

# Annual Report 2015

## Towards Responsible & Sustainable **GROWTH**



**DHAKABANK**  
L I M I T E D  
EXCELLENCE IN BANKING

[www.dhakabankltd.com](http://www.dhakabankltd.com)

## Sustainable growth through responsible performance



Starting business in 1995, Dhaka Bank Limited has travelled quite a time and different areas of Banking. We came across customers with affluent potential, sound creditworthiness as well as marginal income group of the society. Many a time we excelled with the gamut & quality of services, sometimes we could not. Many areas we explored were so far untouched. With the blessings of sponsors and trust of clients, we ensured that the wheels keep moving. Regularity & keen supervision helped us in balancing the two fundamental aspects of business-Risk & Convenience. It has been more than a decade that we started Islamic Banking, Off-shore Banking and an SME Unit which are now a stronghold of ours. Dhaka Bank is one of the pioneers in introducing real time banking among local Banks.

We put due emphasis on Information Technology, we spread our wings to reach the worldwide expatriates with remittance services. We stepped in to finance Green Projects and agricultural ventures suitably serving environmental & national interests. We have increased the capacity of alternative delivery channel, designed new Savings Products with minimum amount of initial deposit for marginal income group of the society to make sure - as many people as we can - will be brought under financial inclusion. Helping underprivileged and distressed section of the society is always a part of our corporate activities.

We get back to our original focus that concentrates on sustainable growth through responsible acts, not always are we overwhelmed by aggressive marketing and quick-achieving attitude. That's the way we are in search of banking excellence!

# Letter of Transmittal

All Shareholders of Dhaka Bank Limited  
Bangladesh Bank  
Bangladesh Securities & Exchange Commission (BSEC)  
Registrar of Joint Stock Companies & Firms  
Dhaka Stock Exchange Limited (DSE) &  
Chittagong Stock Exchange Limited (CSE)

Dear Sir,

## Annual Report of Dhaka Bank Limited for the year ended December 31, 2015

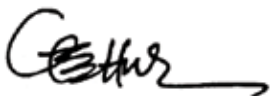
We are pleased to enclose a copy of Annual Report together with the audited financial statements including consolidated and separate balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement for the year ended December 31, 2015 along with notes thereto of Dhaka Bank Limited (the Bank) and its subsidiaries - Dhaka Bank Securities Limited and Dhaka Bank Investment Limited for your kind information and record. We also enclose separate financial statements of Islamic Banking Branches and Offshore Banking Unit (OBU) of the Bank.

Financial statements of the Bank comprise those of Conventional and Islamic Banking Branches and Offshore Banking Unit while consolidated financial statements comprise financial statements of the Bank and its subsidiaries.

General review of this report, unless explained otherwise, is based on the financials of the Bank rather than consolidated financial statements.

Best regards,

Yours truly,



**Arham Masudul Huq**  
Company Secretary

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# 2015 Performance Highlights – The Bank

## Core Business Growth

Amount in Taka

▼ Operating Profit 3,504M	(8%)	▲ Assets 176bn	11%	▲ Loans & Advances 118bn	14%
▲ Deposits 139bn	11%	▲ Shareholders' Equity 13bn	5%	▲ Paid-up Capital 6.2bn	10%
▼ Inward Remittance 22.5bn	(13%)	▲ Export 70bn	15%	▼ Earnings Per Share stood at	Tk. 2.30
▼ NPL Ratio came down to	4.66%	▼ Classified Loans 5,491M	(3%)	▼ Capital Adequacy stood at	10.46%

## Financial Inclusion Growth (direct & indirect)

▲ Total Delivery Channels 164	18%	▲ Total Customers' Accounts 439,544	3%	▲ ADCs 72	36%
▲ SME Customers 4,450	4%	▲ SME Financing 12.2bn	14%	▲ Woman Entrepreneur Finance 106M	2%
▲ No. of Women Entrepreneurs 61	4%	▲ Agri Loan disbursed (Fiscal 2014-15) 2,044M	4%	▲ Total Online Banking Accounts 293,883	26%
▲ Mobile/SMS Banking Accounts 107,062	50%				

## Last two years' Achievements



Year	Details
2015	<ul style="list-style-type: none"> <li>Certification (2nd Position) from Bangladesh Bank for the contribution towards School Banking in Chittagong Region</li> <li>Best Sponsor Award 2009 (awarded in 2015)</li> </ul>
2014	<ul style="list-style-type: none"> <li>SME Banking Award 2014 (Manufacturing Sector-friendly Bank of the year)</li> <li>ICMAB 'Best Corporate Award 2014' (3rd Prize)</li> <li>ICAB National Award for Best Presented Annual Reports 2013</li> <li>Leadership Award for Branding and Decorating Dhaka City (1st Prize)</li> <li>Best Sponsor Award 2009 (awarded in 2014)</li> </ul>

# Bank's Profile

## About the Bank

Dhaka Bank Limited is the brainchild of a host of committed entrepreneurs and farsighted dreamers of banking excellence. Established in July 5, 1995, the Bank is now an admired provider of financial services and has positioned itself as a strong brand in the mind of customers. 'Excellence in Banking' is our motto and to become the best performing bank in the country is our mission. As a leading private commercial bank in Bangladesh, our eminence is backed by quality products and services, superior technology and highly motivated personnel to realize your dream. We are recognized for our good governance practices, compliance with regulatory guidelines, flexibility to growing needs and adaptability to the changing world.

## Our strategy & achievement

Customer centricity is our main strategic focus. The ultimate goal is to maximize investors' wealth by running business efficiently and ethically. To protect investors' interest, the Bank constantly pursues strategies for sustainable growth and wider financial integration. Key businesses are diversified into Corporate Banking, SME, Agriculture, Consumer Banking and Islamic Banking. Business is run on a viable platform backed by other functions such as Business Operations, IT, R&D, Marketing, HR, Procurement & Logistics, Risk Management, Compliance, Internal Audit, Financial Administration and so forth. Moreover, the Bank group has two subsidiaries namely Dhaka Bank Securities Limited to look after capital market and brokerage service and Dhaka Bank Investment Limited to conduct merchant banking operations (this company is yet to start operations). The Bank gathers strength from its growing customer base, skilled workforce, superior technological platform & process and a company-wide culture that binds us together. Tailored products and services facilitated by real-time online banking have become the right solution for every customer need. The Bank keeps on channel expansion by enhancing value chain, centralization & automation, payment system, etc so that customers find our service more accessible and comfortable. Our customers can send and receive money to/from any branch, any bank included in the system under Real Time Gross Settlement (RTGS) recently implemented by the Bank. We build systems as user-friendly to free up time for Customers that in turn adds better values to our relationship. Enhanced risk management system, compliance culture and anti money laundering platform guard us strong against the evils of mismanagement.

Our effort, strategy and action put together have made our footprint stronger in 2015 with 87 Branches, 3 SME Service Centres, 1 Business Kiosk, 1 Offshore Banking Unit along with 53 ATMs & 19 ADMs. Total Assets of DBL is around Tk. 176 billion, equivalent to USD 2.24 billion as at the close of 2015. With a total of 4,39,544 customer-base (accounts), Tk. 139 billion in Deposits and Tk. 118 billion in Advances, Dhaka Bank turns out to be a change agent to contribute to the stand-out economic growth of Bangladesh.

## Capital Adequacy and Economic Capital

The Bank has stepped in the regime of Basel-III compliance since January 2015 as an enhanced regulation for capital and liquidity strength. The Bank is engaging with Basel III to position itself

competitively in the new post-crisis global financial risk and regulatory landscape. To keep up capital adequacy as per Basel-III requirement, the Bank issued BDT 3000 million non-convertible sub-ordinated bond in 2015 approved by the 6th EGM held on October 08, 2015. As a result, DBL's regulatory capital as on December 31, 2015 stood at Tk. 15,408 million, whereas, the Capital Adequacy Ratio (CAR) was 10.46% under Basel-III, as per Central Bank's minimum capital requirement of 10.00%.

The concept of economic capital has come up to act as a safety cushion for the bank, particularly in the wake of the global credit crisis. Year 2015 still saw the effect of unanticipated losses of banks from credit risks and extent of market volatility. Under such a market it becomes imperative to manage the banking business in a risk-sensitive economic capital framework. So we are carefully considering the potential unexpected losses and thus, bringing up the concept of economic capital that is associated with each individual activity to minimize the risks of the Balance Sheet and safeguard the interest of the stakeholders.

## Our concern for people & environment

We are committed to making a better society by working and donating in different sectors such as, education, health, disaster management, sports and some other sectors having national priority. Significant CSR involvement alongside our financial integration over long 20-year journey is a true reflection of our concern for people. On the other side, we have incorporated sustainability principles into day-to-day activities of the Bank. Green Banking Cell has been formed with the task of developing policies, products, planning and overseeing the overall green financing activities of the bank. Green banking considers all the social and environmental factors along with financial priorities with an aim to protect the environment as well as to foster the economic development in a more environment friendly way. In addition, our policy harmonizes green banking initiatives in its in-house management and participating in environment protecting activities.

## Commitment towards wider financial inclusion

Our voyage across the industry picks up momentum every day one more account enters our Book. It's like opening a new chapter in the world of prosperity. The way the digital age has fired up endless potentials of every human being, just an access to banking domain can unleash the fountains of economic benefit. To cite an example, the wishful eyes of a student swiping card at our ATM may grow into the wisdom of a financial planner ahead. Monthly savings of a housewife turns up an economic face of household labour. Harvesting farmer under our finance gives a secured look of the country's agricultural development. Our woman entrepreneur who now can afford better schooling of her children is a sign of social equality. With this commitment towards wider financial inclusion, we keep weaving the dream for every individual in the society. Thus we with the industry together feel proud to be a partner of the country's awe-inspiring economic growth over a decade.



# Bank's Profile

Continued

## Other information

Chairman	Managing Director	Company Secretary	CFO and Head of Finance & Accounts
Reshadur Rahman	Syed Mahbubur Rahman	Arham Masudul Huq	Darashiko Khasru
Auditors			Head of Internal Control & Compliance
ACNABIN, Chartered Accountants			S.M. Abdullah Hil Kafi
Company Registration No.	Bangladesh Bank License No.	Accounting Year-end	Registered Head Office
C-28146 (1992)/95	BCD (D) 200/57-421/95	December 31	Biman Bhaban: 100, Motijheel C/A Dhaka-1000
Authorized Capital	Total Capital	Web	Credit Rating Agency
Tk. 10,000 million	Tk. 15,408 million	<a href="http://www.dhakabankltd.com">www.dhakabankltd.com</a>	Emerging Credit Rating Limited

## Credit Rating Report

Dhaka Bank Limited was rated by Emerging Credit Rating Limited (ECRL) on the basis of audited Financial Statements as on December 31, 2014. The summary of Rating is presented below:

Status	2014	2013
Long Term	AA-	AA-
Short Term	ECRL-2	ECRL-2
Outlook	Stable	Stable

In 2014, Emerging Credit Rating Limited (ECRL) awarded "AA-" (Pronounced as Double A minus) rating in the Long Term and "ECRL-2" in the Short Term to Dhaka Bank Limited. The Outlook is "Stable".

Credit Rating report based on Audited Financial Statement as on December 31, 2015 is under process.

## Brand DBL

DBL relationship with and beyond banking boosted by superior customer service and good governance culture has given the Bank a proud brand image – EXCELLENCE IN BANKING. With the confidence of a Bank by Choice, DBL is going to emerge as a power brand in the industry. The potential power brand is taking shape in our everyday excellence from improved customer service, corporate governance, innovative products and care for the society.

# Milestones

## April 6, 1995

Date of Incorporation

## July 5, 1995

Commencement of Banking Business

## March 16, 1996

First Dividend Declared

## November 25, 1999

Initial Public Offering

## April 10, 2000

Listing with Dhaka Stock Exchange (DSE) Limited

## June 6, 2000

Listing with Chittagong Stock Exchange (CSE) Limited

## March 11, 2001

First Right Issue

## February 24, 2002

Introduction of Alternate Delivery Channel (First ATM)

## March 29, 2002

Launching of Retail Banking (Consumer Banking)

## July 2, 2003

Commencement of Islamic Banking

## April 1, 2004

Real-time Online Banking

## February 5, 2005

Launching of Brokerage Business

## July 5, 2005

Celebrating First Decade of Excellence in Banking

## May 22, 2006

Commencement of Off-shore Banking Operation

## March 1, 2007

Launching of Credit Card

## September 5, 2007

Launching of Internet Banking

## April 1, 2009

Centralization of Trade Operations & Credit Operations

## December 17, 2009

AAA Guarantee Accorded by ADB under Trade Finance Facilitation Programme (TFFP)

## June 30, 2010

Establishment of Islamic Banking Division

## July 4, 2010

Enhancement of Authorized Capital (from Tk. 600 crore to Tk. 1,000 crore)

## December 6, 2010

Basel-II Compliance: Issuance of Subordinated Bond

## February 13, 2011

Inauguration of Subsidiary 'Dhaka Bank Securities Limited'

## September 30, 2012

Hosting Credit Card in own software and go live Visa Debit Card

## April 29, 2013

Introduction of Automated Deposit Machine (ADM)

## November 12, 2014

SME Banking Award 2014: Manufacturing Sector-friendly Bank of the Year

## July 5, 2015

Celebrating 20 years of Banking Excellence

## July 5, 2015

Moving to own Corporate Head Office

# 2015 Results Summary

Taka million (unless mentioned otherwise)

Segmented Results	Dhaka Bank Limited			Subsidiaries		Consolidated
	Onshore	Offshore	Islamic Banking	Dhaka Bank Securities	Dhaka Bank Investment	
Operating Income	6,709	133	51	273	12	6,994
Operating Profit	3,504	115	1	203	12	3,718
Asset	171,904	3,054	8,263	5,036	275	177,215
Liability	171,904	3,054	8,263	5,036	275	177,215

**Note:** While consolidating segmented results under the Bank group, inter-company adjustments have been made.

Shareholders' Value - Consolidated	2015	2014	Change
Earnings Per Share (EPS)	Tk. 2.42	Tk. 3.69	(34%)
Price Earnings Ratio	8.14	5.45	49%
Dividend (%)	6% (Cash) 10% (Stock)	14% (Cash) 10% (Stock)	(57%) 0%
Net Asset Value (NAV)	13,691	12,973	6%
NAV per Share	Tk. 21.89	Tk. 22.82	(4%)

Profitability & Performance Ratio – The Bank	2015	2014	Change
Return on Assets	0.86	1.34	(36%)
Return on Equity	10.74	15.92	(32%)
Return on Investment	14.83	13.22	12%
Profit Per Employee	2.30	2.14	(7%)
Asset Per Employee	116	106	9%

Balance Sheet Focus – The Bank	2015	2014	Change
Balance Sheet Size	176,362	158,747	11%
Shareholders' Equity	13,389	12,746	5%
Total Deposits	139,069	124,854	11%
Total Loans & Advances	117,840	103,131	14%
Classified Loans	5,491	5,657	(3%)

Capital Adequacy – The Bank (As per Basel III)	2015	2014	Change
Tier-I Capital Ratio	8.58	8.73	(2%)
Capital to Risk Weighted Assets Ratio (CRAR)	10.46	11.20	(7%)
Total Eligible Capital	15,408	15,439	(0.2%)

# Vision

At Dhaka Bank, we draw our inspiration from the distant stars. Our vision is to assure a standard that makes every banking transaction a pleasurable experience. Our endeavor is to offer you supreme service through accuracy, reliability, timely delivery, cutting edge technology and tailored solution for business needs, global reach in trade and commerce and high yield on your investments.

