

DUTCH - BANGLA BANK LIMITED

FINANCIAL STATEMENTS

For the period ended 30 September 2022

Dutch-Bangla Bank Limited
Balance Sheet
As at 30 September 2022

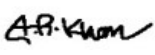
PROPERTY AND ASSETS	Notes	30-Sep-22 Taka (Un-audited)	31-Dec-21 Taka (Audited)	30-Sep-21 Taka (Un-audited)
Cash				
In hand (including foreign currencies)	4	21,553,568,409	17,853,114,090	19,906,735,462
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	5	21,121,525,805	17,863,639,768	18,848,043,995
		42,675,094,214	35,716,753,858	38,754,779,457
Balance with other banks and financial institutions	6			
In Bangladesh		11,016,461,654	12,404,257,887	11,101,788,255
Outside Bangladesh		(180,397,674)	956,190,048	495,492,455
		10,836,063,980	13,360,447,935	11,597,280,710
Money at call on short notice	7	2,600,000,000	-	2,840,000,000
Investments	8			
Government		102,135,709,699	107,955,029,777	110,190,798,965
Others		8,586,283,434	8,726,283,434	7,871,283,434
		110,721,993,133	116,681,313,211	118,062,082,399
Loans and advances	9			
Loans, cash credits, overdrafts, etc.		331,921,483,703	299,879,503,769	283,548,076,925
Bills purchased and discounted		24,956,205,656	19,568,567,985	19,911,582,800
		356,877,689,359	319,448,071,754	303,459,659,725
Fixed assets including land, building, furniture and fixtures	10	7,904,008,733	7,806,988,757	7,731,277,660
Other assets	11	24,087,568,017	21,386,202,543	23,219,715,855
Non-banking assets		-	-	-
TOTAL ASSETS		555,702,417,436	514,399,778,058	505,664,795,806
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other banks, financial institutions and agents	12	33,768,535,491	28,974,520,236	29,922,107,262
Deposits and other accounts	13			
Current deposits and other accounts		118,805,011,514	104,093,219,774	94,021,511,835
Bills payable		5,082,568,511	4,219,947,608	4,172,241,785
Savings bank deposits		209,297,430,222	191,210,176,186	188,148,464,659
Term deposits		98,639,756,249	101,977,001,852	103,383,721,181
		431,824,766,496	401,500,345,420	389,725,939,460
Other liabilities	14	39,268,358,440	34,958,550,601	37,703,888,503
Subordinated debt	15	11,000,000,000	12,000,000,000	13,000,000,000
TOTAL LIABILITIES		515,861,660,427	477,433,416,257	470,351,935,225
Shareholders' equity				
Paid up share capital	16.2	6,957,500,000	6,325,000,000	6,325,000,000
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	164,415,768	181,135,270	79,391,829
Proposed dividend		-	-	-
Retained earnings	24	20,897,484,595	18,638,869,885	17,087,112,106
TOTAL SHAREHOLDERS' EQUITY		39,840,757,009	36,966,361,801	35,312,860,581
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		555,702,417,436	514,399,778,058	505,664,795,806

	Notes	30-Sep-22 Taka (Un-audited)	31-Dec-21 Taka (Audited)	30-Sep-21 Taka (Un-audited)
OFF-BALANCE SHEET ITEMS				
Contingent liabilities	23			
Acceptances and endorsements		78,473,524,269	56,280,687,848	48,382,477,178
Letters of guarantee		6,591,518,153	5,336,987,314	5,696,437,757
Irrevocable letters of credit		36,722,427,064	44,519,600,967	39,032,550,956
Bills for collection		-	-	-
Other contingent liabilities		4,118,294,511	3,194,100,077	7,777,846,560
Total contingent liabilities		125,905,763,997	109,331,376,206	100,889,312,451
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		125,905,763,997	109,331,376,206	100,889,312,451
Net Asset Value (NAV) Per Share		57.26	53.13	50.76

The annexed notes 1 to 49 form an integral part of these financial statements.



Chairman



Director



Managing Director & CEO



Chief Financial Officer



Company Secretary

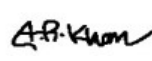
Dhaka, 25 October 2022

Dutch-Bangla Bank Limited
Profit and Loss Account
For the period ended 30 September 2022

	Notes	For the period ended 30 September (from January to September)		For the quarter ended 30 September (from July to September)	
		2022	2021	2022	2021
		Taka	Taka	Taka	Taka
Interest income	26	17,806,498,734	16,739,622,241	6,356,992,973	5,717,596,065
Interest paid on deposits and borrowings etc.	27	5,807,485,995	4,886,229,662	2,107,744,509	1,639,116,989
Net interest income		11,999,012,739	11,853,392,579	4,249,248,464	4,078,479,076
Investment income	28	5,392,115,037	5,446,035,476	1,840,549,138	1,854,728,507
Commission, exchange and brokerage	29.1	1,445,973,121	926,402,075	442,550,644	240,354,590
Revaluation gain on FC	29.2	1,636,972,722	306,222,779	958,904,729	183,036,067
Other operating income	30	2,763,932,836	2,606,955,800	868,597,315	847,349,642
Total operating income		23,238,006,455	21,139,008,709	8,359,850,290	7,203,947,882
Salary and allowances	32	4,835,865,410	4,259,862,150	1,607,268,439	1,386,259,195
Rent, taxes, insurance, electricity, etc.	34	1,790,821,130	1,601,416,705	623,692,764	556,214,235
Legal expenses	35	2,661,831	1,752,045	587,475	539,401
Postage, stamp, telecommunications, etc.	36	293,821,679	299,923,022	96,570,691	102,470,287
Stationery, printings, advertisements, etc.	37	451,114,383	495,313,086	139,153,846	156,268,168
Managing Director & CEO's salary and allowances	38	13,510,000	12,915,000	4,470,000	4,255,000
Directors' fees	39	266,350	282,206	237,000	213,755
Auditors' fees	40	656,500	384,374	456,500	121,596
Depreciation and repair of bank's assets	41	2,203,881,842	2,069,720,558	743,569,218	712,776,497
Other expenses	42	5,449,284,783	4,898,871,393	1,922,526,445	1,540,647,927
Total operating expenses		15,041,883,908	13,640,440,539	5,138,532,378	4,459,766,061
Profit before provision		8,196,122,548	7,498,568,170	3,221,317,913	2,744,181,821
Provision for loans and off-balance sheet exposures					
Specific provision for loans	14.1.4.1.A	401,511,560	859,239,392	232,252,042	127,448,431
General provision for loans	14.1.4.1.B.iv	420,092,834	153,916,445	127,888,775	98,215,540
General provision for off-balance sheet exposures	14.1.4.1.B.iii	371,708,237	180,491,737	2,000,000	81,380,779
		1,193,312,631	1,193,647,574	362,140,817	307,044,750
Other provision	14.1.2	90,000,000	10,000,000	-	-
Total provision		1,283,312,631	1,203,647,574	362,140,817	307,044,750
Profit before taxes		6,912,809,917	6,294,920,596	2,859,177,096	2,437,137,071
Provision for taxation					
Current tax	14.1.3	3,141,396,644	2,711,719,276	1,192,013,741	835,817,352
Deferred tax	11.2.2	(226,576,437)	(370,508,035)	(131,275,031)	(93,087,696)
		2,914,820,207	2,341,211,241	1,060,738,710	742,729,656
Net profit after taxation		3,997,989,710	3,953,709,355	1,798,438,386	1,694,407,415
Appropriations					
Statutory reserve	18	-	-	-	-
Retained surplus to retained earnings		3,997,989,710	3,953,709,355	1,798,438,386	1,694,407,415
Earnings per share (EPS)	24.2	5.75	5.68	2.58	2.44

The annexed notes 1 to 49 form an integral part of these financial statements.


Chairman


Director


Managing Director & CEO


Chief Financial Officer


Company Secretary

Dutch-Bangla Bank Limited
Cash Flow Statement
For the period ended 30 September 2022

	Notes	30-Sep-22 Taka	30-Sep-21 Taka
A) Cash flows from operating activities			
Interest receipts in cash		23,001,408,816	28,419,834,881
Interest payments		(4,783,711,268)	(4,315,630,523)
Dividend receipts in cash		5,711,803	3,427,082
Gain on sale of shares		-	-
Gain on sale of securities		830,254,162	859,678,009
Recoveries of loan previously written-off		44,681,113	1,997,400
Fee and commission receipts in cash		724,485,228	736,867,642
Cash payments to employees		(5,033,507,513)	(4,473,422,178)
Cash payments to suppliers		(3,068,491,053)	(2,576,577,910)
Income taxes paid		(3,469,308,023)	(3,075,945,565)
Receipts from other operating activities	43	5,121,498,661	3,083,680,563
Payments for other operating activities	44	(5,201,944,077)	(4,144,225,096)
Operating profit before changes in operating assets and liabilities		8,171,077,850	14,519,684,304
Increase/(decrease) in operating assets and liabilities			
Statutory deposits		-	-
Purchase /sale of trading securities		10,977,537,546	(419,383,229)
Loans and advances to other banks		-	-
Loans and advances to customers		(38,213,725,645)	(37,539,179,395)
Other assets	45	(1,839,060,869)	(441,597,765)
Deposits from other banks		1,170,091	17,635,867
Deposits from customers		29,641,167,264	26,651,917,455
Other liabilities account of customers		4,737,118,982	2,338,794,639
Other liabilities	46	2,127,541,572	171,283,215
Net cash from operating activities		15,602,826,790	5,299,155,090
B) Cash flows from investing activities			
Payments for purchase of securities		(104,317,135,866)	(97,008,743,642)
Proceeds from sale of securities		99,295,976,099	91,955,643,752
Purchase of property, plant and equipment		(1,515,212,750)	(1,183,134,336)
Sale proceeds of property, plant and equipment		11,397,731	32,125,041
Net cash used in investing activities		(6,524,974,786)	(6,204,109,185)
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)	(1,000,000,000)
Dividends paid		(1,105,985,688)	(835,885,603)
Net cash from financing activities		(2,105,985,688)	(1,835,885,603)
D) Net increase / (decrease) in cash (A+B+C)		6,971,866,316	(2,740,839,698)
E) Cash and cash-equivalents at beginning of the period		54,621,135,843	61,314,398,944
F) Cash and cash-equivalents at end of the period (D+E)	48	61,593,002,159	58,573,559,246
Net Operating Cash Flow Per Share (NOCFPS)	24.4	22.43	7.62


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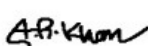
Dutch-Bangla Bank Limited
Statement of Changes in Equity
For the period ended 30 September 2022

