

Independent Auditors' Report to the Board of Directors of Dutch Bangla Bank Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Dutch Bangla Bank Limited (the "Bank"), which comprise the balance sheet as at 30 June 2021, and the profit and loss account, statement of changes in equity and cash flow statement for the half-year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Bank give a true and fair view of the balance sheet as at 30 June 2021, and of its profit and loss account and its cash flows for the half-year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and other applicable laws and regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), requirements of Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the current period. These matters were addressed in the context of the audit of the financial statements, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

Risk	Our response to the risk
Measurement of provision for loans and advances	
The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex. For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions.	We tested the design and operating effectiveness of key controls focusing on the following: <ul style="list-style-type: none">• Credit appraisal, loan disbursement procedures, monitoring and provisioning process;• Identify loss events, including early warning and default warning indicators;• Reviewed quarterly classification ledger of loans and advances (CL);

For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.

At 30 June 2021 the Bank reported total gross loans and advances of BDT 296.28 billion (31 December 2020: BDT 273.38 billion) whereas at 30 June 2021 the Bank reported total provision for loans and advances of BDT 9.20 billion (31 December 2020: BDT 8.46 billion).

Furthermore as per BRPD circular no 56 dated 10 December 2020, additional 1% provision is required for clients who have taken the deferral facility and shown as special general provision- COVID 19 under other liabilities.

We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias:

- Completeness and timing of recognition of loss events in accordance with criteria set out in BRPD circular no 14, dated 23 September 2012 and BRPD circular no 03, dated 21 April 2019;

- For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows;

Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates.

Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:

- Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines;
- Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information;
- Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; and

Considering the unprecedented adverse impact on Bangladesh economy due to COVID 19, Bangladesh Bank has previously instructed Banks not to further downgrade any loan from its existing classification as at 1 January 2020. The duration of this moratorium to further downgrade has been expired on 31 December 2020. However, due to the subsequent waves of COVID 19 and its negative impact on business and economy, Bangladesh Bank has subsequently issued BRPD Circulars no 3 dated 31 January 2021; no 4 and no 5 dated 24 March 2021 and no 13 dated 27 June 2021, respectively through which the Banks are allowed to continue moratorium on further downgrading of loans and advances subject to certain conditions. One of such conditions is to receive by 31 August 2021, at least 20% of the total instalment amounts due at 30 June 2021 from the concerned Client as per the Banker and Client relationship. Accordingly, the Bank has not yet classified those loans and advances where required payments are not received as the Bank is waiting until 31 August 2021 to make this assessment.

As per the earlier BRPD circular referred above, the Bank has not downgraded any loans and advances from its earlier classification status as at 31 December 2020. The Bank has calculated required provision as per COVID 19 related BRPD circulars considering total classified loans and advances of Tk 6,573,925,546 (2.22%).

	Accordingly, based on the actual recovery of loan installments receivable at 30 June 2021 by the extended deadline of 31 August 2021 the classification amount and required provision could increase.
See note # 9 & 14.1.3 to the financial statements	

Risk	Our response to the risk
Interest income recognition	
<p>Bangladesh Bank vide BRPD circular letter no 56 dated 10 December 2020 has allowed banks to recognize interest income without receiving cash repayment on loans and advances for which clients have taken the deferral facility, subject to the compliance of certain criteria, such as approval by management, audit committee and the Board based on applying judgement.</p> <p>Subsequently, BRPD Circulars 4 and 5 dated 24 March 2021 were issued, advising banks to recognize outstanding/ arrear interest income charged during 2020 as well as those for the half year ended 30 June 2021 subject to the regular repayment of instalments starting from March 2021.</p> <p>However, due to the subsequent waves of COVID 19 in 2021, Bangladesh Bank has allowed moratorium from classification of arrear/overdue loans subject to receipt of at least 20% of the total instalment amounts payable at 30 June 2021 from the concerned Client by 31 August 2021 as per Banker and Client relationship.</p>	<p>Interest has been accrued in full on all unclassified loan balances at relevant rates considering the entire amount as recoverable from the client.</p> <p>On sample basis we have checked a sample of loan accounts to assess whether the Bank has complied with the instruction referred herein and reviewed the memorandum prepared by management for the approval of the audit committee and the Board for recognition of income from deferral accounts.</p> <p>We have also test checked receipt of accrued interest receivable as at 31 December 2020 in subsequent half-year period ended on 30 June 2021, as well as additional interest accrued during this period. Based on our checking we found that in most cases accrued interests in 2020 as well as those during 2021 were not yet received and hence shown as receivable. These outstanding interests will be repayable in periodic installments along with the principal amount.</p> <p>However, due to the current uncertainty of the overall economic situation both in Bangladesh and Globally, and in particular subsequent waves of COVID 19, there are inherent risk that the actual recovery of accrued interest income may be materially different than the actual situation in future and significant portion of interest accrued during the period ended 30 June 2021 may not be ultimately recoverable. Furthermore, as the repayment date for total outstanding installments due on 30 June 2021 has been extended till 31 August 2021 further analysis is only possible after the expiry of this extension.</p>
See note # 9 & 14.1.3 to the financial statements	

Risk	Our response to the risk
Measurement of deferred tax assets (DTA)	
<p>At half year end of 30 June 2021 the Bank reported total deferred tax assets of BDT 2.55 billion (31 December 2020: BDT 2.27 billion) and deferred tax income of BDT 277.42 million (half year ended 2020: BDT 108.06 million).</p> <p>Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank’s key controls over the recognition and measurement of DTAs and the assumptions used in estimating the Bank’s future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. The Bank has sufficient taxable profit to recover the deferred tax assets in foreseeable future.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTA’s.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax including deduction of DTA on specific provision from regulatory capital.</p>
See note no 11.2.2 to the financial statements	

Risk	Our response to the risk
IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively</p>	<p>We tested the design and operating effectiveness of the Bank’s IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Bank’s periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>

Other information

Management has confirmed that these are special purpose financial statements not forming part of the Annual Report or accompanying any other information.

Responsibilities of management and those charged with governance for the financial statements and internal controls

Management is responsible for the preparation and fair presentation of the financial statements of the Bank in accordance with IFRSs as explained in note 2 and comply with the Banking Companies Act, 1991 (as amended up to date), the Companies Act, 1994, the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) Bank and other applicable Laws and Regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bangladesh Bank guidelines require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Bank's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the Companies Act, 1994, the Bank Company Act, 1991, and the rules and regulations issued by Bangladesh Bank, the Securities and Exchange Rules 1987, we also report that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

- ii. to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank;
- iii. in our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books;
- iv. the records and statements submitted by the branches have been properly maintained in the financial statements;
- v. the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- vi. the expenditures incurred and payments made were for the purpose of the Bank's business for the period;
- vii. the financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- viii. adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- ix. the records and statements submitted by the branches have been properly maintained in the financial statements;
- x. the information and explanations required by us have been received and found satisfactory;
- xi. we have reviewed over 80% of the risk weighted assets of the Bank and spent over 1500 person hours; and
- xii. capital to risk-weighted asset ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the period.



Sabbir Ahmed FCA, Partner
Enrolment number: 770
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 27 July 2021

DUTCH - BANGLA BANK LIMITED

AUDITED FINANCIAL STATEMENTS

For the half year ended 30 June 2021

Dutch-Bangla Bank Limited

Balance Sheet As at 30 June 2021

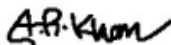
PROPERTY AND ASSETS	Notes	30-Jun-21 Taka (Audited)	31-Dec-20 Taka (Audited)	30-Jun-20 Taka (Audited)
Cash				
In hand (including foreign currencies)	4	34,096,190,263	17,030,120,126	11,959,414,282
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	5	17,240,859,108	23,858,695,319	35,737,957,862
		51,337,049,371	40,888,815,445	47,697,372,144
Balance with other banks and financial institutions				
In Bangladesh	6	12,955,057,006	12,574,309,059	13,098,727,691
Outside Bangladesh		922,870,448	682,321,195	(340,212,000)
		13,877,927,454	13,256,630,254	12,758,515,691
Money at call on short notice	7	860,000,000	-	6,240,000,000
Investments				
Government	8	97,517,741,606	106,718,508,845	71,627,544,688
Others		6,871,283,434	5,871,283,434	2,911,283,434
		104,389,025,040	112,589,792,279	74,538,828,122
Loans and advances				
Loans, cash credits, overdrafts, etc.	9	277,414,583,282	257,165,934,137	247,793,734,217
Bills purchased and discounted		18,863,165,918	16,216,972,893	13,125,882,261
		296,277,749,200	273,382,907,030	260,919,616,478
Fixed assets including land, building, furniture and fixtures	10	7,716,629,517	7,882,842,294	5,327,063,351
Other assets	11	25,270,740,978	24,354,460,906	24,805,195,588
Non-banking assets		-	-	-
TOTAL ASSETS		499,729,121,560	472,355,448,208	432,286,591,374
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other banks, financial institutions and agents	12	33,838,421,833	25,796,052,059	23,437,673,355
Deposits and other accounts				
Current deposits and other accounts	13	96,431,597,987	89,092,047,606	75,295,271,976
Bills payable		5,746,614,455	3,925,305,619	5,595,834,955
Savings bank deposits		179,996,128,777	170,213,630,379	159,591,804,504
Term deposits		98,995,681,777	99,380,006,141	94,036,310,302
		381,170,022,996	362,610,989,745	334,519,221,737
Other liabilities	14	38,102,223,564	37,691,753,730	35,745,041,906
Subordinated debt	15	13,000,000,000	14,000,000,000	9,000,000,000
TOTAL LIABILITIES		466,110,668,394	440,098,795,534	402,701,936,998
Shareholders' equity				
Paid up share capital	16.2	6,325,000,000	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	79,391,829	96,905,831	9,593,766
Proposed dividend		-	-	-
Retained earnings	24	15,392,704,691	14,838,390,197	12,753,703,964
TOTAL SHAREHOLDERS' EQUITY		33,618,453,166	32,256,652,674	29,584,654,376
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		499,729,121,560	472,355,448,208	432,286,591,374

	Notes	30-Jun-21 Taka (Audited)	31-Dec-20 Taka (Audited)	30-Jun-20 Taka (Audited)
OFF-BALANCE SHEET ITEMS				
Contingent liabilities	23			
Acceptances and endorsements		46,938,780,398	39,572,273,905	39,708,201,361
Letters of guarantee		5,838,079,668	5,654,553,523	6,270,604,488
Irrevocable letters of credit		37,402,200,359	35,020,907,978	16,872,132,265
Bills for collection		-	-	-
Other contingent liabilities		2,571,406,517	2,569,651,432	2,621,793,964
Total contingent liabilities		92,750,466,942	82,817,386,838	65,472,732,078
Other commitments				
Documentary credits and short term trade-related transactions		-	-	-
Forward assets purchased and forward deposits placed		-	-	-
Undrawn note issuance and revolving underwriting facilities		-	-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-	-
Total other commitments		-	-	-
Total off-balance sheet items including contingent liabilities		92,750,466,942	82,817,386,838	65,472,732,078
Net Asset Value (NAV) Per Share		53.15	51.00	46.77

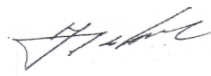
The annexed notes 1 to 48 form an integral part of these financial statements.