Our people, products and processes are aligned to meet the demand of our discerning customers. Our goal is to achieve a distinct foresight. Our prime objective is to deliver a quality that demonstrates a true reflection of our vision - Excellence in Banking.





# Mission

To be the premier financial institution in the country providing high quality products and services backed by latest technology and a team of highly motivated personnel to deliver Excellence in Banking.



# Corporate Values

Customer Focus  
Integrity  
Quality  
Teamwork  
Respect for the Individual  
Responsible Citizenship





# Strategic Objectives

Our objectives are to conduct transparent and high quality business operation based on market mechanism within the legal and social framework spelt in our mission and reflected in our vision.

Our greatest concerns are our customers to provide them continually efficient, innovative and high quality products with excellent delivery system.

Our motto is to generate profit with qualitative business as a sustainable ever-growing organization and enhance fair returns to our shareholders.

We are committed to our community as a corporate citizen and contributing towards the progress of the nation as our corporate social responsibility.

Our employees are our backbone. We promote their wellbeing through attractive compensation package, promoting staff morale through training, development and career planning.

We strive for fulfilment of our responsibility to the government through paying entire range of taxes and duties and abiding by the other rules.

We are cautious about environment and climatic change and dutiful to make our homeland a green and clean soil.



# Ethical Principles

We are compliant to our country's laws and regulations.  
We reject bribery and corruption.  
We avoid compromised gifts and entertainment.  
We speak up if we suspect any actual, planned or potential behaviour that may breach any laws and regulations.  
We are compliant to Anti Money Laundering guidelines and other prudential regulations provided by our regulators.  
We resolve customer complaints quickly and fairly.  
We maintain confidentiality and fidelity of our customer.  
We treat our colleagues with fairness and respect; work with highly motivated team spirit and fellowship bond.



# Customer Charter

We seek to build long-term, sustainable beneficial relationships with all our customers based on the service commitments and on our underlying values of mutual respect, the pursuit of excellence and integrity in all our dealings.

Our primary concern is to understand and satisfy customers' needs and expectations. We promise to use all means open to us to establish and understand these needs which are both mutually beneficial and respect the values and principles in all our actions.

We promise to deal quickly, courteously and accurately with all correspondence between us.

Should disagreements arise between us, we undertake to seek a speedy and equitable solution, which takes account of the rights and obligations of both parties and is framed in the context of a long-term and enduring relationship.

We believe in openness, integrity, transparency and accountability and provide high standard of services to our valued customers.

We create customer value, loyalty and equity, which create customer delight over a lifetime of patronage.



# Our Strength

A dynamic and vibrant Board of Directors.  
A strong and resilient capital base.  
Highly qualified team of management professionals.  
Forward looking strategies and management policies.  
Cutting-edge tools and technologies to support real time on-line banking.  
Well-diversified line of business.  
A good risk management and compliance culture.  
Deep focus on quality control.  
And a dedicated line of human resources.



# Our Confidence

Ability to lead the competition in a changing business environment.  
A solid business growth to create sustainable shareholder value.  
Spirit to learn, adopt and adapt to the changes around us.  
Right collection of products and services to meet financial needs.  
Enhancement of customer responsiveness by leveraging financial advice.  
Rigorous teamwork to bring out synergy for optimum benefits.  
Strong compliance of the laws and regulations of the state and regulatory bodies.  
Trust by the community as a part of their lives.  
A rewarding work environment for our dedicated employees.  
High ethical standard in all level of operations under a corporate culture par excellence.





# Our Story: A Journey to History, Heritage and Business



The nation was just halfway of its age; the passion for history and heritage and an obsession for faster pace exerted a powerful force for change in the business world. Many budding hopes grew as a choice of the new generation in the shadows of banking reformation of the eighties. Dhaka Bank is such a dream that spread in profusion modern banking prospects with deep attachment to our community and culture. A host of visionary entrepreneur friends inspired by a futurist leader set forth the fight of this great corporate voyage that echoed the speed of technology on the inner soul of Bangladesh. Dhaka Bank was incorporated as a Public Limited Company on April 6, 1995 under Companies Act, 1994. The company commenced banking operations on July 5, 1995.

From the very year of its landmark journey, Dhaka Bank has truly cherished and brought into focus the heritage and history of Dhaka and Bangladesh from Mughal outpost to modern metropolis. Most of its presentation, publications, brand initiatives, delivery channels, calendars and financial manifestations bear Bank's commitment to this attachment. The Bank is widely recognized today for its exceptional service, simplicity, proximity and cutting-edge way of delivery.

The Bank has stood out for its financial strength and operational craftsmanship marking its position as the potential market player in all core areas of banking in the country. It got listed in DSE and CSE in 2000. Alongside a lasting bond with the corporate world, DBL has got hold of a countrywide reach through a larger network of Branches, ATMs, SME channels, agricultural outreach and mobile banking. The Bank is now expanding far and wide to higher market share and big surge in assets. A great total of 439,544 customers' accounts now we serve and seek to make them better-off as best as we can. Strong with 164 delivery centres, the Bank is still going strong with more expansion

and inclusive banking programmes. Opening many gateways for financial freedom and services, DBL has made its vibrant presence at 87 locations including 2 Islamic Banking Branches, 1 Offshore Banking Unit, 3 SME Service Centers, 1 Business Kiosk, 53 ATMs and 19 ADMs across the country. Catering to the needs of Capital Markets, the Bank has established a subsidiary company named 'Dhaka Bank Securities Ltd.' having 6 countrywide Branches. Another subsidiary in the name of 'Dhaka Bank Investment Limited' is yet to start operation. This has strengthened its capital base to Tk. 15,408 million with a capital adequacy ratio of 10.46%. Sailing past all odds and uncertainties in 2015, DBL posted an operating profit of Tk. 3,504 million.

In addition to our priority of operating profitably and successfully, even in the tough market environment, we are acutely aware of our responsibilities that go beyond banking and reflect our commitment to our employees, society and environment. Above all, the clients are our fond obsession.

We expect to rise from the heart of Bangladesh as a stronger force in the market we serve. We are committed to our goals to create superior shareholder value in our quest for excellence as we grow and mature into a banking veteran.

# Board of Directors & Committees of the Board

Dhaka Bank today is manifestly a splendid outcome of constant care, creative concern, concerted efforts and progressive performance of its skilled architects, i.e. its sponsor shareholders who worked with crusading zeal for building up a sound financial institution which would hasten the pace of economic development of the country. It is indeed a privilege to have such forward looking group of guides.



# Board of Directors



## **Chairman**

Mr. Reshadur Rahman

## **Vice Chairperson**

Mrs. Rokshana Zaman

## **Directors**

Mr. Abdul Hai Sarker  
Mr. Altaf Hossain Sarker  
Mr. Mohammed Hanif  
Mr. Md. Amirullah  
Mr. Abdullah Al Ahsan  
Mr. Khondoker Monir Uddin  
Mr. Tahidul Hossain Chowdhury  
Mr. Jashim Uddin  
Mr. Khondoker Jamil Uddin  
Mr. Mirza Yasser Abbas  
Mr. Amanullah Sarker  
Mr. M. N. H. Bulu

## **Independent Directors**

Mr. Syed Abu Naser Bukhtear Ahmed  
Mr. M. A. Yussouf Khan

## **Managing Director & CEO (ex-officio)**

Mr. Syed Mahbubur Rahman





## Executive Committee of the Board



### Chairman

Mr. Abdul Hai Sarker

### Member

Mr. Altaf Hossain Sarker

Mr. Md. Amirullah

Mr. Mohammed Hanif

Mr. Abdullah Al Ahsan

Mr. Khondoker Jamil Uddin

Mr. Mirza Yasser Abbas



## Audit Committee of the Board

### Chairman

Mr. Syed Abu Naser Bukhtear  
Ahmed



### Members

Mr. Reshadur Rahman

Mrs. Rokshana Zaman

Mr. Tahidul Hossain Chowdhury



## Risk Management Committee of the Board



### Chairman

Mr. Khondoker Monir Uddin

### Members

Mr. Reshadur Rahman

Mrs. Rokshana Zaman

Mr. Altaf Hossain Sarker



## Shari'ah Supervisory Committee



### Chairman

Mr. M. Azizul Huq

### Members

Mr. Moulana Mohammad Salahuddin, Member of the Committee & Khatib of National Mosque Baitul Mukarram, (Not in Picture)

Mr. Md. Mokhlesur Rahman, Member of the Committee

Mr. Syed Mahbubur Rahman, Managing Director & CEO, Member ex-officio

Mr. Hafej Mawlana Abdul Gaffer, Member of the Committee

Mr. Md. Sirajul Hoque, SEVP & Member Secretary

Mr. Tipu Sultan, EVP & Manager of IBB Motijheel, Dhaka (Invited)

Mr. Md. Asiful Hoque Choudhury, FVP & Manager of IBB Muradpur Chittagong (Invited)

Mr. Md. Kamaruzzaman, FVP & Muraquib of Shariah Supervisory Committee

(Pictured above is a meeting of Shari'ah Supervisory Committee in progress.)

# Sponsor Shareholders

Our gratitude for the architects of Dhaka Bank



We owe a debt of gratitude to all of our Sponsor Directors for envisioning a great corporate voyage, now so admired and loved by the community.

Mr. Abdul Hai Sarker  
Mr. A.T.M. Hayatuzzaman Khan  
Mrs. Afroza Abbas  
Mr. Altaf Hossain Sarker  
Mr. Khandaker Md. Shahjahan  
Mr. Aminul Islam  
Mr. Md. Amirullah  
Mr. Reshadur Rahman  
Mr. Abdullah Al Ahsan  
Mr. Khondoker Monir Uddin  
Mr. M.N.H. Bulu  
Mrs. Rakhi Das Gupta  
Mr. Tahidul Hossain Chowdhury  
Mr. Jashim Uddin  
Mrs. Kamala Khatun  
Mr. Abdul Wahed  
Mr. Mohammed Hanif  
Mr. Khondoker Jamil Uddin  
Mr. Mohammad Ali Sarker  
Mr. Suez Islam

**Mr. Mirza Abbas Uddin Ahmed**  
Founder

(Sponsor Shareholder Mr. Mainul Islam expired in 2008 whereupon Mr. Suez Islam succeeded him. Mrs. Kamala Khatun expired in 2011.)

# Chronicle of a rare visionary



## Mirza Abbas Uddin Ahmed

The Founder

It was a dream of corporate grandeur to be a unique financial service provider that draws inspiration from the riches of golden Bangla, its history and heritage, but adopts global standard, tools and techniques in delivering service. The dream was the brainchild of Mr. Mirza Abbas Uddin Ahmed, a visionary rare individual who longed for a journey to the history and way forward to the future on the wheels of financial service and innovation. This vision urged the futurist leader to come up with a bank in Bangladesh. Profusely inspired, a highly committed group of entrepreneur friends dared to shoulder the great corporate voyage for excellence. The long cherished dream came to fruition in the name of Dhaka Bank Limited on the 5th of July in 1995 in great expectation of the people of Bangladesh. Mr. Abbas was officially introduced to the Board of Dhaka Bank as an Alternate Director in November 1995. He was appointed Director of the Bank on March 29, 2012.

The Founder of Dhaka Bank was born in 1951 in a respectable Muslim family in Kishoreganj. He had his schooling in the local educational institutions and finally obtained B. Com Degree from Dhaka University. Then he associated himself with his family business named Mirza Enterprise, Dhaka that flourished on his long attachment for 31 years.

Mr. Abbas has left behind a shining profile of a successful Mayor, a resolute Member of Parliament and a benevolent Minister of the

Government. During his incumbency as the 4th Mayor of Dhaka City Corporation from May 19, 1991 to December 28, 1993, he eased the suffering of thousands developing infrastructure around the metropolis. As a Cabinet Minister, Ministry of Housing and Public Works during 2001 to 2006, Mr. Abbas time and again focused on the strict enforcement of Wetland Protection Act to ensure environmental balance and flooding. The Ministry of Housing and Public Works under his able leadership amended the Building Construction Rules that was finally enacted in December 2006. Under his auspices, the Ministry also formulated Private Housing Land Development Rules, a guideline to streamline real estate developers particularly involved in filling up thousands of acres of wetland and flood flow zones.

Apart from being a politician of repute, he is also a prominent figure in social sphere and much admired for his emphasis on universal values so necessary to reshape a world in new colours. His social commitment and passion for education came through establishing 'Mirza Abbas Mohila College' that grew as a model for quality education for the womenfolk of the society.

His Vision - Dhaka Bank continues its journey to excellence. We stand proud to share this glory and dream at Dhaka Bank, day in day out.



# Directors' Profile



**Reshadur Rahman**

Mr. Reshadur Rahman is a prominent industrialist in Bangladesh. As a successful business entrepreneur, he has many achievements to his credit. His able leadership has become more vibrant in banking where Dhaka Bank is an epitome of his continued success. Mr. Rahman is now leading the Bank as a Chairman. He was elected the Chairman of the Board of Directors in the 243rd Meeting of the Board of Directors of Dhaka Bank held on May 13, 2015. He was also the Chairman of the Board of Directors during the tenure 2010-2013.

Having accomplished his graduation, Mr. Rahman resolved on making a start in the line of business and succeeded in new ventures one after another over more than three decades of his career. His business grew as an enormous group and diversified into numerous worthy areas. He is also the Chairman of Trade Hub Bangladesh Ltd. and Dhaka Bank Securities Ltd.; Managing Director of RR Holdings Ltd.; Proprietor of RR Trading & Co., RR Shipping Lines, RR Architecture & Engineering Co. and National Traders; and Shareholder of Alliance Deep Sea Fishing Ltd., Alliance Bags Ltd., Quality Breeders Ltd. and Quality Grains Ltd.

Mr. Reshadur Rahman has membership in professional organization namely Dhaka Chamber of Commerce & Industry and all elite clubs in Dhaka and Chittagong. He is equally active in many community development and social services programmes. Time and again, he has remained an honourable Donor to BIRDEM Hospital, Cancer Hospital, SEID Trust and a good number of educational institutions.

Mr. Abdul Hai Sarker is the Founder Chairman and one of the longest serving Board Members of Dhaka Bank Limited. He was a key architect to set the pace of this great corporate voyage for excellence. Today's Dhaka Bank manifests his crusading zeal for a sound banking institution that would be a shining example for all and the best choice of the new generation. Most importantly, he is a big name in the domain of business and industry. He served the Bank as a Chairman for several times. He is now the Chairman of Executive Committee of the Board.

Born in a respectable Muslim family of Sirajgonj District, Mr. Hai accomplished his Post Graduation Degree (M.Com) from the University of Dhaka in 1970. Soon he involved himself in international trade & business and became a reputed industrialist in the country. His sincere effort and dynamic leadership culminated in a large business conglomerate in the name of Purbani Group. He is the Chairman & Managing Director of Shohagpur Textile Mills Ltd. & Purbani Synthetic Spinning Mills Ltd.; Chairman of Purbani Fabrics Ltd., Karim Textile Ltd., Karim Spinning Mills Ltd., Purbani Yarn Dying Ltd., Purbani Agro Processing Ltd., Purbani Rotor Spinning Ltd. and Purbani Fashions Ltd.; Proprietor of Purbani Traders and Purbani Fisheries and Director of Dhaka Bank Securities Ltd.

