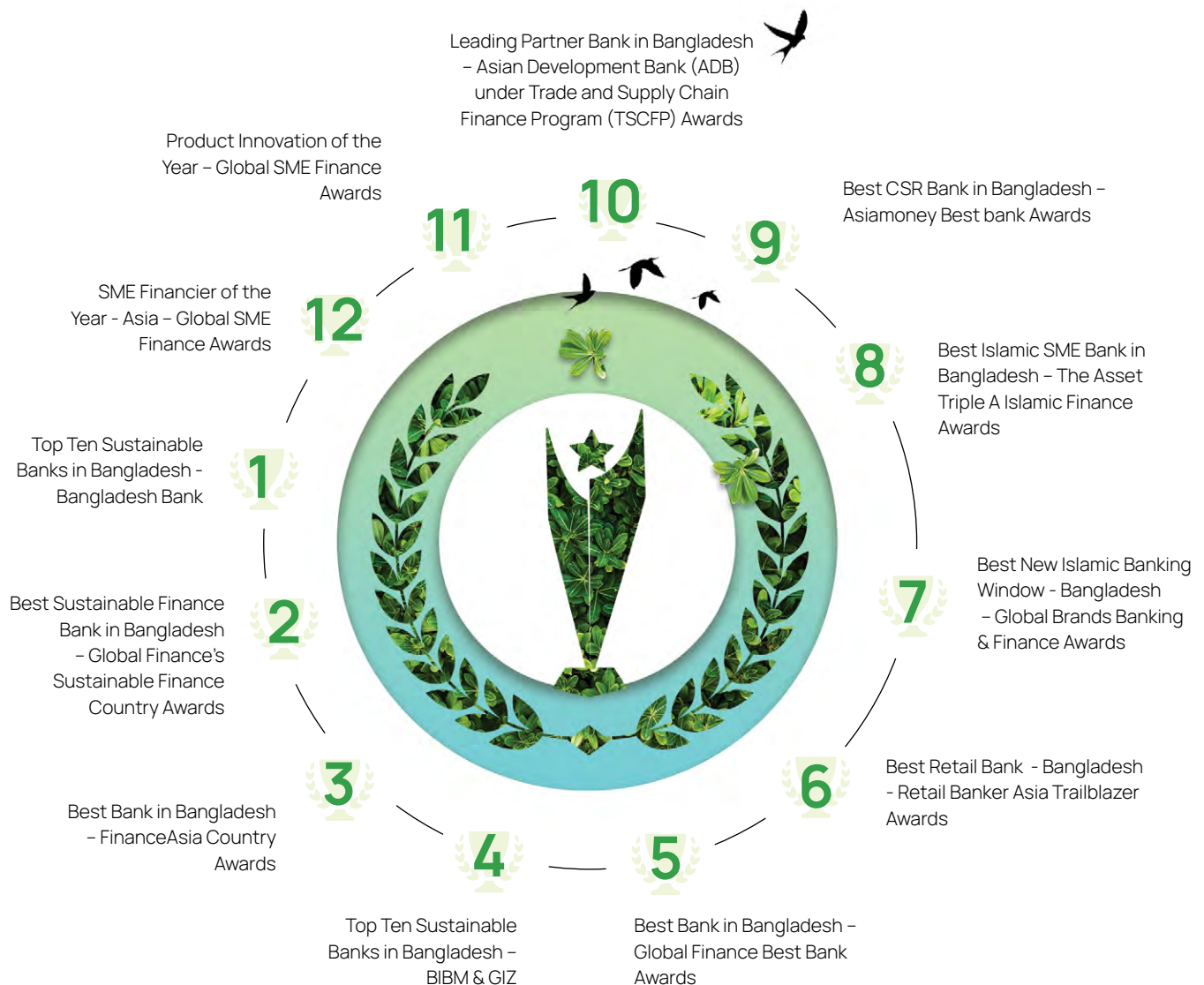
Our diverse suite of products and services

City Bank offers a large range of banking products and solutions to individual (B2C) as well as institutional (B2B) customers. Further, on the liability side, the bank offers a range of products across tenors and rates that suit the liquidity requirements of deposit-holders. Mentionable few are listed below:

- Transactional Accounts for all segments
- Term Deposit Accounts for all segments
- Foreign Currency Accounts for all segments
- Debit Card & Prepaid Card
- Digital Onboarding
- Internet banking Facility Citytouch & Citylive
- Call Center
- Smart IVR
- Agent Banking Facility
- Inward & Outward Remittance
- Student File
- Purchase & Encashment of Shanchaypatra
- Locker Services
- Cash Foreign Currency Buying & Selling
- ATM Network
- Islamic Banking Facility
- City Alo- Women banking Facility
- Employee banking Facilities
- Term Loan Facilities for all Segments
- Overdraft & Working Capital Facilities
- Credit Card
- Trade Business Facilities
- Entrepreneurship Financing Facilities
- Startup Financing Facilities
- Agri Financing
- Islamic Financing Facilities
- Offshore banking Facilities
- Govt. Refinancing Schemes
- Remittance Loan Facilities

AWARDS, ACCOLADES AND RECOGNITION

City Bank is an award-winning bank that has been bestowed with many national and international endorsements. Continuing with its trailblazing path, the bank was honoured with a number of awards and accolades in 2022.





Stakeholder
Connect

STAKEHOLDER COMMITMENT

Stakeholder identification and engagement are key pillars of City Bank's ability to prioritise materiality that comprises their material expectations out of us.

Continuous involvement with our diverse stakeholders is essential for establishing a mutually beneficial understanding and fostering long-term relationships.

We believe that understanding the perspectives and expectations of our stakeholders allows us to recognise risks and opportunities, strike a balance between competing interests, and make informed decisions.

We have categorised our stakeholders as internal and external. While team City Bank comprises our internal stakeholders, our external stakeholders include our equity owners or shareholders, customers, service providers, regulatory agencies, and the larger community.

Underpinned by a distinct management approach for each stakeholder group, we have devised customised stakeholder engagement solutions to connect with our stakeholders in a meaningful and continuing manner.

OUR KEY STAKEHOLDERS INCLUDE:

- Customers
- Shareholders and capital providers
- Communities and societies
- Government and regulators
- Employees

The process of identifying material topics through stakeholder engagement is shown below:



STAKEHOLDER ENGAGEMENT APPROACH

Stakeholder engagement is an integral part of our integrated sustainability strategy that enables us to make an impact on our sustainability mandate.

Stakeholder engagement

City Bank has committed to contribute positively towards national efforts to address sustainability challenges and this ethos is enshrined in the bank's sustainability mandate.





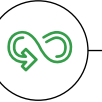












To ensure that our measures achieve the desired outcomes, we connect with our stakeholders with a view to identify matters material to them and take appropriate initiatives to serve their expectations while also ensuring continuous engagement frequency through various mechanisms at our disposal.











Through our stakeholder engagement efforts we have also made a more broad-based impact on the society, which is anchored on our key focus of meeting the United Nations' Sustainable Development Goals (SDGs) that form part of Bangladesh's 2030 vision for a more peaceful and prosperous future.

Thus, our sustainability strategy that is founded on the triple bottom-line principle, serves as the basis of integrating our business objectives with key sustainability metrics, such as those articulated by the SDGs, to add value to people and the planet in the process of striving for sustainable profitability.

Stakeholder engagement framework



 STAKEHOLDERS	 MANAGEMENT APPROACH	 MATTERS RELEVANT TO THEM	 OUR RESPONSE	 SDGs IMPACTED
Shareholders and capital providers	<p>Ensuring long-term value and upholding the rights of the shareholder, and supporting a broader shareholder constituency to ensure their value maximisation.</p>	<ul style="list-style-type: none"> Shareholder satisfaction regarding the bank's financial position and profile Views on key governance and policy matters Regular communication Health of key financial metrics Strategy and business continuity Compliance and conformance 	<ul style="list-style-type: none"> Maintaining profit consistency Ensuring a sustainable ROI Maintaining governance standards and codes Sustaining the bank's reputation and credibility Safeguarding asset quality 	 
Communities and societies	<p>Working in conjunction with our sustainability mandate comprising the 3P approach with special emphasis on safeguarding the environment and promoting people empowerment through citizenship activities.</p>	<ul style="list-style-type: none"> Community capacity building People empowerment Social welfare of communities Environmental protection through sound lending decisions Donations and philanthropic contributions 	<ul style="list-style-type: none"> Socially-responsive CSR model Transparency and governance Community engagement and trust-building Employee volunteerism Need-based relief and assistance 	      
Government and regulators	<p>Ensure compliance with all legal norms and regulatory requirements.</p>	<ul style="list-style-type: none"> Prompt and proper action on regulatory updates Policy formulation in line with objectives of Bangladesh Bank and other relevant banking regulators 	<ul style="list-style-type: none"> Support to maintain financial system stability Impact on the real economy comprising MSMEs, etc. Supporting sustainable industrialisation Full compliance with regulations 	  

 STAKEHOLDERS	 MANAGEMENT APPROACH	 MATTERS RELEVANT TO THEM	 OUR RESPONSE	 SDGs IMPACTED
			<ul style="list-style-type: none"> • Rectification measures on supervisory concerns • On-time submission of statutory returns and statutory payments • Contribution at meetings/forums to regulatory initiatives 	
Employees	Commitment to create a conducive environment for employees to develop and reach their full potential.	<ul style="list-style-type: none"> • Ethical employment practices • Career progression opportunities • Employee feedback • Rewards and recognition • Employee well-being 	<ul style="list-style-type: none"> • Competitive rewards and benefits • Attract and retain the best talent • Promote DEI principles • Develop leadership from within through training and development • Encourage greater engagement and participation • Effective handling of grievances • Foster collaboration and team spirit 	    

MATERIAL TOPICS

As a bank, we play a crucial role in the economic activity of individuals, enterprises and the nation by contributing to the creation, growth and preservation of wealth and value through our key activities.

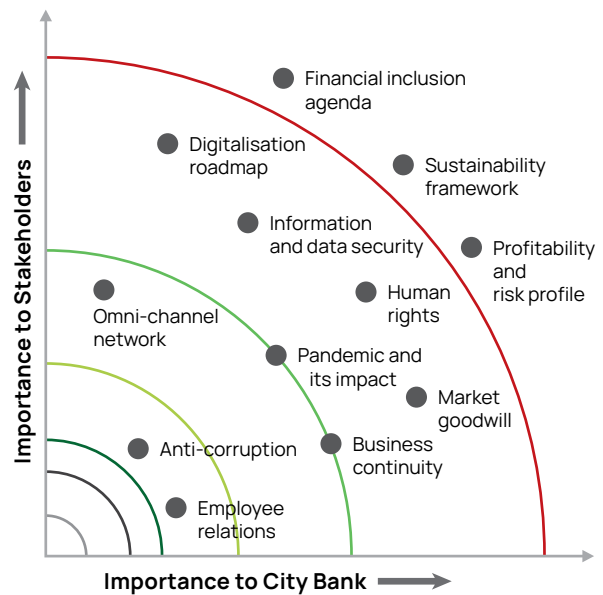
Materiality and value creation

We keep in mind that each of our actions should have a positive effect on society and generate shareholder value. In order to illustrate our proactive and continuing efforts to enhance stakeholder value, we monitor the impacts and consequences of our business actions against our stakeholder material expectations.

Our value creation journey begins with the assessment of materiality. The materiality concept explains why and how certain issues are significant to our business. The decision of materiality is influenced by the risks and opportunities in our immediate operational environment, evolution of legal and regulatory frameworks and global trends, and stakeholder inputs.

This procedure is further bolstered by data-driven insights from independent reports, which contain sector-specific analyses and legal requirements. Each topic's materiality is evaluated by its significance, likelihood of occurrence and extent of impact.

Our key material affairs identified are given below:



Material topics	Importance in 2022 vs. 2021	Reason for materiality
Profitability and risk profile	▶	Profit stability and a sound risk profile are central levers in growing our business in a sustainable way and creating consistent stakeholder value.
Financial inclusion agenda	▶	Bangladesh is an underserved market with significant households losing out of economic opportunity because they are excluded from mainstream finance. As a bank built on purpose, we are focused on financial inclusion and economic mobility and empowerment.

Material topics	Importance in 2022 vs. 2021	Reason for materiality
Sustainability framework	▲	A robust sustainability framework is critical for us to advance our agenda in sustainable finance. For us, sustainability is not a one-off event but something that we do every day.
Digitalisation roadmap	▲	The bank's digitalisation agenda supports our endeavours in becoming the digital bank of choice for our customers.
Employee relations	▶	Strong bonds with our employees are central for the bank to sustainably excavate new opportunities for growth and meet its financial inclusion agenda, among other objectives.
Omni-channel network	▲	An omni-channel network that includes our branches, sub-branches, ATMs, Agent banking outlets and digital interfaces enable a wider choice for our customers to access the bank.
Pandemic and its impact	▲	The bank initiated several strategic initiatives with a view to minimise the pandemic impact. These included building on our digitalisation roadmap, bolstering our employee relations and improving our financial and risk profile, among others, to tackle the challenges.
Anti-corruption	▲	We view cases of fraud and defalcation with utmost seriousness and initiate strong penal action upon illegitimate activities coming to light. Furthermore, we have strong policies and procedures in place to thwart any proscribed events.
Business continuity	▶	As laid bare by COVID-19, business planning and continuity was the most important task ahead of us amid the pandemic and today we have strong backup and redundancy plans to restore business against any unknown events.
Human rights	▶	We are fully focused on maintaining human rights and this material topic is directly addressed when we improve upon our employee relations and deal with corruption and fraud in a strict way.
Information and data security	▲	At the bank we foster a solid information security framework that helps us safeguard customer data, build trust, and protect the bank's goodwill and reputation.
Market goodwill	▶	Our reputation and goodwill are our significant intangible asset and we focus on building the City Bank brand equity and the financial institution founded on ethics, integrity and transparency.

▶ this sign means steady

▲ this sign means increase in importance



Strategic
Stewardship

LETTER FROM THE CHAIRMAN



At a time when accelerated climate change has exacerbated social and sustainability concerns, City Bank has risen to the occasion, continuing to execute on a climate-resilient tomorrow.

Aziz Al Kaiser
Chairman

Dear Esteemed Stakeholders,

In today's financial landscape, sustainable and green finance have become major considerations. City Bank has distinguished itself as a visionary leader in this realm in Bangladesh through a belief in taking action for the climate.

The bank's green finance and sustainable finance disbursements grew to BDT 4,910 mn and BDT 66,230 mn, respectively, in 2022, up sharply from BDT 2,680 mn and BDT 49,190 mn in 2021.

As a bank committed to financial inclusion, the urgency of our efforts to enhance financial access has increased. In order to carry out this work in financial empowerment, we have established talent representation targets to diversify our own workforce.

For instance, the number of permanent female employees has risen from 639 in 2021 to 687 in 2022, while female trainees have gone up from 284 to 312 in the same period. This

shows our commitment to nurture diverse, adaptable and engaged talents that mirror the growth aspirations of our customers.

We continue to promote financial inclusion among the marginalised, yet high-prospect population segments such as women. In this regard, our City Alo platform, the country's only banking service exclusively for women, has empowered many women to take their destiny in their own hands. We also provide entrepreneurship courses and certifications that help City Alo women entrepreneurs become better equipped in business management. Almost 280 women as on 2022 year-end have received the City Alo entrepreneurship certification.

We are also expanding efforts to provide a variety of services to improve the quality of life of people from different socioeconomic strata.

Amidst supporting the student community to enable them to realise their dreams of pursuing higher education overseas, we are



establishing secure savings development programs, thus contributing to the future talent pipeline.

We have also made an impact through our unique digital nano loans that can be accessed by an eligible customer via their bKash app and directly credited to their bKash wallet. The total digital nano loan book has crossed the landmark BDT 1,000 mn in 2022 within just a short period of launch.

The latest Intergovernmental Panel on Climate Change (IPCC) report as well as the devastating floods in the summer of 2022 in Sylhet wreaked havoc on thousands of people. This serves as a red flag of the existential threat faced by climate change and the need for sustainable action on this front.

City Bank is fully dedicated to environmental sustainability and is aware of its financed emissions. It is thus tightening credit screening and weighing applications against ESG and other metrics. We are developing this framework that will allow us to take lending decisions more closely aligned to sustainability considerations.

City Bank also applies sustainability concepts beyond its front door. The bank has demonstrated an unwavering commitment to CSR, from providing

educational and healthcare support, to civic beautification, to giving a thrust to arts and culture.

The bank expensed BDT 173.8 mn as CSR in 2022, with aggregate CSR investment over the last 8 years at BDT 965.8 mn. When the 2023 CSR is taken into account, CSR investment of the bank of the last 9 years will cross the BDT 1,000 mn-mark.

As I close, it is not only about the big numbers for us, but also about the big picture, like bringing the world one step closer to zero emission.

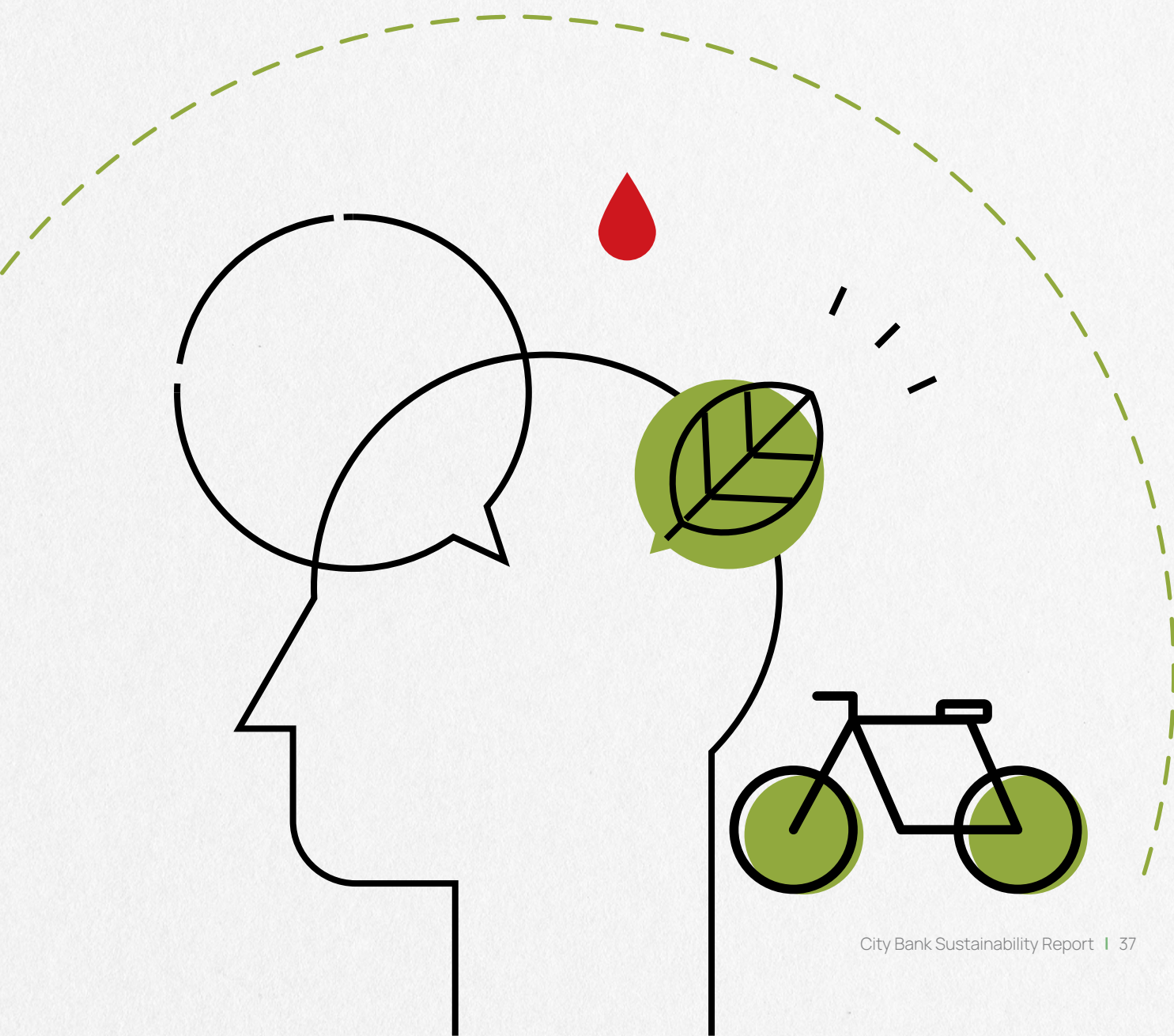
We at City Bank started our journey towards a climate-resilient future many years ago, and it has now become fundamental to our business and the value we provide to our stakeholders.

Thank you for being with us on our journey of common prosperity for all.

Best wishes,



Aziz Al Kaiser
Chairman



NOTE BY THE MANAGING DIRECTOR & CEO



At City Bank, sustainability reporting is an essential tool for assisting the bank in setting objectives, measuring progress, and managing sustainability. I am delighted we have been able to document our sustainability progress through our inaugural Sustainability Report for 2022.

Mashrur Arefin
Managing Director & CEO

Dear Valued Stakeholders,

Through this Sustainability Report, we join an elite list of banks in Bangladesh that publish such a report. What gives me greater joy is that we have built capacity to create this document, which is truly a measure of the work done and progress achieved in sustainability.

Sustainability has always been at the front and centre of City Bank's operations, which explains why we have been able to thrive for the past 40 years. We have evolved with the times, keeping our compass fixed on the direction of sustainability.

The theme of this first edition of our Sustainability Report is transitioning towards net zero and this could not have been more apt. For us, sustainability is not a motto but a mindset. It is the way we do business. Right from our credit assessment approach, to our lending decisions, to our product

development strategy, to our training and learning initiatives, to our citizenship programs, we have always anchored the bank's key processes on sustainability.

