

DUTCH - BANGLA BANK LIMITED

FINANCIAL STATEMENTS

For the period ended 30 September 2023

Dutch-Bangla Bank Limited

Balance Sheet

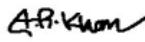
As at 30 September 2023

PROPERTY AND ASSETS	Notes	30-Sep-23 Taka (Un-audited)	31-Dec-22 Taka (Audited)	30-Sep-22 Taka (Un-audited)
Cash				
In hand (including foreign currencies)	4	21,702,746,813	26,488,896,328	21,553,568,409
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	5	32,128,674,322	21,691,895,625	21,121,525,805
		53,831,421,135	48,180,791,953	42,675,094,214
Balance with other banks and financial institutions	6			
In Bangladesh		5,927,810,520	6,823,427,791	11,016,461,654
Outside Bangladesh		921,760,196	3,365,138,624	(180,397,674)
		6,849,570,716	10,188,566,415	10,836,063,980
Money at call on short notice	7	-	-	2,600,000,000
Investments	8			
Government		75,296,557,729	92,427,177,159	102,135,709,699
Others		12,181,283,434	9,246,283,434	8,586,283,434
		87,477,841,163	101,673,460,593	110,721,993,133
Loans and advances	9			
Loans, cash credits, overdrafts, etc.		370,285,751,639	344,867,385,158	331,921,483,703
Bills purchased and discounted		23,026,332,005	19,133,457,511	24,956,205,656
		393,312,083,644	364,000,842,669	356,877,689,359
Fixed assets including land, building, furniture and fixtures	10	10,280,671,341	9,413,196,077	7,904,008,733
Other assets	11	30,768,637,480	22,016,776,739	24,087,568,017
Non-banking assets		-	-	-
TOTAL ASSETS		582,520,225,479	555,473,634,446	555,702,417,436
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other banks, financial institutions and agents	12	20,946,965,087	28,283,480,657	33,768,535,491
Deposits and other accounts	13			
Current deposits and other accounts		135,890,795,299	124,906,569,030	118,805,011,514
Bills payable		5,505,766,957	5,995,156,148	5,082,568,511
Savings bank deposits		220,045,328,721	205,224,044,867	209,297,430,222
Term deposits		103,864,866,463	102,005,545,643	98,639,756,249
		465,306,757,440	438,131,315,688	431,824,766,496
Other liabilities	14	42,851,571,244	37,420,082,873	39,268,358,440
Subordinated debt	15	9,000,000,000	10,000,000,000	11,000,000,000
TOTAL LIABILITIES		538,105,293,771	513,834,879,218	515,861,660,427
Shareholders' equity				
Paid up share capital	16.2	7,479,312,500	6,957,500,000	6,957,500,000
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	211,747,997	355,330,921	164,415,768
Proposed dividend		-	-	-
Retained earnings	24	24,902,514,565	22,504,567,661	20,897,484,595
TOTAL SHAREHOLDERS' EQUITY		44,414,931,708	41,638,755,228	39,840,757,009
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		582,520,225,479	555,473,634,446	555,702,417,436

	Notes	30-Sep-23 Taka (Un-audited)	31-Dec-22 Taka (Audited)	30-Sep-22 Taka (Un-audited)
OFF-BALANCE SHEET ITEMS				
Contingent liabilities	23			
Acceptances and endorsements		49,290,211,637	54,705,039,374	78,473,524,269
Letters of guarantee		6,263,825,831	6,448,878,817	6,591,518,153
Irrevocable letters of credit		39,023,396,380	36,229,244,555	36,722,427,064
Bills for collection		-	-	-
Forward Contract & others contingent liabilities		31,756,389,310	7,473,547,834	4,118,294,511
Total contingent liabilities		126,333,823,158	104,856,710,580	125,905,763,997
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		126,333,823,158	104,856,710,580	125,905,763,997
Net Asset Value (NAV) Per Share		59.38	55.67	53.27

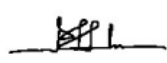
The annexed notes 1 to 49 form an integral part of these financial statements.


Chairman


Director


Managing Director & CEO


Chief Financial Officer


Company Secretary


Dhaka, 23 October 2023

Dutch-Bangla Bank Limited
Profit and Loss Account
For the period ended 30 September 2023


	Notes	For the period ended 30 September (from January to September)		For the quarter ended September (from July to September)	
		2023	2022	2023	2022
		Taka	Taka	Taka	Taka
Interest income	26	21,227,315,280	17,806,498,734	7,825,589,594	6,356,992,973
Interest paid on deposits and borrowings etc.	27	6,145,107,321	5,807,485,995	2,218,665,316	2,107,744,509
Net interest income		15,082,207,959	11,999,012,739	5,606,924,278	4,249,248,464
Investment income	28	5,378,914,051	5,392,115,037	1,642,649,345	1,840,549,138
Commission, exchange and brokerage	29	1,520,201,641	3,082,945,843	423,540,045	1,401,455,373
Other operating income	30	2,994,528,306	2,763,932,836	928,545,578	868,597,315
Total operating income		24,975,851,957	23,238,006,455	8,601,659,246	8,359,850,290
Salary and allowances	32	5,174,356,817	4,835,865,410	1,738,039,095	1,607,268,439
Rent, taxes, insurance, electricity, etc.	34	1,790,342,428	1,790,821,130	601,078,875	623,692,764
Legal expenses	35	2,416,188	2,661,831	806,719	587,475
Postage, stamp, telecommunications, etc.	36	307,265,224	293,821,679	103,294,838	96,570,691
Stationery, printings, advertisements, etc.	37	319,856,238	451,114,383	98,635,091	139,153,846
Managing Director & CEO's salary and allowances	38	17,400,000	13,510,000	4,800,000	4,470,000
Directors' fees	39	233,414	266,350	90,559	237,000
Auditors' fees	40	315,000	656,500	57,500	456,500
Depreciation and repair of bank's assets	41	2,457,583,735	2,203,881,842	865,575,337	743,569,218
Other expenses	42	5,985,454,862	5,449,284,783	1,999,489,982	1,922,526,445
Total operating expenses		16,055,223,905	15,041,883,908	5,411,867,996	5,138,532,378
Profit before provision		8,920,628,052	8,196,122,548	3,189,791,250	3,221,317,913
Provision for loans and off-balance sheet exposures					
Specific provision for loans	14.1.4.1.A	3,652,947,666	401,511,560	1,745,387,222	232,252,042
General provision for loans	14.1.4.1.B.iv	114,551,210	420,092,834	(155,363,637)	127,888,775
Special general provision-Covid 19 for loans	14.1.3.B	(539,092,899)	-	(249,750,000)	-
General provision for off-balance sheet exposures	14.1.4.1.B.iii	(95,482,187)	371,708,237	(47,795,098)	2,000,000
		3,132,923,790	1,193,312,631	1,292,478,487	362,140,817
Other provision	14.1.2	(100,000,000)	90,000,000	-	-
Total provision		3,032,923,790	1,283,312,631	1,292,478,487	362,140,817
Profit before taxes		5,887,704,262	6,912,809,917	1,897,312,763	2,859,177,096
Provision for taxation					
Current tax	14.1.3	2,949,832,399	3,141,396,644	1,190,158,522	1,192,013,741
Deferred tax	11.2.2	(1,199,450,041)	(226,576,437)	(1,026,690,879)	(131,275,031)
		1,750,382,358	2,914,820,207	163,467,643	1,060,738,710
Net profit after taxation		4,137,321,904	3,997,989,710	1,733,845,120	1,798,438,386
Appropriations					
Statutory reserve	18	-	-	-	-
Retained surplus to retained earnings		4,137,321,904	3,997,989,710	1,733,845,120	1,798,438,386
Earnings per share (EPS)	24.2	5.53	5.35	2.32	2.40

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


Chairman


Director


Managing Director & CEO


Chief Financial Officer


Company Secretary

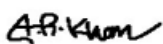
Dhaka, 23 October 2023

Dutch-Bangla Bank Limited
Cash Flow Statement
For the period ended 30 September 2023

	Notes	30-Sep-23 Taka	30-Sep-22 Taka
A) Cash flows from operating activities			
Interest receipts in cash		24,166,930,404	23,001,408,816
Interest payments		(5,229,162,457)	(4,783,711,268)
Dividend receipts in cash		5,711,803	5,711,803
Gain on sale of shares		-	-
Gain on sale of securities		579,451,298	830,254,162
Recoveries of loan previously written-off		846,412	44,681,113
Fee and commission receipts in cash		694,979,624	724,485,228
Cash payments to employees		(5,280,789,557)	(5,033,507,513)
Cash payments to suppliers		(3,370,809,262)	(3,068,491,053)
Income taxes paid		(3,916,379,624)	(3,469,308,023)
Receipts from other operating activities	43	3,819,230,354	5,121,498,661
Payments for other operating activities	44	(5,408,789,232)	(5,201,944,077)
Operating profit before changes in operating assets and liabilities		6,061,219,763	8,171,077,850
Increase/(decrease) in operating assets and liabilities			
Statutory deposits		-	-
Purchase /sale of trading securities		10,088,208,182	10,977,537,546
Loans and advances to other banks		-	-
Loans and advances to customers		(27,844,732,043)	(38,213,725,645)
Other assets	45	(4,051,167,359)	(1,839,060,869)
Deposits from other banks		(3,895,873)	1,170,091
Deposits from customers		26,478,240,880	29,641,167,264
Other liabilities account of customers		(8,387,395,478)	4,737,118,982
Other liabilities	46	536,788,710	2,127,541,572
Net cash from operating activities		2,877,266,782	15,602,826,790
B) Cash flows from investing activities			
Payments for purchase of securities		(306,881,447,966)	(104,317,135,866)
Proceeds from sale of securities		310,989,251,322	99,295,976,099
Purchase of property, plant and equipment		(2,458,080,511)	(1,515,212,750)
Sale proceeds of property, plant and equipment		1,285,281	11,397,731
Net cash used in investing activities		1,651,008,126	(6,524,974,786)
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		(1,216,249,325)	(1,105,985,688)
Net cash from financing activities		(2,216,249,325)	(2,105,985,688)
D) Net increase / (decrease) in cash (A+B+C)		2,312,025,583	6,971,866,316
E) Cash and cash-equivalents at beginning of the period		58,376,325,968	54,621,135,843
F) Cash and cash-equivalents at end of the period (D+E)	48	60,688,351,551	61,593,002,159
Net Operating Cash Flow Per Share (NOCFPS)	24.4	3.85	20.86