Mr. Abdul Hai Sarker is the former Vice Chairman of Bangladesh Association of Banks (BAB), the former President of Bangladesh Textile Mills Association (BTMA) and a former Director of Federation of Bangladesh Chamber of Commerce and Industries (FBCCI). Mr. Hai is the Founder Trustee of Independent University, Bangladesh, Founder Member of the Board of Trustees of Bangladesh Enterprise Institute (BEI) and was an Associate Director of International Cotton Association based in Liverpool, UK. Besides being a leading business personality, he has been playing commendable role in social welfare and community development. Many organizations have awarded him for his outstanding contribution to the society. He has also been accorded Commercially Important Person (CIP) status by the Government.



**Abdul Hai Sarker**



**Rokshana Zaman**

Mrs. Rokshana Zaman is an experienced business person and a prominent woman entrepreneur in the country. She has exposure in the line of business for more than 15 years. She is the Proprietress of Dhaka Enterprise, a reputed business firm in Bangladesh and M/s. Manehor Fisheries and Director of Dhaka Bank Securities Ltd.

Mrs. Zaman first involved herself in banking business as an Alternate Director of the Bank back in 1996. Subsequently she was appointed a Director on June 29, 2004. She became the Chairperson of the Board of Directors on June 29, 2004 and continued her tenure till March 28, 2006. She is now a Member of the Audit Committee as well as Risk Management Committee of the Board. Since long, she has been associated with various CSR initiatives.

# Directors' Profile

Continued



Altaf Hossain Sarker

A seasoned industrialist Mr. Altaf Hossain Sarker is an admired name in the arena of business in Bangladesh. His brilliance and business foresight has added a new dimension to the industrial revolution in Bangladesh. As his brainchild, many enterprises are there to be named, which in turn have become a change maker not only in the heartland of Sirajgonj where he was born but also around the country as a whole. In his mid twenties, he started off as a businessman with an academic accomplishment of Bachelor of Commerce (B.Com). The following years saw his sparks of business growth in diversified areas of business.

Mr. Sarker is the CEO of Rahmat Group, a renowned business conglomerate. He is the Chairman of Rahmat Spinning Mills Ltd., Belkuchi Spinning Mills Ltd., China Plastic (BD.) Ltd. and Rahmat Plastic and Accessories Ltd.; Managing Director of Rahmat Textiles Ltd. and Rahmat Knit Dyeing & Finishing Ltd.; Director of Rahmat Sweaters (BD) Ltd. and Dhaka Bank Securities Ltd. and Advisor of Logos Apparels Ltd. Textile and Garment products under Rahmat Group have captured an international market. Most importantly, many of his products have become a part of our everyday life being excellent items for clothing and adornment.

Mr. Altaf Hossain is now Director of Dhaka Bank and also a member of Executive Committee and Risk Management Committee of the Board. He is also a sponsor shareholder of the Bank that began its banking operation in 1995. Earlier, he led the Bank as Chairman being elected in the 134th Board Meeting held in April, 2008.

His interest has an extra focus on education and social organizations. He is a Member Trustee of Independent University, Bangladesh (IUB) and Director of Bangladesh Textile Mills Association (BTMA). Mr. Sarker is founder Member of Board of Trustees of Dhaka Bank Foundation. Besides, he is a regular sponsor to different social activities.

An experienced businessman Mr. Mohammed Hanif is a renowned industrialist in the country. He has made remarkable contribution towards business and banking in Bangladesh. The seasoned industrialist has a business career that extends over as long as 50 years. He is the Managing Director of Hanif Steels Ltd., Hanif Spinning Mills Ltd. and National Foundry & Engineering Works (Pvt.) Ltd.

Mr. Hanif is a Sponsor Director and one of the long serving Board Members of Dhaka Bank Limited. He was elected the Vice Chairman of the Bank in the 134th Board Meeting held in April, 2008. He was first appointed as a Director of the Board on April 6, 1995. He is also a Founder Member of the Board of Trustees of Dhaka Bank Foundation and an erstwhile member of Audit Committee of the Bank. He is associated with different socio-cultural activities.



Mohammed Hanif



Md. Amirullah

Mr. Md. Amirullah is a seasoned businessman in the country. He has considerable experience in business extending over above 45 years. His long attachment and commitment to business is something worth considering in the pace of economic development of the country. He started young in business and ended up with many achievements to be proud of. He is one of the pioneers in Bangladesh to initiate export of Video Cassettes worldwide. There is high recognition to his credit as a large exporter of chemicals in the international market. He had long been associated with HP Chemicals Ltd. and Orient Craft Ltd. He is the Director of Dhaka Bank Investment Ltd.

Mr. Amirullah associated himself with banking entrepreneurship as a Sponsor Director of Dhaka Bank. He still continues with the Bank as Director and has retained his position for several terms after required intervals. He is now the Member of the Executive Committee of the Board. He has also widened his contribution to education setting up a university in Dhaka. He has life membership with almost all elite clubs.

# Directors' Profile

Continued



**Abdullah Al Ahsan**

Mr. Abdullah Al Ahsan, Director of Dhaka Bank has a prolific business background. For more than 30 years, his contribution to industry and commerce has remained vibrant. Academically he is a B.Com. (Hons), M.Com., MBA. He is also a Sponsor Director of Dhaka Bank. His first appointment as a Director took place in April 6, 1995.

As a business entrepreneur, he has made worthy contribution to Agro Industry, well-recognized as a thrust sector in Bangladesh. He is the Director of Aroma Poultry and Aroma Fisheries Ltd. He has widely travelled across the globe on business trips. He is associated with Gulshan Club, Chittagong Golf & Country Club and Chittagong Seniors Club Ltd. He was pro-VC of USTC.

A passionate entrepreneur and a perceptive businessman, Mr. Khondoker Monir Uddin is a Director of Dhaka Bank Limited. He is also one of the admired Sponsor Directors who envisioned Dhaka Bank as a house of corporate excellence. He is now the Chairman of the Risk Management Committee of the Board. Born and educated in Dhaka, he obtained B.Com (Hons) and M.Com degree from the Department of Accounting, University of Dhaka. On achieving academic feat, Mr. Monir set out his venture in business in 1985. The succeeding years saw his scintillating entrepreneurship in diverse fields of business spanning Readymade Garment (RMG), Real Estate, Chemicals, Business Equipment & Machine Supply, Banking, Health Care, Education and Brokerage Services, etc. With his visionary and proven business record, Mr. Monir has acquired a good entrepreneur image in the country. He puts indelible mark of perfection in whatever areas he works. For example, with his visionary leadership and keen business knowledge, Shanta Holdings Limited, a powerful portfolio of the country's most distinctive and selective developments, drives forward to demonstrate unparalleled foresight by developing projects which are the epitome of modern architecture and comfortable living. He is the Managing Director of Shanta Apparel Ltd., Shanta Medical Centre Ltd., Shanta Washing Plants Ltd., Shanta Properties Ltd., Universal Business Machines Ltd., STS Holdings Ltd., STS Educational Group Ltd., Shanta Holdings Ltd., GDS Chemical Bangladesh (Pvt.) Ltd. and Shanta Securities Ltd.

To fulfil various priority needs of the people, Mr. Monir pioneered in different services of international stature. Among such enterprises, prominent are Apollo Hospitals, Dhaka, the only US-JCI accredited hospital in Bangladesh, International School Dhaka (ISD) and Delhi Public School (DPS) in Dhaka and other important cities in the country.

He is equally compassionate about social responsibility and contribution in philanthropic services for the underprivileged children and women. This apart, he has affiliation with a number of social groups, namely Dhaka Club Ltd., Gulshan Club Ltd., Uttara Club Ltd. and Kurmitola Golf Club. He has visited a good number of countries across the globe on different occasions of business.



**Khondoker Monir Uddin**



**Tahidul Hossain Chowdhury**

Mr. Tahidul Hossain Chowdhury is a sponsor Director and one of the long serving Members of the Board of Dhaka Bank Limited. He is now holding the position of Director of the Bank. He is also a Member of the Audit Committee of the Board. His first appointment as Director dated April 6, 1995 while his last re-appointment took place on May 11, 2009. Academically, he is a Bachelor of Arts and his professional experience in business extends over more than 35 years.

Mr. Chowdhury has earned a name as a prominent business personality in the country having stakes in diverse fields of business. He is the Chairman of Riotex Ltd. and Jerat Shirt Ltd.; Managing Director of Jerat Fashion Ltd. and Hotel Victory Ltd. and Director of Central Hospital Ltd., HURDCO International Ltd. and Dhaka Bank Investment Ltd. Besides, he is well- connected to various social initiatives and has a good travel record around the world on business and personal trip.



# Directors' Profile

Continued



Jashim Uddin

Mr. Jashim Uddin, Director of Dhaka Bank Limited is a prominent businessman of the country. He is also a Sponsor Director of the Bank. Academically, he is a Bachelor of Arts and by profession he is an established businessman having more than 30 years of experience. He is involved in myriad fields of business comprising Banking Services, Insurance, Stock Brokerage, HR Development, Trading and others. He is now the Chairman of Impel Shares & Securities Ltd.; Director of HURDCO International Ltd. and Proprietor of Rafid Enterprise.

Widely travelled, Mr. Jashim is involved with many social and educational initiatives and earned recognitions from a number of organizations. He is Life Member of Bhatiary Golf and Country Club, Red Crescent Society, Kidney Foundation, Chittagong and Diabetic Association, Chittagong. As a Donor Member he has contributed to a number of schools and colleges.

Mr. Khondoker Jamil Uddin is a Director and one of the long serving Board Members of Dhaka Bank Limited. He is also a Member of Executive Committee of the Board. Born in a respectable Muslim family in Dhaka, Mr. Jamil accomplished his BSS (Hons), MSS and M. Phil from the Department of Sociology, University of Dhaka. He embarked on business in 1995 and the later years proved most prolific earning him the reputation of a distinctive industrialist in Bangladesh. His sincere effort and dynamic leadership culminated in a large business conglomerate in the name of Shanta Group and other renowned business houses. He is the Chairman of A & A Accessories Limited., JAAZ Concerns Ltd., Executive Attire Ltd., Green Field Tea Estate Ltd., OK Mobile Ltd., Dhaka Bank Investment Ltd. and Shanta Garments Ltd.; Director of STS Holdings Ltd., GDS Chemical Bangladesh (pvt.) Ltd., Universal Business Machines Ltd. and Citizen Securities Ltd. and Sponsor Director of Apollo Hospitals Dhaka Ltd., International School Dhaka., Delhi Public School and STS Education Group Ltd.

Alongside business, he is associated with many social, trade and sports associations. He is a Life Member of BIRDEM and Director of BGMEA. He is the General Secretary to Bangladesh Hockey Federation, Vice President of Bangladesh Olympic Association, President of Bangladesh Rugby Association and Vice President of Dhaka Mohammedan Sporting Club. His excellence in social welfare reached its height when he established a charitable clinic in Ashulia namely CWCH where presently he is the Vice Chairman.



Khondoker Jamil Uddin



Mirza Yasser Abbas

A young entrepreneur Mr. Mirza Yasser Abbas is Director of Dhaka Bank Limited. He is also a Member of Executive Committee of the Board. Mr. Yasser has an excellent academic record. He has accomplished his International MBA from Arcadia University, PA, USA and earned worthy expertise on business management affairs. He has been associated with Mirza Enterprise and family business over the last 13 years. He is also the Director of Dhaka Bank Investment Ltd.

Mr. Yasser Abbas was appointed Member of the Board of Directors of Dhaka Bank on May 3, 2012. Since his joining, he has been spearheading many development and restructuring initiatives in the Bank on behalf of the Board. Apart from business, he has considerable social affiliation. He is an Associate Member of Gulshan Club, Dhaka. He has travelled widely across Asia, Europe and North America on business and personal trips. With a compassion for the underprivileged, he is involved in various philanthropic works in the community.



# Directors' Profile

Continued



Amanullah Sarker

Mr. Amanullah Sarker is Director of Dhaka Bank Limited. He was appointed a Member of the Board of the Bank with effect from April 18, 2013. Having an excellent business background for 25 years, he is associated with Rahmat Group, a renowned business group which is one of the leading manufacturers of textiles, spinning, weaving, plastic and accessories in the country.

Mr. Sarker was born on 18th May 1964 and belongs to a respectable Muslim family. He is the son of Alhaji Mohammad Ali Sarker and Mrs. Amina Khatun. Academically he has pursued BA (Hons) and MA degree at the University of Dhaka. Having accomplished his academic feat, he set out as a promising business entrepreneur in the eighties. Over the next two decades, his career grew on his continuous success leading up to the formation of Rahmat Group. He is the Managing Director of Rahmat Spinning Mills Ltd. and Rahmat Plastic and Accessories Ltd. and Director of Rahmat Textiles Ltd., Belkuchi Spinning Mills Ltd., China Plastic (BD) Ltd., Rahmat Knit Dyeing & Finishing Ltd. and Rahmat Sweaters (BD) Ltd.

Besides business involvement, Mr. Amanullah Sarker has made worthy contribution to the society and public welfare.

A leading business personality Mr. M. N. H. Bulu is a Director of Dhaka Bank Limited. He is also one of the Sponsor Directors who set the course of the Bank 21 years ago. He wields appreciably long experience in business that shaped up as a large conglomerate with the passage of time. BNS Group of Companies is the epitome of his business leadership and corporate excellence where he is the Honourable Chairman & Managing Director. BNS Group has a magnificent reach in diversified areas of business that contain Banking, Real Estate, Indenting, Telecom, Media (Press & Electronic), Chemicals and many others.

He has interest in a good number of business concerns namely National Chemical Industries Ltd., Nawshin Vinyl Industries Ltd., Abico Industries Ltd., Rumki Industries Ltd., BNS Ceramic Industries Ltd., BNS Chemical Industries Ltd., BNS BOPP Tape and Adhesive Industries Ltd., Shafkat PVC Sole Industries Ltd., BNS DOP & Chemical Industries Ltd., Bulu International, Oishee International Company Ltd., Bulu Trading Corporation, Bulu Enterprise, Bulu Traders, BNS International Co., BOSS PVC Vinyl Industries in the capacity of either Chairman/Managing Director or Proprietor.

Mr. Bulu has many rewards and recognitions to his credit for his business talent and entrepreneurship. In recognition of his outstanding contribution to business and national development, he won Humane Net Work Bangladesh President's Trophy 1994, Srijnan Atish Dipankar Gold Medal 1998 and Arthakantha Business Award 2004. He also held prestigious positions in various industrial and trade associations. He is the Ex-President, Bangladesh Rexin & Plastic Sheet Manufacturers' Association, Ex-Vice President, Mohammedan Sporting Club and Ex-President, Usha Krira Chakra. Besides, he has a long history of affiliation to various social clubs and organizations.



M. N. H. Bulu

# Directors' Profile

Continued



Syed Abu Naser Bukhtear Ahmed

Mr. Syed Abu Naser Bukhtear Ahmed is the Director of Financial Excellence Ltd. and Managing Director of Trade Hub (Bangladesh) Ltd. An MBA from IBA, University of Dhaka, he is a seasoned banker with over 40 years of international and domestic experience. He worked in formulating policies & guidelines and promulgating laws related to Banking. He has exposure to the World Bank & IMF reform agenda for the nationalized banking sector.

Mr. Ahmed started his career with State Bank of Pakistan in 1970. He then worked with Bangladesh Bank and later joined Central Bank of United Arab Emirates and worked there for 21 years. After serving three Central Banks in Pakistan, Bangladesh and UAE for over 25 years, he served Arab Bangladesh Bank Ltd. and Prime Bank Ltd. He thereafter worked for Southeast Bank Ltd. as the President & CEO and Agrani Bank Ltd. as the Managing Director & CEO. Mr. Ahmed has been awarded several prestigious awards including Nawab Sir Salimullah Gold Medal, Financial News Service Business Gold Medal etc. He was Chairman of BAFEDA and Governing Body Member of AB,B, BIBM and IB,B. He was Vice-Chairman of Primary Dealers Association of Bangladesh and President of IBA Alumni Association. Mr. Ahmed was Director of Bangladesh Commerce Bank Ltd. and ICB. He is currently one of the Independent Directors of Dhaka Bank Ltd. He is associated with various social and cultural organizations & clubs.

