



## **Dhaka Bank Limited and its subsidiaries**

### **Independent Auditor's Report and Audited Consolidated & Separate Financial Statements For the year ended 31 December 2016**



**BDBL Bhaban (Level -13 & 14), 12 Kawran Bazar Commercial Area, Dhaka - 1215, Bangladesh.**



**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF DHAKA BANK LIMITED**

**Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Dhaka Bank Limited and its subsidiaries namely Dhaka Bank Securities Limited and Dhaka Bank Investment Limited ("the Group") as well as the separate financial statements of Dhaka Bank Limited ("the Bank"), which comprise the consolidated balance sheet of the Group and the separate balance sheet as at 31 December 2016 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements and Internal Controls**

Management is responsible for the preparation of consolidated financial statements of the Group and also the separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note # 2.1.1 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 (Amended in 2013) and the Bangladesh Bank Regulations require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal control and report to Bangladesh Bank on instances of fraud and forgeries.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and the separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation



of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements of the Group and the separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2016, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note # 2.1.1.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Company Act, 1991, (Amended in 2013) and the rules and regulations issued by Bangladesh Bank, we also report that:

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the management to Bangladesh Bank on anti-fraud internal control and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements Financial Statements and Internal Control:
  - i) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note # 2.36 to the financial statements appeared to be materially adequate;
  - ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities;
- (c) financial statements of the subsidiaries of the Bank have been audited by us and have been properly reflected in the consolidated financial statements;
- (d) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;





**ACNABIN**

*Chartered Accountants*

- (e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- (f) the expenditure incurred was for the purposes of the Bank's business;
- (g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- (h) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- (i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (j) the information and explanation required by us have been received and found satisfactory; and
- (k) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 3,200 person hours for the audit of the books and accounts of the Bank.

Dhaka,  
30 April 2017

**ACNABIN**  
**Chartered Accountants**



**Dhaka Bank Limited and its Subsidiaries**  
**Consolidated Balance Sheet**  
**As at 31 December 2016**

	Notes	31.12.2016 Taka	31.12.2015 Taka
<b><u>PROPERTY AND ASSETS</u></b>			
<b>Cash</b>	3(a)	<b>16,715,758,759</b>	<b>14,966,422,109</b>
Cash in hand (including foreign currencies)	3.1(a)	1,797,462,755	1,543,708,584
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	14,918,296,004	13,422,713,525
<b>Balance with other banks and financial institutions</b>	4(a)	<b>11,229,483,485</b>	<b>10,212,560,426</b>
In Bangladesh	4.1(a)	8,640,709,728	6,724,351,465
Outside Bangladesh	4.2(a)	2,588,773,757	3,488,208,961
<b>Money at call and on short notice</b>	5(a)	<b>1,051,300,000</b>	<b>15,300,000</b>
<b>Investments</b>	6(a)	<b>23,783,240,894</b>	<b>23,072,924,090</b>
Government	6.1(a)	18,805,722,760	19,637,850,305
Others	6.2(a)	4,977,518,134	3,435,073,785
<b>Loans, advances and lease/investments</b>	7(a)	<b>134,833,390,731</b>	<b>118,184,480,515</b>
Loans, cash credits, overdrafts, etc./Investments	7.1(a)	131,707,113,368	115,789,830,575
Bills purchased and discounted	8(a)	3,126,277,363	2,394,649,940
<b>Fixed assets including premises, furniture and fixtures</b>	9(a)	<b>4,201,264,375</b>	<b>4,109,853,726</b>
<b>Other assets</b>	10(a)	<b>11,439,308,527</b>	<b>6,630,271,559</b>
<b>Non-banking assets</b>	11(a)	<b>23,166,033</b>	<b>23,166,033</b>
<b>Total Assets</b>		<b>203,276,912,804</b>	<b>177,214,978,459</b>
<b><u>LIABILITIES &amp; CAPITAL</u></b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	12(a)	<b>11,496,873,150</b>	<b>10,834,730,420</b>
<b>Deposits and other accounts</b>	13(a)	<b>156,756,948,352</b>	<b>138,591,501,745</b>
Current accounts & other accounts		21,093,467,455	15,782,686,124
Bills payable		2,047,637,778	1,267,436,384
Savings bank deposits		16,735,239,732	14,564,284,031
Term deposits		116,880,603,387	106,977,095,206
<b>Non Convertible Subordinated Bond</b>	14	<b>3,800,000,000</b>	<b>1,400,000,000</b>
<b>Other Liabilities</b>	15(a)	<b>16,308,113,207</b>	<b>12,677,174,983</b>
<b>Total Liabilities</b>		<b>188,361,934,709</b>	<b>163,503,407,149</b>
<b>Capital/Shareholders' Equity</b>			
<b>Equity attributable to equity holders of the parent company</b>		<b>14,914,932,104</b>	<b>13,711,533,955</b>
Paid-up capital	16	6,879,006,860	6,253,642,600
Statutory reserve	17	5,850,338,779	5,300,741,818
Other reserve	18(a)	800,010,946	892,096,065
Retained earnings	19(a)	1,385,575,519	1,265,053,471
Non-controlling interest	19.1(a)	45,991	37,355
<b>Total Equity</b>		<b>14,914,978,095</b>	<b>13,711,571,310</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>203,276,912,804</b>	<b>177,214,978,459</b>



**Off-Balance Sheet Items**

**Contingent Liabilities**

Acceptances and Endorsements  
Letter of Credit  
Letter of Guarantee  
Bills for Collection  
Other Contingent Liabilities

Notes	31.12.2016 Taka	31.12.2015 Taka
21		
	25,263,660,677	14,225,611,128
	17,447,623,500	14,238,167,995
	19,928,711,771	14,194,068,714
	8,250,158,750	7,608,526,452
	2,036,246,400	1,988,427,743
	<b>72,926,401,097</b>	<b>52,254,802,031</b>

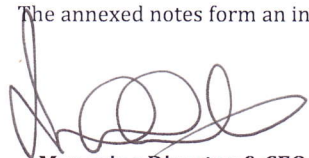
**Other Commitments**

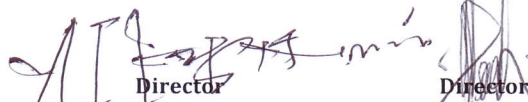
Documentary credit and short term trade-related transactions  
Forward assets purchased and forward deposits placed  
Undrawn note issuance and revolving underwriting facilities  
Undrawn formal standby facilities, credit lines and other commitments

-	-
-	-
-	-
-	-
-	-
<b>72,926,401,097</b>	<b>52,254,802,031</b>

**Total off-balance sheet items including contingent liabilities**

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


  
Managing Director & CEO

  
Director

  
Chairman

This is the consolidated balance sheet referred to in our separate report of even date.

Dhaka,  
30 April 2017

  
**ACNABIN**  
Chartered Accountants



**Dhaka Bank Limited and its Subsidiaries**  
**Consolidated Profit and Loss Account**  
**For the year ended 31 December 2016**

	Notes	2016 Taka	2015 Taka
<b>OPERATING INCOME</b>			
Interest income/profit on investments	22(a)	13,173,471,870	12,146,219,663
Interest paid/profit on deposits and borrowings, etc.	23(a)	(9,451,375,496)	(10,124,160,206)
<b>Net interest income</b>		<b>3,722,096,375</b>	<b>2,022,059,457</b>
Investment income	24(a)	3,404,981,086	3,214,203,256
Commission, exchange and brokerage	25(a)	1,587,140,031	1,372,701,795
Other operating income	26(a)	271,693,740	385,037,898
		<b>5,263,814,856</b>	<b>4,971,942,949</b>
<b>Total operating income (a)</b>		<b>8,985,911,231</b>	<b>6,994,002,406</b>
<b>OPERATING EXPENSES</b>			
Salary and allowances	27(a)	1,744,368,347	1,668,303,553
Rent, taxes, insurance, electricity, etc.	28(a)	528,706,421	474,877,645
Legal expenses	29(a)	17,792,303	10,539,131
Postage, stamps, telecommunication, etc.	30(a)	40,674,152	50,265,745
Stationery, printing, advertisement, etc.	31(a)	149,468,134	202,509,445
Chief executive's salary and fees	32(a)	12,890,167	10,422,334
Directors' fees	33(a)	4,639,000	4,203,240
Auditors' fees	34(a)	1,782,500	1,495,000
Depreciation and repairs of Bank's assets	35(a)	345,278,702	308,421,863
Other expenses	36(a)	563,526,474	544,338,145
<b>Total operating expenses (b)</b>		<b>3,409,126,200</b>	<b>3,275,376,103</b>
<b>Profit before provision (c = (a-b))</b>		<b>5,576,785,031</b>	<b>3,718,626,303</b>
Provision against loans and advances	37(a)	2,444,517,209	1,095,173,902
Provision against good borrower	15.2	8,200,000	1,254,000
Provision for diminution in value of investments	38(a)	-	4,075,897
Other Provisions	39(a)	252,948,481	121,059,710
<b>Total provision (d)</b>		<b>2,705,665,690</b>	<b>1,221,563,509</b>
<b>Profit before taxation (c-d)</b>		<b>2,871,119,341</b>	<b>2,497,062,794</b>
Provision for taxation		1,318,839,116	975,634,095
Current tax		1,352,164,621	973,201,002
Deferred Tax		(33,325,504)	2,433,093
<b>Net profit after taxation</b>		<b>1,552,280,224</b>	<b>1,521,428,700</b>
<b>Net profit after tax attributable to:</b>			
Equity holders of DBL		1,552,271,589	1,521,420,338
Non-controlling interest		8,635	8,362
		<b>1,552,280,224</b>	<b>1,521,428,700</b>
<b>Appropriations</b>			
Statutory reserve		549,596,961	475,198,202
General reserve		(38,192,034)	-
Investment Fluctuation Fund		5,700,000	8,700,000
Dividends etc.		1,000,582,816	1,364,431,110
Retained earnings		1,385,575,519	1,265,053,471
		<b>2,903,263,261</b>	<b>3,113,382,783</b>
<b>Consolidated Earning per Share (CEPS)</b>	40(a)	<b>2.26</b>	<b>2.21</b>

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

Managing Director & CEO

Director

Director

Chairman

This is the consolidated profit and loss account referred to in our separate report of even date.

Dhaka,  
30 April 2017

ACNABIN  
Chartered Accountants





**Dhaka Bank Limited and its Subsidiaries**  
**Consolidated Cash Flow Statement**  
**For the year ended 31 December 2016**

	Notes	2016 Taka	2015 Taka
<b>Cash Flows from Operating Activities</b>			
Interest / Profit receipts		14,468,057,834	14,937,145,272
Interest / Profit payments		(9,418,911,699)	(10,409,383,282)
Dividend receipts		67,205,591	17,224,307
Recovery of loans previously written off		50,461,881	-
Fee and commission receipts		1,144,854,688	907,896,707
Payments to employees		(1,757,258,514)	(1,636,454,240)
Payments to suppliers		(234,541,734)	(262,456,314)
Income taxes paid		(772,709,861)	(1,126,541,634)
Receipts from other operating activities	41(a)	370,515,201	687,609,836
Payments for other operating activities	42(a)	(1,164,121,478)	(1,157,057,813)
<b>(i) Operating profit before changes in operating assets &amp; liabilities</b>		<b>2,753,551,908</b>	<b>1,957,982,838</b>
<b>Changes in operating assets and liabilities</b>			
Purchase / Sale of trading securities		5,899,422,270	(565,253,785)
Loans and advances to customers		(16,357,597,702)	(14,761,366,258)
Other assets	43(a)	(3,872,807,928)	837,356,509
Deposits from other banks		(1,273,265,661)	4,829,331,120
Deposits from customers		19,438,712,268	8,908,611,290
Other liabilities account of customers		22,681,744	(40,640,900)
Other liabilities	44(a)	(564,279,276)	1,338,331,940
<b>(ii) Cash flow from operating assets and liabilities</b>		<b>3,292,865,715</b>	<b>546,369,916</b>
<b>Net cash flow from operating activities (a) = (i+ii)</b>		<b>6,046,417,624</b>	<b>2,504,352,754</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from sale of securities		988,590,387	404,528,325
Sale/ (Purchase) of securities		(5,655,342,471)	(844,313,107)
Purchase of property, plant & equipment		(317,060,803)	(332,751,208)
Proceeds from sale of fixed assets		4,018,467	12,300
Purchase / sale of subsidiary		-	-
<b>Net cash used in investing activities (b)</b>		<b>(4,979,794,421)</b>	<b>(772,523,690)</b>
<b>Cash flows from financing activities</b>			
Borrowing from other banks		370,830,215	1,451,143,061
Issuance of Non Convertible Subordinated Bond		3,000,000,000	-
Redemption of Non Convertible Subordinated Bond		(600,000,000)	(600,000,000)
Dividends paid		(375,218,556)	(795,918,150)
<b>Net cash flow from financing activities (c)</b>		<b>2,395,611,659</b>	<b>55,224,911</b>
<b>Net increase in cash and cash equivalents (a+b+c)</b>		<b>3,462,234,862</b>	<b>1,787,053,975</b>
Add: Effects of exchange rate changes on cash & cash equivalent		339,485,945	372,968,125
Add: Cash and cash equivalents at beginning of the year		25,198,906,236	23,038,884,136
<b>Cash and cash equivalents at end of the year (*)</b>		<b>29,000,627,043</b>	<b>25,198,906,236</b>
<b>(*) Cash and cash equivalents</b>			
Cash in Hand		1,797,462,755	1,543,708,584
Balance with Bangladesh Bank & Sonali Bank		14,918,296,004	13,422,713,525
Balance with other banks & Financial Institutions		11,229,483,485	10,212,560,426
Money at call & Short Notice		1,051,300,000	15,300,000
Prize Bond		4,084,800	4,623,700
		<b>29,000,627,043</b>	<b>25,198,906,236</b>

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

Dhaka,  
30 April 2017

Managing Director & CEO

Director

Director

Chairman





**Dhaka Bank Limited and its Subsidiaries**  
**Consolidated Statement of Changes in Equity**  
**For the year ended 31 December 2016**

(Amount in Taka)									
Particulars	Paid up capital	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment revaluation reserve	Investment Fluctuation Fund	Non-controlling interest	Retained Earnings	Total Equity
Balance as at 1 January 2016	6,253,642,600	5,300,741,818	160,272,618	648,455,000	63,168,447	20,200,000	37,355	1,265,053,471	13,711,571,310
Changes in accounting policy	-	-	-	-	-	-	-	-	-
<b>Restated balance</b>	<b>6,253,642,600</b>	<b>5,300,741,818</b>	<b>160,272,618</b>	<b>648,455,000</b>	<b>63,168,447</b>	<b>20,200,000</b>	<b>37,355</b>	<b>1,265,053,471</b>	<b>13,711,571,310</b>
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(33,654,885)	-	-	-	(33,654,885)
Currency transaction differences	-	-	-	-	-	-	-	-	-
<b>Net gains and losses not recognized in the income statement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,513,562</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Profit for the year	-	-	-	-	-	-	-	1,552,280,224	1,552,280,224
Adjustment made during the year	-	-	-	(25,938,200)	-	-	-	85,938,200	60,000,000
Transfer to reserve	-	-	-	-	-	-	-	-	-
Dividend:	-	-	-	-	-	-	-	-	-
Stock dividend	625,364,260	-	-	-	-	-	-	(625,364,260)	-
Cash dividend	-	-	-	-	-	-	-	(375,218,556)	(375,218,556)
Changes in reserve	-	549,596,961	(38,192,034)	-	-	5,700,000	-	(517,104,927)	-
Non-controlling interest	-	-	-	-	-	-	8,635	(8,635)	-
<b>Balance as at 31 December 2016</b>	<b>6,879,006,860</b>	<b>5,850,338,779</b>	<b>122,080,584</b>	<b>622,516,800</b>	<b>29,513,562</b>	<b>25,900,000</b>	<b>45,991</b>	<b>1,385,575,519</b>	<b>14,914,978,095</b>

**Dhaka Bank Limited and its Subsidiaries**  
**Consolidated Statement of Changes in Equity**  
**For the year ended 31 December 2015**

(Amount in Taka)									
Particulars	Paid up capital	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment revaluation reserve	Investment Fluctuation Fund	Non-controlling interest	Retained Earnings	Total Equity
Balance as at 1 January 2015	5,685,129,640	4,825,543,616	160,272,618	648,455,000	61,681,637	11,500,000	28,994	1,591,962,445	12,984,573,950
Changes in accounting policy	-	-	-	-	-	-	-	-	-
<b>Restated balance</b>	<b>5,685,129,640</b>	<b>4,825,543,616</b>	<b>160,272,618</b>	<b>648,455,000</b>	<b>61,681,637</b>	<b>11,500,000</b>	<b>28,994</b>	<b>1,591,962,445</b>	<b>12,984,573,950</b>
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	1,486,810	-	-	-	1,486,810
Currency transaction differences	-	-	-	-	-	-	-	-	-
<b>Net gains and losses not recognized in the income statement</b>					<b>63,168,447</b>				
Net Profit for the year	-	-	-	-	-	-	-	-	-
Transfer to reserve	-	-	-	-	-	-	-	1,521,428,700	1,521,428,700
Dividend:									
Stock dividend	568,512,960	-	-	-	-	-	-	(568,512,960)	-
Cash dividend	-	-	-	-	-	-	-	(795,918,150)	(795,918,150)
Changes in reserve	-	475,198,202	-	-	-	8,700,000	-	(483,898,202)	-
Non-controlling interest	-	-	-	-	-	-	8,362	(8,362)	-
<b>Balance as at 31 December 2015</b>	<b>6,253,642,600</b>	<b>5,300,741,818</b>	<b>160,272,618</b>	<b>648,455,000</b>	<b>63,168,447</b>	<b>20,200,000</b>	<b>37,355</b>	<b>1,265,053,471</b>	<b>13,711,571,310</b>

Dhaka,  
30 April 2017

  
Managing Director & CEO

  
Director

  
Director

  
Chairman



**Dhaka Bank Limited**  
**Balance Sheet**  
**As at 31 December 2016**

	Notes	31.12.2016 Taka	31.12.2015 Taka
<b><u>PROPERTY AND ASSETS</u></b>			
<b>Cash</b>	3	<b>16,715,649,259</b>	<b>14,966,312,609</b>
Cash in hand (including foreign currencies)	3.1	1,797,353,255	1,543,599,084
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	14,918,296,004	13,422,713,525
<b>Balance with other banks and financial institutions</b>	4	<b>11,170,526,692</b>	<b>10,180,026,192</b>
In Bangladesh	4.1	8,581,752,935	6,691,817,231
Outside Bangladesh	4.2	2,588,773,757	3,488,208,961
<b>Money at call and on short notice</b>	5	<b>1,051,300,000</b>	<b>15,300,000</b>
<b>Investments</b>	6	<b>21,305,722,760</b>	<b>20,799,087,940</b>
Government	6.1	18,805,722,760	19,637,850,305
Others	6.2	2,500,000,000	1,161,237,635
<b>Loans, advances and lease/investments</b>	7	<b>134,689,308,364</b>	<b>117,840,165,963</b>
Loans, cash credits, overdrafts, etc./Investments	7.1	131,563,031,001	115,445,516,023
Bills purchased and discounted	8	3,126,277,363	2,394,649,940
<b>Fixed assets including premises, furniture and fixtures</b>	9	<b>4,193,540,105</b>	<b>4,099,983,356</b>
<b>Other assets</b>	10	<b>13,042,382,648</b>	<b>8,438,430,047</b>
<b>Non-banking assets</b>	11	<b>23,166,033</b>	<b>23,166,033</b>
<b>Total Assets</b>		<b>202,191,595,861</b>	<b>176,362,472,141</b>
<b><u>LIABILITIES &amp; CAPITAL</u></b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	12	<b>11,296,873,150</b>	<b>10,634,730,420</b>
<b>Deposits and other accounts</b>	13	<b>157,161,630,521</b>	<b>139,068,899,318</b>
Current accounts & other accounts		21,093,467,455	15,782,686,124
Bills payable		2,047,637,778	1,267,436,384
Savings bank deposits		16,735,239,732	15,041,681,604
Term deposits		117,285,285,556	106,977,095,206
<b>Non Convertible Subordinated Bond</b>	14	<b>3,800,000,000</b>	<b>1,400,000,000</b>
<b>Other liabilities</b>	15	<b>15,487,366,332</b>	<b>11,870,171,137</b>
<b>Total Liabilities</b>		<b>187,745,870,003</b>	<b>162,973,800,875</b>
<b>Capital/Shareholders' Equity</b>			
<b>Total Shareholders' Equity</b>		<b>14,445,725,858</b>	<b>13,388,671,265</b>
Paid-up capital	16	6,879,006,860	6,253,642,600
Statutory reserve	17	5,850,338,779	5,300,741,818
Other reserve	18	774,110,946	871,896,065
Retained earnings	19	942,269,273	962,390,782
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>202,191,595,861</b>	<b>176,362,472,141</b>



**ACNABIN**

Chartered Accountants

**Off-Balance Sheet Items**

	Notes	31.12.2016 Taka	31.12.2015 Taka
<b>Contingent liabilities</b>	21	<b>72,926,401,097</b>	<b>52,254,802,031</b>
Acceptances and endorsements		25,263,660,677	14,225,611,128
Letter of credit		17,447,623,500	14,238,167,995
Letter of guarantee		19,928,711,771	14,194,068,714
Bills for collection		8,250,158,750	7,608,526,452
Other contingent liabilities		2,036,246,400	1,988,427,743
<b>Other commitments</b>		-	-
Documentary credit and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total off-balance sheet items including contingent liabilities</b>		<b>72,926,401,097</b>	<b>52,254,802,031</b>

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



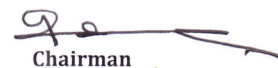
Managing Director & CEO



Director




Director



Chairman

This is the balance sheet referred to in our separate report of even date.

Dhaka,  
30 April 2017



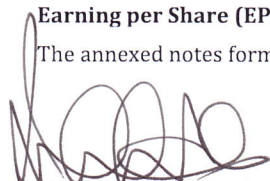
ACNABIN  
Chartered Accountants

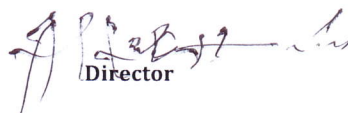


**Dhaka Bank Limited**  
**Profit & Loss Account**  
**For the year ended 31 December 2016**

	Notes	2016 Taka	2015 Taka
<b>OPERATING INCOME</b>			
Interest income/profit on investments	22	13,165,602,608	12,135,286,236
Interest paid/profit on deposits and borrowings, etc.	23	(9,452,611,371)	(10,116,296,447)
<b>Net interest income</b>		<b>3,712,991,237</b>	<b>2,018,989,789</b>
Investment income	24	3,238,231,845	3,003,455,981
Commission, exchange and brokerage	25	1,517,376,553	1,316,145,294
Other operating income	26	270,819,482	370,836,561
		<b>5,026,427,880</b>	<b>4,690,437,836</b>
<b>Total operating income (a)</b>		<b>8,739,419,116</b>	<b>6,709,427,625</b>
<b>OPERATING EXPENSES</b>			
Salary and allowances	27	1,711,533,723	1,636,454,240
Rent, taxes, insurance, electricity, etc.	28	508,410,393	459,716,648
Legal expenses	29	17,395,303	10,263,756
Postage, stamps, telecommunication, etc.	30	40,064,088	49,624,780
Stationery, printing, advertisement, etc.	31	148,276,067	201,302,778
Chief executive's salary and fees	32	12,890,167	10,422,334
Directors' fees	33	3,700,186	3,556,195
Auditors' fees	34	1,380,000	1,265,000
Depreciation and repairs of Bank's assets	35	337,001,950	298,178,696
Other expenses	36	555,116,746	534,410,087
<b>Total operating expenses (b)</b>		<b>3,335,768,622</b>	<b>3,205,194,514</b>
<b>Profit before provision (c = (a-b))</b>		<b>5,403,650,494</b>	<b>3,504,233,111</b>
Provision against loans and advances	37	2,444,517,209	1,095,173,902
Provision against good borrower	15.2	8,200,000	1,254,000
Provision for diminution in value of investments	38	-	4,075,897
Other provisions	39	202,948,481	27,738,300
<b>Total provision (d)</b>		<b>2,655,665,690</b>	<b>1,128,242,099</b>
<b>Profit before taxation (c-d)</b>		<b>2,747,984,804</b>	<b>2,375,991,012</b>
Provision for taxation		1,282,056,770	938,402,032
Current tax		1,314,967,979	934,833,819
Deferred tax income		(32,911,209)	3,568,213
<b>Net profit after taxation</b>		<b>1,465,928,034</b>	<b>1,437,588,980</b>
<b>Profit available for distribution</b>			
<b>Appropriations</b>			
Statutory reserve		549,596,961	475,198,202
General reserve		(38,192,034)	-
Dividends etc.		1,000,582,816	1,364,431,110
Retained earnings		942,269,273	962,390,782
		<b>2,454,257,016</b>	<b>2,802,020,094</b>
<b>Earning per Share (EPS)</b>	40	<b>2.13</b>	<b>2.09</b>

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

  
Managing Director & CEO

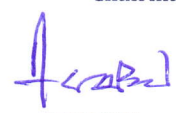
  
Director

  
Director

  
Chairman

This is the profit and loss account referred to in our separate report of even date.

Dhaka,  
30 April 2017

  
ACNABIN  
Chartered Accountants



**Dhaka Bank Limited**  
**Cash Flow Statement**  
**For the year ended 31 December 2016**

	Notes	2016 Taka	2015 Taka
<b>Cash Flow from Operating Activities</b>			
Interest / Profit receipts		15,334,485,309	14,709,915,483
Interest / Profit payments		(9,420,147,575)	(10,185,223,161)
Dividend receipts		14,750,000	17,224,307
Recovery of loans previously written off		50,461,881	-
Fee and commission receipts		1,075,091,210	848,851,082
Payments to employees		(1,724,423,890)	(1,636,454,240)
Payments to suppliers		(207,115,457)	(262,456,314)
Income taxes paid		(725,025,033)	(1,126,541,634)
Receipts from other operating activities	41	369,640,943	465,150,348
Payments for other operating activities	42	(1,154,772,936)	(1,092,764,963)
<b>(i) Operating profit before changes in operating assets &amp; liabilities</b>		<b>3,612,944,452</b>	<b>1,737,700,908</b>
<b>Changes in operating assets and liabilities</b>			
Purchase / Sale of trading securities		6,103,104,253	(253,527,813)
Loans and advances to customers		(16,849,142,401)	(14,708,646,689)
Other assets	43	(3,812,918,811)	880,562,594
Deposits from other banks		(1,273,265,661)	4,829,331,120
Deposits from customers		19,365,996,863	9,386,008,863
Other liabilities account of customers		22,681,744	(40,640,900)
Other liabilities	44	(453,614,536)	1,337,285,264
<b>(ii) Cash flow from operating assets and liabilities</b>		<b>3,102,841,453</b>	<b>1,430,372,440</b>
<b>Net cash flow from operating activities (a) = (i+ii)</b>		<b>6,715,785,904</b>	<b>3,168,073,347</b>
<b>Cash Flow from Investing Activities</b>			
Proceeds from sale of securities		988,590,387	404,528,325
Sale/ (Purchase) of securities		(6,643,932,858)	(844,313,107)
Purchase of property, plant & equipment		(315,573,767)	(331,703,774)
Proceeds from sale of fixed assets		4,018,467	12,300
Purchase / sale of subsidiary		-	-
<b>Net cash used in investing activities (b)</b>		<b>(5,966,897,771)</b>	<b>(771,476,256)</b>
<b>Cash Flow from Financing Activities</b>			
Borrowing from other banks		662,142,729	1,220,045,361
Issuance of Non Convertible Subordinated Bond		3,000,000,000	-
Redemption of Non Convertible Subordinated Bond		(600,000,000)	(600,000,000)
Dividends paid		(375,218,556)	(795,918,150)
<b>Net cash flow from/(used in) financing activities (c)</b>		<b>2,686,924,173</b>	<b>(175,872,788)</b>
<b>Net increase in cash and cash equivalents (a+b+c)</b>		<b>3,435,812,306</b>	<b>2,220,724,303</b>
Add: Effects of exchange rate changes on cash & cash equivalent		339,485,944	372,968,125
Add: Cash and cash equivalents at beginning of the year		25,166,262,501	22,572,570,073
<b>Cash and cash equivalents at end of the year (*)</b>		<b>28,941,560,751</b>	<b>25,166,262,501</b>
<b>(*) Cash and cash equivalents</b>			
Cash in Hand		1,797,353,255	1,543,599,084
Balance with Bangladesh Bank & Sonali Bank		14,918,296,004	13,422,713,525
Balance with other banks & Financial Institutions		11,170,526,692	10,180,026,192
Money at call & Short Notice		1,051,300,000	15,300,000
Prize Bond		4,084,800	4,623,700
		<b>28,941,560,751</b>	<b>25,166,262,501</b>

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

Dhaka,  
30 April 2017

  
Managing Director & CEO

  
Director

  
Director

  
Chairman





**Dhaka Bank Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2016**

Particulars	Paid up capital	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment Revaluation Reserve	Retained Earnings	Total Equity
Balance as at 1 January 2016	6,253,642,600	5,300,741,818	160,272,618	648,455,000	63,168,447	962,390,782	13,388,671,266
Changes in accounting policy	-	-	-	-	-	-	-
<b>Restated balance</b>	<b>6,253,642,600</b>	<b>5,300,741,818</b>	<b>160,272,618</b>	<b>648,455,000</b>	<b>63,168,447</b>	<b>962,390,782</b>	<b>13,388,671,266</b>
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(33,654,885)	-	(33,654,885)
Currency transaction differences	-	-	-	-	-	-	-
<b>Net gains and losses not recognized in the income statement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,513,562</b>	<b>-</b>	<b>-</b>
Net Profit for the year	-	-	-	-	-	1,465,928,034	1,465,928,034
Adjustment for made during the year	-	-	-	(25,938,200)	-	25,938,200	-
Transfer to reserve	-	-	-	-	-	-	-
Dividend:	-	-	-	-	-	-	-
Stock dividend	625,364,260	-	-	-	-	(625,364,260)	-
Cash dividend	-	-	-	-	-	(375,218,556)	(375,218,556)
Changes in reserve	-	549,596,961	(38,192,034)	-	-	(511,404,927)	-
<b>Balance as at 31 December 2016</b>	<b>6,879,006,860</b>	<b>5,850,338,779</b>	<b>122,080,584</b>	<b>622,516,800</b>	<b>29,513,562</b>	<b>942,269,273</b>	<b>14,445,725,858</b>



**Dhaka Bank Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2015**

Particulars	Paid up capital	Statutory Reserve	General Reserve	Asset Revaluation Reserve-Restated	Investment Revaluation Reserve	Retained Earnings Restated	Total Equity
Balance as at 1 January 2015	5,685,129,640	4,825,543,616	160,272,618	648,455,000	61,681,637	1,364,431,114	12,745,513,625
Changes in accounting policy	-	-	-	-	-	-	-
<b>Restated balance</b>	<b>5,685,129,640</b>	<b>4,825,543,616</b>	<b>160,272,618</b>	<b>648,455,000</b>	<b>61,681,637</b>	<b>1,364,431,114</b>	<b>12,745,513,625</b>
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	1,486,810	-	1,486,810
Currency transaction differences	-	-	-	-	-	-	-
<b>Net gains and losses not recognized in the income statement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63,168,447</b>	<b>-</b>	<b>-</b>
Net Profit for the year	-	-	-	-	-	1,437,588,980	1,437,588,980
Dividend:							
Stock dividend	568,512,960	-	-	-	-	(568,512,960)	-
Cash dividend	-	-	-	-	-	(795,918,150)	(795,918,150)
Changes in reserve	-	475,198,202	-	-	-	(475,198,202)	-
<b>Balance as at 31 December 2015</b>	<b>6,253,642,600</b>	<b>5,300,741,818</b>	<b>160,272,618</b>	<b>648,455,000</b>	<b>63,168,447</b>	<b>962,390,782</b>	<b>13,388,671,265</b>

Dhaka,  
30 April 2017

Managing Director & CEO

Director

Director

Chairman

**Dhaka Bank Limited and its Subsidiaries**  
**Notes to the Consolidated & Separate Financial Statements**  
**As at and for the year ended 31 December 2016**

**1. Status of the Bank and Principal Activities**

**1.1 Legal form of the bank**

The Dhaka Bank Limited (the “Bank”) was incorporated in Bangladesh as a public limited company as on 06 April 1995 under the Companies Act, 1994 and commenced commercial operation on 05 July 1995. The Bank went for the public issue of shares on 18 November 1999 and its shares are listed with the Stock Exchanges of Bangladesh. Now it has 94 branches all over Bangladesh which includes 60 urban and 34 rural branches, an offshore banking unit at EPZ, Dhaka and 03 SME Service Centers. Out of the above, 2 branches of the bank are run under Islamic Shariah, the modus operandi of which is substantially different from other non-Islamic branches. The Bank has two subsidiary companies in the name of Dhaka Bank Securities Limited and Dhaka Bank Investment Limited. The Bank has been holding 99.99% shares of Dhaka Bank Securities Limited with 6 branches in Dhaka, Chittagong and Sylhet and Dhaka Bank Investment Limited. Moreover the Bank has a dedicated philanthropic unit named Dhaka Bank Foundation which has been operating since 28 July 2004.

The principal place of business is the registered office at 100, Motijheel Commercial Area, Biman Bhaban, Dhaka-1000, Bangladesh.

**1.2 Nature of business/principal activities of the bank**

**1.2.1 Conventional banking**

The principal activities of the bank are to provide all kinds of commercial banking services to its customers through its branches and SME Centers and electronic delivery channels in Bangladesh

**1.2.2 Islamic banking**

The Bank operates Islamic Banking in two branches designated for this purpose in complying with the rules of Islamic Shariah. A separate balance sheet, profit and loss account and a statement of profit rate on deposits are shown in **Annexure-I** and the figures appearing in the annexure have been incorporated in the respective heads of these financial statements as recommended by the Central Shariah Board for Islamic Banks in Bangladesh. A separate unit for Islamic Banking has been formed in Head Office to monitor and comply with the rules of Islamic Shariah and other Regulatory bodies.

**1.2.3 Off-shore banking unit**

The Off-shore banking unit is a separate business unit of Dhaka Bank Limited and maintains its accounting records in USD. A separate balance sheet, profit and loss accounts are shown in **Annexure-J** The Bank obtained the Off-shore Banking Unit permission vide letter no. BRPD(P)744(92)/2005-2181 dated 18 June 2005. The Bank commenced the operation of its Off-shore Banking Unit with effect from 10 May 2006. The unit is located at Savar EPZ, Dhaka. Separate financial statements of Off-shore Banking Unit are also presented.



#### **1.2.4 SME service center**

The main functions of SME Service Centers are to render services only for receiving application, disbursement, monitoring, and recovery of SME/Retail loans. They also serve the customers for opening of account, payments of foreign remittance etc.

#### **1.2.5 Central processing center (CPC)**

Dhaka Bank Limited has established the central processing center (CPC) for trade & credit operations. The center maintains its accounting records in the general ledger of the respective branches. The import/Export related processing & Credit Operations are centrally controlled and monitored by the CPC for efficient and effective decision-making and reduction of cost as well.

#### **1.2.6 Subsidiaries of the bank**

##### **1.2.6.1 Dhaka Bank Securities Limited (Former DBL Securities Limited)**

As per decision of the 153<sup>rd</sup> meeting of the Board of Directors of Dhaka Bank Limited, a separate subsidiary company in the name of DBL Securities Limited was formed to carry out the stock broker and stock dealer activities of Capital Market Services Division of the Bank. The Board of Directors of Dhaka Bank Limited in its 208<sup>th</sup> meeting renamed the subsidiary company as “Dhaka Bank Securities Limited” instead of “DBL Securities Limited”. Dhaka Bank subscribed Tk.149,999,990 divided into 14,999,999 shares @Tk.10 each with 99.99% of contribution to Equity participation. Further, Tk.1,350,000,000 were injected by Dhaka Bank Limited as Fresh Capital during the year 2011. 05 (five) new Directors were inducted in the Board of Dhaka Bank Securities Limited by transferring 05 (five) share certificates @Tk.10.00 each of Dhaka Bank Securities Limited held by Dhaka Bank Limited. Now, the total number of Shareholding in Dhaka Bank Securities Limited is 171,599,994 shares after considering the stock dividend of Tk.60,000,000 & Tk.156,000,000 issued respectively in 2011 and 2014. Financial Statements of this subsidiary are portrayed in **Annexure-K**.

##### **1.2.6.2 Dhaka Bank Investment Limited**

As per approval of the Board of Directors of Dhaka Bank Limited in its 190<sup>th</sup> meeting, a separate subsidiary company in the name and style of “Dhaka Bank Investment Limited” was formed with Authorized Capital of Tk. 2,000,000,000 and Paid-up Capital of Tk. 250,000,000, amongst other, to conduct Merchant Banking Activities, to act as Issue Manager, Securities Management and Brokerage, Custodian Service, Investment and Asset Management, Portfolio Management, Capital Market operation etc. Dhaka Bank Limited subscribed Tk.249,999,940 divided into 24,999,994 shares @Tk.10 each with 99.99% of contribution to Equity participation. The company is yet to receive the license from Bangladesh Securities and Exchange Commission (BSEC) to commence its operation. Financial Statements of this subsidiary are given in **Annexure-L**.

## **2.0 Significant accounting policies and basis of preparation of the financial statements**

### **2.1 Basis of accounting**

#### **2.1.1 Statement of compliance**

The financial statements of the Bank and its subsidiaries (the “Group”) as at and for the year ended 31 December have been prepared in accordance with the first schedule of Bank Companies Act, 1991, BRPD Circular No. 14 dated 25 June 2003, other Bangladesh Bank circulars, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of

Bangladesh (ICAB) as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Listing Regulations of the Stock Exchanges, the Securities and Exchange Rules 1987 and other laws and rules applicable in Bangladesh. In case the requirement of Bangladesh Bank differs with those of BAS/BFRS, the requirement of Bangladesh Bank has been applied.

The operations of Islamic Banking branches are accounted for in accordance with Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions for which a separate set of books and records are being maintained.

### **Material departures from the requirement of BFRS are as follows**

#### **i) Investment in shares and securities**

**BFRS:** As per BAS 39, investment in shares and securities generally falls either under “at fair value through profit and loss account” or under “available for sale” where any change in the fair value (as measured in accordance with BFRS 13) at the year end is taken to profit and loss account or revaluation reserve respectively.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003, investments in quoted 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; otherwise investments are recognised at cost.

#### **ii) Revaluation gains/losses on government securities**

**BFRS:** As per BAS 39, where securities will fall under the category of Held for Trading (HFT), any change in the fair value of held for trading assets is recognised through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortised cost method and interest income is recognised through the profit and loss account.

**Bangladesh Bank:** HFT securities are revalued on the basis of mark to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves 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 amortisation of discount are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at the year end and gains or losses on amortisation are recognised in other reserve as a part of equity.

#### **iii) Provision on loans and advances/investments**

**BFRS:** As per BAS 39, an entity should perform the impairment assessment each year considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on collective (portfolio) basis.

**Bangladesh Bank:** As per BRPD circular no. 14 (23 September 2012), BRPD circular no. 19 (27 December 2012) and BRPD circular no. 05 (29 May 2013) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for substandard loans, doubtful loans and bad losses has to be maintained at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again, as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1%

is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

#### **iv) Recognition of interest in suspense**

**BFRS:** Loans and advances to customers are generally classified as 'loans and receivables' as per BAS 39 and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised 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 recognised 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.

#### **v) Other comprehensive income**

**BFRS:** As per BAS 1, Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.

**Bangladesh Bank:** Bangladesh Bank has issued templates for financial statements 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 be included in a single Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

#### **vi) Financial instruments – presentation and disclosure**

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in BAS 39. As such full disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the financial statements.

#### **vii) Repo transactions**

**BFRSs:** When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock dealing), the arrangement is accounted for as a collateralized borrowing and the underlying asset continues to be recognized in the entity's financial statements. This transaction will be treated as borrowing and the difference between selling price and repurchase price will be treated as finance cost.

**Bangladesh Bank:** As per BB circular/guidelines, when a Bank sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock dealing), the arrangement is accounted for as a normal sale transaction and the financial asset should be derecognized in the seller's book and recognized in the buyer's book.

#### **vii) Financial guarantees**

**BFRS:** As per BAS 39, financial guarantees are contracts that require an entity 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 terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee



liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. 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 recognised for the guarantee except the cash margin.

#### **viii) Cash and cash equivalent**

**BFRS:** Cash and cash equivalent items should be reported as cash item as per BAS 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 equivalents. Money at call and on short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments.

#### **(ix) Non-banking asset**

**BFRS:** No indication of Non-banking asset is found in any BFRS.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003, there must exist a face item named Non-banking asset.

#### **x) Cash flow statement**

**BFRS:** The Cash flow statement can be prepared using either the direct method or the 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 flow is the mixture of direct and indirect methods.

