

Dutch-Bangla Bank Limited

Balance Sheet

As at 31 March 2016

(Main Operation and Off-shore Banking Unit)

PROPERTY AND ASSETS	Notes	31-Mar-16			31-Dec-15	31-Mar-15
		Taka (Un-audited)			Taka (Audited)	Taka (Un-audited)
		Main Operation	Off-shore	Total	Total	Total
Cash						
In hand (including foreign currencies)	4	8,687,307,386	-	8,687,307,386	8,296,998,632	7,020,803,945
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	5	17,414,308,363	-	17,414,308,363	14,555,926,865	15,178,783,055
		26,101,615,749	-	26,101,615,749	22,852,925,497	22,199,587,000
Balance with other banks and financial institutions	6					
In Bangladesh		23,883,193,400	2,052,052,493	25,935,245,893	27,591,599,177	13,010,752,944
Outside Bangladesh		804,409,204	-	804,409,204	1,154,177,150	1,840,924,301
		24,687,602,604	2,052,052,493	26,739,655,097	28,745,776,327	14,851,677,245
Money at call and short notice	7	1,980,000,000	-	1,980,000,000	5,270,000,000	1,100,000,000
Investments	8					
Government		19,187,552,263	-	19,187,552,263	19,405,280,474	25,193,823,649
Others		564,983,434	-	564,983,434	804,983,434	885,283,434
		19,752,535,697	-	19,752,535,697	20,210,263,908	26,079,107,083
Loans and advances	9					
Loans, cash credits, overdrafts, etc.		139,728,819,443	689,983,138	140,418,802,581	141,916,487,380	124,878,147,626
Bills purchased and discounted		4,735,968,960	3,808,730,849	8,544,699,809	10,353,513,085	4,961,537,254
		144,464,788,403	4,498,713,987	148,963,502,390	152,270,000,465	129,839,684,880
Fixed assets including land, building, furniture and fixtures	10	4,715,009,065	5,101	4,715,014,166	4,519,304,790	4,065,469,043
Other assets	11	10,732,829,149	8,850,401	10,741,679,550	10,189,299,337	14,442,559,963
Non-banking assets		-	-	-	-	-
TOTAL ASSETS		232,434,380,667	6,559,621,982	238,994,002,649	244,057,570,324	212,578,085,214
LIABILITIES AND CAPITAL						
Liabilities						
Borrowings from other banks, financial institutions and agents	12	12,570,175,733	6,365,401,123	18,935,576,856	20,283,536,724	12,818,219,974
Deposits and other accounts	13					
Current deposits and other accounts		44,267,779,497	49,229,038	44,317,008,535	47,484,925,764	37,307,160,596
Bills payable		2,227,886,901	-	2,227,886,901	2,827,945,083	1,650,683,245
Savings bank deposits		71,741,790,191	-	71,741,790,191	70,609,619,683	61,637,300,936
Term deposits		63,440,595,473	-	63,440,595,473	65,842,511,008	60,437,197,262
		181,678,052,063	49,229,038	181,727,281,101	186,765,001,538	161,032,342,039
Other liabilities	14	17,217,310,302	120,845,537	17,338,155,839	15,852,794,427	19,972,521,335
Subordinated debt	15	4,380,637,157	-	4,380,637,157	4,401,902,157	4,633,889,052
TOTAL LIABILITIES		215,846,175,255	6,535,475,698	222,381,650,953	227,303,234,846	198,456,972,400

Notes	31-Mar-16			31-Dec-15	31-Mar-15
	Taka (Un-audited)			Taka (Audited)	Taka (Un-audited)
	Main Operation	Off-shore	Total	Total	Total
Shareholders' equity					
Paid up share capital	16.2	2,000,000,000	-	2,000,000,000	2,000,000,000
Share premium	17	11,067,500	-	11,067,500	11,067,500
Statutory reserve	18	7,797,022,786	-	7,797,022,786	6,480,347,628
Other reserve	19	-	-	-	-
Dividend equalization account	20	1,366,827,195	-	1,366,827,195	966,827,195
Assets revaluation reserve	21	850,413,777	-	850,413,777	850,413,777
Revaluation reserve of HTM securities	22	115,909,029	-	115,909,029	83,548,076
Proposed dividend		-	-	800,000,000	-
Retained earnings		4,446,965,125	24,146,284	4,471,111,409	3,728,908,638
TOTAL SHAREHOLDERS' EQUITY		16,588,205,412	24,146,284	16,612,351,696	14,121,112,814
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		232,434,380,667	6,559,621,982	238,994,002,649	212,578,085,214

OFF-BALANCE SHEET ITEMS

Contingent liabilities					
	24				
Acceptances and endorsements		2,038,625,000	-	2,038,625,000	2,326,275,000
Letters of guarantee		3,839,616,247	-	3,839,616,247	3,760,026,015
Irrevocable letters of credit		18,534,603,780	-	18,534,603,780	21,542,493,515
Bills for collection		30,271,798,626	-	30,271,798,626	25,849,566,936
Other contingent liabilities		3,671,282,692	-	3,671,282,692	2,658,734,048
Total contingent liabilities		58,355,926,345	-	58,355,926,345	55,014,954,855
Other commitments					
Documentary credits and short term trade-related transactions		-	-	-	-
Forward assets purchased and forward deposits placed		-	-	-	-
Undrawn note issuance and revolving underwriting facilities		-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-	-	-
Total other commitments		-	-	-	-
Total off-balance sheet items including contingent liabilities		58,355,926,345	-	58,355,926,345	55,014,954,855

The annexed notes 1 to 44 form an integral part of these financial statements.

 Chairman	 Director	 Managing Director	 Chief Financial Officer	 Company Secretary
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Dhaka, 05 May 2016

Dutch-Bangla Bank Limited

Profit and Loss Account

For the First Quarter (Q1) ended 31 March 2016

(Main Operation and Off-shore Banking Unit)

Notes	For the three months ended 31 March (Jan - Mar)			For the three months ended 31	
				March (Jan - Mar)	
	2016			2015	
	Taka			Taka	
	Main Operation	Off-shore	Total	Total	
Interest income	26	3,815,999,182	82,253,238	3,898,252,420	3,832,934,986
Interest paid on deposits and borrowings etc.	27	1,365,176,761	64,017,321	1,429,194,082	1,538,117,996
Net interest income		2,450,822,420	18,235,917	2,469,058,337	2,294,816,990
Investment income	28	476,643,741	-	476,643,741	512,011,874
Commission, exchange and brokerage	29	371,793,359	-	371,793,359	326,401,479
Other operating income	30	473,583,793	93,174	473,676,967	450,532,386
Total operating income		3,772,843,314	18,329,091	3,791,172,405	3,583,762,729
Salary and allowances	32	640,445,942	1,062,858	641,508,800	655,760,483
Rent, taxes, insurance, electricity, etc.	34	294,117,305	-	294,117,305	247,596,974
Legal expenses	35	881,439	-	881,439	1,407,006
Postage, stamp, telecommunications, etc.	36	56,503,133	4,865	56,507,998	61,106,338
Stationery, printings, advertisements, etc.	37	84,426,762	-	84,426,762	103,153,141
Managing Director's salary and allowances	38	2,274,000	-	2,274,000	2,274,000
Directors' fees	39	40,000	-	40,000	30,623
Auditors' fees	40	-	-	-	-
Charges on loan losses	41	-	-	-	-
Depreciation and repair of bank's assets	42	380,934,898	80,228	381,015,126	358,700,359
Other expenses	43	749,428,248	392,775	749,821,023	573,279,609
Total operating expenses		2,209,051,726	1,540,726	2,210,592,452	2,003,308,533
Profit before provision		1,563,791,588	16,788,365	1,580,579,953	1,580,454,196
Provision for loans and off-balance sheet exposures	14.1.3				
Specific provision for loans	14.1.3(A)	-	-	-	209,129,969
General provision for loans	14.1.3(B)	-	-	-	51,618,265
General provision for off-balance sheet exposures	14.1.3(B)	33,409,714	-	33,409,714	88,571,650
		33,409,714	-	33,409,714	349,319,884
Other provision	14.1.1	-	-	-	-
Total provision		33,409,714	-	33,409,714	349,319,884
Profit before taxes		1,530,381,873	16,788,365	1,547,170,238	1,231,134,312
Provision for taxation					
Current tax	14.1.2	792,379,762	-	792,379,762	859,031,209
Deferred tax	11.2.2	96,138,434	-	96,138,434	(47,953,218)
		888,518,196	-	888,518,196	811,077,991
Net profit after taxation		641,863,677	16,788,365	658,652,042	420,056,321
Retained earnings brought forward from previous years		4,114,535,496	7,357,919	4,121,893,415	3,555,079,179
		4,756,399,173	24,146,284	4,780,545,457	3,975,135,500
Appropriations					
Statutory reserve	18	309,434,048	-	309,434,048	246,226,862
Retained earnings carried forward		4,446,965,125	24,146,284	4,471,111,409	3,728,908,638
Earnings per share (EPS)	23			3.29	2.10

The annexed notes 1 to 44 form an integral part of these financial statements.


Chairman


Director


Managing Director


Chief Financial Officer


Company Secretary

Dutch-Bangla Bank Limited

Cash Flow Statement For the First Quarter (Q1) ended 31 March 2016 (Main Operation and Off-shore Banking Unit)

	Notes	31-Mar-16			31-Mar-15
		Taka			Taka
		Main Operation	Off-shore	Total	Total
A) Cash flows from operating activities					
Interest receipts in cash		4,544,869,249	82,253,238	4,627,122,487	4,703,225,233
Interest payments		(962,766,483)	(64,017,321)	(1,026,783,804)	(1,151,170,235)
Dividend receipts in cash		5,711,803	-	5,711,803	-
Gain on sale of shares		-	-	-	-
Gain on sale of securities		-	-	-	-
Recoveries of loan previously written-off		500	-	500	400
Fee and commission receipts in cash		192,074,395	-	192,074,395	192,614,153
Cash payments to employees		(604,948,019)	(1,062,858)	(606,010,877)	(828,496,179)
Cash payments to suppliers		(948,066,804)	-	(948,066,804)	(958,031,526)
Income taxes paid		(641,725,955)	-	(641,725,955)	(461,916,731)
Receipts from other operating activities		653,079,946	93,174	653,173,120	584,319,712
Payments for other operating activities		(878,063,542)	(392,775)	(878,456,317)	(570,166,312)
<i>Operating profit before changes in operating assets and liabilities</i>		1,360,165,090	16,873,458	1,377,038,548	1,510,378,515
Increase/(decrease) in operating assets and liabilities					
Statutory deposits		700,336,540	-	700,336,540	351,721,940
Purchase /sale of trading securities		8,078,992,768	-	8,078,992,768	13,061,838,488
Loans and advances to other banks		-	-	-	-
Loans and advances to customers		1,806,220,434	(3,808,730,849)	(2,002,510,415)	(6,161,218,314)
Other assets		73,607,962	-	73,607,962	(18,113,613)
Deposits from other banks		6,899,876	-	6,899,876	(7,081,539)
Deposits from customers		(6,187,823,083)	49,229,038	(6,138,594,045)	(6,486,635,785)
Other liabilities account of customers		103,169,592	6,365,401,123	6,468,570,715	2,194,110,754
Other liabilities		1,060,511,109	(2,622,772,770)	(1,562,261,661)	(344,046,775)
<i>Net cash from operating activities</i>		7,002,080,289	-	7,002,080,289	4,100,953,671
B) Cash flows from investing activities					
Payments for purchase of securities		(7,838,992,769)	-	(7,838,992,769)	(12,810,161,780)
Proceeds from sale of securities		-	-	-	-
Purchase of property, plant and equipment		(461,739,898)	-	(461,739,898)	(197,553,415)
Sale proceeds of property, plant and equipment		409,689	-	409,689	35,298,141
<i>Net cash used in investing activities</i>		(8,300,322,977)	-	(8,300,322,977)	(12,972,417,054)
C) Cash flows from financing activities					
Receipts from issue of loan capital and debt securities		-	-	-	-
Payment for redemption of loan capital and debt securities		(21,265,000)	-	(21,265,000)	(23,720,000)
Dividends paid		(919,332,372)	-	(919,332,372)	(800,000,000)
<i>Net cash from financing activities</i>		(940,597,372)	-	(940,597,372)	(823,720,000)
D) Net increase / (decrease) in cash (A+B+C)		(2,238,840,060)	-	(2,238,840,060)	(9,695,183,383)
E) Cash and cash-equivalents at beginning of the period		57,372,647,157	-	57,372,647,157	53,892,032,977
F) Cash and cash-equivalents at end of the period (D+E)	44	55,133,807,097	-	55,133,807,097	44,196,849,594
Net Operating Cash Flow Per Share (NOCFPS)				35.01	20.50

