

# **DUTCH - BANGLA BANK LIMITED**

## **FINANCIAL STATEMENTS**

**For the Third Quarter ended 31 March 2021**

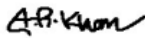
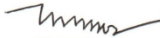


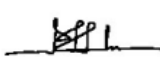
## Dutch-Bangla Bank Limited

### Balance Sheet As at 31 March 2021

PROPERTY AND ASSETS	Notes	31-Mar-21 Taka (Un-audited)	31-Dec-20 Taka (Audited)	31-Mar-20 Taka (Un-audited)
<b>Cash</b>				
In hand (including foreign currencies)	4	16,667,785,422	17,030,120,126	34,633,511,184
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	5	19,842,993,246	23,858,695,319	40,604,257,807
		36,510,778,668	40,888,815,445	75,237,768,991
<b>Balance with other banks and financial institutions</b>	6			
In Bangladesh		16,502,089,251	12,574,309,059	5,780,546,977
Outside Bangladesh		(1,438,993,063)	682,321,195	569,453,026
		15,063,096,188	13,256,630,254	6,350,000,003
<b>Money at call on short notice</b>	7	260,000,000	-	-
<b>Investments</b>	8			
Government		102,494,329,383	106,718,508,845	24,423,070,107
Others		5,871,283,434	5,871,283,434	2,911,283,434
		108,365,612,817	112,589,792,279	27,334,353,541
<b>Loans and advances</b>	9			
Loans, cash credits, overdrafts, etc.		260,437,233,384	257,165,934,137	243,585,394,590
Bills purchased and discounted		16,858,738,037	16,216,972,893	16,720,419,130
		277,295,971,421	273,382,907,030	260,305,813,720
<b>Fixed assets including land, building, furniture and fixtures</b>	10	7,683,658,154	7,882,842,294	5,462,056,813
<b>Other assets</b>	11	25,588,392,329	24,354,460,906	24,560,531,491
<b>Non-banking assets</b>		-	-	-
<b>TOTAL ASSETS</b>		<b>470,767,509,577</b>	<b>472,355,448,208</b>	<b>399,250,524,558</b>
<b>LIABILITIES AND CAPITAL</b>				
<b>Liabilities</b>				
Borrowings from other banks, financial institutions and agents	12	26,815,731,134	25,796,052,059	19,762,529,200
<b>Deposits and other accounts</b>	13			
Current deposits and other accounts		88,350,636,591	89,092,047,606	69,113,506,616
Bills payable		3,854,664,916	3,925,305,619	2,235,252,501
Savings bank deposits		170,543,082,584	170,213,630,379	149,552,057,006
Term deposits		94,278,827,189	99,380,006,141	86,346,773,769
		357,027,211,280	362,610,989,745	307,247,589,892
Other liabilities	14	39,762,902,248	37,691,753,730	34,064,952,014
Subordinated debt	15	14,000,000,000	14,000,000,000	10,000,000,000
<b>TOTAL LIABILITIES</b>		<b>437,605,844,662</b>	<b>440,098,795,534</b>	<b>371,075,071,106</b>
<b>Shareholders' equity</b>				
Paid up share capital	16.2	5,500,000,000	5,500,000,000	5,000,000,000
Share premium	17	11,067,500	11,067,500	11,067,500
Statutory reserve	18	9,193,048,174	9,193,048,174	9,193,048,174
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	96,905,831	96,905,831	9,593,766
Proposed dividend		-	-	-
Retained earnings	24	15,743,402,438	14,838,390,197	11,344,503,040
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>33,161,664,915</b>	<b>32,256,652,674</b>	<b>28,175,453,452</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>470,767,509,577</b>	<b>472,355,448,208</b>	<b>399,250,524,558</b>

	Notes	31-Mar-21 Taka (Un-audited)	31-Dec-20 Taka (Audited)	31-Mar-20 Taka (Un-audited)
<b>OFF-BALANCE SHEET ITEMS</b>				
<b>Contingent liabilities</b>	23			
Acceptances and endorsements		48,029,118,682	39,572,273,905	41,411,769,993
Letters of guarantee		5,813,934,430	5,654,553,523	6,275,227,457
Irrevocable letters of credit		34,511,440,419	35,020,907,978	31,715,078,072
Bills for collection		-	-	-
Other contingent liabilities		2,589,026,516	2,569,651,432	3,048,365,000
<b>Total contingent liabilities</b>		<b>90,943,520,047</b>	<b>82,817,386,838</b>	<b>82,450,440,522</b>
<b>Other commitments</b>				
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		-	-	-
<b>Total other commitments</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total off-balance sheet items including contingent liabilities</b>		<b>90,943,520,047</b>	<b>82,817,386,838</b>	<b>82,450,440,522</b>
<b>Net Asset Value (NAV) Per Share</b>		<b>60.29</b>	<b>58.65</b>	<b>51.23</b>

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

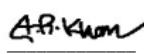
				
Director	Director	Managing Director & CEO	Chief Financial Officer	Company Secretary

Dhaka, 22 May 2021

**Dutch-Bangla Bank Limited**  
**Profit and Loss Account**  
**For the First Quarter (Q1) ended 31 March 2021**

	Notes	For the First Quarter (Q1) ended 31 March (January - March)	
		2021 Taka	2020 Taka
Interest income	26	5,281,044,731	6,076,694,030
Interest paid on deposits and borrowings etc.	27	1,657,213,785	1,925,378,256
<b>Net interest income</b>		<b>3,623,830,946</b>	<b>4,151,315,775</b>
Investment income	28	1,788,325,015	1,265,518,919
Commission, exchange and brokerage	29	337,166,389	408,164,302
Other operating income	30	930,354,190	788,994,340
<b>Total operating income</b>		<b>6,679,676,541</b>	<b>6,613,993,336</b>
Salary and allowances	32	1,380,594,753	1,384,612,334
Rent, taxes, insurance, electricity, etc.	34	492,134,048	570,448,740
Legal expenses	35	547,670	671,137
Postage, stamp, telecommunications, etc.	36	87,716,214	89,399,701
Stationery, printings, advertisements, etc.	37	176,237,014	211,864,197
Managing Director & CEO's salary and allowances	38	3,405,000	3,240,000
Directors' fees	39	43,616	33,700
Auditors' fees	40	100,000	146,000
Depreciation and repair of bank's assets	41	669,260,584	539,490,919
Other expenses	42	1,777,698,443	1,784,224,740
<b>Total operating expenses</b>		<b>4,587,737,342</b>	<b>4,584,131,468</b>
<b>Profit before provision</b>		<b>2,091,939,199</b>	<b>2,029,861,868</b>
Provision for loans and off-balance sheet exposures	14.1.3		
Specific provision for loans	14.1.3.A	405,242,561	399,898,708
General provision for loans	14.1.3.B	34,921,710	11,116,403
General provision for off-balance sheet exposures	14.1.3.C	80,943,849	71,430,150
		521,108,120	482,445,261
Other provision	14.1.1	-	-
<b>Total provision</b>		<b>521,108,120</b>	<b>482,445,261</b>
<b>Profit before taxes</b>		<b>1,570,831,079</b>	<b>1,547,416,606</b>
Provision for taxation			
Current tax	14.1.2	782,060,045	864,763,741
Deferred tax	11.2.2	(116,241,208)	(72,204,617)
		665,818,837	792,559,124
<b>Net profit after taxation</b>		<b>905,012,241</b>	<b>754,857,482</b>
<b>Appropriations</b>			
Statutory reserve	18	-	-
<b>Retained surplus to retained earnings</b>		<b>905,012,241</b>	<b>754,857,482</b>
<b>Earnings per share (EPS)</b>	24.2	<b>1.65</b>	<b>1.37</b>

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

  
Director

  
Director

  
Managing Director & CEO

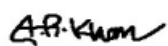
  
Chief Financial Officer

  
Company Secretary

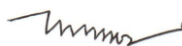
Dhaka, 22 May 2021

**Dutch-Bangla Bank Limited**  
**Cash Flow Statement**  
**For the First Quarter (Q1) ended 31 March 2021**

	Notes	31-Mar-21 Taka	31-Mar-20 Taka
<b>A) Cash flows from operating activities</b>			
Interest receipts in cash		11,048,411,000	6,726,394,539
Interest payments		(977,137,102)	(933,786,662)
Dividend receipts in cash		3,427,082	5,711,803
Gain on sale of shares		-	-
Gain on sale of securities		-	-
Recoveries of loan previously written-off		1,287,697	101,292
Fee and commission receipts in cash		252,113,017	194,732,952
Cash payments to employees		(1,253,605,090)	(1,264,241,207)
Cash payments to suppliers		(1,279,970,998)	(1,593,627,475)
Income taxes paid		(1,029,772,019)	(830,925,003)
Receipts from other operating activities	43	996,515,495	1,002,269,590
Payments for other operating activities	44	(1,397,034,004)	(1,311,626,036)
<b>Operating profit before changes in operating assets and liabilities</b>		<b>6,364,235,078</b>	<b>1,995,003,793</b>
<b>Increase/(decrease) in operating assets and liabilities</b>			
Statutory deposits		-	-
Purchase /sale of trading securities		5,178,337,959	6,305,241,781
Loans and advances to other banks		-	-
Loans and advances to customers		(8,071,337,313)	(3,355,408,465)
Other assets	45	222,525,565	(2,118,113,330)
Deposits from other banks		13,282,770	(42,478,847)
Deposits from customers		(6,049,161,333)	4,374,461,376
Other liabilities account of customers		(1,832,698,986)	1,057,591,731
Other liabilities	46	179,331,918	715,937,397
<b>Net cash from operating activities</b>		<b>(3,995,484,343)</b>	<b>8,932,235,436</b>
<b>B) Cash flows from investing activities</b>			
Payments for purchase of securities		(3,695,963,715)	(8,846,885,869)
Proceeds from sale of securities		2,743,598,518	30,313,868,650
Purchase of property, plant and equipment		(240,720,743)	(425,622,035)
Sale proceeds of property, plant and equipment		28,244,889	2,571,003
<b>Net cash used in investing activities</b>		<b>(1,164,841,051)</b>	<b>21,043,931,749</b>
<b>C) Cash flows from financing activities</b>			
Receipts from issue of loan capital and debt securities		-	-
Payment for redemption of loan capital and debt securities		-	(530,625,000)
Dividends paid		(1,829,201)	-
<b>Net cash from financing activities</b>		<b>(1,829,201)</b>	<b>(530,625,000)</b>
<b>D) Net increase / (decrease) in cash (A+B+C)</b>		<b>(5,162,154,594)</b>	<b>29,445,542,185</b>
<b>E) Cash and cash-equivalents at beginning of the period</b>		<b>61,314,398,944</b>	<b>55,551,702,197</b>
<b>F) Cash and cash-equivalents at end of the period (D+E)</b>	48	<b>56,152,244,350</b>	<b>84,997,244,382</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	24.4	<b>(7.26)</b>	<b>16.24</b>



Director



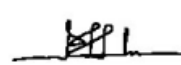
Director



Managing Director & CEO



Chief Financial Officer



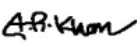
Company Secretary

Dhaka, 22 May 2021

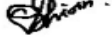
**Dutch-Bangla Bank Limited**  
**Statement of Changes in Equity**  
**For the First Quarter (Q1) ended 31 March 2021**

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 2021	5,500,000,000	11,067,500	9,193,048,174	1,766,827,195	850,413,777	96,905,831	14,838,390,197	32,256,652,674
Changes in accounting policy	-	-	-	-	-	-	-	-
<b>Restated balance</b>	<b>5,500,000,000</b>	<b>11,067,500</b>	<b>9,193,048,174</b>	<b>1,766,827,195</b>	<b>850,413,777</b>	<b>96,905,831</b>	<b>14,838,390,197</b>	<b>32,256,652,674</b>
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-	-
Payment of dividend for the year 2020	-	-	-	-	-	-	-	-
Transfer for dividend for the year 2020	-	-	-	-	-	-	-	-
Net profit for the three months ended 31 March 2021	-	-	-	-	-	-	905,012,241	905,012,241
Issue of share capital	-	-	-	-	-	-	-	-
Appropriations during the period	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2021</b>	<b>5,500,000,000</b>	<b>11,067,500</b>	<b>9,193,048,174</b>	<b>1,766,827,195</b>	<b>850,413,777</b>	<b>96,905,831</b>	<b>15,743,402,438</b>	<b>33,161,664,915</b>
<b>Balance at 31 March 2020</b>	<b>5,000,000,000</b>	<b>11,067,500</b>	<b>9,193,048,174</b>	<b>1,766,827,195</b>	<b>850,413,777</b>	<b>9,593,766</b>	<b>11,344,503,040</b>	<b>28,175,453,452</b>

  
Director

  
Director

  
Managing Director & CEO

  
Chief Financial Officer

  
Company Secretary

Dhaka, 22 May 2021

# **Dutch-Bangla Bank Limited**

## **Notes to the Financial Statements (Main Operation and Off-shore Banking Unit) As of and for the First Quarter (Q1) ended 31 March 2021**

### **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 210 as at 31 March 2021 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 31 March 2021 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 Financial Reporting Act, 2015, 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**

As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

#### **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**

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**

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.24 (17 November 2019), BRPD circular No.6 (19 May 2019), BRPD circular No.4 (16 May 2019), BRPD circular No.3 (21 April 2019), BRPD circular No.15 (27 September 2017), BRPD circular No.16 (18 November 2014), 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**

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**

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**

As per IFRS 9 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), the arrangement is treated as a loan and the underlying asset continues to be recognised at amortised cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The 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**

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**

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**

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**

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**

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**

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**

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**

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.