#### **xi) Balance with Bangladesh Bank: (Cash Reserve Requirement)**

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

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

#### **xii) Presentation of intangible asset**

**BFRS:** An intangible asset must be identified and recognised, and the disclosure must be given as per BAS 38.

**Bangladesh Bank:** There is no regulation for intangible assets in BRPD circular no. 14 dated 25 June 2003.

#### **xiii) Off-balance sheet items**

**BFRS:** There is no concept of off-balance sheet items in any BFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

**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 the balance sheet.

#### **xiv) Loans and advances/Investments net of provision**

**BFRS:** Loans and advances/Investments should be presented net of provision.

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

#### **2.1.2 Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following material items:

- Government Treasury Bills and Bonds designated as ‘Held for Trading (HFT)’ are measured weekly using ‘mark to market’ concept with gain credited to revaluation reserve but loss charged to Profit and Loss Account.
- Government Treasury Bills and Bonds designated as ‘Held to Maturity (HTM)’ are amortized each year with resulting gain credited to revaluation reserve but loss charged to Profit and Loss Account.
- Land is recognized at cost at the time of acquisition and subsequently measured at fair value as per BAS-16 ‘Property Plant & Equipment’ and BSEC notification SEC/CMRRCD/2009-193/150/Admin dated 18 August 2013.

#### **2.1.3 Use of estimates and judgments**

The preparation of the financial statements in conformity with BAS and BFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected. The most significant areas where estimates and judgements have been made are on provision for loans and advances, income tax, deferred tax, employee benefits and liquidity statement. Key estimates include

- Provision for loan and advances
- Deferred tax assets/liabilities
- Provision for gratuity and superannuation fund
- Depreciation of fixed assets
- Amortization of Intangible assets

#### **2.2 Basis of consolidation**

The consolidated financial statements include the financial statements of Dhaka Bank Limited, the Offshore Banking Unit and its two subsidiaries i.e. Dhaka Bank Securities Limited and Dhaka Bank Investment Limited made up to the end of the financial year.

The consolidated financial statements have been prepared in accordance with BFRS-10 based on a common financial year ended 31 December 2016.

A Banking software system 'FLEXCUBE' produces consolidated Balance Sheet and Profit & Loss Account including Offshore Banking and Islamic Banking operation. These consolidated records are maintained at the Head Office of the Bank based on which these financial statements have been prepared.

### Transaction eliminated on consolidation

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profits (losses) resulting from transactions within Group are also eliminated on consolidation.

### 2.3 Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value and are used by the Bank Management for its short-term commitments.

### 2.4 Loans and advances and provision thereon

Interest is calculated on a daily basis in product level, but charged or capitalized on quarterly basis. Interests due against classified loans (up to DF) are usually keeping in interest suspense account as per Bangladesh Bank guidelines, and such interest is not accounted for income realization, until the same is recovered from borrowers. Interest is not charged on Bad/ Loss loans, as per guidelines of Bangladesh Bank.

Provision for Loans and Advances is made on the basis of year end review by the Management and of instructions contained in Bangladesh Bank BRPD Circular No. 14 dated 23.09.2012, BRPD Circular No. 19 dated 27.12.2012, BRPD Circular No. 05 dated 29.05.2013, BRPD Circular No. 16 dated 18.11.2014 and BRPD Circular No. 8 dated 02.08.2015. A provision of Tk. 2,444,517,209 has been made during the year 2016 which has been found to be adequate. The total volume of non-performing loan is Tk. 5,402,949,193 as of 31.12.2016.

The provisioning rates are given below:

Business unit		Provision in %				
		UC	SMA	SS	DF	BL
Consumer	House Building and Professional	2%	2%	20%	50%	100%
	Other than House Building and Professional	5%	5%	20%	50%	100%
Brokerage Houses/ Merchant Banks/ Stock Dealers against shares		2%	2%	20%	50%	100%
Small and Medium Enterprises		0.25%	0.25%	20%	50%	100%
Agriculture		2.5%	2.5%	5%	5%	100%
Others		1%	1%	20%	50%	100%

Write off against classified Loans and Advances are considered to the extent that there is no realistic prospect of recovery and legal cases those were unsettled for more than five years as per guidelines of Bangladesh Bank.

However, write off application will not reduce the total claim against the borrower and detailed records of such write off accounts are generally maintained in a separate ledger.

## **2.5 Investments**

Investments are initially recognized at cost, including acquisition charges associated with the investment. Premiums are amortized and discount accredited, using the effective or historical yield method. Accounting treatment of government treasury securities and bonds (categorized as HFT or/and HTM) is made following Bangladesh Bank DOS Circular Letter No. 05, dated 26 May 2008. The valuation methods of investments used are:

### **a) Held to maturity (HTM)**

Investments which are intended to be held till maturity are classified as “Held to Maturity”. These are measured at amortized cost at each year end by taking into account any discount or premium on acquisition. Premiums are amortized and discount accredited, using the effective or historical yield method. Any increase or decrease in value of such investments is booked to equity and in the profit and loss statement respectively.

### **b) Held for trading (HFT)**

Investment classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or designated as such by the management. After initial recognition, investments are measured at fair value and any change in the fair value is recognized in the profit and loss statement (if decrease) and revaluation reserve (if increase) as per Bangladesh Bank DOS Circular no. 05 dated 28 January 2009.

### **c) Investment in listed shares and securities**

These securities are bought and held primarily for the purpose of selling them in future or holding for dividend income. These are reported at cost. Unrealized gains are not recognized in the profit and loss account. But provision for diminution in value of investment is provided in the financial statements which market price is below the cost price of investment as per Bangladesh Bank guideline **(Note-6.2.1)**.

### **d) Investment in unquoted shares and securities**

Investment in unlisted securities is reported at cost under cost method **(Note-6.2.1)**.

### **e) Investment in Commercial Paper**

Investment in Commercial Papers is reported at cost and are bought and held for a short term maturity. Interest income on Commercial Papers is recognized in Profit & Loss Statement on accrual basis. Repayment of principal with capitalized interest is made at maturity.

### **f) REPO and Reverse REPO**

Since 01 September 2010, transactions of REPO and Reverse REPO are recorded based on DOS Circular no. 06, dated 15 July 2010 of Bangladesh Bank. In case of REPO of both coupon and non-coupon bearing (Treasury bill) securities, the Bank adjusts the Revaluation Reserve Account for HFT securities and stops the weekly revaluation (if the revaluation date falls within the REPO period) of the same security. For interest bearing security, the Bank does not accrue interest during REPO period.



### g) Investment in subsidiary

Investment in subsidiaries is accounted for under the cost method of accounting in the Bank's financial statements in accordance with the Bangladesh Accounting Standard. Accordingly, investments in subsidiaries are stated in the Bank's Balance Sheet at cost, less impairment losses if any.

Value of Investment has been enumerated as follows:

Investment Class	Initial Recognition	Measurement after initial recognition	Recording of changes
Held for Trading (T Bills, T Bonds, etc.)	Cost	Fair Value	Loss to Profit and Loss Account, gain to Revaluation Reserve through Profit and Loss Account.
Held to Maturity (T Bills, T Bonds etc.)	Cost	Amortized Cost	Increase or decrease in value to equity and in the profit and loss statement respectively.
Prize Bond	Cost	Cost	None
Shares(Quoted )	Cost	Market value	Loss (gain net off) to Profit and Loss Account but no unrealized gain booking.
Shares(Unquoted )	Cost	At cost or book value as per last audited balance sheet, whichever is lower	Loss to Profit and Loss Account but no unrealized gain booking.
Investment in Islamic Bond	Cost	Cost	None
Commercial Paper	Cost	Amortized cost	None

### 2.6 Property, plant and equipment and depreciation

Property, plant & equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Bank and the cost of the assets can be reliably measured.

- i) All fixed assets are stated at cost less accumulated depreciation as per BAS-16. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.
- ii) The Bank recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the bank and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance, is normally charged off as revenue expenditure in the period in which it is incurred.
- iii) Depreciation is charged on straight-line method at the following rates on cost of assets from the month of their purchase as per revised policy with effect from the year 2012.

<u>Name of the Assets</u>	<u>Rate of Depreciation(p.a.)</u>
Land	Nil
Building	2.50%
Furniture & Fixtures	10.00%
Office Appliances & Equipment	20.00%
Computer and Software	20.00%
Vehicles	20.00%

## **2.7 Impairment of assets**

The policy for all assets or cash-generating units for the purpose of assessing such assets for impairment is as follows:

The Bank assesses at the end of each reporting period or more frequently if events or changes in circumstances indicate that the carrying value of an asset may be impaired, whether there is any indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the bank makes an estimate of the assets recoverable amount. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount by debiting to profit and loss account.

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may be impaired. During this reporting period there is an indication of impairment in the carrying amount of the floor space in BGMEA Building owned by Dhaka Bank Limited for which provision will be kept within 2017. **[For detail please see Note-9 & 18.2].**

## **2.8 Asset revaluation reserve**

Dhaka Bank Limited revalued the Land during the year 2011 by an independent valuation firm according to Paragraph 36 of BAS-16 as per approval of the Board of Directors of the Bank. As per Risk Based Capital Adequacy Guidelines for Banks under BASEL - III, the Revaluation Reserve for Assets and Securities will diminish at 20% per year on the base amount of 31 December 2015 so that the whole revaluation reserve amount will not get capital treatment after the end of five years (starting from January 2015). **[For detail please see Note-18.2].**

## **2.9 Other assets**

As per BRPD Circular No. 14 dated 25 June 2003, all balance sheet accounts not covered specifically in other areas of the supervisory activity and such accounts may be quite insignificant in the overall financial condition of the Bank has been shown in other assets. These assets are grouped into income and non income generating activities. Other assets include investment in subsidiaries, Capital work in progress, prepaid expenses security deposits and other branch adjustments etc.

## **2.10 Receivables**

Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity.

## **2.11 Non-banking assets**

Non-banking assets are acquired on account of the failure of a debtor to repay the loan in time after receiving the decree from the Court regarding the right & title of mortgaged property during the year 2010. The value of the properties has been incorporated in the books of accounts on the basis of third party valuation report.

## **2.12 Leased assets**

Leases are classified as Finance Lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as Operating Leases.

#### **a) The Bank as lessor**

Amounts due from leases under finance lease are recorded in the assets side of the Balance Sheet at the amount of the bank's net investment in the leases. Finance lease rental income is allocated to accounting periods so as to reflect a constant periodic rate of return on the bank's net investment outstanding in respect of the leases. No depreciation has been charged for such lease in the account.

#### **b) The Bank as lessee**

Assets held under finance leases are recognized as assets of Bank at fair value at the date of acquisition or if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a Finance Lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Assets held under Finance Leases are depreciated over their expected useful lives on the same basis as owned assets.

### **2.13 Share capital**

The Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

### **2.14 Statutory reserve**

Under section 24.1 of The Bank Companies Act, 1991 (amended 2013) Banks are required to transfer 20% of its current year's profit before tax to reserve until such reserve equals to its paid up capital.

### **2.15 Non-controlling interest in subsidiaries**

Non-controlling interest in business is an accounting concept that refers to the portion of a subsidiary company's stock that is not owned by the parent company. The magnitude of the non-controlling interest in the subsidiary company is always less than 50% of outstanding shares; else the company would cease to be a subsidiary of the parent.

### **2.16 Non convertible subordinated bond**

- i) The Bank issued Redeemable Non Convertible Subordinated Bond of Tk.2,000,000,000 as Supplementary Capital (Tier-2) of the Bank for a term of 07 (seven) years to strengthen the capital base of the Bank on the consent of Bangladesh Securities and Exchange Commission Vide Letter No. SEC/CI/CPLC-10/2001-256 dated 09.09.2010.
- ii) The Bank issued another tranche of Non Convertible Subordinated Bond of Tk. 3,000,000,000 with consent of BSEC vide letter no. BSEC/CI/DS-34/2015/643 dated 28.12.2015 and subsequently approved by Bangladesh Bank vide letter no. BRPD (BFIS) 661/14B (P) 2016-2474 dated April 17, 2016 to strengthen the capital base in line with the newly introduced Capital Adequacy Guidelines under BASEL-III Accord.

## **2.17 Deposits and other accounts**

Deposits by customers and banks are recognized when the Bank enters into contractual provisions of the arrangements with the counterparties, which is generally on trade date and initially measured at the consideration received.

## **2.18 Borrowings from other banks, financial institutions and agents**

Borrowed funds include call money deposits, borrowings; re-finance borrowings and other term borrowings from banks. These are stated in the balance sheet at amounts payable. Interest paid/ payable on these borrowings is charged to the profit and loss account.

## **2.19 Interest suspense account**

Interests on classified loans were not taken into income account. The amount was credited to Interest Suspense Account. Interest/profit on classified advances is accounted for on a cash receipt basis.

## **2.20 Retirement benefits to the employees**

### **a) Provident fund**

Provident Fund benefits are given to the employees of the bank in accordance with the locally registered Provident Fund Rules. The Commissioner of Income Tax, Tax Zone-5, Dhaka has approved the provident fund as a recognized provident fund as per section 2(1) of part-B of the first schedule of Income Tax Ordinance, 1984. The recognition took effect from 1<sup>st</sup> July 1996. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription of the fund. The Bank also contributes equal amount of the employees' contribution to the fund. Interest earned from the investments is credited to the members account annually.

### **b) Superannuation fund**

The bank operates a Superannuation Fund Trust by a Board of Trustees consisting of seven members at present. The death-cum survival benefits are given to the employees as per the eligibility narrated in the Trust Rules. The fund got recognition from the National Board of Revenue (NBR) with effect from 1<sup>st</sup> January 2001 under section 3 & 4 of part- A of first schedule of Income Tax Ordinance 1984. During this year Dhaka Bank Limited has appointed an actuary and as per The Bank contributes to the fund annually as per Superannuation Fund Rules of the bank. Bank has conducted an actuarial valuation for the said Superannuation Fund on 18 May 2016 and contributions to the fund will be maintained onward as per actuary report.

### **c) Gratuity**

The bank operates an Employee Gratuity Fund Trust by a Board of Trustees consisting of seven members at present. All confirmed employees who have been in the service of the bank for a minimum of five years without break, should be eligible to have the benefit under the gratuity scheme. The Gratuity Trust Rules got recognized from the National Board of Revenue (NBR) with effect from 25.04.2006 under section 2 & 3 of part-C of first schedule of Income Tax Ordinance 1984. The bank has started making provision against gratuity from the year 2004. Bank has conducted an actuarial valuation for the said Gratuity Fund on 18 May 2016 and contribution to the gratuity fund will be made onward as per actuary report.



## 2.21 Revenue recognition

The revenue is recognized complying with the conditions of revenue recognition as provided in **BAS 18 “Revenue Recognition”**.

**a) Interest income/Profit received**-The interest/profit receivable on unclassified loans and advances/investments is recognized on accrual basis. Interest/profit on classified advances is accounted for on a cash receipt basis.

Interest on Credit Card outstanding is calculated on daily product balance but charged on monthly basis. Interest is charged on Credit Card up to 28 December 2016. Monthly bill of Credit Card is issued on 28<sup>th</sup> day of each month.

**b) Investment income**-Interest income on investments is recognized on accrual basis.

**c) Fees and commission income**-Fees and commission income arises on services provided by the Bank and recognized on a cash receipt basis. Commission charged to customers on letter of credit and letter of guarantee are credited to income at the time effecting the transactions.

**d) Dividend income**-Dividend income from shares is recognized at the time when it is realized.

**e) Interest/profit paid and other expenses**-The interest/profit paid on deposits, borrowings and other expenses are recognized on accrual basis.

## 2.22 Foreign currency transactions

- i) Functional and presentational currency-Financial statements of the Bank are presented in Taka, which is the Bank’s functional and presentational currency.
- ii) Foreign currency transactions are converted into equivalent Taka currency at the ruling exchange rates on the respective date of such transactions as per BAS-21 “The Effects of Changes in Foreign Exchange Rates”.
- iii) Assets and liabilities as at 31 December 2016 in foreign currencies are converted into Taka currency at the average of the prevailing selling and buying rates of the relevant foreign currencies at that date except “Balances with other Banks and Financial Institutions” which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD 717/2004-959 dated 21 November 2004.

Effects of exchange rate differences (rates at which transactions were initially recorded and the rate prevailing on the reporting date/date of settlements) applied on the monetary assets or liabilities of the Bank are recorded in the Profit and Loss Account as per BAS 21 ‘The Effect of changes in foreign exchange rates’.

**Commitment:** Commitments for outstanding forward foreign exchange contracts (SWAP) disclosed in these Consolidated Financial Statements and Financial Statements are translated at contracted rates. Contingent liabilities/commitments for letter of credit, letter of guarantee and acceptance denominated in foreign currencies are expressed in terms of Taka at the rates of exchange ruling on the balance sheet date.

## **2.23 Taxation**

### **a) Provision for taxation**

The Bank is considered as a publicly traded company as per the Income Tax Ordinance, 1984. Provision for Current Income Tax has been made at the existing rate of 40.00% as prescribed in the Finance Act, 2016 of the business income of the Bank after considering some of the taxable add backs of income and disallowances of expenditures.

### **b) Deferred tax**

Deferred tax arises due to temporary difference deductible or taxable for the events or transactions recognized in the income statement. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The Bank has recognized deferred tax in accordance with the Bangladesh Accounting Standard (BAS)-12. (See Note: 15.8).

## **2.24 Earnings per shares (EPS)**

Earnings per share (EPS) have been calculated in accordance with **BAS 33 “Earnings per Share”** which has been shown on the face of Profit and Loss Account. This has been calculated dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year. Previous year’s figures have been restated as per guidelines of BAS 33. (See Note: 40).

## **2.25 Off-balance sheet items & provisions**

As per Bangladesh Bank Guidelines Off-balance sheet items have been disclosed under contingent liabilities & other commitments. Dhaka Bank Limited has maintained provision @ 1% against off-balance sheet exposures (L/C, Guarantee and Acceptances & Endorsements) as per BRPD Circular #14 dated 23 September 2012.

## **2.26 Memorandum items**

Memorandum items are maintained to have control over all items of importance and for such transactions where the Bank has only a business responsibility and no legal commitment. Bills for Collection, Stock of Travellers cheques, Savings Certificates, Wage Earner Bonds fall under the memorandum items. However, Bills for Collection is shown under contingent liabilities as per Bangladesh Bank’s format of reporting.

## **2.27 Cash flow statement**

Cash Flow Statement is prepared principally in accordance with **BAS 7 “Cash Flow Statement”** and under the guidelines of Bangladesh Bank BRPD Circular No.14 dated 25 June 2003. The cash flow statement shows the structure of changes in cash and cash equivalents during the financial year.

## **2.28 Statement of changes in equity**

Statement of Changes in Equity is prepared principally in accordance with **BAS-1 “Presentation of Financial Statements”** and under the guidelines of Bangladesh Bank BRPD Circular No.14 dated 25 June 2003.

## 2.29 Statement of liquidity

The liquidity statement has been prepared in accordance with the remaining maturity grouping of the value of the assets and liabilities as on 31 December 2016 and under the guidelines of Bangladesh Bank BRPD Circular No.14 dated 25 June 2003.

Particulars	Basis used
Balance with Other Banks and Financial Institutions	Maturity Term
Investments	Respective Maturity Terms
Loans and Advances	Repayment schedule basis
Fixed Assets	Useful life
Other Assets	Realization/Amortization basis
Borrowing from Other Banks, Financial Institutions and Agents	Maturity/Repayment terms
Deposits and Other Accounts	Maturity term
Other Liabilities	Payments/Adjustments schedule basis

## 2.30 Reconciliation of inter-bank/books of accounts

Books of accounts in regard to inter-bank (in Bangladesh and outside Bangladesh) and inter-branch are reconciled and no material difference was found which might affect the financial statements significantly.

Un-reconciled entries in case of inter-branch transactions as on the reporting date are not mentionable due to the time gap before finalizing the same.

## 2.31 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

## 2.32 Reporting period

These financial statements cover one calendar year from 01 January to 31 December 2016.

## 2.33 Post Balance sheet event

The Board of Directors of the company in its 299<sup>th</sup> meeting held on 30<sup>th</sup> April 2017 approved the financial statements of the company for the year ended 31 December 2016 and authorized the same for the issue. The Board of Directors also recommended 5% stock and 10% cash dividend for public shareholders only for the year ended 31 December 2016 subject to approval in the next Annual General Meeting.

## 2.34 General

- Wherever considered necessary figures of previous year have been rearranged to conform to current year's presentation;
- The expenses, irrespective of capital or revenue nature, accrued/due but not paid have been provided for in the books of the bank; and
- Figures appearing in these financial statements have been rounded off to the nearest Taka.

## **2.35 Number of employees**

The number of employees engaged for the whole year or part thereof was 1,668 (Male- 1,304 & Female-364). The Bank recruited 222 numbers of staff during the year. Attrition rate is 4.79% in 2016 compared to 5.70% in 2015.

## **2.36 Compliance of disclosure on risk management with related pronouncement of Bangladesh Bank**

### **i. Risk management**

The financial sector of emerging economies like that of Bangladesh is undergoing a monumental and persistent change. The premier reasons for this rapid evolution are increased interaction with world economies, diversification of services and products of the clients which are of newer genre and advancement of intra-division initiatives of the financial organizations for achievement of enhanced efficiency. The resultant effect for the financial sector is a newer facet of risk phenomena, which are unique at source and requires innovative approach to deal with.

Dhaka Bank Limited is addressing these ever-developing risk phenomena through a coordinated model of identifying the sources, assessment and control mechanism of the following core risks-

- Internal Control & Compliance Risk;
- Market Risk Management;
- Foreign Exchange Risk;
- Interest Rate Risk;
- Equity Risk;
- Credit Risk;
- Asset Liability Management Risk;
- Money Laundering Risk;
- Information and Communication Technology Security Risk;
- Internal Audit;
- Fraud and Forgeries.

The prime objective of the risk management is that the bank takes credit and business risks while safeguarding the Bank's interest from the possibility of losses, financial or otherwise. The Bank's risk management ensures internal control and compliance are adhered by all branches and divisions of Head Office. The Bank has Management Committee (MANCOM), Asset Liability Committee (ALCO), Cost Containment Committee and Credit Risk Management Committee for assessment of credit risk, foreign exchange risk, market risk, money laundering risk, reduction of operating cost etc. at Head Office level on regular basis. Above that, the Executive Committee and Audit Committee comprising of members of the Board of Directors conduct the Risk Assessment at Board level.

### **ii. Internal control and compliance risk management**

With the advent of globalization vis-à-vis technological changes, banking has become more and more diversified. As the banking function entails high risk, effective internal control system, good corporate governance, transparency and accountability have become more important for banking sector worldwide. Internal control system identifies the risk inherent in the process, adopts mitigation measures and ensures compliance thereof.



As per guidelines issued by Bangladesh Bank, Dhaka Bank Limited established an organizational structure which allows segregation of duties among key functional units. Internal Control & Compliance Division (ICCD) has been reconstructed into 4 (four) units, i.e., (i) Compliance Unit, (ii) Monitoring Unit (iii) Audit & Inspection Unit and (iv) IS/IT Audit Unit.

### **iii. Internal control & compliance**

- Integral part of the daily activities of a bank;
- Identifies the risks associated with the process followed in the effectiveness and efficiency of operations;
- Risk of compliance with applicable laws, regulations and internal policies;
- In order to mitigate the risks, effective internal controls are developed and monitored along with the Compliance Standards.

The Compliance Unit ensures that bank complies with all regulatory requirements while conducting its business. They maintain liaison with the regulators at all level and notify the other units regarding regulatory changes.

The Monitoring Unit monitors the operational performance of various branches. They collect relevant data and analyze those to assess the risks of individual unit. In case they find major deviation, they recommend to the Head of ICCD for sending Audit & Inspection Team for thorough review.

The Audit & Inspection Unit performs periodic and special audit when required. Dhaka Bank Limited has different section within this team responsible for carrying out specific tasks.

The IS/IT Audit Unit conducts regular IS/IT audit in all branches/divisions/departments/Units of Head Office.

To achieve these objectives Dhaka Bank Limited is gradually moving towards risk based internal audit to evaluate the risk management system and control procedures prevailing in various areas of its operation. Dhaka Bank Limited already introduced risk based internal audit and continues the same with necessary improvements when felt necessity. In risk based audit, the audit team evaluates the level of inherent risk of individual borrower as well as the level of a particular branch on the basis of a risk matrix. The Audit Committee of the Board subsequently reviews all audit/inspections reports and instructed to take corrective measures.

### **iv. Market risk management**

#### **a) Foreign exchange risk**

To address the issue of Foreign Exchange Risk Management, all foreign exchange activities have been segregated between Front and Back Office. The issue is being addressed through various techniques so that no exposure is uncovered in any time. Dhaka Bank Limited follows all prudential procedures for covering foreign exchange risks as per guidelines of Bangladesh Bank. Treasury Division always monitors the market scenario of risks and manages the foreign exchange operations in a way so that earnings are not hampered against any adverse movement in market prices. The foreign exchange risk is at minimum level as all the transactions are carried out on behalf of the customers against L/Cs and foreign remittances. All Nostro accounts are reconciled on monthly basis and outstanding entry beyond 30 days is reviewed by the management for its settlement.

## b) Interest rate risk

Interest rate risk may arise either from trading portfolio or non-trading portfolio. The trading portfolio of the Bank consists of Government treasury bills and bonds of different maturities. Interest risk arises from mismatches between the future yield of an asset and their funding costs. Asset Liability Committee of the Bank regularly monitors the interest rate movement and Treasury division actively manages the Balance Sheet gap profitability on a regular basis.

## c) Equity risk

Equity risk arises from movement in market value of equities held. The risks are monitored by the Basel Unit of the Bank under a well-defined prudent investment framework.

## v. Credit risk management

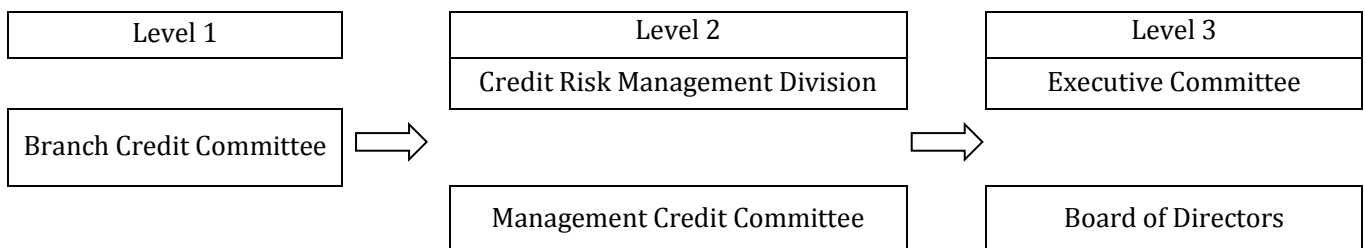
Credit Risk, broadly adverted as the uncertainty to meet financial obligations as per agreed terms and condition by the borrowers during the tenor of the credit facilities, occupies the largest constituent in the risk spectrum of financial institutions. Efficacy in credit risk management is demanded to secure the bank's asset quality as well as market reputation. Credit Risk Management largely controls the risk appetite of financial institutions as an effective risk management process of the credit facilities brings up the constancy of the growth even in the dire market situation.

Dhaka Bank Limited has formulated 2 (two) phases in managing credit risk as depicted below:

### a) Pre approval phase

- Identifying the sources of risk;
- Assessment of the magnitude of the risk;
- Devising the terms and condition to control the risk (if feasible and supported by the Credit Risk Management Policy of the Bank).

### Credit risk management process flow at pre approval phase:



### b) Post approval phase

- Implementation of risk control process i.e. documentation and securitization;
- Supervision of extended facilities;
- Identification of the Red Flag borrowers;
- Addressing the Red Flag borrowers according to the prevailing regulatory framework.

## **Recent development in credit risk management**

One of the recent developments in the Bank's credit risk management has been the adoption of a revised Credit Risk Management Policy that acknowledges the metamorphosis of the stimulants of credit risk and contriving the scheme to curb the affect of the evolved scenario. The epitome of the revised Credit Risk Management policy are-

- Segregation of the clientele base of the Bank under purview of the existing regulatory framework and client's portfolio.
- Re-script bank's lending strategy i.e. expansion or contraction to various industry.
- Re-fixing the industry-wise exposure ceiling in view of the industry life cycle, economic importance and repayment record.
- Revision of the product-wise i.e. Demand, Continuous and Term Loan exposure cap.
- Restructure of the approving authority related to different types credit facilities.

## **vi. Asset liability management risk**

Dhaka Bank Limited meets at least once a month to analyze, review and formulate strategy to manage the balance sheet of the Bank. It formed the Asset Liability Committee (ALCO) in March 2003. The Asset Liability Committee (ALCO) of the Bank monitors market risk and liquidity risk and at the same time it interprets the market views and competition. ALCO prepares the liquidity plan as per the maturity profile of Assets & Liabilities, review rate of interest on deposits and advances, foreign exchange position and analyzes the different financial ratios. The ALCO comprises of the Managing Director, Deputy Managing Directors, CFO, Head of IT, Head of Credit, Head of Retail, Head of Treasury and Head of Risk Management Division.

## **vii. Money laundering risk management**

Reputational Risk arises from non compliance of relevant laws and regulations related to Money Laundering by the reporting agencies as the loss of reputation and expenses incurred as penalty. Every branch has a nominated AML compliance officer who will review and evaluate the daily transactions of his branch and report to Deputy CAMLCO or CAMLCO if any abnormal / suspicious activities is detected for further analysis and reporting to Bangladesh Bank. The Bank has a Chief Anti Money Laundering Compliance Officer (CAMLCO) who is also the Deputy Managing Director-Operations at Head Office. The Bank has a Central Compliance Unit (CCU), Head Office for ensuring the compliance related to AML/CFT of all branches. CCU collects the mandatory statements related to AML/CFT from branches and submits to Bangladesh Bank after confirming the statements are in order and as per the prescribed format.

In compliance with the Money Laundering Prevention Act 2012 & Anti Terrorism Act 2009 (amended in 2012, 2013) Dhaka Bank Limited has revised its AML/CFT policy in due course. Branches has been instructed or guided to review the KYC and TP of their clients as and when requires depending upon the nature and volume of the transaction of their client to mitigate the AML risk.

Bank has prepared its money-laundering manual for applications. Training has been continuously given to all officers and executives for developing awareness and skill for identifying suspicious transactions/activities.

### **viii. Information and communication technology security risk**

Banking environment has become highly competitive now-a-days. Being able to grow and sustain in the ever-changing market scenario, banks have to use latest technologies and tools which can help in developing learner and more flexible structure that can react or respond as per the dynamics of the situation of the market. IT is also acting as an instrument of cost efficiency and effective communication with people and institutions associated with the banking business. Moreover, IT is moving from a back office function to a prime assistant in increasing the value of a bank over time. In line with these, IT Division of Dhaka Bank Limited Ltd., has taken pro-active measures such as strengthening and standardizing banks infrastructure in respect of security, communication and networking, achieving inter branch connectivity, moving towards Real Time gross settlement (RTGS) environment etc. to face the fierce competition locally and globally.

To continue fulfilling these objectives, we have made some significant changes to IT functions so far.

#### **a) Core banking software up gradation**

Dhaka Bank Limited is one of the forerunners in introducing a modern customer centric core banking solution named Flexcube (Oracle) in early 2004 which has served both the bank and the customer to the fullest extent. It is very evident that technology in the banking arena has been changing rapidly over the years which enabled the client reaching the bank via their handheld devices. In light of these, Dhaka Bank Limited decided to upgrade the Core Banking Software to keep the bank abreast of the foreseeable technology change. The preparatory works and the work plan have been finalized by the Bank and the vendor. The up gradation is expected to be completed within 2017. We view this as an opportunity to cater our services to the doorstep of our client.

#### **b) Central bank and internal business reporting**

Bangladesh Bank (The Central Bank of Bangladesh) has introduced a large number of reports from each commercial bank under various interval frequencies, such as, Monthly, Quarterly etc. Major portion of these reports data are extracted from the Core Banking Solution and forwarded to the respective divisions/branches to verify and place to the Central Bank.

- RIT (Rationalized Input Template): Bangladesh Bank are maintaining a SAP solution based on RS/400 system for importing data from a very critical and unique format, which is called RIT (Rationalized Input Template). IT Division is working restless to supply these data to the concerned divisions, so that it can be accommodated with the central bank system.
- go-AML: Anti-Money Laundering is a very big challenge to Bangladesh Government to support the local and international compliance. The Central Bank already changed its major architecture in both physical and software system. New software is in the project pilot phase, which requires data each month. Dhaka Bank Limited IT Division prepares Cash Transaction data, Customer Data and relevant stakeholder's data each month for due submission to Bangladesh Bank.
- Online CIB: CIB is one of the most important reports for each and every Commercial Bank in Bangladesh, which reflects the borrowers' position with the Bank. Dhaka Bank Limited IT Division extracts these data through some complex process each month and publishes it into intra-net portal.
- Import and export reporting: IT has developed application integrated with the core banking system for batch uploading of import and export information of the clients so that man-hour can be reduced and efficiency of reporting can be increased.



- Green banking activities: We have been using a high performance automated core banking software and e-mail for intra bank correspondence where no more manual banking is required. With a view to reducing the usage of hard copy statement as well as to popularize paperless banking, Dhaka Bank Limited introduced e-statements, M-Banking, Internet Banking, ATM, ADM. Through e-statements client can view, download or print an electronic version of the statement that looks just like the paper version.

Dhaka Bank Limited is using twenty-first century's technology virtualization for Data center Server & Application. With the help of VM server Administration, scalability and recourse management has improved tremendously. Also the cost of power, cooling, space has reduced significantly.

#### **c) Network hardware redundancy at Data Center**

- Dhaka Bank IT Division has initiated a project to reduce network downtime at zero level by implementing auto switching between redundant hardware in the Data Center. The project will be executed in 2 phases.
- 1st Phase: In this phase network team is working to install 2 core routers where all the links from vendors will be connected. The configuration between these two routers is arranged in such a way that in case one router goes down, the other will take over all the traffic.
- 2nd Phase: In this phase 2 core firewall will be installed at Data Center with Intrusion Prevention System. After completion of this phase current firewall will be transferred to Disaster Recovery Site.

#### **d) Utilities bill payment**

Dhaka Bank Limited being a tech-savvy bank supported by state-of-the-art technology always prioritizes digitalized financial and banking services that we have been doing for more than a decade. Although we carry out formal banking operations through our 94 branch locations but virtually we are present here and there across the globe through real-time online banking, card services, internet banking, utility bill collection units, MRP & MRV Fee, WASA bill, mobile bill and remittance network.

### **ix. Internal audit**

The internal audit function which is centrally controlled, monitors compliance with policies and standards and the effectiveness of internal control structure of the Bank. Internal Control and Compliance Division of the Bank carries out internal audit with a view to enrich the compliance culture and full control on the exertion of the Banking operations. The division directly report simultaneously to the Board Audit Committee and the Managing Director. Sometimes internal audit team conducts surprise visit to the branches. Regular monitoring has been done for the effectiveness of the control and compliance policies and procedures with the effect to evaluate the application of Internal Control System, and Internal Audit Policy, Policy for financial risk, existing rules and regulations, other obligation from regulatory authority etc.

### **x. Fraud and forgeries**

The Bank is operating its business with the public money. As a custodian of such money, bank has to set up strong internal control structure, introduced corporate governance, practicing ethical standards in the bank for safeguard and interest of the stakeholders. Public confidence has been shaken when different types of malpractice, fraud and forgeries occurred in the banking sector. Dhaka Bank Limited is fully aware of its responsibility towards stakeholders specially depositors.

## 2.37 Audit committee of the board of directors

### i) Particulars of audit committee

The Audit Committee of the Board was duly constituted by the Board of Directors of the Bank in accordance with the BRPD Circular Letter No. 11 dated 27 October 2013 issued by Bangladesh Bank. The Committee was formed with the following 4 (four) members of the Board:

Sl. No.	Name	Status with the Bank	Status with the Committee	Educational Qualification
01.	Mr. Syed Abu Naser Bukhtear Ahmed	Independent Director	Chairman	MBA
02.	Mr. Reshadur Rahman	Chairman	Member	Graduate
03.	Mrs. Rokshana Zaman	Vice Chairperson	Member	Intermediate
04.	Mr. Tahidul Hossain Chowdhury	Director	Member	Bachelor of Arts

### ii) Meeting held with audit committee

During the year 2016, 07 (seven) Meetings of the Audit Committee of the Board were held. The Committee in these Meetings discussed the following issues and made relevant recommendations/ instructions to the Management for compliance:

- Quarterly Statements of Self-Assessment of Anti-Fraud Internal Controls under DOS Circular Letter No.17 Dated November 07, 2012 of Bangladesh Bank
- Audit Plan for the Year-2016
- Latest Compliance Status of Audit Reports of Different Branches of Dhaka Bank Limited, Audits Conducted from January to December, 2013
- Latest Compliance Status of Audit Reports of Different Branches of Dhaka Bank Limited, Audits Conducted from January to December, 2014
- Latest Compliance Status of Audit Reports of Different Branches of Dhaka Bank Limited, Audits Conducted From January to December, 2015
- Executive Summary Audits conducted during the year 2015
- Summary of loan classification and provision as on 31.12.2015 along with previous quarter
- Issues related with credit facilities of top 15 branches in the year of 2015 raised by Bangladesh Bank Inspection team
- Audited Consolidated Financial Statements of the Company and Financial Statements of the Bank for the year ended 31st December, 2015
- Comprehensive Audit Report of IBB-Muradpur, Hathazari Branches, Dhaka Bank Securities Ltd and IT Audit of Barisal Branch
- Pending Irregularities of Audits Conducted from January to December 2013
- Revised (February, 2016) Guidelines on Internal Control & Compliance in Banks
- Re-appointment of M/s. ACNABIN, Chartered Accountants as External Auditors of the Bank
- Un-audited Quarterly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 31st March, 2016
- Summary of loan classification and provisioning as on 31.12.2015 (Audited)
- Summary of loan classification and provisioning as on 31.03.2016
- Executive Summary Audits conducted during the year 2016
- Certificate on Effectiveness of Internal Control Policy, Practice and Procedure by MANCOM of Dhaka Bank Ltd. for the year 2015

- Discrepancies in the Loan Documentation Checklist (LDCL) for the quarter ended March 2016
- Deviations in Quarterly Operations Report for the quarter ended March 2016
- Annual ICC Report on the Health of the Bank for the Year 2015
- Gap Analysis between Revised ICC Guideline – 2016 and DBL ICC Policy 2015
- Summary Report on the Audit Findings & Corrective Measures taken thereon of Dhaka Bank Limited for the Year- 2015
- Un-audited Quarterly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 30th June 2016
- On Site review of Profit/Loss of December 31, 2015, March 31, 2016 & June 30, 2016 of Hathazari Branch, Chittagong
- Summary of loan classification and provisioning as on 30.06.2016
- Issues related with Special Inspection on AML/CFT activities of 10 (ten) branches audited by Internal Control & Compliance Division in August, 2016
- Letter to the Management of Dhaka Bank Limited for the year ended 2015 submitted by ACNABIN, Chartered Accountants
- Branch Audit Rating
- Compliance and responses of 18th Comprehensive Bangladesh Bank Inspection report on Dhaka Bank Ltd., Head Office as on 31.12.2015
- Un-audited Quarterly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 30th September, 2016
- Summary of Loan Classification and Provision as on 30.09.2016

#### **Steps taken for implementation on effective internal control procedure of the Bank**

The Committee placed its reports regularly to the Board of Directors of the Bank mentioning its review results and recommendations on internal control system, compliance of rules and regulations and establishment of good governance within the organization.

