

Dutch-Bangla Bank Limited

Balance Sheet

As at 30 June 2016

(Main Operation and Off-shore Banking Unit)

PROPERTY AND ASSETS	Notes	30-Jun-16			31-Dec-15	30-Jun-15
		Taka (Audited)			Taka (Audited)	Taka (Audited)
		Main Operation	Off-shore	Total	Total	Total
Cash						
In hand (including foreign currencies)	4	20,310,512,945	-	20,310,512,945	8,296,998,632	8,420,349,393
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	5	18,465,811,317	-	18,465,811,317	14,555,926,865	14,906,906,666
		38,776,324,262	-	38,776,324,262	22,852,925,497	23,327,256,059
Balance with other banks and financial institutions	6					
In Bangladesh		20,491,936,161	1,822,741,553	22,314,677,714	27,591,599,177	13,339,457,888
Outside Bangladesh		1,898,872,954	-	1,898,872,954	1,154,177,150	1,404,785,016
		22,390,809,115	1,822,741,553	24,213,550,668	28,745,776,327	14,744,242,904
Money at call and short notice	7	1,970,000,000	-	1,970,000,000	5,270,000,000	6,740,000,000
Investments	8					
Government		18,028,279,719	-	18,028,279,719	19,405,280,474	19,308,475,412
Others		564,983,434	-	564,983,434	804,983,434	885,283,434
		18,593,263,153	-	18,593,263,153	20,210,263,908	20,193,758,846
Loans and advances	9					
Loans, cash credits, overdrafts, etc.		148,733,481,661	761,353,119	149,494,834,780	141,916,487,380	133,023,229,204
Bills purchased and discounted		4,231,101,828	2,630,195,301	6,861,297,129	10,353,513,085	5,455,967,414
		152,964,583,490	3,391,548,420	156,356,131,910	152,270,000,465	138,479,196,618
Fixed assets including land, building, furniture and fixtures	10	4,982,255,286	82	4,982,255,368	4,519,304,790	4,198,570,266
Other assets	11	13,247,446,503	7,925,157	13,255,371,660	10,189,299,337	16,097,068,093
Non-banking assets		-	-	-	-	-
TOTAL ASSETS		252,924,681,809	5,222,215,212	258,146,897,021	244,057,570,324	223,780,092,786
LIABILITIES AND CAPITAL						
Liabilities						
Borrowings from other banks, financial institutions and agents	12	10,745,628,309	5,057,684,352	15,803,312,661	20,283,536,724	13,036,639,983
Deposits and other accounts	13					
Current deposits and other accounts		56,508,306,521	25,343,523	56,533,650,044	47,484,925,764	43,394,802,726
Bills payable		3,721,554,864	-	3,721,554,864	2,827,945,083	3,271,557,591
Savings bank deposits		78,353,002,764	-	78,353,002,764	70,609,619,683	64,028,037,881
Term deposits		64,526,928,882	-	64,526,928,882	65,842,511,008	59,948,052,497
		203,109,793,030	25,343,523	203,135,136,553	186,765,001,538	170,642,450,695
Other liabilities	14	17,651,597,108	101,905,322	17,753,502,430	15,852,794,427	20,655,302,732
Subordinated debt	15	4,378,137,157	-	4,378,137,157	4,401,902,157	4,633,889,052
TOTAL LIABILITIES		235,885,155,604	5,184,933,197	241,070,088,801	227,303,234,846	208,968,282,461

	Notes	30-Jun-16			31-Dec-15	30-Jun-15
		Taka (Audited)			Taka (Audited)	Taka (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	2,000,000,000
Share premium	17	11,067,500	-	11,067,500	11,067,500	11,067,500
Statutory reserve	18	7,967,424,464	-	7,967,424,464	7,487,588,738	6,712,598,746
Other reserve	19	-	-	-	-	-
Dividend equalization account	20	1,366,827,195	-	1,366,827,195	1,366,827,195	966,827,195
Assets revaluation reserve	21	850,413,777	-	850,413,777	850,413,777	850,413,777
Revaluation reserve of HTM securities	22	115,909,029	-	115,909,029	116,544,853	78,658,471
Proposed dividend		-	-	-	800,000,000	-
Retained earnings		4,727,884,241	37,282,015	4,765,166,256	4,121,893,415	4,192,244,636
TOTAL SHAREHOLDERS' EQUITY		17,039,526,206	37,282,015	17,076,808,221	16,754,335,478	14,811,810,325
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		252,924,681,809	5,222,215,212	258,146,897,021	244,057,570,324	223,780,092,786

OFF-BALANCE SHEET ITEMS

Contingent liabilities	24					
Acceptances and endorsements		8,560,765,000	-	8,560,765,000	-	-
Letters of guarantee		4,028,075,973	-	4,028,075,973	3,870,934,586	4,030,673,584
Irrevocable letters of credit		18,646,893,958	-	18,646,893,958	15,982,927,771	18,539,132,219
Bills for collection		29,493,784,407	-	29,493,784,407	31,223,479,628	28,817,051,827
Other contingent liabilities		4,532,296,487	-	4,532,296,487	3,937,612,870	3,825,679,856
Total contingent liabilities		65,261,815,824	-	65,261,815,824	55,014,954,855	55,212,537,486
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		65,261,815,824	-	65,261,815,824	55,014,954,855	55,212,537,486

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


Chairman


Director


Director


Managing Director

Auditors' report to the Board of Directors'
See annexed report of date



A. Qasem & Co
Chartered Accountants

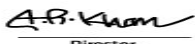
Dhaka, 30 July 2016

Dutch-Bangla Bank Limited
Profit and Loss Account
For the half year ended 30 June 2016
(Main Operation and Off-shore Banking Unit)