Chairman



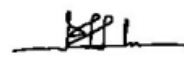
Director



Managing Director & CEO



Chief Financial Officer



Company Secretary

Dhaka, 23 October 2023

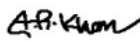
Dutch-Bangla Bank Limited
Statement of Changes in Equity
For the period ended 30 September 2023

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 2023	6,957,500,000	11,067,500	9,193,048,174	1,766,827,195	850,413,777	355,330,921	22,504,567,661	41,638,755,228
Changes in accounting policy	-	-	-	-	-	-	-	-
Restated balance	6,957,500,000	11,067,500	9,193,048,174	1,766,827,195	850,413,777	355,330,921	22,504,567,661	41,638,755,228
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	(143,582,924)	-	(143,582,924)
Currency translation differences	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-	-
Payment of cash dividend during the period for the previous year	-	-	-	-	-	-	(1,217,562,500)	(1,217,562,500)
Transfer of stock dividend during the period for the previous year	521,812,500	-	-	-	-	-	(521,812,500)	-
Net profit for the nine months ended 30 September 2023	-	-	-	-	-	-	4,137,321,904	4,137,321,904
Transfer to Start up Fund	-	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-
Appropriations during the period	-	-	-	-	-	-	-	-
Balance at 30 September 2023	7,479,312,500	11,067,500	9,193,048,174	1,766,827,195	850,413,777	211,747,997	24,902,514,565	44,414,931,708
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



Chairman



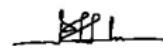
Director



Managing Director & CEO



Chief Financial Officer



Company Secretary

Dhaka, 23 October 2023

Dutch-Bangla Bank Limited

Notes to the Financial Statements As of and for the period ended 30 September 2023

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 239 and Sub-branches was 162 as at 30 September 2023 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 2023 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 2023.

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, BRPD Circular No. 7 dated 21 June 2018 and BRPD Circular No. 13 dated 18 October 2018 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
BB rating grade equivalent of the Bank/financial institution/organization providing the counter-guarantee		
1	Nil	Nil
2	0.50%	0.50%
3 or 4	0.75%	0.75%
Others	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 2023 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 2023 to 30 September 2023.

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 2023 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 in line with regulatory bodies guidelines
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 273rd meeting held on 23 October 2023 approved the financial statements of the Bank for the period ended 30 September 2023.

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-23 Taka	31-Dec-22 Taka
4. Cash in hand (including foreign currencies)		
Local currency	21,682,255,450	26,475,208,492
Foreign currencies	20,491,363	13,687,836
	21,702,746,813	26,488,896,328
5. Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		
Bangladesh Bank		
Local currency	20,868,021,025	17,326,071,550
Foreign currencies	10,992,733,908	3,787,558,522
	31,860,754,933	21,113,630,072
Sonali Bank Limited (as an agent of Bangladesh Bank) - Local currency	267,919,389	578,265,553
	32,128,674,322	21,691,895,625

30-Sep-23 Taka	31-Dec-22 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	18,594,579,000	17,831,956,000
Actual reserve maintained		
Balance with Bangladesh Bank [As per Bangladesh Bank LCY Account Statement]	20,971,813,063	18,024,247,068
Balance with Bangladesh Bank - Foreign currencies used from FC clg. A/C (for OBO)	-	-
	20,971,813,063	18,024,247,068
Surplus/(deficit)*	2,377,234,063	192,291,068

Cash Reserve Maintained: average at least 4.0% with minimum 3.5% throughout the accounting period and 4.51% on the Balance Sheet date

4.51%

4.04%

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

Required reserve	60,666,843,000	59,064,467,000
Available for maintenance:		
Cash in hand (including foreign currencies)	21,702,746,813	26,488,896,328
Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	267,919,389	578,265,553
Balance with Bangladesh Bank in excess of CRR	2,377,234,063	192,291,068
Unencumbered approved securities (treasury bills and bonds, debentures etc.)	75,289,198,029	92,420,209,559
Foreign currencies used in BDT from FC clg. A/C and Nostro A/C	-	-
	99,637,098,294	119,679,662,508
Surplus	38,970,255,294	60,615,195,508

Statutory Liquidity Ratio (SLR) Maintained (%)

21.35%

26.34%

6. Balance with other banks and financial institutions

In Bangladesh

Main Operation [Note 6.1]	15,696,046,710	11,076,947,384
Off-shore Banking Unit	37,935,286	34,716,738
Less: Inter Bank transactions [Note 12]	(9,806,171,476)	(4,288,236,331)
	5,927,810,520	6,823,427,791

Outside Bangladesh

Main Operation [Note 6.1]	921,760,196	3,365,138,624
Off-shore Banking Unit	-	-
	921,760,196	3,365,138,624

Total Balance with other banks and financial institutions

6,849,570,716	10,188,566,415
----------------------	-----------------------

	30-Sep-23 Taka	31-Dec-22 Taka
6.1 Balance with other banks and financial institutions - Main Operation		
(a) In Bangladesh		
In current deposit accounts with		
Janata Bank Limited	1,017,300	1,917,132
Sonali Bank Limited	1,716,259,422	1,972,650,858
Standard Chartered Bank, Dhaka	(23,921,399)	6,243,664
Islami Bank Bangladesh Limited	42,592	3,062,077
Agrani Bank Limited	397,700	5,284,205
Al Arafah Islami Bank Limited	-	-
The City Bank Limited	42,849	43,718
National Bank Limited	-	-
	1,693,838,464	1,989,201,654
In special notice deposit accounts with		
Sonali Bank Limited	10,828,724	1,118,506
National Bank Limited	-	-
The City Bank Limited	4,359	4,359
Rupali Bank Limited	12,110	7,012,280
Agrani Bank Limited	12,457,446	56,802,615
Janata Bank Limited	5,087,280	4,104,292
Dhaka Bank Limited	-	-
Islami Bank Limited	467,056,339	758,275,786
Mutual Trust Bank Limited	590,512	229,115
	496,036,770	827,546,953
In fixed deposit accounts with		
IFIC Bank Limited	-	750,000,000
Social Islami Bank Limited	1,000,000,000	-
	1,000,000,000	750,000,000
In fixed deposit accounts (in foreign currency) with		
Pubali Bank Limited	-	413,170,800
Off-shore Banking Unit, Dutch-Bangla Bank Limited	9,806,171,476	4,287,027,977
	9,806,171,476	4,700,198,777
Other financial institutions		
In fixed deposit accounts with		
Investment Corporation of Bangladesh	2,260,000,000	2,370,000,000
Industrial and Infrastructure Development Finance Company Limited (IIDFC)	-	-
Uttara Finance and Investment Limited	-	-
Delta Brac Houseing Limited	-	-
Phoenix Finance & Investments Limited	-	-
International Leasing & Financial Services Limited	90,000,000	90,000,000
Bangladesh Industrial Finance Company Limited (BIFC)	350,000,000	350,000,000
	2,700,000,000	2,810,000,000
Total (a) In Bangladesh	15,696,046,710	11,076,947,384

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

Name of the correspondent Bank	Currency	30-Sep-23			31-Dec-22		
		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	(1,489,496)	110.2500	(164,216,977)	2,718,848	103.2927	280,837,199
Commerzbank AG, Frankfurt, Germany	EURO	(628,590)	116.4296	(73,186,476)	258,331	109.6865	28,335,466
AB Bank Ltd., Mumbai, India	ACU	62	110.2500	6,781	186,344	103.2927	19,248,019
Citibank N.A., New York, USA	USD	(1,318,124)	110.2500	(145,323,224)	4,412,785	103.2927	455,808,514
ICICI Bank Limited, Mumbai, India	ACU	264,608	110.2500	29,173,041	433,433	103.2927	44,770,440
				(353,546,855)			
							828,999,638

In demand deposit account (non-interest bearing) with

Name of the correspondent Bank	Currency	30-Sep-23			31-Dec-22		
		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	163,587	133.8601	21,897,779	280,648	124.2921	34,882,364
Standard Chartered Bank, New York, USA	USD	12,045,812	110.2500	1,328,050,781	20,125,816	103.2927	2,078,849,849
Standard Chartered Bank, AG, Germany	EUR	(11,023)	116.4296	(1,283,367)	33,392	109.6865	3,662,665
ICICI Bank Ltd., Hong Kong	USD	94,410	110.2500	10,408,694	126,396	103.2927	13,055,833
JP Morgan Chase Bank N.A., New York, USA	USD	(1,793,576)	110.2500	(197,741,734)	2,166,811	103.2927	223,815,745
Standard Chartered Bank, Colombo, Sri Lanka	ACU	950	110.2500	104,691	950	103.2927	98,085
Commerzbank AG, Frankfurt, Germany	CHF	257,927	120.1332	30,985,604	82,182	111.3668	9,152,365
The Bank of Tokyo-Mitsubishi UFJ Ltd., Tokyo, Japan	JPY	3,811,086	0.7489	2,854,122	5,609,870	0.7721	4,331,381
Bank of Montreal Canada	CAD	741	81.4748	60,379	94,039	76.0288	7,149,710
Axis Bank, India	ACU	(173,413)	110.2500	(19,118,810)	6,218	103.2927	642,316
Commerzbank AG, Frankfurt, Germany	AUD	6,136	70.2620	431,105	106,441	69.7226	7,421,375
Mashreqbank PSC, Mumbai, India	ACU	46,288	110.2500	5,103,222	92,112	103.2927	9,514,491
Mashreqbank PSC, Mumbai, India	EUR	683	116.4296	79,571	683	109.6865	74,963
Mashreq Bank PSC, Dubai, UAE	AED	217,236	30.2155	6,563,889	2,107,544	28.1206	59,265,395
Standard Chartered Bank, Mumbai, India	ACU	(61,345)	110.2500	(6,763,265)	537,138	103.2927	55,482,448
HDFC Bank Limited, Mumbai, India	ACU	321,863	110.2500	35,485,428	79,500	103.2927	8,211,819
Meezan Bank, Karachi, Pakistan	ACU	37,318	110.2500	4,114,287	107,586	103.2927	11,112,828
Bank of Ceylon, Colombo, Sri Lanka	ACU	3,072	110.2500	338,708	3,072	103.2927	317,334
Kookmin Bank, Seoul, Korea	USD	183,238	110.2500	20,202,015	15,682	103.2927	1,619,859
Al Rajhi Bank in Riyadh, Saudi Arabia	SAR	148,598	29.5898	4,396,989	101,348	27.4642	2,783,432
Bank of Huzhou Co Ltd. China	CNY	104,483	14.8922	1,555,985	14,953	103.2927	1,544,550
Habib Metropolitan Bank, Karachi, Pakistan	ACU	250,168	110.2500	27,580,978	30,498	103.2927	3,150,179
				1,275,307,051			
				921,760,196			
				16,617,806,906			
							2,536,138,986
							3,365,138,624
							14,442,086,008