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	6,325,000,000	11,067,500	9,193,048,174	1,766,827,195	850,413,777	181,135,270	18,638,869,885	36,966,361,801
Changes in accounting policy	-	-	-	-	-	-	-	-
Restated balance	6,325,000,000	11,067,500	9,193,048,174	1,766,827,195	850,413,777	181,135,270	18,638,869,885	36,966,361,801
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	(16,719,502)	-	(16,719,502)
Currency translation differences	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-	-
Payment of cash dividend during the period for the previous year	-	-	-	-	-	-	(1,106,875,000)	(1,106,875,000)
Transfer of stock dividend during the period for the previous year	632,500,000	-	-	-	-	-	(632,500,000)	-
Net profit for the nine months ended 30 September 2022	-	-	-	-	-	-	3,997,989,710	3,997,989,710
Transfer to Start up Fund	-	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-
Appropriations during the period	-	-	-	-	-	-	-	-
Balance at 30 September 2022	6,957,500,000	11,067,500	9,193,048,174	1,766,827,195	850,413,777	164,415,768	20,897,484,595	39,840,757,009
Balance at 30 September 2021	6,325,000,000	11,067,500	9,193,048,174	1,766,827,195	850,413,777	79,391,829	17,087,112,106	35,312,860,581



Chairman



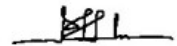
Director



Managing Director & CEO



Chief Financial Officer



Company Secretary

Dhaka, 25 October 2022

Dutch-Bangla Bank Limited

Notes to the Financial Statements As of and for the period ended 30 September 2022

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 221 and Sub-branches was 103 as at 30 September 2022 all over Bangladesh. The Bank is listed with Dhaka Stock Exchange and Chittagong Stock Exchange as a publicly quoted company.

1.2 Nature of business

Main operation

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

Mobile Banking Services

The Bank obtained the permission for conducting the Mobile Banking services from Bangladesh Bank on 28 April 2010 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 September 2022 located at Centralized Processing Centre (CPC), Head Office, Dhaka 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 @ 0.25% to 2% 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 @ 5% & 20%, @ 5%, 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, BRPD circular no. 14 dated 23 September 2012, a general provision @ 1% is required to be provided for all off-balance sheet exposures and BRPD circular no. 50 dated 14 December 2021, a special general provision-Covid -19 @ 2% is required to be provided for deferral loans. 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.

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 2022.

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 dated 29 May 2013, BRPD Circular No. 15 dated 23 December 2013, BRPD Circular No. 16 dated 18 November 2014, BRPD Circular No. 08 dated 02 August 2015, BRPD Circular No. 15 dated 27 September 2017, BRPD Circular No. 03 dated 21 April 2019, BRPD Circular No. 56 dated 10 December 2020, BRPD Circular No. 03 dated January 31, 2021; BRPD Circular No. 05 dated March 24, 2021, BRPD Circular No. 19 dated August 26, 2021, BRPD Circular Letter No. 45 dated October 04, 2021, BRPD Circular Letter No. 50 dated December 14, 2021, BRPD Circular Letter No. 51 dated December 29, 2021, BRPD Circular Letter No. 52 dated December 29, 2021, BRPD Circular Letter No. 53 dated December 30, 2021 and BRPD Circular Letter No. 14 dated June 22, 2022 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 AG/MC	5.00%	5.00%
Doubtful Other	50.00%	50.00%
Doubtful small	20.00%	20.00%
Doubtful AG/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	10.00%
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 September 2022 as per **International Accounting Standard (IAS) 33, 'Earnings Per Share'**.

2.12 Cash flow statement

Cash flow statement has been prepared under mixture of Direct and Indirect 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 nine months of the calendar year from 1 January 2022 to 30 September 2022.

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 September 2022 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 -41	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 Approval of the financial statements

The Board of Directors of the Bank in its 258th meeting held on 25 October 2022 approved the financial statements of the Bank for the period ended 30 September 2022.

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-Sep-22 Taka	31-Dec-21 Taka
4. Cash in hand (including foreign currencies)		
Local currency	21,541,979,648	17,823,419,696
Foreign currencies	11,588,761	29,694,394
	21,553,568,409	17,853,114,090
5. Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		
Bangladesh Bank		
Local currency	18,106,157,901	16,993,708,064
Foreign currencies	2,833,200,984	442,609,553
	20,939,358,885	17,436,317,617
Sonali Bank Limited (as an agent of Bangladesh Bank) - Local currency	182,166,920	427,322,151
	21,121,525,805	17,863,639,768

	30-Sep-22 Taka	31-Dec-21 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	17,540,098,000	16,246,605,000
Actual reserve maintained		
Balance with Bangladesh Bank-Local currency [Note 5]	18,106,157,901	16,993,708,064
Balance with Bangladesh Bank - Foreign currencies used from FC clg. A/C (for OBO)	-	-
	18,106,157,901	16,993,708,064
Surplus/(deficit)*	566,059,901	747,103,064
Cash Reserve Maintained: average at least 4.0% with minimum 3.5% throughout the accounting period and 4.13% on the Balance Sheet date	4.13%	4.18%
5.1.2 Statutory Liquidity Ratio (SLR): 13% of average demand and time liabilities		
Required reserve	58,075,726,000	53,568,524,000
Available for maintenance:		
Cash in hand (including foreign currencies)	21,553,568,409	17,853,114,090
Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	182,166,920	427,322,151
Balance with Bangladesh Bank in excess of CRR	566,059,901	747,103,064
Unencumbered approved securities (treasury bills and bonds, debentures etc.)	102,130,760,499	107,947,138,277
Foreign currencies used in BDT from FC clg. A/C and Nostro A/C	-	-
	124,432,555,729	126,974,677,582
Surplus	66,356,829,729	73,406,153,582
Statutory Liquidity Ratio (SLR) Maintained (%)	27.85%	30.81%
6. Balance with other banks and financial institutions		
In Bangladesh		
Main Operation [Note 6.1]	16,441,986,317	17,910,691,156
Off-shore Banking Unit	51,370,102	29,609,281
Less: Inter Bank transactions [Note 12]	(5,476,894,765)	(5,536,042,550)
	11,016,461,654	12,404,257,887
Outside Bangladesh		
Main Operation [Note 6.1]	(180,397,674)	956,190,048
Off-shore Banking Unit	-	-
	(180,397,674)	956,190,048
Total Balance with other banks and financial institutions	10,836,063,980	13,360,447,935

6.1 Balance with other banks and financial institutions - Main Operation

(a) In Bangladesh

	30-Sep-22 Taka	31-Dec-21 Taka
In current deposit accounts with		
Janata Bank Limited	2,717,132	27,316,054
Sonali Bank Limited	2,228,698,014	296,607,388
Standard Chartered Bank, Dhaka	92,310,028	143,791,801
Islami Bank Bangladesh Limited	67,509	77,071,163
Agrani Bank Limited	486,737	284,062
Al Arafah Islami Bank Limited	-	-
The City Bank Limited	43,718	43,989
National Bank Limited	-	27,448
	2,324,323,138	545,141,905
In special notice deposit accounts with		
Sonali Bank Limited	16,901,043	2,168,638,425
National Bank Limited	-	157,375
The City Bank Limited	4,359	4,359
Rupali Bank Limited	2,012,280	33,311,430
Agrani Bank Limited	29,339,276	50,092,220
Janata Bank Limited	6,204,292	59,420,542
Dhaka Bank Limited	-	2,149,136
Islami Bank Limited	290,472,137	371,265,152
Mutual Trust Bank Limited	164,239	987,510
	345,097,626	2,686,026,149
In fixed deposit accounts with		
Jamuna Bank Limited	-	1,500,000,000
IFIC Bank Limited	-	1,000,000,000
NCC Bank Limited	1,500,000,000	-
One Bank Limited	-	1,000,000,000
Dhaka Bank Limited	-	500,000,000
Exim Bank Limited	1,000,000,000	1,000,000,000
Cityzens Bank PLC	210,000,000	-
Modhumoti Bank Limited	-	100,000,000
Midland Bank Limited	300,000,000	
Agrani Bank Limited	2,000,000,000	
	5,010,000,000	5,100,000,000
In fixed deposit accounts (in foreign currency) with		
Islami Bank Bangladesh Limited	406,782,000	423,625,000
Off-shore Banking Unit, Dutch-Bangla Bank Limited	5,475,783,553	5,535,898,102
	5,882,565,553	5,959,523,102
Other financial institutions		
In fixed deposit accounts with		
Investment Corporation of Bangladesh	2,440,000,000	2,680,000,000
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
	2,880,000,000	3,620,000,000
Total (a) In Bangladesh	16,441,986,317	17,910,691,156

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

Name of the correspondent Bank	Currency	30-Sep-22			31-Dec-21		
		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	377,644	101.6955	38,404,693	544,200	85.8000	46,692,332
Commerzbank AG, Frankfurt, Germany	EURO	(388,814)	98.4412	(38,275,282)	92,955	97.3658	9,050,596
AB Bank Ltd., Mumbai, India	ACU	(84,282)	101.6955	(8,571,109)	160,232	85.8000	13,747,922
Citibank N.A., New York, USA	USD	(2,720,548)	101.6955	(276,667,480)	1,923,937	85.8000	165,073,787
ICICI Bank Limited, Mumbai, India	ACU	(26,895)	101.6955	(2,735,123)	169,449	85.8000	14,538,753
				(287,844,301)			
							249,103,390

