

Dhaka Bank Limited and its Subsidiaries
Consolidated Balance Sheet (Un-audited)
As at 30 September 2015

	30.09.2015 Taka	31.12.2014 Taka
<u>PROPERTY AND ASSETS</u>		
Cash	19,143,878,484	15,900,963,572
Cash in hand (including foreign currencies)	1,652,656,346	1,395,199,940
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	17,491,222,138	14,505,763,632
Balance with other banks and financial institutions	5,364,066,785	6,685,901,914
In Bangladesh	3,956,395,676	2,542,023,266
Outside Bangladesh	1,407,671,109	4,143,878,648
Money at call and on short notice	17,300,000	448,300,000
Investments	22,192,872,230	21,660,965,339
Government	18,577,233,818	18,358,963,884
Others	3,615,638,411	3,302,001,455
Loans, advances and lease/investments	109,999,702,893	103,604,211,956
Loans, cash credits, overdrafts, etc./Investments	107,845,590,757	101,376,448,530
Bills purchased and discounted	2,154,112,135	2,227,763,426
Fixed assets including premises, furniture and fixtures	3,897,625,930	3,972,617,496
Other assets	8,035,445,129	7,479,196,390
Non-banking assets	23,166,033	23,166,033
Total Assets	168,674,057,483	159,775,322,700
<u>LIABILITIES & CAPITAL</u>		
Liabilities		
Borrowings from other banks, financial institutions and agents	10,188,113,979	9,414,685,059
Deposits and other accounts	130,136,245,388	124,853,559,335
Current accounts & other accounts	15,228,171,648	14,362,088,804
Bills payable	1,216,227,114	2,175,092,005
Savings bank deposits	14,220,673,122	11,463,880,702
Term deposits	99,471,173,503	96,852,497,824
Non Convertible Subordinated Bond	2,000,000,000	2,000,000,000
Other Liabilities	12,609,382,167	10,534,004,356
Total Liabilities	154,933,741,534	146,802,248,750
Capital/Shareholders' Equity		
Equity attributable to equity holders of the parent company	13,740,282,920	12,973,044,957
Paid-up capital	6,253,642,600	5,685,129,640
Statutory reserve	4,825,543,616	4,825,543,616
Other reserve	1,093,324,480	870,409,255
Retained earnings	1,567,772,223	1,591,962,445
Non-controlling interest	33,030	28,994
Total Shareholders' Equity	13,740,315,950	12,973,073,951
Total Liabilities & Shareholders' Equity	168,674,057,483	159,775,322,700

Chairman

Director

Managing Director

Chief Financial Officer

Company Secretary

Off-Balance Sheet Items

Acceptances and Endorsements	14,985,072,991	13,756,065,906
Letter of Credit	12,109,902,679	13,042,203,273
Letter of Guarantee	15,665,190,908	13,085,748,553
Bills for Collection	6,160,516,263	5,783,061,204
Other Contingent Liabilities	2,242,246,920	3,008,744,945
	51,162,929,760	48,675,823,881

Particulars (with Comparative)	30.09.2015	30.09.2014
Net Asset Value (NAV)	13,740,315,950	11,531,684,183
Net Asset Value (NAV) per Share	21.97	20.28

Chairman

Director

Managing Director

Chief Financial Officer

Company Secretary

Dhaka Bank Limited and its Subsidiaries
Consolidated Profit and Loss Account (Un-audited)
For the period ended 30 September 2015