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

		30-Sep-23 Taka	31-Dec-22 Taka
7. Money at call on short notice			
a) With banks			
b) With non bank financial institutions			
Total (a+b)		-	-
8. Investments			
In Government securities			
Treasury bills			
91-day treasury bills		1,970,384,009	6,457,724,000
182-day treasury bills		-	2,970,233,678
364-day treasury bills		4,110,204,316	4,446,033,712
		6,080,588,325	13,873,991,390
Treasury bonds			
2-year treasury bonds		6,226,370,430	14,472,520,855
5-year treasury bonds		16,638,559,267	16,630,481,025
10-year treasury bonds		31,742,768,415	32,530,405,439
15-year treasury bonds		10,700,277,383	11,014,320,296
20-year treasury bonds		3,900,634,209	3,898,490,554
		69,208,609,704	78,546,218,169
Total treasury bills and bonds		75,289,198,029	92,420,209,559
Prize bonds		7,359,700	6,967,600
		75,296,557,729	92,427,177,159
Other investments			
Subordinated bonds [Note 8.2]		7,975,000,000	8,240,000,000
Shares, bonds [Note 8.3]		3,406,283,434	1,006,283,434
Shares against Special Fund [Note 8.4]		800,000,000	-
		12,181,283,434	9,246,283,434
		87,477,841,163	101,673,460,593
8.1 Classification of investments			
Government treasury bills and bonds			
Held for trading (HFT)		13,937,428,756	24,025,636,938
Held to maturity (HTM)		61,351,769,273	68,394,572,621
Total investments in government securities		75,289,198,029	92,420,209,559
Prize bonds		7,359,700	6,967,600
Other investments		12,181,283,434	9,246,283,434
		87,477,841,163	101,673,460,593
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		700,000,000	800,000,000
Standard Bank Limited		1,000,000,000	1,000,000,000
Islami Bank Bangladesh Limited		2,000,000,000	2,000,000,000
Ashugonj Power Distribution Limited		375,000,000	500,000,000
Bank Asia Limited		400,000,000	400,000,000
Al-Arafah Islami Bank Limited		1,300,000,000	1,300,000,000
First Security Islami Bank Mudaraba Bond		200,000,000	240,000,000
		7,975,000,000	8,240,000,000
8.3 Other investments - shares and bonds (quoted and unquoted)			
Quoted	Share: Different Companies Share [Note 8.5]	2,392,944,807	5,664
	Bond: Beximco Green-Sukuk al Istisna'a	1,000,000,000	1,000,000,000
	Brokerage House: BO Account Balance	7,060,857	-
		3,400,005,664	1,000,005,664
Unquoted	Share: Central Depository Bangladesh Limited	6,277,770	6,277,770
		3,406,283,434	1,006,283,434

		30-Sep-23 Taka	31-Dec-22 Taka
8.4	Other investments - Shares, etc. against Special Fund **		
	Share:		
	GP	135,763,350	-
	SQURPHARMA	20,767,480	-
	BRACBANK	111,011,580	-
	PRIMEBANK	38,019,154	-
	CITYBANK	61,022,876	-
	UTTARABANK	55,110,000	-
	PUBALIBANK	51,520,800	-
	BATASHOE	49,600,290	-
	BATBC	72,113,940	-
	UNILEVERCL	101,876,374	-
	EBL	76,164,793	-
		-	-
		772,970,637	-
	Brokerage House: BO Account Balance	27,029,363	-
		800,000,000	-

8.5 Valuation of Investments in Shares and Bond - Quoted:

Quoted shares and bond	Number of share/bond	Cost Value	Market Value	Value Increase / (Decrease)
Quoted Share: ***				
RAK Ceramics (Bangladesh) Limited	214	5,664	9,181	3,517
Grameen Phone	456,423	124,454,229	130,810,832	6,356,603
SQURPHARMA	541,171	114,140,575	113,537,676	(602,899)
Brac Bank	3,000,000	99,198,000	107,400,000	8,202,000
PRIMEBANK	6,000,000	121,537,908	120,000,000	(1,537,908)
CITYBANK	4,300,000	92,150,032	92,020,000	(130,032)
UTTARA BANK	6,052,446	133,647,057	133,153,812	(493,245)
PUBALIBANK	1,237,168	33,675,326	31,795,218	(1,880,108)
EBL	3,800,000	111,504,623	111,720,000	215,377
BATASHOE	108,805	109,027,930	105,740,992	(3,286,939)
BATBC	200,000	96,151,920	103,740,000	7,588,080
UNILEVERCL	35,000	72,088,936	70,507,500	(1,581,436)
Renata limited	125,453	143,504,369	152,789,209	9,284,840
RECKITT BEN	5,500	26,799,897	26,198,700	(601,197)
UCBL	7,090,938	86,214,759	87,927,631	1,712,872
LINDE BD Ltd	80,000	109,869,035	111,816,000	1,946,965
Lafarge Holcim BD Ltd	1,982,547	136,022,095	137,515,544	1,493,449
ROBI	1,138,933	31,657,079	34,167,990	2,510,911
Marico Bangladesh Ltd	12,500	31,196,409	30,898,750	(297,659)
DBH	2,250,000	116,282,565	127,575,000	11,292,435
Mercantile Bank Ltd	6,059,571	80,753,479	80,592,294	(161,185)
Berger Paints BD	36,053	66,433,215	63,723,970	(2,709,245)
SINGERBD	565,000	85,979,551	85,823,500	(156,051)
Mobil Jamuna BD Ltd.	860,000	77,080,993	74,820,000	(2,260,993)
Olympic	275,254	39,930,217	42,141,387	2,211,170
AMBEE PHARMA	21,743	13,491,629	16,761,540	3,269,911
ACMELAB	500,000	42,585,000	42,500,000	(85,000)
UPGDCL	150,000	34,823,900	35,055,000	231,100
JAMUNAOIL	257,000	45,783,933	45,514,700	(269,233)
MPETROLIUM	189,500	38,775,266	38,468,500	(306,766)
AMCL (PRAN)	110,016	30,835,284	29,704,320	(1,130,964)
Rangpur Foundry	277,484	47,343,932	46,062,344	(1,281,588)
Total Quoted Share	47,718,719	2,392,944,807	2,430,491,589	37,546,782
i. Provision Required against value decreased (net off) of Quoted Share ***				-
Quoted Bond:				-
Beximco Green-Sukuk al Istisna'a	10,000,000	1,000,000,000	850,000,000	(150,000,000)
Total Quoted Bond	10,000,000	1,000,000,000	850,000,000	(150,000,000)
ii. Provision Required against value decreased of Quoted Bonds [Provision Kept in Note 14.1.1.2]				(150,000,000)

* Valuation of all others investment except Special Fund: lower one of Cost value and Market Value.

** Valuation of Investment against Special Fund in Cost Price as per DOS Circular No. 01, dated 10 February 2020.

*** Provision for diminution (gain net off) of Value of Quoted Shares has been made as per DOS Circular no. 1, dated 24 May 2023.

	30-Sep-23 Taka	31-Dec-22 Taka
9. Loans and advances		
Main Operation [Note 9.1]		
Loans, cash credits, overdrafts, etc.	369,518,196,357	344,073,062,155
Bills purchased and discounted	2,299,000,638	2,205,651,087
	371,817,196,995	346,278,713,242
Off-shore Banking Unit		
Loans, cash credits, overdrafts, etc.	767,555,282	794,323,003
Bills purchased and discounted	20,727,331,367	16,927,806,424
	21,494,886,649	17,722,129,427
Total loans and advances	393,312,083,644	364,000,842,669
9.1 Loans, cash credits, overdrafts etc. - Main operation		
In Bangladesh		
Overdraft	29,527,335,737	32,616,330,661
Cash credit	40,977,620,072	39,995,382,130
Export cash credit	11,658,476,389	17,711,714,046
Transport loan	1,224,295,571	1,287,086,263
House building loan	6,739,033,535	5,568,508,484
Loan against trust receipt	13,596,206,700	2,996,056,075
Term loan - industrial	100,866,995,518	95,782,713,211
Term loan - other	99,194,495,178	89,807,961,251
Payment against document - cash	1,252,473,508	27,610,360
Payment against document - EDF	292,827,984	2,053,586,797
Consumer finance	63,613,862,235	55,617,769,614
Staff loan	574,573,930	608,343,263
	369,518,196,357	344,073,062,155
Outside Bangladesh	-	-
	369,518,196,357	344,073,062,155
Bills purchased and discounted		
Payable in Bangladesh		
Inland bills purchased	2,296,651,801	2,202,817,312
Payable outside Bangladesh		
Foreign bills purchased and discounted	2,348,837	2,833,775
	2,299,000,638	2,205,651,087
	371,817,196,995	346,278,713,242
Total loans and advances	371,817,196,995	346,278,713,242

	30-Sep-23 Taka	31-Dec-22 Taka
9.2 Net loans and advances including bills purchased and discounted - Main operation		
Total loans, advances and lease receivables [Note 9.1]	371,817,196,995	346,278,713,242
Less : Provision against loans and advances (specific and general) [Note 9.4(b)]	15,743,061,079	13,847,986,201
Less : Cumulative balance of interest suspense account [Note 14.1.4]	7,216,962,266	5,926,045,140
	348,857,173,650	326,504,681,901