In demand deposit account (non-interest bearing) with

Name of the correspondent Bank	Currency	30-Sep-22			31-Dec-21		
		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	35,466	109.7600	3,892,709	162,668	115.7099	18,822,273
Standard Chartered Bank, New York, USA	USD	2,705,503	101.6955	275,137,516	5,580,347	85.8000	478,793,734
Standard Chartered Bank, AG, Germany	EUR	(73,660)	98.4412	(7,251,160)	64,599	97.3658	6,289,701
ICICI Bank Ltd., Hong Kong	USD	(11,940)	101.6955	(1,214,212)	130,143	85.8000	11,166,303
JP Morgan Chase Bank N.A., New York, USA	USD	(800,886)	101.6955	(81,446,530)	816,794	85.8000	70,080,889
Standard Chartered Bank, Colombo, Sri Lanka	ACU	(74,490)	101.6955	(7,575,341)	11,987	85.8000	1,028,467
Commerzbank AG, Frankfurt, Germany	CHF	56,715	103.8981	5,892,585	19,833	93.8012	1,860,321
The Bank of Tokyo-Mitsubishi UFJ Ltd., Tokyo, Japan	JPY	389,374	0.7046	274,353	12,103,716	0.7463	9,033,003
Bank of Montreal Canada	CAD	(38,919)	74.4095	(2,895,954)	64,721	67.0732	4,341,028
Axis Bank, India	ACU	956	101.6955	97,221	94,294	85.8000	8,090,450
Commerzbank AG, Frankfurt, Germany	AUD	84,067	65.8783	5,538,159	78,407	62.1878	4,875,975
Mashreqbank PSC, Mumbai, India	ACU	(410,455)	101.6955	(41,741,392)	392,749	85.8000	33,697,880
Mashreqbank PSC, Mumbai, India	EUR	683	98.4412	67,278	683	97.3658	66,543
Mashreq Bank PSC, Dubai, UAE	AED	1,137,680	27.6835	31,494,951	709,918	23.3565	16,581,198
Standard Chartered Bank, Mumbai, India	ACU	(80,452)	101.6955	(8,181,558)	97,933	85.8000	8,402,648
HDFC Bank Limited	ACU	(638,296)	101.6955	(64,911,797)	194,768	85.8000	16,711,116
Meezan Bank, Karachi, Pakistan	ACU	(88,750)	101.6955	(9,025,481)	8,012	85.8000	687,398
Bank of Ceylon, Colombo, Sri Lanka	ACU	21,050	101.6955	2,140,658	4,173	85.8000	358,016
Kookmin Bank, Seoul, Korea	USD	13,075	101.6955	1,329,717	158,917	85.8000	13,635,085
Al Rajhi Bank in Riyadh, Saudi Arabia	SAR	100,908	26.9893	2,723,436	98,842	22.8465	2,258,188
Habib Metropolitan Bank, Karachi, Pakistan	ACU	30,498	101.6955	3,101,469	3,572	85.8000	306,442
				107,446,627			
				(180,397,674)			
				16,261,588,643			
							707,086,658
							956,190,048
							18,866,881,204
Total (b) Outside Bangladesh							
Total (a+b)							

		30-Sep-22 Taka	31-Dec-21 Taka
7. Money at call on short notice			
a) With banks			
Community Bank Bangladesh Limited	100,000,000		
The City Bank Limited	300,000,000	-	
Dhaka Bank Limited	700,000,000	-	
Agrani Bank Limited	500,000,000	-	
	1,600,000,000	-	
b) With non bank financial institutions			
IDLC Finance Limited	500,000,000	-	
DBH Finance Corporation Ltd.	500,000,000	-	
	1,000,000,000	-	
Total (a+b)	2,600,000,000	-	
8. Investments			
In Government securities			
Treasury bills			
7-day treasury bills	-	-	
14-day treasury bills	-	-	
91-day treasury bills	-	-	
182-day treasury bills	3,969,632,500	-	
364-day treasury bills	3,206,327,509	2,687,778,250	
	7,175,960,009	2,687,778,250	
Treasury bonds			
2-year treasury bonds	30,275,839,522	45,741,558,829	
5-year treasury bonds	16,595,051,323	15,088,139,824	
10-year treasury bonds	33,079,177,462	32,757,012,498	
15-year treasury bonds	11,097,488,804	7,839,861,345	
20-year treasury bonds	3,907,243,379	3,832,787,531	
	94,954,800,490	105,259,360,027	
Total treasury bills and bonds	102,130,760,499	107,947,138,277	
Prize bonds	4,949,200	7,891,500	
	102,135,709,699	107,955,029,777	
Other investments			
Subordinated bonds [Note 8.2]	7,580,000,000	7,720,000,000	
Shares [Note 8.3]	1,006,283,434	1,006,283,434	
	8,586,283,434	8,726,283,434	
	110,721,993,133	116,681,313,211	
8.1 Classification of investments			
Government treasury bills and bonds			
Held for trading (HFT)	33,219,057,836	44,196,595,382	
Held to maturity (HTM)	68,911,702,663	63,750,542,895	
Total investments in government securities	102,130,760,499	107,947,138,277	
Prize bonds	4,949,200	7,891,500	
Other investments	8,586,283,434	8,726,283,434	
	110,721,993,133	116,681,313,211	

		30-Sep-22	31-Dec-21		
		Taka	Taka		
8.2	Other investments -subordinated bonds				
	IFIC Bank Limited	1,000,000,000	1,000,000,000		
	Exim Bank Bangladesh Limited	1,000,000,000	1,000,000,000		
	Northwest Power Generation Company Limited	900,000,000	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	1,400,000,000	1,400,000,000		
	First Security Islami Bank Mudaraba Bond	280,000,000	320,000,000		
		7,580,000,000	7,720,000,000		
8.3	Other investments - shares and bonds				
	In shares and bonds (quoted and unquoted)				
	Quoted Share: RAK Ceramics (Bangladesh) Limited	5,664	5,664		
	Bond: Beximco Green-Sukuk al Istisna'a	1,000,000,000	-		
		1,000,005,664	5,664		
	Unquote Share: Central Depository Bangladesh Limited	6,277,770	6,277,770		
	Bond: Beximco Green-Sukuk al Istisna'a	-	1,000,000,000		
		6,277,770	1,006,277,770		
		1,006,283,434	1,006,283,434		
8.4	Valuation of Investments				
	Quoted shares and bonds *	Number of share/bond	Cost Value	Market Value	Incr./(Decreased)
	Share: RAK Ceramics (Bangladesh) Limited	214	5,664	5,664	-
	Bond: Beximco Green-Sukuk al Istisna'a	10,000,000	1,000,000,000	1,000,000,000	-
	Total Value Increased/(Decreased)				-
	* Valuation investment in Capital Market: Cost value is Market Value as per DOS Circular Letter No. 30/2022.				
	** Valuation of all others investment: Cost value are not less than Market Value.				
9.	Loans and advances				
	Main Operation [Note 9.1]				
	Loans, cash credits, overdrafts, etc.	331,116,403,865	299,139,586,778		
	Bills purchased and discounted	1,941,308,867	1,789,290,459		
		333,057,712,732	300,928,877,237		
	Off-shore Banking Unit				
	Loans, cash credits, overdrafts, etc.	805,079,838	739,916,991		
	Bills purchased and discounted	23,014,896,789	17,779,277,526		
		23,819,976,627	18,519,194,517		
	Total loans and advances	356,877,689,359	319,448,071,754		
9.1	Loans, cash credits, overdrafts etc. - Main operation				
	In Bangladesh				
	Overdraft	31,189,384,410	28,063,798,778		
	Cash credit	37,639,204,685	38,381,644,088		
	Export cash credit	18,400,093,277	17,498,215,560		
	Transport loan	1,537,884,682	1,714,766,854		
	House building loan	5,593,863,355	5,426,269,095		
	Loan against trust receipt	3,937,895,924	2,140,626,933		
	Term loan - industrial	95,616,963,472	98,691,081,230		
	Term loan - other	82,237,502,465	63,885,258,334		
	Payment against document - cash	96,840,548	173,072,018		
	Payment against document - EDF	2,256,615,173	2,362,073,635		
	Consumer finance	52,017,269,952	40,194,189,537		
	Staff loan	592,885,922	608,590,716		
		331,116,403,865	299,139,586,778		
	Outside Bangladesh	-	-		
		331,116,403,865	299,139,586,778		
	Bills purchased and discounted				
	Payable in Bangladesh				
	Inland bills purchased	1,941,303,092	1,747,651,238		
	Payable outside Bangladesh				
	Foreign bills purchased and discounted	5,775	41,639,221		
		1,941,308,867	1,789,290,459		
	Total loans and advances	333,057,712,732	300,928,877,237		

		30-Sep-22 Taka	31-Dec-21 Taka
9.2	Net loans and advances including bills purchased and discounted - Main operation		
	Total loans, advances and lease receivables [Note 9.1]	333,057,712,732	300,928,877,237
	Less : Provision against loans and advances (specific and general) [Note 9.4(b)]	11,608,422,553	10,777,993,403
	Less : Cumulative balance of interest suspense account [Note 14.1.4]	5,930,221,657	5,312,506,060
		315,519,068,523	284,838,377,774

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

262,287,814,770	232,694,143,912
37,639,204,685	38,381,644,088
31,189,384,410	28,063,798,778
331,116,403,865	299,139,586,778
-	-
331,116,403,865	299,139,586,778

Outside Bangladesh

b) **Bills purchased and discounted**

Payable in Bangladesh

Payable outside Bangladesh

1,941,303,092	1,747,651,238
5,775	41,639,221
1,941,308,867	1,789,290,459
333,057,712,732	300,928,877,237

Total (a+b)

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

Status of loans and advances	Year					
	30-Sep-22				31-Dec-21	
	Outstanding amount (Taka)			Mix (%)	Total Outstanding amount (Taka)	Mix (%)
	Main Operation [Note 9.4.b]	Off-shore Banking Unit	Total			
Unclassified loans and advances						
Standard (including staff loans)	311,934,431,407	23,819,976,627	335,754,408,034	94.08%	300,321,467,637	94.01%
Special mention account	6,601,381,505	-	6,601,381,505	1.85%	7,161,455,941	2.24%
Total unclassified loans and advances	318,535,812,912	23,819,976,627	342,355,789,539	95.93%	307,482,923,578	96.25%
Classified loans and advances						
Substandard	2,221,848,593	-	2,221,848,593	0.62%	1,168,486,935	0.37%
Doubtful	332,570,757	-	332,570,757	0.09%	403,178,517	0.13%
Bad/loss	11,967,480,470	-	11,967,480,470	3.35%	10,393,482,723	3.25%
Total classified loans and advances	14,521,899,820	-	14,521,899,820	4.07%	11,965,148,176	3.75%
Total loans and advances	333,057,712,732	23,819,976,627	356,877,689,359	100.00%	319,448,071,754	100.00%