The banking and financial services sector can play a huge role in the socioeconomic transformation of Bangladesh, lifting millions of people from daily subsistence to a life of meaning and contribution.

In this regard, sustainable finance and green finance are of great importance as these can truly pivot society by creating livelihoods, making communities more resilient, and assisting the vulnerable in climate adaptation.

At City Bank, we are acutely aware of the importance of environmental and social risk management in nature conservation and have developed a comprehensive Environmental and Social Risk Management (ESRM) policy that guides us in our credit decisions. This apart, our Environment,



Social and Governance (ESG) policies integrate the performance criteria of Bangladesh Bank, IFC and other global best practices. ESRM is directly under the Board and supervises the activities of the Sustainable Finance Unit. Further, the bank has also established an Emission Reduction Steering Committee tasked with carbon emission reduction across our loan portfolio and own operations.

We are keenly observing our financed emissions and emissions through our business activities and will evolve frameworks to help capture our Scope 1 and Scope 2 emissions in the future.

The size of our green and climate finance portfolio stands at BDT 7,028 mn as of end-2022, experiencing an 83% YoY growth on disbursement. While this is significant, I believe there is scope for further growth since the potential loan demand for green finance will likely outstrip supply. Most banks are yet to evolve their ESG credit screening systems and frameworks and we remain advantageously placed in this setting as we have our foundations in place.

Few other cases where we have a tangible impact on the environment and climate is digital microlending with little or no paperwork and direct credit to the eligible beneficiary's bKash wallet. City Ekhoni is another example that facilitates digital customer onboarding that again eliminates paper consumption and travel-related emissions. Citytouch provides the convenience of online or electronic banking that has not only helped slow brick-and-mortar branch expansion, but has also

cut-back on paper consumption. Customers onboarded through e-KYC is also an example that supports paper use elimination.

This is evident in the numbers. Digital nano loan book has grown from BDT 24.65 mn in 2021 to BDT 174.36 mn in 2022, embodying a growth of over 607%. Similarly, City Ekhoni accounts have risen from 34,557 in 2021 to 45,245, comprising a growth of over 31%. Citytouch users have expanded from 318,673 to 446,894 in 2022, denoting growth of over 40%.

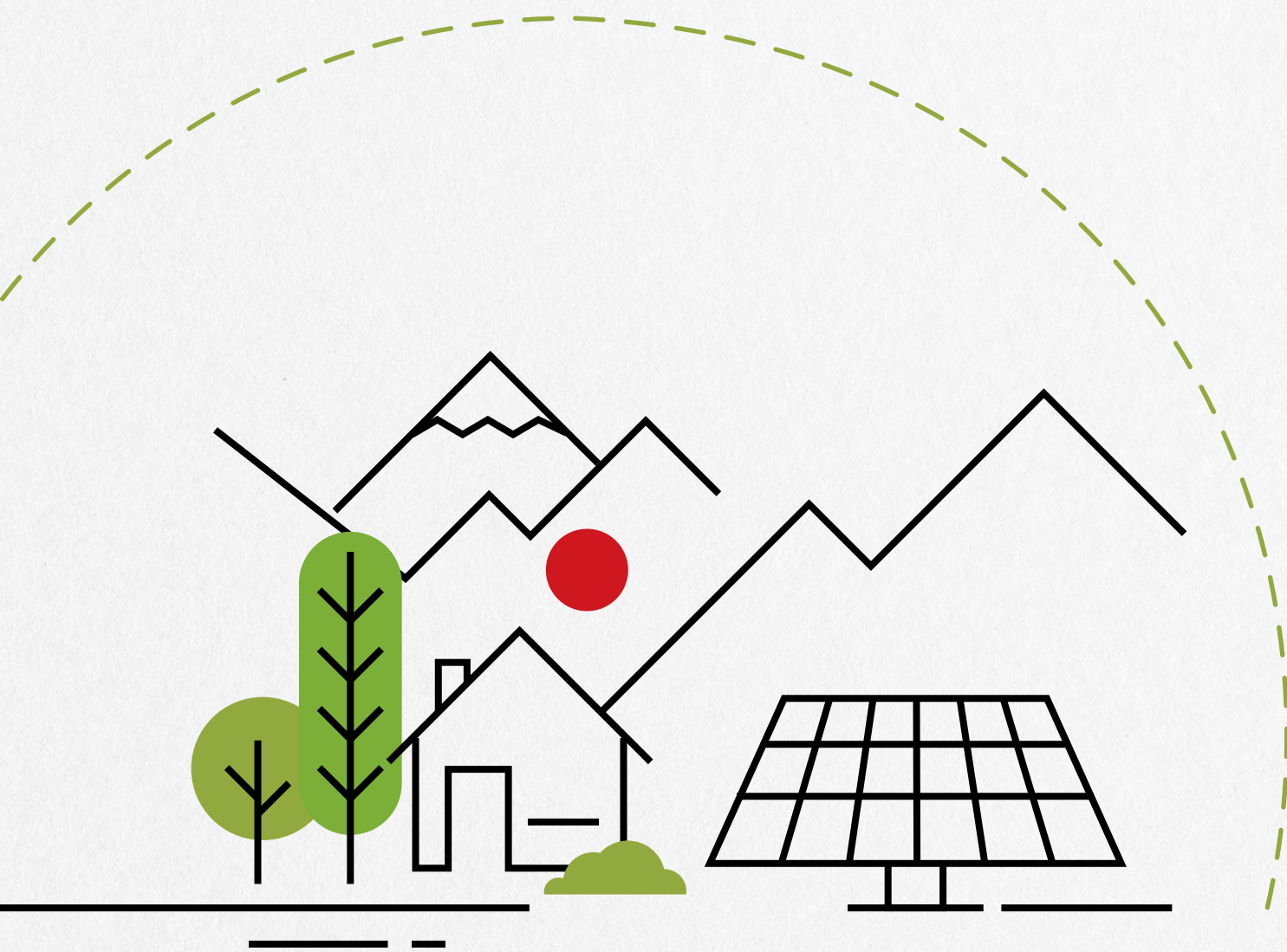
Coming back to the point on reporting, we have chosen to follow the international GRI or Global Reporting Initiative Standards 2021 after an assessment of the reporting norms. To us, reporting on sustainability is a mainstream business practice and GRI alignment expresses the seriousness with which we approach sustainability.

On that note, I thank our Board for their constant guidance, support and confidence that have been invaluable in preparing this report. I also thank the management team and all the preparers who have spent quality time in research and drafting this report.

Thank you.



Mashrur Arefin
Managing Director & CEO





Mesbaul Asif Siddiqui
DMD and Chief Risk Officer



At City Bank, our ESG agenda reflects the role and responsibility we feel as a bank to help solve many of society's toughest challenges. It is a part of our business model and embedded into the products and services we offer. As we continue to evolve our ESG priorities to address ever-changing realities around the world that eventually have an impact on Bangladesh, we remain committed to sharing our progress, as we believe transparency and accountability are key to success.

REPORT FROM THE DESK OF THE CHIEF RISK OFFICER

Dear Fellow Stakeholders,

In recent times, the consensus for environmental protection, actions on climate change, and the achievement of the UN Sustainable Development Goals (SDGs) by 2030 have drawn global attention to green finance. In the banking sector, green finance is being prioritised to ensure better environmental outcomes through mitigation against unforeseeable economic challenges emanating from climate crisis, environmental pollution, loss of biodiversity, etc.

At its simplest, green finance is any structured financial activity that supports the development of green projects or minimises the impact of regular projects on the climate. It is a tool that accelerates action for the climate and plays an important role in delivering several of the SDGs, meeting the needs of both environmentalism and capitalism simultaneously. No wonder then that green finance is blossoming, with the global green bond market expected to reach a size of US\$ 2.36 trillion by 2023, as per assessment by the World Economic Forum (WEF).

Since the outbreak of the pandemic in 2020, the world has awakened to environmental challenges, social concerns and the necessity for transparent governance. Climate change, energy consumption, environmental control and human rights have evolved from mere topics of conversation to serious global challenges. Bangladesh, a country having over 170 mn people, faces serious environmental and infrastructure concerns that must be resolved if it is to truly graduate from the LDC (Least Developed Country) category in 2026.

ESG (Environmental, Social, and Governance) investment is expanding in Bangladesh, with the Bangladesh Bank, the country's central bank, publishing a Green Bond Financing Policy for financial institutions as part of its efforts to promote investment in green initiatives. The policy aims to promote sustainable investment in climate change mitigation and adaptation

initiatives, energy and resource efficiency, and a green economy.

Moreover, Bangladesh Bank's regulation to ensure 20% of total loan disbursement as sustainable finance and 5% of long term loan as green finance are significant contribution factor as a bank in SDGs of the government.

At City Bank, our ESG agenda reflects the role and responsibility we feel as a bank to help solve many of society's toughest challenges. It is a part of our business model and embedded into the products and services we offer. As we continue to evolve our ESG priorities to address ever-changing realities around the world that eventually have an impact on Bangladesh, we remain committed to sharing our progress, as we believe transparency and accountability are the key to success.

This was the underlying belief in the launch of this inaugural voluntary Sustainability Report 2022, which is to work for the shift to a sustainable low-carbon economy that supports the needs of the broader society. We want to play a leading role in driving the transition to net-zero by maximising positive social impact and advancing financial innovation that could boost the emerging market profile of Bangladesh.

The seriousness with which we approach sustainability is evident in City Bank being the first Bangladeshi bank to join the Net-Zero Banking Alliance (NZBA) of the United Nations Environment Programme (UNEP). The alliance has been established to develop a framework for decarbonization of the banking sector, in line with the objectives of the Paris Climate Agreement. Members of the NZBA, which was established in 2021, are dedicated to achieving net-zero GHG emissions by 2050 or earlier, and assisting in the transition to a low-carbon, climate-resilient economy. As a member of the alliance, we have a seat in an important table in framing policies and best practices that could hugely impact the sustainability landscape of Bangladesh.

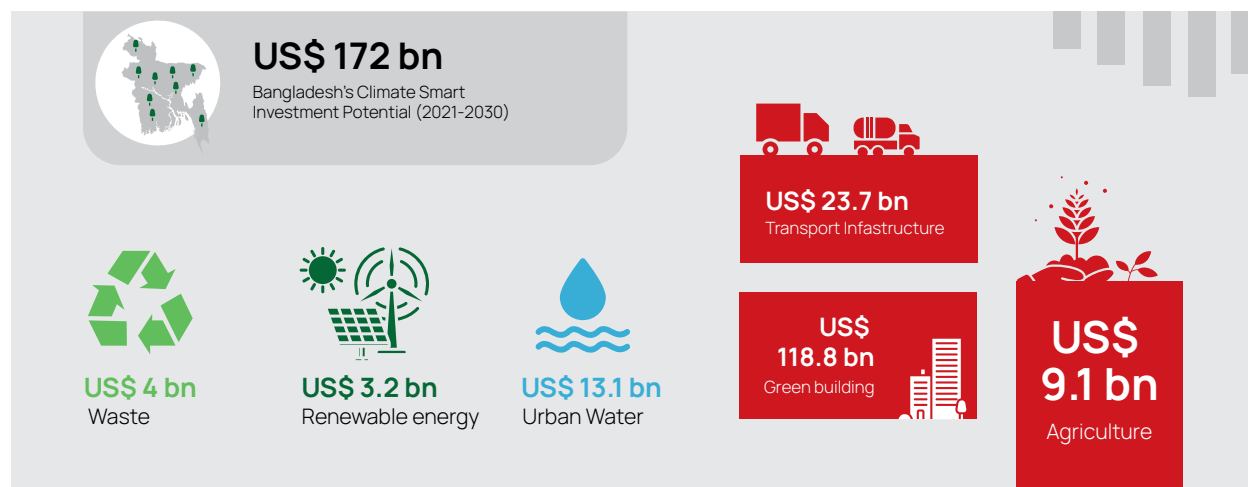
In this direction, the bank has constituted a special Emission Reduction Steering Committee (ERSC) that demonstrates the bank's seriousness in climate action. The committee owns the mandate to build organisational capacity in emission reduction and become a storehouse of specialist best practices in how banks can lead climate action.

The establishment of a steering committee in carbon management at City Bank could not have come at a more opportune time as the country is fast-tracking economic transformation on the back of mega infrastructure projects such as the Padma Multipurpose Bridge, Cox's Bazar Airport, Rooppur Nuclear Power

Plant and the Dhaka Metro Rail, Karnaphuli Tunnel, amongst others.

While there is no doubt about the direct correlation between infrastructure and economic transformation, modern infrastructure must be anchored on green principles and, in this regard, green finance can play a vital role in investment mobilisation and green project consultation. In fact, Bangladesh government's Nationally Determined Contributions (NDCs), which is a core element of the Paris Agreement, has envisaged total estimated cost of about US\$ 172 bn in meeting the country's GHG emission reduction targets over the period of 2021 to 2030.

Climate Investment potential in Bangladesh



Source: IFC (2017), *Climate Investment Opportunities in South Asia*

City Bank has been proactive in supporting green, environment-friendly and climate-resilient projects in Bangladesh, evidenced by the BDT 4,910 million green finance disbursement in 2022 to 985 projects, representing a growth of 83% YoY. Today, City Bank offers a wide array of products and services under green finance in accordance with Bangladesh Bank's green finance taxonomy with 68 green products and services.

To accelerate the scaling-up of green finance, the bank is exploring opportunities in low-cost green and climate funding from international development financial institutions and multilateral development banks. These developmental institutions typically have allocable funds for supporting green economic transition of

developing countries. Additionally, the bank has also established 32 Sustainable Finance helpdesks covering all geographical areas of its business network, especially facilitating entrepreneurs in the hinterlands to have better access to the bank's green and sustainable finance products.

We have always believed that Sustainable Finance must increase concurrently with Green Finance if the SDGs are to be met by 2030.

City Bank follows the Sustainable Finance Taxonomy of Bangladesh Bank which offers 86 products under its Sustainable Finance portfolio. In 2022, the bank disbursed BDT 66,230 mn covered 2,602 numbers of customers in rural, suburb and urban areas under various sustainable products, including Green Finance, accomplishing a

YoY growth rate of 35%. In order to expand Sustainable Finance disbursement, the bank is laying special emphasis on the agriculture sector, BDT 5,260 mn disbursed to the agri sector in the FY2021-2022.

The targetted efforts in agriculture seek to build the capacity of the sector in climate adaptability which will go a long way in ensuring sectoral viability and national food security. Furthermore, in order to improve the livelihood of the rural population, a sum of BDT 8,661 mn was disbursed via various NGOs that are directly connected to the grassroots. This form of financing has been channelled to transform local economies, contributing to the vital aspects of poverty reduction, access to education, female empowerment, reduced income inequality, improved health and sanitation, etc.

Besides, CBL has been actively supporting female entrepreneurs by its women banking wing known as City Alo. In order to overcome the financing barriers for women owned business, CBL has disbursed BDT 3,840 Million to 4,095 women entrepreneurs to small scale female owned businesses of Bangladesh in the year 2022. Along with the female entrepreneur financing, CBL financed BDT 3,650 Million under its retail banking wing to 3,775 women customers.

City Bank is committed to minimizing the negative impact of its lending on the community and environment. It developed its Environmental Risk Management framework in 2012, which was later updated in 2017 to include social risk assessment. In response to the guidelines set by Bangladesh Bank in June 2022, City Bank revised its ESRM policy to align with the new regulations and it has been integrated into the bank's credit risk management frameworks. Additionally, the bank follows the environmental and social requirements of other development partners, as applicable.

City Bank believes that scaling-up green finance disbursement and ensuring proper environmental and social risk assessment is contingent upon capacity building among employees. As a result, in 2022, the bank trained 1,061 employees on sustainable finance and green finance products, ESRM policy, IFC performance standards, etc. The bank also arranged two external training sessions conducted by international trainers from Environmental Resources Management (ERM)

and British International Investment (BII). These will eventually cascade to move the needle more effectively in climate action and adaptability with the future expansion of the bank's sustainable finance portfolio. The bank also organised awareness sessions at regular intervals to motivate employees to embrace green workplace practices, such as reducing use of paper, water and electricity, etc. As part of environmental awareness, the bank also celebrated World Environment Day 2022 and Earth Day 2022 by arranging a tree plantation event and quiz session on environment, respectively.

In addition to green finance and sustainable finance, the third engine that the bank harnesses to positively impact the SDGs comprises its corporate social investment and citizenship programmes. The bank disbursed a sum of BDT 173.8 mn (which is 3.66% of profit after tax of 2021) in various CSR projects in 2022, with more than 86000 beneficiaries, with focus on disaster management and health which are critical for the future of the society.

I have always believed that banks that put sustainable lending front and center in a bold sustainability agenda will be the best positioned to thrive in a world where the public, shareholders and regulators expect them to do the right things. Those that take the lead today will develop the knowledge, skills and expertise in their lending practices to thrive in the sustainable lending market of the future. This in turn could help them to drive higher market valuations and better financial performance, as investors, regulators and customers focus more closely on ESG factors in the years to come.

I am proud that City Bank is one such bank in Bangladesh!

Thank you very much for being a part of our journey in making sustainability at the forefront of our existence in making the planet a better place for all.





Sincerely,



Mesbaul Asif Siddiqui
DMD and Chief Risk Officer

KEY IMPACTS, RISKS AND OPPORTUNITIES

In the ongoing dialogue with our stakeholders, be that at Group level, regional or local, City Bank has observed an alignment between the broad issues expressed by them and the ESG priorities of the bank. These include:

 <p>Diversity, equity and inclusion (DEI)</p>	 <p>Responsible marketing and business ethics</p>	 <p>Credit drawability</p>	 <p>Economic impact of the Russia-Ukraine conflict</p>
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The categorisation of major risk factors is given below:

	<p>Industry-related risks</p> <ul style="list-style-type: none"> Risk associated with prevailing economic conditions Risk associated with a highly competitive industry Risk related to disruption due to any adverse or unexpected regulation/market activity
	<p>Operational risks</p> <ul style="list-style-type: none"> Risk related to employee attrition Risk associated with client portfolios Risk of IT system failure and cybercrime Risk associated with credit management
	<p>Regulatory and legal risks</p> <ul style="list-style-type: none"> Risk of litigation and legal proceedings
	<p>Financial risks</p> <ul style="list-style-type: none"> Liquidity risk Risk associated with the bank's credit rating

A description of key risk factors, their potential impact, severity of impact, and how we mine for opportunity is given hereunder:

Risk factor	Potential impact	Impact severity	Mitigation/opportunity capture
Sensitivity to the economic climate	<p>The banking and financial services sector is particularly sensitive to changes in the economic climate. Economic downturns can have a severe impact on the industry, more than on other sectors in particular because many companies respond to a slowdown in economic activity by reducing their investment and borrowing capacity, which could have an adverse effect on the bank.</p> <p>However, Bangladesh's economic resilience and developmental profile have ensured sustainable credit demand. Further, the government focus on sustained infra development has also helped foster public credit demand.</p>	<p>High</p>	<ul style="list-style-type: none"> • Large and diversified borrower base • Large and varied product offering • Extensive on-ground footprint • Government banking partner in distribution of key welfare schemes, such as COVID relief
Highly competitive industry	<p>The banking industry is highly competitive and is expected to remain so. The bank's competitors are of all sizes and types, including large MNCs, etc. These have access to technical solutions that respond to clients' specific needs.</p> <p>Such players, with more significant financial means and resources, have the potential to disrupt the competitive landscape. Increased competition may have a negative impact on the bank's revenue and earnings.</p>	<p>High</p>	<ul style="list-style-type: none"> • Longstanding sectoral presence with experience of various market cycles • Demonstrated ability to maintain existing client relationships • High focus on winning new clients and accounts • Solid market reputation and goodwill
Regulatory/ market disruption	<p>Sudden, severe or abrupt changes to regulations and market practices may disrupt the industry.</p> <p>Particularly, the expansion of digital banking, FinTech companies and e-commerce businesses into financial services could lead to the disintermediation of a part of the bank's activities.</p>	<p>Stable</p>	<ul style="list-style-type: none"> • Provide clients with the best possible services and solutions in a timely and scalable manner • Build agility in competitor response • Execute on the strong and validated digitalisation roadmap

Risk factor	Potential impact	Impact severity	Mitigation/opportunity capture
Employee related risks	<p>The health and wellbeing of employees is at the heart of the bank's concerns.</p> <p>The banking industry is known for high mobility of talent. This was amplified by the "Great Resignation" phenomenon, which has spread to all sectors around the world. The bank's success is contingent upon the talent and expertise of its teams as well as on the strength of its relationships with clients.</p>	High	<ul style="list-style-type: none"> • Focus on employee health and wellbeing through coaching, proper work allocation, etc. • Actively attract, retain and motivate valuable managers or employees • Focus on DEI as a means to source people from across a wider talent pool
Client portfolio risks	<p>Contracts may be terminated on notice. Moreover, the bank's lending contracts with its clients are under constant threat from rivals. In addition, there is a trend towards operating on a project-by-project basis, diluting the relationship value.</p> <p>Finally, with the intensification of corporate consolidation process globally, the risk of losing a client following a merger and/or acquisition is a risk.</p>	Stable	<ul style="list-style-type: none"> • Promote relationship-based banking to develop stronger bonds with clients • Sustain leading market position with a competitive offering
IT system failure risks	<p>The digital marketplace is expanding at a fast clip, and reliance on information technology has never been greater. This dependence entails risks for the bank, such as technical failure, malicious attack, as well as possible internal threats that could lead to an interruption of services and/or loss of personal data.</p>	High	<ul style="list-style-type: none"> • Robust IT systems with firewalls and safeguards that are also subject to regular testing and audits • Strong redundancies • Specialist team with significant collective experience
Credit management risks	<p>For a bank, credit management risk is a high priority as disruption in obligatory payments can have an impact on asset value and the financial health of the bank.</p>	High	<ul style="list-style-type: none"> • Strong credit screening standards • High surveillance with proactive stance on credit management • Regulatory-aligned provisions supports any future Balance Sheet impact

Risk factor	Potential impact	Impact severity	Mitigation/opportunity capture
Legal proceedings	As per regulatory provisions, the bank can file a case in the court of law if borrower payments are delayed or if there is wilful default. The case disposal may be stretched or delayed or put in abeyance, incurring loss of asset value and loss of opportunity cost for the bank, with additional liability in legal costs.	Stable	<ul style="list-style-type: none"> The bank has a specialist Legal team with strong judicial background in handling legal and court matters
Liquidity risks	<p>Liquidity is the most critical requirement for a bank. Lack of liquidity may impede credit operations and result in loss of opportunity and reputation.</p> <p>While the loose monetary policy during the pandemic period had triggered unprecedented liquidity, the situation is reversing with tightening policy to curb inflation sucking out liquidity.</p> <p>The bank is also exposed to liquidity risk when its incoming revenue is not sufficient to cover its outgoing payments.</p>	High	<ul style="list-style-type: none"> Strong deposit mobilisation capabilities driven by attractive interest rates Diversified credit mobilisation base Healthy CASA of 51.5%, indicating sufficient base of low-cost capital Credit-deposit ratio of 83.2% Opportunity to borrow from refinance windows, which also helps lower credit cost Above-regulation statutory liquidity ratios
Credit rating risks	A strong credit rating is a prerequisite for operational sustainability. Any adverse downgrade in rating may have a cascading impact on the bank's ability to garner funds, a key business activity.	Stable	<ul style="list-style-type: none"> Credit ratings of the bank were upgraded in mid-2022 as a result of improvement in key metrics Upgrades also reflect strong capacity to meet financial commitments with low credit risk Long-term ratings were upgraded to "AA1" from "AA2" by CRAB Short-term ratings were upgraded to "ST-1" from "ST-2" by CRAB

SUSTAINABLE FINANCE COMMITTEE

The Sustainable Finance Committee or SFC of City Bank is helmed by senior banking specialists. The SFC aims to support the bank's sustainable finance activity in the real economy, necessary to achieve the sustainability goals of the bank and the wider society.