### 2.38 Shariah supervisory committee

The name of Shariah Council Committee has been changed as Shariah Supervisory Committee according to BRPD Circular No.15 dated 09.11.2009 of Bangladesh Bank. The Executive Committee of the Board of Directors constituted the Shariah Supervisory Committee of Dhaka Bank Limited. The members are as follows:

Sl. No.	Name	Designation	Status	Date of Birth	Education Qualification
1	M. Azizul Huq	Chairman	1 <sup>st</sup> CEO of IBBL	16.10.1935	MA (Economics)
2	Prof. Mowlana Mohammad Salahuddin	Member (Faqih)	Khatib of National Mosque, Baitul Mukarram	01.11.1944	Kamil, MA
3	Dr. Mohd. Haroon Rashid	Member (Faqih)	Member Secretary, Shariah Supervisory Committee, AB Bank Ltd.	11.06.1969	Fazill, MA, PhD
4	Hafej Mawlana Abdul Gaffar	Member (Faqih)	Imam & Khatib, Shahidbag Jame Mosque & Vice Principal, Madrasa Jamiatul Uloomil Islamia, Tejgoan, Dhaka	05.11.1960	Takmil, Darul Ulum Dewband, UP, India
5	Md. Fariduddin Ahmed	Member (Expert in Islamic Banking)	Ex Managing Director, IBBL EX. Managing Director & Advisor, EXIM Bank Ltd.	25.07.1947	BA, DAIBB
6	Omar Sadat	Member (Lawyer)	Lawyer & Head of Chamber: Sadat Sarwat & Associates	20.08.1974	Bar-at-law, LL.M, LL.B (Hons.)
7	Syed Mahbubur Rahman	Member (Ex-Officio)	Managing Director, Dhaka Bank Ltd.	16.02.1962	MBA, IBA, University of Dhaka
8	Md. Sirajul Hoque	Member Secretary	EVP & Head of Islamic Banking Division	18.10.1960	B Com (Honours) M Com (Accounting) CA, CC

During the year 2016, the following issues were discussed in the meetings:

- Approval of Islamic Liability Products i) Mudaraba Gold Deposit Account, ii) Mudaraba Platinum Deposit Account & iii) Mudaraba Silver Deposit Account of Islamic Banking Operations
- Discussion & Approval on Quard Policy against Mudaraba Term Deposit of Islamic Banking
- Discussion on Shariah Inspection Report of Islamic Banking Branches (IBBs) as on dated 31.12.2015
- Discussion on development of publishing a Booklet on Muamalat of Daily lives regarding Islamic Solutions
- Approval of Shariah Supervisory Committee Opinion for publication in Bank's Annual Report, 2015
- Approval of final rates on various Mudaraba Deposits on the basis of weight age for the Year 2015
- Discussion on Islamic Banking Software UBS for Islamic Banking Operations.
- Maintenance of Compensation GL separately from Income Account.
- Approval on Shariah Audit Guideline of Islamic Banking Operations.



## 2.39 Information about segment reporting

The bank operates under the following business segments:

(Figure in '000)

Particulars	Conventional	Islamic	OBU	DBL Securities	Dhaka Bank Investment	Total
Total Operating Income	8,739,419	217,012	217,776	238,215	8,276	8,985,911
Allocated Expenses	3,335,769	53,822	20,663	73,237	120	3,409,126
Operating Profit (Before Tax & Provision)	5,403,650	1,498	163,190	164,978	8,156	5,576,785
Total Provision (Loans/Advances & Others)	2,655,666	-	14,205	50,000	-	2,705,666
Profit Before Tax	2,747,985	163,190	182,907	114,978	8,156	2,871,119
Provision for Income Tax	1,282,057	-	-	33,927	2,854	1,318,839
Net Profit	1,465,928	163,190	182,907	81,050	5,301	1,552,280
Segment Assets	198,048,192	7,113,509	7,101,321	4,944,981	283,738	203,276,912
Segment Liabilities	198,048,192	7,113,509	7,101,321	4,944,981	283,738	203,276,912

The operations of these segments are specifically identified by Income, expenses, assets and Liabilities. Based on such allocation, segment balance sheet as at 31 December 2016 and segmental profit and loss account for the year ended 31 December 2016 have been prepared.

## 2.40 Compliance with financial reporting standards as applicable in Bangladesh

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of Bangladesh Financial Reporting Standards (BFRS). While reporting the financial statements, Dhaka Bank Limited applied all the applicable of BAS and BFRS as adopted by ICAB. Details are given below:

Sl. No.	BAS No.	BAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied *
2	2	Inventories	Not Applicable
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Balance Sheet Date	Complied
6	11	Construction Contracts	Not Applicable
7	12	Income Taxes	Complied
8	16	Property, Plant & Equipment	Complied
9	17	Leases	Complied
10	18	Revenue	Complied
11	19	Employee Benefits	Complied
12	20	Accounting for Government Grants and Discloser of Government Assistance	Not Applicable
13	21	The Effects of Changes in Foreign Exchanges Rates	Complied
14	23	Borrowing Costs	Complied
15	24	Related Party Disclosures	Complied
16	26	Accounting and Reporting by Retirement Benefit Plans	Complied
17	27	Separate Financial Statements	Complied
18	28	Investment in Associates	Not Applicable
19	31	Interest in Joint Venture	Not Applicable
20	32	Financial Instruments: Presentation	Complied *
21	33	Earnings per Share	Complied
22	34	Interim Financial Reporting	Complied
23	36	Impairment of Assets	Complied
24	37	Provisions, Contingent liabilities and Contingent Assets	Complied
25	38	Intangible Assets	Complied
26	39	Financial Instruments: Recognition and Measurement	Complied *
27	40	Investment Property	Not Applicable
28	41	Agriculture	Not Applicable

Sl. No.	BFRS No.	BFRS Title	Compliance Status
1	1	First-time Adoption of Bangladesh Financial Reporting Standards	Not Applicable
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Not Applicable
4	4	Insurance contracts	Not Applicable
5	5	Non-Current Assets Held for Sale and Discontinued Operations	Complied
6	6	Exploration for and Evaluation of Mineral	Not Applicable
7	7	Financial Instruments: Disclosures	Complied *
8	8	Operating Segments	Complied
9	10	Consolidated Financial Statements	Complied
10	11	Joint Arrangements	Not Applicable
11	12	Disclosure of Interest in other Entities	Complied
12	13	Fair Value Measurement	Complied

\* Subject to departure disclosed in note no. 2.1.1

\* In order to comply with certain specific rules and regulations of the Central Bank (Bangladesh Bank) which are different from BAS/BFRS, some of the requirements specified in these BAS/BFRSs are not applied.

#### 2.41 Approval of Financial Statements

These financial statements were reviewed by the Audit Committee of the Board of the Bank in its 76<sup>th</sup> meeting held on 27 April 2017 and was subsequently approved by the Board in its 299<sup>th</sup> meeting held on 30 April 2017.

		31.12.2016 Taka	31.12.2015 Taka
<b>3. Cash</b>			
Cash in hand	(Note: 3.1)	1,797,353,255	1,543,599,084
Balance with Bangladesh Bank and its agent bank(s)	(Note: 3.2)	14,918,296,004	13,422,713,525
		<b>16,715,649,259</b>	<b>14,966,312,609</b>
<b>3(a) Consolidated Cash</b>			
Dhaka Bank Limited	(Note: 3)	16,715,649,259	14,966,312,609
Dhaka Bank Securities Limited		109,500	109,500
Dhaka Bank Investment Limited		-	-
		<b>16,715,758,759</b>	<b>14,966,422,109</b>
<b>3.1 Cash in hand</b>			
In local currency		1,776,810,310	1,507,169,880
In foreign currencies		20,542,945	36,429,204
		<b>1,797,353,255</b>	<b>1,543,599,084</b>
Cash in hand (local currency) includes balance of Cash held at Automated Teller Machine (ATM) of Tk.94,219,500 as on 31.12.2016.			
<b>3.1(a) Consolidated Cash in hand</b>			
Dhaka Bank Limited	(Note: 3.1)	1,797,353,255	1,543,599,084
Dhaka Bank Securities Limited		109,500	109,500
Dhaka Bank Investment Limited		-	-
		<b>1,797,462,755</b>	<b>1,543,708,584</b>
<b>3.2 Balance with Bangladesh Bank and its agent bank(s)</b>			
Balance with Bangladesh Bank			
In local currency		9,994,344,869	8,717,693,496
Conventional		9,568,380,071	8,277,058,032
Al-Wadiah current account		425,964,798	440,635,463
In foreign currencies		4,816,003,831	4,577,955,675
		14,810,348,700	13,295,649,171
Balance with Sonali Bank as agent of Bangladesh Bank		107,947,304	127,064,354
		<b>14,918,296,004</b>	<b>13,422,713,525</b>
As per Bangladesh Bank circulars/guidelines, balance with Bangladesh Bank is a part of cash and cash equivalent regardless of any restriction. However, to meet up the foreign currency liabilities of the bank, the cover fund against the liabilities has been kept and booked in Bangladesh Bank FC Clearing account as well as Nostro Bank Accounts.			
<b>3.2(a) Consolidated Balance with Bangladesh Bank and its agent bank(s)</b>			
Dhaka Bank Limited	(Note: 3.2)	14,918,296,004	13,422,713,525
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		<b>14,918,296,004</b>	<b>13,422,713,525</b>
<b>3.3 Statutory deposits</b>			
Cash Reserve Ratio and Statutory Liquidity Ratio have been calculated and maintained as per Section 33 of the Bank Companies Act 1991 and MPD Circular No. 04, dated 01.12.2010, MPD Circular No.05 dated 01.12.2010 and MPD Circular No.01 dated 23.06.2014.			
<b>3.3.1 Cash Reserve Ratio (CRR)</b>			
<b>Conventional Banking</b>			
<b>Bi-weekly Requirement</b>			
<b>(6.50% of Average Demand and Time Liabilities)</b>			
Required Reserve		9,357,849,072	8,034,850,226
Actual reserve maintained		9,457,561,409	8,066,948,979
Surplus		<b>99,712,337</b>	<b>32,098,753</b>
Required		6.50%	6.50%
Maintained		6.57%	6.53%
<b>Daily Requirement</b>			
<b>(6.00% of Average Demand and Time Liabilities)</b>			
Required Reserve		8,638,014,528	7,416,784,820
Actual reserve maintained		9,583,022,093	8,274,504,548
Surplus		<b>945,007,565</b>	<b>857,719,728</b>
Required		6.00%	6.00%
Maintained		7.21%	6.53%

	31.12.2016 Taka	31.12.2015 Taka
<b><u>Islamic Banking</u></b>		
<b><u>Bi-weekly Requirement</u></b>		
(6.50% of Average Demand and Time Liabilities)		
Required Reserve	414,438,359	365,513,083
Actual reserve maintained	425,964,798	394,164,875
<b>Surplus</b>	<b>11,526,439</b>	<b>28,651,792</b>
<b>Required</b>	<b>6.50%</b>	<b>6.50%</b>
<b>Maintained</b>	<b>6.68%</b>	<b>7.01%</b>
<b><u>Daily Requirement</u></b>		
(6.00% of Average Demand and Time Liabilities)		
Required Reserve	382,558,485	337,396,690
Actual reserve maintained	425,964,798	420,635,463
<b>Surplus</b>	<b>43,406,313</b>	<b>83,238,773</b>
<b>Required</b>	<b>6.50%</b>	<b>6.50%</b>
<b>Maintained</b>	<b>7.24%</b>	<b>7.01%</b>
<b>3.3.2 Statutory Liquidity Ratio (SLR)</b>		
<b><u>Conventional Banking</u></b>		
(13% of Average Demand & Time Liabilities )		
Required Reserve	18,715,698,144	16,069,700,452
Actual reserve maintained	20,539,335,533	21,183,070,043
<b>Surplus</b>	<b>1,823,637,389</b>	<b>5,113,369,591</b>
<b>Required</b>	<b>13.00%</b>	<b>13.00%</b>
<b>Maintained</b>	<b>14.27%</b>	<b>17.14%</b>
<b><u>Islamic Banking</u></b>		
(5.50% of Average Demand and Time Liabilities)		
Required Reserve	350,678,611	309,280,301
Actual reserve maintained	404,213,491	415,540,383
<b>Surplus</b>	<b>53,534,880</b>	<b>106,260,082</b>
<b>Required</b>	<b>5.50%</b>	<b>5.50%</b>
<b>Maintained</b>	<b>6.34%</b>	<b>7.39%</b>
<b>Held for Statutory Liquidity Ratio (Conventional)</b>		
Cash in Hand	1,774,666,204	1,513,181,000
Balance with Bangladesh Bank and its agent Bank(s) over CRR	333,031,369	366,662,438
Government Securities (excluding Assured Liquidity Support)	18,431,637,960	19,303,226,605
	<b>20,539,335,533</b>	<b>21,183,070,043</b>
<b>Held for Statutory Liquidity Ratio (Islamic)</b>		
Cash in Hand	22,687,052	30,418,000
Balance with Bangladesh Bank and its agent Bank(s) over CRR	11,526,440	55,122,383
Government Securities (excluding Assured Liquidity Support)	370,000,000	330,000,000
	<b>404,213,491</b>	<b>415,540,383</b>
Dhaka Bank Limited has maintained the above SLR and CRR requirement based on weekly average total demand and time liabilities (ATDTL) of the base month which is two months back of the reporting month.		
As per DOS Circular No. 05 dated 26 May 2008, all the Government treasury bond and bill will be open for SLR requirement and Dhaka Bank Limited has maintained the minimum SLR as per said circular.		
<b>3.4 Maturity grouping of cash</b>		
On Demand	16,715,649,259	14,966,312,609
Upto 1 month	-	-
Over 1 month but not more than 3 months	-	-
Over 3 months but not more than 6 months	-	-
Over 6 months but not more than 1 year	-	-
Over 1 year but not more than 5 years	-	-
Over 5 years	-	-
	<b>16,715,649,259</b>	<b>14,966,312,609</b>

		31.12.2016 Taka	31.12.2015 Taka
<b>4. Balance with other banks and financial institutions</b>			
In Bangladesh	(Note: 4.1)	8,581,752,935	6,691,817,231
Outside Bangladesh	(Note: 4.2)	2,588,773,757	3,488,208,961
		<b>11,170,526,692</b>	<b>10,180,026,192</b>
<b>4(a) Consolidated Balance with other banks and financial institutions</b>			
In Bangladesh	(Note: 4.1(a))	8,640,709,728	6,724,351,465
Outside Bangladesh	(Note: 4.2(a))	2,588,773,757	3,488,208,961
		<b>11,229,483,485</b>	<b>10,212,560,426</b>
<b>4.1 In Bangladesh</b>			
<b>Current Deposits</b>			
Sonali Bank Limited		58,165,306	88,186,671
Janata Bank Limited		201,772,652	1,759,766
Southeast Bank Limited		214,164	222,814
Standard Chartered Bank (Visa Settlement)		4,291,243	6,165,219
Brac Bank Limited		70,398	540,786
Agrani Bank Limited		21,911,904	29,985,615
Dutch Bangla Bank Limited		-	85,780
Islami Bank Bangladesh Limited		14,797,440	11,754,284
United Commercial Bank Limited		1,009,564	1,781,939
		<b>302,232,671</b>	<b>140,482,874</b>
<b>Special Notice Deposits (SND)</b>			
Janata Bank Limited		2,783,215	5,250,723
Dutch Bangla Bank Limited		6,695,550	8,182,060
Sonali Bank Limited		65,363	63,293
AB Bank Limited		1,055,132	169,029
Agrani Bank Limited		5,056,083	8,202,643
National Bank Limited		589,270	990,958
		<b>16,244,612</b>	<b>22,858,705</b>
<b>Fixed Deposits</b>			
<b>Commercial Banks</b>			
Social Islami Bank Limited		790,000,000	395,000,000
Eastern Bank Limited		2,054,000,000	1,580,000,000
AB Bank Limited		1,185,000,000	2,370,000,000
Premier Bank Limited		395,000,000	395,000,000
BRAC Bank Limited		-	395,000,000
Trust Bank Limited		-	395,000,000
The City Bank Limited		3,160,000,000	790,000,000
		<b>7,584,000,000</b>	<b>6,320,000,000</b>
<b>Financial Institutions</b>			
Phoenix Finance and Investment Limited		179,275,652	193,475,652
Prime Finance		200,000,000	-
International Leasing & Financial Service Limited		200,000,000	-
Peoples Leasing Company Limited		100,000,000	15,000,000
		<b>679,275,652</b>	<b>208,475,652</b>
		<b>8,581,752,935</b>	<b>6,691,817,231</b>
<b>4.1(a) Consolidated In Bangladesh</b>			
Dhaka Bank Limited	(Note: 4.1)	8,581,752,935	6,691,817,231
Dhaka Bank Securities Limited		184,272,326	238,008,858
Dhaka Bank Investment Limited		279,366,635	271,922,950
		9,045,391,896	7,201,749,038
Less: Intercompany transaction		404,682,168	477,397,573
		<b>8,640,709,728</b>	<b>6,724,351,465</b>
<b>4.2 Outside Bangladesh (Nostro Accounts)</b>			
<b>Current Deposits</b>			
Standard Chartered Bank, New York		962,431,530	1,481,455,651
Mashreq Bank, New York		145,374,604	129,576,119
Habib American Bank, New York, OBU		85,320,047	-
Commerz Bank, Frankfurt		78,943,983	65,502,249



	31.12.2016 Taka	31.12.2015 Taka
Habib American Bank	127,679,181	156,064,898
Wells Fargo Bank N.A., New York	115,934,702	214,703,944
Standard Chartered Bank, New York, OBU	-	522,548,757
United Bank of India	14,984,824	-
JP Morgan Chase Bank NA	208,065,167	147,730,957
Standard Chartered Bank, Mumbai	70,323,669	65,887,763
Sonali Bank, Kolkata	3,685,539	9,664,979
AB Bank Mumbai	44,084,152	36,081,514
Nepal Bangladesh Bank	641,776	641,776
Sampath Bank, Srilanka	9,175,831	10,780,910
Bhutan National Bank	1,128,212	1,128,212
Bank of Bhutan	2,025,524	2,438,694
Habib Metropolitan Bank Ltd. Pakistan	29,960,673	21,216,962
Dhaka Bank OBU Nostro	474,000,000	474,000,000
ICICI Bank Limited, India	25,759,300	33,120,644
Mashreq Bank, Mumbai	37,851,495	12,784,603
Union Bank of Switzerland	14,711,939	6,579,896
Commerz Bank, Frankfurt	42,284,738	31,268,456
Standard Chartered Bank, Frankfurt	3,099,493	10,436,265
Unicredit S.P.A. Milano	2,296,476	4,002,601
Commerz Bank, Frankfurt	2,759,720	3,159,217
Standard Chartered Bank, Japan	17,999,529	7,624,977
Standard Chartered Bank, London	25,297,397	29,879,383
United Bank of India	31,462,893	-
Commerz Bank, Frankfurt	5,746,574	4,184,444
Al-Rajhi Bank, Kingdom of Saudi Arabia	5,744,788	5,745,088
	<b>2,588,773,757</b>	<b>3,488,208,961</b>

(Details are given in **Annexure - A**)

In order to meet up the foreign currency liabilities of the bank, the cover fund against the liabilities has been kept and booked in Nostro Bank Accounts as well as Bangladesh Bank Foreign Currency Clearing account. All balances of Nostro Accounts have been reconciled.

#### 4.2(a) Consolidated Outside Bangladesh (Nostro Accounts)

Dhaka Bank Limited	(Note: 4.2)	2,588,773,757	3,488,208,961
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		<b>2,588,773,757</b>	<b>3,488,208,961</b>

#### 4.3 Account-wise/grouping of balance with other banks and financial institutions

Current Deposits	2,891,006,428	3,628,691,835
Short-Notice Deposits	16,244,612	22,858,705
Fixed Deposits	8,263,275,652	6,528,475,652
	<b>11,170,526,692</b>	<b>10,180,026,192</b>

#### 4.4 Maturity grouping of balances with other banks and financial institutions

On demand	2,891,006,428	3,628,691,835
Upto 1 month	411,244,612	22,858,705
Over 1 month but not more than 3 months	2,138,000,000	-
Over 3 months but not more than 6 months	5,654,025,000	6,320,000,000
Over 6 months but not more than 1 year	43,065,000	208,475,652
Over 1 year but not more than 5 years	33,185,652	-
Over 5 years	-	-
	<b>11,170,526,692</b>	<b>10,180,026,192</b>

#### 5. Money at call and on short notice

With banking companies	(Note: 5.1)	761,300,000	15,300,000
With non-banking financial institutions	(Note: 5.2)	290,000,000	-
		<b>1,051,300,000</b>	<b>15,300,000</b>

#### 5(a) Consolidated money at call and on short notice

Dhaka Bank Limited	(Note: 5)	1,051,300,000	15,300,000
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		<b>1,051,300,000</b>	<b>15,300,000</b>

		31.12.2016 Taka	31.12.2015 Taka
<b>5.1 With banking companies</b>			
Midland Bank Ltd		200,000,000	-
The City Bank Ltd		500,000,000	-
Mercantile Bank Ltd		50,000,000	-
ICB Islamic Bank Limited		11,300,000	15,300,000
		<b>761,300,000</b>	<b>15,300,000</b>
ICB Islamic Bank Limited has been repaying their liabilities phase by phase under "The Oriental Bank Limited (Reconstruction) Scheme, 2007 as per Bangladesh Bank instructions vide Ref : BRPD(R-1)651/9(10)2007-446 dated 02.08.2007.			
<b>5.2 With non-banking financial institutions</b>			
International Leasing & Financial Service Limited		90,000,000	-
Lanka Bangla Finance Ltd.		100,000,000	-
Prime Finance		100,000,000	-
		<b>290,000,000</b>	<b>-</b>
<b>5.3 Maturity grouping of money at call &amp; short notice</b>			
On demand		1,040,000,000	-
Upto 1 month		-	-
Over 1 month but not more than 3 months		-	-
Over 3 months but not more than 6 months		-	-
More than 6 months but less than 1 year		-	-
More than 1 year but less than 5 years		-	-
More than 5 years		11,300,000	15,300,000
		<b>1,051,300,000</b>	<b>15,300,000</b>
<b>6. Investments</b>			
Government securities	(Note: 6.1)	18,805,722,760	19,637,850,305
Other investments	(Note: 6.2)	2,500,000,000	1,161,237,635
		<b>21,305,722,760</b>	<b>20,799,087,940</b>
<b>6(a) Consolidated Investments</b>			
Dhaka Bank Limited	(Note: 6)	21,305,722,760	20,799,087,940
Dhaka Bank Securities Limited		2,477,518,134	2,273,836,150
Dhaka Bank Investment Limited		-	-
		<b>23,783,240,894</b>	<b>23,072,924,090</b>
<b>6.1 Government securities</b>			
Treasury bills	(Note: 6.1.1)	-	-
Treasury bonds	(Note: 6.1.2)	18,431,637,960	19,303,226,605
Government islamic bond		370,000,000	330,000,000
Prize bond		4,084,800	4,623,700
		<b>18,805,722,760</b>	<b>19,637,850,305</b>
<b>6.1(a) Consolidated Government securities</b>			
Dhaka Bank Limited	(Note: 6.1)	18,805,722,760	19,637,850,305
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		<b>18,805,722,760</b>	<b>19,637,850,305</b>
<b>6.1.1 Treasury Bills</b>			
28 days Treasury Bills		-	-
30 days Treasury Bills		-	-
91 days Treasury Bills		-	-
182 days Treasury Bills		-	-
364 days Treasury Bills		-	-
		<b>-</b>	<b>-</b>
<b>6.1.2 Treasury Bonds</b>			
2 years Bangladesh Government Treasury Bond		12,605,838	1,078,263,045
5 years Bangladesh Government Treasury Bond		6,082,035,904	6,478,766,460
10 years Bangladesh Government Treasury Bond		10,169,002,772	9,606,145,066
15 years Bangladesh Government Treasury Bond		1,941,409,279	1,913,477,026
20 years Bangladesh Government Treasury Bond		226,584,167	226,575,008
		<b>18,431,637,960</b>	<b>19,303,226,605</b>

		31.12.2016 Taka	31.12.2015 Taka
<b>6.2 Other investments</b>			
Investment in shares	(Note: 6.2.1)	226,000,000	239,737,635
Investment in subordinated bonds	(Note: 6.2.2)	1,524,000,000	521,500,000
Investment in Commercial Paper	(Note: 6.2.3)	750,000,000	400,000,000
		<b>2,500,000,000</b>	<b>1,161,237,635</b>
<b>6.2(a) Consolidated Other investments</b>			
Dhaka Bank Limited	(Note: 6.2)	2,500,000,000	1,161,237,635
Dhaka Bank Securities Limited		2,477,518,134	2,273,836,150
Dhaka Bank Investment Limited		-	-
		<b>4,977,518,134</b>	<b>3,435,073,785</b>
<b>6.2.1 Shares</b>			
Quoted (Publicly Traded)		26,000,000	13,737,635
Unquoted		200,000,000	226,000,000
		<b>226,000,000</b>	<b>239,737,635</b>
(Details are given in <b>Annexure - B</b> )			
<b>6.2.2 Investment in subordinated bonds</b>			
MTBL Subordinated Bond		95,000,000	142,500,000
Mercantile Bank Subordinated Bond		300,000,000	300,000,000
The City Bank Subordinated Bond		79,000,000	79,000,000
One Bank Limited		300,000,000	-
Southeast Bank Limited		750,000,000	-
		<b>1,524,000,000</b>	<b>521,500,000</b>
<p>MTBL Subordinated Bond - date of purchase is 23.09.2010 and redemption started on 30.09.2015; Mercantile Bank Subordinated Bond - date of purchase is on 29.06.2014 and redemption will start on 30.06.2017; The City Bank Subordinated Bond - date of purchase is on 21.10.2014 and redemption will start on 21.10.2017; One Bank Limited Subordinated Bond - date of purchase is on 27.10.2016 and redemption will start on 27.10.2019; Southeast Bank Limited Subordinated Bond - date of purchase is on 27.10.2016 and redemption will start on 27.10.2019.</p> <p>As per DOS Circular No. 02 dated 16 September 2013 and subsequent DOS Circular No. 03 dated 20 December 2015 of Bangladesh Bank, the total market value of investment in the Capital Market of any Bank cannot be exceeded 25% of the total amount of Paid up Capital, Share Premium Account, Statutory Reserve and Retained Earnings of the Bank. In compliance with the guidelines of the Bangladesh Bank, the portfolio exposure of Dhaka Bank Ltd. is 21.11% as of December 31, 2016.</p>			
<b>6.2.3 Investment in Commercial Paper</b>			
Hashem Food Limited		250,000,000	-
KSRM Billete Industries Limited		500,000,000	-
Doreen Power Generation and Systems Limited		-	200,000,000
Butterfly Marketing Limited		-	200,000,000
		<b>750,000,000</b>	<b>400,000,000</b>
<b>6.3 Investment in Securities are classified as per Bangladesh Bank Circular</b>			
<b>Held for Trading (HFT)</b>			
28 days Treasury Bills		-	-
30 days Treasury Bills		-	-
91 days Treasury Bills		-	-
182 days Treasury Bills		-	-
364 days Treasury Bills		-	-
2 years Bangladesh Government Treasury Bond		12,605,838	1,029,555,070
5 years Bangladesh Government Treasury Bond		-	1,678,121,262
10 years Bangladesh Government Treasury Bond		-	2,806,514,632
15 years Bangladesh Government Treasury Bond		-	607,013,245
		<b>12,605,838</b>	<b>6,121,204,208</b>

### Held to Maturity (HTM)

	31.12.2016 Taka	31.12.2015 Taka
28 days Treasury Bills	-	-
30 days Treasury Bills	-	-
91 days Treasury Bills	-	-
182 days Treasury Bills	-	-
364 days Treasury Bills	-	-
2 years Bangladesh Government Treasury Bond	-	48,707,976
5 years Bangladesh Government Treasury Bond	6,082,035,904	4,800,645,198
10 years Bangladesh Government Treasury Bond	10,169,002,772	6,799,630,434
15 years Bangladesh Government Treasury Bond	1,941,409,279	1,306,463,781
20 years Bangladesh Government Treasury Bond	226,584,167	226,575,008
	<b>18,419,032,122</b>	<b>13,182,022,397</b>
	<b>18,431,637,960</b>	<b>19,303,226,605</b>

As per DOS Circular N0. 01 dated 19 January 2014, the maximum limit of holding approved Securities under Held to Maturity (HTM) is 110% of SLR for all nonprimary dealer banks and Dhaka Bank Limited has invested in Treasury bonds under HTM category as per said circular.

### 6.4 Assets pledged as security

Assets in the amounts shown below were pledged as security for the following liabilities

Liabilities to bank	-	-
Liabilities to customers	-	-
	<b>-</b>	<b>-</b>

Following assets were pledged as security for the above mentioned liabilities

Claim on banks	-	-
Claim on customers	-	-
	<b>-</b>	<b>-</b>

### 6.5 Maturity Grouping of Investments

On demand	-	244,361,335
Over 2 Days but not more than 3 Months	776,000,000	-
Over 3 months but not more than 6 months	386,690,638	-
More than 6 months but less than 1 year	1,641,090,358	400,000,000
Over 1 year but not more than 5 years	6,594,033,425	8,408,529,506
Over 5 years	11,907,908,339	11,746,197,100
	<b>21,305,722,760</b>	<b>20,799,087,940</b>

### 7. Loans, advances and lease/investments including Bills purchased and discounted

Loans, cash credits, overdrafts, etc./Investments	(Note: 7.1)	131,563,031,001	115,445,516,023
Bills purchased and discounted	(Note: 8)	3,126,277,363	2,394,649,940
		<b>134,689,308,364</b>	<b>117,840,165,963</b>

### 7(a) Consolidated Loans, advances and lease/investments including Bills purchased and discounted

Dhaka Bank Limited	(Note: 7)	134,689,308,364	117,840,165,963
Dhaka Bank Securities Limited		2,057,523,809	2,403,412,251
Dhaka Bank Investment Limited		-	-
		136,746,832,173	120,243,578,214
Less: Inter company transaction		1,913,441,442	2,059,097,699
		<b>134,833,390,731</b>	<b>118,184,480,515</b>

### 7.1 Loans, cash credits, overdrafts, etc./Investments

#### Broad category-wise breakup

In Bangladesh

Secured Overdraft/Quard	31,686,036,697	30,151,740,757
Cash Credit/Murabaha	6,819,836,713	8,471,869,368
House Building Loan	1,880,858,465	835,072,341
Transport Loan	563,478,631	884,930,592
Term Loan	44,057,645,551	36,750,405,359
Loan Against Trust Receipt	4,231,011,084	7,859,726,531
Payment Against Documents	110,572,130	102,705,800

		31.12.2016 Taka	31.12.2015 Taka
Loan Against Imported Merchandize		1,891,495	63,557,902
Loan Against Accepted Bills		1,404,688,247	1,133,675,558
Packing Credit		396,517,436	290,005,594
Lease Finance / Izara	(Note: 7.3)	2,233,076,259	1,938,276,474
Credit Card		295,155,175	268,687,414
Retail Loan		499,909,445	622,316,670
Other Loans (Including Bai-Muajjal)		37,382,353,674	26,072,545,664
		<u>131,563,031,001</u>	<u>115,445,516,023</u>
Outside Bangladesh		-	-
		<u><b>131,563,031,001</b></u>	<u><b>115,445,516,023</b></u>
<b>7.1(a) Consolidated Loans, cash credits, overdrafts, etc./Investments</b>			
Dhaka Bank Limited	(Note: 7.1)	131,563,031,001	115,445,516,023
Dhaka Bank Securities Limited		2,057,523,809	2,403,412,251
Dhaka Bank Investment Limited		-	-
		133,620,554,810	117,848,928,274
Less: Inter company transaction		1,913,441,442	2,059,097,699
		<u><b>131,707,113,368</b></u>	<u><b>115,789,830,575</b></u>
<b>7.2 Residual maturity grouping of loans including bills purchased and discounted</b>			
Repayable on Demand		14,064,801,005	33,519,902,061
Upto 1 month		16,890,830,255	18,196,221,860
Not more than 3 months		24,875,497,369	11,012,146,544
More than 3 months but not more than 6 months		29,168,983,069	11,339,858,145
More than 6 months but not more than 1 year		19,204,335,303	17,544,452,596
More than 1 year but not more than 5 years		25,341,474,123	23,989,080,249
More than 5 years		5,143,387,240	2,238,504,508
		<u><b>134,689,308,364</b></u>	<u><b>117,840,165,963</b></u>
<b>7.3 Investment in lease/ izara finance</b>			
Lease rental receivable within 1 year		1,146,931,112	995,518,887
Lease rental receivable more than 1 year		1,355,643,267	1,176,677,886
<b>Total lease/ izara rental receivable</b>		2,502,574,379	2,172,196,773
Less: unearned interest/profit receivable		269,498,120	233,920,299
<b>Net investment in lease/izara finance</b>		<u><b>2,233,076,259</b></u>	<u><b>1,938,276,474</b></u>
<b>7.4 Product wise loans and advances</b>			
Loans		93,057,157,591	76,821,905,898
Cash Credits		6,819,836,713	8,471,869,368
Overdrafts		31,686,036,697	30,151,740,757
Bills purchased and discounted	(Note: 8)	3,126,277,363	2,394,649,940
		<u><b>134,689,308,364</b></u>	<u><b>117,840,165,963</b></u>
<b>7.5 Loans on the basis of significant concentration including bills purchased &amp; discounted</b>			
a. Advances to allied concerns of Directors	(Note: 7.5.1)	1,011,413	3,805,974
b. Advances to Chief Executive		2,792,665	-
c. Advances to Other Senior Executives		151,236,644	169,533,508
d. <u>Advances to Customer's Group:</u>			
Agriculture loan		1,660,368,959	545,749,021
Commercial lending		90,144,267,908	73,548,157,735
Export financing		10,912,419,446	8,108,727,876
Consumer credit scheme		1,387,608,719	1,367,751,687
Small and Medium Enterprise (SME)		21,509,000,558	12,218,670,366
Staff Loan		923,556,636	684,472,899
Others		7,997,045,417	21,193,296,896
		<u><b>134,689,308,364</b></u>	<u><b>117,840,165,963</b></u>

**7.5.1** The amount represents loan in the name of existing directors of the bank.

	31.12.2016 Taka	31.12.2015 Taka
<b>7.6 Advances to customers for more than 10% of Bank's total capital</b>		
<b>Total capital of the Bank</b>		
Number of Customers	13	9
Amount of outstanding loans and advances*	40,042,693,997	19,693,159,944
Amount of classified loans and advances	-	-
Measures taken for recovery	-	-
*The amount represents the sum of total loans and advances (both funded and non funded) to each customer exceeding 10% of total capital of the bank as at 31 December 2016.		
(Details are given in <b>Annexure - C</b> )		
<b>7.7 Industry-wise loans, advances and lease/investments</b>		
Agricultural	1,660,368,959	545,749,021
Pharmaceuticals	856,850,090	919,361,643
Textile & Garment	37,012,047,145	28,868,185,700
Chemical	1,418,003,455	1,517,557,877
Food & allied	9,135,150,181	6,909,703,499
Transport & Communication	2,270,617,135	3,640,581,919
Electronics & Automobile	35,345,803	1,854,823,252
Housing & Construction	16,407,229,143	14,891,062,355
Engineering & Metal Industries including Ship Breaking	12,380,904,493	14,120,490,692
Energy & Power	4,220,010,784	3,846,752,830
Service	5,712,256,127	5,392,482,749
Others	43,580,525,048	35,333,414,426
	<b>134,689,308,364</b>	<b>117,840,165,963</b>
<b>7.8 Geographical location-wise (division) distribution</b>		
<b>Urban</b>		
Dhaka Region	90,689,575,547	75,219,992,923
Chittagong Region	24,149,664,181	24,553,795,595
South Region	2,340,713,599	2,273,912,290
North Region	2,403,257,199	2,517,193,891
Sylhet Region	872,783,051	687,782,539
Other	5,117,451,983	4,618,092,406
	<b>125,573,445,559</b>	<b>109,870,769,645</b>
<b>Rural</b>		
Dhaka Region	4,518,998,969	4,175,519,710
Chittagong Region	1,115,854,724	1,058,934,323
South Region	-	-
North Region	1,666,045,610	1,169,721,084
Sylhet Region	128,160,847	139,358,691
Other	1,686,802,654	1,425,862,511
	<b>9,115,862,805</b>	<b>7,969,396,319</b>
	<b>134,689,308,364</b>	<b>117,840,165,963</b>
<b>7.9 Sector-wise loans, advances and lease/investments</b>		
Government & Autonomous bodies	794,698,521	82,653,671
Financial Institutions (Public & Private)	4,320,416,768	447,695,043
Private Sector	129,574,193,075	117,309,817,249
	<b>134,689,308,364</b>	<b>117,840,165,963</b>
<b>7.10 Classification of loans, advances and lease/investments</b>		
<b>Unclassified</b>		
Standard	124,364,862,317	108,070,088,301
Special Mention Account	4,921,496,854	4,279,428,342
	<b>129,286,359,171</b>	<b>112,349,516,643</b>
<b>Classified</b>		
Sub-Standard	257,483,421	1,236,020,456
Doubtful	287,950,818	265,358,725
Bad or loss	4,857,514,954	3,989,270,139
	<b>5,402,949,193</b>	<b>5,490,649,320</b>
	<b>134,689,308,364</b>	<b>117,840,165,963</b>



			31.12.2016 Taka	31.12.2015 Taka
7.11	A) Provision required for loans and advances			
	<b>Status</b>	<b>Base for Provision</b>	<b>Rate %</b>	
	<b>Unclassified</b>			
	Unclassified	17,526,215,640	0.25	43,815,539
	Unclassified*	94,535,328,287	1	945,353,283
	Unclassified	2,678,038,101	2	53,560,763
	Unclassified	916,221,177	2.5	22,905,529
	Unclassified	634,951,554	5	31,747,578
	Unclassified	717,417,507	20	143,483,501
	Unclassified	121,665,322	25	30,416,330
	Unclassified	1,932,603,363	50	966,301,682
	Unclassified	1,363,285,891	100	1,363,285,891
	Unclassified	218,071,206	Special	12,570,523
	Special Mention Account	495,606,951	0.25	1,239,017
	Special Mention Account	2,150,899,808	1	21,508,998
	Special Mention Account	1,994,706,985	2	39,894,140
	Special Mention Account	8,670,003	5	433,500
	Special Mention Account	5,246,233	50	2,623,116
	Special Mention Account	153,156,944	100	153,156,944
			3,832,296,334	2,341,828,546
	<b>Classified:</b>			
	Sub-Standard	1,859,694	5	92,985
	Sub-Standard	123,966,198	20	24,793,240
	Doubtful	145,726,324	50	72,863,162
	Bad or loss	2,307,858,438	100	2,307,858,438
			2,405,607,824	1,902,698,726
	Required provision for loans & advances		6,237,904,158	4,244,527,272
	Total provision maintained		6,241,383,798	4,244,527,272
	<b>Excess / short provision as at 31 December</b>		<b>3,479,640</b>	<b>-</b>

\* Liabilities of 19 (Nineteen) number of clients have been shown as UC instead of BL & SS under Writ Petition. Tk. 60.77 Crore provision (Outstanding amount is Tk. 332.98 crore and Base for Provision is Tk. 176.73 crore) has been kept against the said clients. Tk. 60.77 Crore provision is included within Unclassified Corporate Advances. And Tk. 148.33 Crore additional provision (Outstanding amount is Tk. 593.69 crore and Base for Provision is Tk.493.04 crore) is maintained for 13 (Thirteen) number of "UC" clients. Tk. 148.33 Crore provision is also included within Unclassified Corporate Advances.

Provision on Loans & Advances amended as per Bangladesh Bank Inspection Report submitted in Tri-partite meeting as well as subsequent instruction letter of BB. CL has been rectified accordingly.

**B) Provision for good borrower**

**9,454,000** **1,254,000**

Provision for good borrower has been kept following the BRPD Circular No. 06, dated 19 March 2015 & BRPD Circular Letter No. 03, dated 16 February 2016.