Notes	For the six months ended 30 June (Jan - Jun)			For the quarter ended 30 June (Apr-Jun)			
	2016 Taka		2015 Taka	2016 Taka	2015 Taka		
	Main Operation	Off-shore	Total	Total	Total		
Interest income	26	7,622,409,856	141,916,705	7,764,326,561	7,752,501,000	3,866,074,141	3,919,566,014
Interest paid on deposits and borrowings etc.	27	2,705,852,174	109,135,123	2,814,987,297	3,081,775,606	1,385,793,215	1,543,657,610
Net interest income		4,916,557,681	32,781,582	4,949,339,263	4,670,725,394	2,480,280,926	2,375,908,404
Investment income	28	935,860,180	-	935,860,180	1,039,441,589	459,216,439	527,429,715
Commission, exchange and brokerage	29	765,321,032	-	765,321,032	715,096,947	393,527,673	388,695,468
Other operating income	30	1,146,639,606	209,083	1,146,848,689	1,085,921,837	673,171,722	635,389,451
Total operating income		7,764,378,500	32,990,665	7,797,369,165	7,511,185,767	4,006,196,760	3,927,423,038
Salary and allowances	32	1,410,423,866	2,391,248	1,412,815,114	1,359,227,273	771,306,314	854,998,278
Rent, taxes, insurance, electricity, etc.	34	644,305,789	-	644,305,789	538,130,862	350,188,484	290,533,888
Legal expenses	35	1,609,648	-	1,609,648	3,463,111	728,209	2,056,105
Postage, stamp, telecommunications, etc.	36	136,821,544	4,862	136,826,406	119,266,769	80,318,408	58,160,431
Stationery, printings, advertisements, etc.	37	159,315,694	-	159,315,694	182,945,469	74,888,932	79,792,328
Managing Director's salary and allowances	38	5,128,000	-	5,128,000	5,048,000	2,854,000	2,774,000
Directors' fees	39	141,320	-	141,320	82,243	101,320	51,620
Auditors' fees	40	182,500	-	182,500	172,500	182,500	172,500
Charges on loan losses	41	357,439,118	-	357,439,118	-	357,439,118	-
Depreciation and repair of bank's assets	42	751,197,284	158,289	751,355,573	727,931,411	370,340,448	369,231,052
Other expenses	43	1,518,991,790	512,170	1,519,503,960	1,368,941,379	769,682,936	644,130,282
Total operating expenses		4,985,556,553	3,066,569	4,988,623,122	4,305,209,018	2,778,030,670	2,301,900,484
Profit before provision		2,778,821,947	29,924,096	2,808,746,043	3,205,976,750	1,228,166,090	1,625,522,554
Provision for loans and off-balance sheet exposures	14.1.3						
Specific provision for loans	14.1.3(A)	246,398,803	-	246,398,803	604,466,697	246,398,803	395,336,728
General provision for loans	14.1.3(B)	60,700,000	-	60,700,000	129,794,081	60,700,000	78,175,816
General provision for off-balance sheet exposures	14.1.3(B)	102,468,609	-	102,468,609	79,326,070	69,058,895	(9,245,580)
		409,567,412	-	409,567,412	813,586,848	376,157,698	464,266,964
Other provision	14.1.1	-	-	-	-	-	-
Total provision		409,567,412	-	409,567,412	813,586,848	376,157,698	464,266,964
Profit before taxes		2,369,254,535	29,924,096	2,399,178,631	2,392,389,902	852,008,393	1,161,255,590
Provision for taxation							
Current tax	14.1.2	1,230,137,193	-	1,230,137,193	1,445,550,816	437,757,431	586,519,607
Deferred tax	11.2.2	45,932,871	-	45,932,871	(168,804,351)	(50,205,563)	(120,851,133)
		1,276,070,064	-	1,276,070,064	1,276,746,465	387,551,868	465,668,474
Net profit after taxation		1,093,184,471	29,924,096	1,123,108,567	1,115,643,437	464,456,525	695,587,116
Retained earnings brought forward from previous years		4,114,535,496	7,357,919	4,121,893,415	3,555,079,179	-	-
		5,207,719,967	37,282,015	5,245,001,982	4,670,722,616	464,456,525	695,587,116
Appropriations							
Statutory reserve	18	479,835,726	-	479,835,726	478,477,980	170,401,678	232,251,118
Retained earnings carried forward		4,727,884,241	37,282,015	4,765,166,256	4,192,244,636	294,054,847	463,335,998
Earnings per share (EPS)	23			5.62	5.58	2.32	3.48

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


Chairman


Director


Director


Managing Director

Auditors' report to the Board of Directors'
See annexed report of date



A. Qasem & Co
Chartered Accountants

Dutch-Bangla Bank Limited

Cash Flow Statement For the half year ended 30 June 2016 (Main Operation and Off-shore Banking Unit)

	Notes	30-Jun-16		30-Jun-15	
		Taka		Taka	
		Main Operation	Off-shore	Total	Total
A) Cash flows from operating activities					
Interest receipts in cash		8,900,007,565	141,916,705	9,041,924,270	8,969,255,326
Interest payments		(2,808,500,106)	(109,135,123)	(2,917,635,229)	(3,263,520,477)
Dividend receipts in cash		5,712,228	-	5,712,228	425
Gain on sale of shares		-	-	-	-
Gain on sale of securities		-	-	-	-
Recoveries of loan previously written-off		494,480	-	494,480	750,360
Fee and commission receipts in cash		362,280,707	-	362,280,707	384,981,318
Cash payments to employees		(1,441,798,935)	(2,391,248)	(1,444,190,183)	(1,681,150,647)
Cash payments to suppliers		(1,945,388,146)	-	(1,945,388,146)	(1,406,247,792)
Income taxes paid		(1,978,180,645)	-	(1,978,180,645)	(1,765,176,517)
Receipts from other operating activities		1,549,158,357	209,083	1,549,367,440	1,416,037,466
Payments for other operating activities		(1,684,350,825)	(512,170)	(1,684,862,995)	(1,351,984,531)
<i>Operating profit before changes in operating assets and liabilities</i>		959,434,680	30,087,247	989,521,927	1,302,944,931
Increase/(decrease) in operating assets and liabilities					
Statutory deposits		2,312,077,000	-	2,312,077,000	1,809,017,940
Purchase /sale of trading securities		10,852,278,098	-	10,852,278,098	18,948,702,012
Loans and advances to other banks		-	-	-	-
Loans and advances to customers		(6,883,797,046)	(2,630,195,301)	(9,513,992,347)	(14,729,720,712)
Other assets		(786,933,875)	-	(786,933,875)	82,379,893
Deposits from other banks		10,974,303	-	10,974,303	(35,368,410)
Deposits from customers		14,202,298,340	25,343,523	14,227,641,863	2,338,053,157
Other liabilities account of customers		(1,721,377,832)	5,057,684,352	3,336,306,520	2,412,530,763
Other liabilities		331,788,579	(2,482,919,821)	(2,151,131,242)	(1,076,574,501)
<i>Net cash from operating activities</i>		19,276,742,247	-	19,276,742,247	11,051,965,073
B) Cash flows from investing activities					
Payments for purchase of securities		(10,612,279,346)	-	(10,612,279,346)	(18,236,743,130)
Proceeds from sale of securities		-	-	-	-
Purchase of property, plant and equipment		(995,384,792)	-	(995,384,792)	(576,098,777)
Sale proceeds of property, plant and equipment		3,303,321	-	3,303,321	770,791
<i>Net cash used in investing activities</i>		(11,604,360,816)	-	(11,604,360,816)	(18,812,071,116)
C) Cash flows from financing activities					
Receipts from issue of loan capital and debt securities		-	-	-	-
Payment for redemption of loan capital and debt securities		(23,765,000)	-	(23,765,000)	(23,720,000)
Dividends paid		(678,814,011)	-	(678,814,011)	(678,792,462)
<i>Net cash from financing activities</i>		(702,579,011)	-	(702,579,011)	(702,512,462)
D) Net increase / (decrease) in cash (A+B+C)		6,969,802,420	-	6,969,802,420	(8,462,618,505)
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	64,342,449,577	-	64,342,449,577	45,429,414,472
Net Operating Cash Flow Per Share (NOCFPS)				96.38	55.26

Dutch-Bangla Bank Limited
Statement of Changes in Equity
For the half year ended 30 June 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 six months ended 30 June 2016	-	-	-	-	-	-	-	-	-	1,123,108,567	1,123,108,567
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-
Appropriations during the period	-	-	479,835,726	-	-	-	-	-	-	(479,835,726)	-
Balance at 30 June 2016	2,000,000,000	11,067,500	7,967,424,464	-	1,366,827,195	-	-	850,413,777	115,909,029	4,765,166,256	17,076,808,221
Balance at 30 June 2015	2,000,000,000	11,067,500	6,712,598,746	-	966,827,195	-	-	850,413,777	78,658,471	4,192,244,636	14,811,810,325

Dutch-Bangla Bank Limited

Notes to the Financial Statements as at and for the half year ended 30 June 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 30 June 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.

Agent Banking Services

The Bank obtained the permission for conducting the Agent Banking services from Bangladesh Bank on 27 July 2014. The Bank started operation of Agent Banking Services on 19 January 2015.

The principal activities of the Agent Banking Services are to provide banking services to the Bank customers through engagement of agents who conducts Banking Transaction on behalf of the Bank under a valid agency agreements rather than Bank's own Tellers/Cashiers to deliver the services within the applicable rules & regulations and guidelines of Bangladesh Bank.