Dutch-Bangla Bank Limited
Statement of Changes in Equity
For the First Quarter (Q1) ended 31 March 2016
(Main Operation and Off-shore Banking Unit)

Figures in Taka

Particulars	Paid up share capital	Share premium	Statutory reserve	Other reserve	Dividend equalization account	Proposed dividend		Assets revaluation reserve	Revaluation reserve of HTM securities	Retained earnings	Total
						Cash	Bonus share				
Balance at 1 January 2016	2,000,000,000	11,067,500	7,487,588,738	-	1,366,827,195	800,000,000	-	850,413,777	116,544,853	4,121,893,415	16,754,335,478
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-
Restated balance	2,000,000,000	11,067,500	7,487,588,738	-	1,366,827,195	800,000,000	-	850,413,777	116,544,853	4,121,893,415	16,754,335,478
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-	-	(635,824)	-	(635,824)
Currency translation differences	-	-	-	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-	-	-	-	-
Cash dividend paid for the year 2015	-	-	-	-	-	(800,000,000)	-	-	-	-	(800,000,000)
Net profit for the three months ended 31 March 2016	-	-	-	-	-	-	-	-	-	658,652,042	658,652,042
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-
Appropriations during the period	-	-	309,434,048	-	-	-	-	-	-	(309,434,048)	-
Balance at 31 March 2016	2,000,000,000	11,067,500	7,797,022,786	-	1,366,827,195	-	-	850,413,777	115,909,029	4,471,111,409	16,612,351,696
Balance at 31 March 2015	2,000,000,000	11,067,500	6,480,347,628	-	966,827,195	-	-	850,413,777	83,548,076	3,728,908,638	14,121,112,814

Dutch-Bangla Bank Limited

Notes to the Financial Statements as at and for the First Quarter (Q1) ended 31 March 2016 (Main Operation and Off-shore Banking Unit)

1. Status of the Bank

1.1 Dutch-Bangla Bank Limited (the Bank) is a scheduled commercial bank set up as a joint venture between Bangladesh and The Netherlands. Incorporated as a public limited company under the Companies Act 1994, the Bank obtained license from Bangladesh Bank on 23 July 1995 and started its banking business with one branch on 3 June 1996. The number of branches was 155 as at 31 March 2016 all over Bangladesh. The Bank is listed with Dhaka Stock Exchange and Chittagong Stock Exchange as a publicly quoted company.

1.2 Nature of business

Main operation

The principal activities of the Bank are to carry on all kinds of commercial banking business in Bangladesh.

Mobile Banking Services

The Bank obtained the permission for conducting the Mobile Banking services from Bangladesh Bank on 28 April 2010. The Bank started operation of Mobile Banking Services on 31 March 2011.

The principal activities of the Mobile Banking Services are to provide banking services to Mobile Banking customers through Mobile Phone and multiple delivery channels within the applicable rules & regulations and guidelines of Bangladesh Bank.

Mobile Banking Services are part of Main Operation of the Bank.

Off-shore Banking Unit (OBU)

The Off-shore Banking Unit (OBU) of the Bank is the separate business entity governed by the applicable rules & regulations and guidelines of Bangladesh Bank. The Bank obtained the permission for conducting the operations of OBU from Bangladesh Bank on 23 February 2010. The Bank started the operation of OBU on 12 July 2010. The number of OBUs were two as at 31 March 2016 located at Chittagong EPZ Branch-Chittagong and Dhaka EPZ Branch-Dhaka.

The principal activities of the OBUs are to provide commercial banking services through its Units within the rules & regulations and guidelines applicable for the Off-shore Banking Units.

2. Significant accounting policies and basis of preparation of financial statements

2.1 Basis of accounting

The financial statements of the Bank have been prepared under historical cost convention except investments which are measured at present value and in accordance with "First Schedule" of the Bank Companies Act, 1991 as amended under sub-section 38(4) of the Act, relevant Bangladesh Bank Circulars, International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and named as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) respectively, the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other rules and regulations applicable for Banks in Bangladesh.

2.2 Consolidation of financial statements

The consolidated financial statements of the Bank include the financial statements of Dutch-Bangla Bank Limited and the Off-shore Banking Units.

The consolidated financial statements have been prepared on the basis of the consolidated statements of affairs and income and expenditure account of all branches and head office of Main operations as well as the consolidated statement of affairs and income and expenditure account of all Off-shore Banking Units of the Bank.

All the financial transactions of the OBUs are recorded and maintained separately. A set of financial statements for the Off-shore Banking Units of the Bank are also shown separately.

2.3 Functional and presentation currency

These financial statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.

2.4 Use of estimates and judgments

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

2.5 Foreign currency transactions

Foreign currency transactions are converted into Taka using the exchange rates prevailing on the dates of respective transactions. Gains and losses arising from foreign currency transactions are credited/charged to profit and loss account.

2.6 Taxation

As per provisions of **Bangladesh Accounting Standard (BAS) 12 'Income Taxes'**, provision for income taxes has been made as under:

2.6.1 Current tax

Provision for current income tax has been made @ 40.00% on taxable profit as per Income Tax Ordinance 1984 and as per Finance Act 2015.

2.6.2 Deferred tax

Deferred tax is accounted for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purpose. Tax rate (@ 40.00%) prevailing at the balance sheet date is used to determine deferred tax.

2.7 Bases for valuation of assets

2.7.1 Loans and advances

a) Loans and advances are stated at gross amount. Provision and interest suspense against loans and advances are shown separately as other liabilities. Interest income is accounted for on accrual basis until the loans and advances are defined as classified accounts as per Bangladesh Bank guidelines.

Interest on classified loans (other than bad/loss loans) are credited to interest suspense account instead of income account. Such interest kept in suspense account is reversed to income account only when respective loan accounts are regularized and /or realized in cash, in accordance with Bangladesh Bank guidelines.

As per Bangladesh Bank directives, interest on loans and advances classified as bad/loss is not accounted for. A separate memorandum record is maintained for such interest on bad/loss loans.

- b) Provision for loans and advances is made on the basis of the year end review by the management of the Bank in line with the instructions contained in BRPD Master Circular No. 14 dated 23 September 2012, BRPD Circular No. 19 dated 27 December 2012, BRPD Circular No. 05 and 06 dated 29 May 2013, BRPD Circular No. 15 dated 23 December 2013, BRPD Circular No. 16 dated 18 November 2014 and BRPD Circular No. 08 dated 02 August 2015 issued by Bangladesh Bank on the following basis:

Category / status of loans and advances	Rates	
	Bangladesh Bank's requirement	Maintained by the Bank
General provisions for unclassified loans and advances :		
All unclassified loans (other than loans under small and medium enterprise financing, consumer financing, loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares, short term agricultural credit and staff loans)	1.00%	1.00%
Small and medium enterprise financing	0.25%	0.25%
Consumer financing (other than housing finance and loans for professionals under consumer financing scheme)	5.00%	5.00%
Consumer financing for housing finance, loans to professionals and loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares etc.	2.00%	2.00%
Short term agricultural credit	2.50%	2.50%
Special mention account		
All loans (other than loans under small and medium enterprise financing, consumer financing, loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares, short term agricultural credit and staff loans)	1.00%	1.00%
Small & Medium enterprise financing	0.25%	0.25%
Consumer financing (other than housing finance and loans for professionals under consumer financing scheme)	5.00%	5.00%
Consumer financing for housing finance, loans to professionals and loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares etc.	2.00%	2.00%
Short term agricultural credit	2.50%	2.50%
Specific provision for classified loans and advances:		
Substandard	20.00%	20.00%
Doubtful	50.00%	50.00%
Bad/loss	100.00%	100.00%

General provision

General provision for all unclassified and SMA loans and advances (other than loans under small and medium enterprise financing, consumer financing, loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares, short term agricultural credit and staff loans) has been maintained @ 1%.

General provision for all unclassified and SMA loans and advance under small & medium enterprise financing has been maintained @ 0.25%.

General provision for all unclassified and SMA loans and advance under consumer financing for housing finance, loans to professionals and loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares, short term agricultural credit has been maintained @ 2% to 5%.

Specific provision

Specific provision for classified loans and advances has been maintained @ 20% to 100% as prescribed by Bangladesh Bank.

- c) Loans and advances are written-off in line with Bangladesh Bank's BRPD Circular No. 02 dated 13 January 2003 and DOS Circular No. 01 dated 29 December 2004, when prospect of recovery of such loans and advances become non-existent. However, such write-off does not reduce the claim against the borrower. Detailed records for all write-off accounts are separately maintained by the Bank to continue the recovery efforts.

2.7.2 Investments

- a) Investments have been accounted for as follows :

<u>Particulars</u>	<u>Valuation method</u>
Government treasury bills	Present value
Government treasury bonds	Present value
Subordinated bonds	At redemption value
ICB's debenture	At redemption value
Prize bond	Cost price
Shares:	
Quoted	Cost or market price whichever is lower
Unquoted	Cost or Book value as per latest audited accounts whichever is lower

- b) The investment in government securities (Treasury bills and bonds) are classified into **Held to Maturity (HTM)** and **Held for Trading (HFT)** as per Bangladesh Bank's guidelines contained in DOS Circular Letter No. 05 dated 26 May 2008, DOS Circular Letter No. 05 dated 28 January 2009, DOS Circular No. 06 dated 15 July 2010 and under reference Letter No. DOS (SR)1153/120-A/2011-746 dated 29 December 2011. Reclassification of HTM securities into HFT securities are also done in compliance with Bangladesh Bank's guidelines.

The government securities under '**Held to Maturity (HTM)**' category are valued at present value at amortized cost at the end of the period. The Held to Maturity securities are amortized to ensure a constant yield over the remaining period of maturity of the securities. The resulting gains / (losses) are credited to **revaluation reserve account** and shown in the equity. Such gains / (losses) are credited to income account at the time of maturity or sale of the security.

The government securities under '**Held for Trading (HFT)**' category are valued at present value on the basis of marking to market method. The resulting gains / (losses) are transferred to **other reserve account**. The gains / (losses) arising on maturity or sale of such securities are credited to income.

2.7.3 Fixed assets

- a) All fixed assets are stated at cost or revalued amount less accumulated depreciation.
- b) Depreciation is charged over the estimated useful life of fixed assets excepting land on a straight line method. The useful life of fixed assets are reviewed on a yearly basis to determine if there has been any significant change in the expected pattern of consumption resulting in changes in estimated residual value and useful life of the fixed assets and if considered appropriate, adjustment is made at the balance sheet date.

The annual rates of depreciation based on estimated useful life for fixed assets are given below:

Building	2.50%
Interior decoration	15.00%
Furniture and fixtures	10.00%
ATM Booth	10.00%
ATM/Fast Track	12.50%
Computer equipment and software	20.00%
Other machinery and equipment	15.00%
Motor vehicles	20.00%
Books	10.00%

- c) As at 31 December 2010, all immovable properties of the Bank including land, building and ready made floor spaces were revalued by a professionally qualified valuation firm and certified by the external auditors, M/S. A. Qasem & Co., Chartered Accountants.