Chairman



Director



Director



Managing Director & CEO

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



Sabbir Ahmed FCA, Partner

Enrolment number: 770
Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 27 July 2021

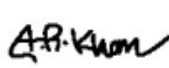
Dutch-Bangla Bank Limited
Profit and Loss Account
For the Second Quarter (Q2) ended 30 June 2021

Notes	For the Second Quarter (Q2) ended 30 June (January - June)		For the quarter ended 30 June (April-June)		
	2021 Taka	2020 Taka	2021 Taka	2020 Taka	
Interest income	26	11,022,026,176	11,397,281,079	5,740,981,445	5,320,587,049
Interest paid on deposits and borrowings etc.	27	3,247,112,673	4,513,303,669	1,589,898,888	2,587,925,413
Net interest income		7,774,913,503	6,883,977,410	4,151,082,557	2,732,661,635
Investment income	28	3,591,306,969	3,276,624,733	1,802,981,954	2,011,105,814
Commission, exchange and brokerage	29	809,234,197	941,979,129	472,067,808	533,814,827
Other operating income	30	1,759,606,158	1,558,253,213	829,251,968	769,258,873
Total operating income		13,935,060,827	12,660,834,485	7,255,384,286	6,046,841,149
Salary and allowances	32	2,873,602,955	2,681,509,638	1,493,008,202	1,296,897,304
Rent, taxes, insurance, electricity, etc.	34	1,045,202,470	1,167,416,723	553,068,422	596,967,983
Legal expenses	35	1,212,644	683,157	664,974	12,021
Postage, stamp, telecommunications, etc.	36	197,452,735	186,784,225	109,736,521	97,384,525
Stationery, printings, advertisements, etc.	37	339,044,918	284,987,292	162,807,904	73,123,095
Managing Director & CEO's salary and allowances	38	8,660,000	7,280,000	5,255,000	4,040,000
Directors' fees	39	68,451	59,700	24,835	26,000
Auditors' fees	40	262,778	246,000	162,778	100,000
Depreciation and repair of bank's assets	41	1,356,944,061	1,071,497,221	687,683,477	532,006,302
Other expenses	42	3,358,223,466	3,243,059,881	1,580,525,023	1,458,835,141
Total operating expenses		9,180,674,478	8,643,523,837	4,592,937,136	4,059,392,369
Profit before provision		4,754,386,349	4,017,310,648	2,662,447,150	1,987,448,780
Provision for loans and off-balance sheet exposures	14.1.3.1				
Specific provision for loans	14.1.3.1.A	731,790,961	399,872,426	326,548,400	(26,282)
General provision for loans	14.1.3.1.B.iv	55,700,905	(9,277,899)	20,779,195	(20,394,302)
General provision for off-balance sheet exposures	14.1.3.1.B.iii	99,110,958	(98,346,934)	18,167,109	(169,777,084)
		886,602,824	292,247,593	365,494,704	(190,197,668)
Other provision	14.1.1	10,000,000	-	10,000,000	-
Total provision		896,602,824	292,247,593	375,494,704	(190,197,668)
Profit before taxes		3,857,783,525	3,725,063,055	2,286,952,446	2,177,646,449
Provision for taxation					
Current tax	14.1.2	1,875,901,924	1,669,063,768	1,093,841,879	804,300,027
Deferred tax	11.2.2	(277,420,339)	(108,059,119)	(161,179,131)	(35,854,502)
		1,598,481,585	1,561,004,649	932,662,748	768,445,525
Net profit after taxation		2,259,301,940	2,164,058,405	1,354,289,699	1,409,200,924
Appropriations					
Statutory reserve	18	-	-	-	-
Retained surplus to retained earnings		2,259,301,940	2,164,058,405	1,354,289,699	1,409,200,924
Earnings per share (EPS)	24.2	3.57	3.42	2.14	2.23

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



Chairman



Director



Director



Managing Director & CEO

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



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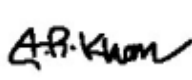
Dhaka, 27 July 2021

Dutch-Bangla Bank Limited
Cash Flow Statement
For the Second Quarter (Q2) ended 30 June 2021

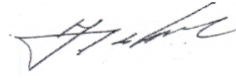
	Notes	30-Jun-21 Taka	30-Jun-20 Taka
A) Cash flows from operating activities			
Interest receipts in cash		18,187,718,471	12,574,665,581
Interest payments		(3,410,936,934)	(4,530,311,095)
Dividend receipts in cash		3,427,082	5,711,803
Gain on sale of shares		-	-
Gain on sale of securities		-	-
Recoveries of loan previously written-off		1,673,592	127,574
Fee and commission receipts in cash		516,863,915	338,467,201
Cash payments to employees		(3,035,143,158)	(2,606,715,030)
Cash payments to suppliers		(1,877,414,963)	(2,532,028,596)
Income taxes paid		(2,706,278,304)	(2,160,018,117)
Receipts from other operating activities	43	2,033,076,891	2,150,859,707
Payments for other operating activities	44	(2,790,196,465)	(2,358,472,575)
<i>Operating profit before changes in operating assets and liabilities</i>		6,922,790,127	882,286,453
Increase/(decrease) in operating assets and liabilities			
Statutory deposits		-	-
Purchase /sale of trading securities		11,326,464,050	(17,583,222,529)
Loans and advances to other banks		-	-
Loans and advances to customers		(26,446,580,978)	(2,614,460,907)
Other assets	45	(545,703,462)	(666,596,670)
Deposits from other banks		18,130,162	(55,163,859)
Deposits from customers		18,632,549,213	32,379,942,123
Other liabilities account of customers		5,612,769,744	4,653,579,774
Other liabilities	46	(382,044,146)	1,461,024,299
<i>Net cash from operating activities</i>		15,138,374,711	18,457,388,686
B) Cash flows from investing activities			
Payments for purchase of securities		(55,552,437,826)	(40,979,431,346)
Proceeds from sale of securities		52,432,799,015	39,130,976,156
Purchase of property, plant and equipment		(716,643,110)	(639,304,012)
Sale proceeds of property, plant and equipment		29,427,127	13,321,347
<i>Net cash used in investing activities</i>		(3,806,854,793)	(2,474,437,855)
C) Cash flows from financing activities			
Receipts from issue of loan capital and debt securities		-	-
Payment for redemption of loan capital and debt securities		(1,000,000,000)	(1,530,625,000)
Dividends paid		(825,529,810)	(345)
<i>Net cash from financing activities</i>		(1,825,529,810)	(1,530,625,345)
D) Net increase / (decrease) in cash (A+B+C)		9,505,990,107	14,452,325,486
E) Cash and cash-equivalents at beginning of the period		61,314,398,944	55,551,702,197
F) Cash and cash-equivalents at end of the period (D+E)	48	70,820,389,051	70,004,027,683
Net Operating Cash Flow Per Share (NOCFPS)	24.4	23.93	29.18



Chairman



Director



Director



Managing Director & CEO

Dhaka, 27 July 2021

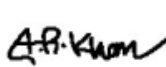
Dutch-Bangla Bank Limited
Statement of Changes in Equity
For the Second Quarter (Q2) ended 30 June 2021

Figures in Taka

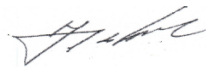
Particulars	Paid up share capital	Share premium	Statutory reserve	Dividend equalization account	Assets revaluation reserve	Revaluation reserve of HTM securities	Retained earnings	Total
Balance at 1 January 2021	5,500,000,000	11,067,500	9,193,048,174	1,766,827,195	850,413,777	96,905,831	14,838,390,197	32,256,652,674
Changes in accounting policy	-	-	-	-	-	-	-	-
Restated balance	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
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	(17,514,002)	-	(17,514,002)
Currency translation differences	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-	-
Payment of dividend for the year 2020	-	-	-	-	-	-	(825,000,000)	(825,000,000)
Transfer for dividend for the year 2020	825,000,000	-	-	-	-	-	(825,000,000)	-
Net profit for the six months ended 30 June 2021	-	-	-	-	-	-	2,259,301,940	2,259,301,940
Transfer to Start up Fund for the previous year's net profit after taxation	-	-	-	-	-	-	(54,987,446)	(54,987,446)
Issue of share capital	-	-	-	-	-	-	-	-
Appropriations during the period	-	-	-	-	-	-	-	-
Balance at 30 June 2021	6,325,000,000	11,067,500	9,193,048,174	1,766,827,195	850,413,777	79,391,829	15,392,704,691	33,618,453,166
Balance at 30 June 2020	5,000,000,000	11,067,500	9,193,048,174	1,766,827,195	850,413,777	9,593,766	12,753,703,964	29,584,654,376



Chairman



Director



Director



Managing Director & CEO

Dhaka, 27 July 2021

Dutch-Bangla Bank Limited

Notes to the Financial Statements As of and for the Second Quarter (Q2) ended 30 June 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 30 June 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 and 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 and Bank started operation of Agent Banking Services on 19 January 2015.

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

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

Off-shore Banking Unit (OBU)

The Off-shore Banking Unit (OBU) of the Bank is the separate business entity governed by the applicable rules & regulations and guidelines of Bangladesh Bank. The Bank obtained the permission for conducting the operations of OBU from Bangladesh Bank on 23 February 2010. The Bank started the operation of OBU on 12 July 2010. The number of OBUs were two as at 30 June 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 2021.

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), BRPD circular No. 15 (21 July 2020), BRPD Circular No. 17 (September 28, 2020), BRPD Circular No. 52 (October 20, 2020), BRPD Circular No. 56 (December 10, 2020), BRPD Circular No.03 (January 31, 2021); BRPD Circular No.05 (March 24, 2021) and BRPD Circular No.13 (June 27, 2021) issued by Bangladesh Bank on the following basis:

Category / status of loans and advances	Rates	
	Bangladesh Bank's requirement	Maintained by the Bank
General provisions for unclassified loans and advances :		
All unclassified loans (other than loans under small and medium enterprise financing, consumer financing, loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares and staff loans)	1.00%	1.00%
Small and medium enterprise financing	0.25%	0.25%
Consumer financing (other than housing finance and loans for professionals under consumer financing scheme)	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%
Special mention account		
All loans (other than loans under small and medium enterprise financing, consumer financing, loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares)	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%
Specific provision for classified loans and advances:		
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%
Doubtful MC	5.00%	5.00%
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
General provision for Off-balance sheet exposures		
All types of Off-balance sheet exposures	1.00%	1.00%

2.9 Bases for valuation of liabilities and provisions

2.9.1 Retirement benefits to the employees

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

a) Provident fund

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

b) Gratuity fund

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

c) Superannuation fund

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

2.9.2 Workers' Profit Participation Fund (WPPF)

Consistent with the Industry practice and in accordance with the Bank Company Act, 1991, 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 30 June 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.