**C) Provision required for Off-Balance Sheet Exposures**

<b>Status</b>	<b>Base for Provision</b>	<b>Rate %</b>		
Acceptances and Endorsements	25,263,660,677	1	252,636,607	142,256,111
Letter of Credit	17,447,623,500	1	174,476,235	142,381,680
Letter of Guarantee	19,928,711,771	1	199,287,118	141,940,687
<b>Required provision</b>			626,399,959	426,578,478
Total Provision Maintained			626,399,959	426,578,478
<b>Excess / (Short) Provision as at 31 December</b>			<b>-</b>	<b>-</b>

**7.12 Securities against loans including bills purchased & discounted**

**a. Secured**

Collateral of movable / immovable assets	122,839,278,647	107,938,829,796
Local Banks & Financial Institutions guarantee	2,911,138,109	2,009,839,310
Foreign Banks Guarantee	215,115,608	384,810,631
Export documents	110,572,130	102,705,800
Government Guarantee	-	-
<b>Fixed Deposits Receipts</b>		
Own FDR	1,899,986,632	1,930,542,565
FDR of Other Banks	33,676,031	62,041,799
Personal Guarantee	1,872,611,319	1,787,402,351
Other Securities	4,806,929,888	3,623,993,711
Government bonds	-	-
	134,689,308,364	117,840,165,963

**b. Unsecured**

**134,689,308,364** **117,840,165,963**

	31.12.2016 Taka	31.12.2015 Taka
<b>7.13 Particulars of Loans, advances and lease/investments</b>		
(i) Loans considered good in respect of which the bank company is fully secured;	98,336,144,517	60,415,746,902
(ii) Loans considered good against which the banking company holds no security other than the debtor's personal guarantee;	1,757,461,918	1,414,152,301
(iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors;	2,320,262,277	55,750,904,165
(iv) Loans adversely classified; provision not maintained there against;	-	-
(v) Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons;*	1,078,597,358	857,788,515
(vi) Loans due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members; (See Note-7.5.1)	1,011,413	3,805,974
(vii) Maximum total amount of advances including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person;*	1,081,882,297	860,912,111
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members;	4,296,352	3,805,974
(ix) Due from banking companies;	-	-
(x) Amount of classified loan on which interest has not been charged, should be mentioned as follows:		
a) Decrease / increase in provision;	(133,673,686)	(180,234,191)
b) Amount realized against loan previously written off; **	50,461,881	57,380,000
c) Amount of provision kept against loan classified as 'bad/loss' on the date of preparing the balance sheet;	2,307,858,438	1,776,777,963
d) Interest creditable to the Interest Suspense A/c;	-	-
(xi) Cumulative amount of the written off loan;***	5,466,295,628	4,680,072,911
* The amount represents loan in the name of existing directors and officers of the bank.		
**The detail of Recovery during 2016 from loan previously written off may be seen in the <b>Annexure - E</b>		
*** The detail of the amount of the written - off loans during 2016 may be seen in the <b>Annexure - F</b>		
<b>8. Bills purchased and discounted</b>		
In Bangladesh	1,117,983,911	2,009,839,310
Outside Bangladesh	2,008,293,452	384,810,631
	<b>3,126,277,363</b>	<b>2,394,649,940</b>
<b>8(a) Consolidated Bills purchased and discounted</b>		
Dhaka Bank Limited	3,126,277,363	2,394,649,940
Dhaka Bank Securities Limited	-	-
Dhaka Bank Investment Limited	-	-
	<b>3,126,277,363</b>	<b>2,394,649,940</b>
<b>8.1 Maturity grouping of bills purchased &amp; discounted</b>		
Payable within 1 month	1,415,053,247	1,033,576,376
Over 1 month but less than 3 months	1,364,116,169	1,067,596,945
Over 3 months but less than 6 months	347,107,947	293,476,619
6 months or more	-	-
	<b>3,126,277,363</b>	<b>2,394,649,940</b>

	31.12.2016 Taka	31.12.2015 Taka
<b>9. Fixed assets including premises, furniture and fixtures</b>		
<b>Cost/ Revaluation</b>		
Land	2,950,332,536	2,950,332,536
Building	622,721,217	555,607,656
Furniture and fixture including office decoration	428,892,919	410,491,120
Office appliances and equipment	866,487,334	734,292,285
Computer	217,967,490	202,591,275
Software	77,845,853	76,271,261
Bank's vehicle	142,893,420	69,928,345
	5,307,140,769	4,999,514,479
Less: Accumulated depreciation	1,113,600,664	899,531,122
	<b>4,193,540,105</b>	<b>4,099,983,356</b>

(Details are given in **Annexure - D**)

Building includes a floor space in the BGMEA Bhaban at Hatirjheel, Kawran Bazar, Dhaka, against which there is a dispute and recently the Honorable High Court has published a verdict to demolish the Building within 6 months, in that sense Bank has little chance to recover the book value as on 31.12.2016 amounting to Tk. 27,181,875 from the authority. So required provision will be built up within 2017 against this asset to cover the impairment loss.

**9(a) Consolidated Fixed assets including premises, furniture and fixtures**

Dhaka Bank Limited	(Note: 9)	4,193,540,105	4,099,983,356
Dhaka Bank Securities Limited		7,724,271	9,870,370
Dhaka Bank Investment Limited		-	-
		<b>4,201,264,375</b>	<b>4,109,853,726</b>

**10. Other Assets**

Investment in Shares of subsidiary companies	(Note: 10.1)	1,749,999,880	1,749,999,880
Stationery, stamps, printing materials etc.		30,044,856	36,342,049
Advance rent		279,331,753	294,005,997
Prepaid expenses against advertisement		18,709,878	19,197,432
Interest/Profit accrued and other receivable	(Note: 10.2)	572,958,051	506,949,293
Security deposit		21,988,606	21,883,176
Preliminary, formation, Work in progress, renovation expenses and prepaid expenses	(Note: 10.3)	2,860,612,139	2,563,186,913
Branch adjustments	(Note: 10.4)	39,897,115	25,761,499
Suspense account	(Note: 10.5)	139,958,704	174,359,339
Others	(Note: 10.6)	7,328,881,667	3,046,744,467
		<b>13,042,382,648</b>	<b>8,438,430,047</b>

Work in progress includes a building under construction in Gulshan for head office purpose and is awaiting for the approval of RAJUK for commercial conversion. After getting the approval, registration process will be started immediately in the name of Dhaka Bank Limited and will be transferred to fixed assets.

**10(a) Consolidated Other assets**

Dhaka Bank Limited	(Note: 10)	13,042,382,648	8,438,430,047
Dhaka Bank Securities Limited		217,833,900	110,673,323
Dhaka Bank Investment Limited		4,371,820	3,544,155
		<b>13,264,588,368</b>	<b>8,552,647,525</b>
Less: Inter-company transactions			
Investment in Dhaka Bank Securities Limited		1,499,999,940	1,499,999,940
Investment in Dhaka Bank Investment Limited		249,999,940	249,999,940
Stock dividend from Dhaka Bank Securities Limited		-	60,000,000
Receivable from Dhaka Bank Investment Limited		1,173,725	1,173,725
Receivable from Dhaka Bank Securities Limited		74,106,236	111,202,361
		1,825,279,841	1,922,375,966
		<b>11,439,308,527</b>	<b>6,630,271,559</b>

Consolidated other asset has been adjusted by Taka 60,000,000 for the stock dividend declared by Dhaka Bank Securities Limited in 2011 which has been deducted from other assets in previous years.

		31.12.2016 Taka	31.12.2015 Taka
<b>10.1 Investment in shares of subsidiary companies</b>			
Dhaka Bank Securities Limited (99.99% owned subsidiary company of DBL)	(Note:1.2.6.1)	1,499,999,940	1,499,999,940
Dhaka Bank Investment Limited (99.99% owned subsidiary company of DBL)	(Note:1.2.6.2)	249,999,940	249,999,940
		<b>1,749,999,880</b>	<b>1,749,999,880</b>
The total number of Shareholding in Dhaka Bank Securities Limited is 171,599,994 shares after considering the stock dividend issued in 2011 and 2014.			
<b>10.2 Interest accrued and other receivable</b>			
Amount represents interest/profit accrued on loans/investment but not collected, commission & brokerage receivable on shares and debenture and other income receivable etc.			
<b>10.3</b>	The amount represents payment in advance against opening of new branches, various types of insurance premiums, legal expenses, software maintenance etc. It also includes the advance for work in progress of Head Office Building at Gulshan and Kakrail.		
<b>10.4 Branch adjustments</b>			
Branch adjustment account represents outstanding amount of Inter-Branch and Head Office transactions at the Balance Sheet date.			
<b>10.5 Suspense account</b>			
Suspense Account represents advance paid against renovation of different branches which is Capital Expenditure and will be adjusted after receiving the final bills.			
<b>10.6 Others</b>			
Advance Tax	(Note: 10.6.1)	1,591,405,439	866,380,406
Account receivable others	(Note: 10.6.2)	5,737,476,228	2,180,364,061
		<b>7,328,881,667</b>	<b>3,046,744,467</b>
<b>10.6.1 Advance Tax</b>			
Opening Balance		866,380,406	921,814,280
Add: Paid during the year		725,025,033	1,133,460,133
		1,591,405,439	2,055,274,413
Less: Adjustment during the year		-	1,188,894,008
		<b>1,591,405,439</b>	<b>866,380,406</b>
<b>10.6.2 Account receivable others</b>			
Receivable against Bangladesh / Paribar Sanchaya Patra		35,148,165	178,464,079
Fees receivable		2,235,517	963,160
Receivable from share sale proceeds		-	103,928,144
Finance to AD branches for Local Documentary Bill Purchased	(Note: 10.6.2.a)	2,024,402,632	1,204,790,808
Finance to AD branches for Import Bill Discounting	(Note: 10.6.2.b)	3,571,042,791	544,288,727
Protestation account		1,666,805	2,045,518
ATM settlement account		26,200,609	32,281,215
Receivable from exchange houses		1,499,749	1,226,324
Receivable from Dhaka Bank Investment Limited		1,173,725	1,173,725
Receivable from Dhaka Bank Securities Limited		74,106,236	111,202,361
		<b>5,737,476,228</b>	<b>2,180,364,061</b>
<b>10.6.2.a</b>	In accordance with the FE Circular No.03 dated 04 February 2013 of Bangladesh Bank, the amount represents bills discounted Tk.2,024,402,631 to facilitate the exporters of the country.		
<b>10.6.2.b</b>	In accordance with the BRPD Circular No.28 dated 05 September 2010 of Bangladesh Bank, Dhaka Bank Limited's Off-shore Banking Unit (OBU) has been financing the importers who import at usance basis through Bank's Authorised Dealer (AD) branches.		
<b>10.7 Income generation grouping of Other assets</b>			
<b>Income generating</b>			
Investment in Shares of subsidiary companies		1,749,999,880	1,749,999,880
Account receivable others			
Finance to AD branches for Local Documentary Bill Purchased		2,024,402,632	1,204,790,808
Finance to AD branches for Import Bill Discounting		3,571,042,791	544,288,727
		<b>7,345,445,303</b>	<b>3,499,079,415</b>
<b>Non-income generating</b>			
Stationery, stamps, printing materials etc.		30,044,856	36,342,049
Advance rent		279,331,753	294,005,997
Prepaid expenses against advertisement		18,709,878	19,197,432
Interest/Profit accrued and other receivable		572,958,051	506,949,293

	31.12.2016 Taka	31.12.2015 Taka
Security deposit	21,988,606	21,883,176
Preliminary, formation, work in progress, renovation expenses and prepaid expenses	2,860,612,139	2,563,186,913
Branch adjustments	39,897,115	25,761,499
Suspense account	139,958,704	174,359,339
Advance tax paid	1,591,405,439	866,380,406
Account receivable others		
Receivable against Bangladesh / Paribar Sanchaya Patra	35,148,165	178,464,079
Protestation account	1,666,805	2,045,518
Receivable from exchange houses	1,499,749	1,226,324
Receivable from Dhaka Bank Investment Limited	1,173,725	1,173,725
Receivable from Dhaka Bank Securities Limited	74,106,236	111,202,361
Fees receivable	2,235,517	963,160
Receivable from share sale proceeds	-	103,928,144
ATM settlement account	26,200,609	32,281,215
	<b>5,696,937,345</b>	<b>4,939,350,632</b>
	<b>13,042,382,648</b>	<b>8,438,430,047</b>
<b>11. Non-banking assets</b>		
Land and Building	<b>23,166,033</b>	<b>23,166,033</b>
Dhaka Bank received a decree from Court regarding right and title of mortgaged land along with building, which was mutated in the name of Dhaka Bank Limited. The value of the property was incorporated in the books of accounts on the basis of third party valuation report provided by a surveyor company. The property has been auctioned and sold to the highest bidder at a price of Tk.26,000,000. The contract for sale (baina) has been executed for Tk.20,000,000 and the rest amount of Tk.6,000,000 will be paid by the bidder before execution of sale deed. After completion of all legal formalities the asset will be handed over to the purchaser.		
<b>11(a) Consolidated Non-banking assets</b>		
Dhaka Bank Limited	(Note: 11) 23,166,033	23,166,033
Dhaka Bank Securities Limited	-	-
Dhaka Bank Investment Limited	-	-
	<b>23,166,033</b>	<b>23,166,033</b>
<b>12. Borrowings from other banks, financial institutions and agents</b>		
In Bangladesh	(Note: 12.1) 10,452,934,335	9,323,249,963
Outside Bangladesh	843,938,814	1,311,480,458
	<b>11,296,873,150</b>	<b>10,634,730,420</b>
<b>12.1 In Bangladesh</b>		
<b>Call Borrowing</b>		
Basic Bank Ltd.	-	200,000,000
Commercial Bank of Ceylon	-	280,000,000
Janata Bank Ltd.	-	200,000,000
National Bank Ltd.	-	900,000,000
Rupali Bank Ltd.	-	200,000,000
State Bank of India	-	350,000,000
	-	<b>2,130,000,000</b>
<b>Bangladesh Bank refinance</b>		
Small and Medium Enterprise	194,704,228	174,809,295
Syndication	2,766,195,834	2,291,407,007
Green Banking	365,772	697,601
Export Development Fund	7,491,668,501	4,726,336,060
	<b>10,452,934,335</b>	<b>7,193,249,963</b>
<b>Outside Bangladesh</b>		
Bank SOHAR, Oman	-	798,350,125
Bank Muscat, Oman	246,899,362	-
Nabil Bank, Nepal	395,730,507	-
UBAE Bank, Italy	-	319,054,667
IDCOL, Bangladesh	201,308,946	194,075,666
	<b>843,938,814</b>	<b>1,311,480,458</b>
	<b>11,296,873,150</b>	<b>10,634,730,420</b>

The amount of Tk.843,938,814 represents fund borrowed from foreign banks by Off-shore Banking branch.

**12.2 Disclosure regarding Outstanding Repo on 31 December 2016**

Sl. No.	Counterparty Name	Agreement date	Reversal date	Amount in Taka
	-	-	-	-

**12.3 Disclosure regarding Outstanding Reverse Repo on 31 December 2016**

Sl. No.	Counterparty Name	Agreement date	Reversal date	Amount in Taka
	-	-	-	-

**12.4 Disclosure regarding Overall transaction of Repo and Reverse Repo during 2016**

Sl. No.	Counterparty Name	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year
<b>Securities sold under Repo</b>				
1	With Bangladesh Bank	-	-	-
2	With other Banks & FIs	60,642,853	1,481,728,727	515,868,887
<b>Securities purchased under Reverse Repo</b>				
1	From Bangladesh Bank	-	-	-
2	From other Banks & FIs	296,861,400	621,946,080	459,403,740

**12.5 Analysis by security**

Secured (assets pledge as security for liabilities)  
Unsecured

-	-
11,296,873,150	10,634,730,420
<b>11,296,873,150</b>	<b>10,634,730,420</b>

**12.6 Repayment pattern**

Repayable on demand  
Repayable on maturity

-	2,130,000,000
11,296,873,150	8,504,730,420
<b>11,296,873,150</b>	<b>10,634,730,420</b>

**12.7 Maturity grouping**

Repayable on demand  
Repayable within 1 month  
Over 1 month but within 3 months  
Over 3 month but within 6 months  
Over 6 months but within 1 year  
Over 1 year but within 5 years  
Over 5 years

-	2,130,000,000
-	-
-	-
-	-
8,530,677,315	6,213,323,414
2,766,195,834	2,291,407,007
-	-
<b>11,296,873,150</b>	<b>10,634,730,420</b>

**12(a) Consolidated Borrowings from other banks, financial institutions and agents**

Dhaka Bank Limited  
Dhaka Bank Securities Limited  
Dhaka Bank Investment Limited

(Note: 12)

11,296,873,150	10,634,730,420
2,113,441,442	2,259,097,699
-	-
13,410,314,592	12,893,828,120
1,913,441,442	2,059,097,699
<b>11,496,873,150</b>	<b>10,834,730,420</b>

Less: Inter company transaction

**13. Deposits and other accounts**

Current and other accounts  
Bills payable  
Savings deposits  
Term deposits

(Note: 13.1)  
(Note: 13.2)  
(Note: 13.3)  
(Note: 13.4)

21,093,467,455	15,782,686,124
2,047,637,778	1,267,436,384
16,735,239,732	15,041,681,604
117,285,285,556	106,977,095,206
<b>157,161,630,521</b>	<b>139,068,899,318</b>

**Non-interest bearing accounts**

**13.1 Current and other accounts**

Current account  
Foreign currency deposits  
Margin under Letter of Credit  
Margin under Letter of Guarantee  
Deposits awaiting disposal  
Sundry deposit

(Note: 13.1.1)

10,374,651,794	8,630,357,775
2,184,671,554	1,102,070,702
1,045,111,125	1,251,237,763
833,454,505	838,504,479
655,839,263	389,298,236
5,999,739,213	3,571,217,169
<b>21,093,467,455</b>	<b>15,782,686,124</b>



	31.12.2016 Taka	31.12.2015 Taka
<b>13.1.1 Sundry deposit</b>		
F.C held against Back to Back L/C	5,703,107,536	3,302,727,639
Sundry creditors	147,771,478	133,851,448
Unclaimed deposits	79,833,471	71,793,022
Risk fund	7,537,968	7,354,889
Security deposits for locker	6,539,730	5,664,400
Advance lease rent	54,949,031	49,825,771
	<b>5,999,739,213</b>	<b>3,571,217,169</b>
<b>13.2 Bills payable</b>		
Pay order	1,679,616,208	1,031,881,086
Demand draft	368,021,570	235,555,298
	<b>2,047,637,778</b>	<b>1,267,436,384</b>
<b>Total Non-interest bearing accounts</b>	<b>23,141,105,233</b>	<b>17,050,122,508</b>
<b><u>Interest bearing Account</u></b>		
<b>13.3 Savings deposits</b>		
Savings account	16,330,841,801	12,746,576,955
Mudaraba savings accounts	404,397,930	2,295,104,649
	<b>16,735,239,732</b>	<b>15,041,681,604</b>
<b>13.4 Term deposits</b>		
Special Notice Deposits	12,782,768,668	9,776,875,770
Fixed Deposits	81,488,309,356	78,490,733,361
Deposit Pension Scheme	22,972,975,423	18,627,127,118
Gift Cheque	32,399,917	28,562,103
Marriage Deposit Scheme	193	193
Non Resident Foreign Currency Deposit (NFCD)	8,831,999	53,796,662
	<b>117,285,285,556</b>	<b>106,977,095,206</b>
<b>Total Interest bearing Account</b>	<b>134,020,525,288</b>	<b>122,018,776,811</b>
<b>Total Deposits and other accounts</b>	<b>157,161,630,521</b>	<b>139,068,899,318</b>
<b>13.4 (a) Consolidated Term deposits</b>		
Dhaka Bank Limited	117,285,285,556	15,041,681,604
Dhaka Bank Securities Limited	-	-
Dhaka Bank Investment Limited	-	-
	117,285,285,556	15,041,681,604
Less: Inter company transaction	404,682,168	477,397,573
	<b>116,880,603,387</b>	<b>14,564,284,031</b>
<b>13.5 Deposits and Other Accounts</b>		
Deposits from Banks	5,887,542,661	7,160,808,322
Deposits from Customers	151,274,087,860	131,908,090,996
	<b>157,161,630,521</b>	<b>139,068,899,318</b>
<b>Deposits from Banks</b>		
Current Deposits and Other Accounts	-	-
Savings Bank/Mudaraba	34,585,178	2,007,913,166
Special Notice Deposits	2,957,483	2,895,156
Fixed Deposits	5,850,000,000	5,150,000,000
	<b>5,887,542,661</b>	<b>7,160,808,322</b>
<b>Deposits from Customers</b>		
<b>i) Current Deposits and Other Accounts</b>		
Current Account	10,374,651,794	8,630,357,775
Foreign Currency Deposits	2,184,671,554	1,102,070,702
Margin under Letter of Credit	1,045,111,125	1,251,237,763
Margin under Letter of Guarantee	833,454,505	838,504,479
Deposits Awaiting Disposal	655,839,263	389,298,236
Sundry Deposit	5,999,739,213	3,571,217,169
	<b>21,093,467,455</b>	<b>15,782,686,124</b>

	31.12.2016 Taka	31.12.2015 Taka
<b>ii) Bills Payable</b>		
Pay Order	1,679,616,208	1,031,881,086
Demand Draft	368,021,570	235,555,298
	<b>2,047,637,778</b>	<b>1,267,436,384</b>
<b>iii) Savings Deposits</b>		
Savings Account	16,330,841,801	12,746,576,955
Mudaraba Savings Accounts	369,812,752	287,191,483
	<b>16,700,654,554</b>	<b>13,033,768,438</b>
<b>iv) Term Deposits</b>		
Special Notice Deposits	12,779,811,185	9,773,980,614
Fixed Deposits	75,638,309,356	73,340,733,361
Deposit Pension Scheme	22,972,975,423	18,627,127,118
Gift Cheque	32,399,917	28,562,103
Marriage Deposit Scheme	193	193
Non Resident Foreign Currency Deposit (NFCD)	8,831,999	53,796,662
	<b>111,432,328,073</b>	<b>101,824,200,051</b>
	<b>151,274,087,860</b>	<b>131,908,090,996</b>
<b>13.6 Payable on Demand and Time Deposits</b>		
<b>a) Demand Deposits</b>		
Current Account	10,374,651,794	8,630,357,775
Savings Deposits (10%)	1,673,523,973	1,504,168,160
Foreign Currency Deposits	2,184,671,554	1,102,070,702
Margin under Letter of Credit	1,045,111,125	1,251,237,763
Margin under Letter of Guarantee	833,454,505	838,504,479
Deposits Awaiting Disposal	655,839,263	389,298,236
Sundry Deposit	5,999,739,213	3,571,217,169
Bills Payable	2,047,637,778	1,267,436,384
	<b>24,814,629,206</b>	<b>18,554,290,668</b>
<b>b) Time Deposits</b>		
Savings Deposits (90%)	15,061,715,759	13,537,513,444
Special Notice Deposits	12,782,768,668	9,776,875,770
Fixed Deposits	81,488,309,356	78,490,733,361
Deposit Pension Scheme	22,972,975,423	18,627,127,118
Gift Cheque	32,399,917	28,562,103
Marriage Deposit Scheme	193	193
Non Resident Foreign Currency Deposit (NFCD)	8,831,999	53,796,662
	<b>132,347,001,315</b>	<b>120,514,608,650</b>
	<b>157,161,630,521</b>	<b>139,068,899,318</b>
<b>13.7 Maturity grouping of deposits and other accounts</b>		
<b><u>Other than Bank Deposits</u></b>		
Repayable on demand	23,173,505,150	17,078,684,610
Repayable within 1 month	29,489,297,737	22,861,545,714
Over 1 month but within 3 months	39,444,513,912	36,787,144,191
Over 3 months but within 6 months	9,861,128,478	9,196,786,048
Over 6 months but within 1 year	19,722,257,149	18,393,572,289
Over 1 year but within 5 years	17,750,031,260	16,554,214,886
Over 5 years but within 10 years	11,833,354,174	11,036,143,257
	<b>151,274,087,860</b>	<b>131,908,090,996</b>
<b><u>Inter-bank deposits</u></b>		
Repayable on demand	-	-
Repayable within 1 month	37,542,661	2,010,808,322
Over 1 month but within 3 months	-	-
Over 3 months but within 6 months	5,850,000,000	5,150,000,000
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years but within 10 years	-	-
	<b>5,887,542,661</b>	<b>7,160,808,322</b>
	<b>157,161,630,521</b>	<b>139,068,899,318</b>

		31.12.2016 Taka	31.12.2015 Taka
<b>13.8 Sector wise Deposits</b>			
Government		1,099,584,071	943,283,854
Public Sector		7,704,657,097	7,801,806,350
Private sector		148,357,389,353	130,323,809,114
		<b>157,161,630,521</b>	<b>139,068,899,318</b>
<b>13. (a) Consolidated Deposits and other accounts</b>			
Dhaka Bank Limited	(Note: 13)	157,161,630,521	139,068,899,318
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		<b>157,161,630,521</b>	<b>139,068,899,318</b>
Less: Inter company transaction		404,682,168	477,397,573
		<b>156,756,948,352</b>	<b>138,591,501,745</b>
<b>14. Non Convertible Subordinated Bond</b>		<b>3,800,000,000</b>	<b>1,400,000,000</b>
<p>The Bank issued Redeemable Non Convertible Subordinated Bond of Taka 2,000,000,000 as Supplementary Capital (Tier-2) of the Bank for a term of 7 years to strengthen the capital base of the bank on the consent of BSEC vide letter no.SEC/CI/CPLC-10/2001-256 dt.09.09.2010. The redemption of the Bond has been started from the year 2015. The Bond will be fully redeemed by the year 2017.</p> <p>Moreover, The Bank issued another tranche of Non Convertible Subordinated Bond of Tk. 3,000,000,000 with consent of BSEC vide letter no. BSEC/CI/DS-34/2015/643 dated 28.12.2015 and subsequently approved by Bangladesh Bank vide letter no. BRPD(BFIS)661/14B(P)2016-2474 dated April 17, 2016 to strengthen the capital base in line with the newly introduced Capital Adequacy Guidelines under BASEL-III Accord.</p>			
<b>15. Other Liabilities</b>			
Accrued Interest		44,141,685	11,677,888
Provision on loans and advances	(Note: 15.1)	6,241,383,798	4,244,527,272
Provision for Good Borrower	(Note: 15.2)	9,454,000	1,254,000
Provision for Off Balance Sheet Exposure	(Note: 15.3)	626,399,959	426,578,478
Interest Suspense Account	(Note: 15.4)	1,831,665,015	2,419,863,452
Provision against Expenses	(Note: 15.5)	13,576,027	62,643,513
Provision for decrease in value of investments	(Note: 38)	-	4,967,735
Provision for Other Assets	(Note: 15.6)	11,797,024	8,670,024
Fund for Dhaka Bank Foundation	(Note: 36.1)	27,479,849	23,999,322
Provision for Current Tax	(Note: 15.7)	2,794,836,497	1,479,868,518
Deferred tax liability	(Note: 15.8)	7,258,236	40,169,445
Tax deducted at source & payable		270,441,417	239,534,187
Excise Duty Payable		15,437,752	23,663,237
Other Account Payable	(Note: 15.9)	3,593,495,073	2,882,754,066
		<b>15,487,366,332</b>	<b>11,870,171,137</b>
<b>15(a) Consolidated Other liabilities</b>			
Dhaka Bank Limited	(Note: 15)	15,487,366,332	11,870,171,137
Dhaka Bank Securities Limited		883,074,456	909,397,274
Dhaka Bank Investment Limited		12,952,380	9,982,658
		16,383,393,167	12,789,551,069
Less: Inter-company transactions			
Dhaka Bank Securities Limited		74,106,236	111,202,361
Dhaka Bank Investment Limited		1,173,725	1,173,725
		75,279,961	112,376,086
		<b>16,308,113,207</b>	<b>12,677,174,983</b>
<b>15.1 Provision for loans and advances</b>			
<b>i) The Movement in specific provision for Bad and Doubtful Debts:</b>			
Provision held at the beginning of the year		1,902,698,726	2,120,305,055
Specific provision	(+)	954,049,421	680,467,438
Recoveries from written off loans	(+)	50,461,881	-
Fully provided debt written off	(-)	(460,532,282)	(477,905,874)
Provision no longer required	(-)	(37,590,282)	(420,167,893)
<b>Provision held at the end of the year</b>		<b>2,409,087,464</b>	<b>1,902,698,726</b>
<b>ii) The movement in general provision on unclassified loans:</b>			
Provision held at the beginning of the year		2,341,828,546	1,449,216,208
Additional provision for the year		1,490,467,788	892,612,338
<b>Provision held at the end of the year</b>		<b>3,832,296,334</b>	<b>2,341,828,546</b>
		<b>6,241,383,798</b>	<b>4,244,527,272</b>

	31.12.2016 Taka	31.12.2015 Taka
<b>15.2 Provision for Good Borrower</b>		
Opening Balance	1,254,000	-
Add: Addition during the year	8,200,000	1,254,000
	<b>9,454,000</b>	<b>1,254,000</b>

**15.3 Provision for Off Balance Sheet Exposures**

Opening balance	426,578,478	398,840,178
Add: Addition during the year	199,821,481	27,738,300
	<b>626,399,959</b>	<b>426,578,478</b>

Bank has made a provision of Tk.199,821,481 @ 1.00% on off balance sheet exposure (i.e. Acceptance & Endorsement, Letter of Credit & Letter of Guarantee) as per BRPD Circular number 14 dated 23.09.2012 from current year's profit. The total amount of provision of Tk.626,399,959 is deemed sufficient on requirement and will be treated as Supplementary Capital of the Bank.

**15.4 Interest Suspense Account**

Balance at the beginning of the year	2,419,863,452	1,945,302,752
Amount transferred to "Interest Suspense" A/c during the year (+)	1,614,619,700	838,523,004
Amount recovered from "Interest Suspense" A/c during the year (-)	(1,945,971,642)	(90,983,056)
Amount written off during the year (-)	(256,846,494)	(272,979,248)
	<b>1,831,665,015</b>	<b>2,419,863,452</b>

**15.5 Provision against Expenses**

Provision for Audit Fees	1,380,000	920,000
Provision for House Rent, Telephone, Utility, Risk Premium etc.	5,647,040	8,220,022
Provision for Promotional Expenses for Exchange Houses	589,319	888,491
Provision for Superannuation Fund	2,500,000	2,500,000
Provision for gratuity fund	3,459,668	-
Provision for other Professional Fees	-	115,000
Provision for Bonus	-	50,000,000
	<b>13,576,027</b>	<b>62,643,513</b>

**15.6 Provision for Other Assets**

Balance at the beginning of the year	8,670,024	8,670,024
Add: Addition during the year	3,127,000	-
	<b>11,797,024</b>	<b>8,670,024</b>

**15.7 Provision for Current Tax**

Opening Balance	1,479,868,518	1,733,928,707
Add: Provision made during the year	1,314,967,979	934,833,819
	2,794,836,497	2,668,762,526
Less: Adjustment during the year	-	1,188,894,008
	<b>2,794,836,497</b>	<b>1,479,868,518</b>

Provision for taxation has been made on accounting profit considering taxable allowances / disallowances as per Income Tax Ordinance 1984 amounting to Tk.1,314,967,979 as Current Tax Provision for the year 2016 (Assessment Year 2017-2018). This provision for corporate tax has been made as per estimate of the Bank's tax consultants. The tax provision is found adequate.

Assessment for the years from 1995 to 2006 have since been completed and Bank got Tax Clearance Certificate upto 2006 (Assessment year 2007-2008) from Tax Authority. But under section 120, the assessment for the year 2004, 2005 and 2006 had been re-opened and the Bank had filed appeal to the Honorable High Court. Bank filed an appeal against the assessment order for the year 2007, 2008, 2009, 2010 and 2011 to The Honorable High Court. The Bank received Tax Clearance Certificate for the year 2012, 2013 and 2014. The Income Tax Return for the year 2015 (Assessment year 2016-2017) had been submitted in July, 2016.

**15.7(a) Consolidated Provision for Current Tax**

Dhaka Bank Limited	(Note: 15.7)	2,794,836,497	934,833,819
Dhaka Bank Securities Limited		79,145,670	34,308,963
Dhaka Bank Investment Limited		-	4,058,220
		<b>2,873,982,167</b>	<b>973,201,002</b>

			31.12.2016 Taka	31.12.2015 Taka
<b>15.8 Deferred tax liabilities/(Assets)</b>				
<b>31 December 2016</b>	<b>Carrying amount</b>	<b>Tax base</b>	<b>Taxable/ (deductible) temporary difference</b>	
Fixed Asset excluding land	1,243,207,569	1,262,087,157		(18,879,588)
Non adjusting difference for Vehicle exceeding Tk 2,500,000	(21,860,655)	-		(21,860,655)
Provision for gratuity	3,459,668	-		(3,459,668)
Provision for Superannuation fund	2,500,000			(2,500,000)
Deductible temporary difference				(46,699,910)
Applicable tax rate				40%
<b>Deferred Tax Asset</b>				<b>(18,679,964)</b>
Revaluation reserve of land at carrying amount	648,455,000	-		648,455,000
Applicable Tax Rate				4%
<b>Deferred Tax Liability</b>				<b>25,938,200</b>
<b>Net Deferred Tax Liability as on 31 December 2016</b>				<b>7,258,236</b>
<b>31 December 2015</b>	<b>Carrying amount</b>	<b>Tax base</b>	<b>Taxable/ (deductible) temporary difference</b>	
Fixed Asset excluding land	1,183,936,232	1,145,858,120		38,078,112
Non adjusting difference for Vehicle exceeding Tk 2,500,000	-	-		-
Provision for Superannuation fund	2,500,000	-		(2,500,000)
Taxable temporary difference				35,578,112
Applicable tax rate				40%
<b>Deferred Tax Liability</b>				<b>14,231,245</b>
Revaluation reserve of land at carrying amount	-	-		648,455,000
Applicable Tax Rate				4%
<b>Deferred Tax Liability</b>				<b>25,938,200</b>
<b>Net Deferred Tax Liability as on 31 December 2015</b>				<b>40,169,445</b>
<b>Deferred tax expense/ (Income)</b>				
Closing Deferred tax Liability excluding liability for revaluation reserve for land			7,258,236	40,169,445
Opening Deferred tax liability excluding liability for revaluation reserve for land			40,169,445	36,601,232
			<b>(32,911,209)</b>	<b>3,568,213</b>
Deferred tax (asset)/liability has been recognised and measured as per BAS 12 'Income taxes' and BRPD circular no. 11 dated 12 December 2011.				

**15.8(a) Consolidated Deferred tax liabilities**

Dhaka Bank Limited	(Note: 15.8)	7,258,236	3,568,213
Dhaka Bank Securities Limited		2,170,619	(1,135,120)
Dhaka Bank Investment Limited		-	-
		<b>9,428,854</b>	<b>2,433,092</b>

**15.9 Other Account Payable**

3 month and 5 years Bangladesh/Pratirakhkha Sanchay Patra		84,328,536	44,831,230
Application, Processing, Membership & Utilisation Fee		18,116,030	9,188,168
Adjusting Account Credit		25,932,745	19,690,650
Export Proceeds Suspense		948,126,832	766,186,812
Vendors' Security Deposit		2,551,509	1,455,994
Finance from Bill Discounting OBU	(Note: 15.9.1)	2,053,278,130	1,206,697,723
Compensation Income of Islamic Banking operations	(Note: 15.9.2)	15,823,055	27,656,188
Import Payment Suspense		425,338,236	787,047,300
Baina against Non-Banking Assets	(Note: 15.9.3)	20,000,000	20,000,000
		<b>3,593,495,073</b>	<b>2,882,754,066</b>

**15.9.1** Authorised Dealer Branches maintained cover fund of Tk.2,053,278,130 through Off-shore Banking Unit (OBU) to further facilitate the exporters in accordance with FE Circular No.03 dated 04 February 2013 of Bangladesh Bank.

**15.9.2** The amount of Tk.15,823,055 represents profits on various overdue Investments of Islamic Banking operations, which has been maintained as per Shariah Principle.

**15.9.3** The amount represents the contract for sale (baina) executed for Tk.20,000,000 against the mortgaged land along with building which was mutated in the name of Dhaka Bank Limited (**Note-11**). The amount will be adjusted after receiving the rest amount of the auction and execution of the sale deed.

	31.12.2016 Taka	31.12.2015 Taka
<b>16 Share capital</b>		
<b>16.1 Authorised Capital</b>		
1,000,000,000 ordinary shares of Tk.10 each	<b>10,000,000,000</b>	<b>10,000,000,000</b>
The Bank increased its authorized capital from Tk 6,000 million to Tk 10,000 million by passing a special resolution in the Bank's 4th Extra Ordinary General Meeting (EGM) held on 04 July 2010.		
<b>16.2 Issued, Subscribed and Paid-up Capital</b>		
625,364,260 ordinary shares (2015: 568,512,964 ordinary shares of Tk. 10.00 each) of Tk.10 each issued for cash	6,253,642,600	5,685,129,640
62,536,426 ordinary shares ( 2015: 56,851,296 ordinary shares of Tk. 10.00 each) of Tk.10.00 each	625,364,260	568,512,960
	<b>6,879,006,860</b>	<b>6,253,642,600</b>

The Bank has increased its paid up capital by issuance of 10% bonus share i.e 62,536,426 Ordinary shares of Tk. 10.00 each as on 09/06/2016.

The Bank had denominated its face value of share at Tk. 10.00 per share instead of Tk. 100.00 of each share by passing a special resolution in the banks 4th EGM held on 04 July 2010.

#### 16.3 Initial Public Offer (IPO)

Out of the total issued, subscribed and paid up capital of the bank 1,320,000 Ordinary shares of Tk.100 each amounting to Tk.132,000,000 was raised through public offering of shares held in 24 February 2000.

#### 16.4 Right Issue

The Bank has increased its paid up capital twice by issuance of 2R:5 and 1R:2 right share at par on 15 April 2003 and 30 November 2005 respectively.

#### 16.5 History of Paid-up Capital

Year	Declaration	No.of share	Value in Capital	Cumulative
1995	Opening Capital	1,000,000	100,000,000	100,000,000
1996	10% Stock Dividend	100,000	10,000,000	110,000,000
1997	20% Stock Dividend	220,000	22,000,000	132,000,000
1998	9% Stock & 10% Cash Dividend	118,800	11,880,000	275,880,000
1999	25% Cash	-	-	275,880,000
2000	25% Cash & 10% Stock Dividend	275,880	27,588,000	303,468,000
2001	25% Cash & 25% Stock Dividend	758,670	75,867,000	379,335,000
2002	20% Cash & (15,17,340 nos. right shares)	1,517,340	151,734,000	531,069,000
2003	15% Cash & 25% stock Dividend	1,327,672	132,767,200	663,836,200
2004	35% Stock & 1R:2	5,642,608	564,260,800	1,228,097,000
2005	5% Stock Dividend	614,048	61,404,800	1,289,501,900
2006	10% Cash & 20% Stock Dividend	2,579,003	257,900,300	1,547,402,300
2007	25% Stock Dividend	3,868,505	386,850,500	1,934,252,875
2008	15% Cash & 10% Stock Dividend	1,934,252	193,425,200	2,127,678,200
2009	25% Stock Dividend	5,319,195	531,919,500	2,659,597,800
2010	35% Stock Dividend	9,308,592	93,085,920	3,590,457,030
2011	5% Cash & 30% Stock Dividend	107,713,710	1,077,137,100	4,667,594,130
2012	16% Stock Dividend	74,681,506	746,815,060	5,414,409,190
2013	17% Cash & 5% stock Dividend	27,072,045	270,720,450	5,685,129,640
2014	14% Cash & 10% stock Dividend	56,851,296	568,512,960	6,253,642,600
2015	6% Cash & 10% stock Dividend	62,536,426	625,364,260	6,879,006,860

#### 16.6 Percentage of shareholding

Particulars	2016		2015	
	% of holdings	Value of Shares (Tk.)	% of holdings	Value of Shares (Tk.)
<b>1. Local Ownership</b>				
Banking Companies	11.6528	801,598,130	12.0054	750,774,730
Financial Institutions	6.0800	418,244,060	4.8974	306,266,150
Sponsors	39.0994	2,689,652,840	39.0841	2,444,182,770
General Public	36.5355	2,513,285,460	37.8804	2,368,904,400
Mutual Fund	0.7973	54,847,430	0.8082	50,540,540
Unit Funds	0.5785	39,796,150	0.3015	18,855,800
ICB Account Holders	0.0957	6,584,110	0.0943	5,898,810
ICB Head office (Investors A/c)	0.0650	4,470,340	0.0718	4,487,490
ICB Unit Fund	0.0032	222,580	-	-
ICB AMCL First Mutual Fund	0.0408	2,809,610	-	-
Non-Resident Bangladeshi (NRB)	0.2559	17,604,410	0.4529	28,323,460
ICB Investors A/C, Local Office	0.0200	1,375,000	0.0176	1,100,000
ICB Capital Management Limited	0.3326	22,882,160	0.3237	20,241,400
Other Investor's A/C	4.2925	295,276,790	3.9340	246,018,520
	<b>99.8492</b>	<b>6,868,649,070</b>	<b>99.8713</b>	<b>6,245,594,070</b>

Particulars	2016		2015	
	% of holdings	Value of Shares (Tk.)	% of holdings	Value of Shares (Tk.)

## 2. Foreign Ownership

Financial Company

0.1506	10,357,790	0.1287	8,048,530
<b>0.1506</b>	<b>10,357,790</b>	<b>0.1287</b>	<b>8,048,530</b>
<b>100.00</b>	<b>6,879,006,860</b>	<b>100.00</b>	<b>6,253,642,600</b>

## 16.7 Classification of shareholders by holding

Holdings	2016		2015	
	No. of share holders	Number of Shares	No. of share holders	Number of Shares
1 to 500 shares	14,645	2,083,679	19,395	3,087,661
501 to 5,000 shares	11,393	17,951,139	11,452	19,230,000
5,001 to 10,000 shares	1,180	8,031,781	934	6,525,531
10,001 to 20,000 shares	518	7,259,129	474	6,548,761
20,001 to 30,000 shares	185	4,551,067	156	3,810,900
30,001 to 40,000 shares	86	3,012,064	56	1,930,971
40,001 to 50,000 shares	48	2,236,984	50	2,260,591
50,001 to 100,000 shares	106	7,579,612	90	6,564,380
100,001 to 1,000,000 shares	146	44,768,572	114	38,574,507
1000001 & above shares	81	590,426,659	77	536,830,958
	<b>28,388</b>	<b>687,900,686</b>	<b>32,798</b>	<b>625,364,260</b>

## 16.8 Name of the Directors and their shareholdings as on 31 December

Sl. No.	Name of Directors	2016		2015	
		No. of shares	Value of share (Tk.)	No. of shares	Value of share (Tk.)
1	Mr. Reshadur Rahman (Chairman)	23,218,731	232,187,310	21,107,938	211,079,380
2	Mrs. Rokshana Zaman (Vice Chairman)	13,771,792	137,717,920	12,519,812	125,198,120
3	Mr. Mirza Abbas Uddin Ahmed (Director) *	-	-	-	-
4	Mr. Abdul Hai Sarker (Director)	15,266,351	152,663,510	13,605,774	136,057,740
5	Mr. Altaf Hossain Sarker	19,184,490	191,844,900	17,440,446	174,404,460
6	Mr. Mohammed Hanif (Director)	20,953,879	209,538,790	19,048,981	190,489,810
7	Mr. Md. Amirullah (Director)	13,759,648	137,596,480	12,508,771	125,087,710
8	Mr. Abdullah Al Ahsan (Director)	13,760,832	137,608,320	12,509,848	125,098,480
9	Mr. Khondoker Monir Uddin	19,755,585	197,555,850	17,959,623	179,596,230
10	Mr. Tahidul Hossain Chowdhury (Director)	13,815,697	138,156,970	12,559,725	125,597,250
11	Mr. Jashim Uddin (Director)	13,759,774	137,597,740	12,508,886	125,088,860
12	Mr. Khondoker Jamil Uddin (Director)	13,759,583	137,595,830	12,508,712	125,087,120
13	Mr. Mirza Yasser Abbas	25,335,719	253,357,190	23,032,472	230,324,720
14	Mr. Amanullah Sarker (Director)	13,759,651	137,596,510	12,508,774	125,087,740
15	Mr. M.N.H. Bulu (Director)	13,775,765	137,757,650	12,841,605	128,416,050
15	Mr. Syed Abu Naser Bukhtear Ahmed (Independent Director)	-	-	-	-
16	Mr. M.A. Yussouf Khan	-	-	-	-
17	Mr. Suez Islam (Independent Director) **	-	-	-	-
	<b>Total</b>	<b>233,877,497</b>	<b>2,338,774,970</b>	<b>212,661,367</b>	<b>2,126,613,670</b>

\* Continued as Director up to 05.09.2015.