Sheikh Mohammad Maroof
AMD & CBO, President of SFC



Mohammad Mahbubur Rahman
AMD & Chief Financial Officer



Mahia Juned
AMD, COO & CAMLCO



Kazi Azizur Rahman
DMD & CIO



Nurullah Chaudhury
DMD & Head of Corporate Banking



Faruk Ahmed
DMD & Head of TSD



Mesbaul Asif Siddiqui
DMD & CRO



A.K.M Saif Ullah Kowchar
Head of ICC



Md. Arup Haider
Head of Retail Banking



Md. Safiul Amin
Head of Branches



Mohammad Firoz Alam
Head of CRM & Sustainable Finance



Nishat Anwar
Head of Human Resources



Mohammed Minhazur Rahman
Head of Corporate Credit Risk & Operational
Head of Sustainable Finance



Md. Shafiul Alam
Head of CAD



Mohammad Razimul Haque Razim
Head of Cards



Farhad Aziz
Head of General Admin



Shahriar Jamil Khan
Head of Brand & Communications and Corporate Affairs



Abir Mymuny
Senior Manager, Sustainable Finance,
Focal member of SFC



Financial
Inclusion

ROLE OF DIGITAL BANKING IN FINANCIAL INCLUSION

City Bank: Digital Bank of Bangladesh

City Bank provides a variety of digital banking services to provide its customers with fast, safe and secure account access from the comfort of their homes or offices or on the go. These options include mobile banking, online banking and SMS banking, all of which are available 24x7. Customers may manage their accounts, check balance, transfer funds, pay bills and do much more from the convenience of their own devices with City Bank's digital banking offerings. City Bank has also developed robust additional security procedures to assure customer data safety at all times.

At City Bank, we have always believed that in banking, sustainability is the new digital. We have spent time and effort in defining our sustainability strategy and developing an action plan to deliver on it, primarily anchored on our wide bouquet of digital banking offering. We have conducted a thorough analysis and have charted a course towards becoming a responsible

digital bank that provides a plethora of services as a means to not only ensure added customer convenience, but also greater environmental sustainability. Hence, our digital banking offering does play a major role in sustainability.

Further, we are building a competitive edge in the green finance market. This we believe will spark a chain reaction across multiple industries to adopt sustainability. We are also creating products and processes to support green initiatives, focused on developing efficient process frameworks and technical architecture. We are also committed to the ideals of green IT by becoming more operationally efficient.

We believe this is a moment of critical importance. The challenge is real and the work ahead is complicated but it is work that we must get right. We are thus executing on our sustainability agenda now to have a true first-mover advantage in the race to meet and even exceed our sustainability goals.

Digital banking stats

Key metrics	2022	2021
Citytouch users (internet banking)	446,894	318,673
City Ekhoni Accounts	45,245	34,557
Digital Nano Loan portfolio	BDT 174.36 mn	BDT 24.65 mn
Digital Islamic DPS portfolio	BDT 25.62 mn	-

CITYTOUCH

Citytouch – Banking at a touch

City Bank’s Citytouch digital banking service provides the simplest way to get banking done. It has been conceived on the principle of “more banking, less bank”.

The service integrates all the benefits of branch banking into the display of an internet-capable or smart device. Via Citytouch, our customers can open a fixed deposit (FD) or DPS, take a fully-digital loan, top-up MFS wallet, pay utility bills, etc. Never before has banking been so simple!

Some of the other key conveniences of Citytouch include:

Money transfer from Citytouch to bKash, Nagad, Tap and upay	Using Citytouch to open DPS and FD accounts	Using Citytouch for Pay Order
Placing Positive Pay instructions against an issued cheque	Using Citytouch to send or receive money through e-mail	Using Citytouch to withdraw cash from ATM without a debit card using “cash by code” enabling real-time online registration

In 2022, a total of 10 utility billers (DPDC, DESCO, NESCO, Westzone, etc.) were integrated with Citytouch, making the service relevant for customers all across the country. With this integration, customers in Bangladesh, Khulna, Barisal, Rajshahi, Rangpur, Sylhet and Comilla

can conveniently pay their monthly utility bills from Citytouch. This service has attracted significant customer attention with the result that Citytouch has been able to collect close to BDT 10 mn in bill amount in the first month of launch itself.

Citytouch stats

Key metrics	2022	2021
No. of transactions	16,385,018	8,162,630
Total amount transacted (BDT mn)	352,220.26	184,350.56
Total users	446,894	318,673

CITY EKHONI ACCOUNT

City Ekhoni Account: Banking in an instant

With City Ekhoni Account app, our customers can open a bank account in City Bank from anywhere, anytime!

The game-changing app, City Ekhoni, has been created by City Bank to streamline the customer process of opening a bank account with the bank. With this app, our customers can quickly and conveniently open a City Bank account from the comfort of their home, without needing to visit the branch. Our customers just need to install the application on their smart-phone and follow a few straightforward steps.

City Ekhoni Account

Key metrics	2022	2021
City Ekhoni accounts	45,245	34,557
Balance (BDT mn)	563.3	484.6

DIGITAL NANO LOAN

City Bank has partnered with bKash, the largest MFS player in Bangladesh, to offer digital lending solutions to bKash users. Through the bKash app, users can now apply for digital loans from City Bank, ranging from BDT 500 to BDT 15,000, with repayment tenure of 3 months and reasonable interest rates. This makes an attractive proposition for potential borrowers.

After launching the nano lending product on December 15, 2021, the bank has disbursed more than BDT 1 bn through 133,000+ loans. We are also encouraged by the repayment trends among borrowers. As a result, we believe this service has significant potential in the long term, and we are committed to expanding access to it as part of our efforts to promote financial inclusion and economic mobility.

Ant Financial, a global FinTech leader, has created a credit rating system based on bKash consumers' data and behavioural patterns. This novel technique employs advanced and exact predictive financial modelling to estimate the customer's creditworthiness. The entire procedure is automated, guaranteeing that the credit rating system is neutral. This methodology was

rigorously tested through a pilot study from 2020 to 2021, yielding encouraging results. City Bank received permission from Bangladesh Bank to commercially implement this system in 2021.

City Bank has the bold vision of expanding digital nano loans to millions of underprivileged people in Bangladesh. The bank aims to bring positive change in the lives of people by providing them with easy, automated and remote access to formal credit. The bank is confident about the potential of digital credit and aims to take a leading role in the digital credit revolution.

Digital Nano Loan Stats

Key metrics	2022	2021
Total Loan Disbursement	BDT 1.01 bn	BDT 27.51 mn
Loan tenure	3 months	3 months
Interest rate	9%	9%
Loan count	123,517	9,539
Total loan portfolio	BDT 174.36 mn	BDT 24.65 mn

DIGITAL ISLAMIC DPS

After launching digital nano loan in 2021, City Bank has expanded its footprint to a digital deposit product in 2022. It has launched the country's first Digital Islamic Deposit product in collaboration bKash. In order to avail this product, customers do not need to have any City Bank account.

bKash customers can open a DPS account with City Bank right from their bKash app and the account is created instantly in City Bank system. This is a fully Shariah-compliant product where customers are given

profit based on investment income sharing ratio (IISR). Digital Islamic DPS has collected more than BDT 25 mn deposit from customers via digital platform by the end of 2022.

Digital Islamic DPS Key Stats

Key metrics	2022
DPS count	18,027
Total Digital Islamic DPS portfolio	BDT 25.62 mn

AGENT BANKING

City Agent Banking: Banking at peoples' doorsteps

City Agent banking provides financial services to unbanked individuals in remote areas, bringing them into the organised banking umbrella. By leveraging a network of verified agents, who act as a bridge between the bank and the customers, CBL's Agent banking platform has helped to promote financial inclusion and improve access to financial services. City Bank has been at the forefront of agent banking in Bangladesh, and its efforts in this area have contributed to the bank's sustainability by enabling it to serve a wider customer base and drive financial growth in the country.

In this mission of deepening financial inclusion, City Agent banking has already reached all districts and 64% of Upazillas in Bangladesh, ensuring last-mile banking services to stimulate economic growth through assisted financial services.

Our Agent banking solutions enable wider access to credit amongst small entrepreneurs throughout the country and also ensures channel vibrancy and viability through proper controls and incentives.

City Agent banking

Key metrics	2022	2021	2020
Total no. of accounts	295,348	247,935	160,997
Total deposit (BDT mn)	5,230	3,946	2,876
Districts covered	64	64	64
Thanas covered	327	415	406
Total no. of agent outlets	690	1,182	1,411
Total remittance disbursed (BDT mn)	15,412	9,456	928
Urban-rural agent ratio	24 : 76	24 : 76	25 : 75
Funds disbursed to farmers through agent banking (BDT)	1,830,000	1,090,000	120,000

Some of the key features of City Agent banking comprise account opening and transaction services through customer fingerprint, instant DPS/FDR opening through ABS, instant fund transfer facility for customers from agent outlets, online banking facility for customers via Citytouch, remittance loan facility for beneficiaries, mini statement facility for customers from agent outlets, etc.

Division-wise agent outlets

Division	No. of outlets
Dhaka	88
Mymensingh	57
Chattogram	82
Cumilla	77
Rajshahi	93
Rangpur	67
Khulna	85
Barishal	51
Sylhet	90
Total	690

Empowering women through City Agent banking

City Bank's success in promoting gender equality and women empowerment is reflected in the fact that over 35% of its total Agent banking accounts are held by women, and about 13% of lending volume originates from women customers. Furthermore, the bank has also expanded the number of female agents to over 10%, thus further supporting the overarching goal of promoting financial inclusion and gender equality in Bangladesh.

Women empowerment through City Agent banking

Percentage of women in the total number of accounts of CBL Agent banking	35.15%
Percentage of lending volumes from women customers	12.96%
Percentage of female agents	10.18%

RETAIL BANKING

Retail Banking – Advancing financial inclusion and green conservation

City Bank has achieved success in onboarding customers through the e-KYC process. Through this, the bank has not only ensured secure customer onboarding but also environmental conservation through bypassing paper consumption and eliminating travel-related carbon emissions.

e-KYC platform

Year	No. of customers onboarded	Total accounts opened
2020	14,945	15,515
2021	17,540	18,684
2022	10,234	11,004

As a green practice that supports environmental protection, the bank has been successful in increasing its customer base opting for e- or digital statements.

Through this, the bank has improved its green footprint and also achieved tremendous cost savings. While the cost of paper, printing and courier costs amount to BDT 10.20 for a hard copy statement, the cost of digital statement despatched as URL via SMS costs just BDT 0.37 per statement, resulting in whopping savings of BDT 9.83 per statement.

In addition, paper-based statements leave a carbon footprint in their disposal, which adds to the environmental burden. There is no such case with e-statements.

E-statement advantages

Instruments	Quantity	Cost benefit
Paper statements	395,092	<ul style="list-style-type: none"> Paper cost: BDT 1.70/page Print cost: BDT 0.50/page Courier cost: BDT 8/statement Total cost: BDT 10.20
E-statements (URL sent via SMS)	592,102	Total cost: BDT 0.37/ SMS

Under City School banking, City Bank offers the facility of a student savings account (under guardianship) that supports financial sustainability to inculcate the habit of savings among students and ensures early familiarization with money and banking concepts. In 2022, more than 12,000 students participated in the school banking campaign of City Bank.

School banking platform offers features beneficial to students too, including no account maintenance fee, no minimum balance requirement, interest on daily balance, free SMS alert and passport endorsement.

Mass awareness and customer acceptance of product value has resulted in growth in account opening among both male and female students.

ISLAMIC BANKING

City Islamic Banking

188%

Growth in City Islamic customer base

109%

Growth in City Islamic revenue

32.3

City Islamic deposit book (BDT bn)

55%

Growth in City Islamic deposit book

17.3

City Islamic investment book (BDT bn)

129%

Growth in City Islamic investment book

Overview

City Bank's Islamic banking supports financial inclusion of customers inclined to Shariah-based banking. Being a Muslim country, Bangladesh has a large number of people predisposed to banking in the Islamic way.

The bank has an independent Shariah Supervisory Committee that ensures all Islamic banking products and services are designed and endorsed by the committee, which comprises Muslim scholars and industry practitioners with experience and knowledge in Islamic principles. The bank cannot offer any new banking products or services to customers without the approval of the Shariah Supervisory Committee.

The bank provides useful features under Islamic banking, such as nationwide branches, sub-branches, Citytouch digital banking facilities, and also the nation's first Amex debit and credit cards.

City Islamic

Year	No. of accounts (new)	Deposit amount in BDT mn (new)	No. of investment (new)	Investment balance in BDT mn (new)
2020	11,501	11,568.20	371	3,708.05
2021	16,360	12,252.51	850	6,076.03
2022	70,737	18,846.75	3,694	13,965.12

NRB AND CROSSBORDER REMITTANCE

Promoting financial inclusion and cross-border remittance in rural and semi-urban areas

Migrant workers' remittance has significant impact on the economic development of Bangladesh. City Bank has made effort to facilitate this remittance transfer in a seamless manner right into the hands of the beneficiary.

With larger segments of remittance receivers outside of formal banking channels, the bank through its NRB and cross-border remittance service has furthered the financial inclusion of these segments through City Bank Branches, City-Agent banking locations and City-Sub-Branched by account opening as well as loan eligibility against remittances.

The bank is also making it easy for NRBs to transfer money back home by increasing its SWIFT RMA network of international banks and different Foreign Exchange Companies, making it possible for NRBs living in different countries to swiftly and securely transfer money through correspondent banks & Foreign Exchange Companies.

NRBs in Malaysia can also transfer money to Bangladesh through the "City Remit" app which is an online money transfer service of City Bank owned foreign Exchange Company "CBL Money Transfer" Malaysia that users can use from the convenience of their home or workplace without having to visit any physical location.

Facilitating remittance

Particulars	2022	2021	2020
NRB deposit accounts opened	832	1,090	900
Foreign remittance received by households in rural and semi-urban areas through MTB channel	864	463	404
Total no. of banks of SWIFT RMA network	481	479	469
SWIFT RMA network local banks	57	57	57
SWIFT RMA network foreign banks	424	422	412

Partner exchange houses of CBL

Country	Exchange houses in 2022	Exchange houses in 2021	Exchange houses in 2020
Bahrain	3	3	3
Malaysia	2	2	2
Kuwait	6	5	5
Qatar	5	5	5
Singapore	1	1	-
UAE	6	6	6
UK	3	3	3
Oman	6	6	5
Others	5	5	4
Grand total	37	36	33



Economic
Impact

CITY ALO – SHINING A SPOTLIGHT ON WOMEN EMPOWERMENT

63

Total deposit portfolio (BDT bn)

23%

Growth in deposit portfolio

11.2

Total loan portfolio (BDT bn)

55%

Growth in loan portfolio

24%

Growth in new women credit card customers

25

CASA portfolio (BDT bn)

18%

CASA growth

60

Establishment of City Alo service desk at branches

280

Women entrepreneurs received City Alo Women Entrepreneurship Certification

Overview

City Alo is a women-focused banking platform of City Bank. It offers a full suite of products and services designed exclusively for women customers from all walks of life.

To enhance the banking experience for women customers, City Alo has introduced a women-only branch which is a café-themed branch that offers a lounge-like ambience. It also has dedicated service desks located in 60 branches with electronic queue management that prioritises women customers of City Alo. Citytouch and Islamic banking features are also provided in City Alo.

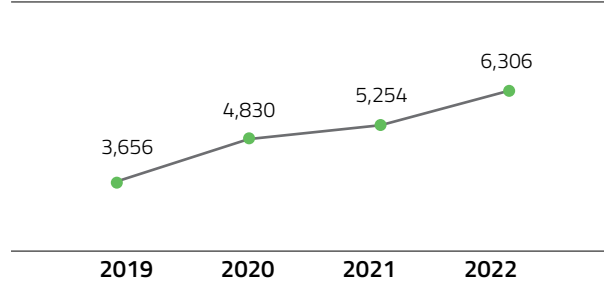
City Alo has adopted many initiatives to facilitate financial literacy and capacity building for women especially residing outside of urban clusters. Nationwide financial literacy programs have trained

400+ participants from different categories. Further, Uthan Boithok sessions in rural areas educate women on banking and financial literacy. Other women centric workshops are conducted which help raise awareness on important matters such as breast cancer.

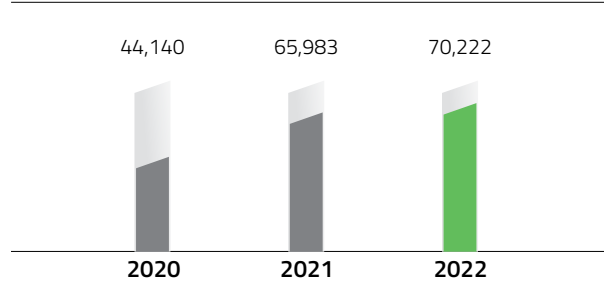
City Alo's entrepreneur certification program has been exclusively designed for women in business that equips them with knowledge on technical and soft skills. The program is conducted in association with different women chambers and educational institutions. Currently, 280+ women have graduated and have been certified from 10 batches from three educational institutions.

City Alo deposits growth has shot up to 21% in 2022, against only 8% in 2021. Shown below is the historical growth in deposit portfolio of City Alo. New to bank accounts increased to 70,222 in 2022, against 65,983 in the prior year.

City Alo Deposit Portfolio Portfolio BDT in core



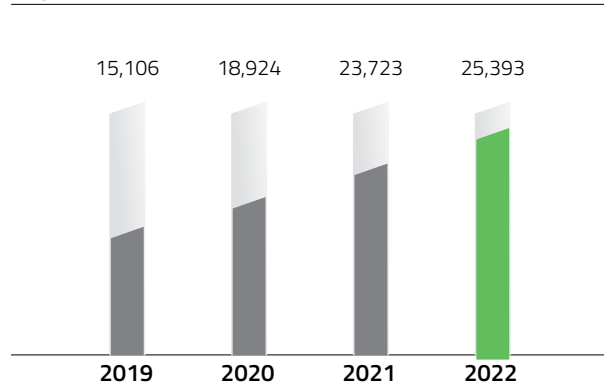
New to Bank (NTB)



Credit Card Portfolio

City Alo has exhibited a 19% average annual growth in the female credit cardholder portfolio over the last three years. The number of these cardholders stood at 25,393 till December 2022, with 6,495 credit cards issued to women in 2022 alone. The cardholder base is expected to increase in the future.

City Alo Female Credit Card Portfolio BDT in core



Major Initiatives of 2022

Trainings and Financial Literacy Programs

- City Alo Certification Program has expanded its footprint to Bogura, Sylhet and Chattogram

- Under the Entrepreneurship Development Training Program for the SEIP-BWCCI project, 23 trainings took place simultaneously in 13 locations all over Bangladesh
- 3 Uthan Boithok sessions were conducted in the outskirts of the city – 1 at Fulbaria and 2 at Gorpara
- A 3-day session was organised on consultancy on taxation for City Alo graduates

Women Entrepreneur Fair

City Alo has been supporting women entrepreneurs through business facilitation.

One such way was the Women Entrepreneur Fair organised in Khulna in collaboration with the Bangladesh Women Chamber of Commerce and Industry (BWCCI). The fair hosted 40 women entrepreneurs from various trades, such as fashion boutiques, handicrafts, jewellery, food, etc.