Agent 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 30 June 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. In terms of instructions contained in Bangladesh Bank's Letter No. BRPD(R)717/2004-959 dated 21 November 2004, foreign currency assets and liabilities are translated into Taka at the weighted average rate as on balance sheet date. 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 2016.

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 30 June 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 six months of the calendar year from 1 January 2016 to 30 June 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 30 June 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 170th meeting held on 30 July 2016 approved the financial statements of the Bank for the half year ended 30 June 2016.

3. General

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

	30-Jun-16 Taka	31-Dec-15 Taka
4. Cash in hand (including foreign currencies)		
Local currency	20,285,022,399	8,276,489,032
Foreign currencies	25,490,546	20,509,600
	20,310,512,945	8,296,998,632
5. Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		
Bangladesh Bank		
Local currency	13,480,187,749	12,234,960,865
Foreign currencies	4,420,686,033	1,537,323,673
	17,900,873,782	13,772,284,538
Sonali Bank Limited (as an agent of Bangladesh Bank) - Local currency	564,937,535	783,642,327
	18,465,811,317	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 MPD Circular No. 4 and 5 dated 1 December 2010, DOS Circular No. 1 dated 19 January 2014 and MPD Circular No. 1 and 2 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	12,355,104,000	11,584,412,000
Actual reserve maintained		
Balance with Bangladesh Bank-Local currency [Note 5]	13,480,187,749	12,234,960,865
Surplus/(deficit)*	1,125,083,749	650,548,865

Cash Reserve Maintained: more than 6% throughout the accounting year and 7.09% on the Balance Sheet date

7.09%

6.87%

5.1.2 Statutory Liquidity Ratio (SLR): 13% of average demand and time liabilities

Required reserve	24,710,209,000	23,168,824,000
------------------	----------------	----------------

Available for maintenance:

Cash in hand (including foreign currencies)	20,310,512,945	8,296,998,632
Balance with Bangladesh Bank - Foreign currencies	4,420,686,033	1,537,323,673
Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	564,937,535	783,642,327
Unencumbered approved securities (treasury bills and bonds, debentures etc.)	18,020,051,119	19,397,888,074
	43,316,187,632	30,015,852,706
Surplus	18,605,978,632	6,847,028,706
Total surplus (5.1.1+5.1.2)	19,731,062,381	7,497,577,571

Statutory Liquidity Ratio (SLR) Maintained (%)

22.79%

16.84%

	30-Jun-16 Taka	31-Dec-15 Taka
6. Balance with other banks and financial institutions		
Main Operation [Note 6.1]		
In Bangladesh	20,491,936,161	25,513,227,555
Outside Bangladesh	1,898,872,954	1,154,177,150
	22,390,809,115	26,667,404,705
Off-shore Banking Unit		
In Bangladesh	1,822,741,553	2,078,371,622
Outside Bangladesh	-	-
	1,822,741,553	2,078,371,622
Total Balance with other banks and financial institutions	24,213,550,668	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	28,099,066	18,385,520
Sonali Bank Limited	94,433,276	86,552,779
Standard Chartered Bank, Dhaka	(59,523,111)	15,730,677
Islami Bank Bangladesh Limited	50,501,357	95,710,537
Agrani Bank Limited	396,245	225,551
National Bank Limited	46,023	88,197
Al-Arafah Islami Bank Limited	3,902,327	-
	117,855,183	216,693,261
In special notice deposit accounts with		
Sonali Bank Limited	1,314,738,040	1,479,578,409
National Bank Limited	41,199,526	24,909,456
The City Bank Limited	(5,545)	(5,021)
Rupali Bank Limited	7,148,655	4,217,515
Agrani Bank Limited	9,965,514	23,573,171
Janata Bank Limited	81,992,900	136,820,516
Dhaka Bank Limited	1,614,019	1,614,019
Islami Bank Limited	588,409,642	535,850,949
	2,045,062,749	2,206,559,014
In fixed deposit accounts with		
Dhaka Bank Limited	-	2,000,000,000
Brac Bank Limited	-	1,500,000,000
Standard Bank Limited	-	1,000,000,000
	-	4,500,000,000
In fixed deposit accounts (in foreign currency) with		
Off-shore Banking Unit, Agrabad Branch-Chittagong, Dutch-Bangla Bank Ltd	10,129,018,229	9,389,975,280
	10,129,018,229	9,389,975,280
Other financial institutions		
In fixed deposit accounts with		
Investment Corporation of Bangladesh	3,000,000,000	4,500,000,000
Industrial and Infrastructure Development Finance Company Limited (IIDFC)	650,000,000	-
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	200,000,000	250,000,000
Lanka Bangla Finance Limited	1,050,000,000	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	350,000,000	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
	8,200,000,000	9,200,000,000
Total (a) In Bangladesh	20,491,936,161	25,513,227,555

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

Name of the correspondent Bank	Currency	30-Jun-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	9,263,273	78.0250	722,766,902	2,001,267	78.5003	157,100,054
Commerzbank AG, Frankfurt, Germany	EURO	62,293	86.3163	5,376,925	443,224	85.8008	38,028,933
AB Bank Ltd., Mumbai, India	ACU	295,843	78.0250	23,083,166	361,430	78.5003	28,372,377
Citibank N.A., New York, USA	USD	3,254,597	78.0250	253,939,927	4,593,219	78.5003	360,569,100
Unicredit S.P.A., Milano, Italy	EURO	90,659	86.3163	7,825,392	162,090	85.8008	13,907,432
ICICI Bank Limited, Mumbai, India	ACU	308,899	78.0250	24,101,874	8,503	78.5003	667,480
				1,037,094,185			598,645,376

In demand deposit account (non-interest bearing) with

Name of the correspondent Bank	Currency	30-Jun-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	32,443	104.0231	3,374,859	83,649	116.2668	9,725,618
Standard Chartered Bank, New York, USA	USD	6,769,631	78.0250	528,200,465	1,928,308	78.5003	151,372,762
HSBC Bank USA N.A., New York, USA	USD	-	78.0250	-	-	78.5003	-
JP Morgan Chase Bank N.A., New York, USA	USD	3,747,831	78.0250	292,424,487	4,374,116	78.5003	343,369,431
Standard Chartered Bank, Colombo, Sri Lanka	ACU	4,491	78.0250	350,429	4,138	78.5003	324,802
Commerzbank AG, Frankfurt, Germany	CHF	22,301	79.5177	1,773,327	60,538	79.4779	4,811,425
The Bank of Tokyo-Mitsubishi UFJ Ltd., Tokyo, Japan	JPY	4,670,420	0.7629	3,563,063	14,758,303	0.6513	9,612,083
The Bank of Nova Scotia, Mumbai, India	ACU	-	78.0250	-	-	78.5003	-
Wells Fargo Bank, N.A., New York, USA	USD	-	78.0250	-	-	78.5003	-
The Bank of Nova Scotia, Toronto, Canada	CAD	2,165	59.9667	129,828	26,458	56.5116	1,495,196
The Hongkong and Shanghai Banking Corporation Limited, Mumbai, India	ACU	-	78.0250	-	-	-	-
HSBC Bank Australia Limited, Sydney, Australia	AUD	-	57.8624	-	20,699	57.1953	1,183,893
Citibank, N.A., Mumbai, India	ACU	-	78.0250	-	-	78.5003	-
Mashreqbank PSC, Mumbai, India	ACU	12,546	78.0250	978,926	2,503	78.5003	196,480
Mashreqbank PSC, Mumbai, India	EUR	578	86.3163	49,928	2,495	85.8008	214,101
Standard Chartered Bank, Mumbai, India	ACU	141,357	78.0250	11,029,390	98,425	78.5003	7,726,410
HDFC Bank Limited	ACU	198,223	78.0250	15,466,369	305,929	78.5003	24,015,520
HSBC Bank Middle East Limited, Karachi, Pakistan	ACU	-	78.0250	-	-	78.5003	-
Union de Banques Arabes et Francaises (UBAF), Tokyo, Japan	JPY	-	0.7629	-	-	0.6513	-
Habib Metropolitan Bank, Karachi, Pakistan	ACU	47,121	78.0250	3,676,625	-	78.5003	533,058
COMMERZBANK AC	AUD	4,878	78.0250	380,572	16,627	57.1953	950,995
WESTPAC BANKING	ACU	4,877	78.0250	380,501	-	78.5003	-
				861,778,769			555,531,774
Total (b) Outside Bangladesh				1,898,872,954			1,154,177,150
Total (a+b)				22,390,809,115			26,667,404,705