	Jan-15 to 30 Sep-15 Taka	Jan-14 to 30 Sep-14 Taka	Jul-15 to 30 Sep-15 Taka	Jul-14 to 30 Sep-14 Taka
OPERATING INCOME				
Interest income/profit on investments	9,722,905,080	10,260,076,451	3,120,038,838	3,097,393,459
Interest paid/profit on deposits and borrowings, etc.	(7,363,496,803)	(8,338,422,824)	(2,431,214,284)	(2,615,969,069)
Net interest income	2,359,408,277	1,921,653,627	688,824,554	481,424,390
Investment income	2,119,355,018	2,195,896,024	813,234,427	702,780,741
Commission, exchange and brokerage	830,877,676	820,353,978	214,300,970	259,845,979
Other operating income	317,140,459	390,503,616	77,570,688	193,820,440
	3,267,373,153	3,406,753,618	1,105,106,085	1,156,447,160
Total operating income (a)	5,626,781,431	5,328,407,245	1,793,930,640	1,637,871,550
OPERATING EXPENSES				
Salary and allowances	1,215,087,131	1,133,014,900	422,079,571	397,360,964
Rent, taxes, insurance, electricity, etc.	349,970,893	303,305,014	120,933,313	102,490,273
Legal expenses	7,930,836	17,448,979	5,299,965	5,723,375
Postage, stamps, telecommunication, etc.	34,085,376	33,305,481	12,577,784	4,426,652
Stationery, printing, advertisement, etc.	148,586,534	146,890,574	54,317,015	56,089,453
Chief executive's salary and fees	7,883,000	5,177,600	3,701,000	3,011,000
Directors' fees	3,188,519	3,774,928	1,209,182	1,195,508
Auditors' fees	90,000	90,000	30,000	30,000
Depreciation and repairs of Bank's assets	236,041,143	204,045,992	82,719,697	71,685,143
Other expenses	355,309,230	328,630,856	130,118,481	126,869,329
Total operating expenses (b)	2,358,172,661	2,175,684,324	832,986,008	768,881,697
Profit before provision (c = (a-b))	3,268,608,769	3,152,722,921	960,944,632	868,989,853
Provision against loans and advances	919,786,448	1,378,972,258	521,342,897	652,468,961
Provision for diminution in value of investments	-	-	(4,226,842)	(42,224,867)
Other Provisions	119,261,488	181,312,692	26,272,959	40,876,614
Total provision (d)	1,039,047,936	1,560,284,950	543,889,013	651,120,708
Profit before taxation (c-d)	2,229,560,833	1,592,437,971	417,555,619	217,869,145
Provision for taxation	889,315,905	1,012,828,528	63,994,521	139,243,519
Current tax	889,315,905	1,012,828,528	63,994,521	139,243,519
Deferred Tax	-	-	-	-
Net profit after taxation	1,340,244,928	579,609,443	353,561,098	78,625,626
Net profit after tax attributable to:				
Equity holders of DBL	1,340,240,892	579,608,579	353,559,141	78,625,626
Non-controlling interest	4,036	864	1,957	-
	1,340,244,928	579,609,443	353,561,098	78,625,626
Retained surplus from previous year	1,591,962,445	1,349,055,004	-	-
Add: Net profit after tax (attributable to equity holders of DBL)	1,340,240,892	579,608,579	353,559,141	78,625,626
	2,932,203,337	1,928,663,583	353,559,141	78,625,626
Appropriations				
Statutory reserve	-	-	-	-
General reserve	-	9	-	-
Dividends etc.	1,364,431,114	1,191,170,013	-	-
Retained earnings	1,567,772,223	737,493,561	353,559,141	78,625,626
	2,932,203,337	1,928,663,583	353,559,141	78,625,626
Consolidated Earning per Share (CEPS) (Restated)	2.14	0.93	0.57	0.13

Chairman

Director

Managing Director

Chief Financial Officer

Company Secretary

Dhaka Bank Limited and its Subsidiaries
Consolidated Cash Flow Statement (Un-audited)
For the period ended 30 September 2015