In just three days, BDT 1 mn worth of sales transactions was recorded with over 5,000 walk-in customers attending the fair.

In addition, City Alo also organized two more women entrepreneur fairs in 2022. One was held at North South University by those who had graduated from the university in the financial literacy program. The other, co-sponsored by Her E-Trade Exhibition, saw participation of 45 women entrepreneurs who showcased their products in the two-day fair.

Other Events

- Organized a financial awareness program titled “আমার টাকা আমার দায়িত্ব” (My Money, My Responsibility)
- A new event, “Aspire to Inspire” was launched as a platform to discuss work-life balance amongst female employees of the bank
- “City Alo Café style branch” signed a new coffee partner, Kavazo
- Alo Women Entrepreneur Finance was launched especially for grassroots/budding women entrepreneurs

SUSTAINABLE PROCUREMENT

Overview

Sustainable procurement helps the bank drive local spending and support social responsibility and environmental stewardship.

Over a period of last five years, City Bank's procurement volumes have increased from BDT 706 mn in 2018 to BDT 1,364 mn in 2022. This increase has been on account investment in IT infrastructure to support the bank's digital strategy.

City Bank's procurement is guided by its procurement policy which ensures:

 <p>Right goods and/or services of the right quality and quantity are procured at the right price, at the right time and delivered at the right place from the right source(s)</p>	 <p>Transparency, accountability and visibility of all procurement activities within CBL</p>	 <p>Compliance and integrity are maintained in all procurement activities and procedural steps and transactions by way of truthfulness and integrity</p>
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In its procurement practice, City Bank takes account environmental goals and objectives through:

- Refraining from purchasing from non-certified sources
- Ensuring compliance with environmental guidelines
- Reducing wastages
- Improving resource efficiency
- Ensuring that suppliers adhere to ethical standards



Procurement prioritises suppliers who:

- Prioritize respect for basic human rights
- Prohibit corruption and bribery
- Prohibit child labour
- Comply with laws, rules and regulations
- Prioritize the health and safety of employees
- Protect the environment

ECONOMIC VALUE CREATION

Overview

Being a distinguished financial institution in Bangladesh, City Bank has consistently contributed to the socioeconomic landscape of the nation. The bank acknowledges that its success is contingent not just on profit generation, but also on delivering value to stakeholders and the society as a whole. To achieve this, the bank is devoted to delivering quantified value to its stakeholders, reflected in its economic impact or economic value creation.

The value contributed by the bank amply illustrates that the organisation is positively impacting the growth of Bangladesh by empowering its staff with competitive wages and incentives, providing consistent dividends to shareholders, contributing to the state exchequer, and supporting the government's regulatory endeavours to strengthen the country's financial system.

The bank is dedicated to expansion and growth, which will provide new possibilities for its stakeholders and contribute to Bangladesh's development in the future, playing an important part in the transition to a developing country in 2026 and a smart nation by 2041.

Statement of Value Added and its Distribution

City Bank recognizes the importance of promoting sustainability by ensuring that the value created by the organisation is distributed equitably amongst all stakeholders.

To this end, the bank has formulated a Statement of Value Added and its Distribution. The statement helps

the bank to identify the total value added by the bank and how it is distributed among its stakeholders.

Statement of Value Added and its Distribution

Particulars	BDT Billion	
	2022 Amount	2021 Amount
Net interest income	12.35	12.05
Commission, exchange & brokerage	6.73	4.67
Investment income	3.61	2.58
Other income	1.89	2.10
Salaries and allowances expense	6.98	6.07
Provision for loans and advances/investments	2.94	1.79

Economic Performance

As a responsible corporate entity, City Bank recognizes the importance of contributing to sustainable economic growth and development of the country. One of the key ways in which the bank demonstrates this commitment is by fulfilling its tax obligations in a timely and transparent manner.

In addition to income tax payment on the bank's earnings, City Bank also deducts VAT and excise duty at source from various payments and services, thereby fulfilling its responsibilities towards the government and society. Furthermore, the bank encourages its employees to comply with all income tax regulations and discharges its income tax obligations on their earnings in a timely manner. Through these practices, City Bank reinforces its commitment to sustainability and ethical business practices.

Economic Performance

Particulars	BDT Million	
	2022	2021
Income tax payment on bank's earnings	4,377	3,712
Exchequer deposit	10,633	6,503

Value-Added Contribution

As a responsible corporate entity, the bank values its stakeholders and strives to create sustainable value in their hands. For instance, the bank offers fair and competitive remuneration to its employees, which includes salaries and allowances. The bank also recognises the significance of providing dividends to shareholders, which serves as a recognition of their investment and encourages their continued support for the bank. The bank also duly fulfills its obligation as a responsible taxpayer by paying corporate taxes, including deferred tax, to the government. The bank aims to utilise its resources for expansion and growth, which involves reinvesting its retained earnings and utilising depreciation shield. Thus, by managing its economic distribution meticulously, the bank ensures a sustainable financial future for all stakeholders.

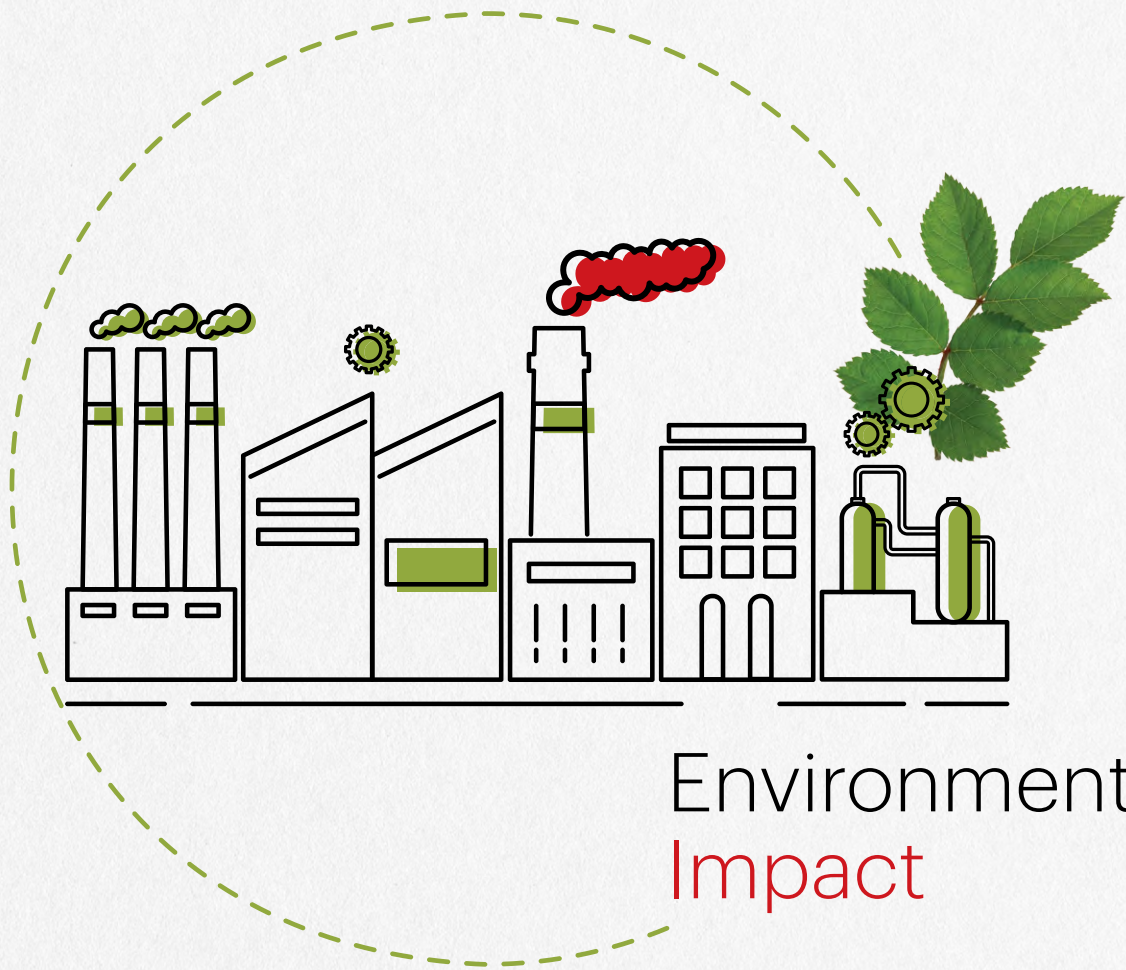
Particulars	2022		2021	
	Amount (BDT mn)	Percentage of total value added	Amount (BDT mn)	Percentage of total value added
To employees as salaries and allowances	7,002	41.2%	6,094	38.9%
To shareholders	3,921	23.1%	4,358	27.8%
To govt. as income tax	4,377	25.8%	3,712	23.7%
To start-up fund	45	0.3%	88	0.6%
To CSR fund	245	1.4%	-	-
To perpetual bondholders	297	1.7%	298	1.9%
To depreciation	1,101	6.5%	1,107	7.1%
Total	16,987	100%	15,656	100%

Approach to Tax

At City Bank, we recognise we have a responsibility to pay appropriate tax, and the Bank's tax strategy is aligned to its governance practices. Integrity and transparency are the hallmarks of our tax practice to ensure we retain the trust of all stakeholders at all times. We are committed to prompt disclosure and transparency in all tax matters with the respective tax authorities. Our tax strategy is monitored by the taxation team of the Finance Division under the Chief Financial Officer (CFO) and Head of Finance within the overall control and governance framework of the Bank. We seek to comply with tax filing, tax reporting, and tax payment obligations for all taxes. Compliances are tracked through surveillance system. The Bank's taxation team ensures appropriate corporate tax liability within the regulation of The Income Tax Ordinance, 1984, and proper compliance of The Value Added Tax and Supplementary Duty Act, 2012, and any other regulation related to taxation compliance. As a policy, we do not undertake aggressive tax planning and do not tolerate tax evasion, nor do we tolerate the facilitation of tax evasion by any person(s) acting on the behalf of the Bank. The main focus of the taxation team of the Bank is to assure fulfillment of corporate tax liability and also ensure avoidance of any type of penalty.

Internal Audit

The Bank's internal audit team has a well-laid internal audit methodology, which assesses and promotes strong ethics and values within the organisation and facilitates in managing changes in the business and the regulatory environment. It encompasses all aspects of the business, such as operational, finance, information systems, and risk management, and all regulatory compliances are reviewed periodically. The internal auditor presents reports to the Audit Committee of the Bank's Board of Directors pertaining to the key internal audit findings and the action plan agreed upon with the management. Further, we have sufficient internal financial control systems in all areas of operations. In addition, the Board has adopted policies and procedures for ensuring the orderly and efficient conduct of the business, including adherence to policies, safeguarding of the Bank's assets, prevention and detection of fraud and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information. The services of the internal and external auditors are utilised from time to time, as also the in-house expertise and resources. The Bank is proud of its tax compliance record and exchequer contributions. The total tax paid by the Bank rose by about 18% to BDT. 4,377 mn in 2022.



Environmental
Impact

ENVIRONMENTAL IMPACT

The regrettable cost of the economy's explosive growth is the devastation of the natural world. Human-driven economic activity has enforced environmental pollution, climate change, land degradation and ecosystem fragmentation on an unprecedented scale.

Banks have a role to play in slowing down the negative effects due to their integration with the economy. They can force a sharp cutback in their financed emissions and can tighten their credit filters to block industry that endangers the environment.

Financial institutions can truly play a role in environmental restoration and green renewal.

First bank in Bangladesh to be a member of Net Zero Banking Alliance



City Bank took a step forward as the first Bangladeshi bank by joining the Net-Zero Banking Alliance (NZBA) on March 2022, in line with its commitment to a greener planet. The NZBA is a United Nations Environment Programme Finance Initiative (UNEP FI), the banking element of the Glasgow Financial Alliance for Net Zero (GFANZ), and is accredited by Race to Zero. Representing almost 41% of global banking assets, with over 127 members from 41 countries, the NZBA inspires, informs, and enables financial institutions to mobilize for climate-positive change. It recognizes the vital role of banks in supporting the global transition of the real economy to a low-carbon, sustainable, and inclusive economy.

To attain the global targets set through the Paris Climate Agreement and SDGs, in light of the government's Nationally Determined Contributions

(NDC), City Bank incorporates Green banking and Sustainable Finance in its lending practices and steers customers' Environmental, Social, and Governance (ESG) investments for the betterment of people and the planet.

Environmental & Social Risk Management Policy as a Risk Assessment and Management Tool

Conscious of its green footprint, City Bank established its environmental risk management framework way back in 2012 to ensure environmental considerations were taken into credit decisions. The bank upgraded this framework in 2017 to also take into account social risks, thus further tightening its lending principles.

Bangladesh Bank (BB) has also remained proactive on environmental and social risks. On June 26, 2022 it launched a comprehensive circular on "Guidelines on Environmental & Social Risk Management (ESRM) for banks and Financial Institutions in Bangladesh". While City Bank was following most of the guidelines mentioned in the circular, it revised its ESRM policy to reflect full alignment with BB's guidelines. It went a step further by also affiliating ESRM to its Credit Policy Manual, IFC performance standards and other international best practices.

The bank's ESRM Policy is segregated into two parts

- Environmental & Social Management System (ESMS)
- Annexures

ESMS helps identify and manage the bank's exposure to environmental and social risks and impacts through due diligence and need-based corrective action.

GREEN FINANCE

Overview

The financial sector is key to meeting Bangladesh's Nationally Determined Contributions (NDCs) in line with the Paris Climate Agreement to facilitate a seamless and equitable transition to a low-carbon society. Similarly, achieving the SDGs is also contingent upon finance for sustainable agriculture, industry and CMSME. BB's Sustainable Finance Policy is a timely measure in guiding banks and FIs to contribute to the NDCs for attaining the respective SDGs.

Green Finance at CBL

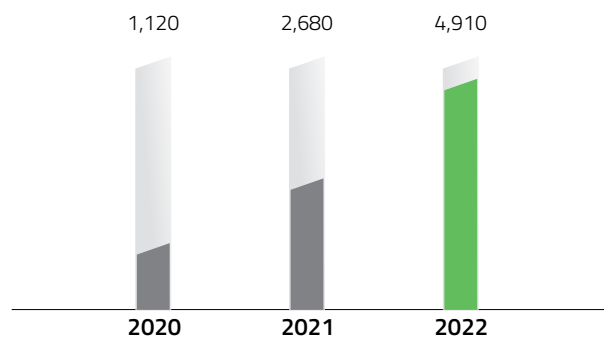
CBL is committed to support the national environmental, economic and social targets. In this setting, the bank has spawned a green finance division for augmenting financial flows to sustainable development priorities to better manage environmental and social risks.

City Bank offers 68 types of green products and services (as per BB's Taxonomy). Marshalling green finance impact in the right way, the bank has grown its green finance book from BDT 1,120 mn in 2020 to BDT

2,680 mn in 2021 to BDT 4,910 mn in 2022, virtually quadrupling its green assets between 2020 and 2022.

Funding sustainable development has always been a prioritised goal of the bank and it is pushing the accelerator in the green transition. This is being done by engaging with overseas DFIs and multilateral development banks for low-cost green/climate funding on the one hand. On the other, the bank's set up of 32 helpdesks supports in business sourcing, especially industry located beyond the urban regions.

Green and Climate Finance Disbursement BDT in mn



Green finance disbursement

Energy and resource efficiency is a major lever in meeting the climate goals. Particularly, energy efficiency exhibits huge scope in shifting industry to more sustainable energy sources for reducing power consumption and carbon emissions.

The bank has a strong operational imprint in this segment (energy and resource efficiency), with disbursement increasing almost 3-fold YoY to BDT 3,568.9 mn in 2022, up from BDT 1,246.1 mn in the prior year. Other green finance segments of the bank are renewable energy, waste management, green establishments, work environment & worker safety.

Sectoral mix of Green Finance Disbursement

Sector	2022 disbursement in BDT mn	2021 disbursement in BDT mn
Energy & Resource Efficiency	3,568.9	1,246.1
Renewable Energy	18.8	22.4
Waste Management (ETP & Solid Waste)	347.8	36.5
Green/Environment Friendly Establishments	856.3	1,176.9
Work Environment and Workers' Safety	113.8	199
Total	4,910	2,681



Green Industry/Building Finance

The green building concept has taken off in Bangladesh with a push towards sustainable raw materials for construction as well as sustainable low-cost operations. Building capabilities in this segment, the bank's portfolio stood at 1,746.6 mm in green industry development and establishment of green features in buildings/industries. In the prior year, these figures stood at BDT 1,272.7 mm.



Renewable Energy Portfolio

Renewable energy is a key answer to limiting global warming to 1.50-degree Celsius. As part of a long-term master plan for the power sector, the government has articulated 40% electricity from clean energy sources by 2041. City Bank is building its competency here with disbursements expected to pick up in the future.



Waste Management Projects

Industrial waste water is a major environmental challenge as improper disposal causes soil and water contamination. Leaks and spills from storage tanks and waste treatment facilities can also pollute groundwater and surface water sources. To support proper waste management, the bank provides funding support to eligible industry. It disbursed BDT 347.8 mm in 2022 for various liquid and solid waste management projects, including biological ETP.



Work Environment and Workers' Safety

City Bank not only facilitates EHS compliance for its clients but also provides finance to improve EHS conditions in developing a safe working environment. The bank disbursed BDT 113.8 mn in this segment during the year.

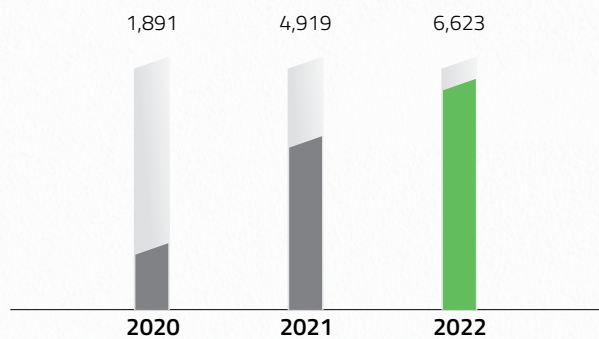
SUSTAINABLE FINANCE

Sustainable finance is an imperative for achieving the SDGs.

City Bank offers 86 products under Sustainable Finance (as per BB's Sustainable Finance taxonomy). In 2022, the bank channelled BDT 66,230 mm as sustainable finance, including green finance, registering a growth of 35% from the prior year's BDT 49,190 mn.

Portfolio-wise, the bank disbursed BDT 13,511 mm in sustainable CMSME sectors (handicrafts, handloom, feed manufacturing plant, jute-made products, organic fertilizer, etc.) in 2022. It channelled BDT 10,381.1 mm to sustainable agriculture (crops, fisheries, agriculture equipment, etc.).

Sustainable Finance Disbursement BDT in mn



Sectoral mix of Sustainable Finance

Sector	2022 disbursement in BDT mm	2021 disbursement in BDT mm
Sustainable Agriculture	10,381.1	11,643
Sustainable CMSME	1,351.1	12,134
Socially Responsible activities/projects linked to Sustainable Finance	8,661	5,523
Working Capital/ demand loan for green products/initiatives/ projects	28,458.2	16,781.5
Priority Green & Eco-friendly Products for Trading Sector	312.5	422.4
	61,320	46,500
Green Finance	4,910	2,680
Total Sustainable Finance	6,6230	4,9190



AGRICULTURAL LOANS

Bangladesh is an agrarian society with commitment to self-sufficiency in food.

Agriculture loans are classified as priority sector loans and City Bank's agri credit reflects the bank's commitment to supporting this important sector.

CBL's agri loan performance and achievements (BDT mn)

	FY2020-2021	FY2021-2022	FY2022-2023 (till Dec 2022)
No. of farmers obtaining finance	36,759	33,987	21,720
Amount of funding farmers obtained	2,121.56	2,268.31	1,773.38
Agriculture loan amount (outstanding)	4,007.80	4,429.04	4,309.23
BB target amount in agriculture loan	4,680.00	5,250.00	5,740.00
Achievement against BB target in amount and percentage	4,734.74 101.17%	5,260.45 100.26%	2,937.45 51.18%*
Beneficiaries of agriculture loans	71,352	84,774	33,268

* 51.18% is half year achievement against full year target

Particulars of agri loans	Direct network	Indirect network	Total
Disbursement amount (FY2022-23) up to December 2022	87.45	2,850.00	2,937.45
Number of beneficiaries (FY2022-23) up to December 2022	58	33,210	33,268

FY 2021-22

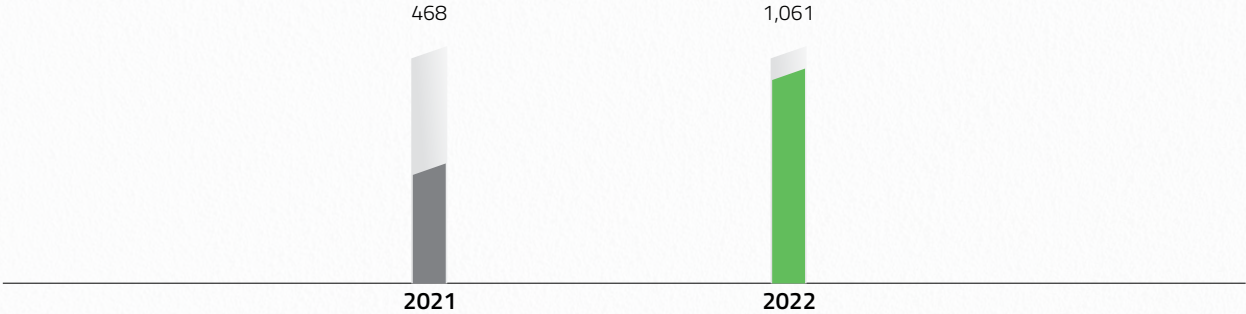


CBL agri loans (in BDT mn)

Purpose	Disbursement in FY2022-2023 (till Dec 2022)	Outstanding as on 31 December 2022
Crops/vegetables cultivation	1,773.38	2,585.54
Fishery	297.73	430.92
Livestock	413.58	603.29
Irrigation equipment and other farm machinery	194.04	172.37
Crop storage, marketing and others	173.87	387.83
Poverty alleviation	84.85	129.28
Total	2,937.45	4,309.23

CAPACITY BUILDING ON GREEN BANKING

Employees receiving training on E&S, IFC PS, Green & Sustainable Finance



Employee capacity building is key to proper E&S assessment for sustainable finance. In this setting, the bank trained 1,061 employees on sustainable finance & green finance products, ESRM policy, IFC Performance Standards, etc., in 2022. Every new employee who joins the bank participates in an Orientation Program which includes a session on sustainable banking operations.