	30-Jun-16 Taka	31-Dec-15 Taka
7. Money at call and short notice		
a) With banks		
Farmers Bank Limited	100,000,000	-
Midland Bank Limited	220,000,000	-
The City Bank Limited	500,000,000	
Dhaka Bank Limited	500,000,000	
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
	1,320,000,000	2,740,000,000
b) With non bank financial institutions		
Investment Corporation of Bangladesh	-	1,300,000,000
Union Capital Limited	120,000,000	40,000,000
Fareast Finance & Investment Limited	150,000,000	250,000,000
Delta Brac Housing Finance Corporation Limited	-	90,000,000
United Finance Limited	100,000,000	50,000,000
Industrial and Infrastructure Development Finance Company Limited	60,000,000	370,000,000
Lanka Bangla Finance Limited	150,000,000	210,000,000
Premier Leasing & Finance Limited	-	40,000,000
Bangladesh Industrial Finance Limited	70,000,000	40,000,000
Phoenix Finance & Investment Limited	-	50,000,000
International Leasing & Financial Services Limited	-	90,000,000
	650,000,000	2,530,000,000
Total (a+b)	1,970,000,000	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	1,197,087,600	2,574,924,555
	1,197,087,600	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	18,020,051,119	19,397,888,074
Prize bonds	8,228,600	7,392,400
	18,028,279,719	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
	18,593,263,153	20,210,263,908
8.1 Classification of investments		
Government treasury bills and bonds		
Held for trading (HFT)	-	-
Held to maturity (HTM)	18,020,051,119	19,397,888,074
Total investments in government securities	18,020,051,119	19,397,888,074
Prize bonds	8,228,600	7,392,400
Other investments	564,983,434	804,983,434
	18,593,263,153	20,210,263,908

	30-Jun-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.	148,733,481,661	141,916,487,380
Bills purchased and discounted	4,231,101,828	4,435,153,728
	152,964,583,490	146,351,641,108
Off-shore Banking Unit		
Loans, cash credits, overdrafts, etc.	761,353,119	-
Bills purchased and discounted	2,630,195,301	5,918,359,357
	3,391,548,420	5,918,359,357
Total loans and advances	156,356,131,910	152,270,000,465
9.1 Loans, cash credits, overdrafts etc. - Main operation		
In Bangladesh		
Overdraft	21,048,399,177	20,799,012,656
Cash credit	44,752,700,642	40,721,204,430
Export cash credit	10,484,891,507	11,381,634,576
Transport loan	1,834,138,738	1,628,922,673
House building loan	1,009,466,935	1,015,454,534
Loan against trust receipt	6,118,989,448	7,249,482,303
Term loan - industrial	39,348,788,524	39,308,844,576
Term loan - other	17,419,259,615	15,570,227,158
Payment against document - cash	68,159,292	56,829,166
Payment against document - EDF	3,658,804,278	1,523,653,000
Consumer finance	2,407,997,272	2,103,959,432
Staff loan	581,886,235	557,262,876
	148,733,481,661	141,916,487,380
Outside Bangladesh	-	-
	148,733,481,661	141,916,487,380
Bills purchased and discounted		
Payable in Bangladesh		
Inland bills purchased	4,151,481,549	4,342,400,803
Payable outside Bangladesh		
Foreign bills purchased and discounted	79,620,280	92,752,925
	4,231,101,828	4,435,153,728
	152,964,583,490	146,351,641,108
Total loans and advances	152,964,583,490	146,351,641,108

	30-Jun-16	31-Dec-15
	Taka	Taka
9.2 Net loans and advances including bills purchased and discounted		
Total loans, advances and lease receivables [Note 9.1]	152,964,583,490	146,351,641,108
Less : Provision against loans and advances (specific and general) [Note 9.4(b)]	4,526,100,739	4,218,507,456
Less : Cumulative balance of interest suspense account [Note 14.1.4]	1,884,920,603	1,552,447,367
	146,553,562,148	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

82,932,381,842	80,396,270,294
44,752,700,642	40,721,204,430
21,048,399,177	20,799,012,656
148,733,481,661	141,916,487,380

Outside Bangladesh

-	-
148,733,481,661	141,916,487,380

b) Bills purchased and discounted

Payable in Bangladesh

Payable outside Bangladesh

4,151,481,549	4,342,400,803
79,620,280	92,752,925
4,231,101,828	4,435,153,728

Total (a+b)

152,964,583,490	146,351,641,108
------------------------	------------------------

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

Status of loans and advances	Year					
	30-Jun-16			31-Dec-15		
	Outstanding amount (Taka)			Mix (%)	Total Outstanding amount (Taka)	Mix (%)
Main Operation [Note 9.4.b]	Off-shore Banking Unit	Total				
Unclassified loans and advances						
Standard (including staff loans)	142,830,849,420	3,391,548,420	146,222,397,840	93.52%	140,317,638,920	92.15%
Special mention account	4,740,753,715	-	4,740,753,715	3.03%	6,327,504,475	4.16%
Total unclassified loans and advances	147,571,603,135	3,391,548,420	150,963,151,555	96.55%	146,645,143,395	96.31%
Classified loans and advances						
Substandard	53,054,667	-	53,054,667	0.03%	1,215,748,451	0.80%
Doubtful	232,617,653	-	232,617,653	0.15%	191,276,743	0.13%
Bad/loss	5,107,308,036	-	5,107,308,036	3.27%	4,217,831,876	2.77%
Total classified loans and advances	5,392,980,356	-	5,392,980,356	3.45%	5,624,857,070	3.69%
Total loans and advances	152,964,583,491	3,391,548,420	156,356,131,911	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 30 June 2016	Base for provision	Percentage (%) of provision required as per Bangladesh Bank's	Amount of provision required as at 30 June 2016	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)	113,131,823,920	112,549,937,685	1%	1,153,295,604	1,091,065,803
Small and medium enterprise financing	22,851,977,188	22,851,977,188	0.25%	57,129,943	51,922,342
Consumer financing (other than housing finance under consumer financing scheme)	2,933,913,562	2,933,913,562	5%	146,695,678	138,586,059
Consumer financing (for housing finance)	1,368,539,077	1,368,539,077	2%	27,370,782	25,514,284
Loans to BHs/MBs/SDs	310,152,928	310,152,928	2%	6,203,059	8,167,397
Short term agricultural credit	2,234,442,745	2,234,442,745	2.5%	55,861,069	58,574,586
	142,830,849,420	142,248,963,185		1,446,556,134	1,373,830,471
Special mention account					
All unclassified loans (other than loans under small enterprise and consumer financing)	4,487,146,746	4,487,146,746	1%	44,871,467	56,659,856.73
Small & Medium enterprise financing	158,226,762	158,226,762	0.25%	395,567	1,466,810.60
Consumer financing (other than housing finance under consumer financing scheme)	77,563,560	77,563,560	5%	3,878,178	3,195,132
Consumer financing (for housing finance)	17,816,647	17,816,647	2%	356,333	217,838.48
	4,740,753,715	4,740,753,715		49,501,545	61,539,638
	147,571,603,135	146,989,716,900		1,496,057,679	1,435,370,109
Classified loans and advances					
Substandard	53,054,667	25,246,493	20%	5,049,299	156,189,527
Doubtful	232,617,653	78,786,599	50%	39,393,300	31,153,150
Bad /loss	5,107,308,036	2,985,587,140	100%	2,985,587,140	2,397,793,779
	5,392,980,356	3,089,620,232		3,030,029,739	2,585,136,456
Total-Main Operation	152,964,583,491	150,079,337,132		4,526,087,418	4,020,506,565
b.1.1) Main Operation					
Provision required				4,526,087,418	4,020,506,565
Provision maintained				4,526,100,739	4,218,507,456
Provision surplus (i)				13,321	198,000,891
b.2) Off-shore Banking Unit					
Provision required				33,915,484	59,183,594
Provision maintained				59,183,628	59,183,628
Provision surplus (ii)				25,268,144	34
Provision surplus					
Main Operation (i)				13,321	198,000,891
Off-shore Banking Unit (ii)				25,268,144	34
Total provision surplus (i+ii)				25,281,465	198,000,925