\*\* Continued as Independent Director up to 20.09.2015.

<b>31.12.2016</b>	<b>31.12.2015</b>
<b>Taka</b>	<b>Taka</b>

## 16.9 Capital to Risk Weighted Assets Ratio (CRAR) - as per BASEL III

### Tier - I Capital (going - concern capital)

#### Common Equity Tier 1 Capital (CET 1)

Paid up Capital  
Statutory Reserve  
General Reserve  
Surplus in Profit and Loss Account

6,879,006,860	6,253,642,600
5,850,338,779	5,300,741,818
122,080,584	160,272,618
942,269,273	962,390,782
<b>13,793,695,496</b>	<b>12,677,047,818</b>

#### Regulatory Adjustment:

Book value of Goodwill and value of all other Intangible Assets  
(Written down value of Software which is treated as Intangible Assets)

23,939,277	34,205,020
<b>13,769,756,219</b>	<b>12,642,842,799</b>

#### Additional Tier 1 Capital (AT 1)

#### Total Tier - I Capital

-	-
<b>13,769,756,219</b>	<b>12,642,842,799</b>



		31.12.2016 Taka	31.12.2015 Taka
<b><u>Tier - II Capital (gone concern capital)</u></b>			
General Provision	(Note - 16.9.1)	4,458,696,293	1,680,022,373
Asset Revaluation Reserve (50%)	(Note-18.2)	194,536,500	259,382,000
Revaluation Reserve for HTM & HFT Securities (50%)	(Note - 16.9.2 & 18.3)	18,504,491	25,267,379
Non-convertible Subordinated Bond	(Note-16.9.3)	3,400,000,000	800,000,000
		<b>8,071,737,285</b>	<b>2,764,671,752</b>
<b>Regulatory Adjustment:</b>		-	-
<b>Total Tier - II Capital</b>		<b>8,071,737,285</b>	<b>2,764,671,752</b>
<b>A. Total Eligible Capital</b>		<b>21,841,493,503</b>	<b>15,407,514,550</b>
<b>B. Risk Weighted Assets</b>			
Credit Risk			
Balance sheet business		129,904,754,729	116,933,105,879
Off- Balance sheet business		17,131,092,346	17,468,683,949
		<b>147,035,847,075</b>	<b>134,401,789,828</b>
Market Risk		1,442,876,247	2,290,722,493
Operational Risk		11,311,260,340	10,650,650,000
<b>Total Risk-weighted Assets</b>		<b>159,789,983,662</b>	<b>147,343,162,322</b>
<b>C. Required Capital on Risk Weighted Assets</b>		<b>15,978,998,366</b>	<b>14,734,316,232</b>
<b>D. Capital Surplus / (Shortfall) [A-C]</b>		<b>5,862,495,137</b>	<b>673,198,318</b>
<b>Total Capital Ratio (%)</b>		<b>13.67%</b>	<b>10.46%</b>

Capital Requirement	2016		2015	
	Required (%)	Held (%)	Required (%)	Held (%)
Tier - I Capital (going concern capital)	5.50%	8.62%	5.00%	8.58%
Tier - II Capital (gone concern capital)	-	5.05%	-	1.88%
<b>Total</b>	<b>10.625%</b>	<b>13.67%</b>	<b>10.00%</b>	<b>10.46%</b>

**16.9.1** As per Risk Based Capital Adequacy Guideline for Banks under BASEL - III, 2014, the Tier 2 Capital under heading "General Provision" was limited to the actual amount of General Provision or 1.25% of Credit Risk Weighted Assets, which is lower. In subsequent BRPD Circular Letter No. 05 dated May 31, 2016, full amount of General Provision is allowed to be treated as part of Tier-II Capital.

**16.9.2** As per risk based capital adequacy guidelines for banks under BASEL - III, the revaluation reserve for assets and securities will diminish at 20% per year on the base amount of 31 December 2014 so that the whole revaluation reserve amount will not get capital treatment after the end of five years (starting from January 2015).

**16.9.3** As per the risk based capital adequacy guidelines in line with Basel-III issued in December 2014 by Bangladesh Bank, the amount of subordinated debt in the regulatory capital will have to be reduced (amortized) in the last 05 (five) years of the bond's life by 20% from the amount of the instrument. According to the rules, an amount of Tk.1,600,000,000 of non-convertible subordinated bond has not been treated as Supplementary Capital (Tier-2) in 2016. According to the guidelines, Tk.400,000,000 in 2013, Tk.800,000,000 crore in 2014, Tk.1,200,000,000 in 2015 and Tk.1,600,000,000 in 2016 of non convertible subordinated bond has not been treated as supplementary capital (Tier-2).

DBL 2nd Subordinated Bond amounting Tk. 3,000,000,000.00 was issued on May, 2016 which will be treated as Supplementary Capital (Tier- 2). The tenure of the bond is 7 years. Hence, the reduction of the bond amount from regulatory capital will be started from May 2018.

Capital to Risk weighted Assets Ratio (CRAR) has been calculated as per risk based capital adequacy guidelines in line with BASEL-III issued in December 2014, DOS Circular No. 02 dated 04 April 2015 & BRPD Circular No. 05 dated 31 May 2016 on reporting CRAR & leverage ratio by Bangladesh Bank.

**16.9(a) Consolidated Capital to Risk Weighted Assets Ratio (CRAR) - as per BASEL III**

**Tier - I Capital (going - concern capital)**

**Common Equity Tier 1 Capital (CET 1)**

Paid up Capital	6,879,006,860	6,253,642,600
Minority Interest	45,991	37,355
Statutory Reserve	5,850,338,779	5,300,741,818
General Reserve	122,080,584	160,272,618
Surplus in Profit and Loss Account	1,385,575,519	1,265,053,471
	<b>14,237,047,733</b>	<b>12,979,747,863</b>

**Regulatory Adjustment:**

Book value of Goodwill and value of all other Intangible Assets**	23,939,277	34,249,226
Deferred Tax Assets (DTA)	2,170,621	1,756,323
(**Written down value of Software which is treated as Intangible Assets)	<b>14,210,937,834</b>	<b>12,943,742,313</b>
<b>Additional Tier 1 Capital (AT 1)</b>	-	-
<b>Total Tier - I Capital</b>	<b>14,210,937,834</b>	<b>12,943,742,313</b>

	31.12.2016 Taka	31.12.2015 Taka
<b><u>Tier - II Capital (gone concern capital)</u></b>		
General Provision	4,458,696,293	1,701,683,898
Asset Revaluation Reserve (50%) (Note-18.2)	194,536,500	259,382,000
Revaluation Reserve for HTM & HFT Securities (50%) [Note-2.5(a) & (b) and 18.3]	18,504,491	25,267,379
Non-convertible Subordinated Bond (Note-16.9.1)	3,400,000,000	800,000,000
	<b>8,071,737,285</b>	<b>2,786,333,276</b>
<b>Regulatory Adjustment:</b>	-	-
<b>Total Tier - II Capital</b>	<b>8,071,737,285</b>	<b>2,786,333,276</b>
<b>A. Total Eligible Capital</b>	<b>22,282,675,119</b>	<b>15,730,075,590</b>
<b>B. Risk Weighted Assets</b>		
Credit Risk		
Balance sheet business	132,292,271,259	118,666,027,856
Off- Balance sheet business	17,131,092,346	17,468,683,949
	<b>149,423,363,605</b>	<b>136,134,711,805</b>
Market Risk	3,782,048,423	4,199,163,912
Operational Risk	11,777,306,397	10,993,430,350
<b>Total Risk-weighted Assets</b>	<b>164,982,718,425</b>	<b>151,327,306,067</b>
<b>C. Required Capital on Risk Weighted Assets</b>	<b>17,529,413,833</b>	<b>15,132,730,607</b>
(10% on Total Risk Weighted Assets)		
<b>D. Capital Surplus / (Shortfall) [A-C]</b>	<b>4,753,261,286</b>	<b>597,344,983</b>
<b>Total Capital Ratio (%)</b>	<b>13.51%</b>	<b>10.39%</b>

Capital Requirement	2016		2015	
	Required (%)	Held (%)	Required (%)	Held (%)
Tier - I Capital (going concern capital)	5.50%	8.61%	5.00%	8.55%
Tier - II Capital (gone concern capital)	-	4.89%	-	1.84%
<b>CRAR</b>	<b>10.625%</b>	<b>13.51%</b>	<b>10.00%</b>	<b>10.39%</b>

Capital to Risk weighted Assets Ratio (CRAR) has been calculated as per risk based capital adequacy guidelines in line with BASEL-III issued in December 2014, DOS Circular No. 02 dated 04 April 2015 & BRPD Circular No. 05 dated 31 May 2016 on reporting CRAR & leverage ratio by Bangladesh Bank.

#### 17. Statutory Reserve

Opening balance	5,300,741,818	4,825,543,616
Add: Addition during the year	549,596,961	475,198,202
	<b>5,850,338,779</b>	<b>5,300,741,818</b>

As per Section 24 of Bank Companies Act 1991, 20% of pre tax profit has been transferred to Statutory Reserve Account.

#### 18. Other Reserve

General reserve (Note 18.1)	122,080,584	160,272,618
Assets revaluation reserve (Note 18.2)	622,516,800	648,455,000
Investment revaluation reserve (Note 18.3)	29,513,562	63,168,447
	<b>774,110,946</b>	<b>871,896,065</b>

#### 18(a) Consolidated other Reserve

Dhaka Bank Limited	774,110,946	871,896,065
Dhaka Bank Securities Limited	25,900,000	20,200,000
Dhaka Bank Investment Limited	-	-
	<b>800,010,946</b>	<b>892,096,065</b>

#### 18.1 General Reserve

Opening balance	160,272,618	160,272,618
Add: Addition during the year	-	-
	160,272,618	160,272,618
Less: Transfer to Capital Account for issue of Bonus Shares	38,192,034	-
	<b>122,080,584</b>	<b>160,272,618</b>

As per Rule, Bonus share / cash dividend may be issued out of surplus of the profit of the year. If there is any shortfall, that may be covered from General Reserve Account as per approval of the Board of Directors of the bank.

	31.12.2016 Taka	31.12.2015 Taka
<b>18.2 Assets Revaluation Reserve</b>		
Opening balance	648,455,000	648,455,000
Adjustment for deferred tax	(25,938,200)	-
	<b>622,516,800</b>	<b>648,455,000</b>

Dhaka Bank Limited revalued the land during the year 2011 by an independent valuation firm according to Paragraph 36 of BAS-16 as per approval of the Board of Directors of the Bank. As per para 62 of BAS-12- Income Taxes, deferred tax liability arises from asset revaluation reserve shall be recognized in other comprehensive income. But deferred tax liability has been deducted from asset revaluation reserve as there is no line item of other comprehensive income in the financial statements of Bank.

### 18.3 Investment Revaluation Reserve

#### Revaluation Reserve for HTM Securities

Opening balance	43,125,493	38,796,746
Add: Addition during the year	299,685	4,534,472
Less: Adjustment during the year	(14,722,817)	(205,725)
Closing balance	<b>28,702,360</b>	<b>43,125,493</b>

#### Revaluation Reserve for HFT Securities

Opening balance	20,042,955	22,884,891
Add: Addition during the year	157,955,028	804,471,869
Less: Adjustment during the year	(177,186,781)	(807,313,806)
Closing balance	<b>29,513,562</b>	<b>63,168,447</b>

Interest income of HTM and HFT securities transferred to Revaluation Reserve Account as per Bangladesh Bank DOS Circular No. 05 dated 26.05.2008 of which 50% of revaluation reserve for HTM & HFT used to be treated as Supplementary Capital. Now as per Basel III accord, capital treatment of the same is being diminished by 20% each year.

### 19. Retained Earnings

Opening balance	962,390,782	1,364,431,114
Add: Post-tax profit for the year	1,465,928,034	1,437,588,980
Transferred from general reserve	38,192,034	-
Adjustment made during the year	25,938,200	-
	<b>2,492,449,050</b>	<b>2,802,020,094</b>
Less: Transfer to statutory reserve	549,596,961	475,198,202
Stock dividend	625,364,260	568,512,960
Cash dividend	375,218,556	795,918,150
	<b>1,550,179,777</b>	<b>1,839,629,312</b>
	<b>942,269,273</b>	<b>962,390,782</b>

Adjustment made during the year is related to deferred tax arises from asset revaluation reserve which is a component of other comprehensive income but in the year 2015 it was recognized as expense in profit and loss account. As a result previous year retained earnings was understated by Taka 25,938,200.

### 19(a) Consolidated Retained earnings (attributable to equity holders of DBL)

Opening balance	1,265,053,471	1,591,962,445
Add: Post-tax profit for the year	1,552,271,589	1,521,420,338
Transferred from general reserve	38,192,034	-
Adjustment made during the year	85,938,200	-
	<b>2,941,455,295</b>	<b>3,113,382,783</b>
Less: Transfer to statutory reserve	549,596,961	475,198,202
Transfer to investment fluctuation fund	5,700,000	8,700,000
Stock dividend	625,364,260	568,512,960
Cash dividend	375,218,556	795,918,150
	<b>1,555,879,777</b>	<b>1,848,329,312</b>
	<b>1,385,575,519</b>	<b>1,265,053,471</b>

Consolidated retained earnings has been adjusted by Taka 60,000,000 for the stock dividend declared by Dhaka Bank Securities Limited which has been deducted from retained earnings in 2011 and amount of Taka 25,938,200 for deferred tax expense recognized in 2015 from asset revaluation reserve.

### 19.1 (a) Non-controlling interest

Opening balance	37,355	28,994
Add: Addition for the year from Dhaka Bank Securities Limited	8,105	7,608
Addition for the year from Dhaka Bank Investment Limited	530	754
	<b>45,991</b>	<b>37,355</b>

	31.12.2016 Taka	31.12.2015 Taka
<b>20. Profit &amp; Loss Account</b>		
<b>Income</b>		
Interest, discount and similar income	13,165,602,608	12,135,286,236
Dividend Income	14,750,000	17,224,307
Fee, Commission and Brokerage	1,075,091,210	848,851,082
Gains less Losses arising from dealing securities	-	-
Gains less Losses arising from investment securities	3,250,970,891	3,005,205,439
Gains less Losses arising from dealing in foreign currencies	442,285,343	467,294,212
Income from non-banking assets	-	-
Other operating income	243,330,435	351,862,797
	<b>18,192,030,488</b>	<b>16,825,724,072</b>
<b>Expenses</b>		
Interest, fee and commission	9,452,611,371	10,116,296,447
Administrative expenses	2,443,649,926	2,372,605,731
Other operating expenses	555,116,746	534,410,087
Depreciation and repairs of Bank's assets	337,001,950	298,178,696
	<b>12,788,379,993</b>	<b>13,321,490,961</b>
	<b>5,403,650,494</b>	<b>3,504,233,111</b>
<b>21. Contingent Liabilities</b>		
<b>Acceptance &amp; Endorsement</b>	<b>25,263,660,677</b>	<b>14,225,611,128</b>
<b>Letters of Credit</b>	<b>17,447,623,500</b>	<b>14,238,167,995</b>
Usance/Defer Letter of Credit	5,645,894,541	4,127,577,483
Sight Letter of Credit	6,035,185,722	5,239,843,760
Back to Back Letter of Credit	2,249,193,087	1,486,959,028
BD-Sight (EDF)	1,174,023,526	1,123,173,406
Back to Back - Local	2,343,326,623	2,260,614,318
<b>Letters of Guarantee</b>	<b>19,928,711,771</b>	<b>14,194,068,714</b>
Bid Bond	1,431,426,409	1,033,001,406
Performance Bond	9,438,841,732	6,770,052,355
Counter Guarantee	1,003,016,404	459,180,537
Other Guarantee	8,055,427,226	5,931,834,415
Shipping Guarantee	-	-
<b>Bills for Collection</b>	<b>8,250,158,750</b>	<b>7,608,526,452</b>
Local Bills for Collection	5,540,907,546	5,442,164,698
Foreign Bills for Collection	2,709,251,203	2,166,361,753
<b>Other contingent liabilities</b>	<b>2,036,246,400</b>	<b>1,988,427,743</b>
Bangladesh/Pratirakhkha/Paribar Sanchay Patra	1,569,255,000	1,453,795,443
ICB Unit Certificate	51,340,900	51,340,900
Forward Exchange Position (Note: 21.1)	393,609,500	471,125,400
US Investment & Premium Bond	22,041,000	12,166,000
	<b>72,926,401,097</b>	<b>52,254,802,031</b>
<b>21.1</b> The amount represents the forward position of foreign currencies at the end of the year 2016 which are very short term in nature and adjustment are made on a continuous basis.		
<b>21.2 Letters of Guarantee</b>		
Money for which the Bank is contingently liable in respect of guarantees given favouring:		
Directors	-	-
Government	14,075,372,874	10,025,073,976
Bank and other financial institutions	925,047,507	658,857,834
Others	4,928,291,390	3,510,136,904
	<b>19,928,711,771</b>	<b>14,194,068,714</b>

	2016 Taka	2015 Taka
<b>22. Interest income/profit on investments</b>		
Term Loan	6,478,302,517	4,880,249,230
Overdrafts	3,498,399,485	3,899,738,657
Loan against Imported Merchandise/Murabaha	4,914,338	34,976,710
Loan against Trust Receipt	1,016,920,120	1,018,315,727
Packing Credits	25,418,259	15,998,755
Cash Credits / Bai-Muajjal	865,599,697	1,036,347,745
Payment against Documents	14,169,262	28,802,637
House Building Loan	204,328,530	176,954,974
Transport Loan	87,054,426	112,591,928
Syndicate Loan	318,049,163	372,382,363
Hire Purchase	38,336,690	44,769,856
Lease Rental/Izara	261,870,596	251,510,752
Credit Card	38,402,705	34,116,211
<b>Total Interest / profit &amp; Rental Income on loans &amp; advances</b>	<b>12,851,765,788</b>	<b>11,906,755,545</b>
Call Lending and Fund Placement with banks	282,040,433	213,384,451
Accounts with Foreign Banks	31,796,387	15,146,240
	<b>13,165,602,608</b>	<b>12,135,286,236</b>
<b>22(a) Consolidated Interest income/profit on investments</b>		
Dhaka Bank Limited (Note: 22)	13,165,602,608	12,135,286,236
Dhaka Bank Securities Limited	159,231,617	227,229,789
Dhaka Bank Investment Limited	-	-
	13,324,834,225	12,362,516,025
Less: Inter company transaction	151,362,355	216,296,362
	<b>13,173,471,870</b>	<b>12,146,219,663</b>
<b>23. Interest paid/profit on deposits and borrowings, etc.</b>		
Savings Account including Mudaraba	435,666,529	535,752,547
Special Notice Deposit	374,213,741	347,343,321
Term Deposits	4,843,859,027	6,322,076,015
Deposits under Scheme	2,289,916,778	1,787,494,347
Call Borrowing & Fund Placement	224,209,111	209,842,176
Non-convertible Subordinate Bond	340,945,696	230,993,611
Repurchase Agreement (REPO)	31,036,292	33,649,160
Overseas Accounts charges	5,194,144	9,485,439
Leased assets	30,372,932	43,522,581
HTM / HFT Securities	475,718,324	303,746,834
Others (Note: 23.1)	401,478,798	292,390,416
	<b>9,452,611,371</b>	<b>10,116,296,447</b>
<b>23.1 Others</b>		
Interest paid on NFCB	1,753,949	220,764
Interest/profit paid against Refinance from Bangladesh Bank	76,935,883	40,903,621
Interest paid on Gift Cheque	599,625	564,166
Interest paid on Excel Account	567,168	603,524
Interest on Finance Bill Rediscounting	85,703,863	54,563,297
Interest on Fund Borrowing-OBU	30,915,328	80,647,815
Treasury Bond Premium (Note: 23.1.a)	205,002,983	114,887,229
	<b>401,478,798</b>	<b>292,390,416</b>
<b>23.1.a</b> Treasury Bond Premium expenses reflects the amount of interest accrued upto the date of purchase of the Treasury Bond. This amount has been paid at the time of purchase of the Bond.		
<b>23(a) Consolidated Interest / Profit Paid On Deposits &amp; Borrowings, etc.</b>		
Dhaka Bank Limited (Note: 23)	9,452,611,371	10,116,296,447
Dhaka Bank Securities Limited	158,403,128	224,160,122
Dhaka Bank Investment Limited	-	-
	9,611,014,500	10,340,456,568
Less: Inter company transaction	159,639,004	216,296,362
	<b>9,451,375,496</b>	<b>10,124,160,206</b>

	2016 Taka	2015 Taka
<b>24. Income from Investment</b>		
Interest on Treasury bills / bonds	2,116,156,227	2,482,368,389
Profit on Govt. Islamic Bond	879,375	2,528,750
Capital Gain on Government Securities	988,590,387	404,528,325
Interest on Commercial Papers	40,062,500	29,567,923
Interest on Subordinated Bond	77,793,356	67,238,288
Interest on Zero Coupon Bond	-	-
Dividend on Shares	14,750,000	17,224,307
	<b>3,238,231,845</b>	<b>3,003,455,981</b>
<b>24(a) Consolidated Income from Investment</b>		
Dhaka Bank Limited	(Note: 24) 3,238,231,845	3,003,455,981
Dhaka Bank Securities Limited	166,749,241	210,747,275
Dhaka Bank Investment Limited	-	-
	<b>3,404,981,086</b>	<b>3,214,203,256</b>
<b>25. Commission / Fees and Exchange Earnings</b>		
Commission on Letter of Credit	455,719,713	365,057,207
Commission on Letter of Guarantee	257,878,307	156,860,108
Commission on Remittance / Bills	33,662,464	23,754,516
Processing Fee Consumer Loan	8,582,035	17,658,930
Other Comm/ Fees (Clearing, cash tr., risk prem., utilisation fee etc.)	279,540,500	255,173,918
Rebate from Foreign Bank outside Bangladesh	17,010,516	10,638,952
Commission & Fee on Credit Card	22,697,675	19,707,452
Exchange gain including gain from foreign currency dealings	442,285,343	467,294,212
	<b>1,517,376,553</b>	<b>1,316,145,294</b>
<b>25(a) Consolidated Commission / Fees, Exchange Earnings &amp; Brokerage</b>		
Dhaka Bank Limited	(Note: 25) 1,517,376,553	1,316,145,294
Dhaka Bank Securities Limited	69,763,477	56,556,501
Dhaka Bank Investment Limited	-	-
	<b>1,587,140,031</b>	<b>1,372,701,795</b>
<b>26. Other Operating Income</b>		
Other Income on Credit Card and ATM	14,122,330	15,055,060
Incidental charges	70,055,902	74,320,063
Supervision & monitoring charges	4,376,408	163,619,538
Management Fees	115,054,274	-
Swift charge recoveries	27,977,283	91,377,292
Locker rent	7,766,300	7,462,544
Income from prize bond	-	16,000
Capital gain on sale of Shares	27,489,047	18,973,764
Profit from sale of fixed assets	3,977,938	12,300
	<b>270,819,482</b>	<b>370,836,561</b>
<b>26(a) Consolidated Other Operating Income</b>		
Dhaka Bank Limited	(Note: 26) 270,819,482	370,836,561
Dhaka Bank Securities Limited	874,258	2,489,124
Dhaka Bank Investment Limited	8,276,649	11,712,213
	279,970,389	385,037,898
Less: Inter company transaction	8,276,649	-
	<b>271,693,740</b>	<b>385,037,898</b>

		<b>2016 Taka</b>	<b>2015 Taka</b>
<b>27. Salary and allowances</b>			
Basic salary		620,627,625	645,903,371
Allowances		789,655,737	597,843,694
Bonus & ex-gratia		126,263,285	146,600,817
Leave fare assistance		110,284,757	92,457,561
Bank contribution to gratuity fund		3,459,668	100,000,000
Bank's contribution to provident fund		61,242,651	53,648,798
		<b>1,711,533,723</b>	<b>1,636,454,240</b>
<b>27(a) Consolidated Salary and allowances</b>			
Dhaka Bank Limited	(Note: 27)	1,711,533,723	1,636,454,240
Dhaka Bank Securities Limited		32,834,624	31,849,313
Dhaka Bank Investment Limited		-	-
		<b>1,744,368,347</b>	<b>1,668,303,553</b>
<b>28. Rent, taxes, insurance, electricity, etc.</b>			
Office rent		332,403,057	304,577,430
Electricity and lighting		62,924,552	60,577,840
Regulatory charges		11,410,121	7,329,622
Insurance		101,672,663	87,231,756
		<b>508,410,393</b>	<b>459,716,648</b>
<b>28(a) Consolidated Rent, taxes, insurance, lighting etc.</b>			
Dhaka Bank Limited	(Note: 28)	508,410,393	459,716,648
Dhaka Bank Securities Limited		20,296,028	15,160,998
Dhaka Bank Investment Limited		-	-
		<b>528,706,421</b>	<b>474,877,645</b>
<b>29. Legal expenses</b>			
Legal expenses		13,058,134	9,394,597
Other professional fees		4,337,168	869,159
		<b>17,395,303</b>	<b>10,263,756</b>
<b>29(a) Consolidated Legal expenses</b>			
Dhaka Bank Limited	(Note: 29)	17,395,303	10,263,756
Dhaka Bank Securities Limited		397,000	275,375
Dhaka Bank Investment Limited		-	-
		<b>17,792,303</b>	<b>10,539,131</b>
<b>30. Postage, stamps, telecommunication, etc.</b>			
Stamps, postage & courier		2,176,449	6,198,200
Telephone charges		9,104,847	10,510,957
Fax, internet, radio link, & DDN charges		28,782,791	32,915,623
		<b>40,064,088</b>	<b>49,624,780</b>
<b>30(a) Consolidated Postage, stamps, telecommunication, etc.</b>			
Dhaka Bank Limited	(Note: 30)	40,064,088	49,624,780
Dhaka Bank Securities Limited		610,064	640,965
Dhaka Bank Investment Limited		-	-
		<b>40,674,152</b>	<b>50,265,745</b>

		<b>2016 Taka</b>	<b>2015 Taka</b>
<b>31. Stationery, printing, advertisement, etc.</b>			
Table stationery		11,746,301	11,308,865
Printing stationery		45,963,389	76,119,445
Security stationery		10,776,416	11,276,247
Computer stationery		21,176,294	25,633,069
Advertisement		58,613,666	76,965,152
		<b>148,276,067</b>	<b>201,302,778</b>
<b>31(a) Consolidated Stationery, printing, advertisement, etc.</b>			
Dhaka Bank Limited	(Note: 31)	148,276,067	201,302,778
Dhaka Bank Securities Limited		1,192,067	1,206,667
Dhaka Bank Investment Limited		-	-
		<b>149,468,134</b>	<b>202,509,445</b>
<b>32. Chief executive's salary and fees</b>			
Basic salary		10,350,167	6,239,667
House rent allowances		300,000	1,666,500
Entertainment allowances		120,000	-
House maintenance allowances		300,000	888,500
Medical Allowances		120,000	17,667
Bonus		1,700,000	1,610,000
		<b>12,890,167</b>	<b>10,422,334</b>
<b>32(a) Consolidated Chief executive's salary and fees</b>			
Dhaka Bank Limited	(Note: 32)	12,890,167	10,422,334
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		<b>12,890,167</b>	<b>10,422,334</b>
<b>33. Directors' fees</b>			
Directors fees		3,459,200	2,739,600
Fees related to Shariah Council Meeting		138,000	62,600
Board/Executive Committee / Shariah Council Meeting Expenses		102,986	753,995
		<b>3,700,186</b>	<b>3,556,195</b>
Directors fees are paid following the Bangladesh Bank's BRPD Circular No. 03 dated 18 January 2010 and subsequent BRPD Circular Letter # 11 dated 04 October 2015.			
<b>33(a) Consolidated Directors' fees</b>			
Dhaka Bank Limited	(Note: 33)	3,700,186	3,556,195
Dhaka Bank Securities Limited		938,814	647,045
Dhaka Bank Investment Limited		-	-
		<b>4,639,000</b>	<b>4,203,240</b>
<b>34. Auditor's fees</b>		<b>1,380,000</b>	<b>1,265,000</b>
<b>34(a) Consolidated Auditor's fees</b>			
Dhaka Bank Limited	(Note: 34)	1,380,000	1,265,000
Dhaka Bank Securities Limited		287,500	115,000
Dhaka Bank Investment Limited		115,000	115,000
		<b>1,782,500</b>	<b>1,495,000</b>



	2016 Taka	2015 Taka
<b>35. Depreciation and repairs of Bank's assets</b>		
<b><u>Depreciation &amp; Amortization</u></b>		
Building	15,053,353	12,590,447
Furniture & Fixture	41,375,613	37,648,153
Office Appliance & Equipment	118,539,143	96,927,943
Computer	16,308,572	21,288,139
Software	11,840,335	11,982,124
Motor Vehicle	18,859,474	9,082,869
	<b>221,976,490</b>	<b>189,519,675</b>
<b><u>Repair:</u></b>		
Office Premises	31,644,125	30,462,257
Office Equipment	34,815,797	29,918,168
Office Furniture	1,828,139	1,731,015
Motor Vehicle	9,383,002	12,435,438
Computer and accessories	3,106,270	1,958,766
Software	34,248,127	32,153,377
	<b>115,025,460</b>	<b>108,659,021</b>
	<b>337,001,950</b>	<b>298,178,696</b>
<b>35(a) Consolidated Depreciation and repairs of Bank's assets</b>		
Dhaka Bank Limited	(Note: 35) 337,001,950	298,178,696
Dhaka Bank Securities Limited	8,276,753	10,243,167
Dhaka Bank Investment Limited	-	-
	<b>345,278,702</b>	<b>308,421,863</b>
<b>36. Other Expenses</b>		
Contractual service charge	248,323,545	207,619,890
Petrol, oil and lubricants (vehicle & generator)	23,933,477	22,871,105
Entertainment (canteen & other)	28,685,193	32,326,036
AGM expenses	1,764,307	4,449,571
Donation	64,906,944	85,035,633
Subscription	3,844,090	3,627,079
Travelling (foreign and local)	10,721,797	11,476,901
Conveyance	16,042,756	14,193,479
Branch opening expenses	2,076,247	6,965,870
Godown expenses	816,001	533,364
Training expenses	10,999,935	7,833,234
Bond issue expenses	10,447,500	4,567,634
Books and papers	1,675,847	3,435,565
WASA charges	4,248,771	3,695,498
Staff uniform	2,737,218	2,840,755
Vehicle registration charges	-	23,602
Potted plants	2,205,597	2,047,768
Business development & promotion	61,648,831	72,105,762
Reuters charges	1,780,062	1,764,005
Fees and expenses for credit card	16,752,737	11,841,548
ATM network service charges	11,526,042	8,656,465
Contribution to superannuation fund	2,500,000	2,500,000
Dhaka Bank Foundation	(Note: 36.1) 27,479,849	23,999,322
	<b>555,116,746</b>	<b>534,410,087</b>

	2016 Taka	2015 Taka
<b>36.1 Fund for Dhaka Bank Foundation</b>		
Opening balance	23,999,322	32,533,724
Add: Addition during the year	27,479,849	23,999,322
Less: Transferred to DBL Foundation Trustee Account	23,999,322	32,533,724
Closing balance	<b>27,479,849</b>	<b>23,999,322</b>

Dhaka Bank Limited has been contributing towards Dhaka Bank Foundation since 2003. In 2016, the Bank has contributed Tk. 27,479,849 for Dhaka Bank Foundation @1% on pre tax profit (i.e. profit after provision for loans and other provisions) as per the decision of the Executive Committee of the Board of Directors.

**36(a) Consolidated Other Expenses**

Dhaka Bank Limited	(Note: 36)	555,116,746	534,410,087
Dhaka Bank Securities Limited		8,404,428	10,147,324
Dhaka Bank Investment Limited		5,300	2,300
Less: Adjustment for prior year preliminary expenses of DBIL		-	221,565
		<b>563,526,474</b>	<b>544,338,145</b>

\* Dhaka Bank Investment Limited amortized Tk. 221,565 for preliminary expenditure during the year 2014 but DBIL has not yet started operation. Amortization of preliminary expenditure will be charged after starting of operation. Amount amortized in 2014 was restated in the 2015.

**37. Provision against loans & advances**

On classified loans & advances	954,049,421	202,561,564
On unclassified loans & advances	1,490,467,788	892,612,338
	<b>2,444,517,209</b>	<b>1,095,173,902</b>

**37(a) Consolidated Provision against loans & advances**

Dhaka Bank Limited	2,444,517,209	1,095,173,902
Dhaka Bank Securities Limited	-	-
Dhaka Bank Investment Limited	-	-
	<b>2,444,517,209</b>	<b>1,095,173,902</b>

**38. Provision for diminution in value of investments**

**In quoted shares**

Opening balance	4,967,735	162,188,991
Add: Addition during the year	-	4,075,897
	4,967,735	166,264,888
Less: Adjustment during the year	4,967,735	161,297,153
Closing balance	-	<b>4,967,735</b>

**In Unquoted shares**

-	-
-	<b>4,967,735</b>

In order to comply with DOS Circular No.02 dated 16 September 2013 of Bangladesh Bank regarding reduction of the exposure in the Capital Market, Dhaka Bank reduced the portfolio investment by adjustment with provision account for Tk. 4,967,735 during the year 2016.

