

DUTCH - BANGLA BANK LIMITED

UN-AUDITED FINANCIAL STATEMENTS

For the Third Quarter ended 30 September 2019

Dutch-Bangla Bank Limited
Consolidated Balance Sheet
As at 30 September 2019


PROPERTY AND ASSETS	Notes	30-Sep-19 Taka (Un-audited)	31-Dec-18 Taka (Audited)	30-Sep-18 Taka (Un-audited)
Cash				
In hand (including foreign currencies)	4	13,588,077,031	17,419,869,741	13,424,335,615
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	5	21,515,865,165	32,728,425,040	25,272,773,773
		35,103,942,197	50,148,294,781	38,697,109,388
Balance with other banks and financial institutions				
In Bangladesh	6	13,775,674,405	6,715,668,728	19,872,111,450
Outside Bangladesh		138,592,298	656,896,195	2,646,119,188
		13,914,266,703	7,372,564,923	22,518,230,638
Money at call on short notice	7	13,170,000,000	-	2,670,000,000
Investments				
Government	8	43,878,875,002	31,457,164,331	25,593,984,526
Others		1,411,283,434	751,283,434	251,283,434
		45,290,158,436	32,208,447,765	25,845,267,960
Loans and advances				
Loans, cash credits, overdrafts, etc.	9	228,437,319,738	209,463,408,465	196,168,533,474
Bills purchased and discounted		17,168,958,714	22,090,531,874	21,013,792,031
		245,606,278,452	231,553,940,339	217,182,325,505
Fixed assets including land, building, furniture and fixtures	10	5,483,822,895	5,737,308,593	5,129,942,207
Other assets	11	21,613,894,320	19,448,234,568	19,350,180,886
Non-banking assets		-	-	-
TOTAL ASSETS		380,182,363,003	346,468,790,969	331,393,056,584
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other banks, financial institutions and agents	12	17,504,169,626	20,200,735,203	21,170,942,764
Deposits and other accounts				
Current deposits and other accounts	13	62,893,274,131	56,491,756,720	55,066,274,665
Bills payable		2,946,528,447	3,465,965,762	3,044,531,629
Savings bank deposits		143,736,846,873	127,689,439,982	123,336,827,908
Term deposits		84,491,683,373	74,820,559,332	71,980,178,124
		294,068,332,824	262,467,721,796	253,427,812,326
Other liabilities	14	31,650,670,072	29,141,238,738	28,567,821,622
Subordinated debt	15	10,524,843,750	11,573,125,000	6,688,919,238
TOTAL LIABILITIES		353,748,016,272	323,382,820,737	309,855,495,950
Shareholders' equity				
Paid up share capital	16.2	5,000,000,000	2,000,000,000	2,000,000,000
Share premium	17	11,067,500	11,067,500	11,067,500
Statutory reserve	18	9,193,048,174	9,193,048,174	10,023,954,018
Other reserve	19	-	-	-
Dividend equalization account	20	1,766,827,195	1,766,827,195	1,766,827,195
Assets revaluation reserve	21	850,413,777	850,413,777	850,413,777
Revaluation reserve of HTM securities	22	2,009,455	16,355,788	11,101,624
Retained earnings	24	9,610,980,630	9,248,257,798	6,874,196,520
TOTAL SHAREHOLDERS' EQUITY		26,434,346,731	23,085,970,232	21,537,560,634
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		380,182,363,003	346,468,790,969	331,393,056,584

	Notes	30-Sep-19 Taka (Un-audited)	31-Dec-18 Taka (Audited)	30-Sep-18 Taka (Un-audited)
OFF-BALANCE SHEET ITEMS				
Contingent liabilities	23			
Acceptances and endorsements		34,280,180,026	43,854,923,220	44,239,031,498
Letters of guarantee		6,386,991,111	6,311,819,290	6,933,960,946
Irrevocable letters of credit		24,384,855,362	26,436,161,532	26,363,541,811
Bills for collection		-	-	-
Other contingent liabilities		3,973,679,200	2,029,968,810	3,518,434,087
Total contingent liabilities		69,025,705,700	78,632,872,852	81,054,968,342
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		69,025,705,700	78,632,872,852	81,054,968,342
Net Asset Value (NAV) Per Share		52.87	46.17	43.08

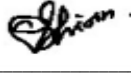
The annexed notes 1 to 48 form an integral part of these financial statements.



Chairman



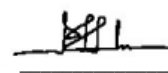
Director



Managing Director & CEO



Chief Financial Officer



Company Secretary

Dhaka, 27 October 2019

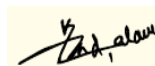
Dutch-Bangla Bank Limited
Consolidated Profit and Loss Account
For the Third Quarter (Q3) ended 30 September 2019

Notes	For the nine months ended 30 September (January - September)		For the quarter ended 30 September (July-September)		
	2019	2018	2019	2018	
	Taka	Taka	Taka	Taka	
Interest income	26	18,712,570,726	15,540,279,758	6,456,416,749	5,462,554,567
Interest paid on deposits and borrowings etc.	27	5,526,022,620	4,871,883,367	1,885,542,512	1,746,345,515
Net interest income		13,186,548,106	10,668,396,391	4,570,874,237	3,716,209,052
Investment income	28	2,162,979,729	1,578,348,311	770,091,851	533,697,548
Commission, exchange and brokerage	29	1,486,227,512	1,610,966,995	499,585,310	482,318,209
Other operating income	30	2,868,017,911	2,444,502,379	897,178,493	783,836,079
Total operating income		19,703,773,257	16,302,214,076	6,737,729,891	5,516,060,888
Salary and allowances	32	3,514,044,644	2,943,719,735	1,233,561,315	1,049,798,251
Rent, taxes, insurance, electricity, etc.	34	1,554,873,867	1,365,048,743	539,148,839	474,315,435
Legal expenses	35	1,657,495	2,584,831	396,248	645,748
Postage, stamp, telecommunications, etc.	36	255,677,136	246,805,466	87,919,162	69,888,439
Stationery, printings, advertisements, etc.	37	505,765,702	416,995,434	153,996,130	145,628,767
Managing Director & CEO's salary and allowances	38	7,887,000	7,887,000	2,639,000	2,639,000
Directors' fees	39	151,634	197,840	110,749	52,840
Auditors' fees	40	616,750	756,750	186,250	427,750
Charges on loan losses	41	2,399,081,265	1,466,840,028	-	15,754,652
Depreciation and repair of bank's assets	42	1,633,570,635	1,530,647,550	538,859,445	502,700,251
Other expenses	43	4,604,000,029	3,792,020,302	1,458,952,153	1,354,260,507
Total operating expenses		14,477,326,157	11,773,503,679	4,015,769,291	3,616,111,640
Profit before provision		5,226,447,100	4,528,710,397	2,721,960,600	1,899,949,248
Provision for loans and off-balance sheet exposures	14.1.3				
Specific provision for loans	14.1.3(A)	(572,170,753)	137,980,060	315,654,646	968,280,283
General provision for loans	14.1.3(B)	173,258,514	144,800,000	(2,941,486)	(33,000,000)
General provision for off-balance sheet exposures	14.1.3(C)	(111,754,478)	91,401,115	(27,071,692)	13,426,140
		(510,666,717)	374,181,175	285,641,468	948,706,423
Other provision	14.1.1	-	-	-	-
Total provision		(510,666,717)	374,181,175	285,641,468	948,706,423
Profit before taxes		5,737,113,817	4,154,529,222	2,436,319,132	951,242,825
Provision for taxation					
Current tax	14.1.2	2,278,995,831	1,864,935,464	1,176,574,837	753,919,253
Deferred tax	11.2.2	95,395,154	(368,675,327)	(189,699,562)	(835,713,341)
		2,374,390,985	1,496,260,137	986,875,275	(81,794,088)
Net profit after taxation		3,362,722,832	2,658,269,085	1,449,443,857	1,033,036,913
Appropriations					
Statutory reserve	18	-	830,905,844	-	190,248,565
Retained surplus to retained earnings		3,362,722,832	1,827,363,241	1,449,443,857	842,788,348
Earnings per share (EPS)	24.2	6.73	5.32	2.90	2.07

The annexed notes 1 to 48 form an integral part of these financial statements.



Chairman



Director



Managing Director & CEO



Chief Financial Officer



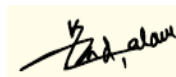
Company Secretary

Dutch-Bangla Bank Limited
Consolidated Cash Flow Statement
For the Third Quarter (Q3) ended 30 September 2019

	Notes	30-Sep-19 Taka	30-Sep-18 Taka
A) Cash flows from operating activities			
Interest receipts in cash		20,243,864,780	16,918,353,950
Interest payments		(4,850,296,633)	(4,225,077,204)
Dividend receipts in cash		5,711,803	5,711,981
Gain on sale of shares		-	-
Gain on sale of securities		-	-
Recoveries of loan previously written-off		299,168	-
Fee and commission receipts in cash		544,694,140	620,580,500
Cash payments to employees		(3,682,533,153)	(3,079,319,389)
Cash payments to suppliers		(2,286,460,113)	(3,560,367,507)
Income taxes paid		(2,338,484,817)	(2,007,830,567)
Receipts from other operating activities	44	3,790,874,709	3,434,503,783
Payments for other operating activities	45	(4,565,344,089)	(4,082,838,385)
<i>Operating profit before changes in operating assets and liabilities</i>		6,862,325,793	4,023,717,161
Increase/(decrease) in operating assets and liabilities			
Statutory deposits		-	-
Purchase /sale of trading securities		(4,549,780,400)	-
Loans and advances to other banks		-	-
Loans and advances to customers		(15,691,968,204)	(9,257,222,969)
Other assets	46	343,332,740	(128,800,634)
Deposits from other banks		16,990,068	57,694,468
Deposits from customers		30,895,421,219	18,812,081,999
Other liabilities account of customers		(8,715,625,907)	(5,189,613,887)
Other liabilities	47	287,730,733	157,718,298
<i>Net cash from operating activities</i>		9,448,426,043	8,475,574,436
B) Cash flows from investing activities			
Payments for purchase of securities		(34,569,405,007)	(272,785,539,430)
Proceeds from sale of securities		26,033,007,135	273,138,551,628
Purchase of property, plant and equipment		(772,531,864)	(626,437,815)
Sale proceeds of property, plant and equipment		27,704,471	14,493,215
<i>Net cash used in investing activities</i>		(9,281,225,265)	(258,932,402)
C) Cash flows from financing activities			
Receipts from issue of loan capital and debt securities		-	-
Payment for redemption of loan capital and debt securities		(1,048,281,250)	(1,023,906,250)
Dividends paid		(415,026,828)	(510,566,556)
<i>Net cash from financing activities</i>		(1,463,308,078)	(1,534,472,806)
D) Net increase / (decrease) in cash (A+B+C)		(1,296,107,300)	6,682,169,228
E) Cash and cash-equivalents at beginning of the period		67,410,406,815	66,538,988,617
F) Cash and cash-equivalents at end of the period (D+E)	48	66,114,299,515	73,221,157,845
Net Operating Cash Flow Per Share (NOCFPS)	24.4	18.90	16.95