**2.1.16 Name of Financial Statements**

**IFRS**

As per IAS 1 : Presentation of financial of financial statements, Components of financial statements are defined as statement of financial position and statement of profit or loss and other comprehensive income.

**Bangladesh Bank:**

As per BRPD 14, statement of financial position is defined as "Balance Sheet" whilst statement of profit or loss and other comprehensive income is defined as "Profit and Loss Account"

## **2.2 IFRS 16: Leases**

IFRS 16 Leases is effective for the annual reporting periods beginning on or after 1 January 2019. IFRS 16 defines that a contract is (or contains) a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16 significantly changes how a lessee accounts for operating leases. Under previous IAS 17, an entity would rent an office building or a branch premises for several years with such a rental agreement being classified as operating lease would have been considered as an off balance sheet item. However, IFRS 16 does not require a lease classification test and hence all leases shall be accounted for as on balance sheet item (except some limited exception i.e. short-term lease, leases for low value items).

Under IFRS 16, an entity shall be recognizing a right-of-use (ROU) asset (i.e. the right to use the office building, branches, service center, call center, warehouse, etc.) and a corresponding lease liability. The asset and the liability are initially measured at the present value of unavoidable lease payments. The depreciation of the lease asset (ROU) and the interest on the lease liability is recognized in the profit or loss account over the lease term. IFRS 16 was implemented in the year 2020.

## **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 as determined by Bangladesh Bank. 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 2020.

### **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 (02 August 2015), BRPD Circular No. 01 (20 February 2018), BRPD circular No. 24 (17 November 2019), BRPD circular No.6 (19 May 2019), BRPD circular No. 4 (16 May 2019), BRPD circular No.3 (21 April 2019), BRPD circular No. 4 (19 March 2020), BRPD circular No. 13 (15 June 2020) and BRPD circular No. 15 (21 July 2020) issued by Bangladesh Bank on the following basis:

Category / status of loans and advances	Rates	
	Bangladesh Bank's requirement	Maintained by the Bank
<b>General provisions for unclassified loans and advances :</b>		
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)	2.00%	2.00%
Consumer financing for housing finance, etc.	1.00%	1.00%
Consumer financing for credit card, 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%
<b>Special mention account</b>		
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)	1.00%	1.00%
Small & Medium enterprise financing	0.25%	0.25%
Consumer financing (other than housing finance, Credit Card and loans for professionals under consumer financing scheme)	2.00%	2.00%
Consumer financing for housing finance, etc.	1.00%	1.00%
Consumer financing for Credit card, loans to professionals and loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares etc.	2.00%	2.00%
<b>Specific provision for classified loans and advances:</b>		
Substandard Other	20.00%	20.00%
Substandard small and MC	5.00%	5.00%
Doubtful Other	50.00%	50.00%
Doubtful small	20.00%	20.00%
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 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, Credit card, loans to professionals and loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares has been maintained @ 1% to 2%.

#### **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 year. 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%
Right of use of asset - IFRS 16: lease	Over the lease term

- 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
<b>General provision for Off-balance sheet exposures</b>		
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, 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 15, 'Revenue from contracts with customers' and International Financial Reporting Standards 9 "Financial Instruments" 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 is recognised when the right to receive payment is established.

#### **2.10.4 Interest paid on deposits and borrowings**

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

#### **2.10.5 Other operating expenses**

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

#### **2.11 Earnings per share**

Earnings per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as at 31 March 2021 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**

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

The Board of Directors of the Bank in its 233rd meeting held on 06 March 2021 recommended 15% cash dividend and 15% stock dividend for the year 2020. Subsequently the Honorable Shareholders has approved recommended dividend in the 25th AGM held on 26 April 2021.

#### **2.15 Reconciliation of books of account**

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

#### **2.16 Reporting period**

The reporting period of these financial statements cover three months of the calendar year from 1 January 2021 to 31 March 2021.

#### **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 Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is formed and it is yet to issue financial reporting standards for public interest entities such as banks. The Bank Companies Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRS) as approved by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable. Subject to the departures mentioned above, the Bank has complied with all the applicable Accounting and Financial Reporting Standards for preparation and presentation of the financial statements of the Bank as at 31 March 2021 as noted below:

<b>International Accounting Standards (IASs)</b>	<b>IAS Number</b>	<b>Status of compliance by DBBL</b>
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
<b>International Financial Reporting Standards (IFRSs)</b>	<b>IFRS Number</b>	<b>Status of compliance by DBBL</b>
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

\* Subject to the departure specified above to comply with Bangladesh Bank Regulations

## 2.19 New accounting standards not yet adopted

The Bank has consistently applied the accounting policies as set out above to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 January 2020 have been considered. A number of standards and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted. However, the Bank has not early applied these new standards and yet assess potential impact on its financial statements.

## 2.20 Approval of the financial statements

The Board of Directors of the Bank in its 237th meeting held on 22 May 2021 approved the financial statements of the Bank for the First Quarter ended 31 March 2021.



### **3.1 Risk Management**

Banking risk is defined by DBBL as prospect of potential losses or foregone profits that can be triggered by internal and external factors. The objective of risk management system is to identify, assess, record and actively manage any internal and external risks that could pose a threat to the attainment of the core objectives of the Bank. Therefore, as part of risk management system potential risks in Bank's operations and transactions, in assets, liabilities, income, costs and off-balance sheet items identified and assessed, and timely and adequate measures are initiated to actively manage and mitigate such risks within a risk-return framework. In DBBL, only calculated banking risks are taken while conducting banking business to strike a balance between risks and returns. Risks are clearly identified, quantified, mitigated or minimized to protect capital and maximize value to the shareholders.

#### **3.1.1 Core risk management**

Within risk management framework, all core banking risks of DBBL are proactively managed. Bank's risk management system adequately complies with an effective risk management system as required by BRPD circular no.17 (7 October 2003) and BRPD circular no.4 (5 March 2007). Bangladesh Bank monitors the progress of implementation of its risk management guidelines through on-site inspections and off-site supervisions. The risk management systems in place at the Bank are discussed below.

##### **3.1.1.1 Credit risk**

Credit risk is the most significant and inherent risk in banking business. Every loan exposure or transaction with counterparty involves the Bank to some extent of credit risks. Credit Risk Management is at the heart of the overall risk management system of the Bank. It is designed and regularly updated to identify, measure, manage and mitigate credit risk to maintain and improve quality of loan portfolio and reduce actual loan losses and to ensure that approved processes are followed and appropriate due diligence are made in approving new credit facilities and renewals.

The salient features of credit risk management practices in place at different levels of DBBL management and board are as under:

- I. Credit policy is approved by the Board
- II. Credit approval is delegated properly
- III. Independent Credit Risk Management Division is responsible for assessing and mitigating credit risk
- IV. Separate Credit Administration Division is responsible for documentation and disbursements
- V. Independent Special Asset Management Division is responsible for managing non-performing loans
- VI. Adequate loan-loss provisions (principal) and interest suspense accounts are maintained
- VII. Conducting Internal Credit Risk Rating (ICRR) for mitigating credit risk
- VIII. Eligible Borrowers' credit ratings are conducted for assessing client and industry specific credit risk
- IX. Credit operations are regularly audited by independent Internal Audit Division
- X. Early warning system is in place for raising red flag for potential credit problem for taking timely actions
- XI. Board of directors of the Bank, Executive Committee and Risk Management Committee of the board are regularly and adequately reported on existing and potential credit risks of the Bank and measures taken by the management for mitigating such credit risks
- XII. Environmental issues are properly assessed and mitigated while financing any project or industry

##### **3.1.1.2 Asset liability management risk**

The Asset-Liability (ALCO) management risk includes the process, procedures for managing & mitigating liquidity risk, interest rate risk, and foreign exchange risk of DBBL. ALCO works under specific Terms of References (functions) approved by the Board. Treasury Division (Front Office) and ALM desk under regular supervision of ALCO reviews the overall liquidity, interest rate and foreign exchange exposures and risk of DBBL and take appropriate measures in line with industry best practice.

##### **3.1.1.3 Liquidity risk**

Liquidity risk is the risk that we may not meet our financial obligation as they become due. Liquidity risks also include our inability to liquidate any asset at reasonable price in a timely manner. It is the policy of the Bank to maintain adequate liquidity at all times in both local and foreign currencies. Liquidity risks are managed on a short, medium and long-term basis. There are approved limits for credit/deposit ratio, liquid assets to total assets ratio, maturity mismatch, commitments for both on-balance sheet and off-balance sheet items and borrowing from money market to ensure that loans and investments are funded by stable sources, maturity mismatches are within limits and that cash inflow from maturities of assets, customer deposits in a given period exceeds cash outflow by a comfortable margin even under a stressed liquidity scenario.

##### **3.1.1.4 Interest rate risk**

Interest rate risk is the potential impact on the Bank's earnings and net asset value due to changes in market interest rates. Interest rate risk is the result of mismatches of interest rate re-pricing of financial assets and liabilities. DBBL uses the following tools for measuring the interest rate risk:

###### **a. Gap analysis**

Under this system, a gap i.e. the difference between the amount of financial assets and the amount of liabilities is calculated at a pre-determined time bucket. The interest rate factor is then applied on the assessed financial value of Gap for measuring the earning impact due to movement of interest rate.

b. Duration analysis

Duration is the time-weighted average maturity of the present value of the cash flows from on balance sheet assets and liabilities. It measures the relative sensitivity of the value of these instruments to changing interest rates and therefore reflects on the economic value i.e. the present value of shareholders' equity of the Bank.

**3.1.1.5 Foreign exchange risk**

Foreign exchange risk is the potential loss arising from changes in foreign currency exchange rate in either direction. Assets and liabilities denominated in foreign currencies generally entail foreign exchange risks.

The Bank operates its foreign exchange and money market activities under a centralized and single functional area. DBBL's dealing room is equipped with advanced technology and experienced personnel. Bank's Exchange Rate Committee meets on a daily basis to review the prevailing market condition, exchange rate, exposure and transactions to mitigate foreign exchange risk.

**3.1.1.4 Internal control and compliance**

Internal Control and Compliance (ICC) ensures compliance with laws and regulations, policies and procedures issued by both the bank management and the regulators. ICC enhances confidence over the bank and facilitates risk based bank examination. This is one of the means for reducing potential losses associated with unwanted events.

Banking is a diversified financial activities involving different risks. The issues of effective internal control system, good governance, transparency of all financial activities, accountability towards its stakeholders and regulators are highly important for ensuring smooth performance of the banking company. An effective internal control & compliance system has no alternative for protecting the stakeholders of a banking company.

Dutch-Bangla Bank Limited has established an appropriate and effective internal control environment through the Board of Directors, Management, organizational and procedural controls and an independent audit mechanism in order to ensure that the Bank is managed and controlled in a sound and prudent manner.

Internal Control and Compliance (ICC) operates independently as a division consisting of four units (Audit & Inspection, Compliance, Monitoring & ICC Secretariat) with prime responsibility to determine risks by evaluating overall Business, Operations & Credit Portfolios of the Bank. The key objective of ICC is to assist and guide in all aspects of the bank using adequate resources for identification of weaknesses and taking appropriate measures to overcome the same to be a compliant bank.

**3.1.1.5 Operational Risk**

Operational risk can be defined as the possibilities of losses resulting from inadequacy or failed internal processes, systems and people or from external events.

Operational risk includes legal and regulatory risk, business process and change risk, fiduciary or disclosure breaches, technology failure, financial crime and environmental risk. It exists in some form in every Bank business and function. Operational risk can not only result in financial loss, but also regulatory sanctions and damage to the Bank's reputation. DBBL is successful at managing operational risk with a view to safeguarding client assets and preserving shareholder value.

DBBL manages operational risks in the following manner:

- I. Risks are identified with reference to the relevant policy manuals, processes, and practices;
- II. Departmental Control Function Check List (DCFCL) is in place for evaluation of control;
- III. Review of safety and control measures of premises and equipments;
- IV. Management of technological and information security risks; and
- V. Ensuring the Bank's business continuity while facing unforeseen crisis under a business continuity and disaster management plan.