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	299,013,240,548	271,461,349,364
Cash credit	40,977,620,072	39,995,382,130
Overdraft	29,527,335,737	32,616,330,661
	369,518,196,357	344,073,062,155

Outside Bangladesh

	-	-
	369,518,196,357	344,073,062,155

b) Bills purchased and discounted

Payable in Bangladesh	2,296,651,801	2,202,817,312
Payable outside Bangladesh	2,348,837	2,833,775
	2,299,000,638	2,205,651,087
Total (a+b)	371,817,196,995	346,278,713,242

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

Status of loans and advances	Year					
	30-Sep-23				31-Dec-22	
	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)	338,615,966,172	21,494,886,649	360,110,852,821	91.56%	343,221,158,502	94.29%
Special mention account	7,616,004,891	-	7,616,004,891	1.94%	5,180,131,002	1.42%
Total unclassified loans and advances	346,231,971,063	21,494,886,649	367,726,857,712	93.49%	348,401,289,504	95.71%
Classified loans and advances						
Substandard	5,148,206,421	-	5,148,206,421	1.31%	920,910,287	0.25%
Doubtful	1,470,541,242	-	1,470,541,242	0.37%	867,280,606	0.24%
Bad/loss	18,966,478,269	-	18,966,478,269	4.82%	13,811,362,273	3.79%
Total classified loans and advances	25,585,225,932	-	25,585,225,932	6.51%	15,599,553,166	4.29%
Total loans and advances	371,817,196,995	21,494,886,649	393,312,083,644	100.00%	364,000,842,670	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 2023	Base for provision (Taka)	Percentage (%) of provision required as per Bangladesh Bank's directives	Amount of provision required as at 30 September 2023 (Taka)	Amount of provision required as at 31 December 2022 (Taka)
Unclassified loans and advances					
All unclassified loans (other than loans under small and medium enterprise, consumer financing and short term agricultural credit)	198,225,874,981	198,225,874,981	1%	1,876,340,183	2,052,474,896
Small and medium enterprise financing	54,648,494,814	54,648,494,814	0.25%	136,621,237	103,906,492
Consumer financing (other than housing finance under consumer financing scheme)	42,975,427,152	42,975,427,152	2%	859,508,543	779,940,036
Consumer Financing(Credit Card)	4,947,821,740	4,947,821,740	2%	98,956,435	73,519,065
Consumer financing (for housing finance)	26,244,307,053	26,244,307,053	1%	262,443,071	217,429,799
Loans to BHs/MBs/SDs	655,415,239	655,415,239	1%	6,554,152	11,873,645
Short term agricultural credit	10,895,677,343	10,895,677,343	1%	108,956,773	56,417,682
Micro credit	22,947,850	22,947,850	1%	229,479	6,414,307
	338,615,966,172	338,615,966,172		3,349,609,873	3,301,975,923
Special mention account					
All unclassified loans (other than loans under small enterprise and consumer financing)	5,760,908,825	5,760,908,825	1%	57,609,088	34,471,488
Small & Medium enterprise financing	1,402,205,697	1,402,205,697	0.25%	3,505,514	3,406,810
Consumer financing (other than housing finance under consumer financing scheme)	124,811,115	124,811,115	2%	2,496,222	1,761,886
Consumer Financing (Credit Card)	128,379,527	128,379,527	2%	2,567,591	1,638,752
Consumer financing (for housing finance)	199,699,727	199,699,727	1%	1,996,997	2,002,263
	7,616,004,891	7,616,004,891		68,175,412	43,281,199
Sub-total General Provision [A]	346,231,971,063	346,231,971,063		3,417,785,285	3,345,257,122
Special General Provision-Covid 19 (Calculated) [B]				1,839,112,375	2,378,205,274
Classified loans and advances					
Substandard Small	830,848,836	247,261,660	5%	12,363,083	11,091,477
Substandard Other	4,146,148,369	3,244,852,737	20%	648,970,547	39,514,690
Substandard AG/MC	171,209,216	129,552,868	5%	6,477,643	168,538
Doubtful Small	512,571,353	130,091,777	20%	26,018,355	15,959,696
Doubtful Other	954,299,922	678,101,240	50%	339,050,620	195,255,421
Doubtful AG/MC	3,669,967	1,482,961	5%	74,148	152,934
Bad /loss	18,966,478,269	9,236,219,621	100%	6,493,105,302	6,133,591,588
BRPD NOC, Letter, writ etc.				2,951,063,644	1,728,401,383
Sub-total [C]	25,585,225,932	13,667,562,864		10,477,123,342	8,124,135,727
Total provision required [A+B+C]	371,817,196,995	359,899,533,927		15,734,021,002	13,847,598,123
b.1.1) Main Operation					
Provision required				15,734,021,002	13,847,598,123
Provision maintained				15,743,061,079	13,847,986,201
Provision surplus (i)				9,040,077	388,078
b.2) Off-shore Banking Unit					
Provision required				214,948,866	177,221,294
Provision maintained				214,948,866	177,221,294
Provision surplus (ii)				-	-
Provision surplus					
Main Operation (i)				9,040,077	388,078
Off-shore Banking Unit (ii)				-	-
Total provision surplus against loans and advances including bills purchased and discounted (i+ii)				9,040,077	388,078

		30-Sep-23 Taka	31-Dec-22 Taka
10.	Fixed assets at cost or revalued amount including land, building, furniture and fixtures		
	Main Operation [Note 10.1]		
	Total cost	26,263,116,627	23,818,821,592
	Less: Accumulated depreciation	15,982,445,397	14,405,625,618
		10,280,671,230	9,413,195,974
	Off-shore Banking Unit		
	Total cost	136,931	128,253
	Less: Accumulated depreciation	136,820	128,150
		111	103
	Total Fixed assets at cost or revalued	10,280,671,341	9,413,196,077
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	422,393,227	422,393,227
	Interior decoration	2,016,527,252	1,688,247,161
	Furniture and fixtures	559,934,670	536,100,267
	Other machinery and equipment	3,280,306,373	3,128,303,968
	Computer equipment	7,288,226,114	7,060,379,613
	Computer software	798,733,265	722,972,040
	Motor vehicles	76,241,828	76,241,828
	ATM Booth	1,488,698,274	1,459,753,646
	ATM and Fast Track (ATM & Deposit Machine)	4,843,655,255	3,654,179,255
	Right of use of asset - IFRS 16: lease	4,739,845,778	4,321,695,996
	Books	194,591	194,591
		26,263,116,627	23,818,821,592
	Less: Accumulated depreciation	15,982,445,397	14,405,625,618
		10,280,671,230	9,413,195,974
11.	Other assets		
	Main Operation [Note 11.1]	30,901,229,024	22,059,739,844
	Off-shore Banking Unit	285,212	277,534
	Less: Inter Bank transactions [Note 14]	(132,876,756)	(43,240,639)
		30,768,637,480	22,016,776,739
11.1	Other assets - Main operation		
	Income generating other assets (Note 11.1.a)	-	-
	Non-income generating other assets (Note 11.1.b)	30,901,229,024	22,059,739,844
		30,901,229,024	22,059,739,844
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	314,355,441	336,766,729
	ii) Advance rent and advertisement	677,961,837	789,471,465
	iii) Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable	1,830,965,718	1,669,457,588
	iv) Security deposits	22,947,676	23,355,272
	v) Preliminary, formation and organization expenses, renovation/ development expenses and prepaid expenses	301,143,859	546,299,034
	vi) Branch adjustment (net)	-	-
	vii) Suspense account	1,625,540,854	728,621,312
	viii) Silver	-	-
	ix) Others [Note 11.2]	26,128,313,639	17,965,768,444
		30,901,229,024	22,059,739,844
11.2	Break-up of others		
	Encashment of Sanchaya Patra (awaiting realization)	843,220,860	643,126,392
	Advance tax [Note 11.2.1]	8,144,830,490	4,336,383,071
	Deferred tax [Note 11.2.2]	5,339,884,250	4,140,434,209
	Sundry assets [Note 11.2.3]	11,800,378,039	8,845,824,772
		26,128,313,639	17,965,768,444

		30-Sep-23 Taka	31-Dec-22 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		4,140,434,209	2,916,547,544
Increase/(decrease) of Deferred tax assets for the period [Note 11.2.2.1]		1,199,450,041	1,223,886,665
Closing balance		5,339,884,250	4,140,434,209
11.2.2.1 Detail calculation of deferred tax asset / (liability)			
In terms of instructions contained in BRPD Circular No. 11 dated 12 December 2011 and provision of			
i) Temporary timing difference in written down value (WDV) of Fixed Assets			
Accounting written down value [carrying amount] of fixed assets (excluding value of land) [A]		5,984,301,361	5,355,950,119
Written down value of fixed assets as per Tax (Tax base) as of the balance sheet date (excluding value of land) [B]		7,177,896,502	6,514,959,483
Temporary timing difference in Accounting WDV and Tax WDV (excluding value of land) [B - A]		1,193,595,141	1,159,009,364
ii) Temporary timing difference in provision for other classified assets		1,018,841,430	1,118,841,430
iii) Temporary timing difference in specific provision for loans and advances -Opening	8,124,307,097		
Add: Specific provision Charge in P&L Account	<u>3,652,947,666</u>	11,777,254,763	8,124,307,097
iv) Temporary timing difference in provision for Gratuity		250,000,000	639,000,000
Total amount of temporary timing differences in assets / (liabilities) [i+ii+iii] [C]		14,239,691,334	11,041,157,891
Effective tax rate [D]		37.50%	37.50%
Deferred tax asset / (liability) [C X D]		5,339,884,250	4,140,434,209
Increase/(decrease) of Deferred tax asset for the period [Note 11.2.2]		1,199,450,041	1,223,886,665
11.2.3 Sundry assets			
Sundry debtors		359,661,279	112,482,562
Cash remittance		16,000,000	565,164,752
Others		11,424,716,760	8,168,177,458
		11,800,378,039	8,845,824,772
12. Borrowings from other banks, financial institutions and agents			
Main Operation [Note 12.1]		11,389,689,592	16,799,684,366
Off-shore Banking Unit		19,363,446,971	15,772,032,622
Less: Inter Bank transactions [Note 6]		(9,806,171,476)	(4,288,236,331)
		20,946,965,087	28,283,480,657
12.1 Borrowings from other banks, financial institutions and agents- Main operation			
a) In Bangladesh			
Secured			
Refinance from Bangladesh Bank			
Housing [Note 12.3]		-	107,128
Financial Stimulus Fund		-	234,021,926
Low Income Group		387,168,750	750,000,000
Export Development Fund (EDF)		9,301,616,915	15,021,989,965
Small and Medium Enterprise (SME) [Note 12.2, 12.3]		994,691,667	26,235,000
Financial Sector Support Project (FSSP)		706,212,260	766,121,993
		11,389,689,592	16,798,476,012
Unsecured			
Call Money Borrowing			
From other Banks, Financial Institutions and Agents			
Credit lines			
From Off-shore Banking Unit, Dutch-Bangla Bank Limited		-	1,208,354
		-	1,208,354
		11,389,689,592	16,799,684,366
b) Outside Bangladesh			
Secured		-	-
Unsecured		-	-
		-	-
Total (a+b)		11,389,689,592	16,799,684,366