Chairman



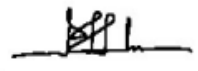
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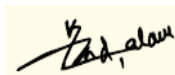
Dutch-Bangla Bank Limited
Consolidated Statement of Changes in Equity
For the Third Quarter (Q3) ended 30 September 2019

Figures in Taka

Particulars	Paid up share capital	Share premium	Statutory reserve	Dividend equalization account	Assets revaluation reserve	Revaluation reserve of HTM securities	Retained earnings	Total
Balance at 1 January 2019	2,000,000,000	11,067,500	9,193,048,174	1,766,827,195	850,413,777	16,355,788	9,248,257,798	23,085,970,232
Changes in accounting policy	-	-	-	-	-	-	-	-
Restated balance	2,000,000,000	11,067,500	9,193,048,174	1,766,827,195	850,413,777	16,355,788	9,248,257,798	23,085,970,232
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	(14,346,333)	-	(14,346,333)
Currency translation differences	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-	-
Payment of dividend for the year 2018	-	-	-	-	-	-	-	-
Transfer for dividend for the year 2018	3,000,000,000						(3,000,000,000)	-
Net profit for the nine months ended 30 September 2019	-	-	-	-	-	-	3,362,722,832	3,362,722,832
Appropriations during the period	-	-	-	-	-	-	-	-
Balance at 30 September 2019	5,000,000,000	11,067,500	9,193,048,174	1,766,827,195	850,413,777	2,009,455	9,610,980,630	26,434,346,731
Balance at 30 September 2018	2,000,000,000	11,067,500	10,023,954,018	1,766,827,195	850,413,777	11,101,624	6,874,196,520	21,537,560,634



Chairman



Director



Managing Director & CEO



Chief Financial Officer



Company Secretary

Dhaka, 27 October 2019

Dutch-Bangla Bank Limited

Notes to the Financial Statements as of and for the Third Quarter (Q3) ended 30 September 2019 (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 189 as at 30 September 2019 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 September 2019 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 of Bangladesh Bank 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), the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other rules and regulations applicable for Banks in Bangladesh.

In cases, any requirement of provisions and circulars issued by Bangladesh Bank differs with those of other regulatory authorities, the provisions & circulars issued by Bangladesh Bank prevailed. Material departures from the requirement of IAS & IFRS are as follows:

2.1.1 Investment in shares and Securities

IFRS & IAS

As per requirements of IFRS 9, the investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "at fair value through other comprehensive income" where any change in the fair value of securities measured "at fair value through profit and loss account" is taken to profit and loss account and any changes in the fair value of securities measured "at fair value through other comprehensive income" is transferred to equity through other comprehensive income.

Bangladesh Bank:

As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment.

2.1.2 Revaluation gain/loss on Government securities

IFRS & IAS:

As per requirement of IFRS 9, all financial assets are into two classifications - measured at amortised cost and measured at fair value. For securities like treasury bills and treasury bonds designated as “held for trading” falls under “fair value measurement” and any change in the fair value is recognized through fair value through profit and loss account. T-bills and T-Bonds not designated as “held for trading” (i.e., held to maturity) are measured at amortized cost method and interest income is recognized through the profit and loss account.

Bangladesh Bank:

As per DOS circular no. 05 dated 26 May 2008, HFT securities are revalued on the basis of marking to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognized in other reserve as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortization of discount are recognized in the profit and loss account.

2.1.3 Provision on loans and advances

IFRS & IAS:

As per IFRS 9, an entity shall recognised an impairment allowance on loans & advances based on the expected credit loss. Expected credit losses are required to be measured through a loss allowance at an amount equal to the (i) 12-month expected credit losses or (ii) full lifetime expected credit losses. For loans & Advances whose credit risk increased significantly since initial recognition, a loss allowance for full lifetime expected credit losses is required. For loans & advances whose credit risk didn't increased significantly, a loss allowance equal to the 12-month expected credit losses is required.

Bangladesh Bank:

As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013 & BRPD circular no. 16 dated 18 November 2014, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on time past due. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

2.1.4 Recognition of interest in suspense

IFRS & IAS:

Loans and advances to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognized through effective interest rate method to the gross carrying amount over the term of the loan. Once a loan is impaired, interest income is recognized in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank:

As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognized as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

2.1.5 Other comprehensive income

IFRS & IAS:

As per IAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of Other Comprehensive Income are to be included in a Single Other Comprehensive Income (OCI) Statement.

Bangladesh Bank:

Bangladesh Bank has issued templates for financial statements as per BRPD circular no. 14 dated 25 June 2003, which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income (OCI) Statement. As such the company does not prepare the other comprehensive income statement. However elements of OCI, if any, are shown in the statements of changes in equity.

2.1.6 Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in IFRS 9. As such some disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

2.1.7 Repo and Reverse Repo transactions

IFRS & BAS:

When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is treated as a loan and the underlying asset continues to be recognized in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. Same rule applies to the opposite side of the transaction (reverse repo).

Bangladesh Bank:

As per DOS Circular letter no. 6 dated 15 July 2010 and subsequent clarification in DOS circular no. 2 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book. However, as per Debt Management Department (DMD) circular letter no. 7 dated 29 July 2012, non primary dealer banks are eligible to participate in the Assured Liquidity Support (ALS) program, whereby such banks may enter collateralized repo arrangements with Bangladesh Bank. Here the selling bank accounts for the arrangement as a loan, thereby continuing to recognize the asset.

2.1.8 Financial guarantees**IFRS & IAS:**

As per IFRS 9, financial guarantees are contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of:

(i) the amount of the loss allowance and (ii) the amount initially recognised less, the cumulative amount of income recognised in accordance with the principles of IFRS 15..Financial guarantees are included within other liabilities.

Bangladesh Bank:

As per BRPD circular no. 14 dated 25 June 2003, financial guarantees such as letter of credit, letter of guarantee will be treated as Off-Balance Sheet items. No liability is recognized for the guarantee except the cash margin.

2.1.9 Cash and cash equivalent**IFRS & IAS:**

Cash and cash equivalent items should be reported as cash item as per IAS 7.

Bangladesh Bank:

Some cash and cash equivalent items such as 'money at call and on short notice', Treasury bills, Bangladesh Bank bills and Prize bond are not shown as cash and cash equivalent. Money at call and on short notice presented on the face of the balance sheet, and Treasury bills, Prize bonds are shown in investments.

2.1.10 Cash flow statement**IFRS & IAS:**

Cash flow statement can be prepared either in direct method or in indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank:

As per BRPD circular no. 14 dated 25 June 2003, cash flows is the mixture of direct and indirect method.

2.1.11 Balance with Bangladesh Bank: (CRR)**IFRS & IAS:**

Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7.

Bangladesh Bank:

Balance with Bangladesh Bank is treated as cash and cash equivalents.

2.1.12 Presentation of intangible asset**IFRS & IAS:**

An intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38.

Bangladesh Bank:

There is no requirement for regulation of intangible assets in BRPD circular no. 14 dated 25 June 2003.

2.1.13 Off-balance sheet items**IFRS & IAS:**

There is no concept of off-balance sheet items in any IFRS; the off-balance sheet item e.g., Letter of credit, Letter of guarantee etc are considered as contingent liability and require disclosure on note to the financial statements.

Bangladesh Bank:

As per BRPD circular no. 14 dated 25 June 2003, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of balance sheet.

2.1.14 Disclosure of appropriation of profit**IFRS & IAS:**

There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

Bangladesh Bank:

As per BRPD circular no. 14 dated 25 June 2003, an appropriation of profit should be disclosed in the face of profit and loss account.

2.1.15 Loans and advance net of provision

IFRS & IAS:

Loans and advances should be presented net of provisions.

Bangladesh Bank:

As per BRPD circular no. 14 dated 25 June 2003, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

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.

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 **International Accounting Standard (IAS) 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 @ 37.50% on taxable profit as per Income Tax Ordinance 1984 and as per Finance Act 2019.

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 (@ 37.5%) 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, BRPD Circular No. 08 dated 02 August 2015 and BRPD Circular No. 15 dated 27 September 2017 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 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, etc.	1.00%	1.00%
Consumer financing for 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, and Micro credit	1.00%	1.00%
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 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, and Credit card, loans to professionals and loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares etc.	2.00%	2.00%
Specific provision for classified loans and advances:		
Substandard	20.00%	20.00%
Substandard MC	5.00%	5.00%
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 @ 1% to 5%.

Specific provision

Specific provision for classified loans and advances has been maintained @ 5% 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	Amortised cost/ Fair value
Government treasury bonds	Amortised cost/ Fair 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	20.00%
Computer 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. Accordingly, revaluation surplus is included in fixed assets and equity in terms of instructions contained in BRPD Circular No. 10 dated 25 November 2002.

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 **International Accounting Standard (IAS) 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 and as per letter no. 53.00.0000.311.22.002.17-130, dated 14 February 2017 from Ministry of Finance, Bank & Financial Institution Division, Central Bank Unit, no provision has been made for WPPF.

2.10 Revenue recognition

The revenues of the Bank during the year have been recognized in terms of the provisions of **International Financial Reporting Standards (IFRSs) 15, 'Revenue from contracts with customers'** 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 on 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 September 2019 as per **International Accounting Standard (IAS) 33, 'Earnings Per Share'**.