This is done to familiarize workers with the bank's commitment to sustainability. It also organised two training sessions led by foreign instructors.

Apart from formal training, the bank organizes awareness on sustainability. It also observes World Environment Day and Earth Day in the spirit of building a culture rooted in environmental sustainability.

SUSTAINABLE OPERATIONAL INITIATIVES

Overview

City Bank takes initiatives in many sustainable practices such as adoption of sustainable electrification, digital banking, video-conferencing, etc. Some of the major initiatives are described below:

Solar Panel Installation

City Bank has installed solar panels at 13 branches, demonstrating a commitment to renewable energy. It is actively exploring outfitting other branches and ATM booths with solar panels.

Automated Teller Machine (ATM)

City Bank has joined the National Payment Switch Bangladesh (NPSB) network that enables bank cardholders to enjoy cash withdrawal facility from other ATMs in the network, saving them time and lowering their carbon footprint through access to the nearest NPSB network booth and avoidance of travel to CBL's nearest ATM booth.

Internet Banking Service

With internet banking facility, City Bank customers can perform a myriad of activities such as fund transfer, credit card bill payment, real-time balance enquiry, real-time FDR and deposit scheme information, etc. This helps in indirect avoidance of carbon emissions.

Real Time Gross Settlement (RTGS)

The bank has implemented Real Time Gross Settlement (RTGS) solution across its branches. As a result, customers can enjoy real time fund settlement facility, which supports avoidance of carbon emissions.

National Identity Card (NID) Verification

National Identity Card (NID) verification service has enabled online verification option. With NID verification mandatory prior to opening of any account, the service

reduced indirect emissions and also eliminated fraud and forgery.

Video-Conferencing

Video-conferencing (VC) has been introduced at the HO, branches and other bank premises that has saved travel time and travel-related carbon emissions. Today, VC is the first option and travel is permitted only if necessary.

LEED-Certified Environment Friendly HO

One of the bank's major office is located in a LEED (Leadership in Energy and Environmental Design)-certified Green Building in Dhaka. The building embodies the bank's sustainability commitment to energy efficiency, water conservation, etc.

In terms of energy, the building system significantly reduces energy cost through optimised consumption. To maximize energy performance and reduce any negative impact on the environment, the building has such features as daylight harvesting, occupant sensing lighting controls and energy-efficient lighting. As a result, total energy consumption has been reduced by a significant level.

To maximize indoor water efficiency and reduce the burden on the municipal water supply and wastewater systems, the building utilizes low-flow water closets and tap sinks. The building's calculated water consumption has also reduced drastically.

Paper Consumption

The bank recognizes the importance of reducing paper consumption. In this regard, it has implemented measures to track the amount of paper consumed and the corresponding cost, as well as the number of sheets saved, and the amount of cost savings achieved. By reducing paper consumption, the bank promotes environmental sustainability, waste reduction and carbon footprint minimisation.

Emission for paper consumption

Consumption in 2022 (reams)	GHG Emission in 2022 (Ton)
16,666	389.98

Paper consumption has been reduced by around 17% in 2022 vs. 2021.

Energy Consumption

City Bank monitors its total energy use, including consumption of electricity, fuel and gasoline. The bank has been monitoring its entire energy use in gigajoules, allowing for better insights into its overall organisational energy consumption. The bank is also exploring alternative energy sources and developing energy-efficient processes.

Customer Service Initiatives

City Bank has shown commitment to sustainability through customers initiatives. For instance, the bank's digital banking, electronic queue management and service scorecard automation, etc., have made banking processes simpler, more efficient, and more customer-friendly.

The bank has also prioritized rebooting its complaint management system by implementing online MIS and sending SMS notifications to customers. Additionally, outsourcing and archiving documents and deep-dive surveys have increased operational and environmental efficiency while reducing costs. These have helped to reduce customer complaints by 39% YoY.

ECM

In 2021, City Bank pioneered the launch of an External Communications Mechanism (ECM), the first-of-its-kind initiative among banks in Bangladesh. This platform enables external stakeholders and local community members to register their grievances/complaints regarding projects financed by City Bank. We feel it is important that community members are able to reach

out to us regarding any dissatisfaction over projects being financed by the bank.

Reducing vehicular emissions and fuel expenses

The bank's fuel expenses for vehicles in 2022 totalled BDT 15.32 mn, with octane fuel accounting for the majority of the expenses. While the bank's operations require vehicles, efforts are made to reduce fuel consumption and emissions through measures such as optimising routes and encouraging carpooling.

Environmental Disclosures

CBL's total distance footprint

Transportation mode	GHG Emission in 2022 (Ton)
Air Travel	94.35
Road Travel	348.61

Emission for the fuel of vehicle

Fuel type	GHG Emission in 2022 (Ton)	GHG Emission in 2021 (Ton)	GHG Emission in 2020 (Ton)
Octane	176,938.46	244,551.69	630,762.92
Diesel	54.62	70.53	223.60
CNG	106,960.52	101,261.80	261,264.22
Total	283,953.61	345,884.02	892,250.74

Emission for utility consumption

Resource	Consumption in 2022	GHG Emission in 2022 (Ton)
Electricity (kWh)	14,737,608 (kWh)	9,549.97
Fuel for Generators	102,568 (Litre)	266.68
Total Emission for Utility		9,816.65

Audit mechanism for operational transparency and ESG

The ICCD's internal audit group plays a vital role in implementing the bank's different policies and standard operating procedures through its independent audit mechanism, taking into consideration its ESG principles, approach and strategy to ensure that the bank's operations are anchored on sustainability, responsibility and ethics.

ICCD's role in ESG assurance

ICCD provides reasonable assurance to the Board's Audit Committee and the senior management in the following situations:

- How the bank performs as a steward of nature and natural resources, for example issues related to green & sustainable finance disbursement, environmental & social risk management, carbon emissions, waste management, water management, material sourcing, and climate change vulnerability.
- How the bank manages relationships with its employees, customers and the larger community, for example CSR, employee management, data

privacy, general security, and health and safety.

- What is the bank's governance structure in business ethics, internal controls, intellectual property protection, shareholder rights, etc.

The ICC internal audit teams ensure that the sustainability parameters are ingrained in their risk assessment methodology for:

- Ensuring that ESG aspects are integrated into the bank's strategic and business initiatives.
- Ensuring coherent and transparent communication of these aspects to all interested parties.
- Examining the adequacy and effectiveness of the controls and their performance, for example, the bank's actions to ensure compliance with all internal policies and regulatory requirements relating to sustainable finance.

Along with bolstering risk and control forum through audit, inspection, compliance and monitoring, ICCD also conducts training and workshops to enhance ICC audit awareness, including AML/CFT issues, especially among branch employees who are at the front-end of our operations and hence the first line of defence.



CITY BANK-TARUPALLAB DWIJEN SHARMA NISHARGA AWARDS

City Bank-Tarupallab Dwijen Sharma Nisharga Award is an annual award ceremony organized by Tarupallab, a voluntary organization promoting environmental conservation. The award ceremony is held in memory of late Prof. Dwijen Sharma, and City Bank is involved in the arrangement of the award ceremony.

Tarupallab was officially founded in 2008 with the motto of 'Sabuje Shyamale Bachuk Pran' and has been conducting various activities for nature and environmental conservation ever since. Some of these activities include identifying endangered and rare trees in Bangladesh and planting them in safe zones, conducting tree plantation programs, celebrating the Madhavivaran festival, organizing workshops with garden workers, and publishing Prakriti Patra.

The award ceremony is held every year and the year 2022 marked the fifth edition of the event.

The awards are in three categories and recognize individuals who have contributed to biodiversity and environmental conservation. It is an important event that highlights the need for environmental conservation and recognizes the untiring efforts of those who have dedicated themselves to this cause.



Social
Impact

PROMOTING BEST PRACTICES IN EMPLOYMENT AND DECENT WORK

Promoting fair, competitive and equitable occupation

City Bank believes that promoting fair and equitable employment practices is a key part of our sustainability strategy. We recognise that our employees are our most valuable asset, and we are committed to providing them with a safe, healthy, rewarding and progressive work environment. This includes fair compensation and benefits, opportunities for career growth and development, and a workplace that is free from discrimination and harassment.

In order to ensure competitive compensation and benefits, we regularly review our pay and benefits packages to ensure that they are reasonable and in line with industry standards. We also provide a comprehensive benefits package that includes health and wellness initiatives, retirement plans, and employee assistance programs. We believe that providing opportunities for career growth and development is critical for employee satisfaction and retention. To support this, we offer a range of training and development programs that enable our employees to enhance their skills and knowledge. We also provide opportunities for internal career advancement, promotions and preparing our workforce for the future of work.

We recognise that a safe and healthy work environment is essential for employee wellbeing and productivity, to enable them to give their best at work. To ensure this, we have implemented many safety initiatives to prevent workplace injuries. Despite being in the service sector, we provide regular health and safety training to our employees.

City Bank is committed to upholding human rights and labour standards. We adhere to the International Labour Organization's (ILO) Core Conventions, which include the abolition of forced labor, elimination of child labor, and prevention of discrimination and harassment. We have implemented policies and procedures to prevent discrimination, harassment and other forms of workplace mistreatment. We also monitor our supply chain to ensure that our vendors and suppliers adhere to these standards.

We support broader efforts towards decent work by partnering with local organisations that promote job creation and skills development. We also invest in education and training programs to support wide-ranging efforts in fostering decent work. By supporting these initiatives, we believe we can help create a more sustainable and equitable organisation and, as an extension, the financial services industry of Bangladesh.

Remuneration Policy and Framework



Pay equity:

The compensation and benefit policy of City Bank expresses fair and equal treatment to all employees. The bank believes in a performance-based pay and meritocratic culture. As such, an employee's compensation is mostly determined by their career record and performance and not by their gender, race, ethnicity or any other demographic parameter.



Salary:

Many factors, such as credentials, experience, attitude, adherence to company values and principles, etc., are considered when determining the salaries of various employee grades. The bank's wage structure is typically adjusted periodically to account for changes in the cost-of-living and other market forces. Each month's salary is processed on the 23rd of the month. If the date falls on a weekend or a holiday, the pay is paid on the day preceding the weekend or holiday.

Currently, the minimum entry-level wage after probation for an Assistant Officer is BDT 39,000 per month, and for a Cash Officer it is BDT 36,000 per month. Taking into account the whole labor force, the average basic pay of males is BDT 47,366 per month, while the average monthly basic salary of females is BDT 40,665 (as of year 2022).



Allowances:

City Bank offers its employees a variety of allowances, including house rent allowance, conveyance allowance, medical allowance, entertainment allowance, staff utility allowance, holiday allowance, night shift allowance, among others.

Fostering harmonious working conditions

City Bank is committed to enhancing its winning workplace culture that is anchored on non-discriminatory hiring practices, fair rules and safe workplace operations. In order to accomplish this, the bank maintains a culture that supports and motivates its co-workers through a variety of methods. We urge our staff to implement work-life harmony in order to effectively manage their professional and personal life.

City Bank does not allow discrimination, intimidation, harassment, favoritism/bias, or retribution by employees against any individual. Any harassment or discrimination levelled at any employee on the basis of his/her background, gender, religion, race, color, ethnicity, nationality, age, marital status, physical condition, or personal appearance results in strong disciplinary action, which itself thwarts such attempts.

City Bank respects all workers as distinct individuals, respecting and upholding basic human rights. The bank believes that fostering an environment that attracts, retains and fully engages diverse people leads to enhanced innovation and creativity in the bank's products and services suite.

OUR APPROACH TO DIVERSITY, EQUITY AND INCLUSION (DEI)

Overview

At City Bank, we ensure that our employees can bank on us to open the door for opportunity for them, without any bias and with full respect to the principles of DEI, or Diversity, Equity and Inclusiveness.

We are committed to building a diverse, equitable, equal, meritocratic and inclusive workplace that best represent the communities we serve. Our members have access to training, industry leading practices and other dedicated resources to help us collectively achieve our DEI goals.

We strive to integrate DEI across our organisation and to support our employees in developing their leadership capabilities and proficiencies. We identify and remove barriers to equitable access and development; respect and value individual differences, experiences and perspectives; and sustain employee engagement through the welcoming spirit of inclusion.

Fostering Diversity in the Workplace

Diversity in the workplace has become increasingly important in recent years as companies have recognised the numerous benefits of having a team composed of individuals with different backgrounds, experiences and perspectives.

City Bank understands the value of diversity and its positive impact on business development. Further, we also know that while almost 50% of the nation's population comprises women, their participation in mainstream work is limited. We are committed to do our best to correct this skew, and our hiring and other employment policies are reflective of this endeavour.

We believe that diverse teams are more creative, innovative and productive than homogenous ones. This is simply because people with different backgrounds and perspectives bring unique ideas and solutions to

the table, resulting in a broader range of perspectives and more well-rounded solutions to business problems. In addition, diverse teams are more adaptable and better equipped to navigate complex and evolving business environments.

An inclusive culture is essential to maintaining workforce diversity. As a bank, we are committed to creating an atmosphere where all employees feel valued and respected, regardless of their race, gender, ethnicity, sexual orientation, religion, or any other characteristic that makes them unique. This includes fostering a workplace culture that encourages open communication, mutual respect, and collaboration across diverse groups.

At City Bank, diversity is not just a fancy word, but a fundamental aspect of the bank's identity. The bank recognises that maintaining a plurality of perspectives is essential to its continued success, and it is committed to promoting diversity and inclusion at all levels of the organisation. By doing so, City Bank well and truly believes it can continue to drive innovation, creativity and growth into the future.

Increasing number of employees over the years

Year	Female employees	Male employees	Total
2017	803	3,980	4,783
2018	763	4,091	4,854
2019	962	4,659	5,621
2020	881	4,399	5,280
2021	924	4,719	5,643
2022	999	5,084	6,083

New recruitment by age, 2022

Age group	No. of employees	% of total employees
Below 30 years	682	51
30 to 50 years	639	48
Over 50 years	11	1
Grand total	1,332	100

Employee turnover by age, 2022

Age group	No. of employees	% of total employees
Below 30 years	281	31
30 to 50 years	571	63
Over 50 years	55	6
Grand total	907	100

Employee by job grade, 2022

Particulars	Number	% of total employees
Support staff (Grade Support Staff)	269	4
Temporary to SEO	4,939	81
AVP to SEVP	868	14
DMD to CEO	7	100

Age and gender distribution of the workforce in 2022 (permanent employees only)

Age group	Female	Male	Total
Age 20-30	242	758	1,000
Age 31-40	302	2,012	2,314
Age 41-50	134	938	1,072
Age 51+	9	471	480
Total	687	4,179	4,866

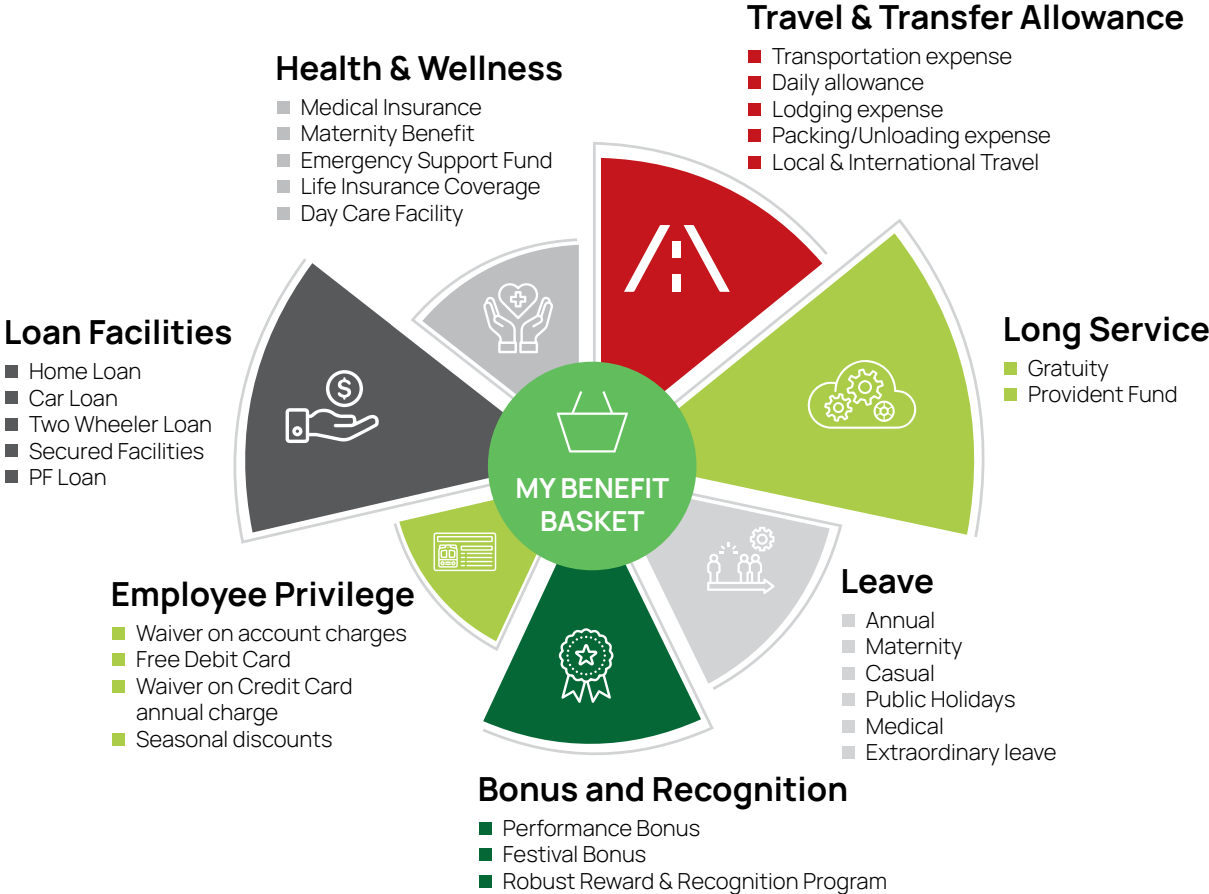
New recruitment by gender in 2022 (permanent employees only)

Gender	No. of employees	% of total employees
Male	784	86
Female	127	14
Total	911	100

EMPLOYEE INITIATIVES IN FOSTERING A GREAT WORKPLACE

Fair compensation and benefits

At City Bank, as part of our human capital strategy, we believe in providing fair compensation and benefits to our employees. We regularly review our compensation packages to ensure that they are competitive and aligned to industry standards. We also provide a comprehensive benefits package, including health and wellness programs, retirement plans, and employee assistance programs.



Benefit plans for employees

Fund name	Disbursement in 2022	Disbursement in 2021
City Bank Limited Employees' Provident Fund	492.80	473.11
City Bank Limited Employees' Gratuity Fund	261.45	265.08
City Bank Limited Employees' Welfare Fund	29.20	27.80

Other Employee Benefits

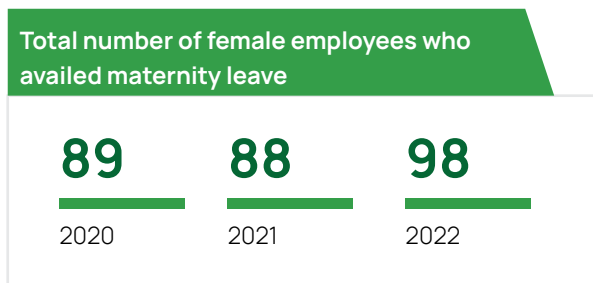
As part of end service benefit plans during the event of separation, employees of the bank are entitled to get benefits as per policy and trust rules, as mentioned below:



Leaving services from the bank requires 3 months' of notice period for full-time employees. Contractual employees are required to give 1 months' notice period.

Maternity leave benefits






All female employees of the bank are entitled to avail maternity leave on full pay for 24 weeks, of which not more than 8 weeks can precede the expected date of confinement. The other aspects of maternity leave are guided by the provisions and rules of the Bangladesh Labour Act. Maternity leave can be availed twice during the employees' tenure in the bank.