	Jan-15 to 30 Sep-15 Taka	Jan-14 to 30 Sep-14 Taka
Cash Flows from Operating Activities		
Interest / Profit receipts	9,526,789,174	9,381,257,651
Interest / Profit payments	(7,340,728,176)	(8,279,141,075)
Dividend receipts	16,781,890	71,727,980
Fee and commission receipts	674,125,984	676,444,407
Payments to employees	(1,190,091,656)	(1,109,662,607)
Payments to suppliers	(189,070,172)	(196,378,821)
Income taxes paid	(922,390,673)	(1,206,788,873)
Receipts from other operating activities	328,303,659	605,106,742
Payments for other operating activities	(834,982,721)	(734,481,158)
(i) Operating profit before changes in operating assets & liabilities	68,737,309	(791,915,754)
Changes in operating assets and liabilities		
Purchase / Sale of trading securities	5,078,637	(801,721,756)
Loans and advances to customers	(6,522,139,283)	(3,357,293,407)
Other assets	516,767,444	(1,261,334,977)
Deposits from other banks	1,415,997,678	(1,469,106,197)
Deposits from customers	3,866,688,375	6,470,018,808
Other liabilities account of customers	(115,669,185)	(93,856,501)
Other liabilities	407,355,502	784,211,582
(ii) Cash flow from/(used in) operating assets and liabilities	(425,920,833)	270,917,552
Net cash flow from/ (used in) operating activities (a)= (i+ii)	(357,183,524)	(520,998,202)
Cash Flows from Investing Activities		
Proceeds from sale of securities	2,030,622,557	1,901,767,293
Sale/ (Purchase) of securities	(258,988,611)	(79,304,540)
Purchase of property, plant & equipment	(69,036,546)	(179,932,075)
Sale of property, plant & equipment	12,300	17,500
Purchase / sale of subsidiary	-	(249,999,940)
Net cash flow from investing activities (b)	1,702,609,701	1,392,548,238
Cash flows from financing activities		
Borrowing from other banks	795,428,920	6,980,541,422
Dividends paid	(795,918,154)	(920,449,563)
Purchase / sale of subsidiary	-	-
Net cash flow from/(used in) financing activities (c)	(489,234)	6,060,091,859
Net increase/ (decrease) in cash and cash equivalents (a+b+c)	1,344,936,943	6,931,641,895
Add: Effects of exchange rate changes on cash & cash equivalent	145,576,191	124,592,710
Add: Cash and cash equivalents at beginning of the year	23,038,884,136	14,938,036,964
Cash and cash equivalents at end of the period (*)	24,529,397,269	21,994,271,569
(*) Cash and cash equivalents		
Cash in Hand	1,652,656,346	1,915,664,168
Balance with Bangladesh Bank & Sonali Bank	17,491,222,138	16,881,402,919
Balance with other banks & Financial Institutions	5,364,066,785	3,174,619,182
Money at call & Short Notice	17,300,000	18,800,000
Prize Bond	4,152,000	3,785,300
	24,529,397,269	21,994,271,569
Net Operating Cash Flow per Share	(0.57)	(0.83)

Chairman

Director

Managing Director

Chief Financial Officer

Company Secretary

Dhaka Bank Limited and its Subsidiaries
Consolidated Statement of Changes in Equity (Un-audited)
For the period ended 30 September 2015

(Amount in Taka)

Particulars	Paid up capital	Non-controlling interest	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment revaluation reserve	Retained Earnings	Total
Balance as at 1 January 2015	5,685,129,640	28,994	4,825,543,616	160,272,622	648,455,000	61,681,637	1,591,962,445	12,973,073,955
Changes in accounting policy	-	-	-	-	-	-	-	-
Restated balance	5,685,129,640	28,994	4,825,543,616	160,272,622	648,455,000	61,681,637	1,591,962,445	12,973,073,955
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	222,915,221	-	222,915,221
Currency transaction differences	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	284,596,858	-	-
Share Capital of subsidiary company	-	-	-	-	-	-	-	-
Adjustment with retained earnings	-	-	-	-	-	-	-	-
Net Profit for the period	-	-	-	-	-	-	1,340,244,928	1,340,244,928
Transfer to reserve	-	-	-	-	-	-	-	-
Dividend:								
Stock dividend	568,512,960	-	-	-	-	-	(568,512,960)	-
Cash dividend	-	-	-	-	-	-	(795,918,154)	(795,918,154)
Stock dividend paid by subsidiary company	-	-	-	-	-	-	-	-
Changes in reserve	-	-	-	-	-	-	-	-
Non-controlling interest	-	4,036	-	-	-	-	(4,036)	-
Balance as at 30 September 2015	6,253,642,600	33,030	4,825,543,616	160,272,622	648,455,000	284,596,858	1,567,772,224	13,740,315,950
Balance as at 30 September 2014	5,685,129,640	21,968	4,181,375,888	139,877,952	648,455,000	139,329,310	737,494,425	11,531,684,183