2.12 Cash flow statement

Cash flow statement has been prepared in accordance with the **International Accounting Standard (IAS) 7, 'Statement of Cash Flows'** 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 on 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 nine months of the calendar year from 1 January 2019 to 30 September 2019.

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 International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)

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). The Bank has complied with all the applicable Accounting Standards and Financial Reporting Standards for preparation and presentation of the financial statements of the Bank as at 30 September 2019 as noted below:

International Accounting Standards (IASs)	IAS Number	Status of compliance by DBBL
Presentation of Financial Statements	IAS -1	Complied
Inventories	IAS -2	Complied
Statement of Cash Flows	IAS -7	Complied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS -8	Complied
Events After the Reporting Period	IAS -10	Complied
Income Taxes	IAS -12	Complied
Property, Plant and Equipment	IAS -16	Complied
Employee Benefits	IAS -19	Complied
Accounting for Government Grants and Disclosure of Government Assistance	IAS -20	Not applicable
The Effects of Changes in Foreign Exchange Rates	IAS -21	Complied
Borrowing Costs	IAS -23	Complied
Related Party Disclosures	IAS -24	Complied
Accounting and Reporting by Retirement Benefit Plans	IAS -26	Complied
Separate Financial Statements	IAS -27	Not applicable
Investments in Associates and Joint Ventures	IAS -28	Not applicable
Financial Reporting in Hyperinflationary Economics	IAS -29	Not applicable
Financial Instruments: Presentation	IAS -32	Complied
Earnings Per Share	IAS -33	Complied
Interim Financial Reporting	IAS -34	Complied
Impairment of Assets	IAS -36	Complied
Provisions, Contingent Liabilities and Contingent Assets	IAS -37	Complied
Intangible assets	IAS -38	Complied
Financial Instruments: Recognition and Measurement	IAS -39	Complied
Investment Property	IAS -40	Not applicable
Agriculture	IAS -44	Not applicable

International Financial Reporting Standards (IFRSs)	IFRS Number	Status of compliance by DBBL
First-time Adoption of International Financial Reporting Standards	IFRS - 1	Not applicable
Share-based Payment	IFRS - 2	Not applicable
Business Combinations	IFRS - 3	Not applicable
Insurance Contracts	IFRS - 4	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS - 5	Not applicable
Exploration for and Evaluation of Mineral Resources	IFRS - 6	Not applicable
Financial Instruments : Disclosures	IFRS - 7	Complied
Operating Segments	IFRS - 8	Complied
Financial instruments	IFRS - 9	Complied
Consolidated Financial Statements	IFRS - 10	Not applicable
Joint Arrangements	IFRS - 11	Not applicable
Disclosure of Interests in other Entities	IFRS - 12	Not applicable
Fair Value Measurement	IFRS - 13	Complied
Regulatory deferral accounts	IFRS - 14	Not applicable
Revenue from contracts with customers	IFRS - 15	Complied
Leases	IFRS - 16	Complied

2.19 Approval of the financial statements

The Board of Directors of the Bank in its 217th meeting held on 27 October 2019 approved the financial statements of the Bank for the third quarter ended 30 September 2019.

3. General

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

	30-Sep-19 Taka	31-Dec-18 Taka
4. Cash in hand (including foreign currencies)		
Local currency	13,542,749,837	17,390,453,446
Foreign currencies	45,327,195	29,416,295
	13,588,077,031	17,419,869,741
5. Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		
Bangladesh Bank		
Local currency	16,850,064,553	30,838,935,879
Foreign currencies	4,388,541,868	1,389,770,715
	21,238,606,422	32,228,706,594
Sonali Bank Limited (as an agent of Bangladesh Bank) - Local currency	277,258,743	499,718,446
	21,515,865,165	32,728,425,040
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, MPD Circular No. 1 and 2 dated 23 June 2014 and DOS Circular No. 26 dated 19 August 2019 issued by Bangladesh Bank.		
5.1.1 Cash Reserve Requirement (CRR): average 5.5% of average demand and time liabilities with minimum 5% on any date		
Required reserve	16,953,275,000	14,364,026,000
Actual reserve maintained		
Balance with Bangladesh Bank-Local currency [Note 5]	16,850,064,553	30,838,935,879
Balance with Bangladesh Bank - Foreign currencies used from FC clg. A/C (for OBO)	389,868,390	-
	17,239,932,944	30,838,935,879
Surplus/(deficit)*	286,657,944	16,474,909,879
Cash Reserve Maintained: more than 5% throughout the accounting year and 5.59% on the Balance Sheet date	5.59%	11.81%
5.1.2 Statutory Liquidity Ratio (SLR): 13% of average demand and time liabilities		
Required reserve	40,071,378,000	33,951,333,000
Available for maintenance:		
Cash in hand (including foreign currencies)	13,588,077,031	17,419,869,741
Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	277,258,743	499,718,446
Balance with Bangladesh Bank in excess of CRR	286,657,944	16,474,909,879
Unencumbered approved securities (treasury bills and bonds, debentures etc.)	43,870,485,402	31,444,307,131
	58,022,479,120	65,838,805,197
Surplus	17,951,101,120	31,887,472,197
Total surplus (5.1.1+5.1.2)	18,237,759,064	48,362,382,076
Statutory Liquidity Ratio (SLR) Maintained (%)	18.82%	25.21%
6. Balance with other banks and financial institutions		
In Bangladesh		
Main Operation [Note 6.1]	17,317,338,103	13,069,285,881
Off-shore Banking Unit	376,037,317	3,523,072,758
Less: Inter Bank transactions [Note 12]	(3,917,701,015)	(9,876,689,911)
	13,775,674,405	6,715,668,728
Outside Bangladesh		
Main Operation [Note 6.1]	138,592,298	656,896,195
Off-shore Banking Unit	-	-
	138,592,298	656,896,195
Total Balance with other banks and financial institutions	13,914,266,703	7,372,564,923

	30-Sep-19	31-Dec-18
	Taka	Taka
6.1 Balance with other banks and financial institutions - Main Operation		
(a) In Bangladesh		
In current deposit accounts with		
Janata Bank Limited	39,955	65,073
Sonali Bank Limited	83,311,269	124,034,103
Standard Chartered Bank, Dhaka	128,197,959	92,491,346
Islami Bank Bangladesh Limited	9,057,866	12,656,991
Agrani Bank Limited	668,333	333,147
Al Arafah Islami Bank Limited	435	2,160
The City Bank Limited	44,131	44,131
National Bank Limited	16,045	31,858
	221,335,993	229,658,809
In special notice deposit accounts with		
Sonali Bank Limited	980,315,753	1,085,198,333
National Bank Limited	20,268,767	17,205,195
The City Bank Limited	4,359	4,359
Rupali Bank Limited	14,745	6,012,895
Agrani Bank Limited	38,739,890	79,949,008
Janata Bank Limited	17,790,068	14,516,520
Dhaka Bank Limited	1,991,735	1,991,735
Islami Bank Limited	344,686,264	476,476,480
	1,403,811,581	1,681,354,525
In fixed deposit accounts with		
The City Bank Limited	2,000,000,000	-
Jamuna Bank Limited	1,000,000,000	-
Standard Bank Limited	950,000,000	-
NCC Bank Limited	1,000,000,000	-
One Bank Limited	1,000,000,000	-
	5,950,000,000	-
In fixed deposit accounts (in foreign currency) with		
Off-shore Banking Unit, Dutch-Bangla Bank Limited	3,560,453,029	6,468,272,547
	4,442,190,529	6,468,272,547
Other financial institutions		
In fixed deposit accounts with		
Investment Corporation of Bangladesh	3,860,000,000	4,250,000,000
Delta Brac Housing Limited (DBH)	500,000,000	-
International Leasing & Financial Services Limited	90,000,000	90,000,000
Bangladesh Industrial Finance Company Limited (BIFC)	350,000,000	350,000,000
IDLC Finance Limited	500,000,000	-
	5,300,000,000	4,690,000,000
Total (a) In Bangladesh	17,317,338,103	13,069,285,881

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

Name of the correspondent Bank	Currency	30-Sep-19			31-Dec-18		
		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	477,799	83.9750	40,123,137	1,890,751	83.9000	158,633,980
Commerzbank AG, Frankfurt, Germany	EURO	(310,581)	91.9557	(28,559,693)	52,820	95.2349	5,030,263
AB Bank Ltd., Mumbai, India	ACU	89,319	83.9750	7,500,523	347,303	83.9000	29,138,690
Citibank N.A., New York, USA	USD	(1,028,334)	83.9750	(86,354,384)	1,906,296	83.9000	159,938,208
Unicredit S.P.A., Milano, Italy	EURO	(13,764)	91.9557	(1,265,696)	48,265	95.2349	4,596,486
ICICI Bank Limited, Mumbai, India	ACU	3,490	83.9750	293,076	292,118	83.9000	24,508,731
				(68,263,036)			381,846,358

In demand deposit account (non-interest bearing) with

Name of the correspondent Bank	Currency	30-Sep-19			31-Dec-18		
		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	13,488	102.6259	1,384,185	112,452	105.9825	11,917,917
Standard Chartered Bank, New York, USA	USD	2,807,026	83.9750	235,719,994	1,575,406	83.9000	132,176,533
ICICI Bank Ltd., Hong Kong	USD	52,887	83.9750	4,441,203	178,449	83.9000	14,971,855
JP Morgan Chase Bank N.A., New York, USA	USD	(177,852)	83.9750	(14,935,110)	354,612	83.9000	29,751,981
Standard Chartered Bank, Colombo, Sri Lanka	ACU	44,024	83.9750	3,696,878	75,219	83.9000	6,310,843
Commerzbank AG, Frankfurt, Germany	CHF	23,769	84.6077	2,011,040	49,485	84.2369	4,168,439
The Bank of Tokyo-Mitsubishi UFJ Ltd., Tokyo, Japan	JPY	1,174,306	0.7818	918,072	5,171,720	0.7533	3,895,857
Bank of Montreal Canada	CAD	45,653	63.1622	2,883,544	45,258	61.8093	2,797,394
Mashreqbank PSC, Mumbai, India	ACU	(150,809)	83.9750	(12,664,209)	76,196	83.9000	6,392,830
Mashreqbank PSC, Mumbai, India	EUR	683	91.9557	62,845	683	95.2349	65,086
Standard Chartered Bank, Mumbai, India	ACU	(62,852)	83.9750	(5,277,991)	128,879	83.9000	10,812,972
HDFC Bank Limited	ACU	(297,019)	83.9750	(24,942,207)	267,444	83.9000	22,438,516
Bank of Ceylon, Colombo, Sri Lanka	ACU	62	83.9750	5,175	196,013	83.9000	16,445,491
Habib Metropolitan Bank, Karachi, Pakistan	ACU	87,322	83.9750	7,332,857	53,782	83.9000	4,512,287
Commerzbank AG, Frankfurt, Germany	AUD	63,161	56.7377	3,583,587	50,233	59.2754	2,977,589
Axis Bank, India	ACU	(5,511)	83.9750	(462,814)	41,659	83.9000	3,495,198
Kookmin Bank, Seoul, Korea	USD	36,820	83.9750	3,091,933	22,873	83.9000	1,919,049
Mashreq Bank PSC, Dubai, UAE	AED	280	22.6619	6,351	-	-	-
				206,855,335			275,049,837
Total (b) Outside Bangladesh				138,592,298			656,896,195
Total (a+b)				17,455,930,401			13,726,182,076