2.15 Reconciliation of books of account

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

2.16 Reporting period

The reporting period of these financial statements cover six months of the calendar year from 1 January 2021 to 30 June 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 30 June 2021 as noted below:

International Accounting Standards (IASs)	IAS Number	Status of compliance by DBBL
Presentation of Financial Statements	IAS -1	Complied
Inventories	IAS -2	Complied
Statement of Cash Flows	IAS -7	Complied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS -8	Complied
Events After the Reporting Period	IAS -10	Complied
Income Taxes	IAS -12	Complied
Property, Plant and Equipment	IAS -16	Complied
Employee Benefits	IAS -19	Complied
Accounting for Government Grants and Disclosure of Government Assistance	IAS -20	Not applicable
The Effects of Changes in Foreign Exchange Rates	IAS -21	Complied
Borrowing Costs	IAS -23	Complied
Related Party Disclosures	IAS -24	Complied
Accounting and Reporting by Retirement Benefit Plans	IAS -26	Complied
Separate Financial Statements	IAS -27	Not applicable
Investments in Associates and Joint Ventures	IAS -28	Not applicable
Financial Reporting in Hyperinflationary Economics	IAS -29	Not applicable
Financial Instruments: Presentation	IAS -32	Complied
Earnings Per Share	IAS -33	Complied
Interim Financial Reporting	IAS -34	Complied
Impairment of Assets	IAS -36	Complied
Provisions, Contingent Liabilities and Contingent Assets	IAS -37	Complied
Intangible assets	IAS -38	Complied
Financial Instruments: Recognition and Measurement	IAS -39	Complied
Investment Property	IAS -40	Not applicable
Agriculture	IAS -44	Not applicable
International Financial Reporting Standards (IFRSs)	IFRS Number	Status of compliance by DBBL
First-time Adoption of International Financial Reporting Standards	IFRS - 1	Not applicable
Share-based Payment	IFRS - 2	Not applicable
Business Combinations	IFRS - 3	Not applicable
Insurance Contracts	IFRS - 4	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS - 5	Not applicable
Exploration for and Evaluation of Mineral Resources	IFRS - 6	Not applicable
Financial Instruments : Disclosures	IFRS - 7	Complied
Operating Segments	IFRS - 8	Complied
Financial instruments	IFRS - 9	Complied
Consolidated Financial Statements	IFRS - 10	Not applicable
Joint Arrangements	IFRS - 11	Not applicable
Disclosure of Interests in other Entities	IFRS - 12	Not applicable
Fair Value Measurement	IFRS - 13	Complied
Regulatory deferral accounts	IFRS - 14	Not applicable
Revenue from contracts with customers	IFRS - 15	Complied
Leases	IFRS - 16	Complied

* 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 2021 have been considered. A number of standards and amendments to standards are effective for annual periods beginning after 1 January 2021 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 239th meeting held on 27 July 2021 approved the financial statements of the Bank for the Second Quarter ended 30 June 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.

	30-Jun-21	31-Dec-20
	Taka	Taka
4. Cash in hand (including foreign currencies)		
Local currency	34,060,467,826	16,987,953,065
Foreign currencies	35,722,437	42,167,061
	34,096,190,263	17,030,120,126
5. Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		
Bangladesh Bank		
Local currency	15,707,126,167	23,087,790,589
Foreign currencies	1,041,283,849	318,852,121
	16,748,410,016	23,406,642,710
Sonali Bank Limited (as an agent of Bangladesh Bank) - Local currency	492,449,092	452,052,609
	17,240,859,108	23,858,695,319

	30-Jun-21	31-Dec-20
	Taka	Taka

5.1 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 33 of the Bank Companies Act, 1991 and of instructions contained in MPD Circular No. 4 and 5 dated 1 December 2010, DOS Circular No. 1 dated 19 January 2014, MPD Circular No. 1 and 2 dated 23 June 2014, DOS Circular No. 26 dated 19 August 2019 and MPD Circular No. 3 dated 09 April 2020 issued by Bangladesh Bank.

5.1.1 Cash Reserve Requirement (CRR): average 4.0% of average demand and time liabilities with minimum 3.5% on any date

Required reserve	15,265,915,000	14,544,507,000
Actual reserve maintained		
Balance with Bangladesh Bank-Local currency [Note 5]	15,707,126,167	23,087,790,589
Balance with Bangladesh Bank - Foreign currencies used from FC clg. A/C (for OBO)	-	-
	15,707,126,167	23,087,790,589
Surplus/(deficit)*	441,211,167	8,543,283,589

Cash Reserve Maintained: average at least 4.0% with minimum 3.5% throughout the accounting period and 4.12% on the Balance Sheet date *

4.12%	6.35%
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5.1.2 Statutory Liquidity Ratio (SLR): 13% of average demand and time liabilities

Required reserve	50,303,277,000	47,676,741,000
Available for maintenance:		
Cash in hand (including foreign currencies)	34,096,190,263	17,030,120,126
Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	492,449,092	452,052,609
Balance with Bangladesh Bank in excess of CRR	441,211,167	8,543,283,589
Unencumbered approved securities (treasury bills and bonds, debentures etc.)	97,503,055,206	106,709,880,445
Foreign currencies used in BDT from FC clg. A/C and Nostro A/C	-	-
	132,532,905,728	132,735,336,769
Surplus	82,229,628,728	85,058,595,769
Statutory Liquidity Ratio (SLR) Maintained (%)	34.25%	36.19%

6. Balance with other banks and financial institutions

In Bangladesh

Main Operation [Note 6.1]	17,678,642,085	19,715,885,793
Off-shore Banking Unit	7,140,747	18,748,111
Less: Inter Bank transactions [Note 12]	(4,730,725,826)	(7,160,324,845)
	12,955,057,006	12,574,309,059

Outside Bangladesh

Main Operation [Note 6.1]	922,870,448	682,321,195
Off-shore Banking Unit	-	-
	922,870,448	682,321,195

Total Balance with other banks and financial institutions	13,877,927,454	13,256,630,254
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	30-Jun-21	31-Dec-20
	Taka	Taka
6.1 Balance with other banks and financial institutions - Main Operation		
(a) In Bangladesh		
In current deposit accounts with		
Janata Bank Limited	1,023,823	4,533,430
Sonali Bank Limited	166,503,434	151,726,447
Standard Chartered Bank, Dhaka	95,018,084	60,558,580
Islami Bank Bangladesh Limited	8,084,998	(13,412,650)
Agrani Bank Limited	77,046	627,391
Al Arafah Islami Bank Limited	-	-
The City Bank Limited	44,264	44,189
National Bank Limited	14,895	28,230
	270,766,544	204,105,617
In special notice deposit accounts with		
Sonali Bank Limited	1,903,975,398	56,433,698
National Bank Limited	2,089,248	2,727,602
The City Bank Limited	4,359	4,359
Rupali Bank Limited	13,712,005	15,399,580
Agrani Bank Limited	35,221,478	32,893,689
Janata Bank Limited	4,787,631	14,938,761
Dhaka Bank Limited	2,121,309	2,096,427
Islami Bank Limited	610,957,237	424,790,693
Mutual Trust Bank Limited	91,870	2,652,016
	2,572,960,535	551,936,825
In fixed deposit accounts with		
Mutual Trust Bank Limited	1,000,000,000	-
Mercantile Bank Limited	2,500,000,000	-
Southeast Bank Limited		2,500,000,000
NCC Bank Limited		500,000,000
One Bank Limited	1,000,000,000	1,000,000,000
Dhaka Bank Limited	-	1,750,000,000
Exim Bank Limited	1,000,000,000	750,000,000
Social Islami Bank Limited		750,000,000
Modhumoti Bank Limited	100,000,000	-
	5,600,000,000	7,250,000,000
In fixed deposit accounts (in foreign currency) with		
Islami Bank Bangladesh Limited	422,125,000	-
One Bank Limited	422,125,000	-
Al-Arafah Islami Bank Limited	-	169,602,200
Off-shore Banking Unit, Dutch-Bangla Bank Limited	4,730,665,006	7,160,241,151
	5,574,915,006	7,329,843,351
Other financial institutions		
In fixed deposit accounts with		
Investment Corporation of Bangladesh	2,720,000,000	3,440,000,000
Delta Brac Houseing Limited	500,000,000	-
International Leasing & Financial Services Limited	90,000,000	90,000,000
Bangladesh Industrial Finance Company Limited (BIFC)	350,000,000	350,000,000
IDLC Finance Limited	-	500,000,000
	3,660,000,000	4,380,000,000
Total (a) In Bangladesh	17,678,642,085	19,715,885,793

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

Name of the correspondent Bank	Currency	30-Jun-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	394,649	84.4250	33,318,227	578,150	84.8011	49,027,750
Commerzbank AG, Frankfurt, Germany	EURO	67,319	100.6116	6,773,045	92,491	103.8559	9,605,711
AB Bank Ltd., Mumbai, India	ACU	104,394	84.4250	8,813,449	32,563	84.8011	2,761,415
Citibank N.A., New York, USA	USD	3,678,857	84.4250	310,587,472	2,398,942	84.8011	203,432,942
ICICI Bank Limited, Mumbai, India	ACU	110,750	84.4250	9,350,091	27,740	84.8011	2,352,399
				368,842,284			267,180,217

In demand deposit account (non-interest bearing) with

Name of the correspondent Bank	Currency	30-Jun-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	102,657	116.3575	11,944,925	99,606	114.4815	11,402,997
Standard Chartered Bank, New York, USA	USD	4,821,396	84.4250	407,046,334	3,315,352	84.8011	281,145,521
Standard Chartered Bank, AG, Germany	EUR	80,000	100.6116	8,048,964	35,973	103.8559	3,736,037
ICICI Bank Ltd., Hong Kong	USD	135,661	84.4250	11,453,169	60,308	84.8011	5,114,210
JP Morgan Chase Bank N.A., New York, USA	USD	415,736	84.4250	35,098,470	644,817	84.8011	54,681,193
Standard Chartered Bank, Colombo, Sri Lanka	ACU	586	84.4250	49,474	8,412	84.8011	713,308
Commerzbank AG, Frankfurt, Germany	CHF	45,555	91.5219	4,169,321	32,358	95.8529	3,101,569
The Bank of Tokyo-Mitsubishi UFJ Ltd., Tokyo, Japan	JPY	4,182,471	0.7678	3,211,301	6,083,293	0.8186	4,979,784
Bank of Montreal Canada	CAD	79,658	67.8152	5,402,031	80,464	66.1423	5,322,048
Axis Bank, India	ACU	31,856	84.4250	2,689,446	73,602	84.8011	6,241,542
Commerzbank AG, Frankfurt, Germany	AUD	44,080	63.4792	2,798,187	91,949	64.4912	5,929,925
Mashreqbank PSC, Mumbai, India	ACU	98,383	84.4250	8,305,958	104,971	84.8011	8,901,637
Mashreqbank PSC, Mumbai, India	EUR	683	100.6116	68,761	683	103.8559	70,978
Mashreq Bank PSC, Dubai, UAE	AED	1,268,944	22.7844	28,912,129	136,317	23.0846	3,146,830
Standard Chartered Bank, Mumbai, India	ACU	110,701	84.4250	9,345,891	79,401	84.8011	6,733,304
HDFC Bank Limited	ACU	138,337	84.4250	11,679,090	96,775	84.8011	8,206,636
Meezan Bank, Karachi, Pakistan	ACU	2,607	84.4250	220,070			
Bank of Ceylon, Colombo, Sri Lanka	ACU	4,173	84.4250	352,279	17,483	84.8011	1,482,601
Kookmin Bank, Seoul, Korea	USD	11,232	84.4250	948,257	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	307	84.4250	25,919	17,408	84.8011	1,476,189
				554,028,164			415,140,978
Total (b) Outside Bangladesh				922,870,448			682,321,195
Total (a+b)				18,601,512,533			20,398,206,988