Chairman

Director

Managing Director

Chief Financial Officer

Company Secretary

Dhaka Bank Limited
Balance Sheet (Un-audited)
As at 30 September 2015

	30.09.2015 Taka	31.12.2014 Taka
<u>PROPERTY AND ASSETS</u>		
Cash	19,143,768,984	15,900,854,072
Cash in hand (including foreign currencies)	1,652,546,846	1,395,090,440
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	17,491,222,138	14,505,763,632
Balance with other banks and financial institutions	4,926,138,813	6,219,697,351
In Bangladesh	3,518,467,704	2,075,818,703
Outside Bangladesh	1,407,671,109	4,143,878,648
Money at call and on short notice	17,300,000	448,300,000
Investments	19,956,904,467	19,698,855,161
Government	18,577,233,818	18,358,963,884
Others	1,379,670,649	1,339,891,277
Loans, advances and lease/investments	109,653,658,557	103,131,519,274
Loans, cash credits, overdrafts, etc./Investments	107,499,546,421	100,903,755,848
Bills purchased and discounted	2,154,112,135	2,227,763,426
Fixed assets including premises, furniture and fixtures	3,886,540,100	3,957,799,257
Other assets	9,945,858,375	9,367,352,413
Non-banking assets	23,166,033	23,166,033
Total Assets	<u>167,553,335,329</u>	<u>158,747,543,561</u>
<u>LIABILITIES & CAPITAL</u>		
Liabilities		
Borrowings from other banks, financial institutions and agents	10,188,113,979	9,414,685,059
Deposits and other accounts	130,136,245,388	124,853,559,335
Current accounts & other accounts	15,228,171,648	14,362,088,804
Bills payable	1,216,227,114	2,175,092,005
Savings bank deposits	14,220,673,122	11,463,880,702
Term deposits	99,471,173,503	96,852,497,824
Non Convertible Subordinated Bond	2,000,000,000	2,000,000,000
Other Liabilities	11,748,581,265	9,733,785,542
Total Liabilities	<u>154,072,940,631</u>	<u>146,002,029,936</u>
Capital/Shareholders' Equity		
Equity attributable to equity holders of the parent company	13,480,394,699	12,745,513,625
Paid-up capital	6,253,642,600	5,685,129,640
Statutory reserve	4,825,543,616	4,825,543,616
Other reserve	1,093,324,480	870,409,255
Retained earnings	1,307,884,002	1,364,431,114
Total Liabilities & Shareholders' Equity	<u>167,553,335,329</u>	<u>158,747,543,561</u>

Chairman

Director

Managing Director

Chief Financial Officer

Company Secretary

Off-Balance Sheet Items

Acceptances and Endorsements	14,985,072,991	13,756,065,906
Letter of Credit	12,109,902,679	13,042,203,273
Letter of Guarantee	15,665,190,908	13,085,748,553
Bills for Collection	6,160,516,263	5,783,061,204
Other Contingent Liabilities	2,242,246,920	3,008,744,945
	51,162,929,760	48,675,823,881

Particulars (with Comparative)	30.09.2015	30.09.2014
Net Asset Value (NAV)	13,480,394,699	11,322,852,578
Net Asset Value (NAV) per Share	21.56	19.92

Chairman

Director

Managing Director

Chief Financial Officer

Company Secretary

Dhaka Bank Limited
Profit and Loss Account (Un-audited)
For the period ended 30 September 2015