2.8 Off-balance sheet exposures

In compliance with the instruction contained in BRPD Circular No. 10 dated 18 September 2007 issued by Bangladesh Bank, provision against the off-balance sheet exposures of the Bank as at reporting date has been made as under:

Category / status of Off-balance sheet exposures	Rates	
	Bangladesh Bank's requirement	Maintained by the Bank
General provision for Off-balance sheet exposures		
All types of Off-balance sheet exposures	1.00%	1.00%

2.9 Bases for valuation of liabilities and provisions

2.9.1 Retirement benefits to the employees

The retirement benefits accrued for the employees of the Bank as at the reporting date have been accounted for in accordance with the provisions of **Bangladesh Accounting Standard (BAS) 19, 'Employee Benefits'** as outlined below:

a) Provident fund

There is a Provident Fund Scheme under defined contribution plan. The Fund is operated by a separate Board of Trustees approved by the National Board of Revenue as per Income Tax Ordinance, 1984. All eligible employees contribute 10% of their basic pay to the Fund. The Bank also contributes equal amount of employees' contribution to the Fund. Benefits from the Fund is given to eligible employees at the time of retirement/resignation as per approved rules of the Fund.

b) Gratuity fund

The Bank has a separate Board of Trustees for operating the staff gratuity fund approved by the National Board of Revenue. The provision for the gratuity fund is made in the books of account of the Bank for the eligible employees on the basis of the assessment made by the management at the year / period end [**Note 14.1**]. The amount of provision is transferred to the Board of Trustees of the Fund on a yearly basis.

c) Superannuation fund

The Bank has a separate Board of Trustees for operating the staff superannuation fund approved by the National Board of Revenue. The provision for the superannuation fund is made in the books of account of the Bank for the eligible employees on the basis of the assessment made by the management at the year / period end. The amount of provision is transferred to the Board of Trustees of the Fund on a yearly basis.

2.9.2 Workers' Profit Participation Fund (WPPF)

Consistent with the Industry practice and in accordance with the Bank Company Act, 1991, no provision has been made for WPPF.

2.10 Revenue recognition

The revenues of the Bank during the period have been recognized in terms of the provisions of **Bangladesh Accounting Standard (BAS) 18, 'Revenue'** as outlined below:

2.10.1 Interest income

a) Interest income from loans and advances and lease finance

The policy for accounting of interest income on loans and advances is stated in **2.7.1.a** and **2.7.2** above.

b) Other interest income

Interest income from investments, money at call and short notice and fund placement with other banks and financial institutions is recognized on accrual basis.

2.10.2 Fees and commission income

Fees and commission income arising from different services provided by the Bank is recognized on cash receipt basis. Commission realized on letters of credit and letters of guarantee is credited to income at the time of effecting the respective transactions.

2.10.3 Dividend income

Dividend income from investments in shares is accounted for on cash receipt basis.

2.10.4 Interest paid on deposits and borrowings

Interest paid on deposits, borrowings etc. are accounted for on accrual basis.

2.10.5 Other operating expenses

All other operating expenses are provided for in the books of the accounts on accrual basis.

2.11 Earnings per share

Earnings per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as at 31 March 2016 as per **Bangladesh Accounting Standard (BAS) 33, 'Earnings Per Share'**.

2.12 Cash flow statement

Cash flow statement has been prepared in accordance with the **Bangladesh Accounting Standard (BAS) 7, 'Cash Flow Statement'** under Direct method as recommended in the BRPD Circular No. 14 dated 25 June 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

2.13 Statement of liquidity

The liquidity statement of assets and liabilities as at the reporting date has been prepared on residual maturity term as per the following bases:

- a) Balance with other banks and financial institutions, money at call and short notice etc. are on the basis of their maturity term.
- b) Investments are on the basis of their maturity.
- c) Loans and advances are on the basis of their repayment / maturity schedule.
- d) Fixed assets are on the basis of their useful life.
- e) Other assets are on the basis of their realization/adjustment.
- f) Borrowing from other banks, financial institutions and agents are as per their maturity /repayment term.
- g) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors.
- h) Other long term liabilities are on the basis of their maturity term.
- i) Provisions and other liabilities are on the basis of their payment /adjustment schedule.

2.14 Events after the reporting period

There were no material post balance sheet events which could materially affect the values stated in these financial statements.

2.15 Reconciliation of books of account

Books of account with regard to inter-bank (in Bangladesh and outside Bangladesh) transactions and inter-branch transactions are reconciled in all material respects. There were no un-reconciled entries which could materially affect the financial condition or results of the Bank.

2.16 Reporting period

The reporting period of these financial statements cover three months of the calendar year from 1 January 2016 to 31 March 2016.

2.17 Offsetting

No asset or liability has been offset or reduced by any other asset or liability unless a legal right [10, 28 (revaluation gain on securities), 29.2 and 30.2] of set-off exists and the offsetting represents the expectation as to the realization or settlement of the asset or liability in normal course of business.

2.18 Compliance report on Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs)

The Institute of Chartered Accountants of Bangladesh (ICAB) is the official standard setting body in the country. ICAB has adopted most of the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs). The Bank has complied with all the applicable Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards for preparation and presentation of the financial statements of the Bank as at 31 March 2016 as noted below:

Bangladesh Accounting Standards (BASs)	BAS Number	Status of compliance by DBBL
Presentation of Financial Statements	BAS -1	Complied
Inventories	BAS -2	Complied
Cash Flow Statements	BAS -7	Complied
Accounting Policies, Changes in Accounting Estimates and Errors	BAS -8	Complied
Events After the Reporting Period	BAS -10	Complied
Construction Contracts	BAS -11	Not applicable
Income Taxes	BAS -12	Complied
Property, Plant and Equipment	BAS -16	Complied
Leases	BAS -17	Complied
Revenue	BAS -18	Complied
Employee Benefits	BAS -19	Complied
Accounting for Government Grants and Disclosure of	BAS -20	Not applicable
The Effects of Changes in Foreign Exchange Rates	BAS -21	Complied
Borrowing Costs	BAS -23	Complied
Related Party Disclosures	BAS -24	Complied
Accounting and Reporting by Retirement Benefit Plans	BAS -26	Complied
Consolidated Financial Statements and Accounting for Investments in Subsidiaries	BAS -27	Not applicable
Accounting for Investments in Associates	BAS -28	Not applicable
Financial Reporting of Interests in Joint Ventures	BAS -31	Not applicable
Financial Instruments: Presentation	BAS -32	Complied
Earnings Per Share	BAS -33	Complied
Interim Financial Reporting	BAS -34	Complied
Impairment of Assets	BAS -36	Complied
Provisions, Contingent Liabilities and Contingent Assets	BAS -37	Complied
Intangible assets	BAS -38	Not applicable
Financial Instruments: Recognition and Measurement	BAS -39	Complied
Investment Property	BAS -40	Not applicable
Agriculture	BAS -41	Not applicable

Bangladesh Financial Reporting Standards (BFRSs)	BFRS Number	Status of compliance by DBBL
First-time Adoption of Bangladesh Financial Reporting Standards	BFRS - 1	Complied
Share-based Payment	BFRS - 2	Not applicable
Business Combinations	BFRS - 3	Not applicable
Insurance Contracts	BFRS - 4	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	BFRS - 5	Not applicable
Exploration for and Evaluation of Mineral Resources	BFRS - 6	Not applicable
Financial Instruments : Disclosures	BFRS - 7	Complied
Operating Segments	BFRS - 8	Complied
Consolidated Financial Statements	BFRS - 10	Not applicable
Joint Arrangements	BFRS - 11	Not applicable
Disclosure of Interests in other Entities	BFRS - 12	Not applicable
Fair Value Measurement	BFRS - 13	Complied

2.19 Approval of the financial statements

The Board of Directors of the Bank in its 167th meeting held on 05 May 2016 approved the financial statements of the Bank for the first quarter ended 31 March 2016.

3. General

Wherever considered necessary previous period's figures have been rearranged to conform with the current period's presentation.

	31-Mar-16	31-Dec-15
	Taka	Taka
4. Cash in hand (including foreign currencies)		
Local currency	8,665,095,836	8,276,489,032
Foreign currencies	22,211,549	20,509,600
	8,687,307,386	8,296,998,632
5. Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		
Bangladesh Bank		
Local currency	12,616,435,830	12,234,960,865
Foreign currencies	4,636,910,542	1,537,323,673
	17,253,346,372	13,772,284,538
Sonali Bank Limited (as an agent of Bangladesh Bank) - Local currency	160,961,991	783,642,327
	17,414,308,363	14,555,926,865
5.1 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)		
Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 33 of the Bank Companies Act, 1991 and of instructions contained in BRPD Circular No. 11 dated 25 August 2005, BRPD Circular No. 12 dated 25 August 2005, Monetary Policy Department (MPD) Circular No. 1 dated 4 May 2010, MPD Circular No. 2 dated 4 May 2010, MPD Circular No. 4 dated 1 December 2010, MPD Circular No. 5 dated 1 December 2010, DOS Circular No. 1 dated 19 January 2014, MPD Circular No. 1 dated 23 June 2014 and MPD Circular No. 116/2014-853 dated 23 June 2014 issued by Bangladesh Bank.		
5.1.1 Cash Reserve Requirement (CRR): average 6.5% of average demand and time liabilities with minimum 6% on any date		
Required reserve	11,817,857,510	11,584,412,000
Actual reserve maintained		
Balance with Bangladesh Bank-Local currency [Note 5]	12,616,435,830	12,234,960,865
Surplus/(deficit)*	798,578,320	650,548,865
Cash Reserve Maintained: more than 6% throughout the accounting year and 6.94% on the Balance Sheet date	6.94%	6.87%
5.1.2 Statutory Liquidity Ratio (SLR): 13% of average demand and time liabilities		
Required reserve	23,635,715,030	23,168,824,000
Available for maintenance:		
Cash in hand (including foreign currencies)	8,687,307,386	8,296,998,632
Balance with Bangladesh Bank - Foreign currencies	4,636,910,542	1,537,323,673
Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	160,961,991	783,642,327
Unencumbered approved securities (treasury bills and bonds, debentures etc.)	19,179,702,563	19,397,888,074
	32,664,882,482	30,015,852,706
Surplus	9,029,167,452	6,847,028,706
Total surplus (5.1.1+5.1.2)	9,827,745,772	7,497,577,571
Statutory Liquidity Ratio (SLR) Maintained (%)	17.97%	16.84%