	30-Jun-21 Taka	31-Dec-20 Taka
7. Money at call on short notice		
a) With banks		
Community Bank Bangladesh Limited	110,000,000	-
	110,000,000	-
b) With non bank financial institutions		
IDLC Finance Limited	590,000,000	-
Delta Brac Houseing Limited	160,000,000	-
	750,000,000	-
Total (a+b)	860,000,000	-
8. Investments		
In Government securities		
Treasury bills		
7-day treasury bills	-	-
14-day treasury bills	-	-
91-day treasury bills	-	-
182-day treasury bills	-	5,070,496,778
364-day treasury bills	5,990,900,252	8,589,180,443
	5,990,900,252	13,659,677,221
Treasury bonds		
2-year treasury bonds	39,734,903,056	43,703,200,151
5-year treasury bonds	15,054,837,712	16,735,035,717
10-year treasury bonds	26,262,975,567	23,287,902,337
15-year treasury bonds	6,827,640,817	6,827,640,817
20-year treasury bonds	3,631,797,802	2,496,424,202
	91,512,154,954	93,050,203,224
Total treasury bills and bonds	97,503,055,206	106,709,880,445
Prize bonds	14,686,400	8,628,400
	97,517,741,606	106,718,508,845
Other investments		
Subordinated bonds [Note 8.2]	6,860,000,000	5,860,000,000
Shares [Note 8.3]	11,283,434	11,283,434
	6,871,283,434	5,871,283,434
	104,389,025,040	112,589,792,279
8.1 Classification of investments		
Government treasury bills and bonds		
Held for trading (HFT)	43,025,917,182	54,352,381,232
Held to maturity (HTM)	54,477,138,024	52,357,499,213
Total investments in government securities	97,503,055,206	106,709,880,445
Prize bonds	14,686,400	8,628,400
Other investments	6,871,283,434	5,871,283,434
	104,389,025,040	112,589,792,279

	30-Jun-21 Taka	31-Dec-20 Taka
8.2 Other investments -Subordinated Bonds		
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
Exim Bank Limited	1,000,000,000	-
First Security Islami Bank Mudaraba Bond	360,000,000	360,000,000
	6,860,000,000	5,860,000,000
8.3 Other investments - shares		
In shares (quoted and unquoted)		
Quoted		
RAK Ceramics (Bangladesh) Limited	5,664	5,664
	5,664	5,664
Unquoted		
Central Depository Bangladesh Limited	6,277,770	6,277,770
Market Stabilization Fund (MSF) Asset Management Company Limited	5,000,000	5,000,000
	11,277,770	11,277,770
	11,283,434	11,283,434
9. Loans and advances		
Main Operation [Note 9.1]		
Loans, cash credits, overdrafts, etc.	276,580,733,569	256,245,350,799
Bills purchased and discounted	2,232,316,786	1,983,551,092
	278,813,050,355	258,228,901,891
Off-shore Banking Unit		
Loans, cash credits, overdrafts, etc.	833,849,713	920,583,338
Bills purchased and discounted	16,630,849,132	14,233,421,801
	17,464,698,845	15,154,005,139
Total loans and advances	296,277,749,200	273,382,907,030
9.1 Loans, cash credits, overdrafts etc. - Main operation		
In Bangladesh		
Overdraft	34,735,669,825	31,162,729,003
Cash credit	35,997,100,877	34,283,595,654
Export cash credit	16,617,458,191	15,747,771,492
Transport loan	1,989,086,665	1,951,208,952
House building loan	6,539,119,506	6,137,437,502
Loan against trust receipt	3,124,663,242	4,196,149,661
Term loan - industrial	89,462,723,907	84,757,570,750
Term loan - other	54,657,756,345	52,217,108,357
Payment against document - cash	12,254,400	22,509,847
Payment against document - EDF	1,145,712,300	315,481,905
Consumer finance	31,699,467,569	24,819,131,748
Staff loan	599,720,742	634,655,928
	276,580,733,569	256,245,350,799
Outside Bangladesh	-	-
	276,580,733,569	256,245,350,799
Bills purchased and discounted		
Payable in Bangladesh		
Inland bills purchased	2,215,233,550	1,881,592,372
Payable outside Bangladesh		
Foreign bills purchased and discounted	17,083,236	101,958,720
	2,232,316,786	1,983,551,092
Total loans and advances	278,813,050,355	258,228,901,891

	30-Jun-21 Taka	31-Dec-20 Taka
9.2 Net loans and advances including bills purchased and discounted - Main operation		
Total loans, advances and lease receivables [Note 9.1]	278,813,050,355	258,228,901,891
Less : Provision against loans and advances (specific and general) [Note 9.4(b)]	8,277,938,960	7,647,486,337
Less : Cumulative balance of interest suspense account [Note 14.1.4]	4,856,490,011	4,841,730,487
	265,678,621,384	245,739,685,067

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

205,847,962,867	190,799,026,142
35,997,100,877	34,283,595,654
34,735,669,825	31,162,729,003
276,580,733,569	256,245,350,799

Outside Bangladesh

-	-
276,580,733,569	256,245,350,799

b) Bills purchased and discounted

Payable in Bangladesh

Payable outside Bangladesh

2,215,233,550	1,881,592,372
17,083,236	101,958,720
2,232,316,786	1,983,551,092

Total (a+b)

278,813,050,355	258,228,901,891
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9.4 a) Classification of loans and advances including bills purchased and discounted

Status of loans and advances	Year					
	30-Jun-21			Mix (%)	31-Dec-20	
	Outstanding amount (Taka)				Total Outstanding amount (Taka)	Mix (%)
	Main Operation [Note 9.4.b]	Off-shore Banking Unit	Total			
Unclassified loans and advances						
Standard (including staff loans)	268,070,608,203	17,464,698,846	285,535,307,049	96.37%	263,520,541,133	96.39%
Special mention account	4,168,516,606	-	4,168,516,606	1.41%	3,940,497,972	1.44%
Total unclassified loans and advances	272,239,124,809	17,464,698,846	289,703,823,655	97.78%	267,461,039,105	97.83%
Classified loans and advances						
Substandard	478,914,880	-	478,914,880	0.16%	2,743,331,507	1.00%
Doubtful	503,835,908	-	503,835,908	0.17%	283,555,399	0.10%
Bad/loss	5,591,174,758	-	5,591,174,758	1.89%	2,894,981,019	1.06%
Total classified loans and advances	6,573,925,546	-	6,573,925,546	2.22%	5,921,867,925	2.17%
Total loans and advances	278,813,050,355	17,464,698,846	296,277,749,201	100.00%	273,382,907,030	100.00%

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

b.1) Main Operation

Classification / Status of loans and advances	Amount of outstanding loans and advances as at 30 June 2021 (Taka)	Base for provision (Taka)	Percentage (%) of provision required as per Bangladesh Bank's directives	Amount of provision required as at 30 June 2021 (Taka)	Amount of provision required as at 31 December 2020 (Taka)
Unclassified loans and advances					
All unclassified loans (other than loans under small and medium enterprise, consumer financing and short term agricultural credit)	189,320,896,885	189,320,896,885	1%	1,893,163,430	1,827,925,379
Small and medium enterprise financing	39,361,033,299	39,361,033,299	0.25%	100,056,223	84,673,194
Consumer financing (other than housing finance under consumer financing scheme)	18,943,706,824	18,943,706,824	2%	378,874,136	267,703,173
Consumer Financing(Credit Card)	2,578,819,181	2,578,819,181	2%	51,576,384	47,190,918
Consumer financing (for housing finance)	12,958,309,857	12,958,309,857	1%	129,583,099	111,696,993
Loans to BHs/MBs/SDs	464,542,846	464,542,846	2%	9,290,857	9,349,265
Short term agricultural credit	4,384,145,983	4,384,145,983	1%	43,841,460	50,224,299
Micro credit	59,153,328	59,153,328	1%	591,533	187,937
	268,070,608,203	268,070,608,203		2,606,977,122	2,398,951,157
Special mention account					
All unclassified loans (other than loans under small enterprise and consumer financing)	3,292,622,293	3,292,622,293	1%	50,422,540	52,701,488
Small & Medium enterprise financing	671,340,423	671,340,423	0.25%	1,678,351	1,031,486
Consumer financing (other than housing finance under consumer financing scheme)	28,831,061	28,831,061	2%	576,621	343,707
Consumer Financing (Credit Card)	103,659,061	103,659,061	2%	2,073,181	819,997
Consumer financing (for housing finance)	72,063,769	72,063,769	1%	720,638	6,650
	4,168,516,606	4,168,516,606		55,471,331	54,903,328
Sub-total General Provision [A]	272,239,124,809	272,239,124,808		2,662,448,453	2,453,854,485
Special General Provision-Covid 19 (Calculated) [B]				817,531,599	817,531,599
Classified loans and advances					
Substandard Small	87,675,600	48,753,981	5%	2,437,699	2,821,285
Substandard Other	388,167,748	185,772,961	20%	37,154,592	241,246,711
Substandard MC	3,071,532	2,531,248	5%	126,562	98,344
Doubtful Small	460,732,082	85,581,571	20%	17,116,314	5,899,909
Doubtful Other	40,345,232	31,684,343	50%	15,842,171	19,656,718
Doubtful MC	2,758,594	2,314,782	5%	115,739	-
Bad /loss	5,591,174,758	2,411,429,712	100%	4,725,165,831	3,930,377,286
	6,573,925,546	2,768,068,599		4,797,958,908	4,200,100,253
Total-Main Operation	278,813,050,355	275,007,193,407		8,277,938,960	7,471,486,337
b.1.1) Main Operation					
Provision required				8,277,938,960	7,471,486,337
Provision maintained				8,277,938,960	7,647,486,337
Provision surplus (i)				-	176,000,000
b.2) Off-shore Banking Unit					
Provision required				174,646,988	151,540,051
Provision maintained				174,646,988	151,540,051
Provision surplus (ii)				-	-
Provision surplus					
Main Operation (i)				-	176,000,000
Off-shore Banking Unit (ii)				-	-
Total provision surplus (i+ii)				-	176,000,000