	30-Jun-16	31-Dec-15
	Taka	Taka
10. Fixed assets at cost or revalued amount including land, building, furniture and fixtures		
Main Operation [Note 10.1]		
Total cost	10,832,727,543	9,864,578,033
Less: Accumulated depreciation	5,850,472,257	5,345,284,259
	4,982,255,286	4,519,293,774
Off-shore Banking Unit		
Total cost	101,633	101,633
Less: Accumulated depreciation	101,551	90,617
	82	11,016
Total Fixed assets at cost or revalued	4,982,255,368	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	920,234,611	834,792,761
Furniture and fixtures	304,455,554	286,839,559
Other machinery and equipment	1,510,772,831	1,321,069,745
Computer equipment and software	3,181,122,521	2,961,879,713
Motor vehicles	391,514,451	390,860,145
ATM Booth	921,595,347	819,303,882
ATM and Fast Track (ATM & Deposit Machine)	2,454,933,680	2,101,733,680
Books	194,591	194,591
	10,832,727,543	9,864,578,033
Less: Accumulated depreciation	5,850,472,257	5,345,284,259
	4,982,255,286	4,519,293,774
11. Other assets		
Main Operation [Note 11.1]	13,247,446,503	10,180,005,187
Off-shore Banking Unit	7,925,157	9,294,150
Total Other assets	13,255,371,660	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)	13,247,446,503	10,180,005,187
	13,247,446,503	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	196,037,374	176,985,243
ii) Advance rent and advertisement	570,580,769	489,739,629
iii) Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable	717,621,929	794,217,023
iv) Security deposits	12,638,146	11,907,787
v) Preliminary, formation and organization expenses, renovation/development expenses and prepaid expenses	1,717,518,095	1,392,556,605
vi) Branch adjustment (net)	-	5,856,274
vii) Suspense account	(1,813,765)	1,915,683
viii) Silver	-	-
ix) Others [Note 11.2]	10,034,863,955	7,306,826,943
	13,247,446,503	10,180,005,187
11.2 Break-up of others		
Encashment of Sanchaya Patra (awaiting realization)	329,116,957	185,402,332
Advance tax [Note 11.2.1]	7,108,747,675	5,130,567,030
Deferred tax [Note 11.2.2]	1,109,522,027	1,155,454,898
Sundry assets [Note 11.2.3]	1,487,477,296	835,402,683
	10,034,863,955	7,306,826,943

	30-Jun-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	(45,932,871)	(23,991,629)
Closing balance	1,109,522,027	1,155,454,898
11.2.3 Sundry assets		
Sundry debtors	89,318,584	72,800,461
Cash remittance	172,650,851	162,728,877
Others	1,225,507,861	599,873,345
	1,487,477,296	835,402,683
12. Borrowings from other banks, financial institutions and agents		
Main Operation [Note 12.1]	10,745,628,309	12,467,006,141
Off-shore Banking Unit	5,057,684,352	7,816,530,583
	15,803,312,661	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]	17,032,080	7,357,136
Investment Promotion and Financing Facility (IPFF) [Note 12.3]	5	450,458,795
Export Development Fund (EDF)	8,785,213,316	9,877,692,229
Small and Medium Enterprise (SME) [Note 12.2 , 12.3]	27,353,482	26,260,714
	8,829,598,883	10,361,768,874
Unsecured		
Call Money Borrowing		
From other Banks, Financial Institutions and Agents	-	-
Credit lines		
From Rupantarita Praktitik Gas Company Limited (RPGCL)	91,043,402	111,915,691
	91,043,402	111,915,691
	8,920,642,285	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	1,824,986,024	1,993,321,576
	1,824,986,024	1,993,321,576
	1,824,986,024	1,993,321,576
Total (a+b)	10,745,628,309	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]	14,060,268	9,591,071
	27,353,482	26,260,714

	30-Jun-16	31-Dec-15
	Taka	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	56,508,306,521	47,428,518,228
Bills payable	3,721,554,864	2,827,945,083
Savings bank deposits	78,353,002,764	70,609,619,683
Term deposits	64,526,928,882	65,842,511,008
	203,109,793,030	186,708,594,002
Off-shore Banking Unit		
Current deposits and other accounts	25,343,523	56,407,536
Bills payable	-	-
Savings bank deposits	-	-
Term deposits	-	-
	25,343,523	56,407,536
Total Deposits and other accounts	203,135,136,553	186,765,001,538
13.1 Deposits and other accounts - Main Operation		
Current deposits and other accounts		
Current deposits	44,864,174,769	36,413,812,227
Foreign currency deposits	1,363,352,047	1,064,391,111
Sundry deposits [Note 13.1.1]	10,280,779,705	9,950,314,890
	56,508,306,521	47,428,518,228
Bills payable		
Payment order	3,700,586,205	2,781,866,148
Demand draft	20,968,659	46,078,935
	3,721,554,864	2,827,945,083
Savings bank deposits	78,353,002,764	70,609,619,683
Term deposits		
Fixed deposits	44,780,863,630	45,035,754,514
Special notice deposits	19,592,197,889	20,600,546,972
Non resident foreign currency deposits	2,687,525	2,698,932
Resident foreign currency deposits	48,050,367	41,584,230
Monthly term deposits	103,129,471	161,926,360
	64,526,928,882	65,842,511,008
	203,109,793,030	186,708,594,002
13.1.1 Details of sundry deposits		
Margin on irrevocable letters of credit	741,308,172	716,946,661
Margin on letters of guarantee	228,628,194	227,851,317
Margin on inward foreign documentary bills for collection (IFDBC)	443,829,135	562,524,062
Sundry deposit on foreign bills purchased awaiting for realization (FBPAR)	5,919,558,664	5,903,097,850
Sundry deposit - withholding tax -IT	250,081,254	271,611,404
Sundry deposit - excise duty	5,658,432	434,803,318
Sundry deposit - withholding tax -VAT	126,674,420	114,299,930
Sundry deposits-sale proceeds of Sanchay Patra	399,475,442	144,902,183
Interest payable on deposit accounts	600,586,859	724,737,474
Deposits on lease finance	200,000	200,000
Others sundry deposits	1,564,779,133	849,340,691
	10,280,779,705	9,950,314,890