	31-Mar-16	31-Dec-15
	Taka	Taka
6. Balance with other banks and financial institutions		
Main Operation [Note 6.1]		
In Bangladesh	23,883,193,400	25,513,227,555
Outside Bangladesh	804,409,204	1,154,177,150
	24,687,602,604	26,667,404,705
Off-shore Banking Unit		
In Bangladesh	2,052,052,493	2,078,371,622
Outside Bangladesh	-	-
	2,052,052,493	2,078,371,622
Total Balance with other banks and financial institutions	26,739,655,097	28,745,776,327
6.1 Balance with other banks and financial institutions - Main Operation		
(a) In Bangladesh		
In current deposit accounts with		
Janata Bank Limited	99,066	18,385,520
Sonali Bank Limited	29,380,841	86,552,779
Standard Chartered Bank, Dhaka	39,273,181	15,730,677
Islami Bank Bangladesh Limited	115,801,357	95,710,537
Agrani Bank Limited	657,049	225,551
National Bank Limited	88,197	88,197
	185,299,691	216,693,261
In special notice deposit accounts with		
Sonali Bank Limited	1,075,120,068	1,479,578,409
National Bank Limited	55,649,566	24,909,456
The City Bank Limited	(5,545)	(5,021)
Rupali Bank Limited	4,238,655	4,217,515
Agrani Bank Limited	33,010,848	23,573,171
Janata Bank Limited	98,192,900	136,820,516
Dhaka Bank Limited	1,614,019	1,614,019
Islami Bank Limited	346,976,340	535,850,949
	1,614,796,849	2,206,559,014
In fixed deposit accounts with		
Dhaka Bank Limited	-	2,000,000,000
Brac Bank Limited	-	1,500,000,000
The City Bank Limited	2,500,000,000	-
Standard Bank Limited	-	1,000,000,000
NRB Bank Limited	300,000,000	-
	2,800,000,000	4,500,000,000
In fixed deposit accounts (in foreign currency) with		
Off-shore Banking Unit, Agrabad Branch-Chittagong, Dutch-Bangla Bank Ltd	9,033,096,860	9,389,975,280
	9,033,096,860	9,389,975,280
Other financial institutions		
In fixed deposit accounts with		
Investment Corporation of Bangladesh	5,500,000,000	4,500,000,000
Industrial and Infrastructure Development Finance Company Limited (IIDFC)	250,000,000	-
United Finance Limited	950,000,000	950,000,000
Phoenix Finance & Investments Limited	200,000,000	200,000,000
International Leasing & Financial Services Limited	400,000,000	400,000,000
Bangladesh Industrial Finance Company Limited	400,000,000	400,000,000
Fareast Finance & Investment Limited	250,000,000	250,000,000
Lanka Bangla Finance Limited	1,150,000,000	950,000,000
IDLC Finance Limited	300,000,000	700,000,000
Premier Leasing & Finance Limited	150,000,000	150,000,000
Prime Finance and Investment Limited	150,000,000	50,000,000
Bay Leasing Company Limited	300,000,000	300,000,000
Union Capital Limited	150,000,000	250,000,000
National Finance Limited	100,000,000	100,000,000
	10,250,000,000	9,200,000,000
Total (a) In Bangladesh	23,883,193,400	25,513,227,555

(b) Outside Bangladesh**In demand deposit accounts (interest bearing) with**

Name of the correspondent Bank	Currency	31-Mar-16			31-Dec-15		
		Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka	Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka
Mashreqbank PSC, New York, USA	USD	6,012,139	78.0750	469,397,776	2,001,267	78.5003	157,100,054
Commerzbank AG, Frankfurt, Germany	EURO	1,904,396	88.1076	167,791,757	443,224	85.8008	38,028,933
AB Bank Ltd., Mumbai, India	ACU	(109,468)	78.0750	(8,546,703)	361,430	78.5003	28,372,377
Citibank N.A., New York, USA	USD	(1,411,446)	78.0750	(110,198,672)	4,593,219	78.5003	360,569,100
Unicredit S.P.A., Milano, Italy	EURO	152,717	88.1076	13,455,506	162,090	85.8008	13,907,432
ICICI Bank Limited, Mumbai, India	ACU	(33,773)	78.0750	(2,636,811)	8,503	78.5003	667,480
				529,262,854			598,645,376

In demand deposit account (non-interest bearing) with

Name of the correspondent Bank	Currency	31-Mar-16			31-Dec-15		
		Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka	Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka
Standard Chartered Bank, London, UK	GBP	72,350	111.9526	8,099,810	83,649	116.2668	9,725,618
Standard Chartered Bank, New York, USA	USD	5,506,214	78.0750	429,897,621	1,928,308	78.5003	151,372,762
HSBC Bank USA N.A., New York, USA	USD	-	78.0750	-	-	78.5003	-
JP Morgan Chase Bank N.A., New York, USA	USD	(2,302,080)	78.0750	(179,734,876)	4,374,116	78.5003	343,369,431
Standard Chartered Bank, Colombo, Sri Lanka	ACU	57,155	78.0750	4,462,367	4,138	78.5003	324,802
Commerzbank AG, Frankfurt, Germany	CHF	25,756	80.9649	2,085,309	60,538	79.4779	4,811,425
The Bank of Tokyo-Mitsubishi UFJ Ltd., Tokyo, Japan	JPY	5,128,987	0.7014	3,597,471	14,758,303	0.6513	9,612,083
The Bank of Nova Scotia, Mumbai, India	ACU	-	78.0750	-	-	78.5003	-
Wells Fargo Bank, N.A., New York, USA	USD	-	78.0750	-	-	78.5003	-
The Bank of Nova Scotia, Toronto, Canada	CAD	23,312	60.3510	1,406,920	26,458	56.5116	1,495,196
The Hongkong and Shanghai Banking Corporation Limited, Mumbai, India	ACU	-	78.0750	-	16,627	57.1953	950,995
HSBC Bank Australia Limited, Sydney, Australia	AUD	-	59.8165	-	20,699	57.1953	1,183,893
Citibank, N.A., Mumbai, India	ACU	-	78.0750	-	-	78.5003	-
Mashreqbank PSC, Mumbai, India	ACU	11,314	78.0750	883,324	2,503	78.5003	196,480
Mashreqbank PSC, Mumbai, India	EUR	388	88.1076	34,224	2,495	85.8008	214,101
Standard Chartered Bank, Mumbai, India	ACU	51,504	78.0750	4,021,188	98,425	78.5003	7,726,410
HDFC Bank Limited	ACU	2,571	78.0750	200,693	305,929	78.5003	24,015,520
HSBC Bank Middle East Limited, Karachi, Pakistan	ACU	-	78.0750	-	-	78.5003	-
Union de Banques Arabes et Francaises (UBAF), Tokyo, Japan	JPY	-	0.7014	-	-	0.6513	-
Habib Metropolitan Bank, Karachi, Pakistan	ACU	(9,957)	78.0750	(777,358)		78.5003	
COMMERZBANK AC	AUD	5,039	78.0750	393,424			
WESTPAC BANKING	ACU	7,380	78.0750	576,231	6,791	78.5003	533,058
				275,146,350			555,531,774
Total (b) Outside Bangladesh				804,409,204			1,154,177,150
Total (a+b)				24,687,602,604			26,667,404,705

	31-Mar-16 Taka	31-Dec-15 Taka
7. Money at call and short notice		
a) With banks		
Mutual Trust Bank Limited	50,000,000	-
Midland Bank Ltd.	80,000,000	-
NRB Bank Limited	-	290,000,000
Bank Alfalah	-	200,000,000
Brac Bank Limited	-	1,100,000,000
AB Bank Limited	-	750,000,000
National Credit and Commerce Bank Limited	-	400,000,000
	130,000,000	2,740,000,000
b) With non bank financial institutions		
Investment Corporation of Bangladesh	-	1,300,000,000
Union Capital Limited	80,000,000	40,000,000
Fareast Finance & Investment Limited	240,000,000	250,000,000
Delta Brac Housing Finance Corporation Limited	160,000,000	90,000,000
United Finance Limited	260,000,000	50,000,000
Industrial and Infrastructure Development Finance Company Limited	400,000,000	370,000,000
Lanka Bangla Finance Limited	270,000,000	210,000,000
Premier Leasing & Finance Limited	50,000,000	40,000,000
Bangladesh Industrial Finance Limited	-	40,000,000
Phoenix Finance & Investment Limited	50,000,000	50,000,000
International Leasing & Financial Services Limited	100,000,000	90,000,000
Industrial Promotion and Development Company of Bangladesh Limited (IPDC)	50,000,000	-
Prime Finance & Investment Ltd	90,000,000	-
Bangladesh Finance & Investment Co. Ltd.	100,000,000	-
	1,850,000,000	2,530,000,000
Total (a+b)	1,980,000,000	5,270,000,000
8. Investments		
In Government securities		
Treasury bills		
91-day treasury bills	-	-
182-day treasury bills	-	-
364-day treasury bills	-	-
30-day Bangladesh Bank bills	2,356,739,044	2,574,924,555
	2,356,739,044	2,574,924,555
Treasury bonds		
2-year treasury bonds	84,703,614	84,703,614
5-year treasury bonds	5,783,318,008	5,783,318,007
10-year treasury bonds	8,666,263,259	8,666,263,259
15-year treasury bonds	1,994,497,291	1,994,497,291
20-year treasury bonds	294,181,348	294,181,348
	16,822,963,519	16,822,963,519
Total treasury bills and bonds	19,179,702,563	19,397,888,074
Prize bonds	7,849,700	7,392,400
	19,187,552,263	19,405,280,474
Other investments		
Subordinated bonds [Note 8.2]	553,700,000	793,700,000
Shares [Note 8.3]	11,283,434	11,283,434
	564,983,434	804,983,434
	19,752,535,697	20,210,263,908
8.1 Classification of investments		
Government treasury bills and bonds		
Held for trading (HFT)	-	-
Held to maturity (HTM)	19,179,702,563	19,397,888,074
Total investments in government securities	19,179,702,563	19,397,888,074
Prize bonds	7,849,700	7,392,400
Other investments	564,983,434	804,983,434
	19,752,535,697	20,210,263,908

	31-Mar-16	31-Dec-15
	Taka	Taka
8.2 Other investments -Subordinated Bonds		
Prime Bank 7 Years Bond	200,000,000	400,000,000
Mutual Trust Bank Bond	112,500,000	112,500,000
Dhaka Bank Bond	70,000,000	70,000,000
National Bank Bond	51,200,000	51,200,000
First Security Islami Bank Mudaraba Bond	120,000,000	160,000,000
	553,700,000	793,700,000
8.3 Other investments - shares		
In shares (quoted and unquoted)		
Quoted		
RAK Ceramics (Bangladesh) Limited	5,664	5,664
	5,664	5,664
Unquoted		
Central Depository Bangladesh Limited	6,277,770	6,277,770
Market Stabilization Fund (MSF) Asset Management Company Limited	5,000,000	5,000,000
	11,277,770	11,277,770
	11,283,434	11,283,434
9. Loans and advances		
Main Operation [Note 9.1]		
Loans, cash credits, overdrafts, etc.	139,728,819,443	141,916,487,380
Bills purchased and discounted	4,735,968,960	4,435,153,728
	144,464,788,403	146,351,641,108
Off-shore Banking Unit		
Loans, cash credits, overdrafts, etc.	689,983,138	-
Bills purchased and discounted	3,808,730,849	5,918,359,357
	4,498,713,987	5,918,359,357
Total loans and advances	148,963,502,390	152,270,000,465
9.1 Loans, cash credits, overdrafts etc. - Main operation		
In Bangladesh		
Overdraft	20,614,441,367	20,799,012,656
Cash credit	38,777,496,083	40,721,204,430
Export cash credit	11,870,655,991	11,381,634,576
Transport loan	1,749,367,271	1,628,922,673
House building loan	1,156,579,985	1,015,454,534
Loan against trust receipt	6,597,346,346	7,249,482,303
Term loan - industrial	37,036,965,537	39,308,844,576
Term loan - other	16,781,253,852	15,570,227,158
Payment against document - cash	53,816,598	56,829,166
Payment against document - EDF	2,381,548,569	1,523,653,000
Consumer finance	2,140,402,760	2,103,959,432
Staff loan	568,945,083	557,262,876
	139,728,819,443	141,916,487,380
Outside Bangladesh	-	-
	139,728,819,443	141,916,487,380
Bills purchased and discounted		
Payable in Bangladesh		
Inland bills purchased	4,673,293,492	4,342,400,803
Payable outside Bangladesh		
Foreign bills purchased and discounted	62,675,468	92,752,925
	4,735,968,960	4,435,153,728
	144,464,788,403	146,351,641,108
Total loans and advances	144,464,788,403	146,351,641,108