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

b.1) Main Operation

Classification / Status of loans and advances	Amount of outstanding loans and advances as at 30 September 2022	Base for provision (Taka)	Percentage (%) of provision required as per Bangladesh Bank's directives	Amount of provision required as at 30 September 2022 (Taka)	Amount of provision required as at 31 December 2021 (Taka)
Unclassified loans and advances					
All unclassified loans (other than loans under small and medium enterprise, consumer financing and short term agricultural credit)	203,210,722,248	203,210,722,248	1%	2,032,107,224	1,956,795,941
Small and medium enterprise financing	42,351,725,254	42,351,725,254	0.25%	106,719,503	98,972,249
Consumer financing (other than housing finance under consumer financing scheme)	36,330,899,823	36,330,899,823	2%	726,617,996	531,820,069
Consumer Financing (Credit Card)	3,415,620,444	3,415,620,444	2%	68,312,409	60,885,152
Consumer financing (for housing finance)	19,263,343,572	19,263,343,572	1%	192,633,436	148,128,562
Loans to BHs/MBs/SDs	621,550,605	621,550,605	2%	12,431,012	8,755,907
Short term agricultural credit	5,900,656,257	5,900,656,257	1%	59,006,563	17,972,562
Micro credit	839,913,204	839,913,204	1%	8,399,132	5,120,667
	311,934,431,407	311,934,431,407		3,206,227,275	2,828,451,109
Special mention account					
All unclassified loans (other than loans under small enterprise and consumer financing)	5,139,606,750	5,139,606,750	1%	168,641,691	189,754,543
Small & Medium enterprise financing	1,209,522,538	1,209,522,538	0.25%	3,023,806	2,516,838
Consumer financing (other than housing finance under consumer financing scheme)	76,675,122	76,675,122	2%	1,533,502	1,199,796
Consumer Financing (Credit Card)	57,679,863	57,679,863	2%	1,153,597	1,484,440
Consumer financing (for housing finance)	117,897,232	117,897,232	1%	1,178,972	1,267,104
	6,601,381,505	6,601,381,505		175,531,568	196,222,721
Sub-total General Provision [A]	318,535,812,912	318,535,812,912		3,381,758,843	3,024,673,830
Special General Provision-Covid 19 (Calculated) [B]				2,141,445,145	2,141,445,145
Classified loans and advances					
Substandard Small	705,082,800	238,552,762	5%	11,927,638	10,268,926
Substandard Other	1,508,599,364	1,272,183,864	20%	254,436,773	66,495,067
Substandard AG/MC	8,166,429	6,893,764	5%	344,688	193,435
Doubtful Small	173,707,760	46,317,137	20%	9,263,427	4,287,457
Doubtful Other	154,234,826	59,340,214	50%	29,670,107	95,536,686
Doubtful AG/MC	4,628,171	3,569,593	5%	178,480	75,015
Bad /loss	11,967,480,470	5,755,762,743	100%	5,759,296,112	5,434,916,503
Sub-total [C]	14,521,899,820	7,382,620,077		6,065,117,225	5,611,773,088
Total provision required [A+B+C]	333,057,712,732	325,918,432,989		11,588,321,213	10,777,892,063
b.1.1) Main Operation					
Provision required				11,588,321,213	10,777,892,063
Provision maintained				11,608,422,553	10,777,993,403
Provision surplus (i)				20,101,340	101,340
b.2) Off-shore Banking Unit					
Provision required				238,199,766	185,191,945
Provision maintained				238,199,766	185,191,945
Provision surplus (ii)				-	-
Provision surplus					
Main Operation (i)				20,101,340	101,340
Off-shore Banking Unit (ii)				-	-
Total provision surplus against loans and advances including bills purchased and discounted (i+ii) *				20,101,340	101,340

* Provision requirement restated for 31 December 2021 as per instruction of Bangladesh Bank letter No. DOS (BSS-2)/1158-09/DBBL/2022-4373 dated 28 August 2022 .

		30-Sep-22 Taka	31-Dec-21 Taka
10.	Fixed assets at cost or revalued amount including land, building, furniture and fixtures		
	Main Operation [Note 10.1]		
	Total cost	21,971,488,986	20,575,970,867
	Less: Accumulated depreciation	14,067,480,335	12,768,982,192
		7,904,008,651	7,806,988,675
	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	7,904,008,733	7,806,988,757
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	424,858,909	424,858,909
	Interior decoration	1,657,334,097	1,465,386,681
	Furniture and fixtures	527,083,988	463,311,175
	Other machinery and equipment	3,053,077,884	2,861,414,699
	Computer equipment	6,886,554,594	6,289,756,388
	Computer software	643,265,179	643,265,179
	Motor vehicles	574,224,441	634,742,220
	ATM Booth	1,448,198,995	1,398,966,717
	ATM and Fast Track (ATM & Deposit Machine)	3,268,687,255	2,906,065,255
	Right of use of asset - IFRS 16: lease	2,739,649,053	2,739,649,053
	Books	194,591	194,591
		21,971,488,986	20,575,970,867
	Less: Accumulated depreciation	14,067,480,335	12,768,982,192
		7,904,008,651	7,806,988,675
11.	Other assets		
	Main Operation [Note 11.1]	24,129,409,932	21,398,168,624
	Off-shore Banking Unit	273,243	230,533
	Less: Inter Bank transactions [Note 14]	(42,115,158)	(12,196,614)
		24,087,568,017	21,386,202,543
11.1	Other assets - Main operation		
	Income generating other assets (Note 11.1.a)	-	-
	Non-income generating other assets (Note 11.1.b)	24,129,409,932	21,398,168,624
		24,129,409,932	21,398,168,624
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	355,206,369	280,893,091
	ii) Advance rent and advertisement	1,029,081,217	832,142,193
	iii) Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable	2,070,690,197	1,908,234,413
	iv) Security deposits	23,353,124	23,218,575
	v) Preliminary, formation and organization expenses, renovation/development expenses and prepaid expenses	436,188,323	423,434,453
	vi) Branch adjustment (net)	-	-
	vii) Suspense account	477,770,219	145,839,025
	viii) Silver	-	-
	ix) Others [Note 11.2]	19,737,120,483	17,784,406,874
		24,129,409,932	21,398,168,624
11.2	Break-up of others		
	Encashment of Sanchaya Patra (awaiting realization)	620,092,088	436,458,825
	Advance tax [Note 11.2.1]	9,521,790,548	9,302,605,792
	Deferred tax [Note 11.2.2]	3,143,123,981	2,916,547,544
	Sundry assets [Note 11.2.3]	6,452,113,866	5,128,794,713
		19,737,120,483	17,784,406,874

	30-Sep-22 Taka	31-Dec-21 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, 2015, 2016, 2017, 2018, 2019 and 2020. [Note 14.1.2 and 14.1.2.2]		
11.2.2 Deferred tax		
Opening balance	2,916,547,544	2,272,090,028
Increase/(decrease) of Deferred tax assets for the period [Note 11.2.2.1]	226,576,437	644,457,516
Closing balance	3,143,123,981	2,916,547,544
11.2.2.1 Detail calculation of deferred tax asset / (liability)		
In terms of instructions contained in BRPD Circular No. 11 dated 12 December 2011 and provision of International		
i) Temporary timing difference in written down value (WDV) of Fixed Assets		
Accounting written down value [carrying amount] of fixed assets (excluding value of land) [A]	4,942,947,259	4,601,248,498
Written down value of fixed assets as per Tax (Tax base) as of the balance sheet date (excluding value of land) [B]	6,238,544,983	5,695,986,526
Temporary timing difference in Accounting WDV and Tax WDV (excluding value of land) [B - A]	1,295,597,724	1,094,738,028
ii) Temporary timing difference in provision for other classified assets	700,949,000	610,949,000
iii) Temporary timing difference in specific provision for loans and advances	6,075,117,225	5,611,773,088
iv) Temporary timing difference in provision for Gratuity	310,000,000	460,000,000
Total amount of temporary timing differences in assets / (liabilities) [i+ii+iii] [C]	8,381,663,949	7,777,460,116
Effective tax rate [D]	37.50%	37.50%
Deferred tax asset / (liability) [C X D]	3,143,123,981	2,916,547,544
Increase/(decrease) of Deferred tax asset for the period [Note 11.2.2]	226,576,437	644,457,516
11.2.3 Sundry assets		
Sundry debtors	181,723,410	110,002,962
Cash remittance	543,922,045	316,929,215
Others	5,726,468,411	4,701,862,536
	6,452,113,866	5,128,794,713
12. Borrowings from other banks, financial institutions and agents		
Main Operation [Note 12.1]	17,263,400,188	17,431,389,584
Off-shore Banking Unit	21,982,030,068	17,079,173,202
Less: Inter Bank transactions [Note 6]	(5,476,894,765)	(5,536,042,550)
	33,768,535,491	28,974,520,236
12.1 Borrowings from other banks, financial institutions and agents- Main operation		
a) In Bangladesh		
Secured		
Refinance from Bangladesh Bank		
Housing [Note 12.3]	133,914	187,486
Financial Stimulus Fund	468,724,352	1,346,960,821
Export Development Fund (EDF)	15,972,392,535	15,274,493,852
Small and Medium Enterprise (SME) [Note 12.2, 12.3]	34,207,500	62,652,917
Financial Sector Support Project (FSSP)	786,830,675	750,175,060
	17,262,288,976	17,434,470,136
Unsecured		
Call Money Borrowing		
From other Banks, Financial Institutions and Agents		
Credit lines		
From Other Bank	-	(3,225,000)
From Off-shore Banking Unit, Dutch-Bangla Bank Limited	1,111,212	144,448
	1,111,212	(3,080,552)
	17,263,400,188	17,431,389,584
b) Outside Bangladesh		
Secured	-	-
Unsecured	-	-
	-	-
Total (a+b)	17,263,400,188	17,431,389,584

		30-Sep-22 Taka	31-Dec-21 Taka
12.2	Small and Medium Enterprise (SME)		
	Refinance facility (ies) availed from Bangladesh Bank under the following schemes for Small and Medium Enterprises :		
	Women Entrepreneur Fund [Note 12.3]	10,394,167	25,192,917
	SMEDP-2 Fund	23,813,333	37,460,000
		34,207,500	62,652,917
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 12.11]		
13.	Deposits and other accounts		
	Main Operation [Note 13.1]		
	Current deposits and other accounts	118,770,394,845	104,037,941,646
	Bills payable	5,082,568,511	4,219,947,608
	Savings bank deposits	209,297,430,222	191,210,176,186
	Term deposits	98,639,756,249	101,977,001,852
		431,790,149,827	401,445,067,292
	Off-shore Banking Unit		
	Current deposits and other accounts	34,616,669	55,278,128
	Bills payable	-	-
		34,616,669	55,278,128
	Total Deposits and other accounts	431,824,766,496	401,500,345,420
13.1	Deposits and other accounts - Main Operation		
	Current deposits and other accounts		
	Current deposits	104,954,030,052	92,587,103,006
	Foreign currency deposits	2,188,992,369	2,036,836,430
	Sundry deposits	11,627,372,424	9,414,002,210
		118,770,394,845	104,037,941,646
	Bills payable		
	Payment order	5,065,297,772	4,202,676,269
	Demand draft	17,270,739	17,271,339
		5,082,568,511	4,219,947,608
	Savings bank deposits	209,297,430,222	191,210,176,186
	Term deposits		
	Fixed deposits	62,454,386,645	61,809,150,286
	Special notice deposits	36,064,429,122	40,068,746,081
	Non resident foreign currency deposits	2,149,104	1,813,188
	Resident foreign currency deposits	92,061,750	67,579,422
	Monthly term deposits	26,729,628	29,712,875
		98,639,756,249	101,977,001,852
		431,790,149,827	401,445,067,292
13.1.2	Segregation of deposits and other accounts		
	Other than inter-bank deposits	431,755,370,698	401,411,458,254
	Inter-bank deposits [Note 13.3]	34,779,129	33,609,038
		431,790,149,827	401,445,067,292