	30-Sep-19 Taka	31-Dec-18 Taka
7. Money at call on short notice		
a) With banks		
Mercantile Bank Limited	2,000,000,000	-
Agrani Bank Limited	1,500,000,000	-
Midland Bank Limited	400,000,000	-
Pubali Bank Limited	1,500,000,000	-
Brac Bank Limited	1,500,000,000	-
Eastern Bank Limited	850,000,000	-
United Commercial Bank Limited	500,000,000	-
Mutual Trust Bank Limited	1,340,000,000	-
Uttara Bank Limited	400,000,000	-
Bank Asia Limited	850,000,000	-
National Credit and Commerce Bank Limited	900,000,000	-
Jamuna Bank Limited	800,000,000	-
	12,540,000,000	-
b) With non bank financial institutions		
Delta Brac Housing Finance Corporation Limited (DBH)	180,000,000	-
IDLC Finance Limited	450,000,000	-
	630,000,000	-
Total (a+b)	13,170,000,000	-
8. Investments		
In Government securities		
Treasury bills		
7-day treasury bills	-	-
14-day treasury bills	-	3,746,463,750
91-day treasury bills	4,654,781,750	-
182-day treasury bills	719,795,250	493,695,346
364-day treasury bills	-	-
	5,374,577,000	4,240,159,096
Treasury bonds		
2-year treasury bonds	5,436,808,745	1,021,984,272
5-year treasury bonds	10,552,741,008	8,146,125,245
10-year treasury bonds	16,552,829,691	13,265,824,927
15-year treasury bonds	5,157,496,539	4,475,989,186
20-year treasury bonds	796,032,420	294,224,405
	38,495,908,402	27,204,148,035
Total treasury bills and bonds	43,870,485,402	31,444,307,131
Prize bonds	8,389,600	12,857,200
	43,878,875,002	31,457,164,331
Other investments		
Subordinated bonds [Note 8.2]	1,400,000,000	740,000,000
Shares [Note 8.3]	11,283,434	11,283,434
	1,411,283,434	751,283,434
	45,290,158,436	32,208,447,765
8.1 Classification of investments		
Government treasury bills and bonds		
Held for trading (HFT)	4,549,780,400	-
Held to maturity (HTM)	39,320,705,002	31,444,307,131
Total investments in government securities	43,870,485,402	31,444,307,131
Prize bonds	8,389,600	12,857,200
Other investments	1,411,283,434	751,283,434
	45,290,158,436	32,208,447,765

	30-Sep-19	31-Dec-18
	Taka	Taka
8.2 Other investments -Subordinated Bonds		
Al-Arafah Islami Bank Limited Bond	500,000,000	500,000,000
Ashuganj Power Distribution Limited Bond	500,000,000	-
First Security Islami Bank Mudaraba Bond	400,000,000	240,000,000
	1,400,000,000	740,000,000
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.	227,214,596,752	208,026,971,615
Bills purchased and discounted	5,257,434,584	10,010,396,505
	232,472,031,336	218,037,368,120
Off-shore Banking Unit		
Loans, cash credits, overdrafts, etc.	1,222,722,986	1,436,436,850
Bills purchased and discounted	11,911,524,130	12,080,135,369
	13,134,247,116	13,516,572,219
Total loans and advances	245,606,278,452	231,553,940,339
9.1 Loans, cash credits, overdrafts etc. - Main operation		
In Bangladesh		
Overdraft	26,693,648,602	26,327,812,398
Cash credit	41,168,946,937	41,673,930,404
Export cash credit	9,616,037,098	11,902,239,415
Transport loan	1,956,540,385	2,332,264,851
House building loan	5,048,242,349	3,960,886,120
Loan against trust receipt	5,160,923,508	5,658,985,256
Term loan - industrial	71,621,691,887	64,537,919,730
Term loan - other	44,369,963,819	33,611,609,584
Payment against document - cash	21,404,077	74,569,790
Payment against document - EDF	564,515,204	1,129,632,259
Consumer finance	20,359,619,801	16,217,816,378
Staff loan	633,063,086	599,305,430
	227,214,596,752	208,026,971,615
Outside Bangladesh	-	-
	227,214,596,752	208,026,971,615
Bills purchased and discounted		
Payable in Bangladesh		
Inland bills purchased	5,190,837,131	9,960,125,437
Payable outside Bangladesh		
Foreign bills purchased and discounted	66,597,453	50,271,068
	5,257,434,584	10,010,396,505
Total loans and advances	232,472,031,336	218,037,368,120

	30-Sep-19	31-Dec-18
	Taka	Taka
9.2 Net loans and advances including bills purchased and discounted		
Total loans, advances and lease receivables [Note 9.1]	232,472,031,336	218,037,368,120
Less : Provision against loans and advances (specific and general) [Note 9.4(b)]	7,041,456,670	7,435,718,457
Less : Cumulative balance of interest suspense account [Note 14.1.4]	2,718,488,194	2,333,278,760
	222,712,086,473	208,268,370,903

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

159,352,001,214	140,025,228,813
41,168,946,937	41,673,930,404
26,693,648,602	26,327,812,398
227,214,596,752	208,026,971,615

Outside Bangladesh

-	-
227,214,596,752	208,026,971,615

b) Bills purchased and discounted

Payable in Bangladesh

Payable outside Bangladesh

5,190,837,131	9,960,125,437
66,597,453	50,271,068

Total (a+b)

5,257,434,584	10,010,396,505
232,472,031,336	218,037,368,120

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

Status of loans and advances	Year					
	30-Sep-19				31-Dec-18	
	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)	212,939,196,232	13,134,247,116	226,073,443,348	92.05%	216,780,907,137	93.62%
Special mention account	5,817,103,607	-	5,817,103,607	2.37%	5,192,227,905	2.24%
Total unclassified loans and advances	218,756,299,839	13,134,247,116	231,890,546,955	94.42%	221,973,135,042	95.86%
Classified loans and advances						
Substandard	5,354,839,531	-	5,354,839,531	2.18%	377,752,249	0.16%
Substandard MC	9,385,679	-	9,385,679	0.0038%	149,028	0.0001%
Doubtful	406,897,786	-	406,897,786	0.17%	617,043,731	0.27%
Doubtful MC	25,970,00000	-	25,970,00000	0.00000%	-	-
Bad/loss	7,944,582,531	-	7,944,582,531	3.23%	8,585,860,288	3.71%
Total classified loans and advances	13,715,731,497	-	13,715,731,497	5.58%	9,580,805,297	4.14%
Total loans and advances	232,472,031,336	13,134,247,116	245,606,278,452	100.00%	231,553,940,339	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 September 2019	Base for provision (Taka)	Percentage (%) of provision required as per Bangladesh Bank's directives	Amount of provision required as at 30 September 2019 (Taka)	Amount of provision required as at 31 December 2018 (Taka)
Unclassified loans and advances					
All unclassified loans (other than loans under small and medium enterprise, consumer financing and short term agricultural credit)	156,081,500,058	155,458,441,962	1%	1,570,999,615	1,585,745,594
Small and medium enterprise financing	29,429,816,151	29,429,816,151	0.25%	75,228,181	68,352,471
Consumer financing (other than housing finance under consumer financing scheme)	11,267,385,111	11,267,385,111	5%	563,369,256	437,081,134
Consumer Financing (Credit Card)	2,033,592,035	2,033,592,035	2%	40,671,841	33,029,397
Consumer financing (for housing finance)	8,764,853,207	8,764,853,207	1%	87,648,532	61,706,834
Loans to BHs/MBs/SDs	463,810,548	463,810,548	2%	9,276,211	9,313,703
Short term agricultural credit	4,876,286,020	4,876,286,020	1%	48,762,860	20,806,996
Micro credit	21,953,102	21,953,102	1%	219,531	261,380
	212,939,196,232	212,316,138,136		2,396,176,027	2,216,297,508
Special mention account					
All unclassified loans (other than loans under small enterprise and consumer financing)	3,781,392,787	3,781,392,787	1%	37,813,928	28,753,465
Small & Medium enterprise financing	364,887,801	364,887,801	0.25%	912,220	940,078
Consumer financing (other than housing finance under consumer financing scheme)	10,199,395	10,199,395	5%	509,970	11,183,695
Consumer Financing (Credit Card)	31,316,861	31,316,861	2%	626,337	439,516
Consumer financing (for housing finance)	1,629,306,763	1,629,306,763	1%	16,293,068	16,952,006
	5,817,103,607	5,817,103,607		56,155,523	58,268,760
	218,756,299,839	218,133,241,742		2,452,331,550	2,274,566,268
Classified loans and advances					
Substandard	5,354,839,531	3,532,445,468	20%	706,489,094	28,982,717
Substandard MC	9,385,679	2,693,717	5%	134,685	6,165
Doubtful	406,897,786	212,050,053	50%	106,025,026	77,303,723
Doubtful MC	25,970	9,095	5%	455	-
Bad /loss	7,944,582,531	3,776,475,860	100%	3,776,475,860	4,330,369,532
	13,715,731,497	7,523,674,193		4,589,125,120	4,436,662,136
Total-Main Operation	232,472,031,336	225,656,915,935		7,041,456,670	6,711,228,404
b.1.1) Main Operation					
Provision required				7,041,456,670	6,711,228,404
Provision maintained				7,041,456,670	7,435,718,457
Provision surplus (i)				-	724,490,053
b.2) Off-shore Banking Unit					
Provision required				131,342,471	135,165,722
Provision maintained				131,342,471	135,693,755
Provision surplus (ii)				-	528,033
Provision surplus					
Main Operation (i)				-	724,490,053
Off-shore Banking Unit (ii)				-	528,033
Total provision surplus (i+ii)				-	725,018,086