**3.1.1.6 Money Laundering Risk and Terrorist Financing Risk**

The Government through its bodies, particularly 'Bangladesh Financial Intelligence Unit (BFIU)' has been playing a vital role to enhance the compliance status of Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) among the local banks & financial institutions. Bangladesh has become the prestigious Co-Chair of the APG (Asia-Pacific Group on Money Laundering). All these have made our country viable and reliable to both the global regulators and investors. DBBL has become confident to nourish its financial-system and structure with more dynamism and professionalism to protect its customers' deposits and reputation from any Money Laundering (ML) or Terrorist Financing (TF) risks.

The Bank, under the legal framework of the "Money Laundering Prevention Act, 2012 (amended in 2015)" and Anti Terrorism Act, 2009 (amended in 2013), has been pursuing the policy of strict compliance with all regulatory directives and culture of good governance in all aspects of its banking services and operations.

**3.1.1.7 Legal Risks**

In DBBL, legal risks are covered by recognizing potential losses from litigation or possible litigation at an early stage and by formulating solutions for reducing, restricting and avoiding such risks and creating adequate provision there- against.

### 3.1.1.8 Business Risk

Business risk covers the risk of losses arising from lower non-interest income and higher expenses from the budgeted amount. The business risk is resulted from the market condition, greater customer expectation and / or technological development that may be significantly different from the assumptions made at the time of planning.

Business risk in DBBL is managed by setting clear targets for specific business units, in terms of business volume, income, cost, cost-income ratio, quality of assets etc. with an ongoing process of continuous improvement.

### 3.1.1.9 Reputational Risk

Reputational risk is defined as the risk of losses, falling business volume or income as well as reduced value of the company arising from business events that may reduce the confidence of the customers & clients, shareholders, investors, counterparties, business partners, credit rating agencies, regulators and general public in DBBL.

The branches and operational divisions are directly responsible for reputational risks arising from their business operations. Reputational risks may also arise from a deficiency in managing other risks. All risk must therefore be managed effectively in order to uphold the Bank's reputation. The management ensures that DBBL is aware of any changes in market perceptions as soon as possible. Accordingly, all business policies and transactions are subjected to careful consideration. DBBL takes necessary precautions to avoid business policies and transactions that may result in significant tax, legal or environmental risks. Reputational risk is also factored into major credit decisions that may lead to credit proposal being declined.

### 3.1.1.10 Compliance Risk

The success of DBBL is largely dependent on the trust and confidence of our existing and potential customers, our shareholders, our staff, our regulators and the general public in our integrity and ethical standard. The confidence largely depends on meticulous compliance with applicable legal and regulatory requirements and internal policies of DBBL. The confidence also depends on conformity with generally accepted market norms and standards in our business operations. The Board of Directors is primarily responsible for compliance with all applicable norms and regulations. The Board discharges its responsibilities itself and through delegation of authorities to Executive Committee, Audit Committee and Risk Management Committee of the Board. The objective is to identify any compliance risks at an early stage that may undermine the integrity and the success of DBBL and to mitigate the risks in most appropriate way.

### 3.1.1.11 Technology Risk

Technology risk is the risk of financial loss arising from failure, exploitation of vulnerabilities or other deficiencies in the electronic platforms that support our daily operations and the system applications and infrastructure on which they reside. As a component of operational risk, technology risk is inherent not only in our IT assets, but also in the people and processes that interact with them. Cyber risk, which is part of technology risk, is the risk that our systems will not operate properly or will be compromised as a result of cyber-attacks, security breaches, unauthorized access, loss or destruction of data, unavailability of service, computer viruses or other events that could have an adverse security impact. Any such event could subject us to litigation or cause us to suffer a financial loss, a disruption of our businesses, liability to our clients, regulatory intervention or reputational damage. We could also be required to expend significant additional resources to modify our protective measures or to investigate and remediate vulnerabilities or other exposures. Service and infrastructure disruption risks are managed through our business continuity management plan, our technology risk management program and other contingency and resiliency plans. Although we have business continuity plans, our businesses face a wide variety of operational risks, including technology risk arising from dependencies on IT, third-party suppliers and the worldwide telecommunications infrastructure. As a large IT investment financial services company in Bangladesh, we operate in a complex technological landscape covering our diverse business model. Ensuring that the confidentiality, integrity and availability of information assets are protected is critical to our operations.

## 3.2 General

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

	31-Mar-21 Taka	31-Dec-20 Taka
<b>4. Cash in hand (including foreign currencies)</b>		
Local currency	16,628,269,156	16,987,953,065
Foreign currencies	39,516,266	42,167,061
	<b>16,667,785,422</b>	<b>17,030,120,126</b>
<b>5. Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)</b>		
Bangladesh Bank		
Local currency	14,431,229,502	23,087,790,589
Foreign currencies	5,055,269,637	318,852,121
	<b>19,486,499,139</b>	<b>23,406,642,710</b>
Sonali Bank Limited (as an agent of Bangladesh Bank) - Local currency	356,494,107	452,052,609
	<b>19,842,993,246</b>	<b>23,858,695,319</b>

	31-Mar-21 Taka	31-Dec-20 Taka
<b>5.1 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)</b>		
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, DOS Circular No. 26 dated 19 August 2019 and MPD Circular No. 3 dated 09 April 2020 issued by Bangladesh Bank.		
<b>5.1.1 Cash Reserve Requirement (CRR): average 4.0% of average demand and time liabilities with minimum 3.5% on any date</b>		
Required reserve	14,898,044,000	14,544,507,000
Actual reserve maintained		
Balance with Bangladesh Bank-Local currency [Note 5]	14,431,229,502	23,087,790,589
Balance with Bangladesh Bank - Foreign currencies used from FC clg. A/C (for OBO)	-	-
	14,431,229,502	23,087,790,589
<b>Surplus/(deficit)*</b>	<b>(466,814,498)</b>	<b>8,543,283,589</b>
<b>Cash Reserve Maintained:</b> average at least 4.0% with minimum 3.5% throughout the accounting period and 3.87% on the Balance Sheet date *	<b>3.87%</b>	<b>6.35%</b>
*Average CRR @ 4.0% of average demand and time liabilities equivalent to Taka 14,898,044,000 was maintained during the last fifteen days of 31 March 2021. Therefore, effectively there was no shortfall in CRR as per Bangladesh Bank Directives.		
As per Bangladesh Bank's directives, actual CRR in 31 March 2021 was 4.0% of average demand and time liabilities calculated on a bi-weekly basis. However, there is an option that actual CRR on a given date during the calculation period may be below 4.0% but minimum 3.5%. At the rate of 3.5%, CRR of the Bank came to Taka 13,035,788,500 against which actual CRR of Taka 14,431,229,502 was maintained on 31 March 2021.		
<b>5.1.2 Statutory Liquidity Ratio (SLR): 13% of average demand and time liabilities</b>		
Required reserve	48,924,372,000	47,676,741,000
Available for maintenance:		
Cash in hand (including foreign currencies)	16,667,785,422	17,030,120,126
Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	356,494,107	452,052,609
Balance with Bangladesh Bank in excess of CRR	-	8,543,283,589
Unencumbered approved securities (treasury bills and bonds, debentures etc.)	102,483,907,683	106,709,880,445
Foreign currencies used in BDT from FC clg. A/C and Nostro A/C	-	-
	119,508,187,212	132,735,336,769
<b>Surplus</b>	<b>70,583,815,212</b>	<b>85,058,595,769</b>
<b>Statutory Liquidity Ratio (SLR) Maintained (%)</b>	<b>31.76%</b>	<b>36.19%</b>
<b>6. Balance with other banks and financial institutions</b>		
In Bangladesh		
Main Operation [Note 6.1]	20,786,874,042	19,715,885,793
Off-shore Banking Unit	23,163,003	18,748,111
Less: Inter Bank transactions [Note 12]	(4,307,947,794)	(7,160,324,845)
	16,502,089,251	12,574,309,059
Outside Bangladesh		
Main Operation [Note 6.1]	(1,438,993,063)	682,321,195
Off-shore Banking Unit	-	-
	(1,438,993,063)	682,321,195
<b>Total Balance with other banks and financial institutions</b>	<b>15,063,096,188</b>	<b>13,256,630,254</b>

		31-Mar-21 Taka	31-Dec-20 Taka
<b>6.1</b>	<b>Balance with other banks and financial institutions - Main Operation</b>		
	<b>(a) In Bangladesh</b>		
	In current deposit accounts with		
	Janata Bank Limited	4,879,693	4,533,430
	Sonali Bank Limited	98,694,691	151,726,447
	Standard Chartered Bank, Dhaka	184,003,839	60,558,580
	Islami Bank Bangladesh Limited	18,600,341	(13,412,650)
	Agrani Bank Limited	127,391	627,391
	Al Arafah Islami Bank Limited	-	-
	The City Bank Limited	44,189	44,189
	National Bank Limited	14,895	28,230
		<b>306,365,039</b>	<b>204,105,617</b>
	In special notice deposit accounts with		
	Sonali Bank Limited	2,030,273,423	56,433,698
	National Bank Limited	4,527,980	2,727,602
	The City Bank Limited	4,359	4,359
	Rupali Bank Limited	3,712,005	15,399,580
	Agrani Bank Limited	22,564,078	32,893,689
	Janata Bank Limited	33,653,349	14,938,761
	Dhaka Bank Limited	2,121,309	2,096,427
	Islami Bank Limited	565,762,387	424,790,693
	Mutual Trust Bank Limited	3,139	2,652,016
		<b>2,662,622,029</b>	<b>551,936,825</b>
	In fixed deposit accounts with		
	United Commercial Bank Limited	300,000,000	-
	Comunity Bank Limited	100,000,000	-
	The City Bank Limited	2,900,000,000	-
	Southeast Bank Limited	1,000,000,000	2,500,000,000
	NCC Bank Limited	1,200,000,000	500,000,000
	One Bank Limited	-	1,000,000,000
	Dhaka Bank Limited	-	1,750,000,000
	Exim Bank Limited	750,000,000	750,000,000
	Social Islami Bank Limited	750,000,000	750,000,000
	Brac Bank Limited	500,000,000	-
	IFIC Bank Limited	800,000,000	-
	Pubali Bank Limited	1,000,000,000	-
	Midland Bank Limited	450,000,000	-
		<b>9,750,000,000</b>	<b>7,250,000,000</b>
	In fixed deposit accounts (in foreign currency) with		
	Al-Arafah Islami Bank Limited	-	169,602,200
	Off-shore Banking Unit, Dutch-Bangla Bank Limited	4,307,886,974	7,160,241,151
		<b>4,307,886,974</b>	<b>7,329,843,351</b>
	<b>Other financial institutions</b>		
	In fixed deposit accounts with		
	Investment Corporation of Bangladesh	3,320,000,000	3,440,000,000
	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
		<b>3,760,000,000</b>	<b>4,380,000,000</b>
	<b>Total (a) In Bangladesh</b>	<b>20,786,874,042</b>	<b>19,715,885,793</b>

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

Name of the correspondent Bank	Currency	31-Mar-21			31-Dec-20		
		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	(585,906)	84.4250	(49,465,092)	578,150	84.8011	49,027,750
Commerzbank AG, Frankfurt, Germany	EURO	(473,279)	98.9990	(46,854,185)	92,491	103.8559	9,605,711
AB Bank Ltd., Mumbai, India	ACU	(55,157)	84.4250	(4,656,649)	32,563	84.8011	2,761,415
Citibank N.A., New York, USA	USD	(6,394,068)	84.4250	(539,819,226)	2,398,942	84.8011	203,432,942
ICICI Bank Limited, Mumbai, India	ACU	81,425	84.4250	6,874,318	27,740	84.8011	2,352,399
				<b>(633,920,834)</b>			
							<b>267,180,217</b>