		30-Sep-22 Taka	31-Dec-21 Taka
13.1.3 Details of inter-bank deposits			
In current deposits account			
Al-Arafah Islami Bank Limited		231,078	231,423
Bangladesh Development Bank Limited		8,886,092	237,185
Bangladesh Commerce Bank Limited		4,231,861	33,183
Rajshahi Krishi Unnayan Bank		872,799	873,144
Brac Bank Limited		1,549,657	1,556,542
Southeast Bank Limited		890	1,925
		15,772,377	2,933,402
In special notice deposits account			
Janata Bank Limited		50,214	51,484
Dhaka Bank Limited		17,648,757	29,310,473
National Credit and Commerce Bank Limited		151,324	151,902
Prime Bank Limited		1,032,500	1,033,061
ICB Islami Bank Limited		123,957	121,041
The City Bank Limited		-	7,675
		19,006,752	30,675,636
		34,779,129	33,609,038
14. Other liabilities			
Main Operation [Note 14.1]		38,852,554,544	34,724,894,125
Off-shore Banking Unit		457,919,054	245,853,090
Less: Inter Bank transactions [Note 11]		(42,115,158)	(12,196,614)
		39,268,358,440	34,958,550,601
14.1 Other liabilities- Main operation	Notes		
Unclaimed Dividend Account	14.1.1	2,579,565	1,690,253
Provision for expenses		1,429,100,666	624,843,062
Contribution to Dutch-Bangla Bank Limited Employees' Superannuation Fund		40,000,000	80,000,000
Contribution to Dutch-Bangla Bank Limited Employees' Gratuity Fund		310,000,000	460,000,000
Provision for interest on credit lines, refinance scheme and subordinated debt		280,776,302	95,934,637
Branch adjustment (net)		1,709,047,887	266,331,106
Provision for classified assets	14.1.2	700,949,000	610,949,000
Provision for taxation	14.1.3	12,721,582,939	12,830,309,562
Accumulated provision for loans and advances including off-balance sheet exposures	14.1.4.1	13,047,847,702	11,845,710,315
Cumulative balance of interest suspense account	14.1.5	5,930,221,657	5,312,506,060
Start up Fund	14.1.6	110,598,225	110,598,225
Risk Fund for fixed assets		36,606,548	20,558,911
lease liability - IFRS-16		1,929,524,947	2,016,120,379
CSR Fund		288,241,401	-
Others		315,477,706	449,342,615
		38,852,554,544	34,724,894,125
14.1.1 Unclaimed Dividend Account			
Opening balance		1,690,253	12,580,929
Add: Dividend transferred by the Bank to the account during the period		944,279,643	702,888,174
Less: Amount withdrawn by the Shareholders of the Bank from the account during the period		943,390,331	713,778,850
Balance at the end of the period		2,579,565	1,690,253

		30-Sep-22 Taka	31-Dec-21 Taka
14.1.2 Provision for classified assets			
Provision for other classified assets [Note 14.1.2.1]		700,949,000	610,949,000
Provision for nostro accounts [Note 14.1.2.3]		-	-
		700,949,000	610,949,000
14.1.2.1 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	610,949,000
Add: Provision made for the period		90,000,000	-
Closing balance [Note 14.1.2.2]		700,949,000	610,949,000
14.1.2.2 Break up of provision for other classified assets			
BIFC (Provision against placement of FDRs classified as Bad)		367,666,667	367,666,667
International Leasing (Provision against placement of FDRs classified as Bad)		90,000,000	90,000,000
Beximco Green-Sukuk al Istisna'a (Provision against investment in bonds) [Note 8.4]		75,000,000	-
Legal expenses receivable		52,167,353	41,442,094
Protested bills receivable		47,745,956	38,514,503
Others		68,369,024	73,325,736
		700,949,000	610,949,000
14.1.2.3 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		-	-
14.1.3 Provision for taxation			
Current tax			
Opening balance		12,830,309,562	18,351,135,454
Add: Provision made for the period [Note 14.1.3.1]		3,141,396,644	3,216,094,480
Less: Adjustment made against Advance Tax/Adjustment made against final assessment orders by the Deputy Commissioner of Taxes or the Appellate Authority		3,250,123,267	8,736,920,372
Closing balance [Note 14.1.3.2]		12,721,582,939	12,830,309,562
14.1.3.1 Current tax - Provision for the period			
	On Taka	Tax rate	
Banking business income (calculated) *	8,045,688,558	37.50%	3,017,133,209
Add: Capital gain on share *	830,254,162	15.00%	124,538,124
Add: Dividend income *	5,711,803	20.00%	1,142,361
Less: Rebate on allowable CSR (calculated)	14,170,500	10.00%	(1,417,050)
Less: Provision kept			(549,550,000)
			3,141,396,644
			3,216,094,480
* Taxable Income [Banking business income (calculated), Capital gain and Dividend income]			8,051,400,361
			10,052,525,276

14.1.3.2 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, 2016, 2017, 2018, 2019 and 2020. [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-Sep-22 Taka	31-Dec-21 Taka
14.1.4 Accumulated provision for loans and advances and Off-balance sheet exposures		
Main Operation [Note 14.1.3.1]	13,047,847,702	11,845,710,315
Off-shore Banking Unit	238,199,766	185,191,945
	13,286,047,468	12,030,902,260
14.1.4.1 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	5,611,773,088	4,200,100,253
Less: Fully provided debt written-off	(17,151,464)	179,093,801
Add: Recoveries of amounts previously written-off	44,681,113	133,926,562
Add: Specific provision for the period	401,511,560	1,456,840,074
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)]	6,075,117,225	5,611,773,088
B. General provision		
General provision against unclassified loans and advances [i]		
Opening balance	3,024,673,830	2,629,854,485
General provision for the period *	367,085,013	394,819,345
Provision held at the end of the period [Note 9.4(b)]	3,391,758,843	3,024,673,830
Special General Provision-Covid-19 against deferred loans [ii]		
As per the instructions contained in BRPD Circular No. 50 dated 14 December 2021 and BRPD Circular No. 52 dated 29 December 2021, following provision has been made against the Special General Provision-Covid-19 of the Bank:		
Opening balance	2,141,546,485	817,531,599
Special general provision - Covid 19 for the year	-	1,324,014,886
Provision held at the end of the year [Note 9.9(b)]	2,141,546,485	2,141,546,485
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	1,067,716,912	802,508,068
Add: Provision made for the period	371,708,237	265,208,844
Provision held at the end of the period [Note 14.1.4.4] **	1,439,425,149	1,067,716,912
Accumulated general provision for loans and advances including deferred loans & off-balance sheet exposures - Main Operation [B]	6,972,730,477	6,233,937,227
Accumulated provision (Specific & General) for loans and advances including deferred loans & off-balance sheet exposures -Main Operation [A+B]	13,047,847,702	11,845,710,315
* General provision made for the period against unclassified loans and advances [iv]		
Main Operation [B.i]	367,085,013	394,819,345
Off-shore Banking Unit	53,007,821	33,651,894
	420,092,834	428,471,239
14.1.4.2 Accumulated provision for loans and advances and Off-balance sheet exposures		
Specific provision for bad and doubtful loans and advances-Main Operation [Note 14.1.4.1.A]	6,075,117,225	5,611,773,088
General provision against unclassified loans and advances-Main Operation [Note 14.1.4.1.B.i]	3,391,758,843	3,024,673,830
Special General Provision-Covid-19 against deferred loans [Note 14.1.4.1.B.ii]	2,141,546,485	2,141,546,485
General provision against Off-balance sheet exposures [Note 14.1.4.1.B.iii]	1,439,425,149	1,067,716,912
General provision against unclassified loans and advances-Off-Shore Banking Unit [C]	238,199,766	185,191,945
	13,286,047,468	12,030,902,260
14.1.4.3 General provision maintained against unclassified loans and off-balance sheet exposures [14.1.4.1.B+14.1.4.2.C]	7,210,930,243	6,419,129,172

	30-Sep-22 Taka	31-Dec-21 Taka
14.1.4.4 Provision Surplus for General provision against Off-balance sheet exposures		
General provision against Off-balance sheet exposures - Maintained [Note 14.1.4.1.B.iii] **	1,439,425,149	1,067,716,912
General provision against Off-balance sheet exposures - Required	1,227,788,120	1,067,716,912
Provision Surplus for General provision against Off-balance sheet exposures	211,637,029	-
** Provision has been maintained against litigated issue reference LC No. DBBL/105990071, dated 01 November 1999, M/s. M. N. Trading, Dhaka.		
14.1.5 Cumulative balance of interest suspense account		
Opening balance	5,312,506,060	4,841,730,487
Add: Amount transferred to interest suspense account during the period	2,536,563,961	6,860,375,573
Less: Amount transferred from interest suspense account during the period	1,880,430,901	6,115,737,361
Less: Amount written-off/waived during the period	38,417,464	273,862,639
Balance at the end of the period	5,930,221,657	5,312,506,060
14.1.6 Cumulative balance of Start up Fund		
Opening balance	110,598,225	-
Add: Fund made during the period/year	-	110,598,225
Balance at the end of the period	110,598,225	110,598,225
15. Subordinated debt		
Subordinated debt - Taka 5,000,000,000		
The Bank arranged a subordinated debt from six scheduled local banks for Taka 5,000,000,000 for a term of seven years to strengthen the Tier-2 capital as well as total capital of the Bank during June 2017 with the approval of Bangladesh Bank. The principal amount is repayable in five (5) equal installments with two years moratorium, last installment of which is payable on 14 June 2024.	2,000,000,000	3,000,000,000
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.	4,000,000,000	4,000,000,000
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	11,000,000,000	12,000,000,000

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-Sep-22	31-Dec-21
		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	6,957,500,000	6,325,000,000
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	825,000,000
	Bonus shares @ 0.10 against 1 existing share of Taka 10 each for the year 2021 *	632,500,000	-
		6,957,500,000	6,325,000,000

*** Note:**

The Board of Directors of the Bank in its 248th meeting held on 06 March 2022 recommend 17.5% cash dividend and 10% stock dividend for the year 2021. The recommendation of dividend was approved by the shareholders of the Bank in the 26th AGM held on 24 April 2022.