	30-Jun-21	31-Dec-20
	Taka	Taka
10. Fixed assets at cost or revalued amount including land, building, furniture and fixtures		
Main Operation [Note 10.1]		
Total cost	19,670,566,746	19,027,278,501
Less: Accumulated depreciation	11,953,937,311	11,144,436,289
	7,716,629,435	7,882,842,212
Off-shore Banking Unit		
Total cost	101,633	101,633
Less: Accumulated depreciation	101,551	101,551
	82	82
Total Fixed assets at cost or revalued	7,716,629,517	7,882,842,294
10.1 Fixed assets at cost or revalued amount including land, building, furniture and fixtures - Main Operation		
Land	748,360,000	748,360,000
Building	399,543,957	399,543,957
Interior decoration	1,350,831,574	1,279,978,236
Furniture and fixtures	433,860,650	425,537,884
Other machinery and equipment	2,755,765,727	2,571,768,441
Computer equipment	5,814,370,759	5,478,464,515
Computer software	609,736,669	606,018,519
Motor vehicles	555,772,505	580,850,310
ATM Booth	1,361,144,006	1,317,592,740
ATM and Fast Track (ATM & Deposit Machine)	2,901,337,255	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
	19,670,566,746	19,027,278,501
Less: Accumulated depreciation	11,953,937,311	11,144,436,289
	7,716,629,435	7,882,842,212
11. Other assets		
Main Operation [Note 11.1]	25,290,010,499	24,389,793,021
Off-shore Banking Unit	226,839	227,850
Less: Inter Bank transactions [Note 14]	(19,496,360)	(35,559,965)
	25,270,740,978	24,354,460,906
11.1 Other assets - Main operation		
Income generating other assets (Note 11.1.a)	-	-
Non-income generating other assets (Note 11.1.b)	25,290,010,499	24,389,793,021
	25,290,010,499	24,389,793,021
11.1.a Income generating other assets		
i) Investment in shares of subsidiary companies:		
In Bangladesh	-	-
Outside Bangladesh	-	-
	-	-
11.1.b Non-income generating other assets		
i) Stationery, stamps, printing materials in stock	240,467,014	143,346,138
ii) Advance rent and advertisement	713,013,476	688,429,194
iii) Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable	1,689,522,998	1,798,308,038
iv) Security deposits	21,585,151	21,676,180
v) Preliminary, formation and organization expenses, renovation/ development expenses and prepaid expenses	591,344,879	728,865,676
vi) Branch adjustment (net)	-	-
vii) Suspense account	112,028,623	3,673,847
viii) Silver	-	-
ix) Others [Note 11.2]	21,922,048,358	21,005,493,948
	25,290,010,499	24,389,793,021
11.2 Break-up of others		
Encashment of Sanchaya Patra (awaiting realization)	1,002,097,864	978,050,019
Advance tax [Note 11.2.1]	14,405,808,376	14,204,115,031
Deferred tax [Note 11.2.2]	2,549,510,367	2,272,090,028
Sundry assets [Note 11.2.3]	3,964,631,751	3,551,238,870
	21,922,048,358	21,005,493,948

	30-Jun-21 Taka	31-Dec-20 Taka
11.2.1 Advance tax		
The amount is stated after adjustment of advance income tax against final assessment orders for the accounting years 1996, 1997, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2016 and 2016. [Note 14.1.2 and		
11.2.2 Deferred tax		
Opening balance	2,272,090,028	2,581,667,377
Increase/(decrease) of Deferred tax assets for the period [Note 11.2.2.1]	277,420,339	(309,577,349)
Closing balance	2,549,510,367	2,272,090,028
11.2.2.1 Detail calculation of deferred tax asset / (liability)		
In terms of instructions contained in BRPD Circular No. 11 dated 12 December 2011 and provision of		
i) Temporary timing difference in written down value (WDV) of Fixed Assets		
Accounting written down value [carrying amount] of fixed assets (excluding value of land) [A]	4,336,165,166	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]	5,465,951,571	5,293,011,340
Temporary timing difference in Accounting WDV and Tax WDV (excluding value of land) [B - A]	1,129,786,405	965,357,488
ii) Temporary timing difference in provision for other classified assets	620,949,000	610,949,000
iii) Temporary timing difference in specific provision for loans and advances	4,797,958,908	4,200,100,253
iv) Temporary timing difference in provision for Gratuity	250,000,000	282,500,000
Total amount of temporary timing differences in assets / (liabilities) [i+ii+iii] [C]	6,798,694,313	6,058,906,741
Effective tax rate [D]	37.50%	37.50%
Deferred tax asset / (liability) [C X D]	2,549,510,367	2,272,090,028
Increase/(decrease) of Deferred tax asset for the period [Note 11.2.2]	277,420,339	(309,577,349)
11.2.3 Sundry assets		
Sundry debtors	82,630,734	61,073,485
Cash remittance	305,785,841	91,558,511
Others	3,576,215,176	3,398,606,874
	3,964,631,751	3,551,238,870
12. Borrowings from other banks, financial institutions and agents		
Main Operation [Note 12.1]	22,440,871,941	19,079,301,498
Off-shore Banking Unit	16,128,275,718	13,877,075,406
Less: Inter Bank transactions [Note 6]	(4,730,725,826)	(7,160,324,845)
	33,838,421,833	25,796,052,059
12.1 Borrowings from other banks, financial institutions and agents- Main operation		
a) In Bangladesh		
Secured		
Refinance from Bangladesh Bank		
Housing [Note 12.3]	241,058	1,450,806
Financial Stimulus Fund	1,844,406,000	3,592,894,484
Export Development Fund (EDF)	14,887,553,727	14,153,285,885
Small and Medium Enterprise (SME) [Note 12.2, 12.3]	124,704,583	712,679,583
Financial Sector Support Project (FSSP)	583,905,753	618,907,046
	17,440,811,121	19,079,217,804
Unsecured		
Credit lines		
From Off-shore Banking Unit, Dutch-Bangla Bank Limited	60,820	83,694
	5,000,060,820	83,694
	22,440,871,941	19,079,301,498
b) Outside Bangladesh		
Secured	-	-
Unsecured	-	-
	-	-
	-	-
Total (a+b)	22,440,871,941	19,079,301,498

	30-Jun-21	31-Dec-20
	Taka	Taka
12.2 Small and Medium Enterprise (SME)		
Refinance facility (ies) availed from Bangladesh Bank under the following schemes for Small and Medium Enterprises :		
Asian Development Bank Fund [Note 12.3]	1,059,375	1,059,375
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
	124,704,583	712,679,583
12.3 Assets pledged as security for liability		
As at the reporting date of these financial statements, the Bank had no assets pledged as security except the Balance with Bangladesh Bank (local currency) against liability of refinance facility availed from Bangladesh Bank under the Housing Loan, Small & Medium Enterprising Financing under Asian Development Bank Fund, International Development Agency (IDA) and Enterprise Growth and Bank Modernization Programme (EGBMP) Fund and Women Entrepreneur Fund by the Bank. [Note 12.1]		
13. Deposits and other accounts		
Main Operation [Note 13.1]		
Current deposits and other accounts	96,343,743,858	88,898,579,297
Bills payable	5,746,614,455	3,925,305,619
Savings bank deposits	179,996,128,777	170,213,630,379
Term deposits	98,995,681,777	99,380,006,141
	381,082,168,867	362,417,521,436
Off-shore Banking Unit		
Current deposits and other accounts	87,854,129	193,468,309
Bills payable	-	-
	87,854,129	193,468,309
Total Deposits and other accounts	381,170,022,996	362,610,989,745
13.1 Deposits and other accounts - Main Operation		
Current deposits and other accounts		
Current deposits	84,493,558,124	76,810,918,332
Foreign currency deposits	2,300,409,465	2,414,052,540
Sundry deposits [Note 13.1.1]	9,549,776,269	9,673,608,425
	96,343,743,858	88,898,579,297
Bills payable		
Payment order	5,730,143,116	3,908,611,527
Demand draft	16,471,339	16,694,092
	5,746,614,455	3,925,305,619
Savings bank deposits	179,996,128,777	170,213,630,379
Term deposits		
Fixed deposits	59,289,972,506	60,913,989,431
Special notice deposits	39,612,969,697	38,370,761,967
Non resident foreign currency deposits	1,778,146	1,786,067
Resident foreign currency deposits	60,390,125	62,658,168
Monthly term deposits	30,571,303	30,810,508
	98,995,681,777	99,380,006,141
	381,082,168,867	362,417,521,436
13.1.1 Details of sundry deposits		
Margin on irrevocable letters of credit	747,465,719	675,300,998
Margin on letters of guarantee	417,545,793	325,345,809
Margin on inward foreign documentary bills for collection (IFDBC)	298,444,446	293,959,209
Sundry deposit on foreign bills purchased awaiting for realization (FBPAR)	4,661,075,779	4,925,840,173
Sundry deposit - withholding tax -IT	145,902,203	356,138,992
Sundry deposit - excise duty	11,225,949	522,689,120
Sundry deposit - withholding tax -VAT	154,471,810	194,882,140
Sundry deposits-sale proceeds of Sanchay Patra	659,752,379	77,750,200
Interest payable on deposit accounts	583,045,871	674,691,995
Deposits on lease finance	-	-
Others sundry deposits	1,870,846,320	1,627,009,789
	9,549,776,269	9,673,608,425

	30-Jun-21	31-Dec-20
	Taka	Taka
13.1.2 Segregation of deposits and other accounts		
Other than inter-bank deposits	381,053,106,610	362,406,589,341
Inter-bank deposits [Note 13.3]	29,062,257	10,932,095
	381,082,168,867	362,417,521,436
13.1.3 Details of inter-bank deposits		
In current deposits account		
Al-Arafah Islami Bank Limited	6,235,458	1,235,803
Bangladesh Commerce Bank Limited	3,048,644	50,253
Bangladesh Krishi Bank	-	874,334
Rajshahi Krishi Unnayan Bank	873,989	-
Brac Bank Limited	3,219,628	2,007
BDBL	53,115	-
Southeast Bank Limited	2,270	3,305
	13,433,104	2,165,702
In special notice deposits account		
Janata Bank Limited	51,585	52,363
Dhaka Bank Limited	14,307,885	7,308,061
National Credit and Commerce Bank Limited	146,632	144,080
Prime Bank Limited	997,431	980,038
ICB Islami Bank Limited	117,445	116,719
The City Bank Limited	8,175	8,479
Habib Bank Limited	-	156,653
	15,629,153	8,766,393
	29,062,257	10,932,095
14. Other liabilities		
Main Operation [Note 14.1]	37,875,044,353	37,511,749,343
Off-shore Banking Unit	246,675,571	215,564,352
Less: Inter Bank transactions [Note 11]	(19,496,360)	(35,559,965)
	38,102,223,564	37,691,753,730
14.1 Other liabilities- Main operation		
	Notes	
Unclaimed dividends	12,051,119	12,580,929
Provision for expenses	2,001,414,349	1,351,638,405
Contribution to Dutch-Bangla Bank Limited Employees' Superannuation Fund	30,000,000	57,500,000
Contribution to Dutch-Bangla Bank Limited Employees' Gratuity Fund	250,000,000	282,500,000
Provision for interest on credit lines, refinance scheme and subordinated debt	94,626,514	121,915,485
Branch adjustment (net)	623,000,535	331,072,646
Provision for classified assets	14.1.1 620,949,000	610,949,000
Provision for taxation	14.1.2 17,722,452,419	18,351,135,454
Accumulated provision for loans and advances including off-balance sheet exposures	14.1.3.1 9,179,557,986	8,449,994,405
Cumulative balance of interest suspense account	14.1.4 4,856,490,011	4,841,730,487
Start up Fund	14.1.5 54,987,446	-
lease liability - IFRS-16	2,080,297,196	2,143,362,295
Others	349,217,779	957,370,237
	37,875,044,353	37,511,749,343

	30-Jun-21 Taka	31-Dec-20 Taka
14.1.1 Provision for classified assets		
Provision for other classified assets [Note 14.1.1.1]	620,949,000	610,949,000
Provision for nostro accounts [Note 14.1.1.2]	-	-
	620,949,000	610,949,000

14.1.1.1 Provision for other classified assets

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

Opening balance	610,949,000	582,014,000
Add: Provision made for the period	10,000,000	28,935,000
Closing balance	620,949,000	610,949,000

14.1.1.2 Provision for nostro accounts

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

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

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]	1,875,901,924	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	2,504,584,959	2,359,033,992
Closing balance [Note 14.1.2.2]	17,722,452,419	18,351,135,454

14.1.2.1 Current tax - Provision for the period

	<u>On Taka</u>	<u>Tax rate</u>		
Banking business income (calculated) *	5,005,118,153	37.50%	1,876,919,307	3,853,291,836
Add: Dividend income *	3,427,082	20.00%	685,416	1,142,361
Less: Rebate on allowable CSR (calculated)	17,028,000	10.00%	(1,702,800)	(1,917,600)
Add/(Less): Adjustment for the previous year			-	-
			1,875,901,924	3,852,516,597
* Taxable Income [Banking business income (calculated) and Dividend income]			5,008,545,235	10,281,156,700

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.