		30-Sep-23 Taka	31-Dec-22 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]	34,525,000	7,245,000
	10 Taka Account Fund [Note 12.3]	-	-
	25,000 CRORE BB Fund	950,000,000	
	SMEDP-2 Fund	10,166,667	18,990,000
		994,691,667	26,235,000
12.3	Assets pledged as security for liability		
	As at the reporting date of these financial statements, the Bank had no assets pledged as security except the Balance with Bangladesh Bank (local currency) against liability of refinance facility availed from Bangladesh Bank under the Housing Loan, Small & Medium Enterprising Financing under Asian Development Bank Fund, International Development Agency (IDA) and Enterprise Growth and Bank Modernization Programme (EGBMP) Fund and Women Entrepreneur Fund by the Bank. [Note 12.1]		
13.	Deposits and other accounts		
	Main Operation [Note 13.1]		
	Current deposits and other accounts	135,870,691,877	124,887,149,933
	Bills payable	5,505,766,957	5,995,156,148
	Savings bank deposits	220,045,328,721	205,224,044,867
	Term deposits	103,864,866,463	102,005,545,643
		465,286,654,018	438,111,896,591
	Off-shore Banking Unit		
	Current deposits and other accounts	20,103,422	19,419,097
	Bills payable	-	-
		20,103,422	19,419,097
	Total Deposits and other accounts	465,306,757,440	438,131,315,688
13.1	Deposits and other accounts - Main Operation		
	Current deposits and other accounts		
	Current deposits	115,205,139,414	109,761,125,388
	Foreign currency deposits	2,356,167,099	2,381,709,825
	Sundry deposits	18,309,385,364	12,744,314,720
		135,870,691,877	124,887,149,933
	Bills payable		
	Payment order	5,488,523,818	5,977,887,009
	Demand draft	17,243,139	17,269,139
		5,505,766,957	5,995,156,148
	Savings bank deposits	220,045,328,721	205,224,044,867
	Term deposits		
	Fixed deposits	41,366,934,764	33,859,842,247
	Scheme and other deposits	26,625,979,275	27,806,275,042
	Special notice deposits	35,667,055,555	40,217,869,577
	Non resident foreign currency deposits	78,011,033	2,191,787
	Resident foreign currency deposits	99,905,389	92,547,268
	Monthly term deposits	26,980,447	26,819,722
		103,864,866,463	102,005,545,643
		465,286,654,018	438,111,896,591
13.1.2	Segregation of deposits and other accounts		
	Other than inter-bank deposits	465,265,843,946	438,087,190,646
	Inter-bank deposits [Note 13.3]	20,810,072	24,705,945
		465,286,654,018	438,111,896,591

		30-Sep-23 Taka	31-Dec-22 Taka
13.1.3 Details of inter-bank deposits			
In current deposits account			
Al-Arafah Islami Bank Limited		229,548	229,893
Bangladesh Development Bank Limited		4,023,752	4,170,402
Bangladesh Commerce Bank Limited		6,814,389	4,016,458
Rajshahi Krishi Unnayan Bank		871,609	871,954
Brac Bank Limited		2,119,568	8,888,262
Southeast Bank Limited		-	545
		14,058,866	18,177,514
In special notice deposits account			
Janata Bank Limited		48,885	49,844
Dhaka Bank Limited		4,983,824	5,381,425
National Credit and Commerce Bank Limited		156,208	153,692
Prime Bank Limited		1,032,714	838,425
ICB Islami Bank Limited		122,360	105,045
Citizens Bank PLC		407,215	-
The City Bank Limited		-	-
		6,751,206	6,528,431
		20,810,072	24,705,945
14. Other liabilities			
Main Operation [Note 14.1]		42,488,180,652	37,035,556,520
Off-shore Banking Unit		496,267,348	427,766,992
Less: Inter Bank transactions [Note 11]		(132,876,756)	(43,240,639)
		42,851,571,244	37,420,082,873
14.1 Other liabilities- Main operation	<u>Notes</u>		
Unclaimed Dividend Account	14.1.1	3,889,132	2,575,957
Provision for expenses		1,043,326,132	617,406,303
Contribution to Dutch-Bangla Bank Limited Employees' Superannuation Fund		65,000,000	76,000,000
Contribution to Dutch-Bangla Bank Limited Employees' Gratuity Fund		250,000,000	639,000,000
Provision for interest on credit lines, refinance scheme and subordinated debt		300,269,786	96,743,177
Branch adjustment (net)		646,662,104	1,319,151,270
Provision for classified assets	14.1.2	1,018,841,430	1,118,841,430
Provision for taxation	14.1.3	11,141,757,894	8,299,857,700
Accumulated provision for loans and advances including off-balance sheet exposures	14.1.4.1	16,708,065,340	14,908,472,649
Cumulative balance of interest suspense account	14.1.5.1	7,216,962,266	5,926,045,140
Start up Fund	14.1.6	167,215,122	167,215,122
Risk Fund for fixed assets		57,750,317	38,890,895
lease liability - IFRS-16		3,417,079,218	3,168,872,496
CSR Fund		101,355,432	180,150,876
Others		350,006,479	476,333,505
		42,488,180,652	37,035,556,520
14.1.1 Unclaimed Dividend Account			
Opening balance		2,575,957	1,690,253
Add: Dividend transferred by the Bank to the account during the period		1,031,621,561	944,279,643
Less: Amount withdrawn by the Shareholders of the Bank from the account during the period		1,030,308,386	943,393,939
Balance at the end of the period		3,889,132	2,575,957

	30-Sep-23 Taka	31-Dec-22 Taka
14.1.2 Provision for classified assets		
Provision for other classified assets [Note 14.1.2.1]	1,018,841,430	1,118,841,430
Provision for nostro accounts [Note 14.1.2.3]	-	-
	1,018,841,430	1,118,841,430

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	1,118,841,430	610,949,000
Add: Provision made for the period	(100,000,000)	507,892,430
Closing balance [Note 14.1.2.2]	1,018,841,430	1,118,841,430

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]	150,000,000	110,000,000
Legal expenses receivable	55,009,187	54,652,573
Protested bills receivable	51,009,914	49,104,963
Others	305,155,662	447,417,227
	1,018,841,430	1,118,841,430

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	8,299,857,700	12,830,309,562
Add: Provision made for the period [Note 14.1.3.1]	2,949,832,399	4,428,800,730
Less: Adjustment made against Advance Tax/Adjustment made against final assessment orders by the Deputy Commissioner of Taxes or the Appellate Authority	107,932,205	8,959,252,592
Closing balance [Note 14.1.3.2]	11,141,757,894	8,299,857,700

14.1.3.1 Current tax - Provision for the period

	On Taka	Tax rate		
Banking business income (calculated) *	7,643,916,649	37.50%	2,866,468,743	4,730,245,926
Add: Capital gain on share *	579,451,298	15.00%	86,917,695	126,971,548
Add: Dividend income *	5,711,803	20.00%	1,142,361	1,142,457
Less: Rebate on allowable CSR (calculated)	46,964,000	10.00%	(4,696,400)	(4,379,200)
Less: Provision kept			-	(425,180,000)
			2,949,832,399	4,428,800,730
* Taxable Income [Banking business income (calculated), Capital gain and Dividend income]			7,649,628,452	13,466,178,403

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-23 Taka	31-Dec-22 Taka
14.1.4 Accumulated provision for loans and advances and Off-balance sheet exposures		
Main Operation [Note 14.1.3.1]	16,708,065,340	14,908,472,649
Off-shore Banking Unit	214,948,866	177,221,294
	16,923,014,206	15,085,693,943
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	8,124,307,097	5,611,773,088
Less: Fully provided debt written-off	1,296,449,939	(22,294,753)
Add: Recoveries of amounts previously written-off	846,412	44,190,683
Add: Specific provision for the period	3,652,947,666	2,446,048,573
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)]	10,481,651,236	8,124,307,097
B. General provision		
General provision against unclassified loans and advances [i]		
Opening balance	3,345,473,830	3,024,673,830
General provision for the period *	76,823,638	320,800,000
Provision held at the end of the period [Note 9.4(b)]	3,422,297,468	3,345,473,830
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	2,378,205,274	2,141,546,485
Special general provision - Covid 19 for the year	(539,092,899)	236,658,789
Provision held at the end of the year [Note 9.9(b)]	1,839,112,375	2,378,205,274
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	1,060,486,448	1,067,716,912
Add: Provision made for the period	(95,482,187)	(7,230,464)
Provision held at the end of the period [Note 14.1.4.4] **	965,004,261	1,060,486,448
Accumulated general provision for loans and advances including deferred loans & off-balance sheet exposures - Main Operation [B]	6,226,414,104	6,784,165,552
Accumulated provision (Specific & General) for loans and advances including deferred loans & off-balance sheet exposures -Main Operation [A+B]	16,708,065,340	14,908,472,649
* General provision made for the period against unclassified loans and advances [iv]		
Main Operation [B.i]	76,823,638	320,800,000
Off-shore Banking Unit	37,727,572	(7,970,651)
	114,551,210	312,829,349
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]	10,481,651,236	8,124,307,097
General provision against unclassified loans and advances-Main Operation [Note 14.1.4.1.B.i]	3,422,297,468	3,345,473,830
Special General Provision-Covid-19 against deferred loans [Note 14.1.4.1.B.ii]	1,839,112,375	2,378,205,274
General provision against Off-balance sheet exposures [Note 14.1.4.1.B.iii]	965,004,261	1,060,486,448
General provision against unclassified loans and advances-Off-Shore Banking Unit [C]	214,948,866	177,221,294
	16,923,014,206	15,085,693,943
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]	6,441,362,970	6,961,386,846