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

As per Section 13 of the Bank Company (Amended) Act, 2018 and instructions contained in BRPD Circular No. 18 dated 21 December 2014, [Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)], the eligible regulatory capital of the Bank as of 30 September 2022 stood at Taka 52,788,919,523 against the risk based capital requirement of Taka 42,460,992,614. As a result, there was a capital surplus of Taka 10,327,926,909 in risk based capital adequacy ratio as on 30 September 2022.

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

	30-Sep-22 Taka	31-Dec-21 Taka
Total assets (excluding off-balance sheet assets)	555,702,417,436	514,399,778,058
Total off-balance sheet assets	125,905,763,997	109,331,376,206
Total Risk weighted assets [RWA] against		
i. Credit Risk		
On-balance sheet	243,757,309,108	223,026,032,453
Off-balance sheet	43,348,229,973	34,741,388,159
	287,105,539,080	257,767,420,612
ii. Market Risk	4,906,683,800	4,953,750,961
iii. Operational Risk	47,675,718,031	43,396,211,348
A) Total Risk weighted assets (RWA) [i+ii+iii]	339,687,940,912	306,117,382,921
B) Minimum Capital Requirement (MCR) with Capital Conservation Buffer (CCB) [12.5% of RWA]	42,460,992,614	38,264,672,865
C) Common Equity Tire 1 (CET1) capital		
Paid-up share capital	6,957,500,000	6,325,000,000
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 previous year, if any)	20,897,484,595	18,638,869,885
	38,825,927,464	35,934,812,754
Less : Other Intangible Assets (computer software)	83,677,673	120,023,186
Less : Deferred tax asset (95%)	2,164,260,511	1,999,194,163
	36,577,989,280	33,815,595,405
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	-	-
	36,577,989,280	33,815,595,405
E) Tier 1 Capital [C+D]	36,577,989,280	33,815,595,405
F) Tier 2 Capital		
General provision maintained against unclassified loans and off-balance sheet exposures [Note 14.1.3.2]	7,210,930,243	6,419,129,172
Subordinated debt capital [Total S. debt, Taka 11,000,000,000 less due within 1 Year, Taka 2,000,000,000]	9,000,000,000	10,000,000,000
Assets revaluation reserves	-	-
Revaluation reserves of HTM securities	-	-
	16,210,930,243	16,419,129,172
Less: Revaluation Reserves for Fixed Assets and Securities	-	-
	16,210,930,243	16,419,129,172
G) Total Eligible Regulatory Capital (Tier 1 and 2) [E+F]	52,788,919,523	50,234,724,577
Total capital surplus [G - B]	10,327,926,909	11,970,051,712
Capital to Risk Weighted Assets Ratio (CRAR):		
Common Equity Tier-1 to RWA (C/A)*100	10.77%	11.05%
Tier-1 Capital to RWA (E/A)*100	10.77%	11.05%
Tier-2 Capital to RWA (F/A)*100	4.77%	5.36%
Capital to Risk Weighted Assets Ratio (CRAR) (G/A)*100	15.54%	16.41%

		30-Sep-22 Taka	31-Dec-21 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		181,135,270	96,905,831
Add: Reserve transferred to Income Account during the period		(16,719,502)	84,229,439
Closing balance		164,415,768	181,135,270
23. Contingent liabilities			
Main Operation [Note 23.1]		125,905,763,997	109,331,376,206
Off-shore Banking Unit		-	-
		125,905,763,997	109,331,376,206

	30-Sep-22 Taka	31-Dec-21 Taka
23.1 Contingent liabilities - Main Operation		
a) Acceptances and endorsements	78,473,524,269	56,280,687,848
b) Letters of guarantee		
Local	5,914,688,705	5,283,252,595
Foreign	676,829,448	53,734,719
	6,591,518,153	5,336,987,314
c) Irrevocable letters of credit		
Local		
Cash	363,478,134	466,719,336
Usance	25,441,593	9,027,116
Back to back	12,043,407,887	10,532,887,841
	12,432,327,614	11,008,634,293
Foreign		
Cash	15,151,148,943	14,523,335,470
Usance	6,164,174,467	12,051,475,326
Back to back	2,974,776,040	6,936,155,878
	24,290,099,450	33,510,966,674
	36,722,427,064	44,519,600,967
d) Bills for collection		
Inward	-	-
Outward	-	-
	-	-
e) Other contingent liabilities		
Travelers' cheques	-	-
Export Development Fund	-	-
Bangladesh Shanchaya Patra	2,572,115,000	2,559,685,000
Others	1,546,179,511	634,415,077
	4,118,294,511	3,194,100,077
Total (a+b+c+d+e)	125,905,763,997	109,331,376,206
24. Retained Earnings		
Main Operation [Note 24.1]	19,500,430,332	17,470,139,892
Off-shore Banking Unit	1,397,054,263	1,168,729,993
	20,897,484,595	18,638,869,885
24.1 Retained Earnings-Main Operation		
Balance at 1 January	17,470,139,892	13,951,517,082
Dividend paid for previous year's	(1,106,875,000)	(825,000,000)
Transfer to dividend equalization fund for previous year's dividend paid	-	-
Transfer to paid up share capital for previous year's bonus share	(632,500,000)	(825,000,000)
Transfer to Start up Fund [Note 14.1.5]	-	(110,598,225)
Retained surplus for the current year	3,769,665,440	5,279,221,035
Closing balance	19,500,430,332	17,470,139,892
	30-Sep-22 Taka	30-Sep-21 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]	3,997,989,710	3,953,709,355
Number of ordinary shares outstanding [denominator] *	695,750,000	695,750,000
Earnings Per Share	5.75	5.68
24.3 Calculation of Net Asset Value (NAV) Per Share		
Total Shareholders Equity [numerator]	39,840,757,009	35,312,860,581
Number of ordinary shares outstanding [denominator]*	695,750,000	695,750,000
Net Asset Value (NAV) Per Share	57.26	50.76
24.4 Net Operating Cash Flow Per Share (NOCFPS) [Note 47.1, 47.2]		
Net cash from operating activities [numerator]	15,602,826,790	5,299,155,090
Number of ordinary shares outstanding [denominator]*	695,750,000	695,750,000
Net operating cash flow per share (NOCFPS) for the period	22.43	7.62
Net operating cash flow per share (NOCFPS) for the quarter	1.05	(14.14)

* 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-Sep-22 Taka	30-Sep-21 Taka
25. Particulars of profit and loss account				
Income	Notes			
Interest, discount and other similar income	26		17,806,498,734	16,739,622,241
Dividend income	28		5,711,803	3,427,082
Gains less losses arising from investment securities	28		4,556,149,072	4,582,930,385
Capital gain on sales of government securities	28		830,254,162	859,678,009
Fees, commission and brokerage	29.1.1		724,485,228	736,867,642
Gains less losses arising from dealing in foreign currencies	29.1.2		721,487,893	189,534,433
Gains less losses arising from Revaluation gain on FC	29.2		1,636,972,722	306,222,779
Income from non-banking assets			-	-
Other operating income	30		2,763,932,836	2,606,955,800
Profit less losses on interest rate changes			-	-
			29,045,492,450	26,025,238,371
Expenses				
Interest, fee and commission	27		5,807,485,995	4,886,229,662
Directors' fees	39		266,350	282,206
Administrative expenses	31		8,184,642,942	7,419,680,562
Other operating expenses	42		5,449,284,783	4,898,871,393
Depreciation on banking assets	41		1,407,689,833	1,321,606,378
			20,849,369,902	18,526,670,201
Profit before provision			8,196,122,548	7,498,568,170
25.1 Profit Restated as per Bangladsh Bank Instruction	Previous	Restated as per BB Instruction		
Previous Profit before provision as on 30 June 2022	5,263,046,036	5,263,046,036		
(-) Exchange Earnings: 50% of May-June TFR to CSR Fund		288,241,401		
Restated Profit before provision as on 30 June 2022		4,974,804,635		
(-) Provision and Taxation	2,775,253,311	2,775,253,311		
Net Profit as on 30 June 2022 [A]	2,487,792,725	2,199,551,324		
EPS as on 30 June 2022 [C]	3.58	3.16		
Third Quarter Profit before Provision for 2022 [D]		3,221,317,913		
Profit before Provision as on 30 September 2022 [E=A+D]		8,196,122,548		
Provision and Taxation up to 30 September 2022 [F]		4,198,132,838		
Net Profit as on 30 September 2022 [G=E-F]		3,997,989,710		
EPS as on 30 September 2022 [H]		5.75		
Net Profit for the Third Quarter 2022 [G-A]		1,798,438,386		
EPS for Third Quarter 2022 [H-C]		2.58		
26. Interest income				
Main Operation [Note 26.1]			17,131,081,859	16,346,225,098
Off-Shore Banking Unit			807,400,939	473,013,996
Less: Inter Bank transactions [Note 27]			(131,984,064)	(79,616,853)
			17,806,498,734	16,739,622,241
26.1 Interest income - Main Operation				
Interest on loans and advances				
House building loan			222,696,822	274,325,364
Transport loan			92,753,556	117,233,637
Term loan - industrial			5,083,983,517	5,281,110,209
Term loan - others			1,872,772,429	1,917,321,900
Secured overdraft			1,423,060,632	1,655,042,151
Cash credit			1,414,751,587	1,353,989,039
Payment against document - cash			2,175,819	543,587
Payment against document EDF- others			171,127,940	114,456,271
Loan against trust receipts			105,874,455	138,468,537
Export cash credit			98,830,248	80,265,373
Loan against accepted bills			125,973,351	133,884,693
Staff loan			18,989,216	19,432,259
SME and consumer finance			5,974,144,040	4,891,296,858
			16,607,133,612	15,977,369,878
Interest on balance with other banks and financial institutions				
Fixed deposits			239,294,167	266,379,222
Special notice deposits			2,712,410	398,912
Nostro accounts			2,449,717	97,288
Money at call on short notice			279,491,953	101,979,798
			523,948,247	368,855,220
			17,131,081,859	16,346,225,098