Mr. M. A. Yussouf Khan is a seasoned banking expert and held the office of the Chief Executive Officer consecutively for three leading private commercial banks from 1989 to 2004. He started his career with National Bank of Pakistan in 1960. He served Eastern Banking Corporation (later renamed as Uttara Bank), Pubali Bank and United Commercial Bank.

In 1989 Mr. Khan joined the City Bank as its Managing Director and led the bank to a breakthrough success. Later he led UCB as its President and Managing Director. In 1999 he led the formation and commencement of the Premier Bank and served as its founding Managing Director. Mr. Khan was Chairman of BAFEDA for two terms. He has received many awards. As a philanthropist, he is associated with a number of social and charitable organizations.



M. A. Yussouf Khan

Mr. Syed Mahbubur Rahman joined Dhaka Bank Limited as the Managing Director on November 08, 2015. He has 29 years of experience in Banking Services and Credit related arena. Prior to joining DBL, he was the Managing Director & CEO of BRAC Bank Limited.

Mr. Rahman worked in various roles with some of the biggest names in the financial sector of Bangladesh such as Prime Bank Limited, Citibank NA, Standard Chartered Bank, ANZ Grindlays Bank, IDLC Finance Limited etc. before moving to BRAC Bank Limited in 2008. He started his career in Saudi Bangladesh Agricultural & Industrial Investment Co. (SABINCO). He also served as the Director for BRAC EPL Investments Ltd, BRAC EPL Stock Brokerage Ltd, BRAC Saajan Exchange Ltd, bKash Ltd, BRAC IT Services Ltd and IIDFC Securities Ltd. Mr. Rahman is also a Member of the Board of Governors at Association of Bankers, Bangladesh Limited. He was accorded with the prestigious 'The Asian Banker Leadership Achievement Award' for Bangladesh for the period 2011-2013.

He obtained his Masters in Business Administration (MBA) from Institute of Business Administration (IBA), University of Dhaka. During his career, he attended numerous trainings, seminars and workshops on different aspects of banking held in the country and abroad.



Syed Mahbubur Rahman

# Chairman's Statement



With all our apparent & underlying potentials, it is time to shift the gear to further excellence.

We have set our goals to expand the area of business while protecting the interest of all the stakeholders with new energy & endeavour. We have plans specific to each & every gamut of operations, as we strongly believe that the 'business chance never comes twice'. We want to remain in standby mode every single moment to grab the opportunity as swift as possible to ensure the continuous rush to the peak of the pyramid. Our Brand acceptance to the society is our confidence; our shareholders' support is our strength.

# Chairman's Statement

## Dear Shareholders,

It is always a pleasure welcoming you, our esteemed Investors, to our Annual General Meeting (AGM). After superbly celebrating two decades of banking excellence, now it is time to greet you all cordially to the Bank's 21st AGM. Meanwhile, let us express our fathomless gratitude for your relentless support & belongingness to your Bank, Dhaka Bank Limited.

Long twenty-one years of bonding with pride, prestige & persistence expresses nothing but the glory of a business entity committed to excel even in the tough time. Profound solidarity in the prudent Board, dynamic Management with other officials and undoubtedly, the valued Shareholders together have completed the story of success, where confident Customers did offer the footing. The story will be joyful; and endless.

Banking, however, was not so even & calm in 2015. The morning was cloudy; political demonstration etc. impeded business towards its beginning. Some unexpected incidents involving foreigners took a grave toll on the overall investment scenario. It forced Banks to run long with idle money. The high liquidity concerned most Banks.

Global economy was a bit challenging for the national economy seen from a holistic standpoint. The world GDP growth was projected as 3.5 percent & 3.8 percent in 2015 & 2016 respectively in The IMF's World Economic Outlook.

Growth in emerging economies has been around 70 percent of the global growth. Three key transitions were the gradual slowdown & rebalancing of economic activities in China toward consumption & services; lower prices for energy & other commodities; and a gradual tightening in monetary policy in the US in the context of a resilient recovery in several advanced economies. Overall growth in China is evolving broadly as foreseen. These developments, together with market concerns about the future performance of the Chinese economy, are having spillovers for other economies through trade channels & weaker commodity prices. Manufacturing activity & trade remain weak globally, reflecting subdued global demand & investment.

Bangladesh economy in the early 2015 was a bit disappointing with political turmoil. After a slow recovery from the initial loss, it went into rapid decline mid in the year. Despite the harsh reality, the economy registered an unswerving 6.55 percent growth at the end of the FY2015 which is expected to grow at 7.00 percent at the end of the FY2016, where the IMF & WB is anticipative enough about the growth as 6.8 percent & 6.7 percent respectively. Recognition as a Lower Middle Income Country by the WB justified the gradual though steady progress of the economy. Inflation as measured by CPI was 6.19 percent in December 2015, which was 6.99 percent in December 2014. The Central Bank's foreign currency reserve was the highest, US\$ 27.49bn (December 2015) resulting largely from less expenses in oil imports. The remittance inflow was also an encouraging US\$ 15.32bn at the end of FY2015 which was US\$ 14.23bn in the previous year.

After some malpractices revealed, banks are a bit extra watchful in lending money leading to lower private sector investment. The export earning was up, US\$ 32.37bn in 2015 against US\$30.41bn in 2014. Apparel sector persisted its drift to grow, the other sectors did not. A bit flexible yet cautious Monetary Policy Statement for the H2 will boost the investment up, we hope.

Amid this Global and Bangladesh perspective, we continue our voyage to the ultimate success. Last year, we recorded Tk. 1,438 million as net profit. Total operating profit was Tk. 3,504 million.

We likewise uphold our tradition to contribute to the society through mobilization of resources, creation of employment opportunities, ensure financial inclusion and Corporate Social Responsibility programmes for its under-privileged members. We have spent total of Tk. 42 million for CSR purpose in 2015. We are determined to trigger Green Finance to keep our motherland safe & suitable; aligned to the idea of Sustainable Development Goals. Welcoming technological advancement, we are now working on updating our Core Banking System. It will ensure hassle-free & smooth banking experience. We are now available to more Customers' with a total of 87 Branches, 53 ATMs & 19 ADMs, 3 SME Service Centres, 1 Off-shore Banking Unit, 1 Kiosk and 6 Branches under Dhaka Bank Securities Limited across the country.

With all our apparent & underlying potentials, it is time to shift the gear to further excellence. We have set our goals to expand the area of business while protecting the interest of all the stakeholders with new energy & endeavour. We have plans specific to each & every gamut of operations, as we strongly believe that the 'business chance never comes twice'. We want to remain in standby mode every single moment to grab the opportunity as swift as possible to ensure the continuous rush to the peak of the pyramid. Our Brand acceptance to the society is our confidence; our shareholders' support is our strength.

We would like to take this opportunity to express our deep sense of gratitude to the Central Bank, Government of Bangladesh, Ministry of Finance and its Bank & Financial Institutions Division in particular, Bangladesh Securities and Exchange Commission, other regulating agencies, for valued guidelines, advice & ceaseless support. We are also thankful to Public Representatives, members of local administration & law enforcing agencies et al for their all-out support especially in organizing our CSR programmes in their respective localities.

We would also like to place on our record sincere appreciation to all honourable Members of the Board of Directors of our Bank for strong leadership & direction; to every member of Management and the DBL family for the total commitment, dedication & hard work that was put in by them. To them goes the credit for the Banks achievement, however humble may it be.

And again to you, our Shareholders, we are deeply grateful for the confidence & faith that you always have on us.



**Reshadur Rahman**  
Chairman



# চেয়ারম্যানের বাণী

## প্রিয় শেয়ারহোল্ডারবৃন্দ,

বার্ষিক সাধারণ সভায় আপনাদের স্বতস্কৃত উপস্থিতি আমাদের জন্য সবসময়ই আনন্দের। ব্যাংকিং উৎকর্ষের দুই যুগ পেরিয়ে আমরা এখন মিলিত হয়েছি ২১তম বার্ষিক সাধারণ সভায়। ব্যাপারটি একইসঙ্গে গৌরবের এবং আনন্দের। আপনাদের অকুণ্ঠ সমর্থন এই দীর্ঘ পথচলাকে নানাদিক থেকেই স্বচ্ছন্দ করেছে।

২১ বছরের সমৃদ্ধির এই গল্পটির পথপরিক্রমা সবসময় সহজ ছিলোনা। আমাদেরকে অনেক বন্ধুর পরিস্থিতি মোকাবেলা করে সামনের দিকে এগিয়ে যেতে হয়েছে। এটা সম্ভবপর হয়েছে ঢাকা ব্যাংকের প্রত্যেক শেয়ারহোল্ডার এবং গ্রাহকদের অবিচল আস্থা, বিচক্ষণ পরিচালনা পরিশ্রম এবং গতিশীল ও করিৎকর্মা ব্যবস্থাপনা টিমের মাঝে চমৎকার এক সমন্বয়ের ফলে। ভবিষ্যতে এ সংহতি আরো সুদৃঢ় হবে বলে আমাদের বিশ্বাস।

বিগত বছরটিতে আভ্যন্তরীণ অর্থনীতির নানাবিধ ক্ষেত্রে বেশকিছু ইতিবাচক দিক পরিলক্ষিত হয়েছে। এরইমাঝে আমরা নিম্ন-মধ্যম আয়ের দেশ হবার মর্যাদা অর্জন করেছি। প্রায় এক দশকব্যাপী বাংলাদেশ ৬.০০ শতাংশের উপরে প্রবৃদ্ধি ধরে রেখেছে, যা নিঃসন্দেহে আশাব্যঞ্জক। এক্ষেত্রে চ্যালেঞ্জ হচ্ছে বিনিয়োগের সুষ্ঠু পরিবেশ, অবকাঠামোগত উন্নয়ন, আমলাতান্ত্রিক জটিলতা ও দুর্নীতি দ্বন্দ্ব, রাজনৈতিক স্থিতিশীলতা প্রভৃতি নিশ্চিতকরণ।

কিছুটা রাজনৈতিক অস্থিরতার মধ্য দিয়ে যাত্রা শুরু হলেও ২০১৫ সালের বাকি সময়টুকু ছিলো তুলনামূলকভাবে স্থিতিশীল। তবে বছরব্যাপী যে সমস্যাটি ব্যাংকিং খাতকে ভুগিয়েছে তা হলো অত্যধিক তারল্য। দুয়েকটি ব্যতিক্রম ছাড়া বেশীভাগ ব্যাংককেই অলস টাকা নিয়ে বসে থাকতে হয়েছে। এর পেছনে প্রধান কারণ ছিলো সরকারি এবং বেসরকারি বিনিয়োগের অপ্রতুলতা। সরকারি বিনিয়োগ প্রধানত হয় বার্ষিক উন্নয়ন কর্মসূচীর মাধ্যমে, ২০১৫-১৬ অর্থবছরের প্রথম সাত মাসে (জুলাই-জানুয়ারি) এর বাস্তবায়ন হার ছিলো মাত্র ২৮ শতাংশ, গত বছরের একই সময় যা ছিল ৩২ শতাংশ। সেই হিসেবে গত বছরের একই সময়ের তুলনায় বাস্তবায়নের হার কমেছে ৪ শতাংশ।

অপরপক্ষে বেসরকারি বিনিয়োগের চিত্রও ছিলো হতাশাব্যঞ্জক। বিদ্যুৎ সমস্যা, অবকাঠামোগত দুর্বলতা এবং গ্যাস সংযোগ প্রাপ্তির ক্ষেত্রে অনিশ্চয়তাকেই এর পেছনে মূল কারণ হিসেবে উল্লেখ করা যায়। এছাড়া আর্থিকখাতে কিছু অনিয়মের কারণেও ব্যাংকগুলি অতিরিক্ত সতর্কতা অবলম্বন করেছে যা সামগ্রিক তারল্য বৃদ্ধিতে ভূমিকা রেখেছে।

অপরদিকে বিশ্ব অর্থনীতির বেশকিছু ঘটনা যেমন গ্রীসের অর্থনৈতিক সংকট, চীনের আকস্মিক মন্দা, বিশ্ববাজারে অপরিশোধিত তেলের আশ্চর্য্যবিক মূল্যপতন, যুক্তরাষ্ট্রের অর্থনৈতিক পুনরুদ্ধার কর্মসূচী এবং ফেডারেল রিজার্ভ সিস্টেম-এর সুদের হার বাড়ানো ইত্যাদি প্রত্যক্ষ এবং পরোক্ষভাবে বাংলাদেশের ব্যাংকিং এবং অন্যান্য ব্যবসার উপর প্রভাব ফেলেছে।

ঢাকা ব্যাংক বরাবরের মতই গত বছরও এর ব্যবসায়িক উৎকর্ষের ধারা অব্যাহত রাখতে সক্ষম হয়েছে। বছর শেষে আমরা মোট ১৪৪ কোটি টাকা নীট মুনাফা অর্জন করেছি। বছর শেষে আমাদের পরিচালন মুনাফা দাঁড়ায় ৩৫০ কোটি টাকা।

তবে ঢাকা ব্যাংক সবসময়ই সংখ্যার চাইতে গুণগত মানকেই প্রাধান্য দিয়ে এসেছে। ব্যবসায়িক শিষ্টাচার মেনে সুষ্ঠু প্রতিযোগিতার মধ্য দিয়ে এগিয়ে যাওয়াই আমাদের লক্ষ্য।

এগিয়ে যাওয়ার চলমান এ প্রক্রিয়ায় আমরা এখন ৮৭টি ব্রাঞ্চ, ৫৩টি এটিএম এবং ১৯টি এডিএম, ৩টি এসএমই সার্ভিস সেন্টার, ১টি অফশোর ব্যাংকিং ইউনিট এবং ১টি কিয়স্ক এর মাধ্যমে ভোক্তাদের কাছে ব্যাংকিং সেবা পৌঁছে দিচ্ছি। সামাজিক দায়বদ্ধতা পালন কর্মসূচীতে অবদানকে আমরা সামাজিক বিনিয়োগ হিসেবেই দেখে থাকি। ২০১৫ সালে এর পেছনে আমাদের মোট অবদান ছিলো ৪.২ কোটি টাকা।

নতুন দিনের সম্ভাবনার পাশাপাশি সামনের দিনগুলিতে ব্যাংকিং আরো চ্যালেঞ্জিং হয়ে উঠবে এতে কোন সন্দেহ নেই। তবে যে কোন চ্যালেঞ্জকে মোকাবেলা করে সামনে এগিয়ে যাবার ক্ষেত্রে ঢাকা ব্যাংক দৃঢ়প্রতিজ্ঞ। সম্ভাবনা এবং চ্যালেঞ্জের সেই দিনগুলিতে পূর্বের মতোই আপনাদের পাশে পাবো বলে আমাদের বিশ্বাস।

পরিশেষে বাংলাদেশ ব্যাংক, অর্থ-মন্ত্রণালয়, ব্যাংক ও আর্থিক প্রতিষ্ঠান বিভাগ এবং বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের প্রতি আমাদের গভীর কৃতজ্ঞতা তাঁদের মূল্যবান সার্বিক দিকনির্দেশনার জন্য। স্থানীয় প্রশাসন, আইনশৃঙ্খলা রক্ষা বাহিনী এবং সর্বোপরি সরকারের বিভিন্ন বিভাগের প্রতি আমরা কৃতজ্ঞ তাঁদের নানাবিধ সহযোগিতার জন্য। আমাদের কাছে সব সময়েই মূল্যবান শেয়ারহোল্ডারবৃন্দ এবং গ্রাহকগণকে আবারও ধন্যবাদ জানাই ঢাকা ব্যাংকের প্রতি আপনাদের অবিচল আস্থার জন্য।

রেশাদুর রহমান  
চেয়ারম্যান

# Strategic Review of the Managing Director & CEO



The next-day banking definitely will be more challenging & tough with all its light & shadow. As the number of industry players are increasing, market is saturating, technology is changing fast its face, so we have to come up with maximum potential in the playground. Banking will rely on not merely the rates & charges; it will admire more the brand acceptance, brand reliability & brand positioning amongst the existing & potential customers. The brand Dhaka Bank has already roared as a socially acceptable & reliable one over the long two decades. Now we are working for years-long sustainability & life-long ties with our valued clients & consumers.