	30-Sep-23 Taka	31-Dec-22 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] **	965,004,261	1,060,486,448
General provision against Off-balance sheet exposures - Required	954,324,725	1,049,700,000
Provision Surplus for General provision against Off-balance sheet exposures	10,679,536	10,786,448
** 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	5,926,045,140	5,312,506,060
Add: Amount transferred to interest suspense account during the period	4,345,967,544	3,750,481,843
Less: Amount transferred from interest suspense account during the period	2,834,727,180	3,098,525,299
Less: Amount written-off/waived during the period	220,323,238	38,417,464
Balance at the end of the period	7,216,962,266	5,926,045,140
14.1.6 Cumulative balance of Start up Fund		
Opening balance	167,215,122	110,598,225
Add: Fund made during the period/year	-	56,616,897
Balance at the end of the period	167,215,122	167,215,122
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.	1,000,000,000	2,000,000,000
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.	3,000,000,000	3,000,000,000
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	9,000,000,000	10,000,000,000

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)661/14B(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-23	31-Dec-22
		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	7,479,312,500	6,957,500,000
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	632,500,000
	Bonus shares @ 0.075 against 1 existing share of Taka 10 each for the year 2022 *	521,812,500	-
		7,479,312,500	6,957,500,000

*** Note:**

The Board of Directors of the Bank in its 265th meeting held on 18 April 2023 recommend 17.5% cash dividend and 7.5% stock dividend for the year 2022. The recommendation of dividend was approved by the shareholders of the Bank in the 27th AGM held on 12 June 2023.

	30-Sep-23 Taka	31-Dec-22 Taka
16.3 Capital to Risk Weighted Assets Ratio (CRAR) under Basel III:		
As per Section 13 of the Bank Company (Amended) Act, 2018 and instructions contained in BRPD Circular No. 18 dated 21 December 2014, [Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)], the eligible regulatory capital of the Bank as of 30 September 2023 stood at Taka 51,877,506,217 against the risk based capital requirement of Taka 45,789,903,294. As a result, there was a capital surplus of Taka 6,087,602,923 in risk based capital adequacy ratio as on 30 September 2023.		
The details of capital to risk-weighted asset ratio (CRAR) are furnished below:		
Total assets (excluding off-balance sheet assets)	582,520,225,479	555,473,634,446
Total off-balance sheet assets	126,333,823,158	104,856,710,580
Total Risk weighted assets [RWA] against		
i. Credit Risk		
On-balance sheet	274,583,607,512	247,207,254,758
Off-balance sheet	30,031,656,185	32,885,443,179
	304,615,263,697	280,092,697,937
ii. Market Risk	10,281,167,823	2,352,529,318
iii. Operational Risk	46,345,676,559	47,675,718,031
A) Total Risk weighted assets (RWA) [i+ii+iii]	361,242,108,078	330,120,945,286
B) Minimum Capital Requirement (MCR) with Capital Conservation Buffer (CCB) [12.5% of RWA]	45,155,263,510	41,265,118,161
C) Common Equity Tire 1 (CET1) capital		
Paid -up share capital	7,479,312,500	6,957,500,000
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 pevoius year, if any)	24,902,514,565	22,504,567,661
	43,352,769,934	40,433,010,530
Less : Other Intangible Assets (computer software)	182,538,435	149,907,872
Less : Deferred tax asset (95%)	3,734,088,253	2,894,284,403
	39,436,143,247	37,388,818,255
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	-	-
	39,436,143,247	37,388,818,255
E) Tier 1 Capital [C+D]	39,436,143,247	37,388,818,255
F) Tier 2 Capital		
General provision maintained against unclassified loans and off-balance sheet exposures [Note 14.1.3.2]	6,441,362,970	6,961,386,846
Subordinated debt capital	6,000,000,000	7,000,000,000
Assets revaluation reserves	-	-
Revaluation reserves of HTM securities	-	-
	12,441,362,970	13,961,386,846
Less: Revaluation Reserves for Fixed Assets and Securities	-	-
	12,441,362,970	13,961,386,846
G) Total Eligible Regulatory Capital (Tier 1 and 2) [E+F]	51,877,506,217	51,350,205,101
Total capital surplus [G - B]	6,722,242,707	10,085,086,940
Capital to Risk Weighted Assets Ratio (CRAR):		
Common Equity Tier-1 to RWA (C/A)*100	10.92%	11.33%
Tier-1 Capital to RWA (E/A)*100	10.92%	11.33%
Tier-2 Capital to RWA (F/A)*100	3.44%	4.23%
Capital to Risk Weighted Assets Ratio (CRAR) (G/A)*100	14.36%	15.55%

		30-Sep-23 Taka	31-Dec-22 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		355,330,921	181,135,270
Add: Reserve transferred to Income Account during the period		(143,582,924)	174,195,651
Closing balance		211,747,997	355,330,921
23. Contingent liabilities			
Main Operation [Note 23.1]		126,333,823,158	104,856,710,580
Off-shore Banking Unit		-	-
		126,333,823,158	104,856,710,580

	30-Sep-23 Taka	31-Dec-22 Taka
23.1 Contingent liabilities - Main Operation		
a) Acceptances and endorsements	49,290,211,637	54,705,039,374
b) Letters of guarantee		
Local	5,453,318,654	5,760,373,261
Foreign	810,507,177	688,505,556
	6,263,825,831	6,448,878,817
c) Irrevocable letters of credit		
Local		
Cash	85,981,343	326,295,427
Usance	0	17,449,908
Back to back	8,442,916,703	9,923,955,230
	8,528,898,046	10,267,700,565
Foreign		
Cash	20,498,106,739	15,297,353,683
Usance	8,598,472,841	8,187,524,822
Back to back	1,397,918,754	2,476,665,485
	30,494,498,334	25,961,543,990
	39,023,396,380	36,229,244,555
d) Bills for collection		
Inward	-	-
Outward	-	-
	-	-
e) Forward Contract & others contingent liabilities		
Travelers' cheques	-	-
Forward Contract	31,234,321,435	4,415,965,628
Bangladesh Shanchaya Patra	-	2,569,915,000
Others	522,067,875	487,667,206
	31,756,389,310	7,473,547,834
Total (a+b+c+d+e)	126,333,823,158	104,856,710,580
24. Retained Earnings		
Main Operation [Note 24.1]	23,249,225,048	20,966,662,570
Off-shore Banking Unit	1,653,289,517	1,537,905,091
	24,902,514,565	22,504,567,661
24.1 Retained Earnings-Main Operation		
Balance at 1 January	20,966,662,570	17,470,139,892
Dividend paid for previous year's	(1,217,562,500)	(1,106,875,000)
Transfer to dividend equalization fund for previous year's dividend paid	-	-
Transfer to paid up share capital for previous year's bonus share	(521,812,500)	(632,500,000)
Transfer to Start up Fund [Note 14.1.5]	-	(56,616,897)
Retained surplus for the current year	4,021,937,478	5,292,514,575
Closing balance	23,249,225,048	20,966,662,570
24.2 Calculation of Earnings Per Share (EPS)	30-Sep-23 Taka	30-Sep-22 Taka
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]	4,137,321,904	3,997,989,710
Number of ordinary shares outstanding [denominator] *	747,931,250	747,931,250
Earnings Per Share	5.53	5.35
24.3 Calculation of Net Asset Value (NAV) Per Share		
Total Shareholders Equity [numerator]	44,414,931,708	39,840,757,009
Number of ordinary shares outstanding [denominator]*	747,931,250	747,931,250
Net Asset Value (NAV) Per Share	59.38	53.27
24.4 Net Operating Cash Flow Per Share (NOCFPS) [Note 47.1, 47.2]		
Net cash from operating activities [numerator]	2,877,266,782	15,602,826,790
Number of ordinary shares outstanding [denominator]*	747,931,250	747,931,250
Net operating cash flow per share (NOCFPS) for the period	3.85	20.86
Net operating cash flow per share (NOCFPS) for the quarter	(19.69)	0.98

* 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 year. [Note 16.2.1]

		30-Sep-23 Taka	30-Sep-22 Taka
25.	Particulars of profit and loss account		
	Income		
	Interest, discount and other similar income	21,227,315,280	17,806,498,734
	Dividend income	5,711,803	5,711,803
	Gains less losses arising from investment securities	5,373,202,248	5,386,403,234
	Capital gain on sales of government securities	0	0
	Fees, commission and brokerage	694,979,624	724,485,228
	Gains less losses arising from dealing in foreign currencies	825,222,017	2,358,460,615
	Income from non-banking assets	-	-
	Other operating income	2,994,528,306	2,763,932,836
	Profit less losses on interest rate changes	-	-
		31,120,959,278	29,045,492,450
	Expenses		
	Interest, fee and commission	6,145,107,321	5,807,485,995
	Directors' fees	233,414	266,350
	Administrative expenses	8,479,695,695	8,184,642,942
	Other operating expenses	5,985,454,862	5,449,284,783
	Depreciation on banking assets	1,589,839,935	1,407,689,833
		22,200,331,226	20,849,369,903
	Profit before provision	8,920,628,052	8,196,122,547
26.	Interest income		
	Main Operation [Note 26.1]	20,799,804,674	17,131,081,859
	Off-Shore Banking Unit	766,975,224	807,400,939
	Less: Inter Bank transactions [Note 27]	(339,464,618)	(131,984,064)
		21,227,315,280	17,806,498,734
26.1	Interest income - Main Operation		
	Interest on loans and advances		
	House building loan	226,513,943	222,696,822
	Transport loan	77,545,343	92,753,556
	Term loan - industrial	5,638,589,070	5,083,983,517
	Term loan - others	2,058,573,867	1,872,772,429
	Secured overdraft	1,361,984,229	1,423,060,632
	Cash credit	1,577,440,946	1,414,751,587
	Payment against document - cash	59,295,182	2,175,819
	Payment against document EDF- others	191,114,117	171,127,940
	Loan against trust receipts	458,972,801	105,874,455
	Export cash credit	113,210,303	98,830,248
	Loan against accepted bills	157,930,066	125,973,351
	Staff loan	22,759,518	18,989,216
	SME and consumer finance	7,596,190,822	5,974,144,040
		19,540,120,207	16,607,133,612
	Interest on balance with other banks and financial institutions		
	Fixed deposits	171,979,153	239,294,167
	Special notice deposits	414,093	2,712,410
	Nostro accounts	20,429,437	2,449,717
	Money at call on short notice, etc	1,066,861,784	279,491,953
		1,259,684,467	523,948,247
		20,799,804,674	17,131,081,859