	31-Mar-16 Taka	31-Dec-15 Taka
9.2 Net loans and advances including bills purchased and discounted		
Total loans, advances and lease receivables [Note 9.1]	144,464,788,403	146,351,641,108
Less : Provision against loans and advances (specific and general) [Note 9.4(b)]	4,218,507,956	4,218,507,456
Less : Cumulative balance of interest suspense account [Note 14.1.4]	1,781,874,251	1,552,447,367
	138,464,406,195	140,580,686,285

9.3 Loans and advances including bills purchased and discounted are classified into the following broad categories

a) Loans and advances

In Bangladesh

Loans

Cash credit

Overdraft

Outside Bangladesh

80,336,881,993	80,396,270,294
38,777,496,083	40,721,204,430
20,614,441,367	20,799,012,656
139,728,819,443	141,916,487,380
-	-
139,728,819,443	141,916,487,380

b) Bills purchased and discounted

Payable in Bangladesh

Payable outside Bangladesh

Total (a+b)

4,673,293,492	4,342,400,803
62,675,468	92,752,925
4,735,968,960	4,435,153,728
144,464,788,403	146,351,641,108

9.4 a) Classification of loans and advances including bills purchased and discounted

Status of loans and advances	Year					
	31-Mar-16			Mix (%)	31-Dec-15	
	Outstanding amount (Taka)				Total Outstanding amount (Taka)	Mix (%)
	Main Operation [Note 9.4.b]	Off-shore Banking Unit	Total			
Unclassified loans and advances						
Standard (including staff loans)	132,260,239,737	4,498,713,987	136,758,953,724	91.81%	140,317,638,920	92.15%
Special mention account	6,655,549,637	-	6,655,549,637	4.47%	6,327,504,475	4.16%
Total unclassified loans and advances	138,915,789,374	4,498,713,987	143,414,503,361	96.27%	146,645,143,395	96.31%
Classified loans and advances						
Substandard	249,470,564	-	249,470,564	0.17%	1,215,748,451	0.80%
Doubtful	1,204,407,041	-	1,204,407,041	0.81%	191,276,743	0.13%
Bad/loss	4,095,121,424	-	4,095,121,424	2.75%	4,217,831,876	2.77%
Total classified loans and advances	5,548,999,029	-	5,548,999,029	3.73%	5,624,857,070	3.69%
Total loans and advances	144,464,788,403	4,498,713,987	148,963,502,390	100.00%	152,270,000,465	100.00%

b) Classification and provisioning of loans and advances including bills purchased and discounted

b.1) Main Operation

Classification / Status of loans and advances	Amount of outstanding loans and advances as at 31 March 2016 (Taka)	Base for provision (Taka)	Percentage (%) of provision required as per Bangladesh Bank's directives	Amount of provision required as at 31 March 2016 (Taka)	Amount of provision required as at 31 December 2015 (Taka)
Unclassified loans and advances					
All unclassified loans (other than loans under small and medium enterprise, consumer financing and short term agricultural credit)	104,584,682,365	104,015,737,282	1%	1,069,236,781	1,091,065,803
Small and medium enterprise financing	21,242,689,008	21,242,689,008	0.25%	53,106,723	51,922,342
Consumer financing (other than housing finance under consumer financing scheme)	2,796,289,577	2,796,289,577	5%	139,814,479	138,586,059
Consumer financing (for housing finance)	1,069,454,087	1,069,454,087	2%	21,389,082	25,514,284
Loans to BHs/MBs/SDs	322,744,124	322,744,124	2%	6,454,882	8,167,397
Short term agricultural credit	2,244,380,576	2,244,380,576	2.5%	56,109,514	58,574,586
	132,260,239,737	131,691,294,654		1,346,111,461	1,373,830,471
Special mention account					
All unclassified loans (other than loans under small enterprise and consumer financing)	5,824,760,703	5,824,760,703	1%	58,247,607	56,659,856.73
Small & Medium enterprise financing	406,945,032	406,945,032	0.25%	1,017,363	1,466,810.60
Consumer financing (other than housing finance under consumer financing scheme)	61,639,875	61,639,875	5%	3,081,994	3,195,132
Consumer financing (for housing finance)	362,204,027	362,204,027	2%	7,244,081	217,838.48
	6,655,549,637	6,655,549,637		69,591,045	61,539,638
	138,915,789,374	138,346,844,291		1,415,702,506	1,435,370,109
Classified loans and advances					
Substandard	249,470,564	88,403,901	20%	17,680,780	156,189,527
Doubtful	1,204,407,041	757,227,702	50%	378,613,851	31,153,150
Bad /loss	4,095,121,424	2,311,391,513	100%	2,311,391,513	2,397,793,779
	5,548,999,029	3,157,023,117		2,707,686,144	2,585,136,456
Total-Main Operation	144,464,788,403	141,503,867,408		4,123,388,650	4,020,506,565
b.1.1) Main Operation					
Provision required				4,123,388,650	4,020,506,565
Provision maintained				4,218,507,956	4,218,507,456
Provision surplus (i)				95,119,306	198,000,891
b.2) Off-shore Banking Unit					
Provision required				44,987,140	59,183,594
Provision maintained				59,183,628	59,183,628
Provision surplus (ii)				14,196,488	34
Provision surplus					
Main Operation (i)				95,119,306	198,000,891
Off-shore Banking Unit (ii)				14,196,488	34
Total provision surplus (i+ii)				109,315,794	198,000,925

	31-Mar-16 Taka	31-Dec-15 Taka
10. Fixed assets at cost or revalued amount including land, building, furniture and fixtures		
Main Operation [Note 10.1]		
Total cost	10,317,901,735	9,864,578,033
Less: Accumulated depreciation	5,602,892,670	5,345,284,259
	4,715,009,065	4,519,293,774
Off-shore Banking Unit		
Total cost	101,633	101,633
Less: Accumulated depreciation	96,532	90,617
	5,101	11,016
Total Fixed assets at cost or revalued	4,715,014,166	4,519,304,790
10.1 Fixed assets at cost or revalued amount including land, building, furniture and fixtures - Main Operation		
Land	748,360,000	748,360,000
Building	399,543,957	399,543,957
Interior decoration	856,976,392	834,792,761
Furniture and fixtures	290,505,712	286,839,559
Other machinery and equipment	1,412,385,455	1,321,069,745
Computer equipment and software	3,076,664,060	2,961,879,713
Motor vehicles	391,371,561	390,860,145
ATM Booth	866,966,326	819,303,882
ATM and Fast Track (ATM & Deposit Machine)	2,274,933,680	2,101,733,680
Books	194,591	194,591
	10,317,901,735	9,864,578,033
Less: Accumulated depreciation	5,602,892,670	5,345,284,259
	4,715,009,065	4,519,293,774
11. Other assets		
Main Operation [Note 11.1]	10,732,829,149	10,180,005,187
Off-shore Banking Unit	8,850,401	9,294,150
Total Other assets	10,741,679,550	10,189,299,337
11.1 Other assets		
Income generating other assets (Note 11.1.a)	-	-
Non-income generating other assets (Note 11.1.b)	10,732,829,149	10,180,005,187
	10,732,829,149	10,180,005,187
11.1.a Income generating other assets		
i) Investment in shares of subsidiary companies:		
In Bangladesh	-	-
Outside Bangladesh	-	-
	-	-
11.1.b Non-income generating other assets		
i) Stationery, stamps, printing materials in stock	136,077,442	176,985,243
ii) Advance rent and advertisement	584,771,842	489,739,629
iii) Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable	616,911,166	794,217,023
iv) Security deposits	11,906,797	11,907,787
v) Preliminary, formation and organization expenses, renovation/development expenses and prepaid expenses	1,596,582,454	1,392,556,605
vi) Branch adjustment (net)	5,458,578	5,856,274
vii) Suspense account	(4,133,784)	1,915,683
viii) Silver	-	-
ix) Others [Note 11.2]	7,785,254,655	7,306,826,943
	10,732,829,149	10,180,005,187
11.2 Break-up of others		
Encashment of Sanchaya Patra (awaiting realization)	270,081,802	185,402,332
Advance tax [Note 11.2.1]	5,772,292,985	5,130,567,030
Deferred tax [Note 11.2.2]	1,059,316,464	1,155,454,898
Sundry assets [Note 11.2.3]	683,563,404	835,402,683
	7,785,254,655	7,306,826,943

	31-Mar-16	31-Dec-15
	Taka	Taka
11.2.1 Advance tax		
The amount is stated after adjustment of advance income tax against final assessment orders for the accounting years 1996, 1997, 2001, 2002, 2003, 2004, 2005, 2006 and 2007. [Note 14.1.2 and 14.1.2.2]		
11.2.2 Deferred tax		
Opening balance	1,155,454,898	1,179,446,527
Add: Deferred tax assets / (liability) for the period	(96,138,434)	(23,991,629)
Closing balance	1,059,316,464	1,155,454,898
11.2.3 Sundry assets		
Sundry debtors	92,343,944	72,800,461
Cash remittance	87,095,672	162,728,877
Others	504,123,788	599,873,345
	683,563,404	835,402,683
12. Borrowings from other banks, financial institutions and agents		
Main Operation [Note 12.1]	12,570,175,733	12,467,006,141
Off-shore Banking Unit	6,365,401,123	7,816,530,583
	18,935,576,856	20,283,536,724
12.1 Borrowings from other banks, financial institutions and agents- Main operation		
a) In Bangladesh		
Secured		
Refinance from Bangladesh Bank		
Housing [Note 12.3]	6,163,683	7,357,136
Investment Promotion and Financing Facility (IPFF) [Note 12.3]	5	450,458,795
Export Development Fund (EDF)	10,357,277,518	9,877,692,229
Small and Medium Enterprise (SME) [Note 12.2 , 12.3]	29,778,482	26,260,714
	10,393,219,688	10,361,768,874
Unsecured		
Call Money Borrowing		
From other Banks, Financial Institutions and Agents	-	-
Credit lines		
From Rupantarita Praktitik Gas Company Limited (RPGCL)	102,246,429	111,915,691
	102,246,429	111,915,691
	10,495,466,117	10,473,684,565
b) Outside Bangladesh		
Secured	-	-
Unsecured		
Credit lines		
FMO local currency loan for five years bearing interest rate at prevailing bank rate plus 2.90% margin. The effective rate of interest as of the reporting date was 7.90% in BDT.	-	-
From others	2,074,709,617	1,993,321,576
	2,074,709,617	1,993,321,576
	2,074,709,617	1,993,321,576
Total (a+b)	12,570,175,733	12,467,006,141
12.2 Small and Medium Enterprise (SME)		
Refinance facility (ies) availed from Bangladesh Bank under the following schemes for Small and Medium Enterprises :		
Asian Development Bank Fund [Note 12.3]	13,207,500	16,312,500
International Development Agency (IDA) and Enterprise Growth and Bank Modernization Programme (EGBMP) Fund [Note 12.3]	85,714	357,143
Women Entrepreneur Fund [Note 12.3]	16,485,268	9,591,071
	29,778,482	26,260,714