# Strategic Review of the Managing Director & CEO

## Respectable Shareholders,

Once again the opportunity has come to welcome you all to our Bank's 21st Annual General Meeting with endless enthusiasm & ecstasy when another year of excellence has just ended. Times go while letting us appraise our upshots skimmed from the past standing on which we can set our eyes on the future.

The year just ended had a multicolour scenario, influencing eminently the range of global & local business. Global growth was estimated by the IMF at 3.5 percent in 2015, projected at 3.8 percent for 2016. A modest & uneven recovery continued throughout the preceding year in the advanced economies while some other dynamics like Greek crisis, advent of two newly formed multinational banks (AIIB & NDB), China's economic slowdown, declining oil price and raising of interest rates by the Fed shaped the global economy in 2015. Here in Bangladesh, political turmoil at the start, decreasing inflation, low investment, handsome foreign currency reserve, unswerving remittance inflow and, most importantly, the continuous 6+ percent growth featured prominently in the economy. The country expects 7 percent growth in the FY16 even though the World Bank & the Asian Development Bank are optimistic about the growth of 6.7 & 6.8 percent respectively. Days ahead will knock at enormous possibilities we believe.

Banking locally in the previous year was ruled by some remarkable phenomena. The excessive liquidity due to insufficient investment smashed the business immensely. Around Tk. 1,000 billion remained idle. The average credit growth was about 12-13 per cent in 2015 which was around 16-18 per cent the year before. Dhaka Bank had a credit growth of 14.00 percent in 2015. We are on hunt for new & sustainable segments to serve with quality market offerings. Introducing newly designed product for sector specific target market is our priority to face this situation. The average AD ratio came down to 70 percent in the previous year, which was 87.74 percent in our Bank. Ensuring quality of the loan and maintaining the ceiling, we will go on raising our loans & advances.

The private sector investment is static at 22 percent of the total GDP for years. Though the political turmoil is almost absent, the underdeveloped infrastructure, gas insufficiency & private borrowings from the foreign countries made the local investors idle. Another concern for the industry was rising Non-Performing Loan (NPL); around 10 percent on an average. It rose to 9.7 percent in 2014 from 8.9 percent in 2013. Our endeavour will be to lower it in our Bank and maintain it at the lowest possible rate.

The net profit earned was Tk. 1,438 million in 2015. Figure shows here the trend of our profitability but still we have miles to go.

The next-day banking definitely will be more challenging & tough with all its light & shadow. As the number of industry players are increasing, market is saturating, technology is changing fast its face, so we have to come up with maximum potential in the playground. Banking will rely on not merely the rates & charges; it will admire more the brand acceptance, brand reliability & brand positioning amongst the existing & potential customers. The brand Dhaka Bank already roars as a socially acceptable & reliable one over the long two decades. Now we are working for years-long sustainability & life-long ties with our valued clients & consumers. We want to take this brand to a newer height with the contribution of every single slice of this organization. Bringing banking services to the fingertips of consumers, considering the Financial Inclusion for the unbanked people through the application of popular technology is what we are putting thrust on. Meanwhile, we have

made our presence glaring with countrywide 87 Branches, 53 ATMs & 19 ADMs, 3 SME Service Centres and 1 Kiosk.

Re-engineering the service delivery process crafted by smart, responsive & tech-savvy employees will be ensured for gaining excellence in service. Minimizing various customers' costs -- Monetary, Time, Energy & Psychic cost -- through the integrated service delivery backed by a skilled professional squad is what we now mainly focus on. Quality human resources enriched with intensive training & grooming is our confidence in this arena. Enhancing employee attachment with the brand is another point we prioritize.

We believe in healthy competition with our fellow fighters, thus we have much respect to the fair play. Parallel to the regulatory bodies' policies, we give priority to AML & CFT issues, Financial Inclusion and the like considering the wellbeing of the state & the masses. Green & SME finance are the sectors we are flourishing with and will do more in the coming days.

In the extremely saturated market, innovation is the bird we try to catch. Innovation need not mean innovating new product always, rather it means to innovate newer ways of carrying out our everyday deeds that saves time & other resources. Only a team of caring & innovative professionals, which we have I believe, can make it possible.

I would like to take the pleasure of thanking gratefully the Members of the Board & regulators for their valuable direction & counsel. Also, we are grateful for the generous support & trust of Shareholders, Customers, Vendors and my hardworking colleagues.



**Syed Mahbubur Rahman**  
Managing Director & CEO

# ব্যবস্থাপনা পরিচালকের বাণী

প্রিয় শেয়ারহোল্ডারবৃন্দ,

ঢাকা ব্যাংকের ২১তম বার্ষিক সাধারণ সভায় আপনাদের স্বাগতম। এরই মাঝে আপনাদের প্রিয় ব্যাংকটি সফলতার সাথে ২১ বছরে পদার্পণ করেছে। ব্যাপারটি গৌরবের। তবে বছরপূর্তির চাইতেও জরুরী বিষয় হচ্ছে এই সময়ের মাঝে আমাদের অর্জনগুলো। শুধু সময়ের হিসেবে নয়, ব্যবসায়িকসহ অন্য নানাবিধ অর্জনের ক্ষেত্রেও ব্যাংকটি নিঃসন্দেহে এগিয়ে।

বিশ্ব অর্থনীতিতে গতবছর মিশ্রচিত্র পরিলক্ষিত হয়েছে। বছরশেষে আন্তর্জাতিক মুদ্রা তহবিল (আইএমএফ) কর্তৃক প্রাক্কলিত বৈশ্বিক প্রবৃদ্ধি ছিলো ৩.৫ শতাংশ, যেখানে উন্নত অর্থনীতিতে বছরজুড়ে চলমান একটি মৃদু পুনরুদ্ধার কর্মসূচীর ইতিবাচক প্রভাব অনুভূত হয়েছে অনূনত এবং উন্নয়নশীল অর্থনীতিতে। এছাড়া গ্রীসের আর্থিক সঙ্কট, নতুন দুটি বহুজাতিক ব্যাংকের আবির্ভাব, চীনের আর্থিক মন্দা, অপরিশোধিত তেলের অস্বাভাবিক দরপতন এবং ফেডকর্তৃক সুদের হার বাড়ানো ছিলো বৈশ্বিক অর্থনীতির আরো কিছু ঘটনা যা প্রত্যক্ষ এবং পরোক্ষভাবে বাংলাদেশের অর্থনীতিতে প্রভাব ফেলেছে। বছরের শুরুতে কিছুটা রাজনৈতিক অস্থিরতা থাকলেও পরবর্তীতে স্থিতিশীল মুদ্রাস্থিতি, বিনিয়োগ ঘাটতি, বৈদেশিক মুদ্রার আশাতীত মজুত, ক্রমবর্ধমান প্রবাসী আয় এবং সর্বোপরি দশকধরে চলে আসা ৬ শতাংশের উপরে প্রবৃদ্ধি ছিলো ২০১৫ সালে বাংলাদেশের অর্থনীতির মূল নিয়ামক।

গত বছরটিতে অতিরিক্ত তারল্য ছিলো ব্যাংকসমূহের জন্য মাথাব্যথার একটি কারণ। অলস পড়ে ছিলো প্রায় ১,০০০ বিলিয়ন টাকা। এক্ষেত্রে সরকারি ও বেসরকারি বিনিয়োগে স্থবিরতাই মূলত দায়ী। কয়েক বছরব্যাপী বেসরকারি বিনিয়োগ সেই ২২ শতাংশের ঘরেই আটকে আছে। ২০১৫ সালের শেষের দিকে ঋণের গড় প্রবৃদ্ধি ছিলো ১২-১৩ শতাংশ, যা আগের বছরের একই সময় ছিলো ১৬-১৮ শতাংশ। বছর শেষে ব্যাংকসমূহের গড় ঋণ-আমানত অনুপাত প্রায় ৭০ শতাংশে নেমে আসে, যা ঢাকা ব্যাংকে ছিলো ৮৪.৭৪ শতাংশ। গত বছর ঢাকা ব্যাংক ঋণ প্রদানের ক্ষেত্রে ১৪.০০ শতাংশ প্রবৃদ্ধি অর্জনে সক্ষম হয়েছে। নূতন ও টেকসই খাতে গুণগত মানসম্পন্ন নানারকম ব্যাংকিং পণ্য প্রবর্তনের মাধ্যমে এ প্রবৃদ্ধিকে আরো বাড়িয়ে নেয়াই আমাদের লক্ষ্য।

মন্দ-ঋণের প্রবৃদ্ধমান ধারা গতবছরটিতে আবারো ব্যাংকসমূহকে ভুগিয়েছে। বছরশেষে এর হার ছিলো প্রায় ১০ শতাংশ, যা ২০১৪ ও ২০১৩ সালে ছিলো যথাক্রমে ৯.৭ ও ৮.৯ শতাংশ। এক্ষেত্রে আমাদের সতর্কতা বরাবরের মতই ভবিষ্যতেও অব্যাহত থাকবে।

কিছুটা চ্যালেঞ্জিং ব্যবসায়িক পরিবেশ থাকা সত্ত্বেও ঢাকা ব্যাংক গতবছর নীট মুনাফা করেছে ১৪৪ কোটি টাকা। মুনাফার এ পরিমাণ চলতি বছরে উল্লেখযোগ্যহারে বাড়বে বলেই আমাদের বিশ্বাস।

আগামীর ব্যাংকিং যতোটা না রোট বা চার্জের উপর নির্ভর করবে, তার চেয়ে বেশি নির্ভর করবে ব্র্যান্ড গ্রহণযোগ্যতা এবং ব্র্যান্ডের প্রতি ভোক্তা ও সমাজের আস্থা প্রভৃতির উপর। ঢাকা ব্যাংক এরই মাঝে সমাজের কাছে গ্রহণযোগ্য এবং বিশ্বস্ত একটি ব্র্যান্ড হিসেবে তার দুই দশক পূর্ণ করেছে। এখন আমরা এগুচ্ছি ভোক্তাদের সঙ্গে আমাদের আস্থার সম্পর্ককে আরো সুদৃঢ় করে দীর্ঘমেয়াদি ও টেকসই উন্নয়নের পরিকল্পনাটিকে সামনে রেখে। 'ঢাকা ব্যাংক' ব্র্যান্ডটিকে একটি নতুন উচ্চতায় নিয়ে যেতে আমরা বদ্ধপরিকর। এক্ষেত্রে এই প্রতিষ্ঠানটির সব পর্যায়ের, সবধরনের সম্ভাবনাকে

আমরা কাজে লাগাতে চাই। এরই মাঝে আমরা ৮৭ টি ব্রাঞ্চ, ৫৩ টি এটিএম, ১৯ টি এডিএম, ৩ টি এসএমই সার্ভিস সেন্টার এবং ১ টি কিয়স্ক-এর মাধ্যমে ভোক্তাদের কাছে আমাদের উপস্থিতি নিশ্চিত করেছি। আর্থিক অন্তর্ভুক্তির ধারণাকে মাথায় রেখে ব্যাংকিং সেবাকে ভোক্তাদের দোরগোড়ায় পৌঁছে দেয়ার ক্ষেত্রে জনপ্রিয় ও সুবিধাজনক প্রযুক্তির সর্বোত্তম ব্যবহার আমরা নিশ্চিত করতে চাই। সেবার পসরা আরো উপভোগ্য করে তুলতে সেবার উৎকর্ষসাধনে আমাদের সুদক্ষ ও প্রশিক্ষিত কর্মীবৃন্দ সবসময়ই প্রতিশ্রুতিবদ্ধ।

অর্থপাচার এবং সন্ত্রাসী অর্থায়ন রোধ, সুস্থ প্রতিযোগিতার পরিবেশ নিশ্চিতকরণ এবং সরুজ অর্থায়নের মাধ্যমে একটি সুন্দর আর্থিক খাত গঠনের সম্মিলিত উদ্যোগে ঢাকা ব্যাংক সবসময় নিজেদের অংশগ্রহণ নিশ্চিত করে এসেছে। ভবিষ্যতে এ অংশগ্রহণ নিঃসন্দেহে আরো জোরদার হবে।

পরিচালনা পর্ষদের সম্মানিত সদস্যবৃন্দ, শেয়ারহোল্ডারবৃন্দ, ভোক্তাসাধারণ এবং সর্বোপরি আমার পরিশ্রমী সহকর্মীদের নিরন্তর সমর্থন নিঃসন্দেহে প্রশংসার দাবী রাখে। সামনের দিনগুলিতে সবার যৌথ ও একনিষ্ঠ প্রয়াস ব্যাংকটিকে এক অন্যরকম উচ্চতায় নিয়ে যাবে বলে আমরা দৃঢ়ভাবে বিশ্বাস করি।

সৈয়দ মাহবুবুর রহমান

ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী কর্মকর্তা



# Report of the Audit Committee of the Board

The Audit Committee of the Board was duly reconstituted by the Board of Directors of the Bank in compliance with Bangladesh Bank guidelines and Bangladesh Securities and Exchange Commission (BSEC). Audit Committee efficiently conducts the monitoring activities of the Board and also plays an effective role in the supervision of execution of strategies and work plans so devised towards smooth operation of the Bank. The Committee supervises whether banking activities are carried out in line with the ongoing laws and rules and regulations imposed by the regulatory bodies as well as the Financial Statements, internal control management and audit system.

## Composition

As per regulatory guidelines stipulated vide Bangladesh Bank BRPD Circular No.11 dated October 27, 2013, the composition of the Audit Committee of a bank shall comply with the following:

- Members of the committee shall be selected from among the directors of the board;
- Audit Committee of the board shall comprise maximum 05 (five) members including at least 2 (two) members as independent directors;
- Audit Committee shall be constituted with those members of the Board, who are not included in the Executive Committee;
- Members shall be elected for a term of 03 (three) years;
- Company Secretary of the Bank shall be secretary of the Audit Committee.

The Board Audit Committee of Dhaka Bank Limited was last reconstituted on May 19, 2015. The particulars of the members of the Audit Committee and their attendance in Meetings in the year 2015 are as under:

Sl. No.	Name	Status with the Bank	Status with the Committee	Educational Qualification	No. of Meetings held in 2015	No. of Meetings Attended*	Remarks
01.	Mr. Syed Abu Naser Bukhtear Ahmed	Independent Director	Chairman	MBA	07	07	
02.	Mr. Reshadur Rahman	Chairman	Member	Graduate	04	04	From 19.05.2015
03.	Mrs. Rokshana Zaman	Vice Chairperson	Member	Intermediate	04	04	From 19.05.2015
04.	Mr. Tahidul Hossain Chowdhury	Director	Member	Bachelor of Arts	07	06	
05.	Mr. Md. Amirullah	Director	Member	Intermediate	03	03	Till 18.05.2015
06.	Mr. Khondoker Jamil Uddin	Director	Member	BSS (Hons.), MSS, M. Phil.	03	02	Till 18.05.2015

\* The directors, who could not attend any meetings, were granted leave of absence

The company secretary of the Bank Mr. Arham Masudul Huq acts as the Secretary of the Audit Committee.