	30-Sep-23 Taka	30-Sep-22 Taka
27. Interest paid on deposits and borrowings etc.		
Main Operation [Note 27.1]	5,864,118,122	5,402,224,361
Off-shore Banking Unit	620,453,817	537,245,698
Less: Inter Bank transactions [Note 26]	(339,464,618)	(131,984,064)
	6,145,107,321	5,807,485,995
27.1 Interest paid on deposits and borrowings - Main Operation		
Interest paid on deposits [Note 27.2]	5,047,787,374	4,599,409,420
Interest paid on borrowings [Note 27.3]	816,330,748	802,814,941
	5,864,118,122	5,402,224,361
27.2 Interest paid on deposits		
Savings deposits	1,493,857,623	1,374,943,781
Special notice deposits	556,254,021	477,446,499
Fixed deposits	2,965,962,492	2,713,142,402
Non-resident foreign currency deposits	28,881,789	32,801,239
Resident foreign currency deposits	2,525,182	772,596
Monthly term deposits	306,267	302,903
	5,047,787,374	4,599,409,420
27.3 Interest paid on borrowings		
Interest on borrowing - call loan and term loan	7,958,056	25,430,875
Interest on credit lines	-	-
Interest paid on subordinated debt	577,563,566	635,329,037
Interest on borrowing under REPO and Re-financing facilities with Bangladesh Bank	175,005,885	127,130,268
Interest on borrowing under REPO with other banks	55,803,241	14,924,761
	816,330,748	802,814,941
28. Investment income		
Dividend on shares	5,711,803	5,711,803
Interest on treasury bills, bonds and debentures		
Interest on treasury bills and bonds	4,191,626,536	4,015,435,360
Capital gain on sales of government securities	579,451,298	830,254,162
Interest on reverse REPO with other banks	402,469	2,959,246
Interest on subordinated bonds	601,721,945	537,754,466
	5,373,202,248	5,386,403,234
Gain on sale of shares	-	-
	5,378,914,051	5,392,115,037
29.1 Commission, exchange and brokerage		
Commission [Note 29.1.1]	694,979,624	724,485,228
Exchange earnings [Note 29.1.2]	825,222,017	2,358,460,615
	1,520,201,641	3,082,945,843

	30-Sep-23 Taka	30-Sep-22 Taka
29.1.1 Commission		
Commission on Remittances-Local	5,031,679	5,607,419
Commission on Remittances-Foreign	12,106,943.0	15,684,729
Commission on Letter of Credit-Import	51,306,628	67,927,835
Commission on Letter of Credit-Export	579,527,600	555,383,095
Commission on Export Bills	3,975,666	6,705,098
Commission on Letter of Guarantee	34,062,812	31,467,230
Commission on Sale of Government Saving Instruments	8,950,904	41,596,347
Commission on Banker to the issue & underwriting	-	-
Other Commission	17,392	113,475
	694,979,624	724,485,228
29.1.2 Exchange earnings		
Exchange earnings from treasury dealings, etc. (net)	32,145,476	721,487,893
Revaluation gain on foreign currency (net)	793,076,541	1,636,972,722
	825,222,017	2,358,460,615
30. Other operating income		
Main Operation [Note 30.1]	2,986,947,579	2,751,369,007
Off-shore Banking Unit	7,580,727	12,563,829
	2,994,528,306	2,763,932,836
30.1 Other operating income - Main Operation		
Charges for service	97,816,748	102,299,365
Income from IT service	2,268,919,093	2,028,540,654
Recoveries from client	131,847,355	138,702,332
Service charges on deposit accounts	222,667,154	215,249,821
Income from Export-Import	39,878,942	56,921,435
Examination and appraisal fees	1,527,500	950,000
Document handling charges-Export	200,798	4,325,362
Locker Rent	6,731,120	7,601,923
Gain on sale of fixed assets [Note 30.2]	519,969	894,790
Income from Mobile and Agent Banking Services	125,835,869	83,083,584
Other earning	91,003,031	112,799,741
	2,986,947,579	2,751,369,007
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]	519,969	894,790
	519,969	894,790
30.3 Calculation of income from sale of fixed assets		
Sale proceeds [A]	1,285,289	11,397,731
Cost price of the sold items	13,785,476	119,694,631
Less: Accumulated depreciation	13,020,156	109,191,690
Written down value [B]	765,320	10,502,941
Net gain [A - B]	519,969	894,790

31. Administrative expenses			30-Sep-23 Taka	30-Sep-22 Taka
		Notes		
	Salary and allowances	32	5,174,356,817	4,835,865,410
	Rent, taxes, insurance, electricity, etc.	34	1,790,342,428	1,790,821,130
	Legal expenses	35	2,416,188	2,661,831
	Postage, stamp, telecommunications, etc.	36	307,265,224	293,821,679
	Stationery, printings, advertisements etc.	37	319,856,238	451,114,383
	Managing Director & CEO's salary and allowances	38	17,400,000	13,510,000
	Auditors' fees	40	315,000	656,500
	Repair and maintenance	41	867,743,800	796,192,009
			8,479,695,695	8,184,642,942
32. Salary and allowances				
	Main Operation [Note 32.1]		5,173,531,103	4,834,932,820
	Off-shore Banking Unit		825,714	932,590
			5,174,356,817	4,835,865,410
32.1 Salary and allowances-Main Operation				
	Basic salary		2,196,197,597	1,997,046,332
	House rent allowance		1,106,953,748	1,003,602,820
	Conveyance allowance		278,602,015	212,231,136
	Other allowances		228,074,824	247,132,652
	Bank's contribution to provident fund		201,265,316	208,449,316
	Medical expenses		246,101,377	204,710,368
	Bonus		601,336,226	611,760,196
	Gratuity		250,000,000	310,000,000
	Superannuation		65,000,000	40,000,000
			5,173,531,103	4,834,932,820
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 11,849 as at 30 September 2023 compared to 17,499 as at 30 September 2022.				
34. Rent, taxes, insurance, electricity, etc.				
Rent				
	Office premises		980,602,439	872,082,081
	ATM Booths and other installations		558,240,818	525,559,735
	Less: Rent expenses adjusted for IFRS-16		(477,368,361)	(268,820,550)
			1,061,474,896	1,128,821,266
Rates and taxes				
	Rates		557,950	1,263,000
	Taxes		23,723,243	10,819,639
			24,281,193	12,082,639
Insurance				
	Cash		47,009,352	39,121,226
	Vehicles		2,063,879	2,526,156
	Deposits		206,319,511	195,315,511
	Staff		-	473
	Other properties		19,658,440	14,312,748
			275,051,182	251,276,114
Electricity and sanitation				
	Light and power		420,466,841	390,189,008
	Water and sewerage		8,556,483	7,739,453
	Utilities		511,833	712,650
			429,535,157	398,641,111
			1,790,342,428	1,790,821,130
35. Legal expenses				
	Legal expenses		2,416,188	2,661,831
			2,416,188	2,661,831

		30-Sep-23 Taka	30-Sep-22 Taka
36.	Postage, stamp, telecommunications, etc.		
	Main Operation [Note 36.1]	307,265,224	293,821,679
	Off-shore Banking Unit	-	-
		307,265,224	293,821,679
36.1	Postage, stamp, telecommunications, etc.-Main Operation		
	Postage	23,062,074	23,081,443
	Telephone	10,907,380	13,834,301
	Radio link	251,970,000	239,832,983
	Swift, Reuters, internet, etc.	21,325,770	17,072,952
		307,265,224	293,821,679
37.	Stationery, printings, advertisements etc.		
	Printing and stationery:		
	Printed stationery	73,061,379	43,026,632
	Security stationery	55,912,076	29,831,649
	Petty stationery	53,934,353	59,776,914
		182,907,808	132,635,195
	Publicity and advertisement	136,948,430	318,479,188
		319,856,238	451,114,383
38.	Managing Director & CEO's salary and allowances		
	Basic salary	9,000,000	8,100,000
	House rent allowance	1,800,000	720,000
	House maintenance	1,800,000	360,000
	Bank's contribution to provident fund	900,000	810,000
	Other allowances	450,000	270,000
	Leave fare assistance	450,000	450,000
	Bonus	3,000,000	2,800,000
		17,400,000	13,510,000
39.	Directors' fees		
	Honorarium for attending meeting	225,284	261,940
	Incidental expenses for attending meeting	8,130	4,410
		233,414	266,350
40.	Auditors' fees		
	Statutory annual audit fees	200,000	472,500
	Special audit fees	115,000	184,000
	Fees for various certification	-	-
		315,000	656,500
41.	Depreciation and repair of bank's assets		
	Depreciation on fixed assets including building, furniture and fixtures		
	Main Operation [Note 41.1]	1,589,839,935	1,407,689,833
	Off-shore Banking Unit	-	-
		1,589,839,935	1,407,689,833
	Repair and maintenance		
	Main Operation [Note 41.2]	867,743,800	796,192,009
	Off-shore Banking Unit	-	-
		867,743,800	796,192,009
		2,457,583,735	2,203,881,842