**In demand deposit account (non-interest bearing) with**

Name of the correspondent Bank	Currency	31-Mar-21			31-Dec-20		
		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	295,636	115.3445	34,100,012	99,606	114.4815	11,402,997
Standard Chartered Bank, New York, USA	USD	(7,089,522)	84.4250	(598,532,935)	3,315,352	84.8011	281,145,521
Standard Chartered Bank, AG, Germany	EUR	(109,479)	98.9990	(10,838,347)	35,973	103.8559	3,736,037
ICICI Bank Ltd., Hong Kong	USD	(290,830)	84.4250	(24,553,333)	60,308	84.8011	5,114,210
JP Morgan Chase Bank N.A., New York, USA	USD	(2,568,194)	84.4250	(216,819,745)	644,817	84.8011	54,681,193
Standard Chartered Bank, Colombo, Sri Lanka	ACU	116	84.4250	9,792	8,412	84.8011	713,308
Commerzbank AG, Frankfurt, Germany	CHF	(6,009)	89.3380	(536,804)	32,358	95.8529	3,101,569
The Bank of Tokyo-Mitsubishi UFJ Ltd., Tokyo, Japan	JPY	129,228	0.7653	98,898	6,083,293	0.8186	4,979,784
Bank of Montreal Canada	CAD	(19,128)	66.6334	(1,274,558)	80,464	66.1423	5,322,048
Axis Bank, India	ACU	(24,775)	84.4250	(2,091,623)	73,602	84.8011	6,241,542
Commerzbank AG, Frankfurt, Germany	AUD	34,511	64.2179	2,216,199	91,949	64.4912	5,929,925
Mashreqbank PSC, Mumbai, India	ACU	7,639	84.4250	644,928	104,971	84.8011	8,901,637
Mashreqbank PSC, Mumbai, India	EUR	683	98.9990	67,659	683	103.8559	70,978
Mashreq Bank PSC, Dubai, UAE	AED	1,075,351	22.7844	24,501,226	136,317	23.0846	3,146,830
Standard Chartered Bank, Mumbai, India	ACU	(217,865)	84.4250	(18,393,281)	79,401	84.8011	6,733,304
HDFC Bank Limited	ACU	(164)	84.4250	(13,855)	96,775	84.8011	8,206,636
Meezan Bank, Karachi, Pakistan	ACU	29,375	84.4250	2,480,026			
Bank of Ceylon, Colombo, Sri Lanka	ACU	9,143	84.4250	771,921	17,483	84.8011	1,482,601
Kookmin Bank, Seoul, Korea	USD	3,236	84.4250	273,239	5,855	84.8011	496,481
Al Rajhi Bank in Riyadh, Saudi Arabia	SAR	101,215	22.3109	2,258,188	99,934	22.5968	2,258,188
Habib Metropolitan Bank, Karachi, Pakistan	ACU	6,635	84.4250	560,164	17,408	84.8011	1,476,189
				<b>(805,072,229)</b>			
				<b>(1,438,993,063)</b>			
				<b>19,347,880,979</b>			
							<b>415,140,978</b>
							<b>682,321,195</b>
							<b>20,398,206,988</b>

**Total (b) Outside Bangladesh****Total (a+b)**

		31-Mar-21 Taka	31-Dec-20 Taka
<b>7. Money at call on short notice</b>			
<b>a) With banks</b>			
NRB Commercial Bank Limited		260,000,000	-
		<b>260,000,000</b>	-
<b>b) With non bank financial institutions</b>			
		-	-
		-	-
Total (a+b)		<b>260,000,000</b>	-
<b>8. Investments</b>			
In Government securities			
Treasury bills			
7-day treasury bills		-	-
14-day treasury bills		-	-
91-day treasury bills		-	-
182-day treasury bills		998,619,006	5,070,496,778
364-day treasury bills		7,449,107,752	8,589,180,443
		8,447,726,758	13,659,677,221
Treasury bonds			
2-year treasury bonds		43,736,812,641	43,703,200,151
5-year treasury bonds		16,735,035,713	16,735,035,717
10-year treasury bonds		24,240,267,552	23,287,902,337
15-year treasury bonds		6,827,640,817	6,827,640,817
20-year treasury bonds		2,496,424,202	2,496,424,202
		94,036,180,925	93,050,203,224
<b>Total treasury bills and bonds</b>		<b>102,483,907,683</b>	<b>106,709,880,445</b>
Prize bonds		10,421,700	8,628,400
		<b>102,494,329,383</b>	<b>106,718,508,845</b>
Other investments			
Subordinated bonds [Note 8.2]		5,860,000,000	5,860,000,000
Shares [Note 8.3]		11,283,434	11,283,434
		<b>5,871,283,434</b>	<b>5,871,283,434</b>
		<b>108,365,612,817</b>	<b>112,589,792,279</b>
<b>8.1 Classification of investments</b>			
Government treasury bills and bonds			
Held for trading (HFT)		49,174,043,273	54,352,381,232
Held to maturity (HTM)		53,309,864,410	52,357,499,213
<b>Total investments in government securities</b>		<b>102,483,907,683</b>	<b>106,709,880,445</b>
Prize bonds		10,421,700	8,628,400
Other investments		5,871,283,434	5,871,283,434
		<b>108,365,612,817</b>	<b>112,589,792,279</b>

		31-Mar-21 Taka	31-Dec-20 Taka
8.2	<b>Other investments -Subordinated Bonds</b>		
	Northwest Power Generation Company Limited	1,000,000,000	1,000,000,000
	Standard Bank Limited	1,000,000,000	1,000,000,000
	Islami Bank Bangladesh Limited	1,000,000,000	1,000,000,000
	Ashugonj Power Distribution Limited	500,000,000	500,000,000
	Bank Asia Limited	500,000,000	500,000,000
	Al-Arafah Islami Bank Limited	1,500,000,000	1,500,000,000
	First Security Islami Bank Mudaraba Bond	360,000,000	360,000,000
		<b>5,860,000,000</b>	<b>5,860,000,000</b>
8.3	<b>Other investments - shares</b>		
	<b>In shares (quoted and unquoted)</b>		
	<b>Quoted</b>		
	RAK Ceramics (Bangladesh) Limited	5,664	5,664
		<b>5,664</b>	<b>5,664</b>
	<b>Unquoted</b>		
	Central Depository Bangladesh Limited	6,277,770	6,277,770
	Market Stabilization Fund (MSF) Asset Management Company Limited	5,000,000	5,000,000
		<b>11,277,770</b>	<b>11,277,770</b>
		<b>11,283,434</b>	<b>11,283,434</b>
9.	<b>Loans and advances</b>		
	<b>Main Operation [Note 9.1]</b>		
	Loans, cash credits, overdrafts, etc.	259,564,276,920	256,245,350,799
	Bills purchased and discounted	1,982,581,145	1,983,551,092
		<b>261,546,858,065</b>	<b>258,228,901,891</b>
	<b>Off-shore Banking Unit</b>		
	Loans, cash credits, overdrafts, etc.	872,956,464	920,583,338
	Bills purchased and discounted	14,876,156,892	14,233,421,801
		<b>15,749,113,356</b>	<b>15,154,005,139</b>
	<b>Total loans and advances</b>	<b>277,295,971,421</b>	<b>273,382,907,030</b>
9.1	<b>Loans, cash credits, overdrafts etc. - Main operation</b>		
	<b>In Bangladesh</b>		
	Overdraft	32,624,224,513	31,162,729,003
	Cash credit	33,582,171,644	34,283,595,654
	Export cash credit	15,022,606,826	15,747,771,492
	Transport loan	1,986,518,887	1,951,208,952
	House building loan	6,259,193,040	6,137,437,502
	Loan against trust receipt	2,694,603,612	4,196,149,661
	Term loan - industrial	84,866,570,358	84,757,570,750
	Term loan - other	53,301,209,985	52,217,108,357
	Payment against document - cash	7,806,538	22,509,847
	Payment against document - EDF	356,283,597	315,481,905
	Consumer finance	28,252,520,949	24,819,131,748
	Staff loan	610,566,971	634,655,928
		<b>259,564,276,920</b>	<b>256,245,350,799</b>
	<b>Outside Bangladesh</b>	<b>-</b>	<b>-</b>
		<b>259,564,276,920</b>	<b>256,245,350,799</b>
	<b>Bills purchased and discounted</b>		
	Payable in Bangladesh		
	Inland bills purchased	1,939,257,749	1,881,592,372
	Payable outside Bangladesh		
	Foreign bills purchased and discounted	43,323,396	101,958,720
		<b>1,982,581,145</b>	<b>1,983,551,092</b>
	<b>Total loans and advances</b>	<b>261,546,858,065</b>	<b>258,228,901,891</b>



	31-Mar-21 Taka	31-Dec-20 Taka
<b>9.2 Net loans and advances including bills purchased and discounted - Main operation</b>		
Total loans, advances and lease receivables [Note 9.1]	261,546,858,065	258,228,901,891
Less : Provision against loans and advances (specific and general) [Note 9.4(b)]	8,082,987,222	7,647,486,337
Less : Cumulative balance of interest suspense account [Note 14.1.4]	5,004,194,030	4,841,730,487
	<b>248,459,676,813</b>	<b>245,739,685,067</b>

**9.3 Loans and advances including bills purchased and discounted are classified into the following broad categories - Main operation**

**a) Loans and advances**

In Bangladesh

Loans

Cash credit

Overdraft

193,357,880,763	190,799,026,142
33,582,171,644	34,283,595,654
32,624,224,513	31,162,729,003
<b>259,564,276,920</b>	<b>256,245,350,799</b>
-	-
<b>259,564,276,920</b>	<b>256,245,350,799</b>

Outside Bangladesh

**b) Bills purchased and discounted**

Payable in Bangladesh

Payable outside Bangladesh

1,939,257,749	1,881,592,372
43,323,396	101,958,720
<b>1,982,581,145</b>	<b>1,983,551,092</b>
<b>261,546,858,065</b>	<b>258,228,901,891</b>

**Total (a+b)**

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

Status of loans and advances	Year					
	31-Mar-21				31-Dec-20	
	Outstanding amount (Taka)			Mix (%)	Total Outstanding amount (Taka)	Mix (%)
	Main Operation [Note 9.4.b]	Off-shore Banking Unit	Total			
<b>Unclassified loans and advances</b>						
Standard (including staff loans)	250,214,318,565	15,749,113,356	265,963,431,922	95.91%	263,520,541,133	96.39%
Special mention account	4,800,830,312	-	4,800,830,312	1.73%	3,940,497,972	1.44%
<b>Total unclassified loans and advances</b>	<b>255,015,148,877</b>	<b>15,749,113,356</b>	<b>270,764,262,234</b>	<b>97.64%</b>	<b>267,461,039,105</b>	<b>97.83%</b>
<b>Classified loans and advances</b>						
Substandard	291,418,970	-	291,418,970	0.11%	2,743,331,507	1.00%
Doubtful	2,377,631,624	-	2,377,631,624	0.86%	283,555,399	0.10%
Bad/loss	3,862,658,593	-	3,862,658,593	1.39%	2,894,981,019	1.06%
<b>Total classified loans and advances</b>	<b>6,531,709,188</b>	<b>-</b>	<b>6,531,709,188</b>	<b>2.36%</b>	<b>5,921,867,925</b>	<b>2.17%</b>
<b>Total loans and advances</b>	<b>261,546,858,065</b>	<b>15,749,113,356</b>	<b>277,295,971,421</b>	<b>100.00%</b>	<b>273,382,907,030</b>	<b>100.00%</b>

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

b.1) Main Operation

Classification / Status of loans and advances	Amount of outstanding loans and advances as at 31 March 2021 (Taka)	Base for provision (Taka)	Percentage (%) of provision required as per Bangladesh Bank's directives	Amount of provision required as at 31 March 2021 (Taka)	Amount of provision required as at 31 December 2020 (Taka)
<b>Unclassified loans and advances</b>					
All unclassified loans (other than loans under small and medium enterprise, consumer financing and short term agricultural credit)	179,351,289,607	179,351,289,607	1%	1,793,946,582	1,827,925,379
Small and medium enterprise financing	35,257,551,127	35,257,551,127	0.25%	89,797,518	84,673,194
Consumer financing (other than housing finance under consumer financing scheme)	15,950,849,031	15,950,849,031	2%	319,016,981	267,703,173
Consumer Financing(Credit Card)	2,513,274,814	2,513,274,814	2%	50,265,496	47,190,918
Consumer financing (for housing finance)	12,144,155,753	12,144,155,753	1%	121,441,558	111,696,993
Loans to BHs/MBs/SDs	434,991,057	434,991,057	2%	8,699,821	9,349,265
Short term agricultural credit	4,544,243,251	4,544,243,251	1%	45,442,433	50,224,299
Micro credit	17,963,925	17,963,925	1%	179,639	187,937
	<b>250,214,318,565</b>	<b>250,214,318,565</b>		<b>2,428,790,028</b>	<b>2,398,951,157</b>
<b>Special mention account</b>					
All unclassified loans (other than loans under small enterprise and consumer financing)	2,995,641,888	2,995,641,888	1%	47,790,874	52,701,488
Small & Medium enterprise financing	1,695,759,840	1,695,759,840	0.25%	4,239,400	1,031,486
Consumer financing (other than housing finance under consumer financing scheme)	27,989,469	27,989,469	2%	559,789	343,707
Consumer Financing (Credit Card)	63,063,008	63,063,008	2%	1,261,260	819,997
Consumer financing (for housing finance)	18,376,106	18,376,106	1%	183,761	6,650
	<b>4,800,830,312</b>	<b>4,800,830,312</b>		<b>54,035,084</b>	<b>54,903,328</b>
<b>Sub-total General Provision [A]</b>	<b>255,015,148,877</b>	<b>255,015,148,876</b>		<b>2,482,825,112</b>	<b>2,453,854,485</b>
<b>Special General Provision-Covid 19 (Calculated) [B]</b>				<b>817,531,599</b>	<b>817,531,599</b>
<b>Classified loans and advances</b>					
Substandard Small	27,933,682	10,256,087	5%	512,804	2,821,285
Substandard Other	259,031,104	125,575,158	20%	25,115,032	241,246,711
Substandard MC	4,454,184	2,153,714	5%	107,686	98,344
Doubtful Small	659,567,715	112,036,337	20%	22,407,267	5,899,909
Doubtful Other	1,718,063,910	555,009,883	50%	277,504,941	19,656,718
Doubtful MC	-	-	5%	-	-
Bad /loss	3,862,658,593	1,913,418,365	100%	4,280,982,781	3,930,377,286
	<b>6,531,709,188</b>	<b>2,718,449,544</b>		<b>4,606,630,511</b>	<b>4,200,100,253</b>
<b>Total-Main Operation</b>	<b>261,546,858,065</b>	<b>257,733,598,420</b>		<b>7,906,987,222</b>	<b>7,471,486,337</b>
<b>b.1.1) Main Operation</b>					
Provision required				7,906,987,222	7,471,486,337
Provision maintained				8,082,987,222	7,647,486,337
<b>Provision surplus (i)</b>				<b>176,000,000</b>	<b>176,000,000</b>
<b>b.2) Off-shore Banking Unit</b>					
Provision required				157,491,134	151,540,051
Provision maintained				157,491,134	151,540,051
<b>Provision surplus (ii)</b>				<b>-</b>	<b>-</b>
<b>Provision surplus</b>					
Main Operation (i)				176,000,000	176,000,000
Off-shore Banking Unit (ii)				-	-
<b>Total provision surplus (i+ii)</b>				<b>176,000,000</b>	<b>176,000,000</b>