## Duties and responsibilities

### Internal control

- Evaluate whether the bank management has been able to build a compliance culture with respect to bank's internal control system; whether bank employees/workforce have been clearly advised about their duties and responsibilities in this regard and whether management has established full control on their activities;

- Review all initiatives taken by bank management as regards building a suitable Management Information System (MIS) along with the state of computer application in banking system and uses thereof;
- Consider the oversight of bank's compliance on recommendations made from time to time concerning establishment of an internal control mechanism/framework by internal as well as external auditors;
- Apprise the board of any fraud-forgery, internal control lapses found by internal or external auditors and inspection team of regulatory authority or identification of such other areas and remedial measures therein.

### Disclosure of financial report

- Scrutinize whether complete and true information is reflected in annual financial statements and conventional rules and regulations, standards along with BB guidelines are complied in making such statements;
- Exchange views with the external auditors and the managing director/CEO before confirmation of the financial statements.

### Internal Audit

- Review if internal control management is able to conduct its operation independent of bank management;
- Review internal audit activities and its organizational structure and ensure that no untoward hurdles or limitations create bottleneck to internal audit activities;

- Verify the skills and effectiveness of internal audit system;
- Examine appropriateness of management consideration about observations/recommendations of the internal auditors regarding banking operation and mitigation of irregularities identified.

### External Audit

- Review auditing activities of external auditors and their audit report;
- Examine appropriateness of management consideration about observations/recommendations of the external auditors regarding

# Report of the Audit Committee of the Board

Continued

- banking operation and mitigation of irregularities identified;
- Submit recommendations for appointment of external auditors to perform audit activities of the bank.

## Adherence to existing laws, rules and regulations

- Review the status of compliance on rules and regulations prescribed by regulatory bodies (Central Bank and other authorities) as well as internal rules and regulations approved by the board of the bank.

## Meeting of the committee

According to applicable rules and regulations, 07 (Seven) meetings of the Committee were held in the year 2015. The committee from time to time invited the Managing Director, the Head of Internal Control and other responsible officials entrusted with internal control activities or any other personnel to participate in their meeting, as deemed necessary. All the recommendations/ observations of the committee were recorded in minutes form.

## Key Activities in 2015

The Audit Committee of the Board, in their 07 (Seven) Meetings held during the year 2015, mainly dealt with the following issues:

- Latest compliance status of Audit Reports of Different Branches of Dhaka Bank Limited, Audits Conducted from January to December, 2013
- Audit Plan for the Year-2015
- Compliance status under Revised Minutes of Special Board Meeting (225th) of the Directors held on August 27, 2014 under 16th Comprehensive Inspection Report of Bangladesh Bank, Head Office, Dhaka on Dhaka Bank Limited, Head Office, Dhaka position as at the close of business dated December 31, 2013
- Quarterly Statement of Self- assessment of Anti-Fraud Internal Controls under DOS Circular Letter No. 17 dated November 07, 2012 of Bangladesh Bank
- Fraud and forgery occurred at DBL different branches during the period from October 01 to December 08, 2014
- Summary of loan classification and provision as on 31.12.2014 along with previous quarter
- Re-appointment of M/s. ACNABIN, Chartered Accountants as External Auditors of the Bank
- Deviations in Quarterly Operations Report for the Quarter ended December 2014
- Audited Consolidated Financial Statements of the Company and Financial Statements of the Bank for the year ended 31st December 2014
- Status of Comprehensive Audit on 9 (nine) Divisions of Head Office
- Un-audited Quarterly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 31st March 2015
- Summary of loan classification and provision as on 31.03.2015 along with previous quarter
- Submission of Executive Summary Audits conducted during the year 2015
- Summary Report on the Audit Findings & Corrective Measures taken thereon of Dhaka Bank Limited for the year-2014
- Latest Compliance Status of Audit Reports of Different Branches of

Dhaka Bank Limited, Audits Conducted from January to December, 2014.

- Classified and Written-off Loan Recovery Strategy
- Anti-fraud Alert/Whistle Blowing Policy
- Annual Report on the Health of the Bank for the year ended 31st December, 2014
- Review of "Internal Control and Compliance (ICC) Policy"
- Latest Status of Audit Observation of 25 (Twenty Five) Branches conducted During 2015
- Summary of loan classification and provision as on 30.06.2015 along with previous quarter
- Information on Bangladesh Bank 17th Comprehensive Audit Report of Dhaka Bank Ltd., Head Office as on 31.12.2014
- Un-audited Half-yearly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 30th June, 2015
- Compliance and responses of 17th Comprehensive Bangladesh Bank Inspection Report on Dhaka Bank Limited, Head Office as on 31.12.2014
- Latest status of compliance on unaddressed compliance issues based on 31.12.2013
- Discrepancies in the Loan Documentation for the Quarter Ended September 2015
- Deliverables as per minutes of 256th Special Meeting of the Board of Directors on 17th Comprehensive Bangladesh Bank Inspection report on Dhaka Bank Ltd., Head Office as on 31.12.2014
- Deviations in Quarterly Operations Report for the Quarter Ended September 2015
- Un-audited Quarterly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 30th September, 2015
- Latest position of the Top-20 defaulters as on June'2015
- Summary of Loan Classification and Provision as on 30.09.2015 along with previous quarter
- HR Issues
- Staff working more than 3(three) years at the branches

## Approval of Financial Statements

The Audit Committee reviewed and examined the Bank's Annual Financial Statements for the year ended December 31, 2015 prepared by the Management and audited by External Auditors M/s. ACNABIN, Chartered Accountants with a recommendation to the Board for consideration and approval.

The Audit Committee accords its sincere thanks and gratitude to members of the Board, Management streams and the Auditors for their continuous support to make DBL a compliant Bank in its journey to banking excellence.



**Syed Abu Naser Bukhtear Ahmed**  
Chairman  
Audit Committee of the Board

# Report of the Shari'ah Supervisory Committee

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

**Salat and Salam are on Hazrat Muhammad (sm), the Greatest Prophet and the last messenger to mankind from the Almighty Allah.**

During the year 2015 under review the Shari'ah Supervisory Committee conducted several meetings and reviewed a number of operational issues including those referred to by the Board of Directors and the Bank Management. The Committee gave opinion & provided necessary guidelines and suggestions that they considered relevant to smooth functioning of Islamic Banking Business. As part of their key responsibilities the committee arranged to oversee Islamic Banking activities of the Bank through fruitful discussion sessions and sharing spontaneous opinion of participant members and Shariah Supervisory Committee provided suggestions & recommendations on Shariah related issues of the operations of Islamic Banking Business, the Management of the bank implements those suggestions and recommendations in the operation. In this period a Sub Committee from the Shariah Supervisory Committee was formed to finalize the Islamic Investment Policy of Islamic Banking Operations and it was approved by the Committee. In line with growing keenness and customers' tendency towards Islamic products, the bank is going to introduce Islamic Deposit Product namely Salary Accounts for employees, Hajj Deposit Scheme and Student Ledger Deposit Accounts with Insurance Coverage under Mudaraba principles of Islamic Shari'ah. Moreover, the Muraqib of the Shari'ah Supervisory Committee conducted audit in 2 (two) Islamic Banking Branches on sample and test basis of operational activities namely IBB, Motijheel and IBB, Chittagong during the year 2015 and submitted report thereon.

## **Opinion of the Shari'ah Supervisory Committee over the Shari'ah Inspection Report:**

On deep perusal and thorough review of the Shariah Inspection Report done on the basis of Test & Sampling of data of the activities of Islamic Banking Operations, the Shari'ah Supervisory Committee opined and observed that -

1. The Bank has duly complied Shari'ah Principles in conducting Islamic Banking business with respect to Investment, Deposit along with all related transactions during the period under review.
2. Awareness about the Compliance of Shari'ah has increased significantly among the officials responsible for investment operations and also among investment clients.
3. Profits have been announced and distributed in the deposit accounts pursuant to Shari'ah Guidelines.
4. During the Inspection the Muraqib pointed out some aspect of Shariah principle of the operation and the branch officials have complied with.
5. Frequency of inspection to be conducted at least once in every six months at the Islami Banking Branches to strengthen Shari'ah Compliance at Branch level.
6. The Balance Sheet as on 31st December, 2015 and Profit & Loss account for the year 2015 have been prepared on the basis of compliance of Shariah Principle

## **Recommendations to upgrade Shari'ah practices in Dhaka Bank:**

1. Dissemination of Shari'ah based banking knowledge in all tiers of Bank employees through regular training and development program.
2. Careful implementation of Shari'ah principles in every investment transaction and related business operations.
3. Strict adherence to Islamic Banking operation manual in Islamic Banking Branches.
4. Holding of meetings, seminars and symposiums for clients and patrons to develop awareness and belongingness about Shari'ah practices in banking.
5. Recruitment, training & placement of personnel having adequate skill in Shari'ah Principle to ensure sustainable work environment, business and banking growth.
6. Proper Implementation of Islamic Banking guidelines as per BRPD Circular No. 15 dated 9th November 2009.

May Allah give us tawfique to achieve His satisfaction through implementation of Shari'ah in every sphere of our life including those to Islamic Banking.

Ameen,



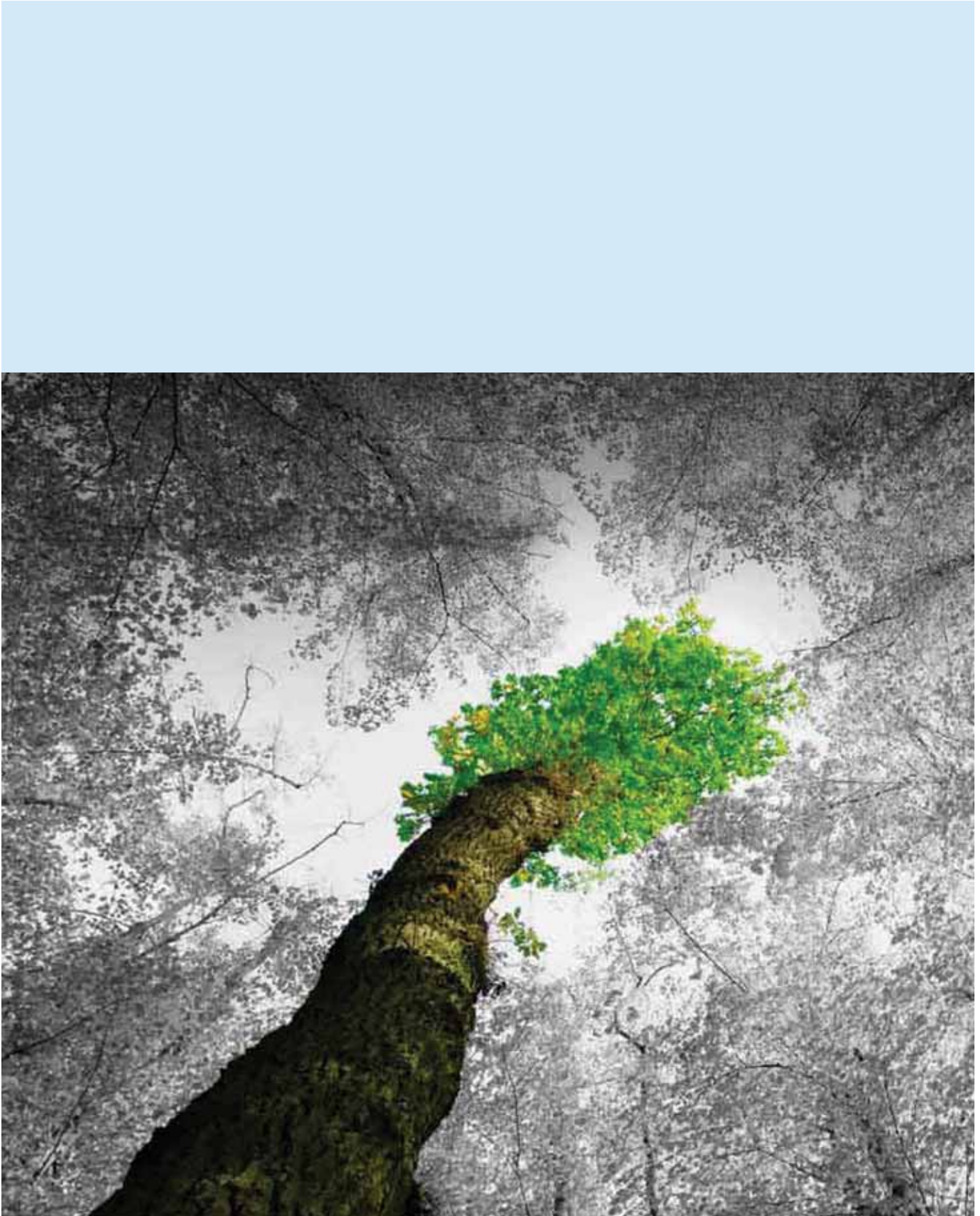
**Md. Sirajul Hoque**  
Member Secretary



**M. Azizul Huq**  
Chairman



# Dhaka Bank Management





# Dhaka Bank Management



## Management Committee (MANCOM)

**Mr. Syed Mahbubur Rahman**, Managing Director & CEO

**Mr. Emranul Huq**, DMD-Business Banking

**Mr. Khan Shahadat Hossain**, DMD-Risk Management

**Mr. Md. Shakir Amin Chowdhury**, DMD- Operations

**Mr. Mohammad Abu Jafar**, DMD-International Business

**Mr. Kaiser Ahmed Chowdhury**, Principal, Dhaka Bank Training Institute (not in the picture)

**Mr. Arham Masudul Huq**, SEVP & Company Secretary

**Mr. A.M.M. Moyen Uddin**, SEVP & Head of IT

**Mr. Md. Sirajul Hoque**, SEVP & Head of Islamic Banking, Special Credit & SME Unit

**Mr. Md. Shafquat Hossain**, SEVP & Head of CBD

**Mr. Darashiko Khasru**, EVP & CFO



**Mr. Shah Azizul Islam**, EVP & Head of Card & ADC Operations Unit

**Mr. Md. Ziaur Rahman**, EVP & Head of CRM

**Mr. S.M. Abdullah Hil Kafi**, EVP & Head of ICCD

**Mr. Syed Faisal Omar**, SVP & Head of GTS

**Mr. Md. Fakhru Islam**, SVP & Head of Operations

**Mr. Mehedi Hasan**, SVP & In-charge of HRD

**Mr. K. M. Faisal Faruqi**, FVP & Head of Treasury

# Shareholders' Information

All our activities are derived from the thrust of making profit. Because that's the only way Dhaka Bank can take care of employees, CSR and contribute to the national revenue and economy; can secure the interest of shareholders. With this in mind, we always concentrate on enhancing profitability to raise Earnings Per Share, Dividend as well as confidence of the shareholders.