	30-Sep-23 Taka	30-Sep-22 Taka
41.1 Depreciation on fixed assets including land, building, furniture and fixtures - Main Operation		
Land	-	-
Building (including lease hold property)	7,919,873	7,491,449
Interior decoration	97,874,947	88,230,498
Furniture and fixtures	21,484,700	22,864,229
Other machinery and equipment	205,727,121	208,296,208
Computer equipment	509,639,001	538,724,037
Computer software	43,130,662	36,345,513
Motor vehicles	-	70,783,751
ATM Booth	66,376,691	69,653,631
ATM and Fast Track (ATM & Deposit Machine)	224,064,631	129,704,427
Right of use of assets IFRS-16: lease	413,622,309	235,596,090
Books	-	-
	1,589,839,935	1,407,689,833
41.2 Repair and maintenance - Main Operation		
Premises	138,872,729	144,021,474
Vehicles	47,527,156	52,299,937
Computers	681,343,915	599,870,598
	867,743,800	796,192,009
42. Other expenses		
Main Operation [Note 43.1]	5,985,290,439	5,448,830,394
Off-shore Banking Unit	164,423	454,389
	5,985,454,862	5,449,284,783
42.1 Other expenses- Main Operation		
Entertainment expenses	43,552,199	37,959,736
Fuel and lubricant	56,171,243	47,319,374
Subscription and donations	72,159,698	21,901,252
Casual wages and allowances	1,739,550,040	1,360,608,244
Travelling expenses and allowances	151,190,467	487,931,381
Petty conveyance	34,039,586	33,029,420
News papers, periodicals, learning materials etc.	938,041	1,177,699
Crockeries	719,148	472,862
Debit and Credit Card expenses	480,570,228	416,924,751
Tele Banking Expenses	82,000,000	73,381,236
Cash carrying charges	45,760,238	40,370,008
ATM cash replenishment charges	449,800,000	449,700,000
Recruitment, training, seminar and workshop	28,497,121	13,344,731
Service charge on nostro account and others	71,165,324	53,002,898
Consultancy fees	26,912,240	13,233,339
Business promotion and development	479,590,707	566,208,595
Other Operational Expenses	633,911,330	534,522,856
Finance cost for right of use of asset - IFRS-16: lease	156,760,748	51,919,401
Laundry and cleaning	71,233	80,647
Other expenses for Mobile Banking Services	344,063,724	307,138,311
Other expenses for Agent Banking Services	1,043,051,377	901,743,429
Miscellaneous	35,765,541	18,265,124
	5,985,290,439	5,448,830,394

	30-Sep-23 Taka	30-Sep-22 Taka
43. Receipts from other operating activities		
Other operating income [Note 30]	2,994,528,306	2,763,932,836
Less: Income from sale of fixed assets (net)	519,969	894,790
	2,994,008,337	2,763,038,046
Exchange earnings (net) [Note 29.2]	825,222,017	2,358,460,615
	3,819,230,354	5,121,498,661
44. Payments for other operating activities		
Expenses for the year	6,035,251,429	5,993,394,760
Add: Opening accrued expenses	584,064,397	624,494,048
Add: Closing advance expenses	677,961,837	1,029,081,217
Less: Closing accrued expenses	1,099,016,966	1,612,883,755
Less: Opening advance expenses	789,471,465	832,142,193
	5,408,789,232	5,201,944,077
45. Increase/(decrease) of other assets		
Closing other assets		
Security deposits	22,947,676	23,353,124
Suspense account	1,625,540,854	477,770,219
Branch adjustment (net)	-	-
Encashment of Sanchaya Patra (awaiting realization)	843,220,860	620,092,088
Sundry debtors	359,661,279	181,723,410
Cash remittance	16,000,000	543,922,045
Others	11,424,724,438	5,726,511,121
	14,292,095,107	7,573,372,007
Opening other assets		
Security deposits	23,355,272	23,218,575
Suspense account	728,621,312	145,839,025
Branch adjustment (net)	-	-
Encashment of Sanchaya Patra (awaiting realization)	643,126,392	436,458,825
Sundry debtors	112,482,562	110,002,962
Cash remittance	565,164,752	316,929,215
Others	8,168,177,458	4,701,862,536
	10,240,927,748	5,734,311,138
	4,051,167,359	1,839,060,869
46. Increase/(decrease) of other liabilities		
Closing other liabilities		
Branch adjustment (net)	646,662,104	1,709,047,887
Cumulative balance of interest suspense account	7,216,962,266	5,930,221,657
Revaluation reserve for HTM securities	211,747,997	164,415,768
Revaluation reserve for HFT securities	-	-
Risk Fund for fixed assets	57,750,317	36,606,548
Liability for lease hold property	3,417,079,218	1,929,524,947
CSR Fund	101,355,432	288,241,401
Others	350,006,479	315,477,706
	12,001,563,813	10,373,535,913
Opening other liabilities		
Branch adjustment (net)	1,319,151,270	266,331,106
Cumulative balance of interest suspense account	5,926,045,140	5,312,506,060
Revaluation reserve for HTM securities	355,330,921	181,135,270
Revaluation reserve for HFT securities	-	-
Risk Fund for fixed assets	38,890,895	20,558,911.00
Liability for lease hold property	3,168,872,496	2,016,120,379
CSR Fund	180,150,876	-
Others	476,333,505	449,342,615
	11,464,775,103	8,245,994,341
	536,788,710	2,127,541,572

		30-Sep-23	30-Sep-22
		Taka	Taka
47.1	Reconciliation between Operating profit of the Bank and Cash flows from operating activities		
	Profit before provision	8,920,628,052	8,196,122,548
	Depreciation on fixed assets	1,589,839,935	1,407,689,833
	Gain/loss on sale of fixed assets	(519,969)	(894,790)
	Adjustment of provision for loans and advances	846,412	44,681,113
	Increase of interest receivable	(1,854,135,826)	638,761,010
	Increase of interest payable	915,944,864	1,023,774,727
	Increase of accrued expenses	25,919,829	614,257,604
	Increase of advance expenses	379,076,091	(284,006,172)
	Advance tax paid	(3,916,379,624)	(3,469,308,023)
	<i>Operating profit before changes in operating assets and liabilities</i>	6,061,219,763	8,171,077,850
	Increase/(decrease) in operating assets and liabilities		
	Statutory deposits	-	-
	Purchase /sale of trading securities	10,088,208,182	10,977,537,546
	Loans and advances to other banks	-	-
	Loans and advances to customers	(27,844,732,043)	(38,213,725,645)
	Other assets	(4,051,167,359)	(1,839,060,869)
	Deposits from other banks	(3,895,873)	1,170,091
	Deposits from customers	26,478,240,880	29,641,167,264
	Other liabilities account of customers	(8,387,395,478)	4,737,118,982
	Other liabilities	536,788,710	2,127,541,572
	<i>Net cash from operating activities</i>	2,877,266,782	15,602,826,790
47.2	Net operating cash flow per share (NOCFPS) [Note 24.4]	3.85	20.86
47.3	Net operating cash flow per share (NOCFPS) increase/(decrease) mainly due to		
	<i>Increase/(decrease) in operating cash flow</i>		
		Difference from previous period	
	Interest receivable	(2,492,896,836)	(1,854,135,826)
	Increase of accrued expenses	(588,337,775)	25,919,829
	Purchase /sale of trading securities	(889,329,364)	10,977,537,546
	Loans and advances to customers	10,368,993,602	(27,844,732,043)
	Other assets	(2,212,106,490)	(4,051,167,359)
	Deposits from customers	(3,162,926,384)	26,478,240,880
	Other liabilities account of customers	(13,124,514,460)	(8,387,395,478)
	Other liabilities	(1,590,752,862)	536,788,710
	Total	(13,691,870,569)	(5,008,273,105)
			8,683,597,464
48.	Cash and cash-equivalents	30-Sep-23	31-Dec-22
		Taka	Taka
	Main Operation [Note 48.1]	70,456,587,741	62,629,845,561
	Off-shore Banking Unit	37,935,286	34,716,738
	Less: Inter Bank transactions [Note 6]	(9,806,171,476)	(4,288,236,331)
		60,688,351,551	58,376,325,968
48.1	Cash and cash-equivalents - Main Operation		
	Cash in hand (including foreign currencies)	21,702,746,813	26,488,896,328
	Balance with Bangladesh Bank and its agent bank (including foreign currencies)	32,128,674,322	21,691,895,625
	Balance with other banks and financial institutions	16,617,806,906	14,442,086,008
	Prize bonds	7,359,700	6,967,600
	Money at call on short notice	-	-
		70,456,587,741	62,629,845,561

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 at an initial monthly rent @ Taka 130.00 per sft is payable on 151,014 sft plus monthly car parking rent @ Tk.5,000.00 for 37 car parking space and present rent (after increment) @ Tk.143.00 per sft. and @ Tk. 5,500.00 per car parking space. An advance of Taka 471,163,680.00 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)/2021-8189, dated 13 September 2021, 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, 2022 for 10 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 Taka Tk.70,817,760.00 has been paid against the agreement which will be equally adjusted @ 50% of monthly rent in first 48 months.

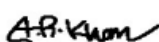
c) As approved by Bangladesh Bank, Ref no: BRPD(LS-2)/745(25)/2022-577, dated 13 January 2022, the Bank has entered into an agreement to rent 3,315 sft. of floor space for its Dumni Branch, Dumni, Dhaka, from Mrs. Amina Ahmed, mother of Mr. Sayem Ahmed, a Sponsor Director & Chairman of the Board of Directors of the Bank. The agreement has been effective from November 01, 2022 for 10 years at a monthly rent @ Tk 46.00 per sft. An advance of Taka 3,659,760.00 has been paid against the agreement which will be equally adjusted @ 50% of monthly rent in first 48 months.

d) As approved by Bangladesh Bank, Ref no: BRPD(LS-2)/745(25)/2022-577, dated 13 January 2022, the Bank has entered into an agreement to rent 8,730 sft. of floor space for its Narayanganj Branch, located 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, 2023 for 10 years at a monthly rent @ Tk.92.00 per sft.. An advance of Tk. 19,275,840.00 has been paid against the agreement which will be equally adjusted @ 50% of monthly rent in first 48 months.

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 18(2) of the Bank Companies Act 1991	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



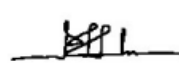
Director



Managing Director & CEO



Chief Financial Officer



Company Secretary

Dhaka, 23 October 2023