	31-Mar-16 Taka	31-Dec-15 Taka
12.3 Assets pledged as security for liability		
As at the reporting date of these financial statements, the Bank had no assets pledged as security except the Balance with Bangladesh Bank (local currency) against liability of refinance facility availed from Bangladesh Bank under the Housing Loan, Investment Promotion and Financing Facility (IPFF), Small & Medium Enterprising Financing under Asian Development Bank Fund, International Development Agency (IDA) and Enterprise Growth and Bank Modernization Programme (EGBMP) Fund and Women Entrepreneur Fund by the Bank. [Note 12.1]		
13. Deposits and other accounts		
Main Operation [Note 13.1]		
Current deposits and other accounts	44,267,779,497	47,428,518,228
Bills payable	2,227,886,901	2,827,945,083
Savings bank deposits	71,741,790,191	70,609,619,683
Term deposits	63,440,595,473	65,842,511,008
	181,678,052,063	186,708,594,002
Off-shore Banking Unit		
Current deposits and other accounts	49,229,038	56,407,536
Bills payable	-	-
Savings bank deposits	-	-
Term deposits	-	-
	49,229,038	56,407,536
Total Deposits and other accounts	181,727,281,101	186,765,001,538
13.1 Deposits and other accounts - Main Operation		
Current deposits and other accounts		
Current deposits	33,146,180,239	36,413,812,227
Foreign currency deposits	1,378,076,475	1,064,391,111
Sundry deposits [Note 13.1.1]	9,743,522,783	9,950,314,890
	44,267,779,497	47,428,518,228
Bills payable		
Payment order	2,207,740,261	2,781,866,148
Demand draft	20,146,640	46,078,935
	2,227,886,901	2,827,945,083
Savings bank deposits	71,741,790,191	70,609,619,683
Term deposits		
Fixed deposits	45,349,072,670	45,035,754,514
Special notice deposits	17,931,870,962	20,600,546,972
Non resident foreign currency deposits	2,697,071	2,698,932
Resident foreign currency deposits	44,919,323	41,584,230
Monthly term deposits	112,035,447	161,926,360
	63,440,595,473	65,842,511,008
	181,678,052,063	186,708,594,002
13.1.1 Details of sundry deposits		
Margin on irrevocable letters of credit	768,308,328	716,946,661
Margin on letters of guarantee	233,311,400	227,851,317
Margin on inward foreign documentary bills for collection (IFDBC)	305,620,990	562,524,062
Sundry deposit on foreign bills purchased awaiting for realization (FBPAR)	6,123,554,524	5,903,097,850
Sundry deposit - withholding tax -IT	152,183,378	271,611,404
Sundry deposit - excise duty	5,890,780	434,803,318
Sundry deposit - withholding tax -VAT	88,148,205	114,299,930
Sundry deposits-sale proceeds of Sanchay Patra	50,825,015	144,902,183
Interest payable on deposit accounts	1,174,782,202	724,737,474
Deposits on lease finance	200,000	200,000
Others sundry deposits	840,697,960	849,340,691
	9,743,522,783	9,950,314,890

	31-Mar-16	31-Dec-15
	Taka	Taka
13.1.2 Segregation of deposits and other accounts		
Other than inter-bank deposits	181,646,711,082	186,684,152,897
Inter-bank deposits [Note 13.3]	31,340,981	24,441,105
	181,678,052,063	186,708,594,002
13.1.3 Details of inter-bank deposits		
In current deposits account		
Al-Arafah Islami Bank Limited	21,749,543	8,249,543
Dhaka Bank Limited	77,705	77,705
Southeast Bank Limited	11,125	11,125
	21,838,373	8,338,373
In special notice deposits account		
Janata Bank Limited	56,102	56,102
Dhaka Bank Limited	7,213,538	8,435,280
Mutual Trust Bank Limited	64,454	64,454
National Credit and Commerce Bank Limited	150,985	154,985
Prime Bank Limited	836,731	6,333,611
ICB Islami Bank Limited	106,111	106,111
Bank Asia Limited	770	770
The City Bank Limited	83,424	80,328
First Security Islami Bank Limited	2,731	2,731
The Trust Bank Limited	987,761	868,359
National Bank of Pakistan	1	1
	9,502,608	16,102,732
	31,340,981	24,441,105
14. Other liabilities		
Main Operation [Note 14.1]	17,217,310,302	15,727,054,320
Off-shore Banking Unit	120,845,537	125,740,107
	17,338,155,839	15,852,794,427
14.1 Other liabilities- Main operation		
		<u>Notes</u>
Unclaimed dividends	8,754,669	128,087,041
Provision for expenses	309,826,162	249,540,269
Contribution to Dutch-Bangla Bank Limited Employees' Superannuation Fund	-	10,000,000
Contribution to Dutch-Bangla Bank Limited Employees' Gratuity Fund	-	280,000,000
Provision for interest on credit lines, refinance scheme and subordinated debt	111,576,672	159,211,122
Branch adjustment (net)	-	-
Provision for classified assets	84,893,000	84,893,000
Provision for taxation	9,032,514,288	8,240,134,526
Accumulated provision for loans and advances including off-balance sheet exposures	4,802,067,219	4,768,657,005
Cumulative balance of interest suspense account	1,781,874,251	1,552,447,367
Others	1,085,804,039	254,083,990
	17,217,310,302	15,727,054,320

	31-Mar-16 Taka	31-Dec-15 Taka
14.1.1 Other provisions		
Provision for other classified assets [Note 14.1.1.1]	84,893,000	84,893,000
Provision for nostro accounts [Note 14.1.1.2]	-	-
	84,893,000	84,893,000

14.1.1.1 Provision for other classified assets

As per BRPD Circular No. 14 dated 25 June 2001, the following amount has been provided in the financial statements of the Bank as provision for other classified assets (legal expenses recoverable from the defaulted borrowers):

Opening balance	84,893,000	60,763,000
Add: Provision made for the period	-	24,130,000
Closing balance	84,893,000	84,893,000

14.1.1.2 Provision for nostro accounts

As per instructions contained in the Circular Letter No. FEPD (FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, following provision has been made against the unreconciled debit balance of nostro accounts:

Opening balance	-	-
Add: Adjustment during the period	-	-
Closing balance	-	-

14.1.2 Provision for taxation

Current tax

Opening balance	8,240,134,526	11,503,373,078
Add: Provision made for the period [Note 14.1.2.1]	792,379,762	3,223,066,022
Less: Adjustment made against Advance Tax/Adjustment made against final assessment orders by the Deputy Commissioner of Taxes or the Appellate Authority	-	6,486,304,574
Closing balance [Note 14.1.2.2]	9,032,514,288	8,240,134,526

14.1.2.1 Current tax - Provision for the period

Provision made for the current period on taxable income	792,379,762	3,223,066,022
Adjustment for the previous period	-	-
	792,379,762	3,223,066,022

14.1.2.2 Assessment of income tax has been finalized with the tax authority for the accounting years 1996, 1997, 2001, 2002, 2003, 2004, 2005, 2006 and 2007. [Note 11.2.1]

Final assessment of income tax for accounting years 1998, 1999, 2000 and 2010 are pending with Appellate Authorities. Full tax provision has been made in the accounts for the respective years based on the latest assessment orders made by the Deputy Commissioner of Taxes or Appellate Authorities.

	31-Mar-16	31-Dec-15
	Taka	Taka
14.1.3 Accumulated provision for loans and advances and Off-balance sheet exposures		
(A) Specific provision for bad and doubtful loans and advances		
Opening balance	2,783,136,456	3,036,086,501
Less : Fully provided debt written-off	-	-
Add: Recoveries of amounts previously written-off	500	6,299,930
Add: Specific provision for the period	-	(259,249,975)
Less: Provision no more required for advances realized	-	-
Add: Net charge to profit and loss account	-	-
Provision held at the end of the period [Note 9.4(b)]	2,783,136,956	2,783,136,456
(B) General provision		
General provision against unclassified loans and advances		
Opening balance	1,435,371,000	1,165,569,800
General provision for the period	-	269,801,200
Provision held at the end of the period [Note 9.4(b)]	1,435,371,000	1,435,371,000
General provision against Off-balance sheet exposures		
As per the instructions contained in BRPD Circular No. 8 dated 7 August 2007 and BRPD Circular No. 10 dated 18 September 2007, following provision has been made against the Off-balance sheet exposures of the Bank:		
Opening balance	550,149,549	472,799,305
Add: Provision made for the period	33,409,714	77,350,244
Provision held at the end of the period	583,559,263	550,149,549
Total (A) + (B)	2,018,930,263	1,985,520,549
	4,802,067,219	4,768,657,005
(C) General provision against unclassified loans and advances		
Main Operation	1,435,371,000	1,435,371,000
Off-Shore Banking Unit	59,183,628	59,183,628
	1,494,554,628	1,494,554,628
14.1.4 Cumulative balance of interest suspense account		
Opening balance	1,552,447,367	1,062,236,453
Add: Amount transferred to interest suspense account during the period	334,667,930	1,135,833,214
Less: Amount transferred from interest suspense account during the period	105,226,528	631,418,754
Less: Amount written-off/waived during the period	14,518	14,203,546
Balance at the end of the period	1,781,874,251	1,552,447,367

	31-Mar-16 Taka	31-Dec-15 Taka
15. Subordinated debt		
Subordinated debt - 1		
The Bank arranged a subordinated debt from FMO, the Netherlands of Taka 442,860,000 equivalent to EURO 5 million for a term of nine years to strengthen the capital base of the Bank. Principal amount of Taka 316,328,572 has been restructured in 2010 with the approval of Bangladesh Bank. The principal amount is repayable in five (5) equal yearly installments, last installment of which is payable on 15 October 2015.	-	-
The interest rate for the subordinated debt is determined on the basis of the weighted average yield of 364-day treasury bills plus 3.90% margin.		
Subordinated debt - 2		
The Bank arranged a subordinated debt from FMO, the Netherlands of Taka 492,884,500 equivalent to EURO 5 million for a term of nine years to strengthen the capital base of the Bank. Principal amount of Taka 457,678,464 has been restructured in 2010 with the approval of Bangladesh Bank. The principal amount is repayable in five (5) equal yearly installments, last installment of which is payable on 15 December 2016.	91,535,693	91,535,693
The interest rate for the subordinated debt is determined on the basis of the weighted average yield of 364-day treasury bills plus 3.90% margin. The effective rate of interest of which as at the reporting date was approximately 7.99%.		
Subordinated debt - 3		
The Bank arranged a subordinated debt from FMO, the Netherlands totaling Taka 642,252,440 equivalent to EURO 6.6 million for a term of ten years to strengthen the capital base of the Bank. Principal amount of Taka 642,252,440 has been restructured in 2010 with the approval of Bangladesh Bank. The principal amount is repayable in five (5) equal yearly installments, last installment of which is payable on 15 December 2018.	385,351,464	385,351,464
The interest rate for the Subordinated debt is fixed at 7%.		
Subordinated debt - 4		
The Bank arranged a subordinated debt from FMO, the Netherlands for USD 25 million equivalent to Taka 1,934,375,000 for a term of six years to strengthen the Tier-2 capital as well as total capital of the Bank during December 2013 with the approval of Bangladesh Bank. The principal amount is repayable in eight (8) equal half-yearly installments with two years moratorium, last installment of which is payable on 15 February 2020.	1,969,375,000	1,990,640,000
The interest rate for the subordinated debt is six (6) month LIBOR plus 5% margin.		
Subordinated debt - 5		
The Bank arranged a subordinated debt from DEG, Germany for USD 25 million equivalent to Taka 1,934,375,000 for a term of six years to strengthen the Tier-2 capital as well as total capital of the Bank during June 2014 with the approval of Bangladesh Bank. The principal amount is repayable in eight (8) equal half-yearly installments with two years moratorium, last installment of which is payable on 15 August 2020.	1,934,375,000	1,934,375,000
The interest rate for the subordinated debt is six (6) month LIBOR plus 5% margin.		
Total	4,380,637,157	4,401,902,157

As per BRPD Circular No. 13 dated 14 October 2009, BRPD Circular No. 35 dated 29 December 2010 and Letter No. BRPD(BIC)661/14B(P)/2010-340 dated 22 December 2010, FEPD (external debts & grants section)/701/K-1/2013-463 dated 17 December 2013 and Letter No. BRPD(BIC)661/148(P)/2013/2560 dated 30 December 2013 issued by Bangladesh Bank, the above noted debt capital (Subordinated debt - 1, 2, 3, 4 and 5 is considered as a component of supplementary capital (Tier 2 capital) of the Bank within the regulatory limits.