	30-Sep-19	31-Dec-18
	Taka	Taka
10. Fixed assets at cost or revalued amount including land, building, furniture and fixtures		
Main Operation [Note 10.1]		
Total cost	14,999,240,454	14,338,600,737
Less: Accumulated depreciation	9,515,417,641	8,601,292,226
	5,483,822,813	5,737,308,511
Off-shore Banking Unit		
Total cost	101,633	101,633
Less: Accumulated depreciation	101,551	101,551
	82	82
Total Fixed assets at cost or revalued	5,483,822,895	5,737,308,593
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	1,222,467,761	1,136,155,389
Furniture and fixtures	377,706,318	365,351,685
Other machinery and equipment	2,300,670,817	2,136,183,378
Computer equipment	4,791,295,156	4,575,288,685
Computer software	503,967,591	501,244,591
Motor vehicles	614,663,787	604,983,417
ATM Booth	1,185,783,222	1,115,861,364
ATM and Fast Track (ATM & Deposit Machine)	2,854,587,255	2,755,433,680
Books	194,591	194,591
	14,999,240,454	14,338,600,737
Less: Accumulated depreciation	9,515,417,641	8,601,292,226
	5,483,822,813	5,737,308,511
11. Other assets - Consolidated		
Main Operation [Note 11.1]	21,642,375,574	19,498,086,767
Off-shore Banking Unit	4,749,777	27,961,214
Less: Inter Bank transactions [Note 14]	(33,231,031)	(77,813,413)
	21,613,894,320	19,448,234,568
11.1 Other assets		
Income generating other assets (Note 11.1.a)	-	-
Non-income generating other assets (Note 11.1.b)	21,642,375,574	19,498,086,767
	21,642,375,574	19,498,086,767
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	123,733,436	135,201,701
ii) Advance rent and advertisement	875,614,849	659,279,804
iii) Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable	884,188,556	831,189,288
iv) Security deposits	20,969,135	22,322,210
v) Preliminary, formation and organization expenses, renovation/development expenses and prepaid expenses	297,422,653	333,968,254
vi) Branch adjustment (net)	139,561,819	14,643,233
vii) Suspense account	31,375,135	7,143,799
viii) Silver	-	-
ix) Others [Note 11.2]	19,269,509,991	17,494,338,478
	21,642,375,574	19,498,086,767
11.2 Break-up of others		
Encashment of Sanchaya Patra (awaiting realization)	578,294,084	489,118,917
Advance tax [Note 11.2.1]	14,658,804,819	12,320,320,002
Deferred tax [Note 11.2.2]	2,297,790,381	2,393,185,535
Sundry assets [Note 11.2.3]	1,734,620,707	2,291,714,024
	19,269,509,991	17,494,338,478

	30-Sep-19 Taka	31-Dec-18 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	2,393,185,535	2,085,282,270
Increase/(decrease) of Deferred tax assets for the period [Note 11.2.2.1]	(95,395,154)	307,903,265
Closing balance	2,297,790,381	2,393,185,535
11.2.2.1 Detail calculation of deferred tax asset / (liability)		
In terms of instructions contained in BRPD Circular No. 11 dated 12 December 2011 and provision of International		
i) Temporary timing difference in written down value (WDV) of Fixed Assets		
Accounting written down value [carrying amount] of fixed assets (excluding value of land) [A]	4,578,581,572	4,828,174,687
Written down value of fixed assets as per Tax (Tax base) as of the balance sheet date (excluding value of land) [B]	5,336,104,468	5,398,213,074
Temporary timing difference in Accounting WDV and Tax WDV (excluding value of land) [B - A]	757,522,896	570,038,387
ii) Temporary timing difference in provision for other classified assets	480,793,000	480,793,000
iii) Temporary timing difference in specific provision for loans and advances	4,589,125,120	5,160,996,705
iv) Temporary timing difference in provision for Gratuity	300,000,000	170,000,000
Total amount of temporary timing differences in assets / (liabilities) [i+ii+iii] [C]	6,127,441,016	6,381,828,092
Effective tax rate [D]	37.50%	37.50%
Deferred tax asset / (liability) [C X D]	2,297,790,381	2,393,185,535
Increase/(decrease) of Deferred tax asset for the period [Note 11.2.2]	(95,395,154)	307,903,265
11.2.3 Sundry assets		
Sundry debtors	95,424,571	64,614,397
Cash remittance	74,806,550	89,815,759
Others	1,564,389,586	2,137,283,868
	1,734,620,707	2,291,714,024
12. Borrowings from other banks, financial institutions and agents		
Main Operation [Note 12.1]	8,835,623,046	13,773,122,980
Off-shore Banking Unit	12,586,247,595	16,304,302,134
Less: Inter Bank transactions [Note 6]	(3,917,701,015)	(9,876,689,911)
	17,504,169,626	20,200,735,203
12.1 Borrowings from other banks, financial institutions and agents- Main operation		
a) In Bangladesh		
Secured		
Refinance from Bangladesh Bank		
Housing [Note 12.3]	5,080,080	6,706,501
Investment Promotion and Financing Facility (IPFF) [Note 12.3]	-	-
Export Development Fund (EDF)	7,645,808,258	9,483,884,547
Small and Medium Enterprise (SME) [Note 12.2 , 12.3]	54,307,500	43,788,869
Financial Sector Support Project (FSPP)	671,800,000	671,200,000
	8,376,995,838	10,205,579,917
Unsecured		
Call Money Borrowing		
From other Banks, Financial Institutions and Agents	100,000,000	-
Credit lines		
From Rupantarita Prakritik Gas Company Limited (RPGCL)	1,379,222	7,746,502
From Sonali Bank Limited, etc.	-	-
From BASIC Bank Limited	-	151,379,197
From Off-shore Banking Unit, Dutch-Bangla Bank Limited	357,247,986	3,408,417,364
	458,627,207	3,567,543,063
	8,835,623,046	13,773,122,980
b) Outside Bangladesh		
Secured	-	-
Unsecured	-	-
	-	-
	-	-
Total (a+b)	8,835,623,046	13,773,122,980

	30-Sep-19 Taka	31-Dec-18 Taka
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]	1,059,375	1,190,625
Women Entrepreneur Fund [Note 12.3]	35,468,125	9,150,744
10 Taka Account Fund [Note 12.3]	17,780,000	33,447,500
	54,307,500	43,788,869
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, 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	62,837,592,229	56,457,626,938
Bills payable	2,946,528,447	3,465,965,762
Savings bank deposits	143,736,846,873	127,689,439,982
Term deposits	84,491,683,373	74,820,559,332
	294,012,650,922	262,433,592,014
Off-shore Banking Unit		
Current deposits and other accounts	55,681,902	34,129,782
Bills payable	-	-
Savings bank deposits	-	-
Term deposits	-	-
	55,681,902	34,129,782
Total Deposits and other accounts	294,068,332,824	262,467,721,796
13.1 Deposits and other accounts - Main Operation		
Current deposits and other accounts		
Current deposits	51,919,700,845	44,975,009,843
Foreign currency deposits	1,592,322,714	1,877,066,430
Sundry deposits [Note 13.1.1]	9,325,568,669	9,605,550,665
	62,837,592,229	56,457,626,938
Bills payable		
Payment order	2,930,021,454	3,448,909,030
Demand draft	16,506,993	17,056,732
	2,946,528,447	3,465,965,762
Savings bank deposits	143,736,846,873	127,689,439,982
Term deposits		
Fixed deposits	52,226,274,643	49,194,274,079
Special notice deposits	32,156,811,683	25,516,994,081
Non resident foreign currency deposits	1,682,731	1,681,228
Resident foreign currency deposits	72,091,726	69,130,170
Monthly term deposits	34,822,589	38,479,774
	84,491,683,373	74,820,559,332
	294,012,650,922	262,433,592,014
13.1.1 Details of sundry deposits		
Margin on irrevocable letters of credit	442,523,599	615,356,038
Margin on letters of guarantee	313,677,293	338,380,900
Margin on inward foreign documentary bills for collection (IFDBC)	327,324,897	456,531,768
Sundry deposit on foreign bills purchased awaiting for realization (FBPAR)	5,070,216,153	4,999,719,016
Sundry deposit - withholding tax -IT	209,418,966	351,326,840
Sundry deposit - excise duty	7,219,726	374,105,779
Sundry deposit - withholding tax -VAT	106,801,095	146,940,355
Sundry deposits-sale proceeds of Sanchay Patra	47,290,277	152,000,000
Interest payable on deposit accounts	1,314,809,121	626,609,380
Others sundry deposits	1,486,287,542	1,544,580,589
	9,325,568,669	9,605,550,665