**38(a) Consolidated Provision for diminution in value of investments**

Dhaka Bank Limited	(Note: 38)	-	4,967,735
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		-	<b>4,967,735</b>

**39. Other provisions**

Provision for off balance sheet items	(Note: 39.1)	199,821,481	27,738,300
Provision for other assets	(Note: 15.6)	3,127,000	-
		<b>202,948,481</b>	<b>27,738,300</b>

	2016 Taka	2015 Taka
<b>39.1 Provision against off balance sheet exposures</b>		
On off balance sheet exposures	<b>199,821,481</b>	<b>27,738,300</b>
Bank has made a provision of Tk.199,821,481 @ 1.00% on off balance sheet exposure (i.e. Acceptance & Endorsement, Letter of Credit & Letter of Guarantee) as per BRPD Circular number 14 dated 23.09.2012 from current year's profit.		
<b>39(a) Consolidated Other provisions</b>		
Dhaka Bank Limited (Note: 39)	202,948,481	27,738,300
Dhaka Bank Securities Limited	50,000,000	93,321,410
Dhaka Bank Investment Limited	-	-
	<b>252,948,481</b>	<b>121,059,710</b>
<b>40. Earnings Per Share (EPS)</b>		
Net profit after taxation	1,465,928,034	1,437,588,980
Number of ordinary shares outstanding	687,900,686	687,900,686
<b>Earnings Per Share (EPS) -Restated</b>	<b>2.13</b>	<b>2.09</b>
Earnings Per Share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2016 as per Bangladesh Accounting Standard (BAS)-33. According to BAS-33, EPS for the year ended 31 December 2015 was restated for the issues of 62,536,426 bonus shares (for 2015) in 2016.		
<b>40(a) Consolidated Earnings Per Share (CEPS)</b>		
Net profit after taxation	1,552,280,224	1,521,428,700
Less: Non-controlling interest	8,635	8,362
Net profit attributable to the shareholders of parent company	1,552,271,589	1,521,420,338
Number of ordinary shares outstanding	687,900,686	687,900,686
<b>Consolidated Earnings per share (CEPS)- Restated</b>	<b>2.26</b>	<b>2.21</b>
<b>41. Receipts from other operating activities</b>		
Exchange earnings	102,799,399	94,326,087
Other operating income	266,841,544	370,824,261
	<b>369,640,943</b>	<b>465,150,348</b>
<b>Non Operating Income</b>	-	-
	<b>369,640,943</b>	<b>465,150,348</b>
<b>41(a) Consolidated Receipts from other operating activities</b>		
Dhaka Bank Limited (Note: 41)	369,640,943	465,150,348
Dhaka Bank Securities Limited	874,258	210,747,275
Dhaka Bank Investment Limited	8,276,649	11,712,213
	378,791,850	687,609,836
Less: Intercompany Transactions	8,276,649	-
	<b>370,515,201</b>	<b>687,609,836</b>
<b>42. Payments for other operating activities</b>		
Rent, Taxes, Insurance, Lighting etc.	508,410,393	459,716,648
Chief executive's salary & allowances	-	10,422,334
Directors' fees & Meeting expenses	3,700,186	3,556,195
Repair of bank's assets	115,025,460	108,659,021
Other expenses	527,636,897	534,410,087
	<b>1,154,772,936</b>	<b>1,116,764,285</b>
Dhaka Bank Foundation	-	(23,999,322)
	<b>1,154,772,936</b>	<b>1,092,764,963</b>

		2016 Taka	2015 Taka
<b>42(a) Consolidated Payments for other operating activities</b>			
Dhaka Bank Limited	(Note: 42)	1,154,772,936	1,092,764,963
Dhaka Bank Securities Limited		9,343,242	64,290,551
Dhaka Bank Investment Limited		5,300	2,300
		<b>1,164,121,478</b>	<b>1,157,057,813</b>
<b>43. Other Assets</b>			
Stationery, stamps, printing materials etc.		30,044,856	36,342,049
Advance rent and advertisement		298,041,631	313,203,429
Security deposit		21,988,606	21,883,176
Preliminary, formation, work in progress and organization expenses, renovation / development expenses and prepaid expenses		2,860,612,139	2,563,186,913
Branch adjustments		39,897,115	25,761,499
Suspense account		139,958,704	174,359,339
Other assets		5,737,476,228	2,180,364,061
		<b>9,128,019,279</b>	<b>5,315,100,468</b>
<b>Increase / (decrease) during the year</b>		<b>3,812,918,811</b>	<b>(880,562,594)</b>
<b>43(a) Consolidated Other Assets</b>			
Dhaka Bank Limited	(Note: 43)	(3,812,918,811)	880,562,594
Dhaka Bank Securities Limited		(59,889,117)	(42,034,865)
Dhaka Bank Investment Limited		-	(1,171,221)
		<b>(3,872,807,928)</b>	<b>837,356,509</b>
<b>44. Other Liabilities</b>			
Provision against Expenses		13,576,027	62,643,513
Interest Suspense Account		1,831,665,015	2,419,863,452
Other Account Payable		3,593,495,073	2,882,754,066
		<b>5,438,736,115</b>	<b>5,365,261,030</b>
Amount tranferred to DBL Foundation Trustee Account		(23,999,322)	(32,533,724)
Adjustment of Loss on shares from Provision for decrease in value of Investment		(4,967,735)	(161,297,153)
Adjustment of Classified Loan from Provision		(498,122,564)	(427,086,393)
<b>Increase / (decrease) during the year</b>		<b>(453,614,536)</b>	<b>1,337,285,264</b>
<b>44(a) Consolidated Other Liabilities</b>			
Dhaka Bank Limited	(Note: 44)	(453,614,536)	1,337,285,264
Dhaka Bank Securities Limited		(110,664,741)	1,046,676
Dhaka Bank Investment Limited		-	-
		<b>(564,279,276)</b>	<b>1,338,331,940</b>

**Dhaka Bank Limited**  
**Liquidity Statement**  
**(Asset and Liability Maturity Analysis)**  
**As at 31 December 2016**

(Amount in Taka)

Particulars	Upto 01 month	1 - 3 months	3 - 12 months	1 - 5 years	more than 5 years	Total
<b><u>Assets:</u></b>						
Cash in hand	16,715,649,259	-	-	-	-	16,715,649,259
Balance with other banks and financial institutions	3,302,251,040	2,138,000,000	5,697,090,000	33,185,652	-	11,170,526,692
Money at call on short notice	1,040,000,000	-	-	-	11,300,000	1,051,300,000
Investment	-	776,000,000	2,027,780,996	6,594,033,425	11,907,908,339	21,305,722,760
Loans and Advances	14,064,801,005	41,766,327,624	48,373,318,373	25,341,474,123	5,143,387,240	134,689,308,364
Fixed assets including premises, furniture and fixtures	-	-	-	620,486,351	3,573,053,753	4,193,540,105
Other assets	5,877,434,932	-	3,801,553,791	1,591,405,439	1,771,988,486	13,042,382,648
Non-banking assets	-	-	-	23,166,033	-	23,166,033
<b>Total Assets</b>	<b>41,000,136,236</b>	<b>44,680,327,624</b>	<b>59,899,743,160</b>	<b>34,203,751,023</b>	<b>22,407,637,818</b>	<b>202,191,595,861</b>
<b><u>Liabilities:</u></b>						
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	-	-	(8,530,677,315)	(2,766,195,834)	-	(11,296,873,150)
Deposits & Other Accounts	(23,173,505,150)	(29,526,840,399)	(74,877,899,539)	(17,750,031,260)	(11,833,354,174)	(157,161,630,521)
Non Convertible Subordinated Bond	-	-	(800,000,000)	(1,800,000,000)	(1,200,000,000)	(3,800,000,000)
Other liabilities	(3,964,571,803)	-	(11,522,794,529)	-	-	(15,487,366,332)
<b>Total Liabilities</b>	<b>(27,138,076,953)</b>	<b>(29,526,840,399)</b>	<b>(95,731,371,383)</b>	<b>(22,316,227,095)</b>	<b>(13,033,354,174)</b>	<b>(187,745,870,002)</b>
<b>Net Liquidity Gap</b>	<b>13,862,059,283</b>	<b>15,153,487,226</b>	<b>(35,831,628,223)</b>	<b>11,887,523,928</b>	<b>9,374,283,644</b>	<b>14,445,725,859</b>

**Dhaka Bank Limited**  
**Highlights on the overall activities of the Bank**

SL No.	Particulars	2016	2015
1	Paid up Capital	6,879,006,860	6,253,642,600
2	Total Capital	21,841,493,503	15,407,514,550
3	Capital surplus / (deficit)	5,862,495,137	673,198,318
4	Total Assets	202,191,595,861	176,362,472,141
5	Total Deposits	157,161,630,521	139,068,899,318
6	Total Loans and Advances	134,689,308,364	117,840,165,963
7	Total Contingent Liabilities and Commitments	72,926,401,097	52,254,802,031
8	Credit Deposit Ratio (%)	83.87	84.74
9	Percentage of classified loans against total loans and advances (%)	4.01	4.66
10	Profit after tax and provision	1,465,928,034	1,437,588,980
11	Amount of classified loans during the year	5,402,949,193	5,490,649,320
12	Provisions kept against classified loans	2,409,087,464	1,902,698,726
13	Provision surplus / (deficit)	3,479,640	-
14	Cost of fund [deposit cost & overhead cost] (%)	7.88	9.57
15	Interest earning Assets	165,095,766,588	144,961,526,925
16	Non-interest earning Assets	37,095,829,273	31,400,945,216
17	Return on Investment (ROI) [%]	15.38	14.83
18	Return on Assets (ROA) [%]	0.77	0.86
19	Income from Investments	3,238,231,845	3,003,455,981
20	Earning per Share -Restated (Taka)	2.13	2.09
21	Price Earning Ratio (Times)	9.24	8.57

**Annexure-A**

**Dhaka Bank Limited**  
**Currency wise Balances**  
**As at 31 December 2016**

Name of the bank	Location	Name of currency	2016			2015		
			Amounts in foreign currency	Conversion rate	Equivalent amounts in Taka	Amounts in foreign currency	Conversion rate	Equivalent amounts in Taka
Standard Chartered Bank	New York	USD	12,182,678	79.00	962,431,530	18,752,603	79.00	1,481,455,651
Mashreq Bank	New York	USD	1,840,185	79.00	145,374,604	1,640,204	79.00	129,576,119
Habib American Bank, OBU	New York	USD	1,080,001	79.00	85,320,047	-	-	-
Commerz Bank	Frankfurt	USD	999,291	79.00	78,943,983	829,142	79.00	65,502,249
Habib American Bank	USA	USD	1,616,192	79.00	127,679,181	1,975,505	79.00	156,064,898
Wells Fargo Bank N.A.	New York	USD	1,467,528	79.00	115,934,702	2,717,771	79.00	214,703,944
Standard Chartered Bank, OBU	New York	USD	-	-	-	6,614,541	79.00	522,548,757
Wachovia Bank NA	New York	USD	-	-	-	-	-	-
JP Morgan Chase Bank NA	USA	USD	2,633,736	79.00	208,065,167	1,870,012	79.00	147,730,957
Standard Chartered Bank	Mumbai	ACUD	890,173	79.00	70,323,669	834,022	79.00	65,887,763
Sonali Bank	Kolkata	ACUD	46,652	79.00	3,685,539	122,342	79.00	9,664,979
AB Bank	Mumbai	ACUD	558,027	79.00	44,084,152	456,728	79.00	36,081,514
Nepal Bangladesh Bank	Nepal	ACUD	8,124	79.00	641,776	8,124	79.00	641,776
Sampath Bank	Srilanka	ACUD	116,150	79.00	9,175,831	136,467	79.00	10,780,910
Bhutan National Bank	Bhutan	ACUD	14,281	79.00	1,128,212	14,281	79.00	1,128,212
Bank of Bhutan	Bhutan	ACUD	25,640	79.00	2,025,524	30,870	79.00	2,438,694
Habib Metropolitan Bank Ltd.	Pakistan	ACUD	379,249	79.00	29,960,673	268,569	79.00	21,216,962
Dhaka Bank OBU Nostro	OBU	USD	6,000,000	79.00	474,000,000	6,000,000	79.00	474,000,000
ICICI Bank Limited	India	ACUD	326,067	79.00	25,759,300	419,249	79.00	33,120,644
Mashreq Bank	Mumbai	ACUD	479,133	79.00	37,851,495	161,830	79.00	12,784,603
Union Bank of Switzerland	Switzerland	CHF	191,285	76.91	14,711,939	82,148	80.10	6,579,896
Commerz Bank	Frankfurt	EURO	514,262	82.22	42,284,738	362,089	86.36	31,268,456
Standard Chartered Bank	Frankfurt	EURO	37,696	82.22	3,099,493	120,852	86.36	10,436,265
Unicredit S.P.A.	Milano	EURO	27,929	82.22	2,296,476	46,350	86.36	4,002,601
UNITED BANK OF INDIA	KOLKATA	EURO	182,244	82.22	14,984,824	-	-	-
Commerz Bank	Frankfurt	AUD	48,702	56.67	2,759,720	54,910	57.53	3,159,217
Standard Chartered Bank	Japan	JPY	26,761,120	0.67	17,999,529	11,651,860	0.65	7,624,977
Standard Chartered Bank	London	GBP	261,936	96.58	25,297,397	255,345	117.02	29,879,383
UNITED BANK OF INDIA	KOLKATA	ACU	398,264	79.00	31,462,893	-	-	-
Commerz Bank	Frankfurt	CAD	98,707	58.22	5,746,574	73,608	56.85	4,184,444
Al-Rajhi Bank	Saudi Arabia	SAR	273,075	21.04	5,744,788	273,075	21.04	5,745,088
<b>Total</b>					<b>2,588,773,757</b>			<b>3,488,208,961</b>

As per Bangladesh Bank Circular No. FEPD(FEMO)/01/2005-677 dated 13 September 2005, the books of accounts of nostro account are reconciled and there exist no un-reconciled entries that may affect financial statements significantly.

**Annexure-B**

**Dhaka Bank Limited**  
**Investment in Shares**  
**As at 31 December 2016**

**(Amount in Taka)**

Name of the Company	Face Value	No. of Shares	Average Cost	Cost Price	Market price per Share	Total Market Value
<b><u>Quoted</u></b>						
ACME Laboratories Limited	10	500,000	52	26,000,000	99.00	49,500,000
<b><u>Unquoted</u></b>						
Bangladesh Fund				200,000,000		200,000,000
<b>Total</b>				<b>226,000,000</b>		<b>249,500,000</b>

The cost price of investment in shares represents the book value as on 31.12.2016 being ordinary shares of different companies purchased from primary and secondary markets.

**Bangladesh Fund**

The Bank invested Tk.200,000,000 in the subscription of 2,000,000 number of units of Tk.100 each of Bangladesh Fund to ICB AMCL as per the decision in the meeting of The Executive Committee of the Board of Directors.



**Dhaka Bank Limited****Detail of information on advances****More than 10 % of bank's total capital (Funded & Non-funded)****(Taka in Thousand)**

Sl. No.	Name of the Client	Outstanding as on 31.12.2016		Total
		Funded	Non funded	
1	United Group	3,556,131	1,791,461	5,347,592
2	Armana Group	2,131,209	1,959,266	4,090,475
3	Bangladesh Erectors Group	2,011,605	1,451,071	3,462,676
4	Abul Khair Group	2,355,021	972,067	3,327,088
5	Fakir Apparels Ltd.	2,304,570	845,303	3,149,873
6	Noman Group	2,119,001	824,090	2,943,091
7	BRAC	2,023,294	869,124	2,892,418
8	BSRM Group	1,678,132	1,052,378	2,730,510
9	Kabir Group	1,218,463	1,487,823	2,706,286
10	Rangs Group	1,201,723	1,279,479	2,481,202
11	Bashundhara Group	1,526,032	903,972	2,430,004
12	Suruj Miah Group	2,307,443	4,829	2,312,272
13	Apex Group	1,936,386	232,820	2,169,206
	<b>Total</b>	<b>26,369,011</b>	<b>13,673,683</b>	<b>40,042,694</b>

**Annexure-D**

**Dhaka Bank Limited**  
**Schedule of Fixed Assets including premises, furniture & fixtures**  
**As at 31 December 2016**

Particulars	Cost Price				Rate of Dep.	Depreciation				Written Down Value as at 31.12.2016
	Balance as at 01.01.2016	Addition during the year	Transfer/ Adjustment during the year	Total as at 31.12.2016		Balance as at 01.01.2016	Addition during the year	Transfer/ Adjustment during the year	Total as at 31.12.2016	

**A. At Cost**

**Tangible Assets**

Land	2,301,877,536	-	-	2,301,877,536	-	-	-	-	-	2,301,877,536
Building	555,607,651	67,113,566	-	622,721,217	2.5%	52,379,272	15,053,353	-	67,432,625	555,288,592
Furniture & Fixture	410,491,125	18,667,094	(265,300)	428,892,919	10%	183,347,791	41,375,613	(223,949)	224,499,455	204,393,464
Office Appliances & Equipments	734,292,287	132,494,674	(299,627)	866,487,334	20%	404,518,071	118,539,143	(300,456)	522,756,758	343,730,576
Computer	202,591,275	15,376,215	-	217,967,490	20%	165,112,869	16,308,572	-	181,421,441	36,546,049
Bank Vehicle	69,928,345	80,347,625	(7,382,550)	142,893,420	20%	52,106,878	18,859,474	(7,382,543)	63,583,809	79,309,610

**Intangible Assets**

Software	76,271,260	1,574,593	-	77,845,853	20%	42,066,241	11,840,335	-	53,906,576	23,939,277
<b>Sub Total</b>	<b>4,351,059,479</b>	<b>315,573,767</b>	<b>(7,947,477)</b>	<b>4,658,685,769</b>	<b>-</b>	<b>899,531,123</b>	<b>221,976,490</b>	<b>(7,906,948)</b>	<b>1,113,600,664</b>	<b>3,545,085,105</b>

**B. Revaluation**

Land	648,455,000	-	-	648,455,000	-	-	-	-	-	648,455,000
<b>Sub Total</b>	<b>648,455,000</b>	<b>-</b>	<b>-</b>	<b>648,455,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>648,455,000</b>
<b>Total 2016 (A+B)</b>	<b>4,999,514,479</b>	<b>315,573,767</b>	<b>(7,947,477)</b>	<b>5,307,140,769</b>	<b>-</b>	<b>899,531,123</b>	<b>221,976,490</b>	<b>(7,906,948)</b>	<b>1,113,600,664</b>	<b>4,193,540,105</b>

<b>TOTAL 2015</b>	<b>4,667,810,705</b>	<b>331,703,774</b>	<b>-</b>	<b>4,999,514,479</b>		<b>710,011,447</b>	<b>189,519,675</b>	<b>-</b>	<b>899,531,122</b>	<b>4,099,983,356</b>
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**Dhaka Bank Limited**  
**Recovery of loans previously written-off during the year 2016**

(Amount in Taka)

Sl. No.	Name of Borrowers	Amount written-off	Amount of Provision kept at the time of written-off	Suit Value	Amount Recovered after loan written-off
<b>Corporate Loan</b>					
1	M/s Ahnaf & Co.	17,855,447	15,742,193	20,846,469	500,000
2	Otto Textile Ltd.	268,583,988	157,493,992	280,715,548	18,270,000
3	M/s. Anudip Autos Limited	43,767,825	32,747,739	40,257,537	2,250,000
4	M/s Prime Construction	4,348,273	3,426,199	4,497,646	2,950,000
5	Gonoshasthaya Antibiotic Ltd.	71,628,580	60,192,640	75,998,182	11,500,000
6	M/s Friend International	4,050,000	3,060,000	4,570,592	100,000
7	M/s Mousumi Enterprise	251,045	242,216	690,404	13,000
8	M/s Nipa Traders	426,961	294,093	563,819	10,000
9	M/s Power Craft Transport Technology	3,443,292	3,443,292	7,417,167	3,800,000
10	M/s. Nipa Enterprise	340,506	229,196	804,679	200,000
11	M/s Khorshed Alam	7,739,692	6,302,477	8,479,369	7,340,000
<b>Sub Total</b>		<b>422,435,610</b>	<b>283,174,037</b>	<b>444,841,412</b>	<b>46,933,000</b>

The total recovery of written off loans during 2016 is Tk. 50,461,881 of which Tk.46,933,000 represents the amount of corporate clients and Tk. 3,528,881 represents retail clients.

**Dhaka Bank Limited**  
**Details of Borrowers for written-off loan during the year 2016**

(Amount in Taka)					
Sl. No.	Name of Borrowers	Amount written-off	Amount of Interest Suspense kept at the time of written-off	Amount of Provision kept at the time of written-off	Suit Value
<b>Corporate Loan</b>					
1	M/s Monirul Cottage Industries	8,199,283.48	4,427,038.70	1,945,139.58	77,46,839.33
2	M/s Shammi Traders	1,016,850.97	75,082.24	225,768.73	2,090,000.00
3	M/s Muhua Naksa	1,553,469.77	218,413.15	1,335,056.62	1,553,469.77
4	M/s Iqbal Contruccion Firm-MMC Consortiur	5,492,421.16	1,520,162.79	2,772,258.37	5,453,639.00
5	M/s Kohaliya Enterprise	5,129,097.00	1,146,937.43	2,700,916.84	5,130,000.00
6	M/s Sea Pearl Fishing	3,523,100.28	764,744.21	528,465.04	4,909,065.00
7	M/s Index IT Ltd.	35,428,454.08	882,354.58	28,546,099.50	42,202,623.04
8	M/s Unique Steel	51,296,585.80	5,122,991.86	36,183,093.94	5,37,40,434.26
9	M/s Sundari Fashion	181,693.92	42,195.08	139,498.84	250,000.00
10	M/s Shakib Steel Industries	345,645,582.87	122,237,774.29	187,988,312.80	306,860,000.00
11	M/s Momin Knit Fabrics	9,668,216.63	2,064,882.02	7,603,334.61	13,980,000.00
12	M/s Ananta Chowdhury	511,990.53	221,445.30	76,798.58	1,500,000.00
13	M/s Kollan Dairy Farm	692,441.87	259,410.52	177,878.27	
14	M/s Rafique Traders	36,192,871.50	5,249,666.48	25,193,206.18	40,017,148.94
15	M/s Haque Metal & Cables	11,116,525.22	952,530.84	10,163,994.38	16,620,000.00
16	M/s Silver Cables	4,087,802.08	187,994.22	3,899,807.86	
17	M/s Maya Furniture	241,972.02	68,993.17	172,978.85	2,68,067.51
18	M/s Bishal Foods	512,721.34	126,142.01	386,579.33	7,050,000.00
19	M/s Fiona Collection Ltd.	7,457,737.72	3,229,300.69	1,118,660.65	5,270,000.00
20	M/s Rainbow Consortium Ltd.	1,078,222.03	65,464.03	161,733.30	1,057,257.65
<b>Sub Total</b>		<b>529,027,040</b>	<b>148,863,524</b>	<b>311,319,582</b>	<b>453,943,203</b>
<b>Retail Loan</b>					
(Amount in Taka)					
Sl. No.	Type of Loans	Amount written-off	Amount of Interest Suspense kept at the time of written-off	Amount of Provision kept at the time of written-off	Suit Value
1	Consumer Loans	257,195,677	107,982,970	149,212,700	399,418,928
2	Credit Cards	-	-	-	-
<b>Sub Total</b>		<b>257,195,677</b>	<b>107,982,970</b>	<b>149,212,700</b>	<b>399,418,928</b>
<b>Total</b>		<b>786,222,717</b>	<b>256,846,494</b>	<b>460,532,282</b>	<b>853,362,131</b>

**Annexure- F.1**

**Dhaka Bank Limited**  
**Litigation pending as on 31 December 2016**

SL. No.	Branch Name	31.12.2016 Taka	31.12.2015 Taka
1	Agrabad	681,850,000	689,320,000
2	Aminbazar	37,050,000	-
3	B.B. Road, Narayanganj	19,580,000	17,090,000
4	Banani	153,320,000	153,320,000
5	Bangshal	940,060,000	695,040,000
6	Barisal	523,809,796	558,192,750
7	Belkuchi	15,290,000	7,540,000
8	Bhulta	2,026,000	2,026,000
9	Boardbazar	6,740,000	6,740,000
10	Bogra	85,593,733	23,860,833
11	CDA	1,780,000	-
12	CEPZ	7,470,000	-
13	Comilla	23,235,437	17,059,637
14	Cox'sbazar	265,742,781	236,210,000
15	DEPZ	258,207,646	258,207,646
16	Dhanmondi	93,370,000	91,920,000
17	Dhanmondi Model	149,920,000	-
18	Fantasy Kingdom	77,470,000	77,470,000
19	Feni	730,000	-
20	Foreign Exchange	2,287,060,000	2,244,860,000
21	Goalabazar	8,640,000	10,000,000
22	Gulshan	6,440,000	6,440,000
23	Habiganj	10,520,000	-
24	Halishahar	56,757,250	56,757,250
25	Hathazari	43,100,000	50,540,000
26	IBB, CTG	1,959,770,000	1,959,770,000
27	IBB, Dhaka	577,480,000	452,810,000
28	Imamganj	43,810,232	43,810,232
29	Islampur	23,260,000	23,260,000
30	Jessore	45,237,219	58,247,219
31	Joypara	5,080,000	5,080,000
32	Jubilee Road	681,200,000	681,200,000
33	Karwanbazar	47,010,000	47,010,000
34	Keraniganj	22,600,000	4,550,000
35	Khatunganj	680,860,000	680,570,000
36	Konabari	15,050,000	15,050,000
37	Laldighirpar	21,800,000	12,400,000

SL. No.	Branch Name	31.12.2016 Taka	31.12.2015 Taka
38	Local Office	1,485,040,000	1,133,870,000
39	Madhabdi Bazar	24,924,223	12,184,223
40	Mirpur	3,870,000	-
41	Shahjahanpur	32,367,258	32,059,663
42	Moulvibazar	12,640,000	12,640,000
43	New Market Barnch, Chittagong	3,790,000	8,850,000
44	Rajshahi	5,970,000	5,970,000
45	Rangpur	20,340,000	-
46	Satkhira	124,169,565	113,100,000
47	Savar	25,688,000	18,998,000
48	Sirajgonj	13,620,000	6,450,000
49	Sonaimuri	21,380,000	15,060,000
51	Uttara	46,220,000	-
		<b>11,698,939,139</b>	<b>10,545,533,453</b>

In some cases, the bank obtained preliminary / final decree against pending litigation. As per Artha Rin Adalat (Money Loan Court) Ain 2003, legal procedure yet to be completed for final disposal.

**Annexure-H**

**Dhaka Bank Limited**  
**Statement of Tax Position**  
**As at 31 December 2016**

Sl. No.	Assessment Year	Income Year	Provision for Income Tax as per accounts	Total Tax Paid	Provision Excess/ (Shortage)	Further Claimed by TAX Authority	Tax Paid for Tribunal & High Court	Remaining Tax Liability	Present Status
1	2005-2006	2004	275,000,000	251,338,711	22,264,047	27,944,842	1,397,242	26,547,600	Re-opened U/S:120 Filed Appeal to Honorable High Court
2	2006-2007	2005	305,000,000	287,430,386	15,379,758	43,797,123	2,189,856	41,607,267	Re-opened U/S:120 Filed Appeal to Honorable High Court
3	2007-2008	2006	370,000,000	455,657,668	(86,484,543)	16,537,501	826,875	15,710,626	Re-opened U/S:120 Filed Appeal to Honorable High Court
4	2008-2009	2007	827,127,829	775,887,042	31,105,997	127,430,746	20,134,790	107,295,956	Filed Appeal to Honorable High Court
5	2009-2010	2008	1,025,132,803	948,021,327	62,791,713	99,289,991	14,319,763	84,970,228	Filed Appeal to Honorable High Court
6	2010-2011	2009	1,176,070,227	1,033,362,354	121,007,254	123,759,180	21,700,619	102,058,561	Filed Appeal to Honorable High Court
7	2011-2012	2010	1,238,519,148	1,178,120,075	414,057	160,348,772	59,985,016	100,363,756	Filed Appeal to Honorable High Court
8	2012-2013	2011	1,488,500,000	1,391,529,539	85,511,470	74,218,389	11,458,991	62,759,398	Filed Appeal to Honorable High Court
9	2013-2014	2012	759,226,556	759,226,556	(114,860,509)	114,860,509	114,860,509	-	Case settle after CT Appeal /Tax Clearance Certificate received
10	2014-2015	2013	1,117,341,489	913,596,502	157,487,323	46,257,663	46,257,663	-	Case settle after CT Appeal /Tax Clearance Certificate received
11	2015-2016	2014	1,191,845,133	1,142,636,345	49,208,788	-	-	-	Case settle after DCT Level &Tax Clearance Certificate received
12	2016-2017	2015	938,402,032	934,833,819	-	-	-	-	Income Tax Return Submitted to the LTU
<b>Total</b>			<b>10,712,165,217</b>	<b>10,071,640,324</b>	<b>343,825,355</b>	<b>834,444,716</b>	<b>293,131,324</b>	<b>541,313,392</b>	

**Dhaka Bank Limited**  
**(Islamic Banking)**  
**Balance Sheet**  
**As at 31 December 2016**

	Notes	31.12.2016 Taka	31.12.2015 Taka
<b><u>PROPERTY AND ASSETS</u></b>			
<b>Cash</b>	1	<b>448,651,849</b>	<b>471,053,532</b>
Cash in hand (including foreign currencies)		22,687,052	30,418,068
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		425,964,798	440,635,463
<b>Balance with other banks and financial institutions</b>	2	<b>-</b>	<b>-</b>
In Bangladesh		-	-
Outside Bangladesh		-	-
<b>Money at call and on short notice</b>		<b>-</b>	<b>-</b>
<b>Investment in securities</b>		<b>370,000,000</b>	<b>330,000,000</b>
<b>Investments</b>	3	<b>5,035,893,361</b>	<b>4,745,571,704</b>
General Investments	3.1	4,992,829,547	4,668,952,304
Bills Discounted and Purchased	3.2	43,063,814	76,619,400
<b>Fixed assets including premises, furniture and fixtures</b>	4	<b>26,069,364</b>	<b>26,629,403</b>
<b>Other Assets</b>	5	<b>1,232,894,928</b>	<b>2,689,554,668</b>
<b>Non-Banking Assets</b>		<b>-</b>	<b>-</b>
<b>Total Assets</b>		<b><u>7,113,509,502</u></b>	<b><u>8,262,809,306</u></b>
<b><u>LIABILITIES AND CAPITAL</u></b>			
<b><u>LIABILITIES</u></b>			
<b>Borrowings from other banks / financial Institutions and agents</b>	6	<b>188,961,509</b>	<b>138,340,930</b>
<b>Deposits and Other Accounts</b>	7	<b>6,472,830,284</b>	<b>7,479,680,989</b>
Current Accounts & Other Accounts		350,467,186	187,369,342
Bills Payable		30,321,181	28,238,623
Savings Bank Deposits		404,397,931	2,295,104,649
Term Deposits		5,687,643,987	4,968,968,375
<b>Other Liabilities</b>	8	<b>451,717,708</b>	<b>644,787,387</b>
<b>Total Liabilities</b>		<b><u>7,113,509,502</u></b>	<b><u>8,262,809,306</u></b>



<b>Off-balance Sheet Items</b>	<b>Notes</b>	<b>31.12.2016 Taka</b>	<b>31.12.2015 Taka</b>
<b>Contingent Liabilities</b>			
Acceptances and Endorsements		1,028,174,198	764,354,357
Letter of Credit		526,498,152	471,342,049
Letter of Guarantee		82,443,076	63,437,100
Bills for Collection		318,714,365	917,641,133
Other Contingent Liabilities		-	-
		<b>1,955,829,790</b>	<b>2,216,774,639</b>
<b>Other Commitments</b>			
Documentary credit and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
<b>Total off-balance sheet items including contingent liabilities</b>		<b>1,955,829,790</b>	<b>2,216,774,639</b>

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

**Dhaka Bank Limited**  
**(Islamic Banking)**  
**Profit and Loss Account**  
**For the year ended 31 December 2016**

	Notes	2016 Taka	2015 Taka
<b>OPERATING INCOME</b>			
Profit Received from Investment	9	545,201,570	518,665,155
Profit Paid on Deposits & Borrowings	10	369,376,997	504,042,563
<b>Net Investment Income</b>		<b>175,824,572</b>	<b>14,622,593</b>
Commission, Exchange Earnings & Brokerage	11	36,048,855	28,255,875
Other Operating Income	12	5,139,489	8,050,952
		41,188,344	36,306,827
<b>Total Operating Income ( A )</b>		<b>217,012,916</b>	<b>50,929,419</b>
<b>Operating Expenses</b>			
Salary & Allowance	13	28,380,055	27,323,688
Rent, Taxes, Insurance, Lighting etc.	14	11,518,615	10,344,232
Legal Expenses		559,082	559,082
Postage, Stamp, Telecommunication etc.	15	783,691	904,346
Stationery, Printing, Advertisement etc.	16	1,230,450	969,767
Shariah Council Meeting Expenses		116,168	116,168
Depreciation of Bank's Assets	17	4,033,644	3,514,748
Repair of Bank's Assets	18	1,067,880	1,066,760
Other Expenses	19	6,133,024	4,631,653
<b>TOTAL Operating Expenses ( B )</b>		<b>53,822,609</b>	<b>49,430,444</b>
<b>Operating Profit During the Year ( A - B )</b>		<b>163,190,307</b>	<b>1,498,976</b>

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

**Dhaka Bank Limited**  
**(Islamic Banking)**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

		<b>31.12.2016</b> <b>Taka</b>	<b>31.12.2015</b> <b>Taka</b>
<b>1. Cash</b>			
Cash in hand	(Note: 1.1)	22,687,052	30,418,068
Balance with Bangladesh Bank and its agent bank(s)	(Note: 1.2)	425,964,798	440,635,463
		<b>448,651,849</b>	<b>471,053,532</b>
<b>1.1 Cash in hand</b>			
In Local Currency		22,687,052	30,418,068
In Foreign Currencies		-	-
		<b>22,687,052</b>	<b>30,418,068</b>
<b>1.2 Balance with Bangladesh Bank and its agent bank(s)</b>			
In Local Currency			
Al-Wadiah Current Account		425,964,798	440,635,463
In Foreign Currencies		-	-
		<b>425,964,798</b>	<b>440,635,463</b>
<b>2. Balance with other banks and financial institutions</b>			
<b>In Bangladesh</b>			
<u>Mudaraba Term Deposits</u>			
Social Investment Bank Limited		-	-
Shahjalal Islami Bank Limited		-	-
Al-Arafah Islamic Bank Limited		-	-
Islamic Hajj Finance		-	-
		-	-
<b>Outside Bangladesh</b>		-	-
		-	-
<b>3. Investments</b>			
General Investments		4,992,829,547	4,668,952,304
Bills Purchased & Discounted		43,063,814	76,619,400
		<b>5,035,893,361</b>	<b>4,745,571,704</b>
<b>3.1 General Investments</b>			
<b>In Bangladesh</b>			
Murabaha (Purchase Order)		1,554,413,967	1,422,392,453
Murabaha (Term Financing)		774,443,037	1,110,708,844
MPI Trust Receipt		441,258,503	407,931,840
Murabaha Import Bill (PAD)		1,663,603	-
Bai Muajjal		1,355,363,201	1,352,851,374
Ijara (Lease Financing) (Note-3.5)		220,613,195	36,954,334
Shirkatul Mulk (Hire Purchase)		424,040,241	318,061,093
Others		221,033,800	20,052,366
		<b>4,992,829,547</b>	<b>4,668,952,304</b>
<b>Outside Bangladesh</b>		-	-
		<b>4,992,829,547</b>	<b>4,668,952,304</b>

	31.12.2016 Taka	31.12.2015 Taka
<b>3.2 Bills Purchased &amp; Discounted</b>		
<u>Payable in Bangladesh:</u>		
Inland bills purchased	43,063,814	75,894,812
<u>Payable outside Bangladesh:</u>		
Foreign bills purchased & discounted	-	724,588
	<b>43,063,814</b>	<b>76,619,400</b>
<b>3.3 Residual maturity grouping of investments including bills purchased and discounted</b>		
Repayable on Demand	1,977,689,670	719,398,274
Not more than 3 months	1,285,235,238	1,950,136,352
More than 3 months but not more than 6 months	728,760,647	759,997,759
More than 6 months but not more than 1 year	271,845,246	280,248,554
More than 1 year but not more than 5 years	750,453,611	778,876,810
More than 5 years	21,908,949	256,913,954
	<b>5,035,893,361</b>	<b>4,745,571,704</b>
<b>3.4 Maturity grouping of bills purchased &amp; discounted</b>		
Payable within 1 month	20,216,972	49,046,903
Over 1 month but less than 3 months	15,718,715	17,015,239
Over 3 months but less than 6 months	7,128,127	10,557,258
6 months or more	-	-
	<b>43,063,814</b>	<b>76,619,400</b>
<b>3.5 Investment in lease / izara finance</b>		
Lease rental receivable within 1 year	188,122,607	31,511,921
Lease rental receivable within more than 1 year	46,952,105	7,864,823
<b>Total lease/ izara rental receivable</b>	<b>235,074,712</b>	<b>39,376,744</b>
Less: unearned interest receivable	14,461,517	2,422,411
<b>Net investment in lease/izara finance</b>	<b>220,613,195</b>	<b>36,954,334</b>
<b>3.6 Investments on the basis of significant concentration including bills purchased &amp; discounted</b>		
a. Investments to allied concerns of Directors;	-	-
b. Investments to Chief Executive	-	-
c. Investments to Other Senior Executives	1,594,085	2,041,472
d. <u>Investments to Customer's Group:</u>		
Agriculture investments	-	-
Commercial lending	4,138,031,390	4,158,716,056
Export financing	182,472,085	193,130,205
Consumer credit scheme	37,976,889	38,330,472
Special Program Loan (SME)	385,324,282	335,342,605
Staff investments	38,561,715	18,010,894
Others	251,932,915	-
	<b>5,035,893,361</b>	<b>4,745,571,704</b>
<b>3.7 Investments under the following broad categories</b>		
Investments	3,637,466,345	3,316,100,930
Bai Murabaha/ Bai Muajjal	1,355,363,201	1,352,851,374
	4,992,829,547	4,668,952,304
Bills Purchased and discounted	43,063,814	76,619,400
	<b>5,035,893,361</b>	<b>4,745,571,704</b>

	31.12.2016 Taka	31.12.2015 Taka
<b>3.8 Industry - wise investments including bills purchased &amp; discounted</b>		
Agricultural Industries	-	-
Pharmaceuticals Industries	-	-
Textile & Garment Industries	1,857,158,428	1,817,631,169
Chemical Industries	12,650,000	9,157,812
Food & allied Industries	205,005,622	369,854,487
Transport & Communication	18,004,266	6,144,367
Electronics & Automobile Industries	-	-
Housing & Construction Industries	199,168,483	203,218,318
Engineering & Metal Industries including Ship Breaking	1,622,072,653	1,762,539,388
Energy & Power Industries	327,625,050	327,625,050
Service Industries	16,721,426	19,563,573
Other Industries	777,487,432	229,837,540
	<b>5,035,893,361</b>	<b>4,745,571,704</b>
<b>3.9 Geographical Location - wise investments</b>		
Dhaka Region	2,983,840,452	2,401,520,078
Chittagong Region	2,052,052,909	2,344,051,626
Sylhet Region	-	-
Other	-	-
	<b>5,035,893,361</b>	<b>4,745,571,704</b>
<b>3.10 Sector - wise investments</b>		
<u>In Bangladesh</u>		
Government & Autonomous bodies	-	-
Financial Institutions (Public & Private)	-	-
Other Public Sector	-	-
Private Sector	5,035,893,361	4,745,571,704
	<b>5,035,893,361</b>	<b>4,745,571,704</b>
Outside Bangladesh	-	-
	<b>5,035,893,361</b>	<b>4,745,571,704</b>
<b>3.11 Classification of investments</b>		
Unclassified (including staff loan)	4,781,373,616	4,109,040,726
Sub-Standard	-	-
Doubtful	-	-
Bad or loss	254,519,745	636,530,978
	<b>5,035,893,361</b>	<b>4,745,571,704</b>
<b>3.12 Provision required for investments</b>		
<u>Status</u>	<u>Rate %</u>	
Unclassified	0.25, 1, 2, 5 & 100	575,580,738
Special Mention Account	0.25, 1	109,888
		<b>575,690,626</b>
<u>Classified:</u>		
Sub-Standard	20	-
Doubtful	50	-
Bad or loss	100	127,020,404
		<b>127,020,404</b>
Required provision for investments		<b>702,711,030</b>
Total provision maintained		<b>702,711,030</b>
Excess / short provision as at 31 December		-

	31.12.2016 Taka	31.12.2015 Taka
<b>3.13 Securities against investments including bills purchased &amp; discounted</b>		
a. <u>Secured</u>		
Collateral of movable / immovable assets	3,399,853,865	3,217,061,179
Local Banks & Financial Institutions guarantee	43,063,814	75,894,812
Government Guarantee	-	-
Foreign Banks Guarantee	-	724,588
Export documents	-	-
<u>Fixed Deposits Receipts</u>	-	-
1 Own FDR	-	-
2 FDR of Other Banks	-	-
Government bonds	-	-
Personal Guarantee	38,561,715	51,736,912
Other Securities	1,554,413,967	1,400,154,213
	<b>5,035,893,361</b>	<b>4,745,571,704</b>
b. Unsecured	-	-
	<b>5,035,893,361</b>	<b>4,745,571,704</b>
<b>3.14 Particulars of Loans and Advances</b>		
(i) Investments considered good in respect of which the bank company is fully secured;	1,791,819,984	1,685,149,989
(ii) Investments considered good against which the banking company holds no security other than the debtor's personal guarantee;	53,950,254	50,738,507
(iii) Investments considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors;	1,771,367,444	1,665,915,023
(iv) Investments adversely classified; provision not maintained thereagainst;	-	-
(v) Investments due by directors or officers of the banking company or any of these either separately or jointly with any other persons;*	21,321,681	20,052,366
(vi) Investments due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members;	-	-
(vii) Maximum total amount of investments including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person;	28,824,030	27,108,088
(viii) Maximum total amount of investments including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members;	-	-
(ix) Due from banking companies;	-	-
(x) Amount of classified investments on which interest has not been charged, should be mentioned as follows:		
a) Decrease / increase in provision;	(204,651,354)	50,790,139
b) Amount realized against investments previously written		-
c) Amount of provision kept against investments classified as 'bad/loss' on the date of preparing the balance sheet;	127,020,404	331,671,758
d) Profit creditable to the Profit Suspense A/c;		-
(xi) Cumulative amount of the written off investments;	755,334,382	400,020,582

	31.12.2016 Taka	31.12.2015 Taka
<b>4. Premises and Fixed Assets</b>		
Land	277,000	277,000
Building	24,323,000	24,323,000
Furniture and Fixture including Office decoration	5,030,760	5,030,760
Office Appliances & Equipment	12,128,950	11,670,120
Computer	3,196,164	3,031,764
Software	421,959	421,959
Bank's Vehicle	2,850,375	-
	<b>48,228,209</b>	<b>44,754,603</b>
Less: Accumulated depreciation	22,158,845	18,125,201
	<b>26,069,364</b>	<b>26,629,403</b>
<b>5. Other Assets</b>		
Stationery, stamps, printing materials etc.	74,912	244,636
Profit accrued on investment but not collected,	16,935,000	16,935,000
Advance rent	6,744,913	8,093,896
Security deposit;	315,000	315,000
Preliminary, formation and organization expenses, renovation / development expenses and prepaid expenses	675,894	482,197
Branch Adjustments	1,205,261,889	2,660,922,003
Suspense Account	196,408	104,415
Others	2,690,912	2,457,522
	<b>1,232,894,928</b>	<b>2,689,554,668</b>
<b>6. Borrowings From Other Banks, Financial Institutions &amp; Agents</b>		
<b>Bangladesh Bank refinance</b>		
Export development fund	188,961,509	138,340,930
Islami Investment bond's fund	-	-
	<b>188,961,509</b>	<b>138,340,930</b>
Dhaka Bank Limited received Investment Bond's Fund from Bangladesh Bank against Mudaraba Term Deposit Receipt (MTDR) as per Bangladesh Bank Circular No.FRTMD(PDS)146/2004-15 dated 15.09.2004.		
<b>7. Deposits &amp; Other Accounts</b>		
<b>7.1 Current and Other Accounts</b>		
Current Account	102,183,112	101,120,746
Foreign Currency Deposits	2,279,631	1,793,968
Margin under Letter of Credit	12,168,290	1,189,520
Margin under Letter of Guarantee	7,834,178	5,211,137
Deposits Awaiting Disposal	552,331	42,479
Sundry Deposit	225,449,644	78,011,491
	<b>350,467,186</b>	<b>187,369,342</b>
<b>7.2 Bills Payable</b>		
Pay Order	30,321,181	28,238,623
Demand Draft	-	-
	<b>30,321,181</b>	<b>28,238,623</b>
<b>7.3 Savings Deposits</b>		
Mudaraba Savings Accounts	<b>404,397,931</b>	<b>2,295,104,649</b>

	31.12.2016 Taka	31.12.2015 Taka
<b>7.4 Term Deposits</b>		
Mudaraba Special Notice Deposits	128,707,955	208,641,667
Mudaraba Term Deposits	4,928,435,137	4,258,628,413
Mudaraba Deposit Pension/Hajj Savings Scheme	630,500,895	501,698,295
	<b>5,687,643,987</b>	<b>4,968,968,375</b>
<b>Total deposit &amp; other accounts</b>	<b>6,472,830,284</b>	<b>7,479,680,989</b>
<b>8. Other Liabilities</b>		
Accrued Interest	-	-
Profit Suspense Account	437,193,616	561,580,251
Provision against Expenses	-	-
Finance from OBU for Bill Discounting	36,840	66,898,233
Tax/VAT deducted at source & payable	4,967,861	7,791,461
Excise Duty Payable	3,784,206	3,524,767
Others	5,735,184	4,992,676
	<b>451,717,708</b>	<b>644,787,387</b>
	<b>2016 Taka</b>	<b>2015 Taka</b>
<b>9. Profit received from Investment</b>		
Murabaha Term Loan	51,448,227	40,562,910
Loan against Imported Merchandise/Murabaha	17,696	22,373
Loan against MPI Trust Receipt	583,427	1,451,269
Cash Credits / Bai-Murabaha	111,034,162	192,099,808
Murabaha Import Bill (PAD)	-	-
House Building Loan	398,836	882,448
Transport Loan	227,703	501,839
Hire Purchase/Shirkatul Mulk	44,814,144	48,278,807
<b>Total Profit received from Investment</b>	<b>208,524,196</b>	<b>283,799,454</b>
Fund Placement with banks	-	-
Inter Branch Profit received	336,677,373	234,865,701
	<b>545,201,570</b>	<b>518,665,155</b>
<b>10. Profit Paid On Deposits &amp; Borrowings</b>		
Mudaraba Savings Account	29,405,809	67,051,347
Special Notice Deposits	5,035,590	4,733,852
Term Deposits	267,816,510	313,641,954
Mudaraba Deposit Pension / Hajj Savings Scheme	61,664,484	46,634,233
Inter Branch Profit paid	4,322,507	37,567,745
Borrowing & Fund Placement	1,132,096	34,413,431
	<b>369,376,997</b>	<b>504,042,563</b>
<b>11. Commission / Fees, Exchange Earnings &amp; Brokerage</b>		
Commission on L/C	17,041,194	13,575,225
Commission on L/G	1,457,507	787,234
Commission on Remittance / Bills	293,479	120,844
Processing Fee Consumer Loan	65,500	59,500
Other Commission / Fees	4,757,142	10,195,013
Exchange gain including gain from foreign currency dealings	12,434,031	3,518,059
	<b>36,048,855</b>	<b>28,255,875</b>