	30-Jun-21 Taka	31-Dec-20 Taka
14.1.3 Accumulated provision for loans and advances and Off-balance sheet exposures		
Main Operation [Note 14.1.3.1]	9,179,557,986	8,449,994,405
Off-shore Banking Unit	174,646,988	151,540,051
	9,354,204,974	8,601,534,456
14.1.3.1 Accumulated provision for loans and advances and Off-balance sheet exposures -Main Operation		
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	135,605,898	999,496,456
Add: Recoveries of amounts previously written-off	1,673,592	138,671,837
Add: Specific provision for the period	731,790,961	(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)]	4,797,958,908	4,200,100,253
B. General provision		
General provision against unclassified loans and advances [i]		
Opening balance	2,629,854,485	2,696,332,558
General provision for the period *	32,593,968	(66,478,073)
Provision held at the end of the period [Note 9.4(b)]	2,662,448,453	2,629,854,485
Special General Provision-Covid-19 against deferred loans [ii]		
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)]	817,531,599	817,531,599.00
General provision against Off-balance sheet exposures [iii]		
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	99,110,958	75,652,163
Provision held at the end of the period	901,619,026	802,508,068
Accumulated general provision for loans and advances including deferred loans & off-balance sheet exposures - Main Operation [B]	4,381,599,078	4,249,894,152
Accumulated provision (Specific & General) for loans and advances including deferred loans & off-balance sheet exposures -Main Operation [A+B]	9,179,557,986	8,449,994,405
* General provision made for the period against unclassified loans and advances [iv]		
Main Operation [B.i]	32,593,968	(66,478,073)
Off-shore Banking Unit	23,106,937	17,928,362
	55,700,905	(48,549,711)
14.1.3.2 Accumulated provision for loans and advances and Off-balance sheet exposures		
Specific provision for bad and doubtful loans and advances-Main Operation [Note 14.1.3.1.A]	4,797,958,908	4,200,100,253
General provision against unclassified loans and advances-Main Operation [Note 14.1.3.1.B.i]	2,662,448,453	2,629,854,485
Special General Provision-Covid-19 against deferred loans [Note 14.1.3.1.B.ii]	817,531,599	817,531,599
General provision against Off-balance sheet exposures [Note 14.1.3.1.B.iii]	901,619,026	802,508,068
General provision against unclassified loans and advances-Off-Shore Banking Unit [C]	174,646,988	151,540,051
	9,354,204,974	8,601,534,456
14.1.3.3 General provision maintained against unclassified loans and off-balance sheet exposures [14.1.3.1.B+14.1.3.2.C]	4,556,246,066	4,401,434,203

		30-Jun-21	31-Dec-20
		Taka	Taka
14.1.4 Cumulative balance of interest suspense account			
Opening balance		4,841,730,487	3,433,730,845
Add: Amount transferred to interest suspense account during the period		3,482,759,524	6,112,659,673
Less: Amount transferred from interest suspense account during the period		3,466,723,546	4,587,249,060
Less: Amount written-off/waived during the period		1,276,454	117,410,971
Balance at the end of the period		4,856,490,011	4,841,730,487
14.1.5 Cumulative balance of Start up Fund			
	Net profit after taxation		
Opening balance		-	-
Add: Fund made against 1% net profit after taxation for the year 2020	5,498,744,639	54,987,446	-
Balance at the end of the period		54,987,446	-
15. Subordinated debt			
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.		3,000,000,000	4,000,000,000
The interest rate for the subordinated debt is approximately @ 7.97% p.a.			
Subordinated debt - Taka 5,000,000,000			
The Bank arranged a subordinated debt from six scheduled local banks for Taka 5,000,000,000 for a term of seven years to strengthen the Tier-2 capital as well as total capital of the Bank during December 2018 with the approval of Bangladesh Bank. The principal amount is repayable in five (5) equal installments with two years moratorium, last installment of which is payable on 26 December 2025.		5,000,000,000	5,000,000,000
The interest rate for the subordinated debt is approximately @ 7.22% p.a.			
Subordinated debt - Taka 5,000,000,000			
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.			
Total		13,000,000,000	14,000,000,000

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

	30-Jun-21	31-Dec-20
	Taka	Taka
16. Share capital		
16.1 Authorized share capital		
1500,000,000 ordinary shares of Taka 10 each	15,000,000,000	15,000,000,000
16.2 Issued, subscribed and fully paid up share capital		
632,500,000 ordinary shares of Taka 10 each	6,325,000,000	5,500,000,000
16.2.1 Raising of capital		
The paid-up share capital of the Bank was raised in the following manner:		
From the sponsor shareholders before IPO		
By issuing of 1,800,000 ordinary shares of Taka 100 each	180,000,000	180,000,000
Through Initial Public Offering (IPO)		
The Bank raised Taka 22,135,000 through initial public offering in the year 2001 against issuance of 221,350 ordinary shares of Taka 100 each	22,135,000	22,135,000
The premium of Taka 50 was also applied for 221,350 shares against face value of Taka 100 each [Note 17]		
Bonus shares		
Bonus shares @ 3.94719 against 1 existing share of Taka 100 each for the year 2007	797,865,000	797,865,000
Bonus shares @ 0.5 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
Bonus shares @ 0.15 against 1 existing share of Taka 10 each for the year 2020 *	825,000,000	-
	6,325,000,000	5,500,000,000

*** Note:**

The Board of Directors of the Bank in its 233rd meeting held on 06 March 2021 recommend 15% cash dividend and 15% stock dividend for the year 2020. The recommendation of dividend was approved by the shareholders of the Bank in the 25th AGM held on 26 April 2021.

	30-Jun-21	31-Dec-20
	Taka	Taka
16.3 Capital to Risk Weighted Assets Ratio (CRAR) under Basel III:		
As per Section 13 of the Bank Company (Amended) Act, 2018 and instructions contained in BRPD Circular No. 18 dated 21 December 2014, [Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)], the eligible regulatory capital of the Bank as of 30 June 2021 stood at Taka 46,424,632,278 against the risk based capital requirement of Taka 36,590,936,594. As a result, there was a capital surplus of Taka 9,833,695,684 in risk based capital adequacy ratio as on 30 June 2021.		
The details of capital to risk-weighted asset ratio (CRAR) are furnished below:		
Total assets (excluding off-balance sheet assets)	499,729,121,560	472,355,448,208
Total off-balance sheet assets	92,750,466,942	82,817,386,838
Total Risk weighted assets [RWA] against		
i. Credit Risk		
On-balance sheet	210,361,777,676	193,760,892,476
Off-balance sheet	33,684,443,960	29,729,778,034
	244,046,221,636	223,490,670,510
ii. Market Risk	5,285,059,769	5,756,446,495
iii. Operational Risk	43,396,211,348	38,214,875,246
A) Total Risk weighted assets (RWA) [i+ii+iii]	292,727,492,753	267,461,992,251
B) Minimum Capital Requirement (MCR) with Capital Conservation Buffer (CCB) [12.5% of RWA]	36,590,936,594	33,432,749,031
C) Common Equity Tire 1 (CET1) capital		
Paid -up share capital	6,325,000,000	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 pevious year, if any)	15,392,704,691	14,838,390,197
	32,688,647,560	31,309,333,066
Less : Other Intangible Assets (computer software)	110,988,487	130,542,541
Less : Deferred tax asset (95%)	1,709,272,861	1,496,285,715
	30,868,386,212	29,682,504,810
D) Additional Tier-1 Capital		
Non-cumulative irredeemable preference shares	-	-
Instruments issued by the banks that meet the qualifying criteria for AT1	-	-
Others (if any item approved by Bangladesh Bank)	-	-
Less Regulatory Adjustments from AT-1 Capital	-	-
	30,868,386,212	29,682,504,810
E) Tier 1 Capital [C+D]	30,868,386,212	29,682,504,810
F) Tier 2 Capital		
General provision maintained against unclassified loans and off-balance sheet exposures [Note 14.1.3.2]	4,556,246,066	4,401,434,203
Subordinated debt capital [Total S. debt, Taka 13,000,000,000 less due within 1 Year, Taka 2,000,000,000]	11,000,000,000	12,000,000,000
Assets revaluation reserves	-	-
Revaluation reserves of HTM securities	-	-
	15,556,246,066	16,401,434,203
Less: Revaluation Reserves for Fixed Assets and Securities	-	-
	15,556,246,066	16,401,434,203
G) Total Eligible Regulatory Capital (Tier 1 and 2) [E+F]	46,424,632,278	46,083,939,013
Total capital surplus [G - B]	9,833,695,684	12,651,189,982
Capital to Risk Weighted Assets Ratio (CRAR):		
Common Equity Tier-1 to RWA (C/A)*100	10.55%	11.10%
Tier-1 Capital to RWA (E/A)*100	10.55%	11.10%
Tier-2 Capital to RWA (F/A)*100	5.31%	6.13%
Capital to Risk Weighted Assets Ratio (CRAR) (G/A)*100	15.86%	17.23%

	30-Jun-21 Taka	31-Dec-20 Taka
17. Share premium		
Taka 50 per share on 221,350 ordinary shares of Taka 100 each at the time of issuing shares through initial public offering in the year 2001 *	11,067,500	11,067,500
* In compliance with Securities and Exchange Commission (SEC) Order No. SEC /CMRRCD/2009-193/109 dated 15 September 2011 and with the approval of shareholders in the 3rd Extra-ordinary General Meeting (EGM) held on 13 November 2011, the denomination of shares (face value) has been changed from Taka 100 each to Taka 10 each with effect from 4 December 2011 and accordingly the number of shares have been restated.		
18. Statutory reserve		
As per Section 24 (1) of the Bank Companies Act, 1991, an amount equivalent to 20% of profit before taxes for the period has been transferred to the statutory reserve fund as under.:		
Opening balance	9,193,048,174	9,193,048,174
Add: Transferred from profit during the period	-	-
Closing balance	9,193,048,174	9,193,048,174
19. Other reserve		
Revaluation reserve of HFT securities [Note 19.1]	-	-
	-	-
19.1 Other reserve		
In terms of First Schedule (Section 38) of the Bank Companies Act, 1991, and instructions contained in BRPD Circular No. 5 dated 26 May 2008 and Letter No. DOS (SR)1153/120-A/2011-746 dated 29 December 2011 the revaluation reserve for HFT securities has been made as under:		
Opening balance	-	-
Add: Reserve made for the period	-	-
Less: Adjustment during the period	-	-
Closing balance	-	-
20. Dividend equalization account		
As per BRPD Circular Letter No. 18 dated 20 October 2002 issued by Bangladesh Bank, ' <i>Dividend Equalization Account</i> ' has been created by transferring the amount from the profit that is equal to the cash dividend paid in excess of 20%.		
Opening balance	1,766,827,195	1,766,827,195
Add: Transferred for previous year's dividend paid	-	-
Closing balance	1,766,827,195	1,766,827,195
21. Assets revaluation reserve		
In terms of International Accounting Standard (IAS) 16, 'Property, Plant and Equipment' , and instructions contained in BRPD Circular No. 10 dated 25 November 2002 issued by Bangladesh Bank, all the immovable properties of the Bank has been revalued by a professionally qualified valuation firm of the country. The rationale of the valuation has also been certified by the Bank's external auditors, M/s. A. Ames & Co., Chartered Accountants. Accordingly, revaluation surplus of Taka 850,413,777 has been included in equity.		
Opening balance	850,413,777	850,413,777
Add : Addition during the period (net)	-	-
Closing balance	850,413,777	850,413,777
22. Revaluation reserve of HTM securities [Note 2.7.3(b)]		
Opening balance	96,905,831	32,340,447
Add: Reserve transferred to Income Account during the period	(17,514,002)	64,565,384
Closing balance	79,391,829	96,905,831
23. Contingent liabilities		
Main Operation [Note 23.1]	92,750,466,942	82,817,386,838
Off-shore Banking Unit	-	-
	92,750,466,942	82,817,386,838