	30-Sep-22 Taka	30-Sep-21 Taka
27. Interest paid on deposits and borrowings etc.		
Main Operation [Note 27.1]	5,402,224,361	4,714,743,958
Off-shore Banking Unit	537,245,698	251,102,557
Less: Inter Bank transactions [Note 26]	(131,984,064)	(79,616,853)
	5,807,485,995	4,886,229,662
27.1 Interest paid on deposits and borrowings - Main Operation		
Interest paid on deposits [Note 27.2]	4,599,409,420	3,878,216,706
Interest paid on borrowings [Note 27.3]	802,814,941	836,527,252
	5,402,224,361	4,714,743,958
27.2 Interest paid on deposits		
Savings deposits	1,374,943,781	1,187,138,482
Special notice deposits	477,446,499	553,920,861
Fixed deposits	2,713,142,402	2,121,840,162
Non-resident foreign currency deposits	32,801,239	14,926,464
Resident foreign currency deposits	772,596	47,534
Monthly term deposits	302,903	343,203
	4,599,409,420	3,878,216,706
27.3 Interest paid on borrowings		
Interest on borrowing - call loan and term loan	25,430,875	4,239,222
Interest on credit lines	-	-
Interest paid on subordinated debt	635,329,037	723,148,310
Interest on borrowing under REPO and Re-financing facilities with Bangladesh Bank	127,130,268	104,538,872
Interest on borrowing under REPO with other banks	14,924,761	4,600,848.00
	802,814,941	836,527,252
28. Investment income		
Dividend on shares	5,711,803	3,427,082
Interest on treasury bills, bonds and debentures		
Interest on treasury bills and bonds	4,015,435,360	4,225,628,090
Interest on reverse REPO with other banks	2,959,246	235,309
Interest on subordinated bonds	537,754,466	357,066,986
	4,556,149,072	4,582,930,385
Capital gain on sales of government securities	830,254,162	859,678,009
Gain on sale of shares	-	-
	5,392,115,037	5,446,035,476
29.1 Commission, exchange and brokerage		
Commission [Note 29.1.1]	724,485,228	736,867,642
Exchange earnings [Note 29.1.2]	721,487,893	189,534,433
	1,445,973,121	926,402,075

		30-Sep-22	30-Sep-21
		Taka	Taka
29.1.1	Commission		
	Commission on Remittances-Local	5,607,419	7,543,745
	Commission on Remittances-Foreign	15,684,729	21,174,685
	Commission on Letter of Credit-Import	67,927,835	73,824,262
	Commission on Letter of Credit-Export	555,383,095	553,536,934
	Commission on Export Bills	6,705,098	7,256,485
	Commission on Letter of Guarantee	31,467,230	32,341,707
	Commission on Sale of Government Saving Instruments	41,596,347	38,455,324
	Commission on Banker to the issue & underwriting	-	2,709,000
	Other Commission	113,475	25,500
		724,485,228	736,867,642
29.1.2	Exchange earnings		
	Exchange earnings from General activities and Treasury dealings (net) *	721,487,893	189,534,433
		721,487,893	189,534,433
	* Exchange earnings from General activities and Treasury dealings (net) restated for 30-Sep-2021		
29.2	Revaluation gain on FC		
	Revaluation gain on FC (net)	1,636,972,722	306,222,779
		1,636,972,722	306,222,779
30.	Other operating income		
	Main Operation [Note 30.1]	2,751,369,007	2,597,243,140
	Off-shore Banking Unit	12,563,829	9,712,660
		2,763,932,836	2,606,955,800
30.1	Other operating income - Main Operation		
	Charges for service	102,299,365	94,863,805
	Income from IT service	2,028,540,654	2,101,735,835
	Recoveries from client	138,702,332	113,894,218
	Service charges on deposit accounts	215,249,821	54,038,319
	Income from Export-Import	56,921,435	81,516,812
	Examination and appraisal fees	950,000	-
	Document handling charges-Export	4,325,362	561,116
	Locker Rent	7,601,923	5,375,543
	Gain on sale of fixed assets [Note 30.2]	894,790	19,032,449
	Income from Mobile and Agent Banking Services	83,083,584	31,911,600
	Other earning	112,799,741	94,313,443
		2,751,369,007	2,597,243,140
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]	894,790	19,032,449
		894,790	19,032,449
30.3	Calculation of income from sale of fixed assets		
	Sale proceeds [A]	11,397,731	32,125,041
	Cost price of the sold items	119,694,631	94,828,923
	Less: Accumulated depreciation	109,191,690	81,736,331
	Written down value [B]	10,502,941	13,092,592
	Net gain [A - B]	894,790	19,032,449

31. Administrative expenses	Notes	30-Sep-22	30-Sep-21
		Taka	Taka
Salary and allowances	32	4,835,865,410	4,259,862,150
Rent, taxes, insurance, electricity, etc.	34	1,790,821,130	1,601,416,705
Legal expenses	35	2,661,831	1,752,045
Postage, stamp, telecommunications, etc.	36	293,821,679	299,923,022
Stationery, printings, advertisements etc.	37	451,114,383	495,313,086
Managing Director & CEO's salary and allowances	38	13,510,000	12,915,000
Auditors' fees	40	656,500	384,374
Repair and maintenance	41	796,192,009	748,114,180
		8,184,642,942	7,419,680,562
32. Salary and allowances			
Main Operation [Note 32.1]		4,834,932,820	4,259,625,996
Off-shore Banking Unit		932,590	236,154
		4,835,865,410	4,259,862,150
32.1 Salary and allowances-Main Operation			
Basic salary		1,997,046,332	1,734,505,972
House rent allowance		1,003,602,820	868,033,058
Conveyance allowance		212,231,136	182,085,384
Other allowances		247,132,652	251,979,545
Bank's contribution to provident fund		208,449,316	166,066,921
Medical expenses		204,710,368	180,480,042
Bonus		611,760,196	476,475,074
Gratuity		310,000,000	350,000,000
Superannuation		40,000,000	50,000,000
		4,834,932,820	4,259,625,996
33. Number of employees and remuneration thereof			
As per the Schedule XI of the Companies Act, 1994, the number of employees (including contractual employees) engaged for the whole year or part thereof who received a total remuneration of Taka 36,000 per annum or Taka 3,000 per month were 17,499 as at 30 September 2022 compared to 16,992 as at 30 September 2021.			
34. Rent, taxes, insurance, electricity, etc.			
Rent			
Office premises		872,082,081	778,210,384
ATM Booths and other installations		525,559,735	481,358,660
Less: Rent expenses adjusted for IFRS-16		(268,820,550)	(293,901,840)
		1,128,821,266	965,667,204
Rates and taxes			
Rates		1,263,000	1,768,780
Taxes		10,819,639	20,149,666
		12,082,639	21,918,446
Insurance			
Cash		39,121,226	38,838,947
Vehicles		2,526,156	4,155,888
Deposits		195,315,511	164,102,866
Staff		473	3,750,000
Other properties		14,312,748	18,366,492
		251,276,114	229,214,193
Electricity and sanitation			
Light and power		390,189,008	376,013,601
Water and sewerage		7,739,453	8,103,176
Utilities		712,650	500,085
		398,641,111	384,616,862
		1,790,821,130	1,601,416,705
35. Legal expenses			
Legal expenses		2,661,831	1,752,045
		2,661,831	1,752,045

		30-Sep-22 Taka	30-Sep-21 Taka
36.	Postage, stamp, telecommunications, etc.		
	Main Operation [Note 36.1]	293,821,679	299,922,447
	Off-shore Banking Unit	-	575
		293,821,679	299,923,022
36.1	Postage, stamp, telecommunications, etc.-Main Operation		
	Postage	23,081,443	36,478,037
	Telephone	13,834,301	16,481,427
	Radio link	239,832,983	230,538,891
	Swift, Reuters, internet, etc.	17,072,952	16,424,092
		293,821,679	299,922,447
37.	Stationery, printings, advertisements etc.		
	Printing and stationery:		
	Printed stationery	43,026,632	59,746,895
	Security stationery	29,831,649	23,503,013
	Petty stationery	59,776,914	42,777,513
		132,635,195	126,027,421
	Publicity and advertisement	318,479,188	369,285,665
		451,114,383	495,313,086
38.	Managing Director & CEO's salary and allowances		
	Basic salary	8,100,000	7,650,000
	House rent allowance	720,000	720,000
	House maintenance	360,000	360,000
	Bank's contribution to provident fund	810,000	765,000
	Other allowances	270,000	270,000
	Leave fare assistance	450,000	450,000
	Bonus	2,800,000	2,700,000
		13,510,000	12,915,000
39.	Directors' fees		
	Honorarium for attending meeting	261,940	279,435
	Incidental expenses for attending meeting	4,410	2,771
		266,350	282,206
40.	Auditors' fees		
	Statutory annual audit fees	472,500	275,596
	Special audit fees	184,000	108,778
	Fees for various certification	-	-
		656,500	384,374
41.	Depreciation and repair of bank's assets		
	Depreciation on fixed assets including building, furniture and fixtures		
	Main Operation [Note 41.1]	1,407,689,833	1,321,606,378
	Off-shore Banking Unit	-	-
		1,407,689,833	1,321,606,378
	Repair and maintenance		
	Main Operation [Note 41.2]	796,192,009	748,114,180
	Off-shore Banking Unit	-	-
		796,192,009	748,114,180
		2,203,881,842	2,069,720,558

		30-Sep-22 Taka	30-Sep-21 Taka
41.1	Depreciation on fixed assets including land, building, furniture and fixtures - Main Operation		
	Land	-	-
	Building (including lease hold property)	7,491,449	7,491,450
	Interior decoration	88,230,498	69,305,685
	Furniture and fixtures	22,864,229	22,519,686
	Other machinery and equipment	208,296,208	201,475,759
	Computer equipment	538,724,037	467,904,165
	Computer software	36,345,513	35,361,863
	Motor vehicles	70,783,751	61,698,835
	ATM Booth	69,653,631	74,404,169
	ATM and Fast Track (ATM & Deposit Machine)	129,704,427	123,245,357
	Right of use of assets IFRS-16: lease	235,596,090	258,193,553.00
	Books	-	5,856
		1,407,689,833	1,321,606,378
41.2	Repair and maintenance - Main Operation		
	Premises	144,021,474	205,006,356
	Vehicles	52,299,937	35,189,901
	Computers	599,870,598	507,917,923
		796,192,009	748,114,180
42.	Other expenses		
	Main Operation [Note 43.1]	5,448,830,394	4,898,597,389
	Off-shore Banking Unit	454,389	274,004
		5,449,284,783	4,898,871,393
42.1	Other expenses- Main Operation		
	Entertainment expenses	37,959,736	22,706,111
	Fuel and lubricant	47,319,374	37,860,033
	Subscription and donations	21,901,252	34,615,707
	Casual wages and allowances	1,360,608,244	868,499,241
	Travelling expenses and allowances	487,931,381	425,240,933
	Petty conveyance	33,029,420	54,637,133
	News papers, periodicals, learning materials etc.	1,177,699	588,837
	Crockeries	472,862	235,840
	Debit and Credit Card expenses	416,924,751	558,472,332
	Tele Banking Expenses	73,381,236	71,960,418
	Cash carrying charges	40,370,008	36,012,478
	ATM cash replenishment charges	449,700,000	449,650,060
	Recruitment, training, seminar and workshop	13,344,731	3,546,292
	Service charge on nostro account and others	53,002,898	38,279,313
	Consultancy fees	13,233,339	10,503,321
	Business promotion and development	566,208,595	556,203,938
	Other Operational Expenses	534,522,856	600,000,000
	Finance cost for right of use of asset - IFRS-16: lease	51,919,401	55,160,152
	Laundry and cleaning	80,647	102,456
	Other expenses for Mobile Banking Services	307,138,311	163,728,932
	Other expenses for Agent Banking Services	901,743,429	883,251,735
	Fixed Assts written-off	-	-
	Miscellaneous	18,265,124	20,578,933
		5,448,830,394	4,898,597,389