	31-Mar-21 Taka	31-Dec-20 Taka
<b>10. Fixed assets at cost or revalued amount including land, building, furniture and fixtures</b>		
<b>Main Operation [Note 10.1]</b>		
Total cost	19,211,819,943	19,027,278,501
Less: Accumulated depreciation	11,528,161,871	11,144,436,289
	<b>7,683,658,072</b>	<b>7,882,842,212</b>
<b>Off-shore Banking Unit</b>		
Total cost	101,633	101,633
Less: Accumulated depreciation	101,551	101,551
	<b>82</b>	<b>82</b>
<b>Total Fixed assets at cost or revalued</b>	<b>7,683,658,154</b>	<b>7,882,842,294</b>
<b>10.1 Fixed assets at cost or revalued amount including land, building, furniture and fixtures - Main Operation</b>		
Land	748,360,000	748,360,000
Building	399,543,957	399,543,957
Interior decoration	1,310,491,335	1,279,978,236
Furniture and fixtures	431,667,304	425,537,884
Other machinery and equipment	2,639,384,290	2,571,768,441
Computer equipment	5,560,854,948	5,478,464,515
Computer software	606,387,669	606,018,519
Motor vehicles	544,676,222	580,850,310
ATM Booth	1,349,123,319	1,317,592,740
ATM and Fast Track (ATM & Deposit Machine)	2,881,487,255	2,879,320,255
Right of use of asset - IFRS 16: lease	2,739,649,053	2,739,649,053
Books	194,591	194,591
	<b>19,211,819,943</b>	<b>19,027,278,501</b>
Less: Accumulated depreciation	11,528,161,871	11,144,436,289
	<b>7,683,658,072</b>	<b>7,882,842,212</b>
<b>11. Other assets</b>		
Main Operation [Note 11.1]	25,610,567,096	24,389,793,021
Off-shore Banking Unit	226,839	227,850
Less: Inter Bank transactions [Note 14]	(22,401,606)	(35,559,965)
	<b>25,588,392,329</b>	<b>24,354,460,906</b>
<b>11.1 Other assets - Main operation</b>		
Income generating other assets (Note 11.1.a)	-	-
Non-income generating other assets (Note 11.1.b)	25,610,567,096	24,389,793,021
	<b>25,610,567,096</b>	<b>24,389,793,021</b>
<b>11.1.a Income generating other assets</b>		
i) Investment in shares of subsidiary companies:		
In Bangladesh	-	-
Outside Bangladesh	-	-
	<b>-</b>	<b>-</b>
<b>11.1.b Non-income generating other assets</b>		
i) Stationery, stamps, printing materials in stock	233,520,421	143,346,138
ii) Advance rent and advertisement	727,800,809	688,429,194
iii) Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable	2,002,423,686	1,798,308,038
iv) Security deposits	21,619,559	21,676,180
v) Preliminary, formation and organization expenses, renovation/ development expenses and prepaid expenses	692,489,532	728,865,676
vi) Branch adjustment (net)	-	-
vii) Suspense account	21,570,653	3,673,847
viii) Silver	-	-
ix) Others [Note 11.2]	21,911,142,436	21,005,493,948
	<b>25,610,567,096</b>	<b>24,389,793,021</b>
<b>11.2 Break-up of others</b>		
Encashment of Sanchaya Patra (awaiting realization)	794,151,377	978,050,019
Advance tax [Note 11.2.1]	15,233,887,050	14,204,115,031
Deferred tax [Note 11.2.2]	2,388,331,236	2,272,090,028
Sundry assets [Note 11.2.3]	3,494,772,773	3,551,238,870
	<b>21,911,142,436</b>	<b>21,005,493,948</b>

	31-Mar-21 Taka	31-Dec-20 Taka
<b>11.2.1 Advance tax</b>		
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, 2007, 2008, 2009, 2016 and 2016. [Note 14.1.2 and		
<b>11.2.2 Deferred tax</b>		
Opening balance	2,272,090,028	2,581,667,377
Increase/(decrease) of Deferred tax assets for the period [Note 11.2.2.1]	116,241,208	(309,577,349)
Closing balance	<b>2,388,331,236</b>	<b>2,272,090,028</b>
<b>11.2.2.1 Detail calculation of deferred tax asset / (liability)</b>		
In terms of instructions contained in BRPD Circular No. 11 dated 12 December 2011 and provision of		
<b>i) Temporary timing difference in written down value (WDV) of Fixed Assets</b>		
Accounting written down value [carrying amount] of fixed assets (excluding value of land) [A]	4,215,831,758	4,327,653,852
Written down value of fixed assets as per Tax (Tax base) as of the balance sheet date (excluding value of land) [B]	5,267,135,543	5,293,011,340
<b>Temporary timing difference in Accounting WDV and Tax WDV (excluding value of land) [B - A]</b>	1,051,303,785	965,357,488
<b>ii) Temporary timing difference in provision for other classified assets</b>	610,949,000	610,949,000
<b>iii) Temporary timing difference in specific provision for loans and advances</b>	4,606,630,511	4,200,100,253
<b>iv) Temporary timing difference in provision for Gratuity</b>	100,000,000	282,500,000
<b>Total amount of temporary timing differences in assets / (liabilities) [i+ii+iii] [C]</b>	<b>6,368,883,296</b>	<b>6,058,906,741</b>
Effective tax rate [D]	37.50%	37.50%
<b>Deferred tax asset / (liability) [C X D]</b>	<b>2,388,331,236</b>	<b>2,272,090,028</b>
Increase/(decrease) of Deferred tax asset for the period [Note 11.2.2]	<b>116,241,208</b>	<b>188,481,842</b>
<b>11.2.3 Sundry assets</b>		
Sundry debtors	99,976,738	61,073,485
Cash remittance	205,510,356	91,558,511
Others	3,189,285,679	3,398,606,874
	<b>3,494,772,773</b>	<b>3,551,238,870</b>
<b>12. Borrowings from other banks, financial institutions and agents</b>		
Main Operation [Note 12.1]	16,719,695,311	19,079,301,498
Off-shore Banking Unit	14,403,983,617	13,877,075,406
Less: Inter Bank transactions [Note 6]	(4,307,947,794)	(7,160,324,845)
	<b>26,815,731,134</b>	<b>25,796,052,059</b>
<b>12.1 Borrowings from other banks, financial institutions and agents- Main operation</b>		
<b>a) In Bangladesh</b>		
Secured		
Refinance from Bangladesh Bank		
Housing [Note 12.3]	1,424,020	1,450,806
Financial Stimulus Fund	1,844,906,000	3,592,894,484
Export Development Fund (EDF)	13,544,462,747	14,153,285,885
Small and Medium Enterprise (SME) [Note 12.2, 12.3]	712,679,583	712,679,583
Financial Sector Support Project (FSSP)	616,162,141	618,907,046
	<b>16,719,634,491</b>	<b>19,079,217,804</b>
Unsecured		
Credit lines		
From Off-shore Banking Unit, Dutch-Bangla Bank Limited	60,820	83,694
	<b>60,820</b>	<b>83,694</b>
	<b>16,719,695,311</b>	<b>19,079,301,498</b>
<b>b) Outside Bangladesh</b>		
Secured	-	-
Unsecured	-	-
	-	-
	-	-
Total (a+b)	<b>16,719,695,311</b>	<b>19,079,301,498</b>

		31-Mar-21 Taka	31-Dec-20 Taka
<b>12.2</b>	<b>Small and Medium Enterprise (SME)</b>		
	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	1,059,375
	Women Entrepreneur Fund [Note 12.3]	70,257,708	70,257,708
	10 Taka Account Fund [Note 12.3]	8,887,500	8,887,500
	SMEDP-2 Fund	44,500,000	44,500,000
	Covid-19 Fund	587,975,000	587,975,000
		<b>712,679,583</b>	<b>712,679,583</b>
<b>12.3</b>	<b>Assets pledged as security for liability</b>		
	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]		
<b>13.</b>	<b>Deposits and other accounts</b>		
	<b>Main Operation [Note 13.1]</b>		
	Current deposits and other accounts	88,159,032,499	88,898,579,297
	Bills payable	3,854,664,916	3,925,305,619
	Savings bank deposits	170,543,082,584	170,213,630,379
	Term deposits	94,278,827,189	99,380,006,141
		<b>356,835,607,188</b>	<b>362,417,521,436</b>
	<b>Off-shore Banking Unit</b>		
	Current deposits and other accounts	191,604,092	193,468,309
	Bills payable	-	-
		<b>191,604,092</b>	<b>193,468,309</b>
	<b>Total Deposits and other accounts</b>	<b>357,027,211,280</b>	<b>362,610,989,745</b>
<b>13.1</b>	<b>Deposits and other accounts - Main Operation</b>		
	Current deposits and other accounts		
	Current deposits	76,619,163,862	76,810,918,332
	Foreign currency deposits	2,659,514,005	2,414,052,540
	Sundry deposits [Note 13.1.1]	8,880,354,632	9,673,608,425
		<b>88,159,032,499</b>	<b>88,898,579,297</b>
	Bills payable		
	Payment order	3,837,965,447	3,908,611,527
	Demand draft	16,699,469	16,694,092
		<b>3,854,664,916</b>	<b>3,925,305,619</b>
	Savings bank deposits	<b>170,543,082,584</b>	<b>170,213,630,379</b>
	Term deposits		
	Fixed deposits	59,305,534,045	60,913,989,431
	Special notice deposits	34,879,450,990	38,370,761,967
	Non resident foreign currency deposits	1,778,146	1,786,067
	Resident foreign currency deposits	61,591,391	62,658,168
	Monthly term deposits	30,472,617	30,810,508
		<b>94,278,827,189</b>	<b>99,380,006,141</b>
		<b>356,835,607,188</b>	<b>362,417,521,436</b>
<b>13.1.1</b>	<b>Details of sundry deposits</b>		
	Margin on irrevocable letters of credit	672,009,075	675,300,998
	Margin on letters of guarantee	344,338,182	325,345,809
	Margin on inward foreign documentary bills for collection (IFDBC)	313,375,724	293,959,209
	Sundry deposit on foreign bills purchased awaiting for realization (FBPAR)	4,360,933,250	4,925,840,173
	Sundry deposit - withholding tax -IT	235,977,786	356,138,992
	Sundry deposit - excise duty	12,153,270	522,689,120
	Sundry deposit - withholding tax -VAT	158,950,824	194,882,140
	Sundry deposits-sale proceeds of Sanchay Patra	160,400,154	77,750,200
	Interest payable on deposit accounts	1,126,792,093	674,691,995
	Deposits on lease finance	-	-
	Others sundry deposits	1,495,424,274	1,627,009,789
		<b>8,880,354,632</b>	<b>9,673,608,425</b>