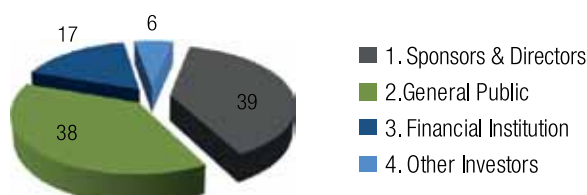
# Shareholders' Information

## Distribution of Shareholdings in 2015

Shareholders' Group	December 31, 2015			December 31, 2014		
	No. of Shares	% of Shareholding	Value of Shares In BDT	No. of Shares	% of Shareholding	Value of Shares In BDT
Sponsors & Directors	244,418,277	39	2,444,182,770	258,558,818	45	2,585,588,180
General Public	236,890,440	38	2,368,904,400	184,595,408	32	1,845,954,080
Financial Institutions	105,704,088	17	1,057,040,880	107,918,535	20	1,079,185,350
Others	38,351,455	6	383,514,550	17,440,203	3	174,402,030
<b>Total</b>	<b>625,364,260</b>	<b>100</b>	<b>6,253,642,600</b>	<b>568,512,964</b>	<b>100</b>	<b>5,685,129,640</b>

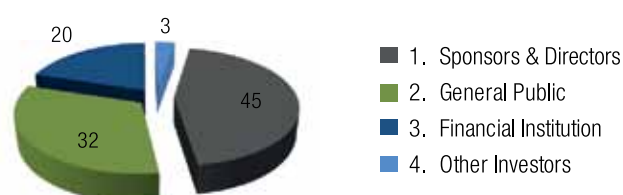
### Shareholding Position 2015 (%)

1. Sponsors & Directors	39
2. General Public	38
3. Financial Institution	17
4. Other Investors	6



### Shareholding Position 2014 (%)

1. Sponsors & Directors	45
2. General Public	32
3. Financial Institution	20
4. Other Investors	3



## Financial Calendar 2015

Quarterly Results	Submission Date to BSEC	EPS Annualized
Unaudited result for 1st quarter	May 5, 2015	1.78
Unaudited result for 2nd quarter	July 29, 2015	3.09
Unaudited result for 3rd quarter	October 5, 2015	2.79

## Dividends

Particulars		Date
20th Annual General Meeting	Notice Date	April 9, 2015
Distribution of 14% Cash Dividend and 10% Stock Dividend for the year ended 31 December 2014	Record Date	April 21, 2015
	Held on	May 13, 2015
Cash Dividend	Date of Disbursement	May 26, 2015
	Date of Disbursement	May 24, 2015

## Stock Details

Particulars	DSE	CSE
Stock Symbol	DHAKABANK	DHBNK
Company Code	11118	22014
Year of Listing	2000	2000
Market Lot	100	100
Market Category	A	A
Electronic Share	Yes	Yes
Face Value	Tk. 10.00	Tk. 10.00
Market Value as on 31.12.2015	Tk. 19.70	Tk. 19.60

# Shareholders' Information

Continued

## Information Sensitive to Share Price

Particulars	Disclosure
Corporate Disclosure for approval of Financial Statements for the year 2015, Recommendation of Dividend, Record Date for Dividend entitlement of 21st AGM of DBL	Date of AGM: Sunday, May 29, 2016 at 11:00 a.m. 10% Stock and 6% Cash Record Date: Wednesday, May 11, 2016
Corporate Disclosure of 6th EGM of DBL for issuance of DBL Sub-ordinated Bond	Thursday, October 08, 2015 at 11:30 a.m.
Corporate Disclosure of Consent from the Bangladesh Securities and Exchange Commission to issue Non-convertible DBL Sub-ordinated Bond	2nd Subordinated Bond for Tk. 300.00 crore

## Accessibility of Annual Report 2015

Dhaka Bank Annual Report 2015 and other information about DBL has been made available on Bank's website [www.dhakabankltd.com](http://www.dhakabankltd.com). The Bank has also dispatched Annual Report 2015 through leading Courier Service Companies to respective addresses of the shareholders as per regulatory timeframe. DBL has submitted a required set of copies of Annual Reports to the Securities and Exchange Commission, Bangladesh Bank, Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange(CSE) for their reference. Respectable Shareholders and other Stakeholders may read them at the public reference room or library.

## Market Price Information

Month	DSE High (Tk.)	DSE Low (Tk.)	CSE High (Tk.)	CSE Low (Tk.)	Volume DSE (No. of shares)
Jan 2015	20.4	18.9	20.0	18.6	46,66,523
Feb 2015	20.5	19.6	20.3	19.5	36,78,066
Mar 2015	19.9	16.9	19.6	16.8	12,74,011
Apr 2015	19.9	14.5	20.0	14.6	39,89,839
May 2015	19.0	14.5	18.5	14.2	50,43,299
Jun 2015	18.8	17.1	18.5	16.9	46,16,633
Jul 2015	18.8	17.1	19.5	16.8	19,79,457
Aug 2015	20.1	18.8	19.9	18.5	44,26,848
Sep 2015	20.2	19.3	19.8	18.9	20,21,832
Oct 2015	21.5	19.8	21.3	19.8	42,59,224
Nov 2015	20.0	18.2	20.0	18.0	14,30,034
Dec 2015	20.4	19.0	20.3	19.0	54,94,581



# Shareholders' Information

Continued

## Redressal of Investors' Complaints

DBL always maintains a good relation with investors. Investors play a vital role in building a sustainable brand image among all the stakeholders. We care for our investors with a commitment so that they may carry out the flag of DBL in the front line and thus help us achieve our vision. With this view in mind, we have proper arrangement to hear the voice of investors. Investors have free access to bank and can collect available published information. Our Share Division is always ready to meet the statutory requirement of investors. Any query received from the investors is treated equitably, efficiently and fairly. Queries and complaints from investors are dealt with courtesy and in a timely manner.

Our ways and avenues to redress Investors' Complaints:

- Our corporate website ([www.dhakabankltd.com](http://www.dhakabankltd.com)) contains a Complaint Box where respective Officials' contact numbers are given to attend to the investors query and complaints.
- The Bank has designated email address ([info@dhakabank.com.bd](mailto:info@dhakabank.com.bd)) where investors can email their complaint which is logged on daily basis and replies are made to the investors.

- Investors can also make a written complaint through letter which is taken care of sincerely and proper actions are taken based on the merits of the complaints.
- As the complaints are received from the investors, responsible Officials are asked to explain the reason and proper actions are taken to address the problem properly.
- Serious complaints are referred to Company Secretary and even to Managing Director of the Bank if so warrants.

## For Queries and Complaints

Board Secretariat & Share Division

Dhaka Bank Limited  
Corporate Office:  
71 Purana Paltan Lane, Dhaka – 1000  
Phone: 02-58314424-30  
Fax: 88-02-58314419  
Email: [infor@dhakabank.com.bd](mailto:infor@dhakabank.com.bd)  
Web: [www.dhakabankltd.com](http://www.dhakabankltd.com)

## Directors' Shareholding Status

Sl. No.	Name of Directors with Designation	2015		2014	
		No. of share	Value of share (Tk.)	No. of share	Value of share (Tk.)
1	Mr. Reshadur Rahman, Chairman	21,107,938	211,079,380	19,024,605	190,246,050
2	Mrs. Rokshana Zaman, Vice-Chairperson	12,519,812	125,198,120	11,381,648	113,816,480
3	Mr. Altaf Hossain Sarker, Director	17,440,446	174,404,460	15,854,951	158,549,510
4	Mr. Abdul Hai Sarker, Director	13,605,774	136,057,740	12,368,886	123,688,860
5	Mr. Md. Amirullah, Director	12,508,771	125,087,710	11,371,610	113,716,100
6	Mr. Abdullah Al Ahsan, Director	12,509,848	125,098,480	11,372,590	113,725,900
7	Mr. Tahidul Hossain Chowdhury, Director	12,559,725	125,597,250	11,417,932	114,179,320
8	Mr. Jashim Uddin, Director	12,508,886	125,088,860	11,371,715	113,717,150
9	Mr. Mohammed Hanif, Director	19,048,981	190,489,810	17,317,256	173,172,560
10	Mr. Khondoker Monir Uddin, Director	17,959,623	179,596,230	16,326,930	163,269,300
11	Mr. Khondoker Jamil Uddin, Director	12,508,712	125,087,120	11,371,557	113,715,570
12	Mr. Amanullah Sarker, Director	12,508,774	125,087,740	11,371,613	113,716,130
13	Mr. Mirza Yasser Abbas, Director	23,032,472	230,324,720	20,938,611	209,386,110
14	Mr. M.N.H. Bulu, Director	12,841,605	128,416,050	-	-
15	Mr. Syed Abu Naser Bukhtear Ahmed, Independent Director	-	-	-	-
<b>Total</b>		<b>212,661,367</b>	<b>2,126,613,670</b>	<b>181,489,904</b>	<b>1,814,899,040</b>



# Shareholders' Information

Continued

## 5-year Financial Highlights

(BDT in million unless mentioned otherwise)

	2011	2012	2013	2014	2015	% change over 2014
<b>INCOME STATEMENT</b>						
Interest Income	9,945	13,229	15,131	13,705	12,135	(11%)
Interest Expense	7,611	10,598	11,823	10,879	10,116	(7%)
Net Interest Income	2,335	2,630	3,308	2,826	2,018	(29%)
Investment Income	2,050	1,388	1,616	2,542	3,003	18%
Commission, Exchange and Brokerage	1,504	1,084	1,093	1,127	1,316	17%
Operating Income	6,229	5,342	6,395	6,857	6,709	(2%)
Operating Expenses	1,944	2,119	2,701	3,049	3,205	5%
Operating Profit (profit before provision and tax)	4,321	3,223	3,694	3,808	3,504	(8%)
Provision for Loans, Investments and other Assets	667	1,784	650	587	1,128	92%
Profit Before Tax	3,654	1,439	3,044	3,221	2,376	(26%)
Tax Including Deferred Tax	1,489	738	1,117	1,192	938	(21%)
Profit After Tax	2,165	701	1,927	2,029	1,437	(29%)

<b>BALANCE SHEET</b>						
Authorized Capital	10,000	10,000	10,000	10,000	10,000	0%
Paid-up Capital	3,590	4,668	5,414	5,685	6,254	10%
Shareholders' Equity	9,217	9,683	11,887	12,746	13,389	5%
Deposits	85,277	107,427	115,981	124,854	139,068	11%
Borrowings	2,548	5,696	3,649	9,414	10,635	13%
Loans & Advances	75,983	90,140	99,596	103,132	117,840	14%
Investments	9,576	18,404	18,757	19,699	20,799	6%
Fixed Assets	1,703	1,879	2,518	3,958	4,100	4%
Earning Assets	85,888	110,159	117,624	124,462	144,962	16%
Total Assets	104,726	133,142	144,409	158,748	176,362	11%
Total Liabilities	95,478	1,23,458	1,32,521	1,46,002	162,974	12%
Total Off-balance Sheet Items	43,496	45,265	45,468	48,675	52,255	7%

<b>FOREIGN EXCHANGE BUSINESS</b>						
Import Business	71,377	76,648	73,360	79,774	76,060	(5%)
Export Business	46,247	48,928	54,212	60,435	69,590	15%
Inward Foreign Remittance	13,201	15,840	21,461	25,770	22,486	(13%)
Guarantee Business	9,917	9,591	9,926	10,731	15,284	42%

<b>CAPITAL MEASURES</b>						
Risk Weighted Assets	112,470	117,412	117,693	137,842	147,343	7%
Core Capital (Tier-I)	8478	9,000	10,927	12,035	12,643	5%
Supplementary Capital (Tier-II)	3,551	3,606	3,410	3,403	2,765	(19%)
Total/Regulatory Capital	12,399	12,948	14,817	15,439	15,408	0%
Statutory Capital (paid up capital and statutory reserves)	6,874	8,239	9,595	10,510	11,554	10%
Capital Adequacy Ratio—solo (regulatory capital/RWA)	10.70	10.74	12.18	11.20	10.46	(7%)
Tier-I Capital Ratio	7.54	7.67	9.28	8.73	8.58	(2%)
RWA to Total Assets	107%	88%	81%	87%	84%	(4%)

<b>CREDIT QUALITY</b>						
Volume of Non-performing Loans	2,624	5,656	4,137	5,657	5,491	(3%)
NPL to Total Loans and Advances (%)	3.45	6.28	4.15	5.49	4.66	(15%)
Provision for Unclassified Loans	848	899	956	1,449	2342	62%
Provision for Classified Loans	1,063	2,498	2,186	2,120	1,903	(10%)

# Shareholders' Information

Continued

## 5-year Financial Highlights

(BDT in million unless mentioned otherwise)

	2011	2012	2013	2014	2015	% change over 2014
<b>SHARE DISTRIBUTION</b>						
Earnings Per Share (Taka)	4.64	1.5	3.56	3.57	2.3	(36%)
Number of Shares Outstanding	359.05	466.76	541.44	568.51	625.36	10%
Number of Shareholders	45,438	44,445	46,840	41,797	32,798	(22%)
Net Assets Value (NAV) Per Share (Taka)	26.00	21.00	21.95	22.42	21.41	(5%)
Market Price Per Share (Taka)	45.00	25.00	18.80	18.30	19.70	8%
Price Earnings Ratio	9.7	16.5	5.28	5.13	8.57	67%
Price Equity Ratio	1.75	1.2	0.86	0.82	0.92	12%
<b>Dividend Per Share</b>						
Cash Dividend (%)	5%	-	17%	14%	6%	(57%)
Bonus Share (%)	30%	16%	5%	10%	10%	0%
Dividend Cover Ratio	2.86	6.25	4.55	4.17	6.25	50%

<b>PROFITABILITY &amp; PERFORMANCE RATIO</b>						
Net Interest Margin (NIM)	4.1	4.1	4.32	4.44	4.02	(9%)
Credit to Deposit Ratio	89.1	83.91	84.22	81.26	84.74	4%
Gross Profit Ratio	43%	24%	24%	28%	29%	4%
Return on Capital Employed	33%	12%	22%	22%	15%	(29%)
Cost to Income Ratio	30.62	39.67	42.38	44.47	47.77	7%
Cost of Fund	9.33	10.63	10.22	8.83	7.53	(15%)
Return on Assets (ROA)%	2.22	0.59	1.39	1.34	0.86	(36%)
Return on Equity (ROE)%	23.49	7.24	16.21	15.92	10.74	(33%)
Current Ratio	2.09	2.57	3.18	2.66	2.65	0%
Cash Reserve Ratio (at the close of the year)	6.45	6.12	6.04	6.63	6.53	(2%)
Statutory Liquidity Ratio (at the close of the year)	19.01	19.11	21.53	17.64	17.14	(3%)
Operating Profit Per Employee(mn)	3.48	2.22	2.55	2.53	2.3	(9%)
Operating Profit Per Branch	70.84	45.4	49.91	47.01	40.28	(14%)

<b>OTHER INFORMATION</b>						
Number of Branches	61	71	74	81	87	7%
Number of ATMs	34	46	46	47	53	13%
Number of ADMs	-	3	14	15	19	27%
Number of Deposit Accounts	226,663	291,452	382,786	407,929	419,620	3%
Number of Loan Accounts	22,880	21,811	20,093	18,801	19,924	6%
Number of Employees	1,240	1,455	1,450	1,503	1,524	1%
Number of Foreign Correspondents/Banks	423	425	550	565	563	(0.35%)

# Shareholders' Information

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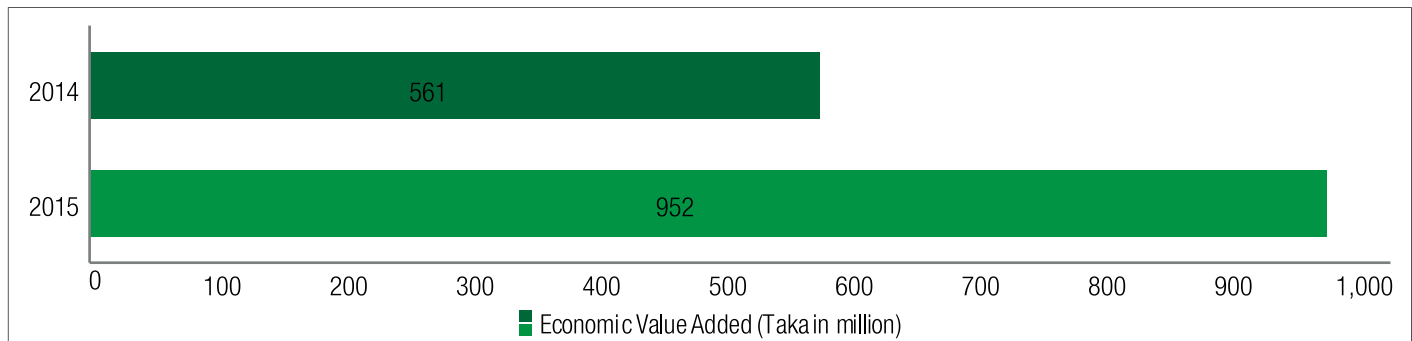
## Economic Impact Report

Economic Value Added (EVA) indicates the true economic profit of the company. EVA is an estimate of the amount by which earnings exceed or fall short of required minimum return for shareholders at comparable risks. Shareholders/Equity providers are always conscious about their return on capital invested. As a commercial banking company we are deeply concern for delivery of value to all of our Shareholders/Equity providers.