Employee engagement

In alignment with City Bank's values of "Engaged and Inspired", sustainable people engagement is an area of our continuous focus. We encourage our employees to participate in various sports, e.g. cricket, football, chess and badminton, especially in corporate tournaments. Furthermore, we have also arranged internal

tournaments and events to engage our employees in 2022, including:

-  100+ value sessions were organised covering 2,000+ employees
-  20+ speak-up sessions were conducted covering 1,000+ employees
-  In the latest Town Hall meeting, 550+ employees joined the event, where 5,000+ employees joined the event virtually
-  4 pan-bank rewards and recognition ceremony were held, apart from several division/department-level ceremonies
-  Hosted an appreciation ceremony for 50 colleagues who retired during the year

 Organised Women's Day celebration

 Conducted health awareness sessions, including breast cancer awareness and head and neck cancer awareness

City Bank also has corporate sports teams in cricket, football, table tennis and badminton. These teams triumphed in 10 cricket tournaments and a tournament each in football, table tennis and badminton across the country in 2022, bringing glory to the bank. Participation included in:





-  Bankers Championship Trophy
-  T10 Bankers Cricket Cup
-  Games Hour Corporate Cricket Tournament
-  Invoke Communication Corporate Football Tournament
-  Chittagong Club Table Tennis and Badminton Tournaments

Health awareness session

Apart from regular work, City Bank takes care of the mental and physical health of employees. In view of this, the bank frequently arranged health awareness sessions for employees, such as health and neck awareness cancer session, female health session, etc.

Initiatives taken amid COVID-19

The bank adopted a number of initiatives to help employees cope with the pandemic challenges during its peak. These included:

-  COVID-19 monitoring and reporting
-  Reimbursement for COVID-related medical expenses
-  Contingency insurance/COVID insurance against COVID-related death of employee
-  Telemedicine service

Provident Fund

The City Bank Limited Employees Provident Fund is a funded scheme that is duly approved by the National Board of Revenue (NBR). Provident Fund benefits are given to employees of the bank in accordance with the registered Provident Fund Rules. All confirmed and permanent employees are entitled to be member of the Provident Fund scheme. The employee contribution, equal to 10% of the basic salary, is deducted each month from the salary. The bank contributes an equal amount, with both the employees' and the organization's contribution being paid to the fund each month.

Gratuity

Gratuity Fund benefits are given to employees of the bank in accordance to the approved Gratuity Fund Rules. The bank's gratuity benefits is a fully funded scheme. All confirmed and permanent employees serving the bank for more than 5 but below 10 years are eligible for gratuity benefit @ 1x basic pay for each completed year of service. All confirmed and permanent employees serving the bank for more than 10 years are eligible for gratuity benefit @ 1.5x basic pay for each completed year of service.

Welfare Fund

City Bank formed an Employee's Emergency Support Fund for the welfare of employees. Employees of the bank may obtain financial assistance from this fund by subscribing to the membership of this fund. Obtaining membership is not mandatory though. However, if anyone intends to get financial assistance from this fund then membership of this fund is mandatory. The

fund offers financial assistance to members and their dependents for 16 critical health emergencies:

- Cancer
- Stroke
- Heart attack
- Serious coronary disease
- Coronary artery surgery
- Heart valve replacement
- Pulmonary arterial hypertension
- Aplastic Anemia
- Major organ or bone marrow transplantation
- Permanent blindness or permanent hearing loss or permanent loss of speech
- Major fire accident at home

Group Life Insurance

City Bank provides Group Life Insurance coverage to all permanent employees, effective from their joining date. Employees are required to declare their nominee/s in a prescribed format during their joining period for insurance benefits to the beneficiaries. In the unfortunate event of death of an employee while in the bank's service, the organization, depending on the classification of the said employee, shall pay insurance benefits to the nominee/s. In case of any accidental death while in service, the nominee/s of the employee shall receive double the coverage amount of the respective grade of employee. The benefit cap at City Bank ranges from BDT 0.6-3 mn, depending on the job grade.

Rewards and recognition

City Bank believes that it is employees who are recognised demonstrate higher standards of

performance. The year 2022 was a pivotal one for our rewards and recognition (R&R) program as it was the second year of executing the program after the introduction of the official R&R framework at the bank.

The framework aims to partly decentralise the recognition process, thus having the intended effect of increasing the frequency of recognising and accentuating exemplary performance. We believe this will go a long way in nurturing a happy and more joyful and spirited organisation that is rooted in the spirit of gratitude and thankfulness.

Despite many challenges throughout the year, we are proud that our employees remained focused on their path and achieved results against adversity. In recognition of their commitment and efforts, around 2,500 employees were recognised and rewarded for their contribution and dedication during the year.

Fringe benefits

City Bank offers the following fringe benefits to employees:

- Group life insurance
- Health insurance
- Employee emergency support through the Employees' Emergency Support Fund
- Car loan
- House building loan
- Loan against PF
- 2-wheeler loan for support staff
- Integrity award
- Personal loan
- Credit cards
- Day Care Facility

CAPACITY BUILDING ACROSS THE BANK



475

Number of sessions arranged in 2022



18,433

Number of people who participated in training, with 5,203 unique participants



66,321

Total training hours



10.90

Average hours of training per employee

Talent Retention and Career Advancement

City Bank has implemented several innovative programs and initiatives designed to cement the City Bank's employer brand and attract the right talent. Such signature programs include campus hiring events, management trainee recruitment, intern recruitment, 'Meet the CEO' program, etc. These programs not only help in facilitating talent recruiting, but also in building a strong connection with people while providing them a clear pathway for career progression.

The bank offers multicategory training, including functional, general and soft-skills training under a variety of mediums, including classrooms, webinars, e-learning modules and international training exposures.

Training sessions (2022)

Institutes	Sessions	Participants	Training hours
In-house	384	18,173	62,010
BIBM & Bangladesh Bank	58	129	3,244
Other institutes	33	131	1,068
Total	475	18,433	66,321

The bank's talent management strategy contributes to advancing our transformation by nurturing continuous resource development. As such, we advocate a robust induction and a training and development policy that seeks to give impetus to:



Ensuring continuous learning, which enables our employees to adapt to a fast-paced environment



Transforming our business through workforce futurisation



Managing talent, encouraging innovation, sharing knowledge and identifying key employees in various areas across the organization



Embedding our culture in line with the bank's governance standards, which include our corporate culture and Code of Conduct

Performance Management Program

At City Bank, Performance Management Program comprises a process in which managers and employees work together to plan, monitor and review an employee's work objectives and overall contribution to the organisation. It is a continuous process of setting objectives, evaluating progress and providing ongoing coaching and feedback to ensure that employees are meeting their objectives and career goals in support of accomplishing the strategic objectives of the bank. As a performance-driven organisation, the bank focuses on achieving the following outcomes of its Performance Management Program:



Ensure that good performance is recognised and valued



Inadequate performance results in the necessary support and training



Consistently poor performance results in a change of responsibilities

Coaching counselling culture

City Bank believes in holistic people management principles that are rooted in fairness and compassion while promoting a high-performance culture to accomplish organisational vision and goals. Under the aegis of the coaching counselling culture, the bank envisages to uphold a balanced approach to being just and compassionate to people and encourage high performance at the same time.

As part of this culture, in the year of 2022, City Bank trained 1,000+ existing Line Managers of the bank so that they could provide support to their direct reports when their performance was about to go 'off-track' in a compassionate manner and guide them to come back 'on-track'.

In alignment with such principles, City Bank has reviewed and updated its people management policies and processes in the year 2022, such as Performance Improvement Policy (PIP) and also revamped the process related to goal-setting, performance evaluation, performance development and separation for monthly target-based employees.

Through this new cultural practice, City Bank has not only improved the capacity of Line Managers, but also introduced a culture of fairness and justice across the bank.

Management Trainee program

The Management Trainee (MT) program plays a crucial role in developing and fortifying the bank's future leadership pipeline. The key motivations for the MT program are:

- To ensure a consistent pool of future leaders within the bank
- To attract the best graduates as part of being the employer of choice

MT Program is a one-year long comprehensive program during which the MTs are offered an array of development interventions, including:

- Divisional attachments across 13 Divisions for functional knowledge development
- Comprehensive attachments to preferred functions for hands-on knowledge
- Assigned coach and mentors along the journey
- Banking Foundation Program
- City Foundation Program
- Leadership training programs

- Various soft-skill trainings, eg. emotional intelligence, mental habits for success, etc.

Based on performance during the training period, MTs are graduated from the program and placed across regular functional roles. In 2022, 18 MTs were onboarded, and after their successful completion of the one-year training period they were placed in full-time job roles in 2023.

City Shikhi: Digital Learning Management System

City Shikhi has ushered in a new way of learning and engagement for employees. This digital learning platform empowers employees in terms of enabling them to participate in diverse trainings through this module.

The possibility of City Shikhi is limitless because it gives the opportunity to go beyond designated roles and to learn more about banking thoroughly as a subject. Through continuous tracking of employee learning progress, new initiatives are taken to enhance efficiency of employees.

The bank is in the process of incorporating a virtual library with knowledge respiratory management system and

blended learning programs that will enable our people to meet the competency requirements of the bank.

Internship program

With the aim of moulding the aspiring youth of the country, City Bank runs a structured internship program. Every quarter, we onboard a group of young talents as interns who are in the final stage of their academic journey. During their tenure at the bank for 3 months, we offer excellent opportunities to them to be better prepared to join the corporate workforce. Key aspects of the internship program comprises:

- Day-long comprehensive orientation program focusing on corporate grooming, etiquette and organisational policies and practices
- Opportunity to gain hands-on work experience and learn from subject matter experts
- Guidance on their future career development

During 2022, City Bank offered internship opportunities to 180 young talents.

Key training programs conducted in 2022

Sl no.	Name of the Training
1	Banking Foundation Program
2	Certified Business Analysis Professional (CBAP)
3	City Foundation Program
4	E&S Client Engagement Workshop for Bangladesh by GCPF
5	Effective Communication Skills and Email Writing
6	Emotional Intelligence
7	Fire Fighting, Fire Prevention, Rescue and First Aid Training
8	Functional Training for Branches and Citygem
9	Grooming and Business Etiquette
10	HR Analytics
11	Leadership Development Program for Cards Sales
12	Leadership Excellence
13	Leadership Skill Development
14	MS EXCEL: Basic to Intermediate
15	Orientation Program
16	Performance Development
17	Project Management: Beyond the Basics
18	Sales Champions: Train The Trainers
19	Sales Confidence
20	Sales Confidence in SME Banking
21	Service Excellence and Sales Skills
22	The Hidden Leader in You

ENSURING PEOPLE SECURITY AND SAFETY

Fostering a safe space for our employees

At City Bank, our security system is designed to superintend and control emergency situations effectively and ensure the safety of all individuals. Various measures have been implemented, including a team of first-aid specialists or first responders, fire wardens, deputy fire wardens, rescue team members, fire marshal and assembly point managers. Furthermore, the bank also has the necessary apparatus and resources to bring to control any untoward situations.

Additionally, regular training programs on fire-fighting, first-aid, etc., are also organised to equip employees with the necessary skills to handle any exigent situations. Formal training on security and emergency management is also provided to employees to improve their disaster preparedness.

Our safety team

	2022	2021	2020
Fire wardens	11	11	11
Deputy fire wardens (fire-fighters)	11	11	11
Rescue team members	6	6	6
Fire marshal (Group Chief Security Officer)	1	1	1
Assembly point managers	5	5	5

Security training for emergency preparedness

	2022	2021	2020
Training programs conducted on fire-fighting and first-aid	3	2	2
No. of participants	120	80	80
Number of fire drills	2	2	2
Employees who received formal training on security and emergency situation management	80	48	22

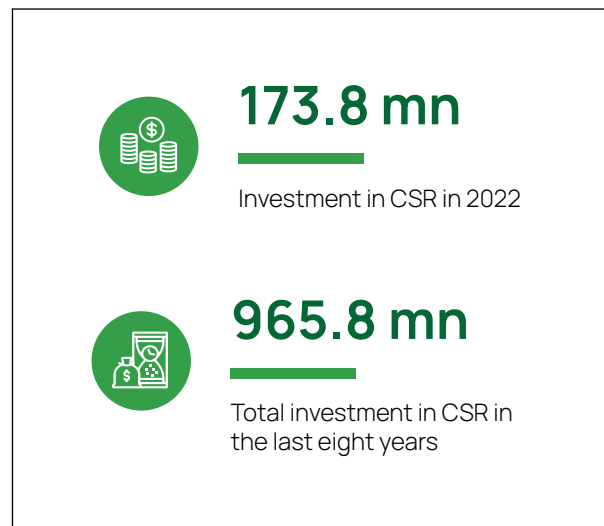
CITIZENSHIP ALIGNED TO THE SDGs

Taking Action for the Community

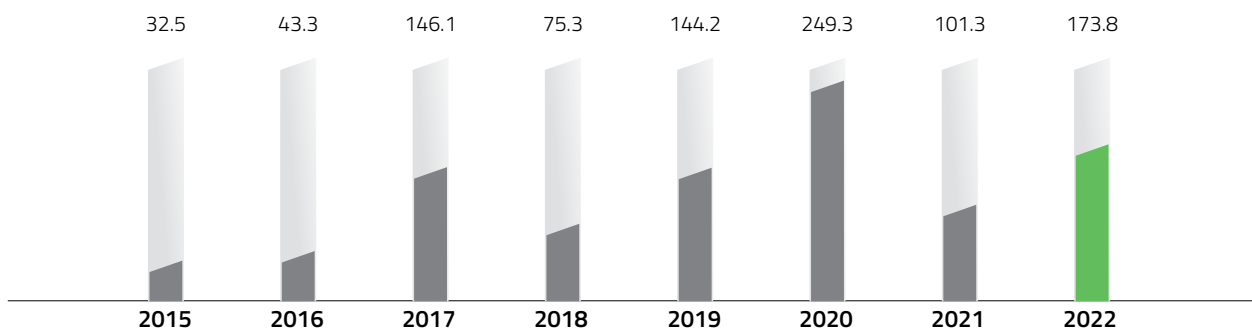
City Bank is dedicated to conducting its business in a socially responsible and sustainable manner. It believes that Corporate Social Responsibility (CSR) is an integral part of its operations and a key imperative.

The bank's pursuit of profit is balanced with its commitment to creating a positive and lasting impact on society. To this end, social responsibility has become an integral part of City Bank's organisational culture.

The bank's community support programs serve to all its CSR activities and go beyond traditional charitable or philanthropic efforts. Instead, these initiatives aim to create durable and meaningful value for society.



City Bank's CSR investment over the last eight years (in BDT mn)



In 2022, the bank spearheaded the following CSR initiatives:



Though the bank creates a positive impact on the SDGs through its operations, SDG impact is also created via its citizenship initiatives. The following provide a more detailed view of our major social investment and community development initiatives and how they contribute to the SDGs.

Allocation of funds by City Bank towards the SDGs in 2022

Sector	Amount in BDT mn
Education	17.2
Health	23.1
Environment and climate change mitigation & adaptation	0.1
Income generating activities	0.6
Disaster management	128.7
Sports & cultural activities	3.2
Others	1.1
Total	173.8

Focusing on our 3S principle – Safe, Secure and Sustainable Society

City Bank has been actively working to make a positive impact on society through its various initiatives.

In 2022, the bank made significant contribution in various sectors, such as education; health; mitigation and adaptation of environmental and climate change; income-generating activities; disaster management, sports and culture, among others. The bank's efforts in these areas are aimed at promoting sustainable development and achieving the SDGs.

In the education sector, City Bank donated BDT 17.2 mn, which was deployed to support various initiatives to improve access to quality education for all. The bank's support for education aligns with SDG #4 (Quality Education), which aims to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

In the health sector, the bank made a significant contribution of BDT 23.1 mn, which was utilised to support various initiatives, including employee health and safety, providing free medicine and medical equipment to individuals and groups, and supporting hospital costs. This contribution aligns with SDG #3 (Good Health and Well-being), which aims to ensure healthy lives and well-being for all.

City Bank's focus on mitigation and adaptation of environmental and climate change is reflected in its contribution of BDT 0.1 mn for tree plantation, and aligns with SDG #13 (Climate Action), which aims to take urgent action to combat climate change and its impacts.

The bank also made a contribution of BDT 0.6 mn to support income-generating activities aimed at improving livelihoods and reducing poverty, aligning with SDG #1 (No Poverty), which focuses on ending poverty in all its forms everywhere.

In the disaster management sphere, the bank made a significant contribution of BDT 128.7 mn, aimed at improving disaster preparedness and response, aligning with SDG #11 (Sustainable Cities and Communities), which aspires to make cities and human settlements inclusive, safe, resilient and sustainable.

The bank's contribution of BDT 3.2 mn to sports and culture demonstrates its commitment to promoting cultural diversity and physical well-being, aligning with SDGs #3 (Good Health and Well-being) and #11 (Sustainable Cities and Communities).

The bank's total contribution of BDT 173.8 mn in 2022 to various citizenship activities and initiatives highlight its commitment to promoting sustainable development and achieving the SDGs. Through its initiatives, City Bank is working towards creating a better future for all, leaving no one behind.

OFFERING ROBUST HEALTHCARE SUPPORT

SDGs linked with:



#3 Good Health and Well-being

City Bank has demonstrated its commitment to promoting good health and well-being for all, through its significant contributions to various health initiatives over the years.

In 2022, the bank made a contribution of BDT 23.1 mn to a number of health projects, including employee health and safety, providing free medicine and medical equipment to individuals and groups, and supporting hospital costs for victims of a fire incident. Furthermore, the bank's contribution of BDT 0.75 mn to the Heart Failure Research Foundation, with the objective of

establishing a biochemical lab facility, further highlights its commitment to promoting good health and well-being. The biochemical lab facility will enable the foundation to conduct extensive research on heart failure and other related health issues.

City Bank's contribution to various health initiatives is a clear demonstration of the bank's commitment to promoting good health and well-being for all. These contributions align with SDG #3 and will have a positive impact on the health and well-being of all.

Heart Failure Research Foundation – Spearheading better heart health

City Bank acknowledges the vital efforts made by the Heart Failure Research Foundation (HFRF) in enhancing management of heart failure or heart attack cases in Bangladesh. To support their objectives, the bank has provided funding for the establishment of a biochemical

lab facility at the Naogaon branch of HFRF. This facility will enable the foundation to conduct research and develop innovative approaches to prevent and treat heart failure, improving outcomes for patients and reducing the burden of this disease on society. City Bank is proud to support HFRF's efforts to raise public awareness about heart failure and improve healthcare outcomes for communities across Bangladesh.

Head and Neck Cancer Support Foundation

City Bank recognizes the vital work being done by the Head and Neck Cancer Support Foundation to improve the lives of people affected by head and neck cancer. In support of their mission, City Bank has made a donation to the foundation to support treatment of related diseases and transportation/ambulance facilities for the patients. The foundation focuses on raising awareness, providing information and support, and

funding research into the causes and treatments of this type of cancer. It works with medical professionals and patient groups to develop new treatments and techniques for the early detection and treatment of head and neck cancer. Its goal is to help reduce the impact of the ailment on individuals and their families, and ultimately find a cure. This aside, the foundation has also initiated the establishment of a specialized cancer hospital.

Protigga Foundation – Focused on improving the quality of lives at the grassroots

City Bank has provided a generous donation to Protigga Foundation, a non-profit organisation in Bangladesh that strives to improve the lives of underprivileged communities. Specifically, the funds will be deployed to provide training on women's health, hygiene and safety against COVID, and birth control for 150 female cleaning workers of Dhaka South City Corporation in phase-2 of the program. The foundation's broader mission is to empower women and children by providing access to education and healthcare services, promoting gender equality and human rights, and supporting community development initiatives. The organization also tackles major environmental issues, such as climate change, water scarcity and deforestation.



Rotary Club

Health and wellness have always been vital sectors for City Bank's CSR contribution. Through the Rotary Club, the bank contributed to the training and free health check-up learning program with the participation of well-known doctors from around the world. In a 5-day program, 630 professional and non-professional women received training on different health issues, primary treatments, feminine disease identification, needful actions and others across a span of 11 sessions. Also, the team visited multiple slums to provide premedical treatment and created awareness among the slum dwellers.



ADDRESSING DISASTERS AND PROTECTING THE ENVIRONMENT

SDGs linked with:



#11 Sustainable Cities and Communities

City Bank is making all-out efforts to extend a positive impact on society and this includes efforts in areas such as disaster management, climate action, and environmental development, which align with multiple SDGs. The bank's donation of 75,000 blankets worth

over BDT 25 mn to assist winteraffected individuals and a contribution of BDT 100 mn to the Prime Minister's Relief & Welfare Fund for flood relief demonstrates its commitment towards relief and welfare.

Prime Minister's Relief Fund

City Bank has donated BDT 10 crore to Prime Minister's Relief fund for distribution among the flood affected people. Chairman of City Bank Mr. Aziz Al Kaiser handed over the cheque to Dr. Ahmad Kaikous, Principal Secretary to the Prime Minister at the PM office on 27 June 2022. Mr. Sheikh Mohammad Maroof, Acting Managing Director was also present at the occasion. Prime Minister Sheikh Hasina joined the donation program virtually.



Blanket distribution of City Bank

Mr. Aziz Al Kaiser, Chairman, City Bank and Mr. Mashrur Arefin, Managing Director & CEO of the bank handed over blankets for the poor people in the upcoming winter to Prime Minister Sheikh Hasina at the PM office on November 10, 2022. City Bank has donated 75,000 blankets in this event to Prime Minister's Relief Fund for distribution among the cold affected people.



INCOME GENERATING ACTIVITIES

SDGs linked with:



#1 No Poverty
#8 Decent Work and Economic Growth



Ujjwala - Fostering an entrepreneurial spark in women

At City Bank, we are committed to promoting sustainable economic growth and supporting the communities where we operate. In line with this commitment, we are proud to have contributed to Ujjwala, a mission-driven incubator that supports women entrepreneurs and professionals in growth-oriented service sectors in Bangladesh. Their range of transformative experiences include skill-based training, business strategy and operations management support, mental health training, and networking opportunities. Ujjwala's programs have reached 1,000+ women across 20+ districts and all divisions of Bangladesh. The organisation aims to foster sustainable women-led enterprises in the country and empowers women to promote overall economic development in Bangladesh.