	31-Mar-21 Taka	31-Dec-20 Taka
<b>13.1.2 Segregation of deposits and other accounts</b>		
Other than inter-bank deposits	356,811,392,323	362,406,589,341
Inter-bank deposits [Note 13.3]	24,214,865	10,932,095
	<b>356,835,607,188</b>	<b>362,417,521,436</b>
<b>13.1.3 Details of inter-bank deposits</b>		
In current deposits account		
Al-Arafah Islami Bank Limited	5,235,803	1,235,803
Bangladesh Commerce Bank Limited	5,049,679	50,253
Bangladesh Krishi Bank	-	874,334
Rajshahi Krishi Unnayan Bank	874,334	-
Brac Bank Limited	1,443,049	2,007
BDBL	2,554,035	-
Southeast Bank Limited	2,615	3,305
	<b>15,159,515</b>	<b>2,165,702</b>
In special notice deposits account		
Janata Bank Limited	52,363	52,363
Dhaka Bank Limited	7,754,016	7,308,061
National Credit and Commerce Bank Limited	144,080	144,080
Prime Bank Limited	980,038	980,038
ICB Islami Bank Limited	116,374	116,719
The City Bank Limited	8,479	8,479
Habib Bank Limited	-	156,653
	<b>9,055,350</b>	<b>8,766,393</b>
	<b>24,214,865</b>	<b>10,932,095</b>
<b>14. Other liabilities</b>		
Main Operation [Note 14.1]	39,557,573,547	37,511,749,343
Off-shore Banking Unit	227,730,307	215,564,352
Less: Inter Bank transactions [Note 11]	(22,401,606)	(35,559,965)
	<b>39,762,902,248</b>	<b>37,691,753,730</b>
<b>14.1 Other liabilities- Main operation</b>		
	Notes	
Unclaimed dividends	10,751,728	12,580,929
Provision for expenses	1,891,383,348	1,351,638,405
Contribution to Dutch-Bangla Bank Limited Employees' Superannuation Fund	20,000,000	57,500,000
Contribution to Dutch-Bangla Bank Limited Employees' Gratuity Fund	100,000,000	282,500,000
Provision for interest on credit lines, refinance scheme and subordinated debt	371,987,250	121,915,485
Branch adjustment (net)	255,461,768	331,072,646
Provision for classified assets	14.1.1 610,949,000	610,949,000
Provision for taxation	14.1.2 19,133,195,499	18,351,135,454
Accumulated provision for loans and advances including off-balance sheet exposures	14.1.3 8,966,439,139	8,449,994,405
Cumulative balance of interest suspense account	14.1.4 5,004,194,030	4,841,730,487
lease liability - IFRS-16	2,111,967,499	2,143,362,295
Others	1,081,244,286	957,370,237
	<b>39,557,573,547</b>	<b>37,511,749,343</b>

	31-Mar-21 Taka	31-Dec-20 Taka
<b>14.1.1 Provision for classified assets</b>		
Provision for other classified assets [Note 14.1.1.1]	610,949,000	610,949,000
Provision for nostro accounts [Note 14.1.1.2]	-	-
	<b>610,949,000</b>	<b>610,949,000</b>

#### 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	610,949,000	582,014,000
Add: Provision made for the period	-	28,935,000
Closing balance	<b>610,949,000</b>	<b>610,949,000</b>

#### 14.1.1.2 Provision for nostro accounts

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

Opening balance	-	-
Add: Adjustment during the year	-	-
Closing balance	<b>-</b>	<b>-</b>

#### 14.1.2 Provision for taxation

##### Current tax

Opening balance	18,351,135,454	16,857,652,849
Add: Provision made for the period [Note 14.1.2.1]	782,060,045	3,852,516,597
Less: Adjustment made against Advance Tax/Adjustment made against final assessment orders by the Deputy Commissioner of Taxes or the Appellate Authority	-	2,359,033,992
Closing balance [Note 14.1.2.2]	<b>19,133,195,499</b>	<b>18,351,135,454</b>

#### 14.1.2.1 Current tax - Provision for the period

	On Taka	Tax rate		
Banking business income (calculated) *	2,083,665,677	37.50%	781,374,629	3,853,291,836
Add: Dividend income *	3,427,082	20.00%	685,416	1,142,361
Less: Rebate on allowable CSR (calculated)	-	10.00%	-	(1,917,600)
Add/(Less): Adjustment for the previous year			-	-
			<b>782,060,045</b>	<b>3,852,516,597</b>
<b>* Taxable Income</b> [Banking business income (calculated) and Dividend income]			<b>2,087,092,759</b>	<b>10,281,156,700</b>

#### 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, 2009, 2015 and 2016. [Note 11.2.1]

Final assessment of income tax for accounting years 1998, 1999, 2000, 2010, 2011, 2012, 2013 and 2014 are pending with Appellate Authorities. Full tax provision has been made in the accounts for the respective years based on the latest assessment orders made by the Deputy Commissioner of Taxes or Appellate Authorities.

	31-Mar-21 Taka	31-Dec-20 Taka
<b>14.1.3 Accumulated provision for loans and advances and Off-balance sheet exposures -Main Operation</b>		
(A) Specific provision for bad and doubtful loans and advances		
Opening balance	4,200,100,253	5,094,016,753
Less : Fully provided debt written-off	-	999,496,456
Add: Recoveries of amounts previously written-off	1,287,697	138,671,837
Add: Specific provision for the period	405,242,561	(33,091,881)
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)]	<b>4,606,630,511</b>	<b>4,200,100,253</b>
(B) General provision		
General provision against unclassified loans and advances		
Opening balance	2,629,854,485	2,696,332,558
General provision for the period *	28,970,627	(66,478,073)
Provision held at the end of the period [Note 9.4(b)]	<b>2,658,825,112</b>	<b>2,629,854,485</b>
(C) Special General Provision-Covid-19 against deferred loans		
Opening balance	817,531,599	-
Special general provision - Covid 19 for the year	-	817,531,599
Provision held at the end of the year [Note 9.9(b)]	<b>817,531,599</b>	817,531,599.00
(D) 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	802,508,068	726,855,905
Add: Provision made for the period	80,943,849	75,652,163
Provision held at the end of the period	<b>883,451,917</b>	<b>802,508,068</b>
Accumulated general provision for loans and advances including deferred loans & off-balance sheet exposures - Main Operation	<b>4,359,808,628</b>	<b>4,249,894,152</b>
Accumulated provision (Specific & General) for loans and advances including deferred loans & off-balance sheet exposures -Main Operation [A+B]	<b>8,966,439,139</b>	<b>8,449,994,405</b>
* <b>General provision made for the period against unclassified loans and advances</b>		
Main Operation [Note 14.1.3.B]	28,970,627	(66,478,073)
Off-shore Banking Unit	5,951,083	17,928,362
	<b>34,921,710</b>	<b>(48,549,711)</b>
<b>14.1.3.1 Accumulated provision for loans and advances and Off-balance sheet exposures</b>		
Specific provision for bad and doubtful loans and advances-Main Operation [Note 14.1.3.A]	4,606,630,511	4,200,100,253
General provision against unclassified loans and advances-Main Operation [Note 14.1.3.B]	2,658,825,112	2,629,854,485
General provision against unclassified loans and advances-Off-Shore Banking Unit	157,491,134	151,540,051
Special General Provision-Covid-19 against deferred loans [Note 14.1.3.C]	817,531,599	817,531,599
General provision against Off-balance sheet exposures [Note 14.1.3.D]	883,451,917	802,508,068
	<b>9,123,930,273</b>	<b>8,601,534,456</b>
<b>14.1.4 Cumulative balance of interest suspense account</b>		
Opening balance	4,841,730,487	3,433,730,845
Add: Amount transferred to interest suspense account during the period	1,471,603,543	6,112,659,673
Less: Amount transferred from interest suspense account during the period	1,300,911,404	4,587,249,060
Less: Amount written-off/waived during the period	8,228,596	117,410,971
Balance at the end of the period	<b>5,004,194,030</b>	<b>4,841,730,487</b>



	31-Mar-21 Taka	31-Dec-20 Taka
<b>15. Subordinated debt</b>		
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.	4,000,000,000	4,000,000,000
The interest rate for the subordinated debt is approximately @ 7.97% p.a.		
<b>Subordinated debt - Taka 5,000,000,000</b>		
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 @ 7.22% p.a.		
<b>Subordinated debt - Taka 5,000,000,000</b>		
The Bank arranged a subordinated debt from five 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 2020 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 December 2027.	5,000,000,000	5,000,000,000
The interest rate for the subordinated debt is approximately @ 7.22% p.a.		
<b>Total</b>	<b>14,000,000,000</b>	<b>14,000,000,000</b>

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.

		31-Mar-21	31-Dec-20
		Taka	Taka
<b>16. Share capital</b>			
<b>16.1 Authorized share capital</b>			
1500,000,000 ordinary shares of Taka 10 each		15,000,000,000	15,000,000,000
<b>16.2 Issued, subscribed and fully paid up share capital</b>			
550,000,000 ordinary shares of Taka 10 each		5,500,000,000	5,500,000,000
<b>16.2.1 Raising of capital</b>			
The paid-up share capital of the Bank was raised in the following manner:			
<b>From the sponsor shareholders before IPO</b>			
By issuing of 1,800,000 ordinary shares of Taka 100 each		180,000,000	180,000,000
<b>Through Initial Public Offering (IPO)</b>			
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 <b>[Note 17]</b>			
<b>Bonus shares</b>			
Bonus shares @ 3.94719 against 1 existing share of Taka 100 each for the year 2007		797,865,000	797,865,000
Bonus shares @ 0.5 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 2018		3,000,000,000	3,000,000,000
Bonus shares @ 0.1 against 1 existing share of Taka 10 each for the year 2019		500,000,000	500,000,000
		<b>5,500,000,000</b>	<b>5,500,000,000</b>

### 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 31 March 2021 stood at Taka 46,971,286,344 against the risk based capital requirement of Taka 35,297,347,754. As a result, there was a capital surplus of Taka 11,673,938,590 in risk based capital adequacy ratio as on 31 March 2021.

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

	31-Mar-21 Taka	31-Dec-20 Taka
<b>Total assets (excluding off-balance sheet assets)</b>	470,767,509,577	472,355,448,208
<b>Total off-balance sheet assets</b>	90,943,520,047	82,817,386,838
<b>Total Risk weighted assets [RWA] against</b>		
i. Credit Risk		
On-balance sheet	199,463,632,137	193,760,892,476
Off-balance sheet	33,755,413,550	29,729,778,034
	233,219,045,687	223,490,670,510
ii. Market Risk	5,763,524,998	5,756,446,495
iii. Operational Risk	43,396,211,348	38,214,875,246
<b>A) Total Risk weighted assets (RWA) [i+ii+iii]</b>	<b>282,378,782,033</b>	<b>267,461,992,251</b>
<b>B) Minimum Capital Requirement (MCR) with Capital Conservation Buffer (CCB) [12.5% of risk weighted assets]</b>	<b>35,297,347,754</b>	<b>33,432,749,031</b>
<b>C) Common Equity Tire 1 (CET1) capital</b>		
Paid-up share capital	5,500,000,000	5,500,000,000
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 (net off proposed cash dividend for the year 2019)	15,743,402,438	14,838,390,197
	<b>32,214,345,307</b>	<b>31,309,333,066</b>
Less : Other Intangible Assets (computer software)	119,246,606	130,542,541
Less : Deferred tax asset (95%)	1,641,112,120	1,496,285,715
	<b>30,453,986,582</b>	<b>29,682,504,810</b>
<b>D) Additional Tier-1 Capital</b>		
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	-	-
	<b>-</b>	<b>-</b>
<b>E) Tier 1 Capital [C+D]</b>	<b>30,453,986,582</b>	<b>29,682,504,810</b>
<b>F) Tier 2 Capital</b>		
General provision maintained against unclassified loans and off-balance sheet exposures	4,517,299,762	4,401,434,203
Subordinated debt capital	12,000,000,000	12,000,000,000
Assets revaluation reserves	-	-
Revaluation reserves of HTM securities	-	-
	<b>16,517,299,762</b>	<b>16,401,434,203</b>
Less: Revaluation Reserves for Fixed Assets and Securities	-	-
	<b>16,517,299,762</b>	<b>16,401,434,203</b>
<b>G) Total Eligible Regulatory Capital (Tier 1 and 2) [E+F]</b>	<b>46,971,286,344</b>	<b>46,083,939,013</b>
<b>Total capital surplus [G - B]</b>	<b>11,673,938,590</b>	<b>12,651,189,982</b>
<b>Capital to Risk Weighted Assets Ratio (CRAR):</b>		
Common Equity Tier-1 to RWA (C/A)*100	10.78%	11.10%
Tier-1 Capital to RWA (E/A)*100	10.78%	11.10%
Tier-2 Capital to RWA (F/A)*100	5.85%	6.13%
<b>Capital to Risk Weighted Assets Ratio (CRAR) (G/A)*100</b>	<b>16.63%</b>	<b>17.23%</b>