	30-Sep-22 Taka	30-Sep-21 Taka
43. Receipts from other operating activities		
Other operating income [Note 30]	2,763,932,836	2,606,955,800
Less: Income from sale of fixed assets (net)	894,790	19,032,449
	2,763,038,046	2,587,923,351
Exchange earnings (net) [Note 29.1.2]	721,487,893	189,534,433
Revaluation gain on FC (net) [Note 29.2]	1,636,972,722	306,222,779
	5,121,498,661	3,083,680,563
44. Payments for other operating activities		
Expenses for the year	5,993,394,760	5,313,138,088
Add: Opening accrued expenses	624,494,048	1,350,862,285
Add: Closing advance expenses	1,029,081,217	745,015,789
Less: Closing accrued expenses	1,612,883,755	2,576,361,872
Less: Opening advance expenses	832,142,193	688,429,194
	5,201,944,077	4,144,225,096
45. Increase/(decrease) of other assets		
Closing other assets		
Security deposits	23,353,124	22,777,605
Suspense account	477,770,219	304,264,623
Branch adjustment (net)	-	-
Encashment of Sanchaya Patra (awaiting realization)	620,092,088	1,061,483,266
Sundry debtors	181,723,410	98,455,058
Cash remittance	543,922,045	260,810,233
Others	5,726,511,121	3,248,445,896
	7,573,372,007	4,996,236,681
Opening other assets		
Security deposits	23,218,575	21,676,180
Suspense account	145,839,025	3,673,847
Branch adjustment (net)	-	-
Encashment of Sanchaya Patra (awaiting realization)	436,458,825	978,050,019
Sundry debtors	110,002,962	61,073,485
Cash remittance	316,929,215	91,558,511
Others	4,701,862,536	3,398,606,874
	5,734,311,138	4,554,638,916
	1,839,060,869	441,597,765
46. Increase/(decrease) of other liabilities		
Closing other liabilities		
Branch adjustment (net)	1,709,047,887	1,097,906,730
Cumulative balance of interest suspense account	5,930,221,657	4,923,878,486
Revaluation reserve for HTM securities	164,415,768	79,391,829
Revaluation reserve for HFT securities	-	-
Risk Fund for fixed assets	36,606,548	-
Liability for lease hold property	1,929,524,947	2,048,348,969
CSR Fund	288,241,401	-
Others	315,477,706	392,198,697
	10,373,535,913	8,541,724,711
Opening other liabilities		
Branch adjustment (net)	266,331,106	331,072,646
Cumulative balance of interest suspense account	5,312,506,060	4,841,730,487
Revaluation reserve for HTM securities	181,135,270	96,905,831
Revaluation reserve for HFT securities	-	-
Risk Fund for fixed assets	20,558,911	-
Liability for lease hold property	2,016,120,379	2,143,362,295
Others	449,342,615	957,370,237
	8,245,994,341	8,370,441,496
	2,127,541,572	171,283,215

		30-Sep-22	30-Sep-21
		Taka	Taka
47.1	Reconciliation between Operating profit of the Bank and Cash flows from operating activities		
	Profit before provision	8,196,122,548	7,498,568,170
	Depreciation on fixed assets	1,407,689,833	1,321,606,378
	Gain/loss on sale of fixed assets	(894,790)	(19,032,449)
	Adjustment of provision for loans and advances	44,681,113	1,997,400
	Increase of interest receivable	638,761,010	7,017,665,402
	Increase of interest payable	1,023,774,727	650,215,992
	Increase of accrued expenses	614,257,604	1,084,854,559
	Increase of advance expenses	(284,006,172)	39,754,418
	Advance tax paid	(3,469,308,023)	(3,075,945,565)
	Operating profit before changes in operating assets and liabilities	8,171,077,850	14,519,684,304
	Increase/(decrease) in operating assets and liabilities		
	Statutory deposits	-	-
	Purchase /sale of trading securities	10,977,537,546	(419,383,229)
	Loans and advances to other banks	-	-
	Loans and advances to customers	(38,213,725,645)	(37,539,179,395)
	Other assets	(1,839,060,869)	(441,597,765)
	Deposits from other banks	1,170,091	17,635,867
	Deposits from customers	29,641,167,264	26,651,917,455
	Other liabilities account of customers	4,737,118,982	2,338,794,639
	Other liabilities	2,127,541,572	171,283,215
	Net cash from operating activities	15,602,826,790	5,299,155,090
47.2	Net operating cash flow per share (NOCFPS) [Note 24.4]	22.43	7.62
47.3	Net operating cash flow per share (NOCFPS) increase/(decrease) mainly due to		
	Increase/(decrease) in operating cash flow		
		Difference from previous period	
	Interest receivable	(6,378,904,391)	638,761,010
	Purchase /sale of trading securities	11,396,920,775	10,977,537,546
	Deposits from customers	2,989,249,809	29,641,167,264
	Other liabilities	1,956,258,357	2,127,541,572
	Total	9,963,524,551	43,385,007,392
			33,421,482,842
48.	Cash and cash-equivalents	30-Sep-22	31-Dec-21
		Taka	Taka
	Main Operation [Note 48.1]	61,541,632,057	54,591,526,562
	Off-shore Banking Unit	51,370,102	29,609,281
		61,593,002,159	54,621,135,843
48.1	Cash and cash-equivalents - Main Operation		
	Cash in hand (including foreign currencies)	21,553,568,409	17,853,114,090
	Balance with Bangladesh Bank and its agent bank (including foreign currencies)	21,121,525,805	17,863,639,768
	Balance with other banks and financial institutions	16,261,588,643	18,866,881,204
	Prize bonds	4,949,200	7,891,500
	Money at call on short notice	2,600,000,000	-
		61,541,632,057	54,591,526,562

49. Disclosure of Related Party Transaction

49.1 Significant contracts in which the Bank, its subsidiary or any fellow subsidiary company was a party and wherein the Directors have interest subsisted at any time during the period or at the end of the period:

a) As approved by Bangladesh Bank, Ref no: BRPD (P-3)/745(25)2019-4143, dated 10 June 2019, the Bank has entered into an agreement to rent 162,329 sft. of floor space for its head office and Corporate branch, located at 47, Motijheel Commercial Area, Dhaka-1000, from Mrs. Amina Ahmed, mother of Mr. Sayem Ahmed, a Sponsor Director & Chairman of the board of directors of the Bank. The agreement has been effective from October 01, 2019 for 10 years. Out of 162,329 sft spaces, monthly rent @ Taka 130 per sft is payable on 151,014 sft plus monthly car parking rent @ Tk.5,000 for 37 car parking space, totaling monthly rent of Taka 19,816,820. An advance of Taka 471,163,680 has been paid against the agreement which will be equally adjusted @ 50% of monthly rent in first 48 months.

b) As approved by Bangladesh Bank, Ref no: BRPD (P-3)/745(25)/2016-110, dated 06 January 2016, the Bank has entered into an agreement to rent 38,718 sft. of floor space for its Data Center-2 at Dumni, Dhaka, from Mrs. Amina Ahmed, mother of Mr. Sayem Ahmed, a Sponsor Director & Chairman of the board of directors of the Bank. The agreement has been effective from January 16, 2016 for 06 years. Out of 38,718 sft spaces, monthly rent @ Tk. 80.00 per sft for 35,784 sft and @Tk.30.00 for 2,934 sft, totaling monthly rent of Taka 2,950,740.00. An advance of Tk.70,817,760.00 has been paid against the agreement which will be equally adjusted @ 50% of monthly rent in first 48 months

c) As approved by Bangladesh Bank, Ref no: BRPD (P-3)/745(25)/2013-2334, dated 19 December 2013, the Bank has entered into an agreement to rent 3,315 sft. floor space for its Dumni Branch at Dumni, Dhaka, from Mrs. Amina Ahmed, mother of Mr. Sayem Ahmed, a Sponsor Director & Chairman of the board of directors of the Bank. The agreement has been effective from November 01, 2013 for 9 years at a monthly rent @ Tk.30.00 per sft. An advance of Tk.3,580,200.00 has been paid against the agreement which is fully adjusted.

d) As approved by Bangladesh Bank, Ref no: BRPD (P-3)/745(25)/2017-2686, dated 03 May 2017, the Bank has entered into an agreement to rent 8,730 sft. floor space for its Narayanganj Branch at Holding No. 45 (old), S.M. Maleh Road, Tanbazar, Narayanganj, from Mrs. Amina Ahmed, mother of Mr. Sayem Ahmed, a Sponsor Director & Chairman of the board of directors of the Bank. The agreement has been effective from January 01, 2017 for 06 years at a initial monthly rent @ Tk.55.00 per sft. and development & maintenance charge @ Tk25.00 per sft and present (after increment) Rent @Tk.63.25 per sft and development & maintenance charge @ Tk.28.75 per sft. An advance rent of Tk.19,878,210.00 has been paid against the agreement which is being adjusted @ 100% of monthly rent.

49.2	Shares issued to Directors and Executives to acquire shares at 'Nil' consideration or restricted shares plan exercisable at discount	Nil
49.3	Nature, type and elements of transactions with the related party:	As Note 49.1
49.4	Lending policies in respect of related party	
	a) Amount of transactions regarding loans and advances, deposits, guarantees and commitment	Nil
	b) Amount of transactions regarding principal items of deposits, expenses and commission	Nil
	c) Amount of provision against loans and advances given to related party	Not applicable
	d) Amount of guarantees and commitments arising out of the statement of affairs	Nil
49.5	Business other than the banking business with the related concerns of the Directors as per Section	Nil
49.6	Investments in securities of the Directors and their related concerns	Nil
49.7	The Managing Director & CEO is considered as key management personnel and related remuneration are disclosed in Note 38 .	



Chairman

Director



Managing Director & CEO



Chief Financial Officer



Company Secretary