Satkania Lohagara Samity

As a responsible and caring organization, City Bank is concerned about the income generation of the community's poor people. As a result, City Bank prefers to contribute to income-generating activities. Satkania Lohagara Samity, Dhaka has been supporting underprivileged people since 2007 for income-generating support. In 2022 the organization distributed 54 rickshaws, 57 sewing machines and Dhew Tin for 81 families. City Bank marks its contribution to this donation program through Satkania Lohagara Samity.

EXTENDING QUALITY EDUCATIONAL SUPPORT

SDGs linked with:



- #4 Quality Education
- #5 Gender Equality
- #10 Reduced Inequalities
- #17 Partnerships for the Goals

City Bank's commitment to education corresponds to SDG #4: Quality Education. The objective is to assure inclusive and equitable quality education and encourage opportunities for lifelong learning for all. The bank has expended a total of BDT 17.2 mn on education projects, such as vocational training, education connected to research, scholarships, and funding for running education programs for disadvantaged youth.

Moreover, City Bank's dedication to supporting education projects and enhancing access to

education for everyone is consistent with SDG #17: Partnerships for the Goals. This objective highlights the necessity of partnerships and cooperation between governments, the corporate sector, civil society, and other stakeholders in attaining the SDGs. City Bank demonstrates unwavering dedication to fostering the sustainable development of society with its contribution of BDT 1 mn to Chayatal Bangladesh, which will be deployed to fund education programs for impoverished children living in Dhaka.



Chayatal Bangladesh - Ushering transformation through education

City Bank acknowledges the significance of providing accessible education for facilitating disadvantaged communities. To this end, the bank has provided funding for Chayatal Bangladesh's education program, which aims to provide education and support to underprivileged children in Dhaka. Chayatal started in

2016 by teaching a group of children how to write their names, which led to the formation of the organization. Chayatal Bangladesh currently operates three schools, arranges medical camps, provides school supplies and clothing, and organises religious and cultural activities. The organisation aims to train children and make them self-reliant, and its ultimate goal is to provide education to as many underprivileged children as possible.

PROYASH – Striving for a better future for underprivileged children

City Bank has contributed to PROYASH Institute of Special Education to support their programs for disabled children in Bangladesh. PROYASH is a non-profit organization that provides education and training to children with disabilities. It has been functioning under

the patronage of Bangladesh Army since July 2006 and runs programs in several parts of the country. This social service organisation offers a range of programs, including special education, vocational training and healthcare services to cater to the diverse needs of disabled children. Since its inception in 1986, PROYASH has helped thousands of children with disabilities to receive education and pursue their dreams.



Support to the University of Dhaka

Being a socially-responsible bank, City Bank has always extended a helping hand to diverse areas of social development, ranging from cultural activities to disaster management, sports, education and supporting underprivileged women and children. For easy transportation of Dhaka University students, City Bank gifted an Ashok Leyland bus. Moreover, This initiative made the transportation of the students to their beloved university comfortable and enjoyable.



Women Entrepreneurship Certification Program

City Bank and North South University collaborated and co-developed an entrepreneurship course for potential and existing women entrepreneurs. Under the program, women entrepreneurs will receive exclusive training on entrepreneurship and networking opportunities which will help them to gain skills that will elevate their personal and professional life. In 2022, the City Alo Certification Courses were extended to Chittagong Independent University (CIU) and American International University-Bangladesh (AIUB).



COMBAT AGAINST CLIMATE CHANGE

SDGs linked with:



#11 Sustainable Cities and Communities

#13 Climate Action

#15 Life on Land

#17 Partnerships for the Goals

Taking action for the climate

City Bank continues to uphold its commitment to preserving the natural beauty of Dhaka by supporting the maintenance and development of Baridhara Lakeside Park. The bank has signed an agreement to sponsor the park's upkeep for the next five years, until 2027. With its prime location, the park offers city residents a spacious green cover, and the bank's contribution will help ensure its proper conservation and maintenance. This initiative demonstrates the bank's dedication to environmental sustainability and community well-being.

Tree Plantation Initiative on Environment Day at Sir John Wilson School

City Bank has always been concerned about the environment. As a result, environmental factors and climate change remain a prioritised sphere for City Bank's CSR activities. Planting trees is one of the most effective ways to reduce the effects of climate change and improve the environment. Tree planting can also help to reduce soil erosion, improve air quality, and so on. Consequently, City Bank supported the tree plantation program organized on Environment Day by the students of Sir John Wilson School.



ADVANCING SPORTS AND CULTURE

SDGs linked with:



#3 Good health and Well-being

#10 Reduced Inequalities

#17 Partnerships for the Goals

#11 Sustainable Cities and Communities



City Bank recognizes the importance of preserving cultural heritage and supporting sports in Bangladesh which is a testament to the bank's dedication to the overall development of society. As part of our commitment to sustainability, we are proud to support the final phase of the Encyclopedia on Bangabandhu project, led by History and Culture Circle Bangladesh Limited (HCCB). The MUJIBPEDIA project is one of their successful initiatives, which is an encyclopedia on the father of the nation, Bangabandhu Sheikh Mujibur Rahman. Our support for HCCB's efforts in research and cultural preservation reflects our commitment to building a more sustainable and culturally rich future for all.

In the realm of sports, the bank's support to the Bangladesh Sheikh Mujib Dhaka Marathon and sponsorship of national golfer, Md Samsul Alam Babu, demonstrates its commitment to promoting physical activity and healthy lifestyles. These initiatives encourage people to prioritize their health and engage in regular fitness and exercise, which is critical for reducing the risk of chronic diseases and promoting overall well-being.

By supporting these initiatives, City Bank is not only investing in the future of Bangladesh but also demonstrating its commitment to creating a better and more sustainable world.

FORGING STRATEGIC PARTNERSHIPS

SDGs linked with:

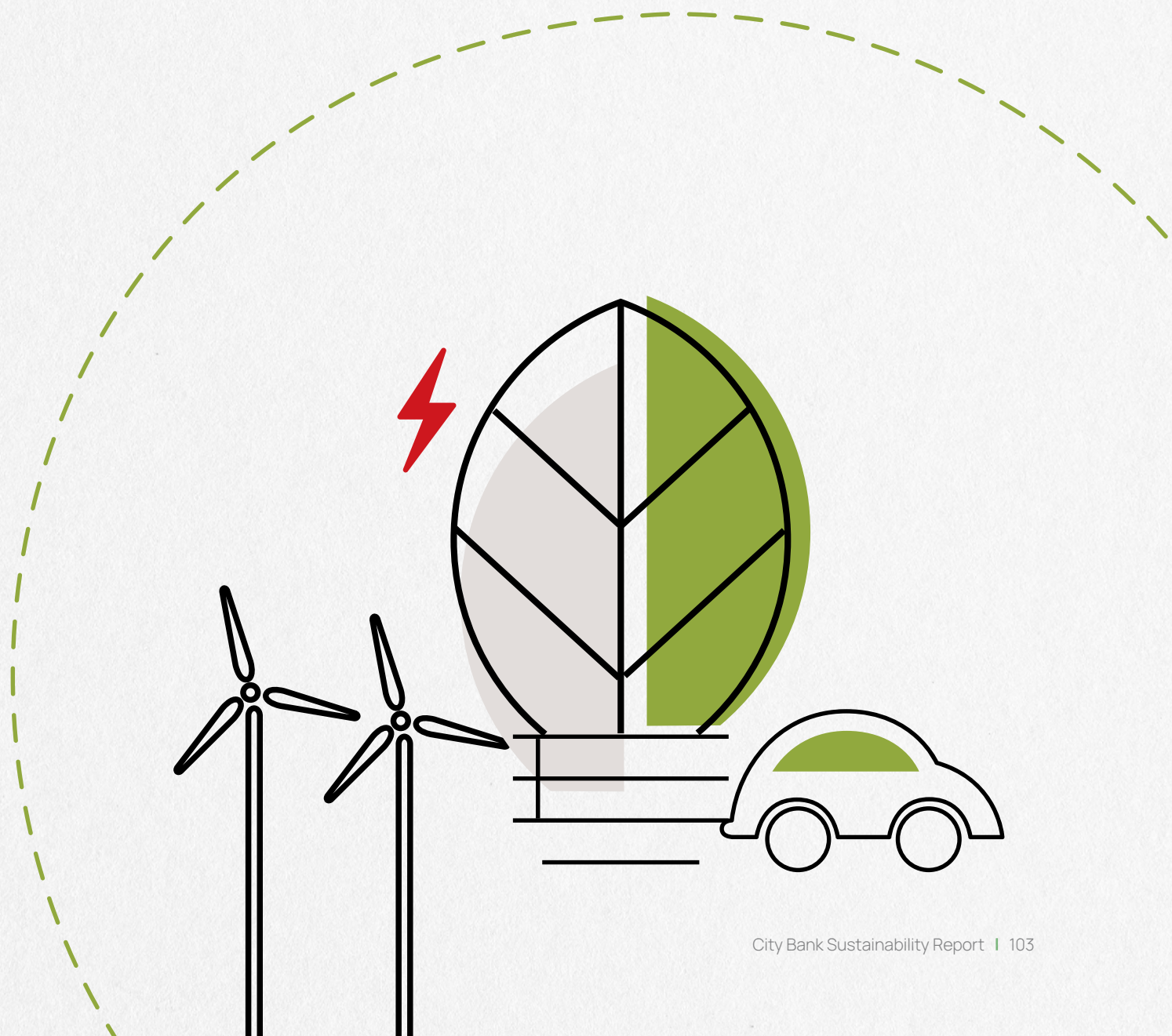


#6 Clean Water and Sanitation
#11 Sustainable Cities and Communities
#17 Partnerships for the Goals



Making drinking water accessible to all

City Bank has sustained its partnership with Footsteps Foundation for the implementation of Project Trishna, which aims to offer clean drinking water to the residents of the city free of cost. The bank has supported the operation of 20 modern water filtration systems as part of this project, contributing to the improvement of public health and well-being by ensuring access to clean filtered water.





টি-১০ ব্লাস্ট ২০২২
চ্যাম্পিয়নস
 সিটি ব্যাংক ক্রিকেট টিম



CITY BANK SPORTS

City Bank is committed to physical fitness and encourages employees to take up sports. Continuing with this, the bank won several pride-enhancing accolades and trophies.



●
Champion
in bankers
Championship
Trophy

●
Champion in Games
Hour Corporate
Cricket Tournament

●
T10 Blast Corporate
Cricket Tournament

●
Champion in Invoke
Communication
Corporate Football
Tournament

●
Champion in Tables
Tennis & Badminton
Tournament
organised by
Chittagong Club



Governance

OUR GOVERNANCE AMBITIONS



At City Bank, strong governance systems are the cornerstone of our successful and sustainable business and helps us to live and implement our purpose, as we strive to be a force for good for business, society and the planet.

- Aziz Al Kaiser, Chairman

Fostering a world-class governance practice

At City Bank, our governance ambitions are closely linked to how we steward the business and an important consideration here is our economic performance that refers to our ability to operate a profitable business model for ensuring the long-term viability of the Company.

For the bank, this is inextricably intertwined with being a responsible and sustainable organisation. This means working to secure our long-term economic growth while positively impacting the environment and society and meeting the expectations of all our stakeholders. Short- and mid-term goals must support both our bold financial targets as well as the longer-term ambitions linked to our bank's purpose.

Our intention is to deliver growth in partnership with our customers, achieve ambitious financial targets through the creation of inspiring products and solutions that support happier futures, all while making progress on our longer-term ambitions in the realm of people, planet and profit.

Any business must be financially sustainable. At City Bank, solid economic performance puts us in a position to support our customers' plans, needs and expectations and enables us to provide them with growth opportunities through the use of our products. It allows us to support innovation together with our myriad partners, including research institutions and technology providers, among others. It allows us to focus on our people, making sure that everyone has

the right skills and competencies to grow and feel welcomed, valued and inspired at the workplace. Economic strength helps us work with suppliers to ensure long-term value creation for local economies and to source materials and services in a way that protects people and the environment, and to increase transparency and visibility within our supply chain.

Finally, and as critically, solid economic performance allows us to strengthen and improve the social, economic and environmental fabric of the communities where we operate, enabling us to support pressing causes and local projects and charities.

It all begins with our ability to foster world-class governance practices.

Applied Governance at City Bank

This report provides an overview of the corporate governance framework, practices and policies of City Bank for the year 2022 with reference to the Corporate Governance Code dated 3 June 2018 issued by the Bangladesh Securities and Exchange Commission (BSEC).

As a listed company on the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd., City Bank remains committed to complying with all applicable conditions set out in the Code and providing appropriate disclosures to stakeholders. The Board of Directors of the bank recognise the importance of robust applied governance and are committed to ensuring the sustainability of the bank's business and operations by integrating sound governance principles and integrity into its strategies and operations.

The Board considers itself a trustee of all shareholders/ members and acknowledges its responsibility to them for creating and safeguarding their assets and their trust reposed in the bank.

Sustainable Governance Practices

The Board of Directors approves all of the bank's ESG policies and strategies after receiving consent in principle from the Board Risk Management Committee (BRMC). BRMC directs the Sustainable Finance Committee (SFC) to oversee and supervise all activities

related to the environment, green finance and sustainability through the Sustainable Finance Unit (SFU). CBL has an additional ESG Committee known as Emission Reduction Steering Committee (ERSC), that oversees the emission reduction strategies.

Sustainable governance practices are aimed at ensuring that City Bank is aligned with its sustainability objectives and is able to effectively manage its sustainability risks. Key framework that defines sustainable governance practices at City Bank include:



Board Oversight

Board of Directors is responsible for overseeing the organisation's sustainability performance and ensuring that sustainability is integrated into decision-making processes.



Stakeholder Engagement

City Bank engages with stakeholders, including customers, employees, suppliers and communities to understand their perspectives and expectations on sustainability.



Risk Management

City Bank identifies and manages sustainability risks, including environmental, social and governance risks to minimize their impact and ensure that they are effectively managed.



Performance Measurement and Reporting

City Bank measures and reports its sustainability performance, including the use of metrics and targets, to demonstrate its commitment to sustainability.



Ethics and Compliance

City Bank adheres to ethical standards and complies with all relevant sustainability-related laws and regulations.



Transparency and Communication

City Bank communicates its sustainability performance to stakeholders in a transparent and accessible manner, including through sustainability reports and other communication materials from time-to-time.

OUR GUARDIANS OF STAKEHOLDER TRUST

City Bank's Board of Directors

The Board of Directors of City Bank, as guardians of shareholder and stakeholder trust, has a crucial role in determining the bank's governance structure and practices by selecting strategies and providing guidance to drive its operations. Truly, the strength of our Board reflects the quality of governance practiced at the bank.

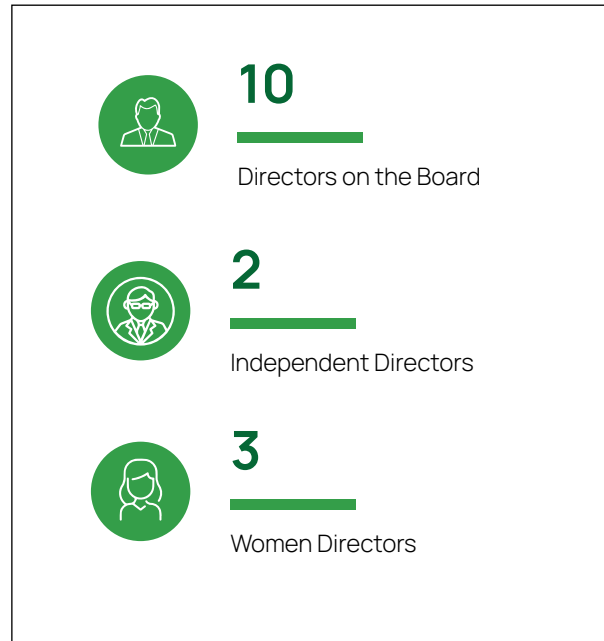
The Board, as the apex decision-making body of the bank, is responsible for managing and superintending all risks and opportunities and designing and implementing governance mechanisms, including appointing members of the Board's sub-committees and the senior management. With their dynamic leadership, the Board as a whole provides strategic direction to the management to achieve its vision while complying with all regulatory and ESG requirements in pursuit of sustainable profit and value for all stakeholders.

The Board of Directors of the bank set the tone of governance from the top and remain invested in the bank's strategy execution and performance review. We have a quality Board comprised of Directors with rich and diversified expertise that enhance the quality of discussions at Board meetings, that eventually reflects in the superior and sustainable performance of the bank.

The Board has the overall responsibility for sustainability and integrates ESG matters in the formulation of the bank's strategy. The Board provides oversight on the bank's sustainability agenda and directs its efforts in managing material ESG matters, and is guided by the objective to create long-term value by managing the business in a balanced, transparent and responsible manner.

Our Unitary Board

City Bank is composed of 10 Directors, out of which 3 are Women Directors. Such a composition makes City



Bank's Board one of the most gender-diverse boards in Bangladesh's banking industry. Our new-age Board of Directors bring rich experience and expertise to the table that enables better stewardship of the organisation.

Board Composition

- Aziz Al Kaiser – Chairman
- Hossain Khaled – Vice Chairman
- Hossain Mehmood – Director
- Rajibul Huq Chowdhury – Director
- Syeda Shaireen Aziz – Director
- Savera H. Mahmood – Director
- Dr. Salim Mahmud – Independent Director
- Rebecca Brosnan – IFC Nominated Director
- Matiul Islam Nowshad – Independent Director
- Mashrur Arefin – Managing Director & CEO

Roles and Responsibilities of the Board

The Board of Directors of City Bank plays a critical role in ensuring that sustainability is integrated into the bank's business activities. The Board is accountable for defining the overall sustainability strategy, implementing rules and processes, and ensuring that sustainability risks are managed satisfactorily.

In order to meet these obligations, the Board routinely examines the bank's sustainability performance and its progress towards achieving sustainability goals. Environmental, social, and governance (ESG) risks linked with the bank's lending and investment activities are also regularly reported to the Board by the management.

In addition, the Board is responsible for the bank's sustainability performance through its supervision and decision-making duties. The Board ensures that the bank's policies and activities on sustainability are in line with regulatory requirements, as well as industry standards and best practices.

The Board is dedicated to openness and open dialogue with stakeholders on topics pertaining to sustainability.

As part of this commitment, the bank communicates its sustainability performance in the annual report as well in meetings with stakeholders. However, considering the growing scale of sustainability activities within the bank, together with the need to communicate strategy, efforts and initiatives in the realm of sustainability, the bank has identified the need to create a separate reporting practice for this, the manifestation of which comprises this Sustainability Report, which is the inaugural publication for the bank. This report is based on the GRI Standards 2021, making the bank amongst the very few organisations in Bangladesh's banking and overall services sector to publish an exclusive Sustainability Report based on an international reporting and information disclosure standard.

This report has been made under the supervision of the Board as it plays a crucial role in overseeing the bank's sustainability performance and ensures that sustainability is embedded into the bank's business processes, thus making sustainability an everyday practice. Further, via its supervision, decision-making and transparency obligations, the Board is responsible for the bank's sustainability performance and further development.

FOSTERING A CULTURE OF TRANSPARENCY

Anti-corruption policies and procedures

As part of the effort of combating corruption, promoting integrity and establishing good governance, the government has adopted the National Integrity Strategy (NIS) of Bangladesh. A high-level National Integrity Advisory Council has been constituted for its implementation. Bangladesh Bank has been entrusted with the responsibility of implementing the National Integrity Strategy (NIS) in the country's financial sector.

In line with the implementation of NIS, and as per BFIU, City Bank has established ML & TFPD division. This aside, the Committee is also mandated with the task of identifying ways to protect the culture of loan defaults and promote consciousness with a view to reduce frauds, forgeries, irregularities and other sources of corruption across the bank.

Prevailing laws and rules considered by CBL's AML and CFT Policy



Composition of Central Compliance Committee (CCC)

As per Section 1.3 of Bangladesh Financial Intelligence Unit (BFIU) Circular no. 26 dated June 16, 2020, the bank is required to set up a Central Compliance Committee (CCC) composed of senior executives, including Chief Anti Money Laundering Compliance Officer (CAMLCO) and DCAMLCO.

CBL has established a Central Compliance Committee as a separate department at the organogram. The unit comprises of 17 members:

Meeting highlights

- Discussion regarding recent AML trends and fraudulent activities
- Regulator recommendations provided on CAMLCO conference
- Overall status of AML software for transaction monitoring
- Discussion on AML risk using digital platform across the financial industry
- Observations found from branch visits and priority center visits
- Status of the bank's plan to improve CAMELS rating

Commitment to anti-corruption and secure operations

At City Bank, we place strong emphasis on anti-corruption, anti-fraud and anti-bribery. We are committed to foster a conscientious culture that encourages the right practices aligned to rules and regulations, and takes a stern stance on any possible wrongdoing or defalcation. This has enabled the bank to win the trust of stakeholders and sustain its reputation as one of the preeminent banks of the country.

Training on anti-corruption and regulatory best practices, 2022

Region/Area/Division	Probationary	Regular	Temporary	Grand Total
Barishal	7	20	7	34
Chattogram	59	234	41	326
Dhaka	262	784	86	1087
Khulna	13	31	13	55
Mymensingh	1	9	2	12
Rajshahi	13	62	20	95
Rangpur	12	34	4	47
Sylhet	13	77	14	102
Grand Total	380	1,246	187	1,753

Organisational values

City Bank's values guide its employees' actions and day-to-day conduct, enabling them to embrace a winning culture. The foundations of our success is underlined by our vision of being a financial supermarket, nurturing a winning culture that is powered by our core values of being:

- Result Driven
- Engaged and Inspired
- Accountable and Transparent
- Courageous and Respectful
- Customer Delight

At the bank, our unique people management practices are evidenced in our 'Value Ambassadors' and 'Value Champions' programs. These programs embody the authentic spirit of City Bank's values and shape the culture we want to advocate by exhibiting and making recognisable the key behavioural indicators of our values, which are promoted as undividable parts of our everyday office life.