	30-Jun-16	31-Dec-15
	Taka	Taka
13.1.2 Segregation of deposits and other accounts		
Other than inter-bank deposits	203,074,377,622	186,684,152,897
Inter-bank deposits [Note 13.3]	35,415,408	24,441,105
	203,109,793,030	186,708,594,002

13.1.3 Details of inter-bank deposits

In current deposits account

Al-Arafah Islami Bank Limited	21,748,968	8,249,543
Dhaka Bank Limited	-	77,705
Prime Bank Limited	506,133	-
Southeast Bank Limited	10,550	11,125
	22,265,651	8,338,373

In special notice deposits account

Janata Bank Limited	56,269	56,102
Dhaka Bank Limited	11,750,505	8,435,280
Mutual Trust Bank Limited	65,052	64,454
National Credit and Commerce Bank Limited	152,846	154,985
Prime Bank Limited	847,355	6,333,612
ICB Islami Bank Limited	107,468	106,111
Bank Asia Limited	206	770
The City Bank Limited	83,952	80,328
First Security Islami Bank Limited	2,206	2,731
The Trust Bank Limited	83,898	868,359
	13,149,757	16,102,732
	35,415,408	24,441,105

14. Other liabilities

Main Operation [Note 14.1]	17,651,597,108	15,727,054,320
Off-shore Banking Unit	101,905,322	125,740,107
	17,753,502,430	15,852,794,427

14.1 Other liabilities- Main operation

Notes

Unclaimed dividends		249,273,030	128,087,041
Provision for expenses		235,670,896	249,540,269
Contribution to Dutch-Bangla Bank Limited Employees' Superannuation Fund		-	10,000,000
Contribution to Dutch-Bangla Bank Limited Employees' Gratuity Fund		113,100,000	280,000,000
Provision for interest on credit lines, refinance scheme and subordinated debt		180,713,805	159,211,122
Branch adjustment (net)		1,646,883	-
Provision for classified assets	14.1.1	84,893,000	84,893,000
Provision for taxation	14.1.2	9,470,271,719	8,240,134,526
Accumulated provision for loans and advances including off-balance sheet exposures	14.1.3	5,178,718,897	4,768,657,005
Cumulative balance of interest suspense account	14.1.4	1,884,920,603	1,552,447,367
Others		252,388,274	254,083,990
		17,651,597,108	15,727,054,320

	30-Jun-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. FEPA (FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, following provision has been made against the un-reconciled 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]	1,230,137,193	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]	9,470,271,719	8,240,134,526

14.1.2.1 Current tax - Provision for the period

Provision made for the current period on taxable income	1,230,137,193	3,223,066,022
Adjustment for the previous period	-	-
	1,230,137,193	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.

30-Jun-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	494,480	6,299,930
Add: Specific provision for the period	246,398,803	(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)]	3,030,029,739	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	60,700,000	269,801,200
Provision held at the end of the period [Note 9.4(b)]	1,496,071,000	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	102,468,609	77,350,244
Provision held at the end of the period	652,618,158	550,149,549
	2,148,689,158	1,985,520,549
	5,178,718,897	4,768,657,005

Total (A) + (B)

(C) General provision against unclassified loans and advances

Main Operation	1,496,071,000	1,435,371,000
Off-Shore Banking Unit	59,183,628	59,183,628
	1,555,254,628	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	437,714,282	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	1,884,920,603	1,552,447,367

	30-Jun-16	31-Dec-15
	Taka	Taka
15. Subordinated debt		
Subordinated debt - Taka 492,884,500		
The Bank arranged a subordinated debt from FMO, the Netherlands of Taka 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 - Taka 642,252,440		
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 - Taka 1,934,375,000		
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.	1,950,625,000	1,962,507,500
The interest rate for the subordinated debt is six (6) month LIBOR plus 5% margin.		
Subordinated debt - Taka 1,934,375,000		
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.	1,950,625,000	1,962,507,500
The interest rate for the subordinated debt is six (6) month LIBOR plus 5% margin.		
Total	4,378,137,157	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.

	30-Jun-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

30-Jun-16	31-Dec-15
Taka	Taka

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

As per Section 13 of the Bank Company Act, 1991 (Amended upto 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 30 June 2016 stood at Taka 21,830,187,474 against the risk based capital requirement of Taka 17,156,488,756. As a result, there was a capital surplus of Taka 4,673,698,718 in risk based capital adequacy ratio as on 30 June 2016.

As per Section 13(2) of the Bank Company Act, 1991 (Amended upto 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 9,967.42 million (Paid-up share capital, Taka 2,000.00 million and statutory reserve, Taka 7,967.42 million) as on 30 June 2016.

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

Total assets (excluding off-balance sheet assets)	258,146,897,021	244,057,570,324
Total off-balance sheet assets	65,261,815,824	55,014,954,855
Total Risk weighted assets [RWA] against		
i. Credit Risk		
On-balance sheet	125,817,706,709	121,909,787,575
Off-balance sheet	9,642,908,415	8,152,196,806
	135,460,615,124	130,061,984,381
ii. Market Risk	2,067,192,868	1,682,183,868
iii. Operational Risk	23,945,027,360	22,804,436,976
A) Total Risk weighted assets (RWA) [i+ii+iii]	161,472,835,352	154,548,605,224
B) Minimum Capital Requirement (MCR) [10% of risk weighted assets]	17,156,488,756	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	7,967,424,464	7,487,588,738
Dividend equalization account	1,366,827,195	1,366,827,195
Proposed dividend	-	800,000,000
Retained earnings (Including OBU)	4,765,166,256	4,121,893,415
	16,110,485,415	15,787,376,848
Less : Deferred tax asset	1,151,411,301	1,057,591,853
	14,959,074,114	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	-	-
	14,959,074,114	14,729,784,995
E) Tier 1 Capital [C+D]		
F) Tier 2 Capital		
General provision maintained against unclassified loans and off-balance sheet exposures	2,207,872,786	1,625,774,805
Subordinated debt capital	4,378,137,157	4,401,902,157
Assets revaluation reserves	425,206,889	425,206,889
Revaluation reserves of HTM securities	49,965,473	49,965,473
	7,061,182,304	6,502,849,324
Less : 40% Revaluation Reserves for Fixed Assets, Securities	190,068,944	95,034,472
	6,871,113,360	6,407,814,852
G) Total Eligible Regulatory Capital (Tier 1 and 2) [E+F]	21,830,187,474	21,137,599,847
Total capital surplus [G - B]	4,673,698,718	5,682,739,325
Capital to Risk Weighted Assets Ratio (CRAR):		
Common Equity Tier-1 to RWA (C/A)*100	9.26%	9.53%
Tier-1 Capital to RWA (E/A)*100	9.26%	9.53%
Tier-2 Capital to RWA (F/A)*100	4.26%	4.15%
Capital to Risk Weighted Assets Ratio (CRAR) (G/A)*100	13.52%	13.68%

	30-Jun-16	31-Dec-15
	Taka	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	479,835,726	1,253,467,972
Closing balance	7,967,424,464	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