	31-Mar-16	31-Dec-15
	Taka	Taka
16. Share capital		
16.1 Authorized share capital		
400,000,000 ordinary shares of Taka 10 each	4,000,000,000	4,000,000,000
16.2 Issued, subscribed and fully paid up share capital		
200,000,000 ordinary shares of Taka 10 each	2,000,000,000	2,000,000,000
16.2.1 Raising of capital		
The paid-up share capital of the Bank was raised in the following manner:		
From the sponsor shareholders before IPO		
By issuing of 1,800,000 ordinary shares of Taka 100 each	180,000,000	180,000,000
Through Initial Public Offering (IPO)		
The Bank raised Taka 22,135,000 through initial public offering in the year 2001 against issuance of 221,350 ordinary shares of Taka 100 each	22,135,000	22,135,000
The premium of Taka 50 was also applied for 221,350 shares against face value of Taka 100 each [Note 17]		
Bonus shares		
Bonus shares @3.94719 against 1 existing share of Taka 100 each for the year 2007	797,865,000	797,865,000
Bonus shares @0.50 against 1 existing share of Taka 100 each for the year 2008	500,000,000	500,000,000
Bonus shares @0.333 against 1 existing share of Taka 100 each for the year 2009	500,000,000	500,000,000
	2,000,000,000	2,000,000,000

16.3 Capital to Risk Weighted Assets Ratio (CRAR) under Basel III:

As per Section 13 of the Bank Company Act, 1991 (Amended up to 2013) and instructions contained in BRPD Circular No. 18 dated 21 December 2014, [Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)], the risk based capital (eligible regulatory capital) of the Bank as of 31 March 2016 stood at Taka 20,891,592,157 against the risk based capital requirement of Taka 15,599,270,473. As a result, there was a capital surplus of Taka 5,292,321,684 in risk based capital to risk-weighted asset ratio as on 31 March 2016.

As per Section 13(2) of the Bank Company Act, 1991 (Amended up to 2013) and the instruction contained in BRPD Circular Letter No. 11 dated 14 August 2008, the paid-up share capital and statutory reserve should be at least Taka 4,000.00 million, in which, the paid-up share capital should be minimum Taka 2,000.00 million. Against that, the paid-up share capital and statutory reserve of the Bank was Taka 9,797.02 million (Paid-up share capital, Taka 2,000.00 million and statutory reserve, Taka 7,797.02) as on 31 March 2016.

The details of capital to risk-weighted asset ratio are furnished below:

	31-Mar-16 Taka	31-Dec-15 Taka
Total assets (excluding off-balance sheet assets)	238,994,002,649	244,057,570,324
Total off-balance sheet assets	58,355,926,345	55,014,954,855
Total Risk weighted assets [RWA] against		
i. Credit Risk		
On-balance sheet	120,907,329,316	121,909,787,575
Off-balance sheet	10,085,849,583	8,152,196,806
	130,993,178,898	130,061,984,381
ii. Market Risk	1,496,849,868	1,682,183,868
iii. Operational Risk	23,502,675,968	22,804,436,976
A) Total Risk weighted assets (RWA) [i+ii+iii]	155,992,704,734	154,548,605,224
B) Minimum Capital Requirement (MCR) [10% of risk weighted assets]	15,599,270,473	15,454,860,522
C) Common Equity Tire 1 (CET1) capital		
Paid -up share capital	2,000,000,000	2,000,000,000
Share premium	11,067,500	11,067,500
Statutory reserve	7,797,022,786	7,487,588,738
Dividend equalization account	1,366,827,195	1,366,827,195
Proposed dividend	-	800,000,000
Retained earnings (Including OBU)	4,471,111,409	4,121,893,415
	15,646,028,890	15,787,376,848
Less : Deferred tax asset	1,057,592,043	1,057,591,853
	14,588,436,847	14,729,784,995
D) Additional Tier-1 Capital		
Non-cumulative irredeemable preference shares	-	-
Instruments issued by the banks that meet the qualifying criteria for AT1	-	-
Others (if any item approved by Bangladesh Bank)	-	-
Less Regulatory Adjustments from AT-1 Capital	-	-
	14,588,436,847	14,729,784,995
E) Tier 1 Capital [C+D]	14,588,436,847	14,729,784,995
F) Tier 2 Capital		
General provision maintained against unclassified loans and off-balance sheet exposures	1,637,414,736	1,625,774,805
Subordinated debt capital	4,380,637,157	4,401,902,157
Assets revaluation reserves	425,206,889	425,206,889
Revaluation reserves of HTM securities	49,965,473	49,965,473
	6,493,224,255	6,502,849,324
Less : 40% Revaluation Reserves for Fixed Assets, Securities	190,068,945	95,034,472
	6,303,155,310	6,407,814,852
G) Total Eligible Regulatory Capital (Tier 1 and 2) [E+F]	20,891,592,157	21,137,599,847
Total capital surplus [G - B]	5,292,321,684	5,682,739,325
Capital to Risk Weighted Assets Ratio (CRAR):		
Common Equity Tier-1 to RWA (C/A)*100	9.35%	9.53%
Tier-1 Capital to RWA (E/A)*100	9.35%	9.53%
Tier-2 Capital to RWA (F/A)*100	4.04%	4.15%
Capital to Risk Weighted Assets Ratio (CRAR) (G/A)*100	13.39%	13.68%

	31-Mar-16 Taka	31-Dec-15 Taka
17. Share premium		
Taka 50 per share on 221,350 ordinary shares of Taka 100 each at the time of issuing shares through initial public	11,067,500	11,067,500
* In compliance with Securities and Exchange Commission (SEC) Order No. SEC /CMRRCD/2009-193/109 dated 15 September 2011 and with the approval of shareholders in the 3rd Extra-ordinary General Meeting (EGM) held on 13 November 2011, the denomination of shares (face value) has been changed from Taka 100 each to Taka 10 each with effect from 4 December 2011 and accordingly the number of shares have been restated.		
18. Statutory reserve		
As per Section 24 (1) of the Bank Companies Act, 1991, an amount equivalent to 20% of profit before taxes for the period has been transferred to the statutory reserve fund as under.:		
Opening balance	7,487,588,738	6,234,120,766
Add: Transferred from profit during the period	309,434,048	1,253,467,972
Closing balance	7,797,022,786	7,487,588,738
19. Other reserve		
Revaluation reserve of HFT securities [Note 19.1]	-	-
	-	-
19.1 Other reserve		
In terms of First Schedule (Section 38) of the Bank Companies Act, 1991, and instructions contained in BRPD Circular No. 5 dated 26 May 2008 and Letter No. DOS (SR)1153/120-A/2011-746 dated 29 December 2011 the revaluation reserve for HFT securities has been made as under:		
Opening balance	-	-
Add: Reserve made for the period	-	-
Less: Adjustment during the period	-	-
Closing balance	-	-
20. Dividend equalization account		
As per BRPD Circular Letter No. 18 dated 20 October 2002 issued by Bangladesh Bank, ' <i>Dividend Equalization Account</i> ' has been created by transferring the amount from the profit that is equal to the cash dividend paid in excess of 20%.		
Opening balance	1,366,827,195	966,827,195
Add: Transferred from profit for the period	-	400,000,000
Closing balance	1,366,827,195	1,366,827,195
21. Assets revaluation reserve		
In terms of Bangladesh Accounting Standard (BAS) 16, 'Property, Plant and Equipment' , and instructions contained in BRPD Circular No. 10 dated 25 November 2002 issued by Bangladesh Bank, all the immovable properties of the Bank has been revalued by a professionally qualified valuation firm of the country. The rationale of the valuation has also been certified by the Bank's external auditors, M/s. A. Qasem & Co., Chartered Accountants. Accordingly, revaluation surplus of Taka 850,413,777 has been included in equity.		
Opening balance	850,413,777	850,413,777
Add : Addition during the period (net)	-	-
Closing balance	850,413,777	850,413,777
22. Revaluation reserve of HTM securities [Note 2.7.3(b)]		
Opening balance	116,544,853	99,930,945
Add: Reserve transferred to Income Account during the period	(635,824)	16,613,908
Closing balance	115,909,029	116,544,853

	31-Mar-16	31-Dec-15
	Taka	Taka
23. Calculation of Earnings Per Share (EPS)		
The earnings per share of the Bank has been calculated in accordance with the Bangladesh Accounting Standard (BAS) 33, 'Earnings Per Share' under Basic Earning Per Share method as follows:		
Basic earnings (net profit after tax) [numerator]	658,652,042	3,020,282,208
Number of ordinary shares outstanding (denominator)	200,000,000	200,000,000
Earnings Per Share (Taka)	3.29	15.10
24. Contingent liabilities		
Main Operation [Note 24.1]	58,355,926,345	55,014,954,855
Off-shore Banking Unit	-	-
	58,355,926,345	55,014,954,855
24.1 Contingent liabilities - Main Operation		
a) Acceptances and endorsements	2,038,625,000	-
b) Letters of guarantee		
Local	3,668,955,359	3,663,282,326
Foreign	170,660,888	207,652,260
	3,839,616,247	3,870,934,586
c) Irrevocable letters of credit		
Local		
Cash	705,242,624	819,015,833
Usance	191,036,174	53,276,575
Back to back	3,474,061,776	3,320,263,794
	4,370,340,574	4,192,556,202
Foreign		
Cash	7,179,476,608	4,639,037,920
Usance	5,797,529,870	5,840,900,252
Back to back	1,187,256,728	1,310,433,397
	14,164,263,205	11,790,371,569
	18,534,603,780	15,982,927,771
d) Bills for collection		
Inward	30,271,791,748	31,223,459,998
Outward	6,878	19,630
	30,271,798,626	31,223,479,628
e) Other contingent liabilities		
Travellers' cheques	-	-
Export Development Fund	1,824,327,692	2,115,817,870
Bangladesh Shanchaya Patra	1,846,955,000	1,821,795,000
	3,671,282,692	3,937,612,870
Total (a+b+c+d+e)	58,355,926,345	55,014,954,855

		31-Mar-16	31-Mar-15
		Taka	Taka
25. Particulars of profit and loss account			
Income	Notes		
Interest, discount and other similar income	26	3,898,252,420	3,832,934,986
Dividend income	28	5,711,803	-
Fees, commission and brokerage	29.1	192,074,395	192,614,153
Gains less losses arising from dealing securities		-	-
Gains less losses arising from investment securities	28	470,931,938	512,011,874
Gains less losses arising from dealing in foreign currencies	29.2	179,718,964	133,787,326
Income from non-banking assets		-	-
Other operating income	30	473,676,967	450,532,386
Profit less losses on interest rate changes		-	-
		5,220,366,487	5,121,880,725
Expenses			
Interest, fee and commission	27	1,429,194,082	1,538,117,996
Charges on loan losses	41	-	-
Directors' fees	39	40,000	30,623
Administrative expenses	31	1,194,887,785	1,191,482,303
Other operating expenses	43	749,821,023	573,279,609
Depreciation on banking assets	42	265,843,644	238,504,609
		3,639,786,534	3,541,415,140
Profit before provision		1,580,579,953	1,580,465,585
26. Interest income			
Interest income - Main Operation [Note 26.1]		3,815,999,182	3,814,737,445
Interest income - Off-Shore Banking Unit		82,253,238	18,197,541
		3,898,252,420	3,832,934,986
26.1 Interest income - Main Operation			
Interest on loans and advances			
House building loan		24,357,924	8,975,746
Transport loan		42,550,848	34,565,090
Term loan - industrial		962,525,533	965,436,750
Term loan - others		122,897,063	136,484,268
Secured overdraft		485,855,685	282,572,857
Cash credit		858,098,635	950,046,495
Payment against document - cash		724,237	2,522,007
Payment against document EDF- others		58,091,615	67,022,228
Loan against trust receipts		81,560,266	110,721,240
Export cash credit		22,485,485	18,190,128
Loan against accepted bills		95,599,252	102,108,948
Staff loan		7,434,336	7,247,012
SME and consumer finance		740,023,142	786,101,857
		3,502,204,022	3,471,994,626
Interest on balance with other banks and financial institutions			
Fixed deposits		204,465,000	229,319,306
Special notice deposits		633,687	218,119
Nostro accounts		1,035,988	95,306
Money at call and short notice		107,660,485	113,110,088
		313,795,160	342,742,819
		3,815,999,182	3,814,737,445