	31-Mar-21 Taka	31-Dec-20 Taka
<b>17. Share premium</b>		
Taka 50 per share on 221,350 ordinary shares of Taka 100 each at the time of issuing shares through initial public offering in the year 2001 *	<b>11,067,500</b>	<b>11,067,500</b>
* 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.		
<b>18. Statutory reserve</b>		
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	<b>9,193,048,174</b>	<b>9,193,048,174</b>
<b>19. Other reserve</b>		
Revaluation reserve of HFT securities [Note 19.1]	-	-
	<b>-</b>	<b>-</b>
<b>19.1 Other reserve</b>		
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	<b>-</b>	<b>-</b>
<b>20. Dividend equalization account</b>		
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	1,766,827,195
Add: Transferred for previous year's dividend paid	-	-
Closing balance	<b>1,766,827,195</b>	<b>1,766,827,195</b>
<b>21. Assets revaluation reserve</b>		
In terms of <b>Bangladesh Accounting Standard (BAS) 16, 'Property, Plant and Equipment'</b> , 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	<b>850,413,777</b>	<b>850,413,777</b>
<b>22. Revaluation reserve of HTM securities [Note 2.7.3(b)]</b>		
Opening balance	96,905,831	32,340,447
Add: Reserve transferred to Income Account during the period	-	64,565,384
Closing balance	<b>96,905,831</b>	<b>96,905,831</b>
<b>23. Contingent liabilities</b>		
Main Operation [Note 23.1]	90,941,982,999	82,817,386,838
Off-shore Banking Unit	1,537,048	-
	<b>90,943,520,047</b>	<b>82,817,386,838</b>

	31-Mar-21 Taka	31-Dec-20 Taka
<b>23.1 Contingent liabilities - Main Operation</b>		
a) Acceptances and endorsements	<b>48,029,118,682</b>	<b>39,572,273,905</b>
b) Letters of guarantee		
Local	5,737,969,530	5,574,426,694
Foreign	74,427,852	80,126,829
	<b>5,812,397,382</b>	<b>5,654,553,523</b>
c) Irrevocable letters of credit		
Local		
Cash	402,394,607	230,853,641
Usance	91,336,361	51,044,380
Back to back	10,184,647,523	7,924,494,652
	<b>10,678,378,491</b>	<b>8,206,392,673</b>
Foreign		
Cash	12,242,056,649	15,352,900,170
Usance	8,279,397,296	8,457,139,731
Back to back	3,311,607,983	3,004,475,404
	<b>23,833,061,928</b>	<b>26,814,515,305</b>
	<b>34,511,440,419</b>	<b>35,020,907,978</b>
d) Bills for collection		
Inward	-	-
Outward	-	-
	-	-
e) Other contingent liabilities		
Travelers' cheques	-	-
Export Development Fund	-	-
Bangladesh Shanchaya Patra	2,587,655,000	2,566,580,000
Others	1,371,516	3,071,432
	<b>2,589,026,516</b>	<b>2,569,651,432</b>
Total (a+b+c+d+e)	<b>90,941,982,999</b>	<b>82,817,386,838</b>
<b>24. Retained Earnings</b>		
Main Operation [Note 24.1]	14,794,217,174	13,951,517,082
Off-shore Banking Unit	949,185,264	886,873,115
	<b>15,743,402,438</b>	<b>14,838,390,197</b>
<b>24.1 Retained Earnings-Main Operation</b>		
Balance at 1 January	13,951,517,082	9,917,833,590
Dividend paid for previous year's		(750,000,000)
Transfer to dividend equalization fund for previous year's dividend paid	-	-
Transfer to paid up share capital for previous year's bonus share		(500,000,000)
Retained surplus for the current year	842,700,092	5,283,683,492
Closing balance	<b>14,794,217,174</b>	<b>13,951,517,082</b>
	<b>31-Mar-21 Taka</b>	<b>31-Mar-20 Taka</b>
<b>24.2 Calculation of Earnings Per Share (EPS)</b>		
The earnings per share of the Bank has been calculated in accordance with the <b>International Accounting Standard (IAS) 33, 'Earnings Per Share'</b> under Basic Earning Per Share method as follows:		
Basic earnings (net profit after tax) [numerator]	905,012,241	754,857,482
Number of ordinary shares outstanding [denominator] *	550,000,000	550,000,000
Earnings Per Share	<b>1.65</b>	<b>1.37</b>
<b>24.3 Calculation of Net Asset Value (NAV) Per Share</b>		
Total Shareholders Equity [numerator]	33,161,664,915	28,175,453,452
Number of ordinary shares outstanding [denominator]*	550,000,000	550,000,000
Net Asset Value (NAV) Per Share	<b>60.29</b>	<b>51.23</b>
<b>24.4 Net Operating Cash Flow Per Share (NOCFPS) [Note 47.1, 47.2]</b>		
Net cash from operating activities [numerator]	(3,995,484,343)	8,932,235,436
Number of ordinary shares outstanding [denominator]*	550,000,000	550,000,000
Net operating cash flow per share (NOCFS)	<b>(7.26)</b>	<b>16.24</b>

		31-Mar-21 Taka	31-Mar-20 Taka	
25.	Particulars of profit and loss account			
	Income	Notes		
	Interest, discount and other similar income	26	5,281,044,731	6,076,694,030
	Dividend income	28	3,427,082	5,711,803
	Fees, commission and brokerage	29.1	252,113,017	194,732,952
	Gains less losses arising from dealing securities		-	-
	Gains less losses arising from investment securities	28	1,784,897,933	1,259,807,116
	Gains less losses arising from dealing in foreign currencies	29.2	85,053,372	213,431,350
	Income from non-banking assets		-	-
	Other operating income	30	930,354,190	788,994,340
	Profit less losses on interest rate changes		-	-
			8,336,890,326	8,539,371,592
	Expenses			
	Interest, fee and commission	27	1,657,213,785	1,925,378,256
	Directors' fees	39	43,616	33,700
	Administrative expenses	31	2,379,443,222	2,458,116,566
	Other operating expenses	42	1,777,698,443	1,784,224,740
	Depreciation on banking assets	41	430,552,061	341,756,462
			6,244,951,127	6,509,509,724
	Profit before provision		2,091,939,199	2,029,861,868
26.	Interest income			
	Main Operation [Note 26.1]		5,167,363,007	5,925,768,248
	Off-Shore Banking Unit		141,991,775	175,404,169
	Less: Inter Bank transactions [Note 27]		(28,310,051)	(24,478,387)
			5,281,044,731	6,076,694,030
26.1	Interest income - Main Operation			
	Interest on loans and advances			
	House building loan		81,571,228	106,863,442
	Transport loan		40,651,156	57,456,815
	Term loan - industrial		1,678,451,040	1,808,921,607
	Term loan - others		563,245,022	641,669,167
	Secured overdraft		582,081,158	489,749,539
	Cash credit		448,326,211	727,572,627
	Payment against document - cash		96,312	2,148,947
	Payment against document EDF- others		35,514,202	34,442,623
	Loan against trust receipts		61,224,225	55,979,711
	Export cash credit		26,002,979	30,542,168
	Loan against accepted bills		42,003,972	141,919,537
	Staff loan		6,641,461	8,389,391
	SME and consumer finance		1,459,675,445	1,567,278,831
			5,025,484,411	5,672,934,404
	Interest on balance with other banks and financial institutions			
	Fixed deposits		109,140,139	169,695,343
	Special notice deposits		68,094	187,917
	Nostro accounts		43,089	1,672,847
	Money at call on short notice		32,627,274	81,277,738
			141,878,596	252,833,844
			5,167,363,007	5,925,768,248

	31-Mar-21 Taka	31-Mar-20 Taka
<b>27. Interest paid on deposits and borrowings etc.</b>		
Main Operation [Note 27.1]	1,609,185,111	1,834,602,039
Off-shore Banking Unit	76,338,725	115,254,604
Less: Inter Bank transactions [Note 26]	(28,310,051)	(24,478,387)
	<b>1,657,213,785</b>	<b>1,925,378,256</b>
<b>27.1 Interest paid on deposits and borrowings - Main Operation</b>		
Interest paid on deposits [Note 27.2]	1,291,968,497	1,523,555,088
Interest paid on borrowings [Note 27.3]	317,216,614	311,046,951
	<b>1,609,185,111</b>	<b>1,834,602,039</b>
<b>27.2 Interest paid on deposits</b>		
Savings deposits	401,027,098	555,174,011
Special notice deposits	188,305,974	208,999,883
Fixed deposits	697,308,933	754,266,294
Non-resident foreign currency deposits	5,192,811	4,689,865
Resident foreign currency deposits	19,498	302,156
Monthly term deposits	114,183	122,878
	<b>1,291,968,497</b>	<b>1,523,555,088</b>
<b>27.3 Interest paid on borrowings</b>		
Interest on borrowing - call loan and term loan	37,500	3,042,575
Interest on credit lines	-	-
Interest paid on subordinated debt	276,287,671	246,261,200
Interest on borrowing under REPO and Re-financing facilities with Bangladesh Bank	40,358,861	60,674,670
Interest on borrowing under REPO with other banks	532,582	1,068,505.10
	<b>317,216,614</b>	<b>311,046,951</b>
<b>28. Investment income</b>		
Dividend on shares	3,427,082	5,711,803
Interest on treasury bills, bonds and debentures		
Interest on treasury bills and bonds	1,675,539,997	1,171,837,435
Interest on reverse REPO with other banks	182,868	6,304,202
Interest on subordinated bonds	109,175,068	81,665,479
Interest on debenture	-	-
	<b>1,784,897,933</b>	<b>1,259,807,116</b>
Gain on sale of shares	-	-
	<b>1,788,325,015</b>	<b>1,265,518,919</b>
<b>29. Commission, exchange and brokerage</b>		
Commission [Note 29.1]	252,113,017	194,732,952
Exchange earnings (net) [Note 29.2]	85,053,372	213,431,350
	<b>337,166,389</b>	<b>408,164,302</b>

		31-Mar-21	31-Mar-20
		Taka	Taka
<b>29.1</b>	<b>Commission</b>		
	Commission on Remittances-Local	2,649,685	3,283,592
	Commission on Remittances-Foreign	6,054,122	3,780,823
	Commission on Letter of Credit-Import	28,515,487	21,771,691
	Commission on Letter of Credit-Export	202,804,308	145,574,809
	Commission on Export Bills	2,229,502	2,022,335
	Commission on Letter of Guarantee	9,853,519	18,282,168
	Commission on Sale of Government Saving Instruments	6,394	13,284
	Commission on Banker to the issue & underwriting	-	-
	Other Commission	-	4,250
		<b>252,113,017</b>	<b>194,732,952</b>
<b>29.2</b>	<b>Exchange earnings (net)</b>		
	General activities and Treasury dealings	85,053,372	213,431,350
		<b>85,053,372</b>	<b>213,431,350</b>
<b>30.</b>	<b>Other operating income</b>		
	Main Operation [Note 30.1]	927,421,806	785,960,504
	Off-shore Banking Unit	2,932,384	3,033,836
		<b>930,354,190</b>	<b>788,994,340</b>
<b>30.1</b>	<b>Other operating income - Main Operation</b>		
	Charges for service	36,273,594	23,087,419
	Income from IT service	744,614,378	611,725,559
	Recoveries from client	38,978,792	40,801,771
	Service charges on deposit accounts	457,839	249,257
	Income from Export-Import	31,874,804	35,167,711
	Examination and appraisal fees	-	-
	Document handling charges-Export	154,000	161,323
	Locker Rent	1,475,500	1,648,500
	Gain on sale of fixed assets [Note 30.2]	18,892,067	156,100
	Income from Mobile Banking Services	18,981,634	38,600,401
	Other earning	35,719,198	34,362,463
		<b>927,421,806</b>	<b>785,960,504</b>
<b>30.2</b>	<b>Gain on sale of fixed assets</b>		
	Some impaired items of fixed assets were sold during the period as under:		
	Gain on sale of fixed assets [Note 30.3]	18,892,067	156,100
		<b>18,892,067</b>	<b>156,100</b>
<b>30.3</b>	<b>Calculation of income from sale of fixed assets</b>		
	Sale proceeds [A]	28,244,889	2,571,003
	Cost price of the sold items	56,179,301	18,263,187
	Less: Accumulated depreciation	46,826,479	15,848,284
	Written down value [B]	<b>9,352,822</b>	<b>2,414,903</b>
	Net gain [A - B]	<b>18,892,067</b>	<b>156,100</b>