	Jan-15 to 30 Sep-15 Taka	Jan-14 to 30 Sep-14 Taka	Jul-15 to 30 Sep-15 Taka	Jul-14 to 30 Sep-14 Taka
OPERATING INCOME				
Interest income/profit on investments	9,745,972,463	10,245,661,761	3,107,463,978	3,095,246,877
Interest paid/profit on deposits and borrowings, etc.	(7,357,781,881)	(8,338,422,824)	(2,400,913,254)	(2,615,969,069)
Net interest income	2,388,190,582	1,907,238,937	706,550,724	479,277,808
Investment income	1,942,012,543	2,000,592,259	728,637,427	616,115,951
Commission, exchange and brokerage	785,940,045	742,518,082	196,141,190	230,765,812
Other operating income	314,628,844	386,570,780	76,869,395	193,145,064
	3,042,581,432	3,129,681,121	1,001,648,013	1,040,026,827
Total operating income (a)	5,430,772,015	5,036,920,058	1,708,198,737	1,519,304,635
OPERATING EXPENSES				
Salary and allowances	1,190,091,656	1,109,662,607	411,482,152	388,540,001
Rent, taxes, insurance, electricity, etc.	339,036,444	292,215,248	117,234,890	98,700,869
Legal expenses	7,747,461	17,254,879	5,153,965	5,723,375
Postage, stamps, telecommunication, etc.	33,645,788	32,898,759	12,428,311	4,298,929
Stationery, printing, advertisement, etc.	147,676,923	146,225,183	54,014,501	55,925,296
Chief executive's salary and fees	7,883,000	5,177,600	3,701,000	3,011,000
Directors' fees	2,310,224	2,896,823	854,182	990,258
Auditors' fees	-	-	-	-
Depreciation and repairs of Bank's assets	224,194,615	193,780,777	78,780,430	68,165,177
Other expenses	351,640,202	324,738,444	129,018,772	125,523,615
Total operating expenses (b)	2,304,226,312	2,124,850,320	812,668,202	750,878,520
Profit before provision (c = (a-b))	3,126,545,702	2,912,069,738	895,530,535	768,426,115
Provision against loans and advances	919,786,448	1,378,972,258	521,342,897	652,468,961
Provision for diminution in value of investments	-	-	(4,226,842)	(42,224,867)
Other Provisions	28,761,488	29,312,692	(13,727,041)	(26,123,386)
Total provision (d)	948,547,936	1,408,284,950	503,389,013	584,120,708
Profit before taxation (c-d)	2,177,997,766	1,503,784,788	392,141,522	184,305,407
Provision for taxation	870,113,764	975,100,000	50,155,802	125,100,000
Current tax	870,113,764	975,100,000	50,155,802	125,100,000
Deferred Tax	-	-	-	-
Net profit after taxation	1,307,884,002	528,684,788	341,985,720	59,205,407
Retained earnings from previous year	1,364,431,114	1,191,170,022	-	-
Add: Retained earnings of current year	1,307,884,002	528,684,788	341,985,720	59,205,407
	2,672,315,116	1,719,854,810	341,985,720	59,205,407
Appropriations				
Statutory reserve	-	-	-	-
General reserve	-	-	-	-
Dividends etc.	1,364,431,114	-	-	-
Retained earnings	1,307,884,002	1,719,854,810	341,985,720	59,205,407
	2,672,315,116	1,719,854,810	341,985,720	59,205,407
Earning per Share (EPS)	2.09	0.85	0.55	0.09

Chairman

Director

Managing Director

Chief Financial Officer

Company Secretary

Dhaka Bank Limited
Cash Flow Statement (Un-audited)
For the period ended 30 September 2015