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	Taka	Taka
13.1.2 Segregation of deposits and other accounts		
Other than inter-bank deposits	293,982,505,850	262,420,437,010
Inter-bank deposits [Note 13.3]	30,145,072	13,155,004
	294,012,650,922	262,433,592,014
13.1.3 Details of inter-bank deposits		
In current deposits account		
Al-Arafah Islami Bank Limited	252,873	1,154,483
Bangladesh Krishi Bank	258	-
Bangladesh Commerce Bank Limited	69,249	-
Rajshahi Krishi Unnayan Bank	876,369	-
Southeast Bank Limited	5,030	6,295
	1,203,779	1,160,778
In special notice deposits account		
Janata Bank Limited	53,254	54,101
Dhaka Bank Limited	4,013,779	10,700,989
Mutual Trust Bank Limited	-	68,069
National Credit and Commerce Bank Limited	137,352	135,208
Prime Bank Limited	930,465	913,113
ICB Islami Bank Limited	112,930	112,179
The City Bank Limited	10,088	10,567
Habib Bank Limited	23,683,426	-
	28,941,294	11,994,226
	30,145,072	13,155,004
14. Other liabilities - Consolidated		
Main Operation [Note 14.1]	31,418,552,730	28,929,366,747
Off-shore Banking Unit	265,348,373	289,685,404
Less: Inter Bank transactions [Note 11]	(33,231,031)	(77,813,413)
	31,650,670,072	29,141,238,738
14.1 Other liabilities- Main operation		
	<u>Notes</u>	
Unclaimed dividends		426,379,003
Provision for expenses		311,703,728
Contribution to Dutch-Bangla Bank Limited Employees' Superannuation Fund		180,000,000
Contribution to Dutch-Bangla Bank Limited Employees' Gratuity Fund		170,000,000
Provision for interest on credit lines, refinance scheme and subordinated debt		236,022,728
Branch adjustment (net)		-
Provision for classified assets	14.1.1	480,793,000
Provision for taxation	14.1.2	16,336,918,366
Accumulated provision for loans and advances including off-balance sheet exposures	14.1.3	8,211,174,386
Cumulative balance of interest suspense account	14.1.4	2,333,278,760
Others		243,096,776
		31,418,552,730
		28,929,366,747

	30-Sep-19	31-Dec-18
	Taka	Taka
14.1.1 Other provisions		
Provision for other classified assets [Note 14.1.1.1]	480,793,000	480,793,000
Provision for nostro accounts [Note 14.1.1.2]	-	-
	480,793,000	480,793,000

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	480,793,000	484,893,000
Add: Provision made for the period	-	(4,100,000)
Closing balance	480,793,000	480,793,000

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, provision has to be made against the un-reconciled debit balance of nostro accounts for more than three months @ 10% to 100%. As on 30 September 2017, the bank has no outstanding debit balance in nostro accounts for more than three months. Hence, no provision is required.

14.1.2 Provision for taxation

Current tax

Opening balance	16,336,918,366	13,466,859,777
Add: Provision made for the period [Note 14.1.2.1]	2,278,995,831	2,870,058,589
Less: Adjustment made against Advance Tax/Adjustment made against final assessment orders by the Deputy Commissioner of Taxes or the Appellate Authority	-	-
Closing balance [Note 14.1.2.2]	18,615,914,197	16,336,918,366

14.1.2.1 Current tax - Provision for the period

Provision made for the current period on taxable income	2,278,995,831	2,870,058,589
Adjustment for the previous period	-	-
	2,278,995,831	2,870,058,589

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, 2007, 2008 and 2009. [Note 11.2.1]

Final assessment of income tax for accounting years 1998, 1999, 2000, 2010, 2011 and 2012 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-Sep-19	31-Dec-18
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	5,160,996,705	5,100,192,229
Less : Fully provided debt written-off	-	-
Add: Recoveries of amounts previously written-off	299,168	9,055,175
Add: Specific provision for the period	(572,170,753)	51,749,301
Less: Recoveries and Provision no longer required	-	-
Add: Net charge to profit and loss account	-	-
Provision held at the end of the period [Note 9.4(b)]	4,589,125,120	5,160,996,705

(B) General provision

General provision against unclassified loans and advances

Opening balance	2,274,721,752	1,972,021,752
General provision for the period	177,609,798	302,700,000
Provision held at the end of the period [Note 9.4(b)]	2,452,331,550	2,274,721,752

(C) 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	775,455,929	705,014,918
Add: Provision made for the period	(111,754,478)	70,441,011
Provision held at the end of the period	663,701,451	775,455,929
	3,116,033,001	3,050,177,681
	7,705,158,121	8,211,174,386

Total (A + B + C)

(D) Accumulated provision for loans and advances and Off-balance sheet exposures - Consolidated

Specific provision for bad and doubtful loans and advances	4,589,125,120	5,160,996,705
General provision against unclassified loans and advances-Main Operation	2,452,331,550	2,274,721,752
General provision against Off-balance sheet exposures-Off-Shore Banking Unit	131,342,471	135,693,755
General provision against Off-balance sheet exposures	663,701,451	775,455,929
	7,836,500,592	8,346,868,141

14.1.4 Cumulative balance of interest suspense account

Opening balance	2,333,278,760	2,582,802,096
Add: Amount transferred to interest suspense account during the period	1,139,645,793	3,281,452,930
Less: Amount transferred from interest suspense account during the period	753,881,765	2,882,736,613
Less: Amount written-off/waived during the period	554,595	648,239,653
Balance at the end of the period	2,718,488,194	2,333,278,760

	30-Sep-19	31-Dec-18
	Taka	Taka
15. Subordinated debt		
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.	-	-
The interest rate for the Subordinated debt is fixed at 7% p.a.		
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.	262,421,875	786,562,500
The interest rate for the subordinated debt is six (6) month LIBOR plus 5% margin p.a.		
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.	262,421,875	786,562,500
The interest rate for the subordinated debt is six (6) month LIBOR plus 5% margin p.a.		
Subordinated debt - Taka 5,000,000,000		
The Bank arranged a subordinated debt from six scheduled local banks for Taka 5,000,000,000 for a term of seven years to strengthen the Tier-2 capital as well as total capital of the Bank during June 2017 with the approval of Bangladesh Bank. The principal amount is repayable in five (5) equal installments with two years moratorium, last installment of which is payable on 14 June 2024.	5,000,000,000	5,000,000,000
The interest rate for the subordinated debt is approximately @ 10.5% p.a.		
Subordinated debt - Taka 5,000,000,000		
The Bank arranged a subordinated debt from six scheduled local banks for Taka 5,000,000,000 for a term of seven years to strengthen the Tier-2 capital as well as total capital of the Bank during December 2018 with the approval of Bangladesh Bank. The principal amount is repayable in five (5) equal installments with two years moratorium, last installment of which is payable on 26 December 2025.	5,000,000,000	5,000,000,000
The interest rate for the subordinated debt is approximately @ 8.8% p.a.		
Total	10,524,843,750	11,573,125,000

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) is considered as a component of supplementary capital (Tier 2 capital) of the Bank within the regulatory limits.

	30-Sep-19	31-Dec-18
	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		
500,000,000 ordinary shares of Taka 10 each	5,000,000,000	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
Bonus shares @1.5 against 1 existing share of Taka 10 each for the year 2019 *	3,000,000,000	-
	5,000,000,000	2,000,000,000

*** Note:**

The Board of Directors of the Bank in its 207th meeting held on 12 March 2019 recommend (a) increase of authorized capital of the Bank from Taka 4,000.0 million to Taka 15,000.0 million and (b) 150% stock dividend for the year 2018 to increase the paid-up capital of the Bank from Taka 2,000.0 million to Taka 5,000.0 million. The recommendation to increase the authorized capital was approved by the shareholders by a Special Resolution in the 4th EGM of the Bank held on 29 April 2019. The recommendation of stock dividends was also approved by the shareholders in the 23rd AGM of the Bank held on 29 April 2019.

30-Sep-19 **31-Dec-18**
Taka **Taka**

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

As per Section 13 of the Bank Company (Amended) Act, 2018 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 eligible regulatory capital of the Bank as of 30 September 2019 stood at Taka 36,107,412,942 against the risk based capital requirement of Taka 28,679,070,311. As a result, there was a capital surplus of Taka 7,428,342,631 in risk based capital adequacy ratio as on 30 September 2019.

As per the instruction contained in BRPD Letter No. BRPD(P-3)/745(25)/2019-2111 dated 11 March 2019, the paid-up share capital of the Bank was Taka 5,000,000,000 as on 30 September 2019.

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

Total assets (excluding off-balance sheet assets)	380,182,363,003	346,468,790,969
Total off-balance sheet assets	69,025,705,700	78,632,872,852
Total Risk weighted assets [RWA] against		
i. Credit Risk		
On-balance sheet	171,294,256,700	156,907,132,382
Off-balance sheet	25,292,906,502	32,864,212,151
	196,587,163,202	189,771,344,533
ii. Market Risk	780,655,201	266,481,076
iii. Operational Risk	32,064,744,085	28,167,036,753
A) Total Risk weighted assets (RWA) [i+ii+iii]	229,432,562,488	218,204,862,362
B) Minimum Capital Requirement (MCR) with Capital Conservation Buffer (CCB) [12.5% for 2019 & 11.875% for 2018 of risk weighted assets]	28,679,070,311	25,911,827,405
C) Common Equity Tire 1 (CET1) capital		
Paid-up share capital	5,000,000,000	2,000,000,000
Share premium	11,067,500	11,067,500
Statutory reserve	9,193,048,174	9,193,048,174
Dividend equalization account	1,766,827,195	1,766,827,195
Retained earnings (Including OBU)	9,610,980,630	9,248,257,798
	25,581,923,499	22,219,200,667
Less : Other Intangible Assets (computer software)	87,010,205	108,433,689
Less : Deferred tax asset (95%)	1,634,875,824	1,838,605,076
	23,860,037,470	20,272,161,902
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	-	-
	23,860,037,470	20,272,161,902
E) Tier 1 Capital [C+D]		
F) Tier 2 Capital		
General provision maintained against unclassified loans and off-balance sheet exposures	3,247,375,472	3,185,871,436
Subordinated debt capital	9,000,000,000	10,524,375,000
Assets revaluation reserves	425,206,889	425,206,889
Revaluation reserves of HTM securities	49,965,473	49,965,473
	12,722,547,834	14,185,418,798
Less: Revaluation Reserves for Fixed Assets and Securities is deducted at 100% in 2019 and 80% in 2018	475,172,362	380,137,890
	12,247,375,472	13,805,280,908
G) Total Eligible Regulatory Capital (Tier 1 and 2) [E+F]	36,107,412,942	34,077,442,810
Total capital surplus [G - B]	7,428,342,631	8,165,615,405
Capital to Risk Weighted Assets Ratio (CRAR):		
Common Equity Tier-1 to RWA (C/A)*100	10.40%	9.29%
Tier-1 Capital to RWA (E/A)*100	10.40%	9.29%
Tier-2 Capital to RWA (F/A)*100	5.34%	6.33%
Capital to Risk Weighted Assets Ratio (CRAR) (G/A)*100	15.74%	15.62%