	30-Jun-21 Taka	31-Dec-20 Taka
23.1 Contingent liabilities - Main Operation		
a) Acceptances and endorsements	46,938,780,398	39,572,273,905
b) Letters of guarantee		
Local	5,764,498,615	5,574,426,694
Foreign	73,581,053	80,126,829
	5,838,079,668	5,654,553,523
c) Irrevocable letters of credit		
Local		
Cash	446,665,705	230,853,641
Usance	42,464,597	51,044,380
Back to back	10,466,552,908	7,924,494,652
	10,955,683,210	8,206,392,673
Foreign		
Cash	10,421,280,393	15,352,900,170
Usance	8,817,725,766	8,457,139,731
Back to back	7,207,510,990	3,004,475,404
	26,446,517,149	26,814,515,305
	37,402,200,359	35,020,907,978
d) Bills for collection		
Inward	-	-
Outward	-	-
	-	-
e) Other contingent liabilities		
Travelers' cheques	-	-
Export Development Fund	-	-
Bangladesh Shanchaya Patra	2,570,035,000	2,566,580,000
Others	1,371,517	3,071,432
	2,571,406,517	2,569,651,432
Total (a+b+c+d+e)	92,750,466,942	82,817,386,838
24. Retained Earnings		
Main Operation [Note 24.1]	14,383,443,596	13,951,517,082
Off-shore Banking Unit	1,009,261,095	886,873,115
	15,392,704,691	14,838,390,197
24.1 Retained Earnings-Main Operation		
Balance at 1 January	13,951,517,082	9,917,833,590
Dividend paid for previous year's	(825,000,000)	(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	(825,000,000)	(500,000,000)
Transfer to Start up Fund [Note 14.1.5]	(54,987,446)	-
Retained surplus for the current year	2,136,913,960	5,283,683,492
Closing balance	14,383,443,596	13,951,517,082
	30-Jun-21	30-Jun-20
	Taka	Taka
24.2 Calculation of Earnings Per Share (EPS)		
The earnings per share of the Bank has been calculated in accordance with the International Accounting Standard (IAS) 33, 'Earnings Per Share' under Basic Earning Per Share method as follows:		
Basic earnings (net profit after tax) [numerator]	2,259,301,940	2,164,058,405
Number of ordinary shares outstanding [denominator] *	632,500,000	632,500,000
Earnings Per Share	3.57	3.42
24.3 Calculation of Net Asset Value (NAV) Per Share		
Total Shareholders Equity [numerator]	33,618,453,166	29,584,654,376
Number of ordinary shares outstanding [denominator]*	632,500,000	632,500,000
Net Asset Value (NAV) Per Share	53.15	46.77
24.4 Net Operating Cash Flow Per Share (NOCFPS) [Note 47.1, 47.2]		
Net cash from operating activities [numerator]	15,138,374,711	18,457,388,686
Number of ordinary shares outstanding [denominator]*	632,500,000	632,500,000
Net operating cash flow per share (NOCFS)	23.93	29.18

* As per requirement of IAS 33 - "Earning Per Share (EPS)", previous year's EPS was restated for the increase of number of ordinary shares outstanding through issue of bonus share during the first half of 2020. [Note 16.2.1]

		30-Jun-21	30-Jun-20
		Taka	Taka
25.	Particulars of profit and loss account		
	Income		
		<i>Notes</i>	
	Interest, discount and other similar income	26	11,022,026,176
	Dividend income	28	3,427,082
	Fees, commission and brokerage	29.1	516,863,915
	Gains less losses arising from dealing securities		-
	Gains less losses arising from investment securities	28	3,587,879,887
	Gains less losses arising from dealing in foreign currencies	29.2	292,370,282
	Income from non-banking assets		-
	Other operating income	30	1,759,606,158
	Profit less losses on interest rate changes		-
			17,182,173,500
	Expenses		
	Interest, fee and commission	27	3,247,112,673
	Directors' fees	39	68,451
	Administrative expenses	31	4,950,054,252
	Other operating expenses	42	3,358,223,466
	Depreciation on banking assets	41	872,328,309
			12,427,787,151
	Profit before provision		4,754,386,349
26.	Interest income		
	Main Operation [Note 26.1]		10,773,688,473.0
	Off-Shore Banking Unit		301,231,151
	Less: Inter Bank transactions [Note 27]		(52,893,448)
			11,022,026,176
			11,397,281,079
26.1	Interest income - Main Operation		
	Interest on loans and advances		
	House building loan		178,380,440
	Transport loan		79,057,701
	Term loan - industrial		3,441,217,232
	Term loan - others		1,308,462,900
	Secured overdraft		1,146,844,922
	Cash credit		892,798,566
	Payment against document - cash		193,487
	Payment against document EDF- others		72,449,387
	Loan against trust receipts		99,948,034
	Export cash credit		52,321,080
	Loan against accepted bills		86,566,263
	Staff loan		13,211,949
	SME and consumer finance		3,144,347,549
			10,515,799,510
	Interest on balance with other banks and financial institutions		
	Fixed deposits		194,001,389
	Special notice deposits		198,192
	Nostro accounts		70,433
	Money at call on short notice		63,618,949
			257,888,963
			578,048,835
			10,773,688,473
			11,120,449,641

	30-Jun-21	30-Jun-20
	Taka	Taka
27. Interest paid on deposits and borrowings etc.		
Main Operation [Note 27.1]	3,138,452,863	4,353,880,340
Off-shore Banking Unit	161,553,258	209,011,442
Less: Inter Bank transactions [Note 26]	(52,893,448)	(49,588,113)
	3,247,112,673	4,513,303,669
27.1 Interest paid on deposits and borrowings - Main Operation		
Interest paid on deposits [Note 27.2]	2,545,543,174	2,999,241,882
Interest paid on borrowings [Note 27.3]	592,909,689	1,354,638,458
	3,138,452,863	4,353,880,340
27.2 Interest paid on deposits		
Savings deposits	771,596,395	1,022,304,145
Special notice deposits	371,769,477	415,643,435
Fixed deposits	1,391,739,958	1,551,564,678
Non-resident foreign currency deposits	10,170,049	9,077,412
Resident foreign currency deposits	38,632	406,874
Monthly term deposits	228,663	245,338
	2,545,543,174	2,999,241,882
27.3 Interest paid on borrowings		
Interest on borrowing - call loan and term loan	1,129,167	3,807,297
Interest on credit lines	-	-
Interest paid on subordinated debt	518,202,524	481,715,996
Interest on borrowing under REPO and Re-financing facilities with Bangladesh Bank	70,459,285	868,046,660
Interest on borrowing under REPO with other banks	3,118,713	1,068,505.00
	592,909,689	1,354,638,458
28. Investment income		
Dividend on shares	3,427,082	5,711,803
Interest on treasury bills, bonds and debentures		
Interest on treasury bills and bonds	3,363,459,074	3,085,698,386
Interest on reverse REPO with other banks	182,868	31,521,941
Interest on subordinated bonds	224,237,945	153,692,603
Interest on debenture	-	-
	3,587,879,887	3,270,912,930
Gain on sale of shares	-	-
	3,591,306,969	3,276,624,733
29. Commission, exchange and brokerage		
Commission [Note 29.1]	516,863,915	338,467,201
Exchange earnings (net) [Note 29.2]	292,370,282	603,511,928
	809,234,197	941,979,129

	30-Jun-21	30-Jun-20
	Taka	Taka
29.1 Commission		
Commission on Remittances-Local	5,194,965	5,032,612
Commission on Remittances-Foreign	14,056,891	8,688,493
Commission on Letter of Credit-Import	54,036,766	33,916,832
Commission on Letter of Credit-Export	382,922,018	263,235,397
Commission on Export Bills	4,766,485	3,895,501
Commission on Letter of Guarantee	17,436,666	23,679,828
Commission on Sale of Government Saving Instruments	38,450,124	14,288
Commission on Banker to the issue & underwriting	-	-
Other Commission	-	4,250
	516,863,915	338,467,201
29.2 Exchange earnings (net)		
General activities and Treasury dealings	292,370,282	603,511,928
	292,370,282	603,511,928
30. Other operating income		
Main Operation [Note 30.1]	1,753,370,849	1,553,019,852
Off-shore Banking Unit	6,235,309	5,233,361
	1,759,606,158	1,558,253,213
30.1 Other operating income - Main Operation		
Charges for service	68,731,710	28,818,409
Income from IT service	1,361,458,750	1,098,039,581
Recoveries from client	73,864,106	57,772,113
Service charges on deposit accounts	53,879,421	184,052,045
Income from Export-Import	61,188,846	63,029,705
Examination and appraisal fees	-	-
Document handling charges-Export	371,610	226,323
Locker Rent	3,518,000	2,624,000
Gain on sale of fixed assets [Note 30.2]	18,899,549	10,905,434
Income from Mobile Banking Services	45,180,367	60,785,745
Other earning	66,278,490	46,766,497
	1,753,370,849	1,553,019,852
30.2 Gain on sale of fixed assets		
Some impaired items of fixed assets were sold during the period as under:		
Gain on sale of fixed assets [Note 30.3]	18,899,549	10,905,434
	18,899,549	10,905,434
30.3 Calculation of income from sale of fixed assets		
Sale proceeds [A]	29,427,127	13,321,347
Cost price of the sold items	73,354,865	42,057,129
Less: Accumulated depreciation	62,827,287	39,641,216
Written down value [B]	10,527,578	2,415,913
Net gain [A - B]	18,899,549	10,905,434