	31-Mar-16	31-Mar-15
	Taka	Taka
27. Interest paid on deposits and borrowings etc.		
Main Operation [Note 27.1]	1,365,176,761	1,523,959,318
Off-shore Banking Unit	64,017,321	14,158,678
	1,429,194,082	1,538,117,996
27.1 Interest paid on deposits- Main Operation [Note 27.2]	1,277,638,320	1,420,122,688
Interest paid on borrowings- Main Operation [Note 27.3]	87,538,441	103,836,630
	1,365,176,761	1,523,959,318
27.2 Interest paid on deposits- Main Operation		
Savings deposits	405,398,071	461,969,006
Special notice deposits	162,603,259	146,079,566
Fixed deposits	708,846,703	799,111,614
Non-resident foreign currency deposits	3,769	1,695
Resident foreign currency deposits	50,487	9,632
Monthly term deposits	736,032	12,951,175
	1,277,638,320	1,420,122,688
27.3 Interest paid on borrowings- Main Operation		
Interest on call loan borrowing	1,860,319	9,343,396
Interest on credit lines	756,772	707,417
Interest paid on subordinated debt	65,330,945	68,616,999
Interest on borrowing under REPO and Re-financing facilities with Bangladesh Bank	19,590,405	25,168,818
Interest on borrowing under REPO with other banks	-	-
	87,538,441	103,836,630
28. Investment income		
Dividend on shares	5,711,803	-
Interest on treasury bills, bonds and debentures		
Interest on treasury bills and bonds	451,534,149	485,649,246
Interest on reverse REPO with other banks	-	-
Interest on subordinated bonds	19,397,789	26,362,628
Interest on debenture	-	-
	470,931,938	512,011,874
Gain on sale of shares	-	-
	476,643,741	512,011,874
29. Commission, exchange and brokerage		
Commission [Note 29.1]	192,074,395	192,614,153
Exchange earnings (net) [Note 29.2]	179,718,964	133,787,326
	371,793,359	326,401,479

	31-Mar-16	31-Mar-15
	Taka	Taka
29.1 Commission		
Commission on Remittances-Local	2,873,903	2,905,638
Commission on Remittances-Foreign	11,633,632	9,731,490
Commission on Letter of Credit-Import	29,589,591	27,819,793
Commission on Letter of Credit-Export	131,267,753	134,596,937
Commission on Export Bills	3,459,308	4,390,053
Commission on Letter of Guarantee	12,569,764	12,586,702
Commission on Sale of Government Saving Instruments	664,523	341,137
Commission on Banker to the issue & underwriting	-	205,051
Other Commission	15,920	37,352
	192,074,395	192,614,153
29.2 Exchange earnings (net)		
From commercial bills	164,326,130	109,543,456
From dealing operations	15,392,834	24,243,870
	179,718,964	133,787,326
30. Other operating income		
Main Operation [Note 30.1]	473,583,793	449,697,583
Off-shore Banking Unit	93,174	834,803
	473,676,967	450,532,386
30.1 Other operating income		
Charges for service	689,789	408,857
Income from IT service	373,882,015	332,960,237
Recoveries from client	28,355,759	28,207,872
Service charges on deposit accounts	7,361,256	6,077,972
Income from Export-Import	32,556,821	39,323,479
Examination and appraisal fees	-	-
Document handling charges-Export	95,356	48,500
Locker Rent	1,492,333	1,517,699
Gain on sale of fixed assets	222,811	-
Income from Mobile Banking Services	8,844,252	12,007,997
Other earning	20,083,402	29,144,970
	473,583,793	449,697,583
30.2 Gain on sale of fixed assets (net)		
Some impaired items of fixed assets were sold during the period as under:		
Gain on sale of fixed assets	222,811	-
Less: Loss on sale of fixed assets	-	-
Gain on sale of fixed assets (net) [Note 30.3]	222,811	-
30.3 Calculation of income from sale of fixed assets		
Sale proceeds [A]	409,689	-
Cost price of the sold items	8,416,196	-
Less: Accumulated depreciation	8,229,318	-
Written down value [B]	186,878	-
Net gain [A - B]	222,811	-

31. Administrative expenses		31-Mar-16 Taka	31-Mar-15 Taka
	Notes		
Salary and allowances	32	641,508,800	655,760,483
Rent, taxes, insurance, electricity, etc.	34	294,117,305	247,596,974
Legal expenses	35	881,439	1,407,006
Postage, stamp, telecommunications, etc.	36	56,507,998	61,094,949
Stationery, printings, advertisements etc.	37	84,426,762	103,153,141
Managing Director's salary and allowances	38	2,274,000	2,274,000
Auditors' fees	40	-	-
Repair and maintenance	42	115,171,482	120,195,750
		1,194,887,785	1,191,482,303
32. Salary and allowances			
Main Operation [Note 32.1]		640,445,942	654,664,667
Off-shore Banking Unit		1,062,858	1,095,816
		641,508,800	655,760,483
32.1 Salary and allowances-Main Operation			
Basic salary		322,273,097	304,238,815
House rent allowance		161,131,206	152,372,619
Conveyance allowance		37,614,812	35,420,438
Other allowances		1,157,800	1,183,300
Bank's contribution to provident fund		28,097,527	27,762,657
Medical expenses		33,176,501	30,486,138
Bonus		56,995,000	53,200,700
Gratuity		-	50,000,000
Superannuation		-	-
		640,445,942	654,664,667
33. Number of employees and remuneration thereof			
As per the Schedule XI of the Companies Act, 1994, the number of employees (including contractual employees) engaged for the whole year or part thereof who received a total remuneration of Taka 36,000 per annum or Taka 3,000 per month were 5,339 as at 31 March 2016 compared to 5,550 as at 31 March 2015.			
34. Rent, taxes, insurance, electricity, etc.			
Rent			
Office premises		170,669,348	143,195,929
ATM Booths and other installations		25,580,847	20,287,512
		196,250,195	163,483,441
Rates and taxes			
Rates		474,000	608,513
Taxes		1,086,584	1,072,137
		1,560,584	1,680,650
Insurance			
Cash		8,616,601	14,382,495
Vehicles		732,026	792,552
Deposits		24,000,000	20,002,342
Other properties		3,412,987	2,518,011
		36,761,614	37,695,400
Electricity and sanitation			
Light and power		57,542,880	42,984,575
Water and sewerage		1,617,031	1,484,712
Utilities		385,001	268,196
		59,544,912	44,737,483
		294,117,305	247,596,974
35. Legal expenses			
Legal expenses		881,439	1,407,006
		881,439	1,407,006

	31-Mar-16	31-Mar-15
	Taka	Taka
36. Postage, stamp, telecommunications, etc.		
Main Operation [Note 36.1]	56,503,133	61,094,949
Off-shore Banking Unit	4,865	11,389
	56,507,998	61,106,338
36.1 Postage, stamp, telecommunications, etc.-Main Operation		
Postage	7,165,858	5,189,002
Telephone	3,652,490	3,545,952
Radio link	41,773,315	45,243,426
Swift, Reuters, internet, etc.	3,911,471	7,116,569
	56,503,133	61,094,949
37. Stationery, printings, advertisements etc.		
Printing and stationery:		
Printed stationery	8,376,596	7,700,178
Security stationery	5,600,571	7,674,722
Petty stationery	18,883,460	23,679,429
	32,860,627	39,054,329
Publicity and advertisement	51,566,135	64,098,812
	84,426,762	103,153,141
38. Managing Director's salary and allowances		
Basic salary	1,740,000	1,740,000
House rent allowance	90,000	90,000
House maintenance	60,000	60,000
Bank's contribution to provident fund	174,000	174,000
Leave fare assistance	90,000	90,000
Other allowances	120,000	120,000
Bonus	-	-
	2,274,000	2,274,000
39. Directors' fees		
Honorarium for attending meeting	40,000	30,000
Incidental expenses for attending meeting	-	623
	40,000	30,623
40. Auditors' fees		
Statutory annual audit fees	-	-
Special audit fees	-	-
Fees for various certification	-	-
	-	-
41. Charges on loan losses		
Loan written- off	-	-
Interest waived	-	-
	-	-
42. Depreciation and repair of bank's assets		
Depreciation on fixed assets including building, furniture and fixtures		
Main Operation [Note 42.1]	265,837,729	238,499,529
Off-shore Banking Unit	5,915	5,080
	265,843,644	238,504,609
Repair and maintenance		
Main Operation [Note 42.2]	115,097,169	120,119,687
Off-shore Banking Unit	74,313	76,063
	115,171,482	120,195,750
	381,015,126	358,700,359

	31-Mar-16	31-Mar-15
	Taka	Taka
42.1 Depreciation on fixed assets including land, building, furniture and fixtures		
Land	-	-
Building (including lease hold property)	2,497,151	2,497,147
Interior decoration	20,936,112	23,133,620
Furniture and fixtures	6,099,600	5,696,747
Other machinery and equipment	41,180,598	36,499,476
Computer equipment and software	100,605,100	89,839,361
Motor vehicles	10,459,638	13,260,072
ATM Booth	21,199,845	17,623,693
ATM and Fast Track (ATM & Deposit Machine)	62,855,153	49,944,881
Books	4,532	4,532
	265,837,729	238,499,529
42.2 Repair and maintenance		
Premises	36,182,007	34,120,979
Vehicles	9,073,113	7,031,171
Computers	69,842,048	78,967,537
	115,097,169	120,119,687
43. Other expenses		
Main Operation [Note 43.1]	749,428,248	573,075,972
Off-shore Banking Unit	392,775	203,637
	749,821,023	573,279,609
43.1 Other expenses- Main Operation		
Entertainment expenses	12,069,513	6,944,822
Fuel and lubricant	12,380,379	10,678,990
Subscription and donations	4,578,568	4,129,399
Annual general meeting	-	-
Casual wages	166,042,054	152,111,572
Travelling expenses and allowances	70,065,456	88,024,487
Petty conveyance	7,440,004	9,032,651
Credit rating fees	-	-
News papers, periodicals, learning materials etc.	300,886	250,833
Crockerries	240,525	264,089
Debit and Credit Card expenses	75,522,594	64,621,037
ATM expenses	4,838,099	4,006,302
Tele Banking Expenses	376,455	11,465,153
Cash carrying charges	7,257,548	6,803,875
ATM cash replenishment charges	99,000,000	60,006,600
Recruitment , training, seminar and workshop	5,111,937	3,203,389
Service charge on nostro account and others	14,564,564	16,064,603
Consultancy fees	360,595	2,146,405
Business promotion and development	241,722,127	80,724,891
Laundry and cleaning	100,902	101,756
Other expenses for Mobile Banking Services	21,934,435	11,977,649
Other expenses for Agent Banking Services	4,863,490	9,266
Loss on Sale of Fixed Assts	-	34,828,500
Miscellaneous	658,118	5,679,703
	749,428,248	573,075,972

	<u>31-Mar-16</u> Taka	<u>31-Dec-15</u> Taka
44. Cash and cash-equivalents		
Cash in hand (including foreign currencies)	8,687,307,386	8,296,998,632
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	17,414,308,363	14,555,926,865
Balance with other banks and financial institutions	24,687,602,604	26,667,404,705
Treasury bills and bonds	2,356,739,044	2,574,924,555
Prize bonds	7,849,700	7,392,400
Money at call and short notice	1,980,000,000	5,270,000,000
	<u>55,133,807,097</u>	<u>57,372,647,157</u>


Chairman


Director


Managing Director


Chief Financial Officer


Company Secretary

Dhaka, 05 May 2016