	30-Jun-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]	1,123,108,567	3,020,282,208
Number of ordinary shares outstanding (denominator)	200,000,000	200,000,000
Earnings Per Share (Taka)	5.62	15.10
24. Contingent liabilities		
Main Operation [Note 24.1]	65,261,815,824	55,014,954,855
Off-shore Banking Unit	-	-
	65,261,815,824	55,014,954,855
24.1 Contingent liabilities - Main Operation		
a) Acceptances and endorsements	8,560,765,000	-
b) Letters of guarantee		
Local	3,859,558,652	3,663,282,326
Foreign	168,517,321	207,652,260
	4,028,075,973	3,870,934,586
c) Irrevocable letters of credit		
Local		
Cash	711,264,413	819,015,833
Usance	167,075,508	53,276,575
Back to back	3,097,615,453	3,320,263,794
	3,975,955,373	4,192,556,202
Foreign		
Cash	6,544,967,845	4,639,037,920
Usance	6,832,280,359	5,840,900,252
Back to back	1,293,690,381	1,310,433,397
	14,670,938,584	11,790,371,569
	18,646,893,958	15,982,927,771
d) Bills for collection		
Inward	29,493,773,878	31,223,459,998
Outward	10,529	19,630
	29,493,784,407	31,223,479,628
e) Other contingent liabilities		
Travellers' cheques	-	-
Export Development Fund	1,911,646,487	2,115,817,870
Bangladesh Shanchaya Patra	2,620,650,000	1,821,795,000
	4,532,296,487	3,937,612,870
Total (a+b+c+d+e)	65,261,815,824	55,014,954,855

		30-Jun-16	30-Jun-15
		Taka	Taka
25. Particulars of profit and loss account			
Income	<u>Notes</u>		
Interest, discount and other similar income	26	7,764,326,561	7,752,501,000
Dividend income	28	5,712,228	425
Fees, commission and brokerage	29.1	362,280,707	384,981,318
Gains less losses arising from dealing securities		-	-
Gains less losses arising from investment securities	28	930,147,952	1,039,441,164
Gains less losses arising from dealing in foreign currencies	29.2	403,040,326	330,115,629
Income from non-banking assets		-	-
Other operating income	30	1,146,848,689	1,085,921,837
Profit less losses on interest rate changes		-	-
		10,612,356,462	10,592,961,373
Expenses			
Interest, fee and commission	27	2,814,987,297	3,081,775,606
Charges on loan losses	41	357,439,118.07	-
Directors' fees	39	141,320	82,243
Administrative expenses	31	2,581,886,257	2,452,539,183
Other operating expenses	43	1,519,503,960	1,368,941,379
Depreciation on banking assets	42	529,652,467	483,627,836
		7,803,610,420	7,386,966,247
Profit before provision		2,808,746,043	3,205,995,126
26. Interest income			
Interest income - Main Operation [Note 26.1]		7,622,409,856	7,713,012,055
Interest income - Off-Shore Banking Unit		141,916,705	39,488,945
		7,764,326,561	7,752,501,000
26.1 Interest income - Main Operation			
Interest on loans and advances			
House building loan		45,122,254	17,102,654
Transport loan		84,675,242	72,929,614
Term loan - industrial		1,828,638,308	1,989,920,690
Term loan - others		228,580,076	263,540,414
Secured overdraft		949,405,161	599,909,004
Cash credit		1,759,940,178	1,890,722,617
Payment against document - cash		2,004,970	7,714,218
Payment against document EDF- others		128,328,790	137,155,974
Loan against trust receipts		135,832,332	235,089,268
Export cash credit		46,453,381	36,219,726
Loan against accepted bills		178,845,963	191,487,496
Staff loan		14,967,249	14,553,473
SME and consumer finance		1,578,047,083	1,638,635,114
		6,980,840,989	7,094,980,262
Interest on balance with other banks and financial institutions			
Fixed deposits		406,636,319	364,154,467
Special notice deposits		1,987,630	1,655,906
Nostro accounts		2,473,343	218,780
Money at call and short notice		230,471,574	252,002,640
		641,568,867	618,031,793
		7,622,409,856	7,713,012,055

	30-Jun-16	30-Jun-15
	Taka	Taka
27. Interest paid on deposits and borrowings etc.		
Main Operation [Note 27.1]	2,705,852,174	3,050,376,857
Off-shore Banking Unit	109,135,123	31,398,749
	2,814,987,297	3,081,775,606
27.1 Interest paid on deposits- Main Operation [Note 27.2]	2,530,505,103	2,853,384,809
Interest paid on borrowings- Main Operation [Note 27.3]	175,347,071	196,992,048
	2,705,852,174	3,050,376,857
27.2 Interest paid on deposits- Main Operation		
Savings deposits	830,708,969	943,664,111
Special notice deposits	324,862,751	294,108,252
Fixed deposits	1,373,538,740	1,591,065,545
Non-resident foreign currency deposits	7,810	3,404
Resident foreign currency deposits	104,713	20,235
Monthly term deposits	1,282,120	24,523,262
	2,530,505,103	2,853,384,809
27.3 Interest paid on borrowings- Main Operation		
Interest on call loan borrowing	6,044,990	11,515,960
Interest on credit lines	1,456,383	1,639,885
Interest paid on subordinated debt	131,876,469	137,996,948
Interest on borrowing under REPO and Re-financing facilities with Bangladesh Bank	35,969,229	45,839,255
Interest on borrowing under REPO with other banks	-	-
	175,347,071	196,992,048
28. Investment income		
Dividend on shares	5,712,228	425
Interest on treasury bills, bonds and debentures		
Interest on treasury bills and bonds	893,673,979	984,982,564
Interest on reverse REPO with other banks	-	1,423,973
Interest on subordinated bonds	36,473,973	53,034,627
Interest on debenture	-	-
	930,147,952	1,039,441,164
Gain on sale of shares	-	-
	935,860,180	1,039,441,589
29. Commission, exchange and brokerage		
Commission [Note 29.1]	362,280,707	384,981,318
Exchange earnings (net) [Note 29.2]	403,040,326	330,115,629
	765,321,032	715,096,947

	30-Jun-16	30-Jun-15
	Taka	Taka
29.1 Commission		
Commission on Remittances-Local	5,735,641	5,929,389
Commission on Remittances-Foreign	23,963,934	20,747,561
Commission on Letter of Credit-Import	55,800,003	57,247,691
Commission on Letter of Credit-Export	242,235,646	265,052,260
Commission on Export Bills	6,831,103	9,101,403
Commission on Letter of Guarantee	26,068,237	23,372,256
Commission on Sale of Government Saving Instruments	1,372,644	3,103,355
Commission on Banker to the issue & underwriting	-	205,051
Other Commission	273,500	222,352
	362,280,707	384,981,318
29.2 Exchange earnings (net)		
From commercial bills	321,839,488	274,775,927
From dealing operations	81,200,838	55,339,702
	403,040,326	330,115,629
30. Other operating income		
Main Operation [Note 30.1]	1,146,639,606	1,084,921,952
Off-shore Banking Unit	209,083	999,885
	1,146,848,689	1,085,921,837
30.1 Other operating income		
Charges for service	16,940,820	12,645,743
Income from IT service	742,511,007	668,820,096
Recoveries from client	56,027,710	55,603,658
Service charges on deposit accounts	200,049,955	188,043,432
Income from Export-Import	65,228,866	73,649,851
Document handling charges-Export	181,078	132,833
Locker Rent	5,186,733	3,171,442
Gain on sale of fixed assets	521,575	-
Income from Mobile Banking Services	19,783,931	26,514,216
Other earning	40,207,931	56,340,681
	1,146,639,606	1,084,921,952
30.2 Gain on sale of fixed assets		
Some impaired items of fixed assets were sold during the period as under:		
Gain on sale of fixed assets [Note 30.3]	521,575	-
	521,575	-
30.3 Calculation of income from sale of fixed assets		
Sale proceeds [A]	3,303,321	-
Cost price of the sold items	27,235,281	-
Less: Accumulated depreciation	24,453,535	-
Written down value [B]	2,781,746	-
Net gain [A - B]	521,575	-