	30-Sep-19	31-Dec-18
	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	9,193,048,174	9,193,048,174
Add: Transferred from profit during the period	-	-
Closing balance	9,193,048,174	9,193,048,174
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	1,766,827,195	1,566,827,195
Add: Transferred for previous year's dividend paid	-	200,000,000
Closing balance	1,766,827,195	1,766,827,195
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	16,355,788	14,001,469
Add: Reserve transferred to Income Account during the period	(14,346,333)	2,354,319
Closing balance	2,009,455	16,355,788
23. Contingent liabilities		
Main Operation [Note 23.1]	69,023,923,373	78,630,863,826
Off-shore Banking Unit	1,782,327	2,009,026
	69,025,705,700	78,632,872,852

	30-Sep-19	31-Dec-18
	Taka	Taka
23.1 Contingent liabilities - Main Operation		
a) Acceptances and endorsements	34,280,180,026	43,854,923,220
b) Letters of guarantee		
Local	6,265,183,627	6,156,681,949
Foreign	121,807,485	155,137,341
	6,386,991,111	6,311,819,290
c) Irrevocable letters of credit		
Local		
Cash	399,962,016	118,328,257
Usance	52,072,873	96,506,672
Back to back	6,566,632,114	7,426,870,201
	7,018,667,003	7,641,705,130
Foreign		
Cash	9,458,109,889	8,885,084,621
Usance	6,401,889,725	7,094,636,239
Back to back	1,504,406,418	2,812,726,516
	17,364,406,033	18,792,447,376
	24,383,073,035	26,434,152,506
d) Bills for collection		
Inward	-	-
Outward	-	-
	-	-
e) Other contingent liabilities		
Travelers' cheques	-	-
Export Development Fund	-	-
Bangladesh Shanchaya Patra	2,623,235,000	1,087,280,000
Forward Contract	1,350,444,200	942,688,810
	3,973,679,200	2,029,968,810
Total (a+b+c+d+e)	69,023,923,373	78,630,863,826
24. Retained Earnings - Consolidated		
Main Operation [Note 24.1]	9,003,224,208	8,808,768,845
Off-shore Banking Unit	607,756,422	439,488,953
	9,610,980,630	9,248,257,798
24.1 Retained Earnings-Main Operation		
Balance at 1 January	8,808,768,845	5,609,800,462
Dividend paid for previous year's	-	(600,000,000)
Transfer to dividend equalization fund for previous year's dividend paid	-	(200,000,000)
Transfer to paid up share capital for previous year's bonus share	(3,000,000,000)	-
Retained surplus for the current year	3,194,455,363	3,998,968,383
Closing balance	9,003,224,208	8,808,768,845
24.2 Calculation of Earnings Per Share (EPS)		
The earnings per share of the Bank has been calculated in accordance with the International Accounting Standard (IAS) 33, 'Earnings Per Share' under Basic Earning Per Share method as follows:		
Basic earnings (net profit after tax) [numerator]	3,362,722,832	2,658,269,085
Number of ordinary shares outstanding [denominator] *	500,000,000	500,000,000
Earnings Per Share	6.73	5.32
24.3 Calculation of Net Asset Value (NAV) Per Share		
Total Shareholders Equity [numerator]	26,434,346,731	21,537,560,634
Number of ordinary shares outstanding [denominator]*	500,000,000	500,000,000
Net Asset Value (NAV) Per Share	52.87	43.08
24.4 Net Operating Cash Flow Per Share (NOCFPS)		
Net cash from operating activities [numerator]	9,448,426,043	8,475,574,436
Number of ordinary shares outstanding [denominator]*	500,000,000	500,000,000
Net operating cash flow per share (NOCFS)	18.90	16.95

* As per requirement of IAS 33 - "Earning Per Share (EPS)", previous year's EPS was restated for the increase of number of ordinary shares outstanding through issue of bonus share during the first half of 2019. [Note 16.2.1]

		30-Sep-19	30-Sep-18
		Taka	Taka
25.	Particulars of profit and loss account		
	Income		
		Notes	
	Interest, discount and other similar income	26	18,712,570,726
	Dividend income	28	5,711,803
	Fees, commission and brokerage	29.1	544,694,140
	Gains less losses arising from dealing securities		-
	Gains less losses arising from investment securities	28	2,157,267,927
	Gains less losses arising from dealing in foreign currencies	29.2	941,533,372
	Income from non-banking assets		-
	Other operating income	30	2,868,017,911
	Profit less losses on interest rate changes		-
			25,229,795,878
	Expenses		
	Interest, fee and commission	27	5,526,022,620
	Charges on loan losses	41	2,399,081,265.00
	Directors' fees	39	151,634
	Administrative expenses	31	6,457,103,564
	Other operating expenses	43	4,604,000,029
	Depreciation on banking assets	42	1,016,989,665
			20,003,348,778
	Profit before provision		5,226,447,100
26.	Interest income		
	Interest income - Main Operation [Note 26.1]		18,284,302,288
	Interest income - Off-Shore Banking Unit		614,745,008
	Less: Inter Bank transactions [Note 27]		(186,476,569)
			18,712,570,726
26.1	Interest income - Main Operation		
	Interest on loans and advances		
	House building loan		227,735,999
	Transport loan		168,135,550
	Term loan - industrial		5,348,172,386
	Term loan - others		1,519,827,160
	Secured overdraft		1,809,305,304
	Cash credit		2,354,262,525
	Payment against document - cash		6,490,793
	Payment against document EDF- others		121,675,015
	Loan against trust receipts		244,486,646
	Export cash credit		105,125,844
	Loan against accepted bills		658,963,278
	Staff loan		23,847,208
	SME and consumer finance		4,474,074,124
			17,062,101,833
	Interest on balance with other banks and financial institutions		
	Fixed deposits		772,570,403
	Special notice deposits		9,413,798
	Nostro accounts		11,741,537
	Money at call on short notice		428,474,717
			1,222,200,455
			18,284,302,288
			15,146,801,249

	30-Sep-19	30-Sep-18
	Taka	Taka
27. Interest paid on deposits and borrowings etc.		
Main Operation [Note 27.1]	5,257,239,099	4,648,953,108
Off-shore Banking Unit	455,260,091	459,710,910
Less: Inter Bank transactions [Note 26]	(186,476,569)	(236,780,651)
	5,526,022,620	4,871,883,367
27.1 Interest paid on deposits- Main Operation [Note 27.2]	4,218,399,985	3,876,040,695
Interest paid on borrowings- Main Operation [Note 27.3]	1,038,839,114	772,912,413
	5,257,239,099	4,648,953,108
27.2 Interest paid on deposits- Main Operation		
Savings deposits	1,479,900,721	1,422,335,412
Special notice deposits	583,158,335	534,269,339
Fixed deposits	2,141,437,864	1,917,874,256
Non-resident foreign currency deposits	12,192,535	20,292
Resident foreign currency deposits	1,303,825	1,080,668
Monthly term deposits	406,704	460,728
	4,218,399,985	3,876,040,695
27.3 Interest paid on borrowings- Main Operation		
Interest on borrowing - call loan and term loan	2,382,732	57,220,368
Interest on credit lines	-	295,598
Interest paid on subordinated debt	754,315,982	486,041,598
Interest on borrowing under REPO and Re-financing facilities with Bangladesh Bank	282,140,400	229,354,849
Interest on borrowing under REPO with other banks	-	-
	1,038,839,114	772,912,413
28. Investment income		
Dividend on shares	5,711,803	5,711,981
Interest on treasury bills, bonds and debentures		
Interest on treasury bills and bonds	2,057,376,831	1,555,892,427
Interest on reverse REPO with other banks	13,976,025	-
Interest on subordinated bonds	85,915,070	16,743,903
Interest on debenture	-	-
	2,157,267,927	1,572,636,330
Gain on sale of shares	-	-
	2,162,979,729	1,578,348,311
29. Commission, exchange and brokerage		
Commission [Note 29.1]	544,694,140	620,580,500
Exchange earnings (net) [Note 29.2]	941,533,372	990,386,495
	1,486,227,512	1,610,966,995

	30-Sep-19	30-Sep-18
	Taka	Taka
29.1 Commission		
Commission on Remittances-Local	11,489,804	12,530,517
Commission on Remittances-Foreign	14,395,248	41,926,764
Commission on Letter of Credit-Import	63,209,172	71,729,210
Commission on Letter of Credit-Export	404,978,205	426,043,211
Commission on Export Bills	7,669,854	9,242,563
Commission on Letter of Guarantee	40,977,557	57,473,675
Commission on Sale of Government Saving Instruments	1,956,197	1,556,723
Commission on Banker to the issue & underwriting	83	-
Other Commission	18,020	77,837
	544,694,140	620,580,500
29.2 Exchange earnings (net)		
From General activities and Treasury dealings	941,533,372	990,386,495
	941,533,372	990,386,495
30. Other operating income		
Main Operation [Note 30.1]	2,858,243,651	2,435,448,211
Off-shore Banking Unit	9,774,260	9,054,168
	2,868,017,911	2,444,502,379
30.1 Other operating income - Main Operation		
Charges for service	63,117,252	62,208,831
Income from IT service	1,817,730,503	1,631,812,462
Recoveries from client	118,016,737	113,633,629
Service charges on deposit accounts	258,885,806	238,062,835
Income from Export-Import	103,928,808	82,070,966
Examination and appraisal fees	-	12,860,283
Document handling charges-Export	245,698	4,952,000
Locker Rent	8,014,715	7,109,090
Gain on sale of fixed assets	18,676,574	385,091
Income from Mobile Banking Services	378,704,099	187,590,724
Other earning	90,923,459	94,762,300
	2,858,243,651	2,435,448,211
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]	18,676,574	385,091
	18,676,574	385,091
30.3 Calculation of income from sale of fixed assets		
Sale proceeds [A]	27,704,471	14,493,215
Cost price of the sold items	111,892,147	38,959,140
Less: Accumulated depreciation	102,864,250	24,851,016
Written down value [B]	9,027,897	14,108,124
Net gain [A - B]	18,676,574	385,091