31. Administrative expenses		31-Mar-21 Taka	31-Mar-20 Taka
	Notes		
Salary and allowances	32	1,380,594,753	1,384,612,334
Rent, taxes, insurance, electricity, etc.	34	492,134,048	570,448,740
Legal expenses	35	547,670	671,137
Postage, stamp, telecommunications, etc.	36	87,716,214	89,399,701
Stationery, printings, advertisements etc.	37	176,237,014	211,864,197
Managing Director & CEO's salary and allowances	38	3,405,000	3,240,000
Auditors' fees	40	100,000	146,000
Repair and maintenance	41	238,708,523	197,734,457
		<b>2,379,443,222</b>	<b>2,458,116,566</b>
32. Salary and allowances			
Main Operation [Note 32.1]		1,380,360,266	1,383,638,648
Off-shore Banking Unit		234,487	973,686
		<b>1,380,594,753</b>	<b>1,384,612,334</b>
32.1 Salary and allowances-Main Operation			
Basic salary		548,019,850	554,105,103
House rent allowance		274,563,182	278,052,867
Conveyance allowance		57,985,286	58,385,422
Other allowances		78,639,271	82,053,659
Bank's contribution to provident fund		51,963,467	47,994,528
Medical expenses		56,680,705	60,025,688
Bonus		192,508,505	163,021,382
Gratuity		100,000,000	120,000,000
Superannuation		20,000,000	20,000,000
		<b>1,380,360,266</b>	<b>1,383,638,648</b>
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 17,411 as at 31 March 2021 compared to 17,370 as at 31 March 2020.			
34. Rent, taxes, insurance, electricity, etc.			
Rent			
Office premises		157,435,416	271,384,487
ATM Booths and other installations		157,422,751	143,088,822
		<b>314,858,167</b>	<b>414,473,310</b>
Rates and taxes			
Rates		1,228,850	596,190
Taxes		5,270,429	1,597,233
		<b>6,499,279</b>	<b>2,193,423</b>
Insurance			
Cash		12,195,436	12,644,128
Vehicles		651,533	889,842
Deposits		52,500,099	48,000,000
Staff		-	-
Other properties		9,372,538	4,993,713
		<b>74,719,606</b>	<b>66,527,683</b>
Electricity and sanitation			
Light and power		93,152,342	83,913,479
Water and sewerage		2,754,754	2,127,488
Utilities		149,900	1,213,358
		<b>96,056,996</b>	<b>87,254,325</b>
		<b>492,134,048</b>	<b>570,448,740</b>
35. Legal expenses			
Legal expenses		547,670	671,137
		<b>547,670</b>	<b>671,137</b>

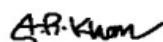
		31-Mar-21 Taka	31-Mar-20 Taka
<b>36.</b>	<b>Postage, stamp, telecommunications, etc.</b>		
	Main Operation [Note 36.1]	87,716,214	89,398,395
	Off-shore Banking Unit	0	1,305
		<b>87,716,214</b>	<b>89,399,701</b>
<b>36.1</b>	<b>Postage, stamp, telecommunications, etc.-Main Operation</b>		
	Postage	7,418,304	7,766,422
	Telephone	6,978,371	3,320,588
	Radio link	65,678,951	72,378,861
	Swift, Reuters, internet, etc.	7,640,588	5,932,524
		<b>87,716,214</b>	<b>89,398,395</b>
<b>37.</b>	<b>Stationery, printings, advertisements etc.</b>		
	Printing and stationery:		
	Printed stationery	21,434,208	16,605,959
	Security stationery	10,433,084	11,475,672
	Petty stationery	14,780,185	20,283,683
		46,647,477	48,365,315
	Publicity and advertisement	129,589,537	163,498,882
		<b>176,237,014</b>	<b>211,864,197</b>
<b>38.</b>	<b>Managing Director &amp; CEO's salary and allowances</b>		
	Basic salary	2,550,000	2,400,000
	House rent allowance	240,000	240,000
	House maintenance	120,000	120,000
	Bank's contribution to provident fund	255,000	240,000
	Other allowances	90,000	90,000
	Leave fare assistance	150,000	150,000
	Bonus	-	-
		<b>3,405,000</b>	<b>3,240,000</b>
<b>39.</b>	<b>Directors' fees</b>		
	Honorarium for attending meeting	42,110	33,700
	Incidental expenses for attending meeting	1,506	-
		<b>43,616</b>	<b>33,700</b>
<b>40.</b>	<b>Auditors' fees</b>		
	Statutory annual audit fees	100,000	100,000
	Special audit fees	-	46,000
	Fees for various certification	-	-
		<b>100,000</b>	<b>146,000</b>
<b>41.</b>	<b>Depreciation and repair of bank's assets</b>		
	<b>Depreciation on fixed assets including building, furniture and fixtures</b>		
	Main Operation [Note 41.1]	430,552,061	341,756,462
	Off-shore Banking Unit	-	-
		<b>430,552,061</b>	<b>341,756,462</b>
	<b>Repair and maintenance</b>		
	Main Operation [Note 41.2]	238,708,523	197,697,181
	Off-shore Banking Unit	-	37,276
		<b>238,708,523</b>	<b>197,734,457</b>
		<b>669,260,584</b>	<b>539,490,919</b>

	31-Mar-21 Taka	31-Mar-20 Taka
<b>41.1 Depreciation on fixed assets including land, building, furniture and fixtures - Main Operation</b>		
Land	-	-
Building (including lease hold property)	2,497,151	2,497,150
Interior decoration	22,879,959	23,021,716
Furniture and fixtures	7,574,101	6,902,682
Other machinery and equipment	65,514,406	66,228,840
Computer equipment	147,443,857	142,944,642
Computer software	11,665,085	11,215,929
Motor vehicles	21,039,482	19,361,831
ATM Booth	25,143,794	24,938,438
ATM and Fast Track (ATM & Deposit Machine)	40,725,259	44,640,780
Right of use of assets IFRS-16: lease	86,064,518	-
Books	4,449	4,454
	<b>430,552,061</b>	<b>341,756,462</b>
<b>41.2 Repair and maintenance - Main Operation</b>		
Premises	62,823,514	51,262,588
Vehicles	10,752,548	10,784,507
Computers	165,132,461	135,650,086
	<b>238,708,523</b>	<b>197,697,181</b>
<b>42. Other expenses</b>		
Main Operation [Note 43.1]	1,777,610,728	1,783,936,591
Off-shore Banking Unit	87,715	288,149
	<b>1,777,698,443</b>	<b>1,784,224,740</b>
<b>42.1 Other expenses- Main Operation</b>		
Entertainment expenses	8,470,572	13,244,547
Fuel and lubricant	11,160,587	12,247,080
Subscription and donations	28,343,016	7,465,300
Annual general meeting	-	-
Casual wages and allowances	282,304,054	294,901,401
Travelling expenses and allowances	201,601,819	173,273,651
Petty conveyance	10,184,134	12,630,086
Credit rating fees	-	107,500
News papers, periodicals, learning materials etc.	165,541	450,461
Crockeries	107,564	70,020
Debit and Credit Card expenses	197,630,008	192,768,974
ATM expenses	-	-
Tele Banking Expenses	32,184,373	12,390,888
Cash carrying charges	9,660,383	8,831,844
ATM cash replenishment charges	149,900,000	179,900,000
Recruitment, training, seminar and workshop	1,017,981	1,768,860
Service charge on nostro account and others	4,103,250	(1,424,436)
Consultancy fees	4,694,003	7,358,991
Business promotion and development	373,512,349	580,477,445
Other Operatng Expenses	-	-
Finance cost for right of use of asset - IFRS-16: lease	18,663,030	-
Laundry and cleaning	40,954	58,543
Other expenses for Mobile Banking Services	39,598,897	43,800,213
Other expenses for Agent Banking Services	397,350,961	239,609,400
Fixed Assts written-off	-	-
Miscellaneous	6,917,252	4,005,823
	<b>1,777,610,728</b>	<b>1,783,936,591</b>

	31/Mar/21 Taka	31/Mar/20 Taka
<b>43. Receipts from other operating activities</b>		
Other operating income [Note 30]	930,354,190	788,994,340
Less: Income from sale of fixed assets (net)	18,892,067	156,100
	<b>911,462,123</b>	<b>788,838,240</b>
Exchange earnings (net) [Note 29.2]	85,053,372	213,431,350
	<b>996,515,495</b>	<b>1,002,269,590</b>
<b>44. Payments for other operating activities</b>		
Expenses for the year	1,767,012,669	2,009,273,668
Add: Opening accrued expenses	1,350,862,285	690,360,033
Add: Closing advance expenses	727,800,809	1,286,776,627
Less: Closing accrued expenses	1,760,212,565	1,343,366,736
Less: Opening advance expenses	688,429,194	1,331,417,556
	<b>1,397,034,004</b>	<b>1,311,626,036</b>
<b>45. Increase/(decrease) of other assets</b>		
Closing other assets		
Security deposits	21,619,559	21,092,208
Suspense account	21,570,653	19,342,359
Branch adjustment (net)	-	15,381,257
Encashment of Sanchaya Patra (awaiting realization)	794,151,377	1,293,085,574
Sundry debtors	99,976,738	68,934,599
Cash remittance	205,510,356	249,302,953
Others	3,189,284,668	3,540,950,461
	<b>4,332,113,351</b>	<b>5,208,089,413</b>
Opening other assets		
Security deposits	21,676,180	21,377,839
Suspense account	3,673,847	3,408,075
Branch adjustment (net)	-	-
Encashment of Sanchaya Patra (awaiting realization)	978,050,019	726,256,923
Sundry debtors	61,073,485	75,924,088
Cash remittance	91,558,511	119,617,164
Others	3,398,606,874	2,143,391,994
	<b>4,554,638,916</b>	<b>3,089,976,083</b>
	<b>(222,525,565)</b>	<b>2,118,113,330</b>
<b>46. Increase/(decrease) of other liabilities</b>		
Closing other liabilities		
Branch adjustment (net)	255,461,768	-
Cumulative balance of interest suspense account	5,004,194,030	4,278,384,772
Revaluation reserve for HTM securities	96,905,831	9,593,766
Revaluation reserve for HFT securities	-	-
Others	1,081,244,286	255,156,089
	<b>6,437,805,915</b>	<b>4,543,134,627</b>
Opening other liabilities		
Branch adjustment (net)	331,072,646	141,355,153
Cumulative balance of interest suspense account	4,841,730,487	3,433,730,845
Revaluation reserve for HTM securities	96,905,831	32,340,447
Revaluation reserve for HFT securities	-	-
Others	957,370,237	219,770,786
	<b>6,227,079,201</b>	<b>3,827,197,231</b>
	<b>210,726,714</b>	<b>715,937,397</b>

		31/Mar/21 Taka	31/Mar/20 Taka
<b>47.1 Reconciliation between Operating profit of the Bank and Cash flows from operating activities</b>			
<b>Profit before provision</b>		2,091,939,199	2,029,861,868
Depreciation on fixed assets		430,552,061	341,756,462
Gain/loss on sale of fixed assets		(18,892,067)	(156,100)
Adjustment of provision for loans and advances		1,287,697	101,292
Increase of interest receivable		3,954,158,284	(622,559,241)
Increase of interest payable		708,386,734	997,138,127
Increase of accrued expenses		319,744,943	488,164,859
Increase of advance expenses		(93,169,754)	(408,378,471)
Advance tax paid		(1,029,772,019)	(830,925,003)
<b>Operating profit before changes in operating assets and liabilities</b>		<b>6,364,235,078</b>	<b>1,995,003,793</b>
<b>Increase/(decrease) in operating assets and liabilities</b>			
Statutory deposits		-	-
Purchase /sale of trading securities		5,178,337,959	6,305,241,781
Loans and advances to other banks		-	-
Loans and advances to customers		(8,071,337,313)	(3,355,408,465)
Other assets		222,525,565	(2,118,113,330)
Deposits from other banks		13,282,770	(42,478,847)
Deposits from customers		(6,049,161,333)	4,374,461,376
Other liabilities account of customers		(1,832,698,986)	1,057,591,731
Other liabilities		179,331,918	715,937,397
<b>Net cash from operating activities</b>		<b>(3,995,484,343)</b>	<b>8,932,235,437</b>
<b>47.2 Net operating cash flow per share (NOCFS) [Note 24.4]</b>		<b>(7.26)</b>	<b>16.24</b>
<b>47.3 Net operating cash flow per share (NOCFS) increase/(decrease) mainly due to</b>			
<b>Increase/(decrease) in operating cash flow</b>			
	<b>Difference from previous period</b>		
Interest receivable	4,576,717,525	3,954,158,284	(622,559,241)
Purchase /sale of trading securities	(1,126,903,822)	5,178,337,959	6,305,241,781
Loans and advances to customers	(4,715,928,848)	(8,071,337,313)	(3,355,408,465)
Deposits from customers	(10,423,622,710)	(6,049,161,333)	4,374,461,376
Other liabilities account of customers	(2,890,290,717)	(1,832,698,986)	1,057,591,731
<b>Total</b>	<b>(14,580,028,571)</b>	<b>(6,820,701,389)</b>	<b>7,759,327,182</b>

	31/Mar/21 Taka	31/Dec/20 Taka
<b>48. Cash and cash-equivalents</b>		
Main Operation [Note 48.1]	56,129,081,347	61,295,650,833
Off-shore Banking Unit	23,163,003	18,748,111
	<b>56,152,244,350</b>	<b>61,314,398,944</b>
<b>48.1 Cash and cash-equivalents - Main Operation</b>		
Cash in hand (including foreign currencies)	16,667,785,422	17,030,120,126
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	19,842,993,246	23,858,695,319
Balance with other banks and financial institutions	19,347,880,979	20,398,206,988
Prize bonds	10,421,700	8,628,400
Money at call on short notice	260,000,000	-
	<b>56,129,081,347</b>	<b>61,295,650,833</b>



Director



Director



Managing Director & CEO



Chief Financial Officer



Company Secretary

Dhaka, 22 May 2021