	<b>2016 Taka</b>	<b>2015 Taka</b>
<b>12. Other Operating Income</b>		
Profit on Govt. Islamic Bond	879,375	2,528,750
Postage charge recoveries	410,932	300,071
Incidental charges	1,324,283	1,373,441
Supervision & monitoring charges	22,325	2,996,254
Management Fees	1,350,449	-
ATM charges realised	171,000	167,400
Swift charge recoveries	981,125	685,035
	<b>5,139,489</b>	<b>8,050,952</b>
<b>13. Salary and Allowances</b>		
Basic Salary	10,236,122	8,901,143
Allowances	13,748,985	12,207,500
Bonus & Ex-gratia	1,723,643	1,567,722
Leave Fare Assistance	1,657,473	1,519,086
Gratuity Expense	-	2,228,376
Bank's contribution to Provident Fund	1,013,832	899,860
	<b>28,380,055</b>	<b>27,323,688</b>
<b>14. Rent, Taxes, Insurance, Lighting Etc.</b>		
Office Rent	6,956,562	6,792,875
Electricity and Lighting	1,395,998	1,210,543
Regulatory Charges	170,736	45,160
Insurance	2,995,319	2,295,654
	<b>11,518,615</b>	<b>10,344,232</b>
<b>15. Postage, Stamps, Telecommunication Etc.</b>		
Stamps, Postage & Courier	308,427	144,244
Telephone Charges	179,569	170,731
Fax, Internet, Radio Link, & DDN Charges	295,695	589,371
	<b>783,691</b>	<b>904,346</b>
<b>16. Stationery, Printing, Advertisement Etc.</b>		
Table Stationery	270,281	247,949
Printing Stationery	289,502	336,789
Security Stationery	202,558	177,038
Computer Stationery	106,410	176,888
Advertisement	361,699	31,104
	<b>1,230,450</b>	<b>969,767</b>
<b>17. Depreciation of Bank's Assets</b>		
Land	-	-
Building	608,075	608,075
Furniture & Fixture	498,852	501,124
Office Appliance & Equipment	2,144,306	2,133,622
Computer	212,141	223,402
Software	47,702	48,525
Motor Vehicle	522,569	-
	<b>4,033,644</b>	<b>3,514,748</b>

	2016 Taka	2015 Taka
<b>18. Repair &amp; Maintenance of Bank's Assets</b>		
Office Premises	234,102	266,659
Office Equipment	326,723	327,443
Office Furniture	23,000	13,570
	32,700	-
Computer & Office Appliances	451,355	459,089
	<b>1,067,880</b>	<b>1,066,760</b>
<b>19. Other Expenses</b>		
Contractual Service Charge	4,062,563	3,374,613
Petrol, Oil and Lubricants	226,070	104,720
Entertainment: canteen & other	386,828	438,582
Donations	600,000	-
Travelling	140,136	152,608
Conveyance	152,129	181,216
Training Expenses	51,750	33,400
Books and Papers	13,718	16,879
WASA Charges	82,320	74,360
Staff Uniform	31,510	31,025
Potted Plants	81,000	62,850
Branch Opening Expenses	-	-
ATM Network Service Charges	275,000	146,700
Miscellaneous expenses	30,000	14,700
	<b>6,133,024</b>	<b>4,631,653</b>

## Dhaka Bank Limited (Off-Shore Banking Unit)

## Balance Sheet

As at 31 December 2016

Notes	31.12.2016		31.12.2015	
	USD	Taka	USD	Taka
<b><u>PROPERTY AND ASSETS</u></b>				
<b>Cash</b>	-	-	-	-
Cash in Hand (including foreign currencies)	-	-	-	-
Balance with Bangladesh Bank & Sonali Bank (including foreign currencies)	-	-	-	-
<b>Balance with other banks and financial institutions</b>	1,080,001	85,320,047	6,614,541	522,548,757
In Bangladesh	-	-	-	-
Outside Bangladesh	1,080,001	85,320,047	6,614,541	522,548,757
<b>Money at call and on short notice</b>	-	-	-	-
<b>Investments</b>	-	-	-	-
Government	-	-	-	-
Others	-	-	-	-
<b>Loans, advances and lease/investments</b>	3	17,981,726	1,420,556,382	9,904,057
Loans, cash credits, overdrafts, etc./Investments	3.1	16,886,732	1,334,051,825	8,266,679
Bills purchased and discounted	3.2	1,094,994	86,504,557	1,637,378
<b>Fixed assets including premises, furniture and fixtures</b>	-	-	-	-
<b>Other assets</b>	4	70,828,423	5,595,445,423	22,140,247
<b>Non-banking assets</b>	-	-	-	-
<b>Total Assets</b>		<b>89,890,150</b>	<b>7,101,321,852</b>	<b>38,658,846</b>
<b><u>LIABILITIES AND CAPITAL</u></b>				
<b>Liabilities</b>				
Borrowings from other banks, financial institutions and agents	5	10,682,770	843,938,814	16,601,018
<b>Deposits and other accounts</b>	6	12,027,664	950,185,490	9,189,219
Current accounts & other accounts		11,135,025	879,666,969	8,539,936
Bills payable		-	-	-
Other deposits		892,640	70,518,521	649,283
<b>Other liabilities</b>	7	64,684,616	5,110,084,677	11,409,706
<b>Total Liabilities</b>		<b>87,395,050</b>	<b>6,904,208,981</b>	<b>37,199,944</b>
<b>Capital/Shareholders' Equity</b>				
Paid-up capital		-	-	-
Statutory reserve		-	-	-
Other reserve		-	-	-
Surplus in Profit and Loss Account		2,495,100	197,112,871	1,458,902
<b>Total Shareholders' Equity</b>		<b>2,495,100</b>	<b>197,112,871</b>	<b>1,458,902</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>89,890,150</b>	<b>7,101,321,852</b>	<b>38,658,846</b>
				<b>3,054,048,811</b>

Off-Balance Sheet Items	Notes	31.12.2016		31.12.2015	
		USD	Taka	USD	Taka
<b>CONTINGENT LIABILITIES</b>	8				
Acceptances and Endorsements		12,037,463	950,959,546	6,842,797	540,580,924
Letter of Credit		12,593,801	994,910,240	4,029,956	318,366,485
Letter of Guarantee		-	-	-	-
Bills for Collection		6,851,349	541,256,599	6,795,507	536,845,029
Other Contingent Liabilities		-	-	-	-
<b>Sub-total:</b>		<b>31,482,612</b>	<b>2,487,126,386</b>	<b>17,668,259</b>	<b>1,395,792,437</b>
<b>OTHER COMMITMENTS</b>					
Documentary credit and short term trade-related transactions		-	-	-	-
Forward assets purchased and forward deposits placed		-	-	-	-
Undrawn note issuance and revolving underwriting facilities		-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-	-	-
<b>Sub-total:</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total off-balance sheet items including contingent liabilities</b>		<b>31,482,612</b>	<b>2,487,126,386</b>	<b>17,668,259</b>	<b>1,395,792,437</b>

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

**Managing Director & CEO**

**Director**

**Director**

**Chairman**

This is the balance sheet referred to in our separate report of even date.

Dhaka,  
30 April 2017

**ACNABIN**  
**Chartered Accountants**

**Dhaka Bank Limited (Off-Shore Banking Unit)**  
**Profit and Loss Account**  
**For the year ended 31 December 2016**

		2016		2015	
Notes		USD	Taka	USD	Taka
<b><u>Operating Income</u></b>					
Interest Income/Profit Received	9	3,276,174	258,817,750	2,116,875	167,233,155
Interest/Profit paid on Deposits & Borrowing	10	1,190,242	94,029,128	1,045,877	82,624,304
<b>Net Interest Income</b>		<b>2,085,932</b>	<b>164,788,622</b>	<b>1,070,998</b>	<b>84,608,851</b>
Income from Investment		-	-	-	-
Commission/Fees & Exchange Earnings	11	593,773	46,908,045	552,621	43,657,020
Other Operating Income	12	76,962	6,080,026	63,734	5,034,978
<b>Total Operating Income (A)</b>		<b>2,756,667</b>	<b>217,776,693</b>	<b>1,687,353</b>	<b>133,300,850</b>
<b>OPERATING EXPENSES</b>					
Salary and allowances		178,020	14,063,580	134,000	10,586,000
Rent, taxes, insurance, electricity, etc.		8,970	708,630	14,500	1,145,500
Legal expenses		3,600	284,400	6,000	474,000
Postage, stamps, telecommunication, etc.		6,960	549,840	10,500	829,500
Stationery, printing, advertisement, etc.		21,840	1,725,360	7,000	553,000
Chief executive's salary and fees		-	-	-	-
Directors' fees		-	-	-	-
Auditors' fees		-	-	-	-
Depreciation and repairs of Bank's assets		18,930	1,495,470	40,000	3,160,000
Other expenses	13	23,247	1,836,543	16,451	1,299,598
<b>Total operating expenses (b)</b>		<b>261,567</b>	<b>20,663,823</b>	<b>228,451</b>	<b>18,047,598</b>
<b>Profit / (Loss ) Before Provision ( C ) = ( A - B )</b>		<b>2,495,100</b>	<b>197,112,871</b>	<b>1,458,902</b>	<b>115,253,252</b>
Less: Provision for Loans (D)		179,817	14,205,564	99,041	7,824,205
<b>Total Profit/(Loss) before Tax ( C-D )</b>		<b>2,315,282</b>	<b>182,907,307</b>	<b>1,359,861</b>	<b>107,429,046</b>
Less: Provision for Income Tax		-	-	-	-
<b>Net Profit / (Loss) after Tax :</b>		<b>2,315,282</b>	<b>182,907,307</b>	<b>1,359,861</b>	<b>107,429,046</b>

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

**Managing Director & CEO**

**Director**

**Director**

**Chairman**

This is the profit and loss account referred to in our separate report of even date.

Dhaka,  
30 April 2017

**ACNABIN**  
**Chartered Accountants**

# Dhaka Bank Limited (Off-Shore Banking Unit)

## Cash Flow Statement

For the year ended 31 December 2016

Notes	2016		2015	
	USD	Taka	USD	Taka
<b>Cash Flow from Operating Activities</b>				
Interest receipts	3,276,174	258,817,750	2,116,875	167,233,155
Interest payments	(1,190,242)	(94,029,128)	(1,045,877)	(82,624,304)
Receipts from other operating activities	14 670,735	52,988,071	616,354	48,691,999
Payments for other operating activities	15 (261,567)	(20,663,823)	(228,451)	(18,047,598)
<b>Operating profit before changes in current assets &amp;</b>	<b>2,495,100</b>	<b>197,112,871</b>	<b>1,458,902</b>	<b>115,253,252</b>
<b>Changes in operating assets and liabilities</b>				
Other banks	5,534,541	437,228,711	(6,245,148)	(493,366,720)
Loans and advances to customers	(8,077,669)	(638,135,864)	5,684,314	449,060,831
Other assets	(48,688,176)	(3,846,365,888)	13,134,845	1,037,652,761
Deposits from other banks	(5,918,249)	(467,541,643)	(13,786,479)	(1,089,131,810)
Deposits from customers	2,838,446	224,237,198	(9,114,229)	(720,024,071)
Other liabilities account of customers	-	-	-	-
Other liabilities	53,274,910	4,208,717,867	9,955,930	786,518,463
<b>Net cash flow from operating activities (A)</b>	<b>1,458,902</b>	<b>115,253,252</b>	<b>1,088,135</b>	<b>85,962,704</b>
<b>Cash Flow from Investing Activities</b>	-	-	-	-
<b>Cash Flow from Financing Activities</b>				
Profit remitted to Head Office	(1,458,902)	(115,253,252)	(1,088,135)	(85,962,704)
<b>Net cash in financing activities</b>	<b>(1,458,902)</b>	<b>(115,253,252)</b>	<b>(1,088,135)</b>	<b>(85,962,704)</b>
<b>Net increase / (Decrease) in cash (A+B+C)</b>	-	-	-	-
Opening cash & cash equivalent	-	-	-	-
Closing cash & cash equivalent	-	-	-	-
<b>Closing cash &amp; cash equivalents</b>				
Cash in Hand	-	-	-	-
Balance with Bangladesh Bank & Sonali Bank	-	-	-	-
Balance with other banks & Financial Institutions	-	-	-	-
Money at call & Short Notice	-	-	-	-
Prize Bond	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Dhaka,  
30 April 2017

Managing Director & CEO

Director

Director

Chairman

**Dhaka Bank Limited (Off-shore Banking Unit)**  
**Liquidity Statement**  
**(Asset and Liability Maturity Analysis)**  
**as at 31 December 2016**

	Upto 01 month		1 - 3 months		3 - 12 months		1 - 5 years		More than 5 years		Total	
	USD	Taka	USD	Taka	USD	Taka	USD	Taka	USD	Taka	USD	Taka
<b>Assets:</b>												
Cash in hand	-		-		-		-		-		-	-
Balance with other banks and financial institutions	1,080,001	85,320,047	-		-		-		-		1,080,001	85,320,047
Money at call on short notice	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-
Loans and Advances	3,375,021	266,626,659	5,973,379	471,896,909	899,149	71,032,768	1,505,560	118,939,217	6,228,618	492,060,830	17,981,726	1,420,556,382
Fixed assets including premises, furniture and	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	70,828,423	5,595,445,423	-	-	-	-	70,828,423	5,595,445,423
Non-banking assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>4,455,022</b>	<b>351,946,706</b>	<b>5,973,379</b>	<b>471,896,909</b>	<b>71,727,572</b>	<b>5,666,478,191</b>	<b>1,505,560</b>	<b>118,939,217</b>	<b>6,228,618</b>	<b>492,060,830</b>	<b>89,890,150</b>	<b>7,101,321,852</b>
<b>Liabilities:</b>												
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	-	-	-	-	(10,682,770)	(843,938,814)	-	-	-	-	(10,682,770)	(843,938,814)
Deposits & Other Accounts	(11,624,987)	(918,373,946)	-	-	(402,678)	(31,811,545)	-	-	-	-	(12,027,664)	(950,185,490)
Other liabilities	(1,047,755)	(82,772,636)	(62,745,166)	(4,956,868,094)	(891,696)	(70,443,948)	-	-	-	-	(64,684,616)	(5,110,084,677)
<b>Total Liabilities</b>	<b>(12,672,742)</b>	<b>(1,001,146,581)</b>	<b>(62,745,166)</b>	<b>(4,956,868,094)</b>	<b>(11,977,143)</b>	<b>(946,194,306)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(87,395,050)</b>	<b>(6,904,208,981)</b>
<b>Net Liquidity Gap</b>	<b>(8,217,720)</b>	<b>(649,199,876)</b>	<b>(56,771,787)</b>	<b>(4,484,971,185)</b>	<b>59,750,429</b>	<b>4,720,283,884</b>	<b>1,505,560</b>	<b>118,939,217</b>	<b>6,228,618</b>	<b>492,060,830</b>	<b>2,495,100</b>	<b>197,112,871</b>

**Dhaka Bank Limited ( Off-shore Banking Unit)**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

**1 Nature of Business**

Off-Shore Banking Unit is a separate business unit of Dhaka Bank Limited, governed under the Rules & Guidelines of Bangladesh Bank. The Bank obtained the Offshore Banking Unit permission vide letter no. BRPD (P)744(92)/2005-2181 dated June 18, 2005. The Bank commenced the operation of its Offshore Banking Unit with effect from May 10, 2006.

**2 Significant Accounting Policy**

**2.1 Basis of accounting**

The accounting records of the unit are maintains in USD forms and the financial statements are made up to 31 December each year, and are prepared under the historical cost convention and in accordance with first schedule of Bank Companies Act (BCA) 1991 as amended by Bangladesh Bank (Central Bank) BRPD Circular No.14 dated 25 June 2003, other Bangladesh Bank circulars, International Financial Reporting Standards adopted as Bangladesh Accounting Standards (BAS), the Companies Act 1994, the Listing Regulations of the Stock Exchanges, the Securities and Exchange Rule 1987 and other laws and rules applicable in Bangladesh on a going concern basis.

**2.2 Allocation of common expenses**

Establishment expenses in the nature of rent, rates, taxes, salaries, management expenses, printing & stationery, electricity & lighting, postage, stamps, telecommunication etc. have not been separately accounted for in the Financial Statements.

31.12.2016		31.12.2015	
USD	Taka	USD	Taka

**3 Loans and Advances**

**3.1 Loans, Cash Credits & Overdrafts etc:**

**In Bangladesh**

Overdraft	2,781,180	219,713,252	612,941	48,422,362
Term Loan	6,753,412	533,519,512	7,653,738	604,645,294
Loan against Accepted Bills	474,516	37,486,793	-	-
Other Loans	6,877,624	543,332,267		
	<b>16,886,732</b>	<b>1,334,051,825</b>	<b>8,266,679</b>	<b>653,067,656</b>

**Outside Bangladesh**

	-	-	-	-
<b>Sub-total</b>	<b>16,886,732</b>	<b>1,334,051,825</b>	<b>8,266,679</b>	<b>653,067,656</b>

**3.2 Bills Purchased & Discounted**

Payable in Bangladesh:

Inland bills purchased

Payable outside Bangladesh:

Foreign bills purchased & discounted

	1,094,994	86,504,557	1,637,378	129,352,862
	-	-	-	-
<b>Sub-total</b>	<b>1,094,994</b>	<b>86,504,557</b>	<b>1,637,378</b>	<b>129,352,862</b>
<b>Total</b>	<b>17,981,726</b>	<b>1,420,556,382</b>	<b>9,904,057</b>	<b>782,420,518</b>

**3.3 Residual maturity grouping of loans including bills purchased and discounted**

Repayable on Demand	3,375,021	266,626,659	8,244,867	651,344,485
Not more than 3 months	5,973,379	471,896,909	612,941	48,422,362
More than 3 months but not more than 1 year	899,149	71,032,768	-	-
More than 1 year but not more than 5 years	1,505,560	118,939,217	1,046,249	82,653,671
More than 5 years	6,228,618	492,060,830	-	-
	<b>17,981,726</b>	<b>1,420,556,382</b>	<b>9,904,057</b>	<b>782,420,518</b>

**3.4 Maturity grouping of bills purchased & discounted**

Payable within 1 month	539,663	42,633,367	630,256	49,790,210
Over 1 month but less than 3 months	555,332	43,871,190	904,705	71,471,705
Over 3 months but less than 6 months	-	-	102,417	8,090,948
6 months or more	-	-	-	-
	<b>1,094,994</b>	<b>86,504,557</b>	<b>1,637,378</b>	<b>129,352,862</b>



31.12.2016		31.12.2015	
USD	Taka	USD	Taka

**3.5 Loans on the basis of significant concentration including bills purchased & discounted:**

a. Advances to allied concerns of Directors	-	-	-	-
b. Advances to Chief Executive	-	-	-	-
c. Advances to Other Senior Executives	-	-	-	-
d. <u>Advances to Customer's Group:</u>				
Agriculture loan	-	-	-	-
Commercial lending	16,364,796	1,292,818,878	7,653,738	604,645,292
Export financing	1,094,695	86,480,911	1,637,378	129,352,864
Consumer credit scheme	-	-	-	-
Small and Medium Enterprise (SME)	-	-	-	-
Staff Loan	-	-	-	-
Others	522,235	41,256,593	612,941	48,422,362
	<b>17,981,726</b>	<b>1,420,556,382</b>	<b>9,904,057</b>	<b>782,420,518</b>

**3.6 Industry - wise loans including bills purchased & discounted**

Agricultural	-	-	-	-
Pharmaceuticals	-	-	-	-
Textile & Garment	13,047,237	1,030,731,690	8,137,954	642,898,368
Chemical	-	-	719,854	56,868,479
Food & allied	-	-	-	-
Transport & Communication	524,793	41,458,682	1,046,249	82,653,671
Electronics & Automobile	-	-	-	-
Housing & Construction	-	-	-	-
Engineering & Metal Industries including Ship	-	-	-	-
Breaking	-	-	-	-
Energy & Power	-	-	-	-
Service	-	-	-	-
Others	4,409,696	348,366,009	-	-
	<b>17,981,726</b>	<b>1,420,556,382</b>	<b>9,904,057</b>	<b>782,420,518</b>

**3.7 Geographical Location - wise Loans and Advances**

Dhaka Region	17,981,726	1,420,556,382	9,904,057	782,420,518
Chittagong Region	-	-	-	-
South Region	-	-	-	-
North Region	-	-	-	-
Sylhet Region	-	-	-	-
Other	-	-	-	-
	<b>17,981,726</b>	<b>1,420,556,382</b>	<b>9,904,057</b>	<b>782,420,518</b>

**3.8 Sector wise loans**

In Bangladesh				
Government & Autonomous bodies	524,793	41,458,682	1,046,249	82,653,671
Financial Institutions (Public & Private)	-	-	-	-
Other Public Sector	-	-	-	-
Private Sector	17,456,933	1,379,097,700	8,857,808	699,766,847
	<b>17,981,726</b>	<b>1,420,556,382</b>	<b>9,904,057</b>	<b>782,420,518</b>
Outside Bangladesh	-	-	-	-
	<b>17,981,726</b>	<b>1,420,556,382</b>	<b>9,904,057</b>	<b>782,420,518</b>

**3.9 Classification of loans & advances**

Unclassified (including staff loan)	17,981,726	1,420,556,382	9,904,057	782,420,518
Sub-Standard	-	-	-	-
Doubtful	-	-	-	-
Bad or loss	-	-	-	-
	<b>17,981,726</b>	<b>1,420,556,382</b>	<b>9,904,057</b>	<b>782,420,518</b>

31.12.2016		31.12.2015	
USD	Taka	USD	Taka

### 3.10 Provision required for loans and advances

<u>Status</u>	<u>Rate%</u>				
Unclassified	0.25,1,2 & 5	179,817	14,205,564	99,041	7,824,205
Special Mention Account	0.25,1,2 & 5	-	-	-	-
		<b>179,817</b>	<b>14,205,564</b>	<b>99,041</b>	<b>7,824,205</b>
<u>Classified:</u>					
Sub-Standard	20	-	-	-	-
Doubtful	50	-	-	-	-
Bad or loss	100	-	-	-	-
		-	-	-	-
Required provision for loans & advances		<b>179,817</b>	<b>14,205,564</b>	<b>99,041</b>	<b>7,824,205</b>
Total provision maintained		<b>179,817</b>	<b>14,205,564</b>	<b>99,041</b>	<b>7,824,205</b>
Excess / short provision as at 31 December		-	-	-	-

### 3.11 Securities against loans including bills purchased & discounted

a. Secured					
Collateral of movable / immovable assets	16,886,732	1,334,051,825	8,266,679	653,067,654	
Local Banks & Financial Institutions guarantee	1,094,994	86,504,557	1,637,378	129,352,864	
Government Guarantee	-	-	-	-	
Foreign Banks Guarantee	-	-	-	-	
Export documents	-	-	-	-	
<u>Fixed Deposits Receipts</u>	-	-	-	-	
1 Own FDR	-	-	-	-	
2 FDR of Other Banks	-	-	-	-	
Government bonds	-	-	-	-	
Personal Guarantee	-	-	-	-	
Other Securities	-	-	-	-	
b. Unsecured	-	-	-	-	
	<b>17,981,726</b>	<b>1,420,556,382</b>	<b>9,904,057</b>	<b>782,420,518</b>	

### 3.12 Particulars of Loans and Advances

(i)	Loans considered good in respect of which the bank company is fully secured;	16,886,732	1,334,051,825	5,770,718	455,886,692
(ii)	Loans considered good against which the banking company holds no security other than the debtor's personal guarantee;	-	-	-	-
(iii)	Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors;	1,094,994	86,504,557	4,133,340	326,533,828
(iv)	Loans adversely classified; provision not maintained there against;	-	-	-	-
(v)	Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons;	-	-	-	-
(vi)	Loans due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members;	-	-	-	-

		31.12.2016		31.12.2015	
		USD	Taka	USD	Taka
(vii)	Maximum total amount of advances including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person;	-	-	-	-
(viii)	Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members;	-	-	-	-
(ix)	Due from banking companies;	-	-	-	-
(x)	Amount of classified loan on which interest has not been charged, should be mentioned as follows:	-	-	-	-
a)	Decrease / increase in provision;	-	-	-	-
b)	Amount realized against loan previously written off;	-	-	-	-
c)	Amount of provision kept against loan classified as 'bad/loss' on the date of preparing the balance sheet;	-	-	-	-
d)	Interest creditable to the Interest Suspense A/c;	-	-	-	-
(xi)	Cumulative amount of the written off loan;	3,028,550	239,255,443	3,028,550	239,255,443

#### 4 Other Assets

Accrued Interest	-	-	-	-
Advance Payment against Deferred LC	-	-	-	-
Prepaid Expenses	-	-	-	-
Finance to AD Branches for IBP	25,625,350	2,024,402,632	15,250,517	1,204,790,808
Finance to AD Branches for Import Bill Discounting	45,203,073	3,571,042,791	6,889,731	544,288,727
Branch Adjustment	-	-	-	-
	<b>70,828,423</b>	<b>5,595,445,423</b>	<b>22,140,247</b>	<b>1,749,079,535</b>

#### 5 Borrowing from Other Banks/Financial Institutions

<b>10,682,770</b>	<b>843,938,814</b>	<b>16,601,018</b>	<b>1,311,480,458</b>
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##### 5.1 Maturity grouping of Borrowings

Repayable on demand	-	-	-	-
Repayable within 1 month	-	-	-	-
Over 1 month but within 6 months	-	-	-	-
Over 6 months but within 1 year	10,682,770	843,938,814	16,601,018	1,311,480,458
Over 1 year but within 5 years	-	-	-	-
	<b>10,682,770</b>	<b>843,938,814</b>	<b>16,601,018</b>	<b>1,311,480,458</b>

According to BCD Circular No.(P)744(27) dated 17 December 1985 of Bangladesh Bank, Dhaka Bank maintained foreign currency accounts with Off-shore Banking Units in the manner they maintain such accounts with their foreign correspondents.

## 6 Deposits and Other Accounts

### 6.1 Current and Other Accounts

Foreign Currency Deposits

### 6.2 Bills Payable

### 6.3 Other deposit

Margin under L/C

Term Deposit

Deposits Awaiting Disposal

Sundry Deposit

31.12.2016		31.12.2015	
USD	Taka	USD	Taka

11,135,025	879,666,969	8,539,936	674,654,973
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-	-	-	-
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81,638	6,449,411	115,828	9,150,387
402,678	31,811,545	402,678	31,811,545
408,324	32,257,566	130,777	10,331,388
-	-	-	-
892,640	70,518,521	649,283	51,293,319
12,027,664	950,185,490	9,189,219	725,948,292

### 6.4 Maturity grouping of deposits and other accounts

Repayable on demand

Repayable within 1 month

Over 1 month but within 6 months

Over 6 months but within 1 year

Over 1 year but within 5 years

Over 5 years but within 10 years

11,624,987	918,373,946	8,786,541	694,136,747
-	-	-	-
-	-	-	-
402,678	31,811,545	402,678	31,811,545
-	-	-	-
-	-	-	-
12,027,664	950,185,490	9,189,219	725,948,292

## 7 Other Liabilities

Accrued Interest

Finance from Bill Discounting

Refinance by SWAP Woori Bank

5 years BSP

Export proceeds suspense

Interest Suspense Account

Tax deducted at source & payable

Provision against Expenses

Branch Adjustment

-	-	-	-
891,696	70,443,948	525,756	41,534,743
-	-	-	-
-	-	-	-
1,003,596	79,284,078	661,781	52,280,709
16,678	1,317,569	-	-
27,481	2,170,988	-	-
-	-	-	-
62,745,166	4,956,868,094	10,222,169	807,551,358
64,684,616	5,110,084,677	11,409,706	901,366,810

## 8 Contingent Liabilities

Acceptance & Endorsement

Letters of Credit

Letters of Guarantee

Bills for Collection

Other Contingent Liabilities

12,037,463	950,959,546	6,842,797	540,580,924
12,593,801	994,910,240	4,029,956	318,366,485
-	-	-	-
6,851,349	541,256,599	6,795,507	536,845,029
-	-	-	-
31,482,612	2,487,126,386	17,668,259	1,395,792,437

2016		2015	
USD	Taka	USD	Taka

## 9 Interest Income

Interest on Advances

Interest on Money at call and short Notice

Call Lending and Fund Placement with banks

Accounts with Foreign Banks

3,276,174	258,817,750	2,116,875	167,233,155
-	-	-	-
-	-	-	-
-	-	-	-
3,276,174	258,817,750	2,116,875	167,233,155

## 10 Interest / Profit Paid On Deposits & Borrowings

Term Deposits

Fund Borrowings

Inter Branch Interest paid

4,042	319,316	5,831	460,642
391,333	30,915,328	1,007,851	79,620,227
794,867	62,794,483	32,195	2,543,435
1,190,242	94,029,128	1,045,877	82,624,304

	2016		2015	
	USD	Taka	USD	Taka
<b>11 Commission / Fees and Exchange Earnings</b>				
Commission/ Fees Income	552,903	43,679,331	479,875	37,910,151
Exchange gain including gain form foreign currency dealings	40,870	3,228,714	72,745	5,746,869
	<b>593,773</b>	<b>46,908,045</b>	<b>552,621</b>	<b>43,657,020</b>
<b>12 Other Operating Income</b>				
Postage Charge Recoveries	24,113	1,904,906	18,832	1,487,764
Swift Charge Recoveries	52,850	4,175,120	44,901	3,547,214
Other Fees	-	-	-	-
	<b>76,962</b>	<b>6,080,026</b>	<b>63,734</b>	<b>5,034,978</b>
<b>13 Other expenses</b>				
Contractual service charge	7,992	631,398	4,151	327,898
Petrol, oil and lubricants (vehicle & generator)	3,900	308,100	3,250	256,750
Entertainment (canteen & other)	3,690	291,510	1,600	126,400
Travelling	-	-	1,100	86,900
Conveyance	1,095	86,505	500	39,500
Training expenses	4,000	316,000	1,200	94,800
Books and papers	285	22,515	550	43,450
Staff uniform	-	-	1,000	79,000
Potted plants	1,110	87,690	1,100	86,900
Business development & promotion	-	-	2,000	158,000
Bank Account Charges	1,175	92,825	-	-
	<b>23,247</b>	<b>1,836,543</b>	<b>16,451</b>	<b>1,299,598</b>
<b>14 Cash Received from Other Operating Activities</b>				
Commission & Exchange	593,773	46,908,045	552,621	43,657,020
Other Operating Income	76,962	6,080,026	63,734	5,034,978
	<b>670,735</b>	<b>52,988,071</b>	<b>616,354</b>	<b>48,691,999</b>
<b>15 Cash Paid for Other Operating Activities</b>				
Office Operating Expenses	<b>(261,567)</b>	<b>(20,663,823)</b>	<b>(228,451)</b>	<b>(18,047,598)</b>
<b>16 General</b>				
16 Fixed Assets of this unit are appearing in the books of the main operation of the bank and depreciation is also charged to Profit & Loss Account of the main operation of the bank.				
16 Assets and liabilities have been converted into Taka Currency @ US\$ 1 = Tk. 79.00, GBP=96.5784, Euro = 82.2241 (2015 : Us \$ 1 = Tk 79.00) which represents the year end mid rate of exchange as at 31 December 2016.				
16 Previous year's figures have been rearranged, where considered necessary, to conform to current year's presentation.				

**Dhaka Bank Securities Limited**  
**Statement of Financial Position**  
**As at 31 December 2016**

	Notes	31.12.2016 Taka	31.12.2015 Taka
<b>ASSETS</b>			
<b>Non Current Assets</b>		<b>984,802,041</b>	<b>986,948,140</b>
Property, plant and equipment	4	7,724,271	9,826,164
Intangible assets	5	-	44,206
Investment in un-quoted shares	6	977,077,770	977,077,770
<b>Current Assets</b>		<b>3,960,179,898</b>	<b>4,048,962,312</b>
Investment in marketable securities	7	1,500,440,363	1,296,758,380
Cash and cash equivalents	8	184,381,826	238,118,358
Margin loan	9	2,057,523,809	2,403,412,251
Account receivables	10	46,405,391	17,398,175
Advance income tax	11	112,325,963	65,468,799
Advance, prepayment & other receivables	12	56,931,927	26,050,026
Deferred tax assets	13	2,170,619	1,756,323
<b>Total Assets</b>		<b>4,944,981,940</b>	<b>5,035,910,452</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>		<b>1,948,466,042</b>	<b>1,867,415,478</b>
Share capital	14	1,716,000,000	1,560,000,000
Investment fluctuation fund	15	25,900,000	20,200,000
Retained earnings	16	206,566,042	287,215,478
<b>Liabilities</b>			
<b>Current Liabilities</b>		<b>2,996,515,898</b>	<b>3,168,494,974</b>
Short-term loan from bank and NBFI	17	2,113,441,442	2,259,097,699
Accounts payables	18	175,470,262	248,545,942
Provision for income tax	19	129,878,773	95,536,853
Provision for unrealized losses	20	503,173,973	452,516,721
Other liabilities	21	74,551,448	112,797,758
<b>Total Liabilities</b>		<b>2,996,515,898</b>	<b>3,168,494,974</b>
<b>Total Equity and Liabilities</b>		<b>4,944,981,940</b>	<b>5,035,910,452</b>

The annexed notes from 1 to 43 form an integral part of these financial statements.

**Dhaka Bank Securities Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 31 December 2016**

	Notes	2016 Taka	2015 Taka
<b>Operating Income</b>			
Brokerage commission income	22	77,948,181	63,632,147
Direct expenses	23	(8,184,704)	(7,075,645)
<b>Net brokerage commission income (a)</b>		<b>69,763,477</b>	<b>56,556,502</b>
Interest income	24	159,231,617	227,229,789
Interest expense	25	(158,403,128)	(224,160,122)
<b>Net interest income (b)</b>		<b>828,489</b>	<b>3,069,667</b>
Net investment income (c)	26	166,749,241	210,747,275
Fees & other income (d)	27	874,258	2,489,124
<b>Total Operating Income (A=a+b+c+d)</b>		<b>238,215,465</b>	<b>272,862,567</b>
<b>Operating Expenses</b>			
Salaries & allowances	28	32,834,624	31,849,313
Rent, taxes, insurance, electricity, etc.	29	20,296,028	15,160,998
Legal expenses	30	397,000	275,375
Postage, stamp, telecommunication, etc.	31	610,064	640,965
Stationery, printing, advertisements, etc.	32	1,192,067	1,206,667
Directors' fee & meeting expenses	33	938,814	647,045
Audit fee	34	287,500	115,000
Repair & maintenance of assets	35	4,643,618	4,247,864
Other expenses	36	8,404,428	10,147,324
Depreciation and amortization	37	3,633,135	5,995,303
<b>Total Operating Expenses (B)</b>		<b>73,237,278</b>	<b>70,285,854</b>
<b>Profit before Provisions and Tax (A - B)</b>		<b>164,978,187</b>	<b>202,576,713</b>
<b>Less: Provisions for Unrealized Losses</b>		<b>50,000,000</b>	<b>93,321,410</b>
Provision for unrealized loss in portfolio		25,000,000	73,321,410
Provision for unrealized loss in margin loan accounts		25,000,000	20,000,000
<b>Profit before Provision for Income Tax</b>		<b>114,978,187</b>	<b>109,255,303</b>
<b>Less: Provision for income tax</b>		<b>33,927,624</b>	<b>33,173,843</b>
Current tax	38	34,341,920	34,308,963
Deferred tax income	39	(414,296)	(1,135,120)
<b>Net profit</b>		<b>81,050,563</b>	<b>76,081,460</b>
Other comprehensive income		-	-
<b>Total Comprehensive Income</b>		<b>81,050,563</b>	<b>76,081,460</b>
<b>Earnings Per Share (EPS)</b>	40	<b>0.47</b>	<b>0.44</b>

The annexed notes from 1 to 43 form an integral part of these financial statements.

**Dhaka Bank Securities Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2016**

<b>(Amount in Taka)</b>				
<b>Particulars</b>	<b>Share Capital</b>	<b>Investment Fluctuation Fund</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
Balance as on 01 January 2016	1,560,000,000	20,200,000	287,215,479	1,867,415,479
Net profit for the year	-	-	81,050,563	81,050,563
Bonus Shares Issued	156,000,000	-	(156,000,000)	-
Transfer to Investment Fluctuation Fund	-	5,700,000	(5,700,000)	-
<b>Balance as at 31 December 2016</b>	<b><u>1,716,000,000</u></b>	<b><u>25,900,000</u></b>	<b><u>206,566,042</u></b>	<b><u>1,948,466,042</u></b>
Balance as on 01 January 2015	1,560,000,000	11,500,000	219,834,018	1,791,334,018
Net profit for the year	-	-	76,081,460	76,081,460
Transfer to Investment Fluctuation Fund	-	8,700,000	(8,700,000)	-
<b>Balance as at 31 December 2015</b>	<b><u>1,560,000,000</u></b>	<b><u>20,200,000</u></b>	<b><u>287,215,479</u></b>	<b><u>1,867,415,479</u></b>

The annexed notes from 1 to 43 form an integral part of these financial statements.



**Dhaka Bank Securities Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2016**

	<b>2016</b> <b>Taka</b>	<b>2015</b> <b>Taka</b>
<b>A. Cash flow from operating activities</b>		
Net profit during the year	81,050,563	76,081,460
Adjustments for:		
Depreciation & amortization	3,633,135	5,995,303
<b>Cash generated from operating activities before changes in working capital:</b>	<b>84,683,698</b>	<b>82,076,763</b>
<b>Changes in workings capital:</b>		
(Increase)/decrease in accounts receivable	(29,007,216)	9,099,281
Increase in deferred tax asset	(414,296)	(1,135,120)
Decrease/(increase) in margin loan to clients	345,888,442	(52,719,568)
Decrease/(increase) in advance income tax	(46,857,164)	(43,330,815)
Increase in provision for unrealized losses	50,657,252	93,332,016
Increase in advances, prepayments, and other receivables	(30,881,901)	(7,803,330)
(Decrease)/increase in accounts payable	(73,075,681)	37,086,361
Decrease in other liabilities	(38,246,310)	(36,050,291)
Increase/(decrease) in provision for income tax	34,341,920	34,308,963
	212,405,046	32,787,497
<b>Net cash flow from operating activities</b>	<b>297,088,744</b>	<b>114,864,260</b>
<b>B. Cash flow from investing activities</b>		
Acquisition of property, plant and equipment	(1,487,036)	(1,047,434)
Investment in shares/securities	(203,681,983)	(311,725,972)
<b>Net cash (used in)/ flow from investing activities</b>	<b>(205,169,019)</b>	<b>(312,773,406)</b>
<b>C. Cash flows from financing activities</b>		
(Repayment for)/Receipt of loan from Dhaka Bank Limited	(145,656,257)	181,097,699
Receipt of loan from United Finance Limited	-	50,000,000
<b>Net cash flow from in financing activities</b>	<b>(145,656,257)</b>	<b>231,097,699</b>
<b>D. Net (deficit)/surplus in cash &amp; cash equivalents for the year (A+B+C)</b>	<b>(53,736,532)</b>	<b>33,188,553</b>
<b>E. Cash &amp; cash equivalents at the beginning of the year</b>	<b>238,118,358</b>	<b>204,929,805</b>
<b>F. Cash and cash equivalents at the end of the year</b>	<b>184,381,826</b>	<b>238,118,358</b>

The annexed notes from 1 to 43 form an integral part of these financial statements.

**Dhaka Bank Securities Limited**  
**Notes to the Financial Statements**  
**For the year ended on 31 December 2016**

**1. Company and its Activities**

**1.1 Legal Status of the Company**

Dhaka Bank Securities Limited (the name of company has been changed from DBL Securities Limited to Dhaka Bank Securities Limited with effect from 27 April 2014) was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration no. C-85857/10 dated 19 July 2010 as a Private Company limited by Shares having its registered office at Adamjee Court (1st Floor), 115-120, Motijheel C/A, Dhaka -1000. The status of the company has been converted into "Public Limited" from "Private Limited" in May 2016. The company is the Trading Right Entitlement Certificate (TREC) holder of both of the stock exchanges of the country (TREC No. 193 in DSE and TREC No. 081 in CSE). The Company commenced its business operations from 13 February 2011 as a wholly owned subsidiary of Dhaka Bank Limited.