The Ambassadors and Champions connected and engaged with the teams to discuss several topics, such

as nurturing the right mindset, shaping our culture, living our values as every day habits, health and safety, work-life balance and way forward for the coming years.

In 2022, we carried out the HR campaign titled "Living the Values" with our five Value Ambassadors and fifteen Value Champions. The campaign had more than 100 sessions and orientations on our values, covering around 2,000 participants.

Amongst the five values, 'Accountable & Transparent' is a value that specifically aims to instill ethics and integrity in our employees so they may act responsibly and with a sense of ownership in their particular fields.

We also firmly abide by our "Speak Up," "Grievance Management" and "Disciplinary Process" guidelines if any employee fails to act in an ethical manner. At the same time, we value and honour our employees who uphold integrity in their work and personal lives by presenting the "Integrity Award" in accordance with the National Integrity Strategy every year. In 2022, nine officials received the Integrity Award from City Bank. Additionally, the management awards employees that live up to the company's ideals with "Value Pins" as well as rewards and recognition all year long.

Chair of the highest governance body

Chair of the highest governance body is the Chairman of the Board of Directors. The Chairman is elected from among the members of the Board. The Chairman does not take part in the day-to-day business of the bank but presides over monthly meetings of the Board of Directors and provides strategic guidance and ensures direction-setting for the business of the bank.

Nomination and selection of the highest governance body

The Board elects directors and submits recommendation to shareholders at the Annual General Meeting (AGM) for approval and appointment/re-appointment, subject to compliance with the Articles of the Association of the bank and fulfillment of regulatory guidelines. On vacation of any director's seat as a Board member prior to the expiry of his/her term of office, the remaining members, at the immediate next meeting, appoint/s other qualified and suitable director/s to fill the vacated position.

Retirement and re-election of Directors

According to the Articles of Association of the bank and the Companies Act, 1994, each Director, except for the Managing Director & CEO, one-third of the Directors retire by rotation and are required to stand for re-appointment by shareholders at the AGM. No new Director has joined the bank in the year of 2022. Yet, as per Companies Act, 1994, 1/3rd of the Directors of the Board retired by rotation and were subsequently re-appointed during the year 2022.

Independent Directors

The Bank has fulfilled regulatory compliance with the bank Companies Act, 1991 (Amended in 2013) by appointing two Independent Directors on the Board of the bank.

Vacation of office of Director

The regulation on a director vacating his position from office is in compliance with the instructions specified in section 108 (1) of the Companies Act, 1994. Besides, if any a Director is declared a defaulter and does not

repay any loan taken within two months after getting a notice under section 17 of the Bank Company Act, 1991, or provides false statement at the time of appointment, or fails to fulfill the minimum eligibility criteria, it is obligatory on the Director to demit his position as a Director on the Board of the bank.

Training programs conducted on ethical standards

Training	Total participants
Code of Conduct	885
Ethics & Integrity	278
AML & CFT/TBML	1,843
Total	3,006

Speak Up

At City Bank, through our signature program on the prevention of harassment at the workplace, "Speak Up", we have initiated a pan-bank awareness program, especially for branch managers, department heads, unit heads and all female employees separately.

Our ongoing initiative of engaging women leaders in various committees to discuss work-related issues and to provide ongoing support has fostered a deep sense of safety and belongingness among our women employees. Thus, this offers a strong and secure platform for dialogue and ongoing engagement.

In 2022, 25 Speak Up programs and orientations were held, covering a vast swathe of the bank's employees.

Policy on Prevention of Sexual Harassment

City Bank fosters a working environment that is free of inappropriate behaviour of all kinds and harassment related to age, disability, marital status, race or color, national origin, religion, gender, sexual orientation, or gender identity and pardoned conviction.

The bank ensures adequacy of safeguards against sexual abuse and harassment. To create a safe environment and deter and prevent gender discrimination, sexual harassment and violence in every workplace of the organization, the bank commits to give utmost importance to awareness through the following

means and beyond:

- Orientations are duly arranged for all newly appointed employees, and requisite training is provided to the concerned managers and supervisors.
- Address issues of sexual harassment complaints ensure transparency in officials eligible to receive formal reports (Grievance Committee and Management Committee members)

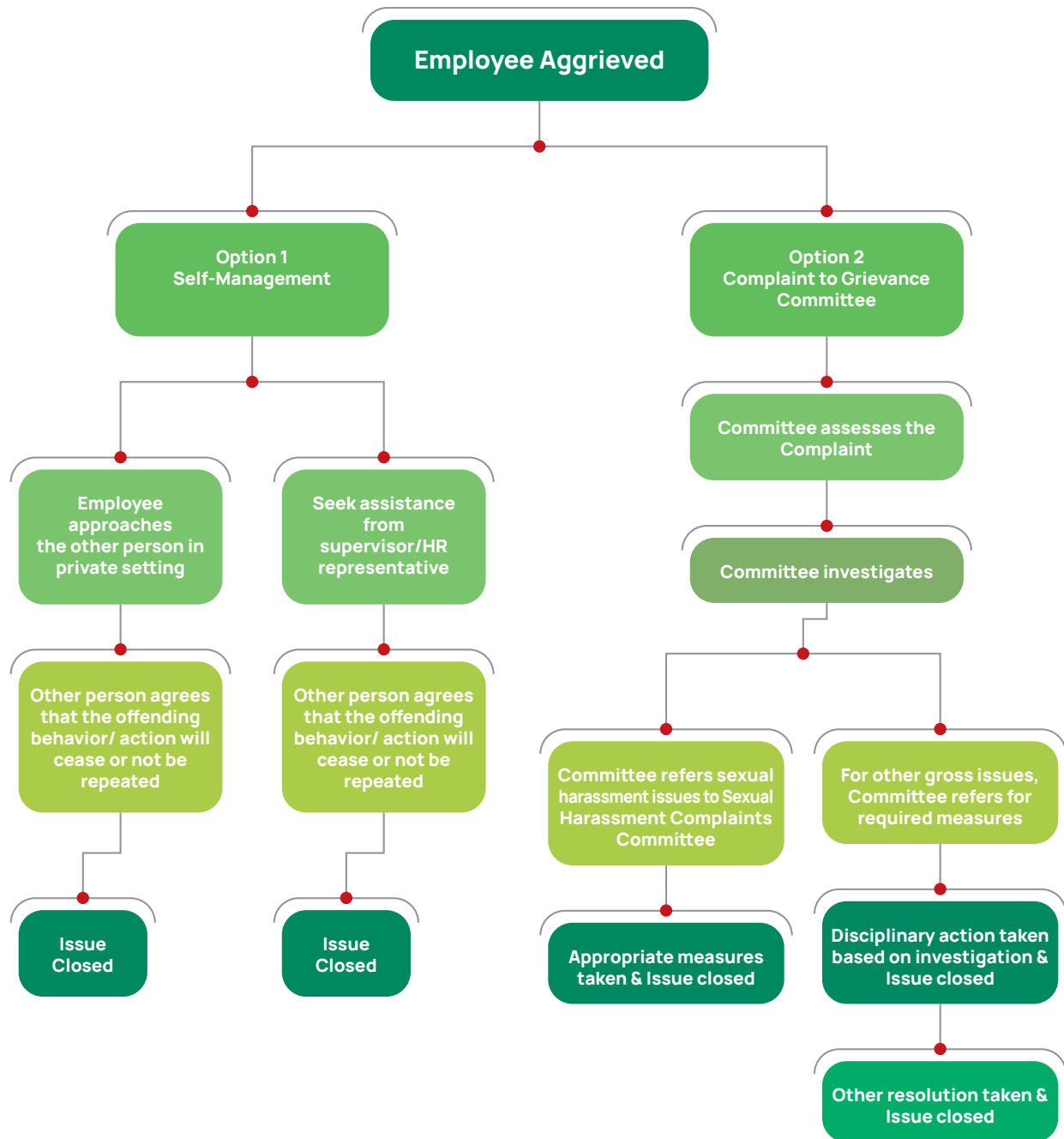
The policy on sexual harassment is widely communicated across the bank via pictorials, digital screen savers, emails and other messaging activities and posters.

Grievance Redressal Policy

City Bank recognises that unfortunate/undesirable/unwarranted issues may arise in the workplace, which may need to be addressed and resolved with the assistance and support of others with the aim of developing and maintaining a harmonious working environment. The management of the bank encourage all employees to raise their concerns or grievances and thus ensures a confident workplace environment. At the same time, employees are respectful and compassionate while interacting with other colleagues and stakeholders.

In 2022, a total of 28 incidents under this policy were dealt, addressed and closed.

Redressal process of City Bank



Policies for fair design and sale of financial products and services

Loan product policies have been developed on many of the bank's financial products and services, such as commodity finance, export finance, work order finance, lease finance, earnest money finance, etc. A few more loan product policies are underway to be developed based on customer expectations. Credit policy, sectoral allocation of the bank, etc., are also reviewed periodically. Such a policy helps guide the teams in day-to-day decision-making, which is key for the sustainable and responsible stewardship of the business.



Enhanced Security Protocols for Sustainable Banking Operations

City Bank’s unwavering commitment to security is fundamental to its operations as a financial institution entrusted with a substantial volume of financial transactions and sensitive data. Our steadfast dedication to safety and security serves as the bedrock for safeguarding both our esteemed customers and dedicated personnel, fostering an environment that ensures secure and seamless business practices.

Safeguarding public confidence and mitigating risks: As a responsible financial entity, City Bank recognizes the paramount importance of maintaining public confidence in the financial system while safeguarding against potential legal and reputational risks. A robust security system remains instrumental in thwarting fraudulent activities and ensuring strict adherence to regulatory requirements, thereby bolstering the overall stability and integrity of our banking ecosystem.

Protection of assets: At City Bank, we hold the responsibility of providing unwavering safety and security for the valuable assets of our esteemed customers, our dedicated personnel, and the bank itself. Embracing this responsibility, we have made significant investments in our state-of-the-art security system, designed to uphold our commitment to safe, secure, sustainable, and uninterrupted operations.

Overview of security protocols: The following table presents a concise summary of the comprehensive security protocols that City Bank has implemented:

	Fire Safety & Emergency Evacuation	SOPs, Certification, Training, Emergency Resources and Equipment
	Physical Guarding	SOPs, Training, Deployment and Monitoring
	CCTV Operations	24/7 monitoring and extensive coverage
	Intruder Alarms	24/7 monitoring and extensive coverage
	Electronic Access Control	Extensive coverage for controlled entry/exit
	Emergency Support	24/7 response team and quick response to unforeseen events, such as fires and floods
	Central monitoring Station & Security Control Room	24/7 Operational, an integrated OPS Center for monitoring and providing uninterrupted security support

City Bank’s steadfast focus on maintaining top-tier security protocols underscores our commitment to operating sustainably while ensuring the trust and confidence of our customers and stakeholders. Through ongoing investments in cutting-edge security infrastructure and unwavering adherence to industry best practices, we remain dedicated to providing an unyielding fortress of security for all aspects of our banking operations.



Fostering
Community Impact

A STORY OF GUT, TENACITY AND GLORY

Mrs. Sumaiya Khatun is the owner of Fardin Glass and Plastic Store, which was originally established by her father-in-law, Mr. Mosharref Hossain, under the name "Musharraf Bangari" in 1980.

Following Mr. Musharraf's passing in 2000, Mrs. Sumaiya's husband, Mr. Md. Ashraful Hossain Biplob, took over the business and ran it successfully until he became physically weak due to Hepatitis in 2009-10. At that point, Mrs. Sumaiya Khatun took over the business and expanded it by adding glass bottles and plastic items. In 2019, she obtained a loan of BDT 7 lac from City Bank, which she repaid on time. As a result, the bank provided her with a loan facility of BDT 25 lac, which helped her grow the business even further.

Currently, the business employs 30 people, and Mrs. Sumaiya Khatun has used the profits from the business to purchase two plots of land in Jessore Municipality, one measuring 6.60 decimal and the other 3 decimal. Mrs. Sumaiya Khatun is now recognized as a successful female entrepreneur and a role model under the full-time supervision of City Bank Jessore SME Unit.



Glass bottles and plastic items

Sumaiya Khatun's business products



BDT 7 Lac

Initial loan amount obtained from City Bank



BDT 25 Lac

Obtained from City Bank upon repayment of initial loan amount



30 People

Currently employed by Sumaiya Khatun

TURNING DREAMS INTO REALITY

Five years ago, Aleya Begum's husband passed away, leaving behind two sons and a daughter. For a few years after his demise, the family struggled financially and often went to bed hungry.

In an attempt to improve their situation, Aleya's sons, Imon Sheikh and Rimon, went to Malaysia on illegal tourist visas to find work and support their family. Eventually, they were able to legalize their status and started sending money back home via hundi. However, after receiving advice from a City Bank official, they began using banking channels to send money. Despite their efforts, the family was still unable to save enough to build a proper home for their mother, so they turned to City Bank for help.

After discussing their situation with an officer at the SME Unit Office, Aleya learned that City Bank offers remittance loans on expatriate income. With this knowledge, she applied for a loan and in 2022, City Bank granted her the loan on favorable terms.

With the loan, Aleya was able to start building a home for herself and her family. She expressed gratitude to City Bank for helping her achieve her dream, stating that without their support, it would not have been possible.

Currently, construction on the building is ongoing, and the first floor has already been completed.



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CONDUCTING BOITHOK AS A MEANS TO EMPOWER THE GRASSROOTS PEOPLE

In an attempt to bring women in rural areas under the umbrella of women banking, City Alo organizes Uthan Boithok through financial literacy sessions.

City Alo's first Uthan Boithok took place in Fulbaria, Mymensingh, with women participants engaged in vermi-compost fertilizer production.

From the session's findings, it was discovered that the women spend the money they earn by contributing to their household income. This apart, they also invest their residual earnings in fixed assets, such as land, livestock and vegetable farm. Also, it was noticed that they save up a particular portion through maintaining a DPS account and savings at local NGOs.

One such woman, Ms. Sultana Parveen, who got to know about the small loan products of CBL and also the benefit of financing through banks at the rate of 5% through the refinancing scheme of Bangladesh Bank in contrast to their usual practice of financing from NGOs at the rate of 25%, started to act as an opinion leader upon being convinced and began influencing others in her community about the importance of record-keeping and why they should come forward under the formal banking umbrella.

Till now, City Alo has conducted 3 Uthan Boithok sessions with 150+ participants, comprising agri business/poultry, micro & cottage businesses and homemakers. Seventy women deposit accounts and 20 male accounts have been opened through the Uthan Boithok sessions via the Agent Banking channel.



5%

Interest rate of CBL refinancing scheme, whereas it is around 25% in NGOs



3 Boithok with 150+ participants

Conducted by City Alo till now



70 women deposit and 20 male accounts

Opened through the Uthan Boithok sessions via the Agent Banking channel

CITY ALO: POWERING BUSINESSES, EMPOWERING WOMEN

One of the non-financial propositions of City Alo is the women entrepreneurs fair that City Alo organizes round-the-year in an attempt to empower budding women entrepreneurs of the country.

City Alo organized a 3-day Alo'r Eid Mela in joint association with Bangladesh Women Chamber of Commerce and Industry (BWCCI), one of its prominent strategic partners. Thirty-two women entrepreneurs took part in the fair, out of which 16 stalls were of City Alo graduates and the rest 16 were stalls of BWCCI members. One such participant from BWCCI, Ms. Mumu, who runs a fashion boutique named "Doyita Kothon" which focuses on jamdani dresses, accumulated BDT 6 lac sales over the 3-day fair and couldn't thank City Alo Team and BWCCI enough for giving her the opportunity to take part in the fair.

She got to know about the facilities and benefits City Alo provides to women entrepreneurs through the fair and also showed gratitude to the management for organizing a fair at such a prominent location and at such a crucial time of the upcoming occasion of Eid.

Ms. Mumu thanked City Alo for giving her the confidence and laying out such a platform for empowering her and other aspiring women entrepreneurs who were afraid to take part in the fair in the first place. This was the second fair Ms. Mumu had taken part in and she had never imagined to receive such a massive response.

Ms. Mumu was so pleased that she requested to become a part of the City Alo family through enrolling herself in the upcoming session of the City Alo Certification Program.



3-day Alo'r Eid Mela

Organized by City Alo in joint association with BWCCI



32

Number of women entrepreneurs participating in the fair



BDT 6 lac

Sales amount of "Doyita Kothon" boutique during the fair



City Alo Certification Program

Supporting women entrepreneurs

FINANCING BANGLADESH'S FIRST GREEN SUKUK BOND

City Bank Capital Resources, a wholly owned subsidiary of City Bank, played a leading role in managing the issuance of Bangladesh's first-ever asset-backed corporate green sukuk, known as Beximco Green-Sukuk Al Istisna. This unique sukuk bond, which had a duration of five years and was issued in December 2022, successfully raised BDT 30 bn (equivalent to approximately US\$ 350 mn). The funds raised were dedicated to two significant projects: development of two large-scale solar power plants with a combined capacity of 230 MW, and acquisition of modern machinery and equipment for the construction of one of the country's largest environmentally-friendly textile factory.

The upcoming textile factory will incorporate state-of-the-art technologies, machines, and equipment and promises 30% lower water consumption. The solar power plants on the other hand include Teesta Solar Limited, which boasts an impressive 200 MW capacity, making it the largest individual solar photovoltaic (PV) plant ever established in Bangladesh.

The Beximco Green-Sukuk Al Istisna offers a competitive return to investors with a base rate of 9%. Additionally, it is tied to the distributed dividend of Beximco Limited, the company that originated the Sukuk. Notably, the Sukuk also features a convertibility option that allows investors to convert their investment into ordinary shares of Beximco Limited.

To ensure the investment's liquidity, the Sukuk is listed on the main board of the country's financial market. Taking these factors into account, this product has been designed as one of the most attractive investment opportunities available, aiming to ensure the success of this pioneering structure.



BDT 30 bn

Raised through unique sukuk bond



230 MW

combined capacity of two large-scale solar power plants



30%

lower water consumption in upcoming textile factory



9%

base rate

PROMOTING FINANCIAL LITERACY AND FINANCE ACCESS THROUGH WORLDFISH EVENT



Financial literacy and access to finance is one of the main challenges hindering the growth of Bangladesh's aquaculture sector. To solve this challenge, SME-Small & Microfinance Business of City Bank and USAID-funded Feed the Future Bangladesh Aquaculture & Nutrition Activity implemented by WorldFish signed an agreement to promote financial literacy and access to finance through different loan products for aquaculture stakeholders of the country.

This loan will support stakeholders to run their business smoothly, while the financial literacy program will help them to increase business efficiency. This project will be implemented in Jessore, Khulna, Barishal, Kushtia and Faridpur districts of Bangladesh.



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GRI CONTENT INDEX

Appendix - GRI Content Index for 2022

The 2022 index of sustainability indicators for City Bank's Sustainability Report was prepared in accordance with the internationally recognised standard for sustainability reporting, namely the Global Reporting Initiative (GRI), and as per the latest GRI Standards 2021.

The GRI Index for City Bank's inaugural Sustainability Report 2022 provides an overview of sustainability considerations in the bank's lending and non-lending services and in its day-to-day functioning and operations.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 1: Foundation	Statement of Use, GRI 1, and Applicable GRI Sector Standard	124
GRI 2: General Disclosures	The organisation and its reporting practices	
	2-1 Organisational details	6-10 & 19
	2-2 Entities included in the organization's sustainability reporting	20
	2-3 Reporting period, frequency and contact point	01
	Activities and workers	
	2-6 Activities, value chain, and other business relationships	20-24
	2-7 Employees	19 & 79-90
	Governance	
	2-9 Governance structure and composition	109
	2-10 Nomination and selection of the highest governance body	113
2-11 Chair of the highest governance body	113	
2-14 Role of the highest governance body in sustainability reporting	109	
2-19 Remuneration policies	109-110	
2-27 Compliance with laws and regulations	76, 111-112	
Stakeholder engagement		
2-29 Approach to stakeholder engagement	28-30	
GRI 3: Material Topics	Disclosure on material topics	
	3-1 Process to determine material topics	26-27
	3-2 List of material topics	31
	3-3 Management of material topics	31-32

GRI STANDARD	DISCLOSURE	LOCATION	
Economic – GRI 200	Economic performance – GRI 201 201-1 Direct economic value generated and distributed	65-66	
	Anti-corruption – GRI 205 205-1 Operations assessed for risks related to corruption 205-2 Communication and training about anti-corruption policies and procedures	111 112	
	Tax – GRI 207 207-1 Approach to tax 207-2 Tax governance, control, and risk management	66 66	
	Energy – GRI 302 302-1 Energy consumption within the organisation	75	
	Emissions – GRI 305 305-4 GHG emissions intensity 305-5 Reduction of GHG emissions	75 75	
	Waste – GRI 306 306-2 Management of significant waste-related impacts	74	
	Social – GRI 400	Employment – GRI 401 3-3 Management of material topics (additional information) 401-1 New employee hires and employee turnover 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	79-80, 68 82 83-86
		Occupational health and safety – GRI 403 403-1 Occupational health and safety management systems	90
		Training and education – GRI 404 404-1 Average hours of training per year per employee 404-2 Programs upgrading employee skills and transition assistance programmes	87 88-89
		Diversity and equal opportunity – GRI 405 405-1 Diversity of governance bodies and employees	81
Local communities – GRI 413 413-1 Operations with local community engagement, impact assessments and development programs		91-102	

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