31. Administrative expenses		30-Jun-16 Taka	30-Jun-15 Taka
	<u>Notes</u>		
Salary and allowances	32	1,412,815,114	1,359,227,273
Rent, taxes, insurance, electricity, etc.	34	644,305,789	538,130,862
Legal expenses	35	1,609,648	3,463,111
Postage, stamp, telecommunications, etc.	36	136,826,406	119,248,393
Stationery, printings, advertisements etc.	37	159,315,694	182,945,469
Managing Director's salary and allowances	38	5,128,000	5,048,000
Auditors' fees	40	182,500	172,500
Repair and maintenance	42	221,703,106	244,303,575
		2,581,886,257	2,452,539,183
32. Salary and allowances			
Main Operation [Note 32.1]		1,410,423,866	1,356,990,195
Off-shore Banking Unit		2,391,248	2,237,078
		1,412,815,114	1,359,227,273
32.1 Salary and allowances-Main Operation			
Basic salary		645,482,388	615,081,984
House rent allowance		322,832,214	308,011,262
Conveyance allowance		74,582,986	71,778,211
Other allowances		5,220,453	2,455,250
Bank's contribution to provident fund		56,923,248	56,040,035
Medical expenses		70,045,878	61,777,053
Bonus		122,236,700	141,846,400
Gratuity		113,100,000	100,000,000
Superannuation		-	-
		1,410,423,866	1,356,990,195
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 5,783 as at 30 June 2016 compared to 5,201 as at 30 June 2015.			
34. Rent, taxes, insurance, electricity, etc.			
Rent			
Office premises		346,908,472	287,509,848
ATM Booths and other installations		51,873,441	41,510,257
		398,781,912	329,020,105
Rates and taxes			
Rates		781,500	923,163
Taxes		3,295,625	2,157,908
		4,077,125	3,081,071
Insurance			
Cash		16,587,809	28,018,026
Vehicles		1,418,884	1,636,531
Deposits		58,783,405	53,259,391
Other properties		5,730,875	4,145,134
		82,520,972	87,059,082
Electricity and sanitation			
Light and power		154,571,449	115,165,690
Water and sewerage		3,413,633	3,178,078
Utilities		940,698	626,836
		158,925,780	118,970,604
		644,305,789	538,130,862
35. Legal expenses			
Legal expenses		1,609,648	3,463,111
		1,609,648	3,463,111

	30-Jun-16	30-Jun-15
	Taka	Taka
36. Postage, stamp, telecommunications, etc.		
Main Operation [Note 36.1]	136,821,544	119,248,393
Off-shore Banking Unit	4,862	18,376
	136,826,406	119,266,769
36.1 Postage, stamp, telecommunications, etc.-Main Operation		
Postage	14,072,833	12,732,692
Telephone	7,033,401	7,394,044
Radio link	109,366,804	90,180,278
Swift, Reuters, internet, etc.	6,348,506	8,941,379
	136,821,544	119,248,393
37. Stationery, printings, advertisements etc.		
Printing and stationery:		
Printed stationery	21,579,374	17,585,626
Security stationery	11,246,439	14,783,114
Petty stationery	41,942,989	39,808,712
	74,768,802	72,177,452
Publicity and advertisement	84,546,892	110,768,017
	159,315,694	182,945,469
38. Managing Director's salary and allowances		
Basic salary	3,480,000	3,480,000
House rent allowance	180,000	180,000
House maintenance	120,000	120,000
Bank's contribution to provident fund	348,000	348,000
Leave fare assistance	180,000	180,000
Other allowances	240,000	240,000
Bonus	580,000	500,000
	5,128,000	5,048,000
39. Directors' fees		
Honorarium for attending meeting	140,000	81,620
Incidental expenses for attending meeting	1,320	623
	141,320	82,243
40. Auditors' fees		
Statutory annual audit fees	52,500	52,500
Special audit fees	130,000	120,000
Fees for various certification	-	-
	182,500	172,500
41. Charges on loan losses		
Loan written-off	357,439,118	-
Interest waived	-	-
	357,439,118	-
42. Depreciation and repair of bank's assets		
Depreciation on fixed assets including building, furniture and fixtures		
Main Operation [Note 42.1]	529,642,781	483,617,675
Off-shore Banking Unit	9,686	10,161
	529,652,467	483,627,836
Repair and maintenance		
Main Operation [Note 42.2]	221,554,503	244,148,384
Off-shore Banking Unit	148,603	155,191
	221,703,106	244,303,575
	751,355,573	727,931,411

	30-Jun-16	30-Jun-15
	Taka	Taka
42.1 Depreciation on fixed assets including land, building, furniture and fixtures		
Land	-	-
Building (including lease hold property)	4,994,302	4,994,297
Interior decoration	43,065,338	44,152,157
Furniture and fixtures	12,333,591	11,460,088
Other machinery and equipment	85,321,330	74,408,447
Computer equipment and software	189,242,971	182,635,205
Motor vehicles	20,036,186	23,792,980
ATM Booth	43,503,817	35,628,385
ATM and Fast Track (ATM & Deposit Machine)	131,136,182	106,537,052
Books	9,064	9,064
	529,642,781	483,617,675
42.2 Repair and maintenance		
Premises	81,115,274	69,164,666
Vehicles	21,690,703	15,553,855
Computers	118,748,526	159,429,863
	221,554,503	244,148,384
43. Other expenses		
Main Operation [Note 43.1]	1,518,991,790	1,368,552,446
Off-shore Banking Unit	512,170	388,933
	1,519,503,960	1,368,941,379
43.1 Other expenses- Main Operation		
Entertainment expenses	21,397,020	15,385,115
Fuel and lubricant	25,098,367	23,213,305
Subscription and donations	5,343,728	7,400,649
Annual general meeting	1,040,052	988,440
Casual wages and allowances	345,711,961	303,626,560
Travelling expenses and allowances	127,278,036	153,764,227
Petty conveyance	15,200,751	17,503,752
News papers, periodicals, learning materials etc.	714,214	611,360
Crockeries	363,142	367,268
Debit and Credit Card expenses	157,989,874	137,329,853
ATM expenses	10,255,414	10,601,340
Tele Banking Expenses	744,132	21,296,537
Cash carrying charges	15,275,816	13,924,472
ATM cash replenishment charges	209,870,000	124,886,600
Recruitment , training, seminar and workshop	7,095,094	5,920,770
Service charge on nostro account and others	30,895,314	31,776,277
Consultancy fees	815,812	2,734,018
Business promotion and development	476,917,994	430,947,353
Laundry and cleaning	189,166	199,832
Other expenses for Mobile Banking Services	49,552,929	24,241,637
Other expenses for Agent Banking Services	16,014,745	102,111
Loss on Sale of Fixed Assts	-	34,848,262
Miscellaneous	1,228,228	6,882,708
	1,518,991,790	1,368,552,446

	30-Jun-16 Taka	31-Dec-15 Taka
44. Cash and cash-equivalents		
Cash in hand (including foreign currencies)	20,310,512,945	8,296,998,632
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	18,465,811,317	14,555,926,865
Balance with other banks and financial institutions	22,390,809,115	26,667,404,705
Treasury bills and bonds	1,197,087,600	2,574,924,555
Prize bonds	8,228,600	7,392,400
Money at call and short notice	1,970,000,000	5,270,000,000
	64,342,449,577	57,372,647,157


Chairman


Director


Director


Managing Director

Dhaka, 30 July 2016