31. Administrative expenses	Notes	30-Jun-21 Taka	30-Jun-20 Taka
Salary and allowances	32	2,873,602,955	2,681,509,638
Rent, taxes, insurance, electricity, etc.	34	1,045,202,470	1,167,416,723
Legal expenses	35	1,212,644	683,157
Postage, stamp, telecommunications, etc.	36	197,452,735	186,784,225
Stationery, printings, advertisements etc.	37	339,044,918	284,987,292
Managing Director & CEO's salary and allowances	38	8,660,000	7,280,000
Auditors' fees	40	262,778	246,000
Repair and maintenance	41	484,615,752	381,066,330
		4,950,054,252	4,709,973,365
32. Salary and allowances			
Main Operation [Note 32.1]		2,873,368,468	2,679,899,512
Off-shore Banking Unit		234,487	1,610,126
		2,873,602,955	2,681,509,638
32.1 Salary and allowances-Main Operation			
Basic salary		1,153,335,521	1,103,441,983
House rent allowance		577,683,906	553,833,593
Conveyance allowance		120,874,655	115,755,470
Other allowances		163,124,741	241,381,687
Bank's contribution to provident fund		111,699,249	94,492,445
Medical expenses		119,996,795	118,396,952
Bonus		346,653,601	302,597,382
Gratuity		250,000,000	130,000,000
Superannuation		30,000,000	20,000,000
		2,873,368,468	2,679,899,512
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 16,992 as at 30 June 2021 compared to 17,251 as at 30 June 2020.			
34. Rent, taxes, insurance, electricity, etc.			
Rent			
Office premises		320,350,018	535,399,653
ATM Booths and other installations		317,109,891	281,400,498
		637,459,909	816,800,151
Rates and taxes			
Rates		1,482,655	746,190
Taxes		15,413,363	2,043,466
		16,896,018	2,789,656
Insurance			
Cash		22,637,278	21,771,219
Vehicles		1,674,971	1,355,546
Deposits		106,663,216	96,000,000
Staff		-	15,000,000
Other properties		17,486,690	9,095,345
		148,462,155	143,222,110
Electricity and sanitation			
Light and power		236,604,534	198,567,199
Water and sewerage		5,457,334	3,718,202
Utilities		322,520	2,319,405
		242,384,388	204,604,806
		1,045,202,470	1,167,416,723
35. Legal expenses			
Legal expenses		1,212,644	683,157
		1,212,644	683,157

	30-Jun-21	30-Jun-20
	Taka	Taka
36. Postage, stamp, telecommunications, etc.		
Main Operation [Note 36.1]	197,452,164	186,782,395
Off-shore Banking Unit	571	1,830
	197,452,735	186,784,225
36.1 Postage, stamp, telecommunications, etc.-Main Operation		
Postage	25,020,368	10,422,223
Telephone	12,028,939	7,393,724
Radio link	147,682,871	161,133,555
Swift, Reuters, internet, etc.	12,719,986	7,832,893
	197,452,164	186,782,395
37. Stationery, printings, advertisements etc.		
Printing and stationery:		
Printed stationery	43,386,746	28,935,819
Security stationery	18,337,041	14,705,599
Petty stationery	30,619,123	28,263,644
	92,342,910	71,905,062
Publicity and advertisement	246,702,008	213,082,230
	339,044,918	284,987,292
38. Managing Director & CEO's salary and allowances		
Basic salary	5,100,000	4,800,000
House rent allowance	480,000	480,000
House maintenance	240,000	240,000
Bank's contribution to provident fund	510,000	480,000
Other allowances	180,000	180,000
Leave fare assistance	300,000	300,000
Bonus	1,850,000	800,000
	8,660,000	7,280,000
39. Directors' fees		
Honorarium for attending meeting	65,475	58,700
Incidental expenses for attending meeting	2,976	1,000
	68,451	59,700
40. Auditors' fees		
Statutory annual audit fees	200,000	200,000
Special audit fees	62,778	46,000
Fees for various certification	-	-
	262,778	246,000
41. Depreciation and repair of bank's assets		
Depreciation on fixed assets including building, furniture and fixtures		
Main Operation [Note 41.1]	872,328,309	690,430,891
Off-shore Banking Unit	-	-
	872,328,309	690,430,891
Repair and maintenance		
Main Operation [Note 41.2]	484,615,752	381,004,530
Off-shore Banking Unit	-	61,800
	484,615,752	381,066,330
	1,356,944,061	1,071,497,221

	30-Jun-21	30-Jun-20
	Taka	Taka
41.1 Depreciation on fixed assets including land, building, furniture and fixtures - Main Operation		
Land	-	-
Building (including lease hold property)	4,994,298	4,994,301
Interior decoration	45,745,187	46,138,854
Furniture and fixtures	15,112,233	14,518,289
Other machinery and equipment	133,021,130	134,055,180
Computer equipment	306,221,030	291,407,936
Computer software	23,272,204	22,323,849
Motor vehicles	39,937,792	38,702,269
ATM Booth	50,084,354	50,140,372
ATM and Fast Track (ATM & Deposit Machine)	81,805,190	88,140,937
Right of use of assets IFRS-16: lease	172,129,035	-
Books	5,856	8,904
	872,328,309	690,430,891
41.2 Repair and maintenance - Main Operation		
Premises	140,492,214	94,162,923
Vehicles	20,969,484	19,190,447
Computers	323,154,054	267,651,160
	484,615,752	381,004,530
42. Other expenses		
Main Operation [Note 43.1]	3,358,040,239	3,240,157,218
Off-shore Banking Unit	183,227	2,902,663
	3,358,223,466	3,243,059,881
42.1 Other expenses- Main Operation		
Entertainment expenses	14,920,955	15,858,231
Fuel and lubricant	24,073,536	21,270,584
Subscription and donations	33,849,044	12,762,000
Annual general meeting	-	-
Casual wages and allowances	572,152,906	564,615,862
Travelling expenses and allowances	343,431,350	295,255,944
Petty conveyance	20,647,429	20,698,002
Credit rating fees	-	107,500
News papers, periodicals, learning materials etc.	399,489	743,903
Crockeries	169,971	74,166
Debit and Credit Card expenses	361,040,203	313,622,362
ATM expenses	-	-
Tele Banking Expenses	46,741,592	33,138,973
Cash carrying charges	23,331,881	16,234,401
ATM cash replenishment charges	299,750,060	359,800,000
Recruitment, training, seminar and workshop	2,358,725	3,222,650
Service charge on nostro account and others	27,001,259	10,144,061
Consultancy fees	7,322,360	8,102,532
Business promotion and development	783,181,675	1,043,254,958
Other Operatng Expenses	-	-
Finance cost for right of use of asset - IFRS-16: lease	37,050,553	-
Laundry and cleaning	75,681	87,118
Other expenses for Mobile Banking Services	104,979,531	99,171,369
Other expenses for Agent Banking Services	640,550,638	414,110,467
Fixed Assts written-off	-	-
Miscellaneous	15,011,401	7,882,135
	3,358,040,239	3,240,157,218

	30/Jun/21	30/Jun/20
	Taka	Taka
43. Receipts from other operating activities		
Other operating income [Note 30]	1,759,606,158	1,558,253,213
Less: Income from sale of fixed assets (net)	18,899,549	10,905,434
	1,740,706,609	1,547,347,779
Exchange earnings (net) [Note 29.2]	292,370,282	603,511,928
	2,033,076,891	2,150,859,707
44. Payments for other operating activities		
Expenses for the year	3,568,268,330	3,723,514,642
Add: Opening accrued expenses	1,350,862,285	690,360,033
Add: Closing advance expenses	713,013,476	1,207,106,893
Less: Closing accrued expenses	2,153,518,432	1,931,091,437
Less: Opening advance expenses	688,429,194	1,331,417,556
	2,790,196,465	2,358,472,575
45. Increase/(decrease) of other assets		
Closing other assets		
Security deposits	21,585,151	21,091,438
Suspense account	112,028,623	4,573,176
Branch adjustment (net)	-	-
Encashment of Sanchaya Patra (awaiting realization)	1,002,097,864	1,495,652,579
Sundry debtors	82,630,734	79,268,857
Cash remittance	305,785,841	70,861,955
Others	3,576,214,165	2,085,124,748
	5,100,342,378	3,756,572,753
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
	4,554,638,916	3,089,976,083
	545,703,462	666,596,670
46. Increase/(decrease) of other liabilities		
Closing other liabilities		
Branch adjustment (net)	623,000,535	56,629,936
Cumulative balance of interest suspense account	4,856,490,011	4,921,651,073
Revaluation reserve for HTM securities	79,391,829	9,593,766
Revaluation reserve for HFT securities	-	-
Others	349,217,779	300,346,755
	5,908,100,154	5,288,221,530
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
	6,227,079,201	3,827,197,231
	(318,979,047)	1,461,024,299

	30/Jun/21	30/Jun/20
	Taka	Taka
47.1 Reconciliation between Operating profit of the Bank and Cash flows from operating activities		
Profit before provision	4,754,386,349	4,017,310,648
Depreciation on fixed assets	872,328,309	690,430,891
Gain/loss on sale of fixed assets	(18,899,549)	(10,905,434)
Adjustment of provision for loans and advances	1,673,592	127,574
Increase of interest receivable	3,524,918,960	(2,143,116,541)
Increase of interest payable	(110,930,813)	32,580,687
Increase of accrued expenses	589,775,944	992,806,012
Increase of advance expenses	15,815,639	(536,929,267)
Advance tax paid	(2,706,278,304)	(2,160,018,117)
Operating profit before changes in operating assets and liabilities	6,922,790,127	882,286,453
Increase/(decrease) in operating assets and liabilities		
Statutory deposits	-	-
Purchase /sale of trading securities	11,326,464,050	(17,583,222,529)
Loans and advances to other banks	-	-
Loans and advances to customers	(26,446,580,978)	(2,614,460,907)
Other assets	(545,703,462)	(666,596,670)
Deposits from other banks	18,130,162	(55,163,859)
Deposits from customers	18,632,549,213	32,379,942,123
Other liabilities account of customers	5,612,769,744	4,653,579,774
Other liabilities	(382,044,146)	1,461,024,299
Net cash from operating activities	15,138,374,711	18,457,388,686
47.2 Net operating cash flow per share (NOCFS) [Note 24.4]	23.93	29.18
47.3 Net operating cash flow per share (NOCFS) increase/(decrease) mainly due to		
Increase/(decrease) in operating cash flow		
	Difference from previous period	
Interest receivable	5,668,035,501	3,524,918,960
Purchase /sale of trading securities	28,909,686,579	11,326,464,050
Loans and advances to customers	(23,832,120,071)	(26,446,580,978)
Deposits from customers	(13,747,392,910)	18,632,549,213
Other liabilities account of customers	959,189,970	5,612,769,744
Total	(2,042,600,931)	12,650,120,990
		14,692,721,921

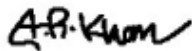
	30/Jun/21	31/Dec/20
	Taka	Taka
48. Cash and cash-equivalents		
Main Operation [Note 48.1]	70,813,248,304	61,295,650,833
Off-shore Banking Unit	7,140,747	18,748,111
	70,820,389,051	61,314,398,944

48.1 Cash and cash-equivalents - Main Operation

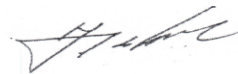
Cash in hand (including foreign currencies)	34,096,190,263	17,030,120,126
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	17,240,859,108	23,858,695,319
Balance with other banks and financial institutions	18,601,512,533	20,398,206,988
Prize bonds	14,686,400	8,628,400
Money at call on short notice	860,000,000	-
	70,813,248,304	61,295,650,833



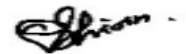
Chairman



Director



Director



Managing Director & CEO

Dhaka, 27 July 2021