	Jan-15 to 30 Sep-15 Taka	Jan-14 to 30 Sep-14 Taka
Cash Flows from Operating Activities		
Interest / Profit receipts	9,555,571,478	9,366,842,960
Interest / Profit payments	(7,340,728,176)	(8,279,141,075)
Dividend receipts	16,781,890	71,727,980
Fee and commission receipts	626,676,739	598,608,511
Payments to employees	(1,190,091,656)	(1,109,662,607)
Payments to suppliers	(189,070,172)	(196,378,821)
Income taxes paid	(922,390,673)	(1,206,788,873)
Receipts from other operating activities	328,303,659	405,870,141
Payments for other operating activities	(785,507,816)	(688,020,722)
(i) Operating profit before changes in operating assets & liabilities	99,545,273	(1,036,942,506)
Changes in operating assets and liabilities		
Purchase / Sale of trading securities	5,078,637	(416,936,193)
Loans and advances to customers	(6,522,139,283)	(3,254,802,910)
Other assets	559,978,608	(1,205,388,458)
Deposits from other banks	1,415,997,678	(1,469,106,197)
Deposits from customers	3,866,688,375	6,470,018,808
Other liabilities account of customers	(115,669,185)	(93,856,501)
Other liabilities	341,007,167	457,390,721
(ii) Cash flow from/(used in) operating assets and liabilities	(449,058,004)	487,319,270
Net cash flow from/ (used in) operating activities (a)= (i+ii)	(349,512,731)	(549,623,236)
Cash Flows from Investing Activities		
Proceeds from sale of securities	1,853,280,082	1,901,767,293
Sale/ (Purchase) of securities	(39,779,372)	(79,304,540)
Purchase of property, plant & equipment	(68,297,512)	(179,440,734)
Sale of property, plant & equipment	12,300	17,500
Purchase / sale of subsidiary	-	(249,999,940)
Net cash flow from investing activities (b)	1,745,215,498	1,393,039,579
Cash flows from financing activities		
Borrowing from other banks	773,428,920	6,980,541,422
Dividends paid	(795,918,154)	(920,449,563)
Net cash flow from/(used in) financing activities (c)	(22,489,234)	6,060,091,859
Net increase/ (decrease) in cash and cash equivalents (a+b+c)	1,373,213,533	6,903,508,202
Add: Effects of exchange rate changes on cash & cash equivalent	145,576,191	124,592,710
Add: Cash and cash equivalents at beginning of the year	22,572,570,073	14,709,137,160
Cash and cash equivalents at end of the period (*)	24,091,359,797	21,737,238,072
(*) Cash and cash equivalents		
Cash in Hand	1,652,546,846	1,915,664,168
Balance with Bangladesh Bank & Sonali Bank	17,491,222,138	16,881,402,919
Balance with other banks & Financial Institutions	4,926,138,813	2,917,585,685
Money at call & Short Notice	17,300,000	18,800,000
Prize Bond	4,152,000	3,785,300
	24,091,359,797	21,737,238,072
Net Operating Cash Flow per Share	(0.56)	(0.88)

Chairman

Director

Managing Director

Chief Financial Officer

Company Secretary

Dhaka Bank Limited
Statement of Changes in Equity
For the period ended 30 September 2015

(Amount in Taka)

Particulars	Paid up capital	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment Revaluation Reserve	Retained Earnings	Total
Balance as at 1 January 2015	5,685,129,640	4,825,543,616	160,272,622	648,455,000	61,681,637	1,364,431,114	12,745,513,629
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	5,685,129,640	4,825,543,616	160,272,622	648,455,000	61,681,637	1,364,431,114	12,745,513,629
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	222,915,221	-	222,915,221
Currency transaction differences	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	284,596,858	-	-
Net Profit for the period	-	-	-	-	-	1,307,884,002	1,307,884,002
Transfer to reserve	-	-	-	-	-	-	-
Dividend:							
Stock dividend	568,512,960	-	-	-	-	(568,512,960)	-
Cash dividend	-	-	-	-	-	(795,918,154)	(795,918,154)
Changes in reserve	-	-	-	-	-	-	-
Balance as at 30 September 2015	6,253,642,600	4,825,543,616	160,272,622	648,455,000	284,596,858	1,307,884,002	13,480,394,699
Balance as at 30 September 2014	5,685,129,640	4,181,375,888	139,877,952	648,455,000	139,329,310	528,684,788	11,322,852,578

Chairman

Director

Managing Director

Chief Financial Officer

Company Secretary

Dhaka Bank Limited
Notes of the Financial Statements
For the period ended September 30, 2015

1.0 Legal status and nature of the Bank:

Dhaka Bank Limited (DBL) was incorporated in Bangladesh on 06 April 1995 as a Banking Company under the Companies Act, 1994 as a Public Limited Company and commenced commercial operation on 05 July 1995. All types of commercial banking services are provided by the Bank within the stipulations laid down by the Banking Companies Act, 1991 (as amended) and directive as received from the Bangladesh Bank from time to time. Registered office of the Bank is at 100, Motijheel Commercial Area, Biman Bhaban, Dhaka-1000, Bangladesh.