31. Administrative expenses	Notes	30-Sep-19 Taka	30-Sep-18 Taka
Salary and allowances	32	3,514,044,644	2,943,719,735
Rent, taxes, insurance, electricity, etc.	34	1,554,873,867	1,365,048,743
Legal expenses	35	1,657,495	2,584,831
Postage, stamp, telecommunications, etc.	36	255,677,136	246,805,466
Stationery, printings, advertisements etc.	37	505,765,702	416,995,434
Managing Director & CEO's salary and allowances	38	7,887,000	7,887,000
Auditors' fees	40	616,750	756,750
Repair and maintenance	42	616,580,970	615,146,412
		6,457,103,564	5,598,944,371
32. Salary and allowances			
Main Operation [Note 32.1]		3,510,443,196	2,940,510,174
Off-shore Banking Unit		3,601,448	3,209,561
		3,514,044,644	2,943,719,735
32.1 Salary and allowances-Main Operation			
Basic salary		1,450,444,966	1,221,037,471
House rent allowance		726,420,441	613,755,838
Conveyance allowance		146,838,976	121,170,693
Other allowances		159,216,681	131,388,177
Bank's contribution to provident fund		135,353,767	113,050,865
Medical expenses		151,560,815	129,768,373
Bonus		410,607,551	364,638,757
Gratuity		300,000,000	135,700,000
Superannuation		30,000,000	110,000,000
		3,510,443,196	2,940,510,174
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 8,820 as at 30 September 2019 compared to 8,249 as at 30 September 2018.			
34. Rent, taxes, insurance, electricity, etc.			
Rent			
Office premises		601,180,865	515,667,937
ATM Booths and other installations		388,701,327	319,015,574
		989,882,192	834,683,511
Rates and taxes			
Rates		1,383,169	2,944,590
Taxes		5,847,520	6,880,642
		7,230,689	9,825,232
Insurance			
Cash		22,558,063	20,727,165
Vehicles		2,718,345	3,053,252
Deposits		118,815,976	108,251,205
Other properties		9,836,267	8,363,123
		153,928,651	140,394,745
Electricity and sanitation			
Light and power		393,748,385	370,168,702
Water and sewerage		6,433,291	6,363,345
Utilities		3,650,659	3,613,208
		403,832,335	380,145,255
		1,554,873,867	1,365,048,743
35. Legal expenses			
Legal expenses		1,657,495	2,584,831
		1,657,495	2,584,831

	30-Sep-19	30-Sep-18
	Taka	Taka
36. Postage, stamp, telecommunications, etc.		
Main Operation [Note 36.1]	255,649,369	246,798,647
Off-shore Banking Unit	27,767	6,819
	255,677,136	246,805,466
36.1 Postage, stamp, telecommunications, etc.-Main Operation		
Postage	19,137,651	18,858,111
Telephone	10,682,844	10,160,039
Radio link	213,156,968	207,183,713
Swift, Reuters, internet, etc.	12,671,906	10,596,784
	255,649,369	246,798,647
37. Stationery, printings, advertisements etc.		
Printing and stationery:		
Printed stationery	46,687,419	42,187,002
Security stationery	30,880,413	30,024,167
Petty stationery	68,207,603	42,572,638
	145,775,435	114,783,807
Publicity and advertisement	359,990,267	302,211,627
	505,765,702	416,995,434
38. Managing Director & CEO's salary and allowances		
Basic salary	4,770,000	4,770,000
House rent allowance	360,000	360,000
House maintenance	270,000	270,000
Bank's contribution to provident fund	477,000	477,000
Other allowances	180,000	180,000
Leave fare assistance	270,000	270,000
Bonus	1,560,000	1,560,000
	7,887,000	7,887,000
39. Directors' fees		
Honorarium for attending meeting	147,425	197,600
Incidental expenses for attending meeting	4,209	240
	151,634	197,840
40. Auditors' fees		
Statutory annual audit fees	367,500	532,500
Special audit fees	249,250	224,250
Fees for various certification	-	-
	616,750	756,750
41. Charges on loan losses		
Loan written- off	2,399,081,265	1,466,840,028
Interest waived	-	-
	2,399,081,265	1,466,840,028
42. Depreciation and repair of bank's assets		
Depreciation on fixed assets including building, furniture and fixtures		
Main Operation [Note 42.1]	1,016,989,665	915,501,138
Off-shore Banking Unit	-	-
	1,016,989,665	915,501,138
Repair and maintenance		
Main Operation [Note 42.2]	616,472,023	615,053,588
Off-shore Banking Unit	108,947	92,824
	616,580,970	615,146,412
	1,633,570,635	1,530,647,550

	30-Sep-19	30-Sep-18
	Taka	Taka
42.1 Depreciation on fixed assets including land, building, furniture and fixtures - Main Operation		
Land	-	-
Building (including lease hold property)	7,491,449	7,491,450
Interior decoration	72,437,296	75,985,674
Furniture and fixtures	20,424,380	20,605,066
Other machinery and equipment	178,775,887	169,754,501
Computer equipment	414,514,077	292,790,779
Computer software	24,146,484	38,572,437
Motor vehicles	53,831,799	46,368,430
ATM Booth	73,917,381	73,100,786
ATM and Fast Track (ATM & Deposit Machine)	171,437,541	190,818,545
Books	13,371	13,470
	1,016,989,665	915,501,138
42.2 Repair and maintenance - Main Operation		
Premises	158,785,274	144,148,342
Vehicles	40,120,847	40,466,445
Computers	417,565,901	430,438,801
	616,472,023	615,053,588
43. Other expenses		
Main Operation [Note 43.1]	4,602,395,199	3,791,433,587
Off-shore Banking Unit	1,604,830	586,715
	4,604,000,029	3,792,020,302
43.1 Other expenses- Main Operation		
Entertainment expenses	34,488,180	30,233,992
Fuel and lubricant	39,026,001	41,133,438
Subscription and donations	20,745,733	13,437,217
Annual general meeting	1,461,078	1,322,128
Casual wages and allowances	809,676,448	779,711,379
Travelling expenses and allowances	377,411,991	295,777,040
Petty conveyance	29,883,628	30,638,369
Credit rating fees	5,331,481	436,000
News papers, periodicals, learning materials etc.	1,488,408	1,990,400
Crockeries	382,859	325,632
Debit and Credit Card expenses	367,271,085	418,188,202
ATM expenses	790,612	2,927,051
Tele Banking Expenses	36,103,352	44,627,576
Cash carrying charges	29,911,272	29,381,917
ATM cash replenishment charges	539,700,000	494,700,000
Recruitment, training, seminar and workshop	13,359,214	14,870,952
Service charge on nostro account and others	26,265,108	33,235,421
Consultancy fees	14,972,481	3,538,543
Business promotion and development	1,397,031,421	1,052,995,723
Laundry and cleaning	277,540	201,988
Other expenses for Mobile Banking Services	178,472,259	232,473,610
Other expenses for Agent Banking Services	542,869,505	262,746,254
Miscellaneous	135,475,544	6,540,755
	4,602,395,199	3,791,433,587

	30-Sep-19 Taka	30-Sep-18 Taka
44. Receipts from other operating activities - Consolidated		
Other operating income [Note 30]	2,868,017,911	2,444,502,379
Less: Income from sale of fixed assets (net)	18,676,574	385,091
	2,849,341,337	2,444,117,288
Exchange earnings (net) [Note 29.2]	941,533,372	990,386,495
	3,790,874,709	3,434,503,783
45. Payments for other operating activities		
Expenses for the year	5,224,849,603	4,510,744,381
Add: Opening accrued expenses	308,305,009	245,405,790
Add: Closing advance expenses	875,614,849	546,102,886
Less: Closing accrued expenses	1,184,145,568	635,198,100
Less: Opening advance expenses	659,279,804	584,216,572
	4,565,344,089	4,082,838,385
46. Increase/(decrease) of other assets		
Closing other assets		
Security deposits	20,969,135	21,607,251
Suspense account	31,375,135	1,283,673
Branch adjustment (net)	139,561,819	43,925,819
Encashment of Sanchaya Patra (awaiting realization)	578,294,084	468,773,512
Sundry debtors	95,424,571	67,454,788
Cash remittance	74,806,550	119,565,858
Others	1,541,178,149	1,775,987,338
	2,481,609,443	2,498,598,239
Opening other assets		
Security deposits	22,322,210	17,961,785
Suspense account	7,143,799	(4,685,242)
Branch adjustment (net)	14,643,233	8,037,461
Encashment of Sanchaya Patra (awaiting realization)	489,118,917	352,879,636
Sundry debtors	64,614,397	68,100,883
Cash remittance	89,815,759	83,485,115
Others	2,137,283,868	1,844,017,967
	2,824,942,183	2,369,797,605
	(343,332,740)	128,800,634
47. Increase/(decrease) of other liabilities		
Closing other liabilities		
Branch adjustment (net)	-	-
Cumulative balance of interest suspense account	2,718,488,194	2,730,420,032
Revaluation reserve for HTM securities	2,009,455	11,101,624
Revaluation reserve for HFT securities	-	-
Others	159,964,409	203,491,905
	2,880,462,057	2,945,013,561
Opening other liabilities		
Branch adjustment (net)	-	-
Cumulative balance of interest suspense account	2,333,278,760	2,582,802,096
Revaluation reserve for HTM securities	16,355,788	14,001,469
Revaluation reserve for HFT securities	-	-
Others	243,096,776	190,491,698
	2,592,731,324	2,787,295,263
	287,730,733	157,718,298

	30-Sep-19	31-Dec-18
	Taka	Taka
48 Cash and cash-equivalents - Consolidated		
Main Operation [Note 48.1]	65,738,262,198	63,887,334,057
Off-shore Banking Unit	376,037,317	3,523,072,758
	66,114,299,515	67,410,406,815

48.1 Cash and cash-equivalents - Main Operation

Cash in hand (including foreign currencies)	13,588,077,031	17,419,869,741
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	21,515,865,165	32,728,425,040
Balance with other banks and financial institutions	17,455,930,401	13,726,182,076
Prize bonds	8,389,600	12,857,200
Money at call on short notice	13,170,000,000	-
	65,738,262,198	63,887,334,057



Chairman



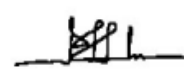
Director



Managing Director & CEO



Chief Financial Officer



Company Secretary

Dhaka, 27 October 2019