**1.2 Principal Activities of the Company**

The principal activities of the company are to act as a TREC Holder of Dhaka Stock Exchanges Limited and Chittagong Stock Exchange Limited to carry on the business of brokers in stocks, shares and securities, commercial papers, bonds, debentures, debentures stocks, foreign currencies, treasury bills and/or any financial instruments. The company has six branches in Bangladesh located at Adamjee Court-Motijheel, DSE Building-Motijheel, Dhanmondi, Uttara, Agrabad and Sylhet. Dhaka Bank Securities Limited possesses following licenses from regulatory authorities:

<b>Name of Authority</b>	<b>License/Registration</b>	<b>Purpose</b>
Bangladesh Securities and Exchange Commission (BSEC)	3.1/DSE-193/2011/453	Stock Broker Business with DSE
Bangladesh Securities and Exchange Commission (BSEC)	3.1/DSE-193/2011/454	Stock Dealer Business with DSE
Bangladesh Securities and Exchange Commission (BSEC)	3.2/CSE-081/2011/260	Stock Broker Business with CSE
Bangladesh Securities and Exchange Commission (BSEC)	3.2/CSE -081/2011/261	Stock Dealer Business with CSE
Bangladesh Securities and Exchange Commission (BSEC)	CDBL- DP 17	Depository Functions with Central Depository Bangladesh Limited (CDBL)
Dhaka Stock Exchange Limited (DSE)	TREC NO. 193	Trading with DSE
Chittagong Stock Exchange Limited (CSE)	TREC NO. 081	Trading with CSE

**2. Basis of preparation of financial statements**

**2.1 Statement of compliance**

The financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act, 1994 and other applicable laws and regulations.

**2.2 Other regulatory compliance**

As required, Dhaka Bank Securities Limited also complies with the applicable provisions of the following major laws/ statutes:

- The Income Tax Ordinance, 1984;
- The Income Tax Rules, 1984;

- Negotiable Instruments Act, 1881;
- Securities and Exchange Rules, 1987;
- Securities and Exchange Commission Act, 1993;
- Securities and Exchange Commission (Stock-Dealer, Stock-Broker and Authorized Representatives) Rules, 2000; and
- Other applicable laws and regulations.

## 2.3 Basis of measurement

These financial statements have been prepared on a going concern basis under the historical cost convention in accordance with Bangladesh Financial Reporting Standards (BFRS).

## 2.4 Components of financial statements

- Statement of Financial Position
- Statement of Profit or Loss and Other Comprehensive Income
- Statement of Changes in Equity
- Statement of Cash Flows
- Notes to the Financial Statements

## 2.5 Functional and presentational currency

The financial statements have been presented in Bangladesh Taka (BDT) currency, which is the Company's functional currency. All financial information presented in BDT has been rounded off to the nearest integer.

## 2.6 Use of Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the year end.

Provisions and accrued expenses are recognized in the financial statements in line with Bangladesh Accounting Standard (BAS) 37: "Provisions, Contingent Liabilities and Contingent Assets" when - the Company has a legal or constructive obligation as a result of past event; and

- i. It is probable that an outflow of economic benefit will be required to settle the obligation.
- ii. A reliable estimate can be made for the amount of the obligation.

## 2.7 Going Concern

The Company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the company provide sufficient funds to meet the present requirements of its existing businesses and operations.

## 2.8 Statement of cash flows

Statement of Cash Flows is prepared in accordance with Bangladesh Accounting Standard (BAS) 7: "Statement of Cash Flows" and the cash flows from operating activities are presented under the indirect method as prescribed by the Securities and Exchange Rules, 1987.

## 2.9 Investment in Shares of Stock Exchanges

In accordance with section 8 of the Exchanges Demutualization Act 2013, both stock exchange membership has been converted into shares through the issuance of two completely de-linked assets to the former members in the Exchange, namely (a) fully paid-up shares and (b) trading right. Exchanges shall have the authority to issue Trading Right Entitlement Certificate (TREC), as per the Exchanges Demutualization, Act 2013 and as outlined in the scheme, to provide the right to trade any securities enlisted in CSE to eligible brokers and dealers. Such TRECs will be totally separate from the ownership of the Exchange as there is no obligation for TREC holders to be or remain shareholders of the exchange.

### 2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash at bank which are held and are available for use by the Company without any restriction. There is insignificant risk of change in the value of the above items.

## 3. **Significant accounting policies**

### 3.1 Property, Plant and Equipment

#### 3.1.1 Recognition and Measurement

All Property, Plant and Equipment are stated at cost less accumulated depreciation as per BAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use.

#### 3.1.2 Depreciation and Amortization

Property, Plant and Equipment are stated at cost less accumulated depreciation. Depreciation is charged using the straight-line method on the acquisition cost of PPE and such cost is written off over the estimated useful lives of assets, in accordance with BAS 16. Depreciation for full month is charged on additions irrespective of date when the related assets are put into use and no depreciation is charged for the month of disposal. The rates of depreciation used to write off the amount of assets are as follows:

<u>Name of the Assets</u>	<u>Rate</u>
Furniture and fixtures	10% p.a
Office Appliance and Equipment	20% p.a
Computer Equipments	20% p.a
Software	20% p.a
Motor Vehicles	20% p.a

#### 3.2 Intangible Assets and Amortization of Intangible assets

The main item included in intangible asset is computer software. Intangible assets are recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably in accordance with BAS 38: "Intangible Assets". Accordingly, these assets are stated in the Statement of Financial Position at cost less accumulated amortization. Intangible assets are amortized over a period of five (05) years.

#### 3.3 Recognition and measurement of financial assets

In accordance with Bangladesh Accounting Standard (BAS) 39, financial assets may be recognized at fair value, with gain and losses taken to the income statement in net investment income. A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term.

#### 3.4 Investment in Shares

Investment in quoted shares (or shares held for sale) and unquoted shares are initially recognized at cost plus transaction costs that are directly attributable to the acquisition of the shares.

#### 3.5 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and cash at bank which are held and are available for use by the Company without any restriction. There is insignificant risk of change in the value of the above items.

### 3.6 Provision for Tax

#### 3.6.1 Current tax

Provision for current tax is made on the basis of the profit for the year as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereto from time to time.

#### 3.6.2 Deferred Tax

Deferred tax arises due to temporary difference deductible or taxable for the events or transaction recognized in the income statement. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The Bank has recognized deferred tax in accordance with the Bangladesh Accounting Standard (BAS)-12.

### 3.7 Revenue Recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise and in accordance with the Bangladesh Accounting Standard (BAS)-18 "Revenue Recognition":

#### **i. Brokerage Commission**

Brokerage commission is recognized as income when selling or buying order executed.

#### **ii. Interest Income from Margin Loan**

Interest Income from margin loan is recognized on accrual basis. Such income is calculated on daily margin loan balance of the respective parties. Income is recognized on monthly basis and applied to the customers' account on quarterly basis.

#### **iii. Dividend Income and Profit/ (Loss) on Sale of Marketable Securities**

Dividend income is recognized when right to receive payment is established whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realized or loss is incurred.

### 3.8 Earnings Per Share

The Company calculates earning per share in accordance with Bangladesh Accounting Standard (BAS)-33 "Earning Per Share" which has been shown in the face of the Statement of Profit or Loss and Other Comprehensive Income.

### 3.9 Provision against Unrealized Loss in Margin Loan

As Per Bangladesh Securities and Exchange Commission (BSEC) Circular No. SEC/CMRRCD/2009-193/196 dated 28 December 2016, the company may keep 20% Provision against Unrealized Loss in the Portfolio accounts of Margin Loan Clients as on 31 December 2016.

### 3.10 Related Party Disclosure

As per Bangladesh Accounting Standards (BAS)-24 "Related Party Disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties.

### 3.11 Branch Accounting

The Company has 6 (six) Branch Offices (excluding Head Office), with no overseas branch as on 31 December 2016. Accounts of the branches are maintained at the head office which are included in the accompanying financial statements.

### 3.11 Reporting Period

These financial statements cover one calendar year from 01 January to 31 December 2016.

### 3.12 Events after the balance sheet date

Events after the balance sheet date that provides additional information about company's financial position at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that are material but not adjusting event are discussed in the notes.

### 3.13 Application of Bangladesh Accounting Standards (BASs):

<b>Name of the BAS</b>	<b>BAS No.</b>	<b>Status</b>
Presentation of Financial Statements	1	Applied
Statements of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Balance Sheet Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Revenue	18	Applied
Employee Benefits	19	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Financial Instruments: Presentation	32	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied

	31.12.2016 Taka	31.12.2015 Taka
<b>4. Property, plant and equipment</b>		
<b>A. Cost:</b>		
Opening balance	31,889,717	30,842,283
Purchased during the year	1,487,036	1,047,434
Closing balance (A)	<b>33,376,753</b>	<b>31,889,717</b>
<b>B. Accumulated Depreciation:</b>		
Opening balance	22,063,552	17,034,538
Charged for the Year	3,588,929	5,029,015
Closing balance (B)	<b>25,652,481</b>	<b>22,063,552</b>
<b>Written down Value (A-B)</b>	<b>7,724,271</b>	<b>9,826,164</b>

A schedule of property, plant and equipment is given in Annexure-A.

**5. Intangible assets**

<b>A. Cost:</b>		
Opening balance	4,831,461	4,831,461
Addition during the year	-	-
Closing balance (A)	<b>4,831,461</b>	<b>4,831,461</b>
<b>B. Accumulated Amortization:</b>		
Opening balance	4,787,255	3,820,967
Charged for the Year	44,206	966,288
Closing balance (B)	<b>4,831,461</b>	<b>4,787,255</b>
<b>C. Written down value (A-B)</b>	<b>-</b>	<b>44,206</b>

A schedule of intangible assets is given in Annexure-A.

**6. Investment in un-quoted shares**

Dhaka Stock Exchange Limited (DSE)	(Note: 6.1)	700,000,000	700,000,000
Chittagong Stock Exchange Limited (CSE)	(Note: 6.2)	250,000,000	250,000,000
Central Depository Bangladesh Limited (CDBL)		18,277,770	18,277,770
Energypac Power Generation Limited		8,800,000	8,800,000
		<b>977,077,770</b>	<b>977,077,770</b>

<b>6.1</b>	<b>Stock Exchange</b>	<b>Allotment Status</b>	<b>Number of shares</b>	<b>Number of shares</b>
	Dhaka Stock	Alloted (40%)	2,886,042	2,886,042
	Exchange	Blocked (60%)	4,329,063	4,329,063
			<b>7,215,105</b>	<b>7,215,105</b>
<b>6.2</b>	<b>Stock Exchange</b>	<b>Allotment Status</b>		
	Chittagong Stock	Alloted (40%)	1,714,932	1,714,932
	Exchange	Blocked (60%)	2,572,398	2,572,398
			<b>4,287,330</b>	<b>4,287,330</b>
<b>7</b>	<b>Investment in marketable securities</b>		<b>1,500,440,363</b>	<b>1,296,758,380</b>

**7.1** The investments in shares are categorized as financial assets held for trading as per BAS 39: Financial Instruments: Recognition and Measurement. The details of the investments are as follows:

Business Segments	No. of Shares	Total Cost of Shares	Market Value of Shares as on 31.12.2016	Market Value of Shares as on 31.12.2015
Banks / Finance	1,985,179	32,258,186	33,364,515	35,440,881
Fuel & Power	2,885,892	510,324,162	380,259,211	295,761,842
Insurance	1,259,603	126,144,312	81,009,165	84,281,310
Mutual Fund	749,318	4,139,186	5,792,486	6,416,282
Cement	2,935,392	348,607,154	240,995,683	218,980,243

Business Segments	No. of Shares	Total Cost of Shares	Market Value of Shares as on 31.12.2016	Market Value of Shares as on 31.12.2015
Pharmaceuticals & Chemicals	2,311,917	291,599,229	281,988,939	222,983,915
Engineering/ Travel & leisure	3,819,913	154,834,139	129,460,786	96,772,519
Textile	663,123	12,195,512	12,028,166	-
Tannery Industries	10,063	100,630	305,915	-
Food & Miscellaneous	285,482	20,237,853	10,173,709	-
		<b>1,500,440,363</b>	<b>1,175,378,574</b>	<b>960,636,992</b>

## 8. Cash and cash equivalents

Cash in hand		109,500	109,500
Cash at bank	(Note: 8.1)	184,272,326	238,008,858
		<b>184,381,826</b>	<b>238,118,358</b>

### 8.1 Bank Name Branch Name A/C No. A/C Type

Dhaka Bank Limited	Local	201.150.2960	SND A/C	4,887,121	2,407,073
Dhaka Bank Limited	Local	201.150.2972	SND A/C	77,479,728	203,026,948
Dhaka Bank Limited	Local	201.150.3444	SND A/C	46,472,989	40,602
IFIC Bank Limited	Stock Ex.	1090-358447-001	CD A/C	2,650,955	5,368,764
UCB Limited	Forex	0721101000000515	CD A/C	2,542,725	741,671
UCB Limited	Forex	0721101000000049	CD A/C	5,956,069	3,181,337
IFIC Bank Limited	Stock Ex.	1090-358002 -001	SND A/C	43,736,225	22,700,432
Standard Chartered	Motijheel	01-1183892-01	SND A/C	546,515	542,030
				<b>184,272,326</b>	<b>238,008,858</b>

## 9. Margin loan

Opening balance	2,983,321,183	2,723,449,905
Disbursed during the year	120,978,524	402,692,674
	3,104,299,707	3,126,142,579
Realized during the year	(345,888,442)	(142,821,396)
<b>Gross margin loan outstanding</b>	<b>2,758,411,265</b>	<b>2,983,321,183</b>
Closing balance of interest suspense account	(700,887,456)	(579,908,932)
	<b>2,057,523,809</b>	<b>2,403,412,251</b>

## 10. Account receivables

Receivable from non-margin clients	2,559,080	1,932,901
Receivable from Dhaka Stock Exchange (DSE)	43,640,553	15,047,403
Receivable from Chittagong Stock Exchange(CSE)	205,759	417,871
	<b>46,405,391</b>	<b>17,398,175</b>

## 11. Advance income tax

Opening balance	65,468,799	22,137,984
Addition during the year	46,857,164	43,330,815
	<b>112,325,963</b>	<b>65,468,799</b>

### 11.1 Advance income tax (Addition)

AIT/TDS on brokerage commission - DSE	10,738,968	8,432,947
AIT/TDS on brokerage commission - CSE	50,656	146,053
Advance income tax paid	25,963,455	28,637,420
TDS/ AIT (Interest income, dividend income, etc)	10,104,085	6,114,395
	<b>46,857,164</b>	<b>43,330,815</b>



		31.12.2016 Taka	31.12.2015 Taka
<b>12. Advance, prepayment &amp; other receivables</b>			
Advance (Note: 12.1)		30,964,245	853,000
Prepayment (Note: 12.2)		30,703	2,843,706
Other receivables (Note: 12.3)		25,936,980	22,353,321
		<b>56,931,927</b>	<b>26,050,027</b>
<b>12.1 Advances</b>			
Advance for purchase of floor space @ DSE tower		850,000	850,000
Advance-IPO Application for Dealer A/C		30,000,000	-
Advance against expenses		114,245	3,000
		<b>30,964,245</b>	<b>853,000</b>
<b>12.2 Prepayment</b>			
Prepaid rent -Premises		-	2,812,500
Prepaid insurance - fire & burglary		25,503	26,906
Prepaid non-judicial stamp		5,200	4,300
		<b>30,703</b>	<b>2,843,706</b>
<b>12.3 Other receivables</b>			
Non-Interest Bearing Block Accounts		586,932	1,244,183
Cash Dividend Receivable		25,350,048	21,109,138
		<b>25,936,980</b>	<b>22,353,321</b>
<b>13. Deferred tax assets</b>			
	<b>Carrying Amount</b>	<b>Tax Base</b>	<b>Taxable Temporary Difference</b>
	<b>Taka</b>	<b>Taka</b>	<b>Taka</b>
<b>As on 31 December 2016</b>			
Property, Plant & Equipment	7,724,271	13,926,039	6,201,768
Applicable Tax Rate			35%
<b>Deferred Tax Asset as on 31 December 2016</b>			<b>2,170,619</b>
<b>As on 31 December 2015</b>			
Property, Plant & Equipment	9,870,370	14,888,436	5,018,067
Applicable Tax Rate			35%
<b>Deferred Tax Asset as on 31 December 2015</b>			<b>1,756,323</b>
<b>14. Share capital</b>			
<b>Authorized Capital</b>			
500,000,000 ordinary shares of Tk. 10 each		<b>5,000,000,000</b>	<b>5,000,000,000</b>
<b>Paid up Capital</b>			
171,600,000 ordinary shares of Tk. 10 each fully paid		<b>1,716,000,000</b>	<b>1,560,000,000</b>
<b>Name of Shareholders</b>	<b>% of Shareholding</b>	<b>Number of Shares held*</b>	
<b>1. Dhaka Bank Limited,</b>	99.999997%	171,599,994	
<b>Represented By,</b>			
Mr. Reshadur Rahman			1,715,999,940
Mr. Abdul Hai Sarker			
Ms. Rokshana Zaman			1,559,999,940
Mr. Altaf Hossain Sarker			
Mr. Syed Abu Naser Bukhtear			
Ahmed			

			31.12.2016 Taka	31.12.2015 Taka
Name of Shareholders	% of Shareholding	Number of Shares held		
2. Mr. Dilawar Hossain	0.000001%	1	10	10
3. Mr. Choudhury Md. Humayun Kabir	0.000001%	1	10	10
4. Mr. Md. Mahbubur Rahman	0.000001%	1	10	10
5. Mr. Nazmul Alam Khan	0.000001%	1	10	10
6. Mr. Suez Islam	0.000001%	1	10	10
7. Mrs. Shahnaz Naznin	0.000001%	1	10	10
<b>100%</b>		<b>171,600,000</b>	<b>1,716,000,000</b>	<b>1,560,000,000</b>

\*In its 25th meeting of Board of Directors of the Company held on 08 April 2015, the Board recommended for raising paid-up capital of the Company through issuance of ordinary shares to the existing shareholders of the Company by way of 10 (Ten) Bonus shares for every 100 (one hundred) shares for the year 2014. Subsequently, the shareholders of the company approved the resolution of the Board regarding issuance of Bonus shares in its 5th Annual General Meeting held on 12 May 2015. Bangladesh Securities and Exchange Commission (BSEC) approved the proceeds vide approval letter no. BSEC/CI/CPLC (pvt.)-267/2010/352 dated – 21 June 2016 and all other regulatory requirements in this regard already complied.

**15. Investment fluctuation fund**

Opening Balance	20,200,000	11,500,000
Addition during the year	5,700,000	8,700,000
	<b>25,900,000</b>	<b>20,200,000</b>

**16. Retained earnings**

Opening Balance	287,215,479	219,834,018
Net profit for the year	81,050,563	76,081,460
	<b>368,266,042</b>	<b>295,915,479</b>
Transfer to Investment Fluctuation Fund	(5,700,000)	(8,700,000)
Bonus Shares issued	(156,000,000)	-
	<b>206,566,042</b>	<b>287,215,479</b>

**17. Short-term loan from bank and NBFIs**

Loan from Dhaka Bank Limited	(Note: 17.1)	1,913,441,442	2,059,097,699
Loan from United Finance Limited	(Note: 17.2)	200,000,000	200,000,000
		<b>2,113,441,442</b>	<b>2,259,097,699</b>

**17.1 Loan from Dhaka Bank Limited**

Dhaka Bank Limited, vide their Sanction Letter No. DBL/LO/CR/2017/159 dated 11 January 2017, renewed the Overdraft Facility of Tk. 2,000 Million in favor of Dhaka Bank Securities Limited. As on 31 December 2016 the facility was utilized to the tune of Taka 1,913,441,442.

**17.2 Loan from United Finance Limited**

Dhaka Bank Securities Limited entered into a loan agreement No. 01061404248 dated 21 May 2014 with United Finance Limited for one year revolving loan which was renewed on 21 May 2016.

**18. Accounts payables**

Payable to clients	109,401,738	243,878,241
IPO application money	46,330,000	-
Payable to DSE	19,519,135	4,593,930
Payable to CSE	307	16,604
Payable to CDBL	219,081	57,167
	<b>175,470,262</b>	<b>248,545,942</b>

		31.12.2016 Taka	31.12.2015 Taka
<b>19. Provision for income tax</b>			
Opening balance		95,536,853	61,227,890
Provision made during the period		34,341,920	34,308,963
		<b>129,878,773</b>	<b>95,536,853</b>
<b>20. Provision for unrealized losses</b>			
Loss in portfolio	(Note: 20.1)	150,000,000	125,000,000
Loss in margin loan accounts	(Note: 20.2)	345,000,000	320,000,000
Stimulation fund for affected investors	(Note: 20.3)	8,173,972	7,516,721
		<b>503,173,973</b>	<b>452,516,721</b>
<b>20.1 Provision for Unrealized Loss in Portfolio</b>			
Opening balance		125,000,000	51,678,590
Addition during the year		25,000,000	73,321,410
		<b>150,000,000</b>	<b>125,000,000</b>
This represents provision made as per BSEC directive to maintain at least 20% of unrealized loss in portfolio.			
<b>20.2 Provision for unrealized loss in margin loan accounts</b>			
Opening balance		320,000,000	300,000,000
Addition during the year		25,000,000	20,000,000
		<b>345,000,000</b>	<b>320,000,000</b>
This represents provision made as per BSEC directive to maintain at least 20% shortfall in negative equity against unrealized loss on margin loan extended to customer.			
<b>20.3 Stimulation Fund for Affected Investors</b>			
Opening balance		7,516,721	7,506,115
Addition/(adjustments) during the year		657,251	10,606
		<b>8,173,972</b>	<b>7,516,721</b>
<b>21. Other liabilities</b>			
Liabilities for expense	(Note: 21.1)	73,863,595	112,504,715
Liabilities related to tax and VAT	(Note: 21.2)	687,853	293,043
		<b>74,551,448</b>	<b>112,797,758</b>
<b>21.1 Liabilities for expense</b>			
Interest expenses for loan from Bank & NBFIs		72,861,233	110,910,415
Audit fees		287,500	115,000
Others		714,862	1,479,300
		<b>73,863,595</b>	<b>112,504,715</b>
<b>21.2 Liabilities related to tax and VAT</b>			
VAT current A/C		498,398	167,898
Tax withholding liabilities		189,455	125,146
		<b>687,853</b>	<b>293,043</b>

		2016 Taka	2015 Taka
<b>22. Brokerage commission income</b>			
Brokerage - Dhaka Stock Exchange Limited (DSE)		77,574,066	62,522,820
Brokerage - Chittagong Stock Exchange Limited (CSE)		374,115	1,109,327
		<b>77,948,181</b>	<b>63,632,147</b>
<b>23. Direct expenses</b>			
Howla charges		5,924	15,608
Laga charges	(Note: 23.1)	5,370,335	4,250,572
CDBL Expense - Daily Settlement (Pay In/Out)		2,808,445	2,809,465
		<b>8,184,704</b>	<b>7,075,645</b>
<b>23.1 Laga charges</b>			
DSE for broker		4,612,616	3,498,528
DSE for dealer		737,947	696,063
		<b>5,350,563</b>	<b>4,194,591</b>
CSE for broker		14,285	43,833
CSE for dealer		5,488	12,148
		<b>19,773</b>	<b>55,980</b>
		<b>5,370,335</b>	<b>4,250,572</b>
<b>24. Interest income</b>			
Interest on margin loan		154,569,293	216,633,497
Interest income on bank deposit A/C		4,662,324	10,596,292
		<b>159,231,617</b>	<b>227,229,789</b>
<b>25. Interest expense</b>			
On Loan from Dhaka Bank Limited		148,540,213	216,318,811
On Loan from United Finance Limited		9,862,916	7,841,311
		<b>158,403,128</b>	<b>224,160,122</b>
<b>26. Net investment income</b>			
Capital gain from sale of securities	(Note: 26.1)	114,293,649	174,791,201
Dividend income		52,455,591	35,956,074
		<b>166,749,241</b>	<b>210,747,275</b>
<b>26.1 Capital gain from sale of securities</b>			
Sales price of shares		1,486,340,723	1,370,220,525
Cost price of shares		(1,372,047,073)	(1,195,429,324)
		<b>114,293,649</b>	<b>174,791,201</b>
<b>27. Fees &amp; other income</b>			
BO account opening and closing fees		45,640	101,315
BO renewal fees		484,000	464,000
IPO processing fees		9,310	12,065
Central Depository Bangladesh Limited income	(Note: 27.1)	209,902	1,768,676
Other income		125,406	143,068
		<b>874,258</b>	<b>2,489,124</b>

	2016 Taka	2015 Taka
<b>27.1 Central Depository Bangladesh Limited income</b>		
<b>A. Central Depository Bangladesh Limited (CDBL) income</b>		
CDBL income - transfer in/out	50,033	823,350
CDBL income - Bonus/Right/IPO/Split/DEMAT	307,340	1,013,167
CDBL income - Pledge/Unpledge	102,400	587,474
CDBL income - Cash Back Rebate	-	632,371
	<b>459,774</b>	<b>3,056,362</b>
<b>B. Central Depository Bangladesh Limited (CDBL) expenses</b>		
CDBL expense - transfer in/out	29,981	528,385
CDBL expense - Bonus/Right/IPO/Split/DEMAT	159,808	379,352
CDBL expense - Pledge/Unpledge	54,083	373,949
CDBL expense - monthly connection fees	6,000	6,000
	<b>249,872</b>	<b>1,287,686</b>
<b>Net CDBL income (A - B)</b>	<b>209,902</b>	<b>1,768,676</b>
<b>28. Salaries &amp; allowances</b>		
Basic salaries	12,196,022	12,242,844
Allowances	13,701,378	13,463,046
Leave fare assistance	2,149,426	2,038,561
Employer's contribution to provident fund	1,221,700	1,196,874
Bonus	3,566,098	2,907,988
	<b>32,834,624</b>	<b>31,849,313</b>
<b>29. Rent, taxes, insurance, electricity, etc.</b>		
Rent expenses	14,950,390	10,682,644
Insurance expenses	80,592	105,032
Electricity expenses	2,315,455	1,916,107
Fuel expenses	1,221,545	1,337,722
Water and Sewerage	679,651	671,133
Contribution to investors' protection fund	23,713	15,778
Authorise representative registration fees & training expenses	394,500	11,500
Renewal of registration certificates, trade license, etc	602,183	356,982
Subscriptions & membership fees expenses	28,000	64,100
	<b>20,296,028</b>	<b>15,160,998</b>
<b>30. Legal expenses</b>	<b>397,000</b>	<b>275,375</b>
<b>31. Postage, stamp, telecommunication, etc.</b>		
Postage & courier	25,853	19,642
Stamps-judicial/non-judicial	28,385	22,506
Telephone, fax, PABX expense	162,440	158,662
Mobile, internet, cable TV bills	393,386	440,155
	<b>610,064</b>	<b>640,965</b>
<b>32. Stationery, printing, advertisements, etc.</b>		
Stationeries expenses- (printed materials)	464,915	363,508
Stationeries - General (table/petty stationeries)	242,882	160,665
Stationeries- Computer consumable (paper & accessories)	466,090	641,372
Publicity expenses	-	20,000
Periodicals, magazines, books, journals etc.	18,180	21,122
	<b>1,192,067</b>	<b>1,206,667</b>

	2016 Taka	2015 Taka
<b>33. Directors' fee &amp; meeting expenses</b>		
Director's fee	524,400	195,000
Meeting, seminar and conference expenses	414,414	452,045
	<b>938,814</b>	<b>647,045</b>
<b>34. Audit fee</b>		
Annual audit	287,500	115,000
	<b>287,500</b>	<b>115,000</b>
<b>35. Repair &amp; maintenance of assets</b>		
Office premises	687,735	264,057
Furnitures and fixtures	105,375	24,542
Office and electric appliances	306,672	430,473
Electrical fittings	417,354	318,000
Computer, software, printer, UPS etc.	674,392	542,155
Repair, replacement and maintenance - vehicles	120,453	92,105
Pool car expenses	329,427	334,267
Network connectivity expenses	1,896,000	2,151,375
Planting & nursery expense - office premises	72,300	70,725
Flower expense - office premises	33,910	20,165
	<b>4,643,618</b>	<b>4,247,864</b>
<b>36. Other expenses</b>		
Bank charges	25,419	30,003
Excise duty expense	85,500	62,500
Commission expense- bank guarantees	575,400	1,265,300
Cleaning & maintenance services	1,039,129	1,004,603
Contractual service charges	795,433	953,112
Staff uniform expense	110,859	101,805
Support staff expense	1,378,195	1,246,368
Security guard expense	2,135,174	2,256,456
Training and development	18,333	191,829
Traveling expense and allowances	54,991	377,891
Conveyance expense-Local	289,058	213,330
Regular canteen expense	1,516,921	1,577,130
Entertainment expenses	165,975	183,340
Business promotion expenses	120,576	461,107
Newspapers	80,360	62,094
Donation	-	10,000
Miscellaneous - (others )	13,105	150,456
	<b>8,404,428</b>	<b>10,147,324</b>
<b>37. Depreciation and amortization</b>		
Depreciation-Furniture and Fixtures	1,226,665	1,204,956
Depreciation-Office Appliances & Equipments	593,474	1,273,555
Depreciation-Computer	1,170,692	1,952,400
Depreciation-Motor Vehicles	598,098	598,104
Amortization Expense-Software	44,206	966,288
	<b>3,633,135</b>	<b>5,995,303</b>
<b>38. Current tax</b>	<b>34,341,920</b>	<b>34,308,963</b>

	2016 Taka	2015 Taka
<b>39. Deferred tax income</b>		
Closing Balance of Defferred tax assets	(2,170,619)	(1,756,323)
Opening Balance of Deferred tax assets	(1,756,323)	(621,203)
Defferred tax income	<b>(414,296)</b>	<b>(1,135,120)</b>
<b>40. Earning Per Share (EPS)</b>		
a) Net profit after tax	81,050,563	76,081,460
b) Total number of ordinary shares outstanding	171,600,000	156,000,000
Earning Per Share (EPS) (a ÷ b)	<b>0.47</b>	<b>0.49</b>
Earning Per Share (EPS) - Restated		<b>0.44</b>

**41. Related party transaction**

Name of the related party	Relationship	Nature of transaction	Transaction during year	Closing balance as at 31.12.2016	Closing balance as at 31.12.2015
Dhaka Bank Limited	Parent Company	Loan	145,656,257	1,913,441,442	2,059,097,699
Mr. A. T. M. Hayatuzzaman Khan	Spouse of Director	Advance Rent for Leased Premises	2,812,500	-	2,812,500

**42. Issuance of Bonus Share**

The Board of Directors of Dhaka Bank Securities Limited in its 30th Meeting held on 19 April 2016 recommended for issuance of 5(Five) Bonus share for every 100 (one hundred) shares for the year 2015 to the shareholders of the company which was subsequently approved by the shareholders in the 6th Annual General Meeting held on 19 May, 2016. The Bonus Shares will be allotted to the Shareholders upon receiving the consent from Bangladesh Securities and Exchange Commission (BSEC).

**43. Date of authorization**

The Board of director has authorised these financial statements for issue on 27 April 2017.

**Annexure L**

**Dhaka Bank Investment Limited**  
**Statement of Financial Position**  
**As at 31 December 2016**

	Notes	31.12.2016 Taka	31.12.2015 Taka
<b><u>ASSETS</u></b>			
<b>Non Current Assets</b>			
Preliminary Expenditure	4	1,107,825	1,107,825
<b>Current Assets</b>			
Cash and Bank Balance	5	279,366,635	271,922,950
Advance Income Tax	6	3,263,995	2,436,330
		282,630,630	274,359,280
<b>Total Assets</b>		<b>283,738,455</b>	<b>275,467,105</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Equity</b>			
Paid up Capital	7	250,000,000	250,000,000
Retained Earnings	8	20,786,075	15,484,448
<b>Total Equity</b>		<b>270,786,075</b>	<b>265,484,448</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
		-	-
<b>Current Liabilities</b>			
Provision for Income Tax	9	11,548,655	8,693,933
Other Liabilities	10	1,403,725	1,288,725
		12,952,380	9,982,658
<b>Total Liabilities</b>		<b>12,952,380</b>	<b>9,982,658</b>
<b>Total Equity and Liabilities</b>		<b>283,738,455</b>	<b>275,467,105</b>

The annexed notes form an integral part of the Statement of Financial Position.



**Dhaka Bank Investment Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 31 December 2016**

	Notes	2016 Taka	2015 Taka
<b>Operating Income</b>			
Interest income		-	-
Other Income	11	8,276,649	11,712,213
		<b>8,276,649</b>	<b>11,712,213</b>
<b>Operating Expense</b>			
General & administrative expenses	12	(120,300)	(117,300)
<b>Profit Before Tax</b>		<b>8,156,349</b>	<b>11,594,913</b>
<b>Provision for Income Tax (Current Tax)</b>		<b>(2,854,722)</b>	<b>(4,058,220)</b>
<b>Net Profit after Tax</b>		<b>5,301,627</b>	<b>7,536,693</b>
Other comprehensive Income		-	-
<b>Net Profit for the period</b>		<b>5,301,627</b>	<b>7,536,693</b>

The annexed notes form an integral part of the Statement of Profit or Loss and Other Comprehensive Income.

**Dhaka Bank Investment Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2016**

(Amount in Taka)			
Particulars	Share Capital	Retained Earnings	Total Equity
<b>Opening Balance</b>	-	-	-
Paid up Share Capital	250,000,000	15,484,448	265,484,448
Add: Adjustment for prior year	-	-	-
Net profit for the period	-	5,301,627	5,301,627
<b>Balance as on 31 December 2016</b>	<b>250,000,000</b>	<b>20,786,075</b>	<b>270,786,075</b>

**Dhaka Bank Investment Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2016**

	<b>2016</b> <b>Taka</b>	<b>2015</b> <b>Taka</b>
<b>a. Cash Flows from Operating Activities</b>		
Other Income	8,276,649	11,712,213
Operating Expenses	(5,300)	(2,300)
Cash generated from operating activities before changes in operating assets and liabilities	8,271,349	11,709,913
<b>Changes in Operating Assets and Liabilities</b>		
Advance Income Tax	(827,665)	(1,171,221)
<b>Net Cash Flow from Operating Activities</b>	<b>7,443,684</b>	<b>10,538,692</b>
<b>b. Cash Flows from Investing Activities</b>	-	-
<b>c. Cash Flow from Financing Activities</b>		
Proceeds from Issue of Share	-	-
<b>Net Cash Flow from Financing Activities</b>	-	-
<b>Net cash surplus for the period (a+b+c)</b>	<b>7,443,684</b>	<b>10,538,692</b>
Cash & Bank Balance at Beginning of the period	271,922,950	261,384,258
<b>Cash &amp; Bank Balance at the end of the period*</b>	<b>279,366,635</b>	<b>271,922,950</b>
<b>*Cash &amp; Bank Balance</b>		
Cash in Hand	-	-
Cash at Bank	279,366,635	271,922,950
	<b>279,366,635</b>	<b>271,922,950</b>

**Dhaka Bank Investment Limited**  
**Notes to the Financial Statements**  
**For the period from 01 January 2016 to 31 December 2016**

**1. Company and its Activities**

**1.1 Legal Status of the Company**

Dhaka Bank Investment Limited was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration no. C-112730/13 dated 02 December, 2013 as a Private Company Limited by Shares having its registered office at Biman Bhaban (1st Floor), 100, Motijheel C/A, Dhaka -1000. The company is yet to obtain registration certificates from Securities and Exchange Commission.

**1.2 Principal Activities of the Company**

The principal activities of the company are to carry on the business of Merchant Banking in all its aspects and to act as Issue Managers in order to issue and offers, whether by way of public offer or otherwise of shares, stocks, debentures, bonds, units, notes, bills, warrants or any other instruments, to carry on the business of securities management and brokerage, Custodian service, Investment and Asset Management, Portfolio Management, Capital Market operations etc.

**2. Significant Accounting Policies**

- a. The Financial Statements, namely, Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Cash Flow Statement & Statement of Changes in Equity and relevant notes thereto, of Dhaka Bank Investment are prepared on a going concern and accrual basis under the historical cost convention and in accordance with Bangladesh Accounting Standards (BAS) and other applicable laws and regulations.
- b. Preliminary expenditure is recognized for formation, registration and capital raising of the company including legal and other professional services. Amortization of preliminary expenditure is recognised in statement of profit or loss and other comprehensive income on a straight line basis over 5 (five) years from the date of recognition.
- c. The figures appearing in these Financial Statements have been rounded off to the nearest integer.

**3. Directors' Responsibility Statement**

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

**4. Preliminary Expenditure**

Preliminary Expenditure  
Less: Amortization for the year  
  
Add: Adjustment for prior year\*

	<b>31.12.2016</b> <b>Taka</b>	<b>31.12.2015</b> <b>Taka</b>
	1,107,825	886,260
	-	-
	1,107,825	886,260
	-	221,565
	<b>1,107,825</b>	<b>1,107,825</b>

\* Dhaka Bank Investment Limited amortized Tk.221,565 for preliminary expenditure during the year 2014 but DBIL does not start operation till now. Amortization of preliminary expenditure will be charged after starting of operation. So, amount amortized in 2014 was restated in 2015.

**5. Cash & Bank Balance**

Cash in Hand  
Cash at Bank

(Note: 5.1)

-	-
279,366,635	271,922,950
<b>279,366,635</b>	<b>271,922,950</b>

**5.1 Cash at Bank**

<u>Name of Bank</u>	<u>Branch</u>	<u>A/C #</u>
Dhaka Bank Limited	Local Office	201.150.3401
Dhaka Bank Limited	Gulshan Circle-2	102.150.0018

114,971,897	111,908,952
164,394,738	160,013,999
<b>279,366,635</b>	<b>271,922,950</b>

**6. Advance Income Tax**

Opening Balance  
Add: Addition during the period

(Note: 6.1)

2,436,330	1,265,109
827,665	1,171,221
<b>3,263,995</b>	<b>2,436,330</b>

	31.12.2016 Taka	31.12.2015 Taka
<b>6.1 Addition during the period</b>		
Tax deducted at source	827,665	1,171,221

## 7. Share Capital

### 7.1 Authorized Capital

200,000,000 ordinary shares @ Tk. 10 each

200,000,000 ordinary shares @ Tk. 10 each	2,000,000,000	2,000,000,000
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### 7.2 Paid up Capital

The Issued, Subscribed and Paid-up Capital is Tk.250,000,000 divided into 25,000,000 ordinary shares of Taka 10 each fully paid. The Shareholding position of the company as on 31 December 2016 is as follows:

Sl #	Name of Shareholders	Number of Shares held	% Of Shareholding	31.12.2016 Amount in Taka	31.12.2015 Amount in Taka
1.	Dhaka Bank Limited, Represented By Mr. Khondoker Jamil Uddin			249,999,940	249,999,940
	Mr. Md. Amirullah	24,999,994	99.999976		
	Ms. Tahidul Hossain Chowdhury				
	Mr. Mirza Yasser Abbas				
2.	Mr. Shafiqul Islam Sarker	1	0.000001	10	10
3.	Mr. Mohammad Ashiqur Rahman	1	0.000001	10	10
4.	Mr. Hasanuzzaman	1	0.000001	10	10
5.	Mr. Asif Hanif	1	0.000001	10	10
6.	Mr. Latiful Bari	1	0.000001	10	10
7.	Ms. Nabila Mirza	1	0.000001	10	10
		<b>25,000,000</b>	<b>100</b>	<b>250,000,000</b>	<b>250,000,000</b>

## 8. Retained Earnings

Opening Balance	15,484,448	7,726,189
Add: Net Profit for the Period	5,301,627	7,536,694
Add: Adjustment for prior year*	-	221,565
	<b>20,786,075</b>	<b>15,484,448</b>

\* Dhaka Bank Investment Limited amortized Tk.221,565 for preliminary expenditure during the year 2014 but DBIL has not yet started operation. Amortization of preliminary expenditure will be charged after starting of operation. So, amount amortized in 2014 was restated in 2015.

## 9. Provision for Income Tax

Opening Balance	8,693,933	4,635,713
Add: Addition during the year	2,854,722	4,058,220
	<b>11,548,655</b>	<b>8,693,933</b>

## 10. Other Liabilities

Payable to Dhaka Bank Limited	1,173,725	1,173,725
Provision for Audit Fees	230,000	115,000
	<b>1,403,725</b>	<b>1,288,725</b>

<b>2016</b>	<b>2015</b>
<b>Taka</b>	<b>Taka</b>

## 11. Other Income

Interest on SND A/C	8,276,649	11,712,213
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## 12. General & administrative expenses

Amortization of Preliminary Expenditure	-	-
Audit Fees	115,000	115,000
Stationery, Printing, Advertisement etc.	-	-
Bank Charges & Other	5,300	2,300
	<b>120,300</b>	<b>117,300</b>