The Bank went for the public issue of shares on 18 November 1999 and its shares are listed with the Stock Exchanges of Bangladesh. Authorized capital of the Bank is BDT 10 billion.

Now it has 82 branches all over Bangladesh which includes 54 urban and 28 rural branches, an offshore banking unit at EPZ, Dhaka and 03 SME Service Centres. The Bank has two subsidiary companies in the name of Dhaka Bank Securities Limited with 6 Branches in Dhaka, Chittagong and Sylhet and Dhaka Bank Investment Limited. Out of the above, two 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 a dedicated philanthropic unit named Dhaka Bank Foundation which has been operating since 28 July 2004.

1.1 Principal Activities

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

1.2 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. The Bank obtained the Offshore Banking Unit permission vide letter no. BRPD (P) 744(92)/2005-2181 dated June 18, 2005 and commenced operation of its Offshore Banking Unit with effect from May 10, 2006. The Off-shore Banking Unit is governed under the rules and guidelines of Bangladesh Bank. The principal activities of the bank are to provide all kinds of commercial banking services to its customers in foreign currencies approved by Bangladesh Bank.

1.3 Subsidiaries of the Bank

1.3.1 Dhaka Bank Securities Limited (Former DBL Securities Limited)

Dhaka Bank Securities Limited was incorporated on July 19, 2010 as a Private Limited Company under the Companies Act, 1994. The registered office of the DBSL is located at Adamjee Court (1st Floor), 115-120, Motijheel Commercial Area, Dhaka-1000. The principal activities of the company are to act as a member of Dhaka Stock Exchanges Ltd. and Chittagong Stock Exchange Ltd. to carry on the business of brokers or dealers in stocks, shares and securities, commercial papers, bonds, debentures, debentures stocks, foreign currencies, treasury bills and/or any financial instruments.

1.3.2 Dhaka Bank Investment Limited

Dhaka Bank Investment Limited (DBIL) was incorporated on December 02, 2013 as a Private Limited Company under the Companies Act, 1994. The company is yet to receive the license from Bangladesh Securities and Exchange Commission (BSEC) to commence its operation. The registered office of the DBIL is located at 100, Motijheel Commercial Area, Biman Bhaban, Dhaka-1000, Bangladesh. 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.

2.0 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 period ended September 30, 2015 have been prepared under the historical cost convention, except land which is shown at revaluation amount and certain investments which are measured at fair/market value as per the guideline of the Bangladesh Bank and on a going concern basis. The financial statements are prepared in accordance with the “first schedule (Sec-38)” of Banking 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 Rule 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 have been applied. All inter-branch account balances and transactions among the Corporate Head Office and the branches have been taken into account.

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.

2.2 Basis of Consolidation

The consolidated financial statements include the financial statements of Dhaka Bank Limited, the Islamic Banking Operations, 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 third quarter 2015 and have been prepared in accordance with Bangladesh Accounting Standard-27 “Consolidated and Separate Financial Statements”. The consolidated financial statements are prepared to a common financial period ending September 30, 2015.

2.3 Cash flow statement

The Cash Flow Statement has been prepared principally in accordance with **Bangladesh Accounting Standard – 7: “Cash Flow Statement”** under direct method as recommended in the BRPD Circular No.14 dated 25th June, 2003 issued by the Banking Regulations & Policy Department of Bangladesh Bank. The cash flow statement shows the structure of changes in cash and cash equivalents during the financial year.

2.4 Provision

2.4.1 Loans and Advances

Provision for Loans and Advances has been made as per CL Statement.

2.4.2 Investment in Listed Shares and Securities

These securities are bought and held primarily for the purpose of selling them in future or hold 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. No additional provision has been required in the reporting period ended September 30, 2015.

2.4.3 Off-balance sheet Exposure

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 No. 14, dated September 23, 2012.

2.5 Earning per Shares (EPS)

Earning per share has 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 by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year. Previous year’s figures have been adjusted as per guidelines of BAS 33.

2.6 Reporting Period

These financial statements cover 09 (nine) months from 01 January to 30 September 2015.