### Economic Value Added (EVA) Statement for the year ended December 31, 2015

Amount in Taka

Particulars	2015	2014
Shareholders' Equity	13,388,671,266	12,745,513,625
Add: Provision for Loans and Advances	4,244,527,272	3,968,361,441
	17,633,198,537	16,713,875,066
Average Shareholders' Equity	17,173,536,802	16,058,224,644
<b>Earnings</b>		
Profit after Taxation	1,437,588,980	2,028,993,508
Add: Provision made during the year	1,128,242,099	619,771,111
	<b>2,565,831,079</b>	<b>2,648,764,619</b>
Average cost of Equity (based on weighted average rate of 10 years Treasury Bond issued by Bangladesh Government) plus 2% risk premium	9.40%	13.00%
	1,614,312,459	2,087,569,204
<b>Economic Value Added</b>	<b>951,518,620</b>	<b>561,195,415</b>
<b>Economic Value Added (Taka in million)</b>	<b>952</b>	<b>561</b>



# Shareholders' Information

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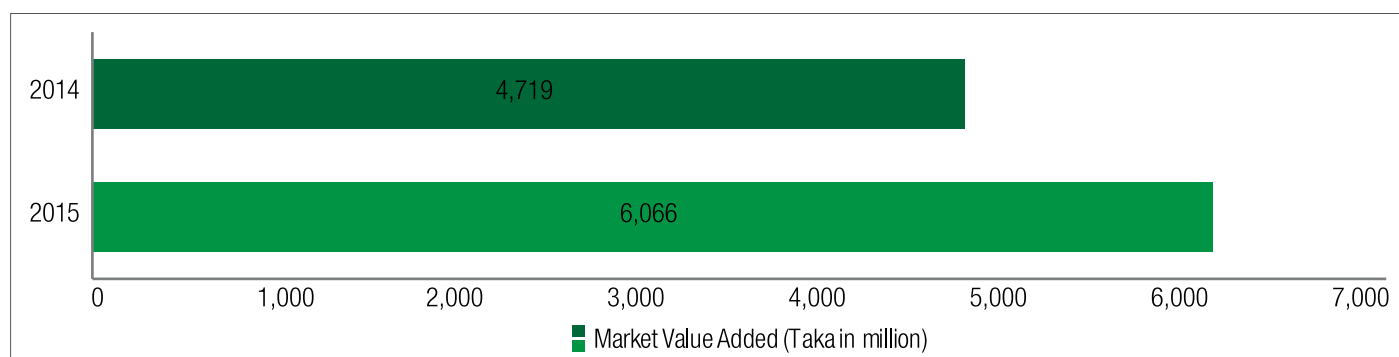
## Market Value Added Statement

Market Value Added (MVA) is the difference between the market capitalization and the book value of the shares outstanding. A high MVA indicates the company has created substantial wealth for the shareholders.

### Market Value Added (MVA) Statement for the year ended 31 December 2015

Amount in Taka

Particulars	2015	2014
Face Value per share	10.00	10.00
Market Value per share	19.70	18.30
Number of shares outstanding	625,364,260	568,512,964
Total market capitalization	12,319,675,922	10,403,787,241
Book value of paid up capital	6,253,642,600	5,685,129,640
<b>Market Value Added</b>	<b>6,066,033,322</b>	<b>4,718,657,601</b>
<b>Market Value Added (Taka in million)</b>	<b>6,066</b>	<b>4,719</b>





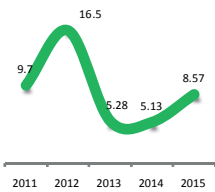
# Shareholders' Information

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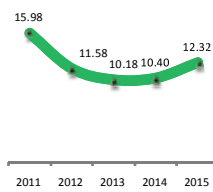
## 5-Year Essential Performance Graphs-Bank

### Market Indicators & Ratios

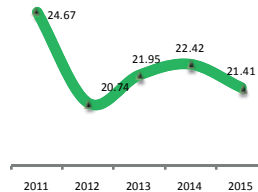
Price Earning Ratio



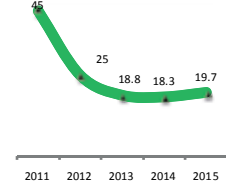
Market Capitalization (in billion)



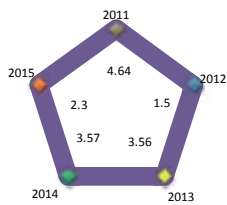
Net Asset Value Per Share (Taka)



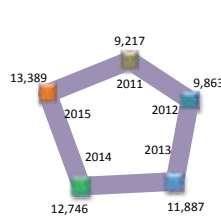
Market Price Value Per Share (Taka)



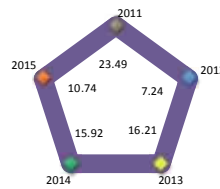
Earnings Per Share (Taka)



Shareholder's Equity (in million)

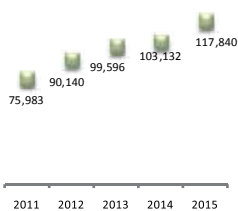


Return On Equity (%)

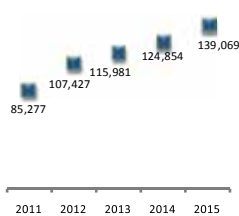


### Balance Sheet

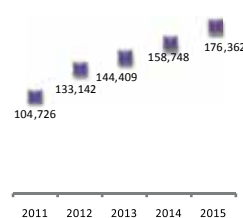
Loans & Advances (Taka million)



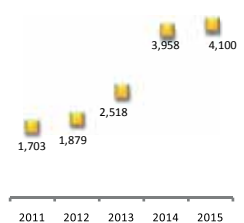
Deposit (Taka million)



Total Assets (Taka million)



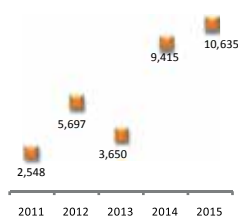
Fixed Assets (Taka million)



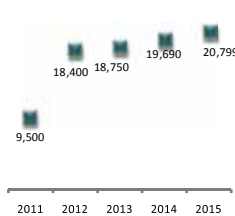
Paid-up Capital (Taka million)



Borrowings (Taka million)



Investment (Taka million)



# Shareholders' Information

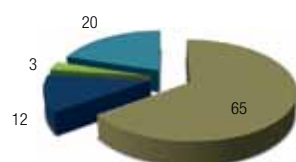
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## 5-Year Essential Performance Graphs-Bank

### Balance Sheet Mix

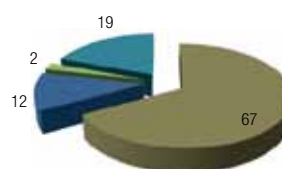
#### Asset Mix 2014 (%)

1. Loan & Advances	65
2. Investments	12
3. Fixed Assets	3
4. Other Assets	20



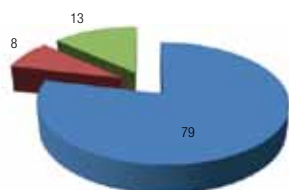
#### Asset Mix 2015 (%)

1. Loan & Advances	67
2. Investments	12
3. Fixed Assets	2
4. Other Assets	19



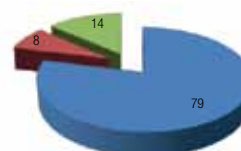
#### Asset Funding Mix 2014 (%)

1. Deposit	79
2. Shareholders' Equity	8
3. Other Liabilities	13



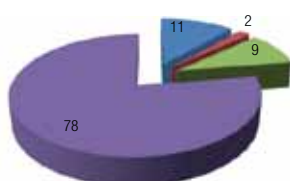
#### Asset Funding Mix 2015 (%)

1. Deposit	79
2. Shareholders' Equity	8
3. Other Liabilities	14



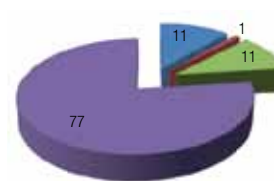
#### Deposit Mix 2014 (%)

1. Current Deposit	11
2. Savings Deposit	2
3. Fixed Deposit	9
4. Other Deposit	78



#### Deposit Mix 2015 (%)

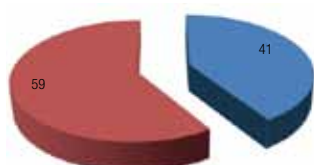
1. Current Deposit	11
2. Savings Deposit	1
3. Fixed Deposit	11
4. Other Deposit	77



### Revenue Mix

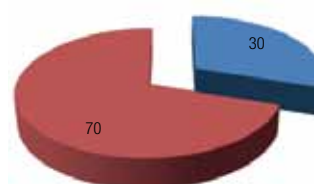
#### Revenue Mix 2014 (%)

1. Net Interest Income	41
2. Non-Interest Income	59



#### Revenue Mix 2015 (%)

1. Net Interest Income	30
2. Non-Interest Income	70

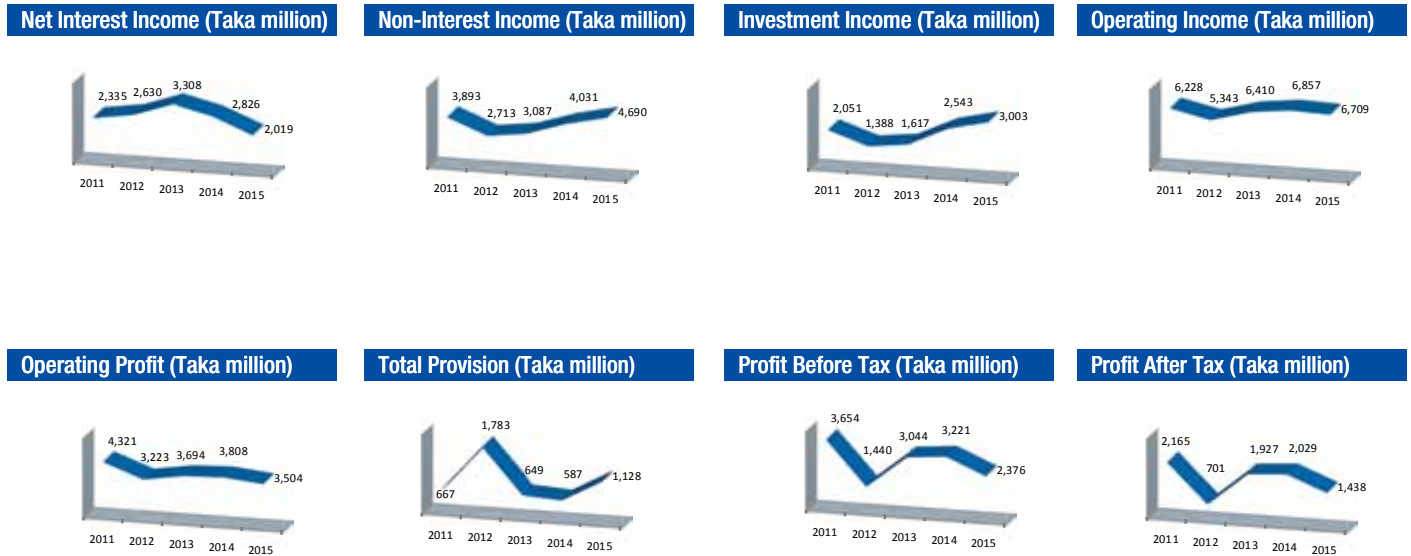


# Shareholders' Information

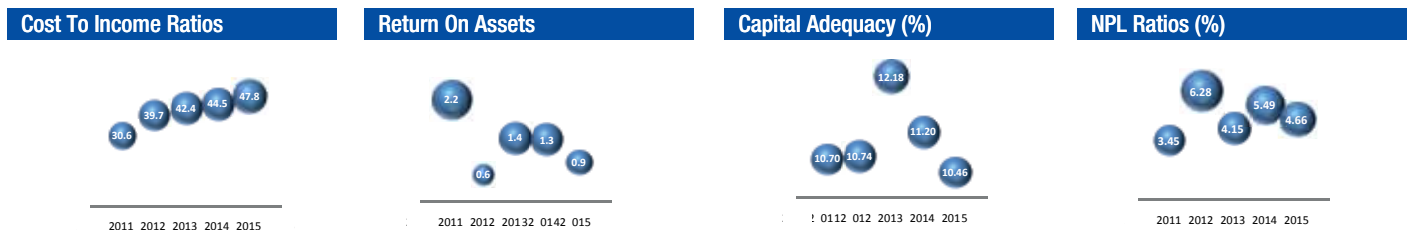
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## 5-Year Essential Performance Graphs-Bank

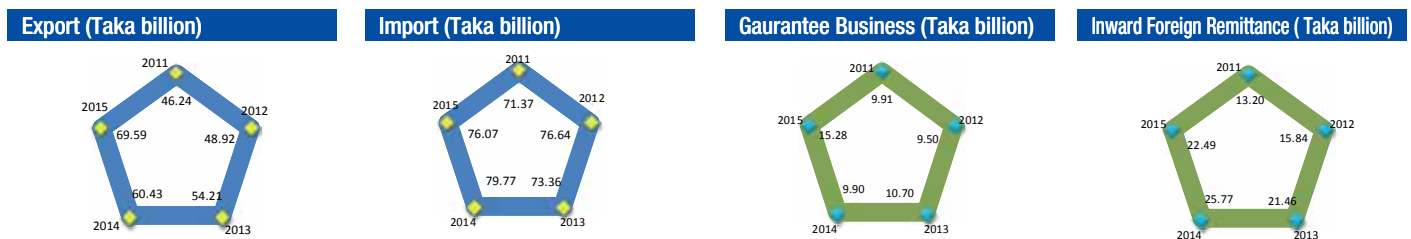
### Revenue



### Key Ratios



### Foreign Exchange Business



# Shareholders' Information

Continued

## Glimpses of 20th AGM





# Shareholders' Information

Continued

## Glimpses of 20th AGM





# Directors' Report 2015

Sustainable Growth and Responsible Banking is the call of the hour. Now a days business does not stand with its financial growth and brand embodiment only. Modern school of thought clearly expresses that if you don't move with environment and society someday they will move elsewhere keeping you in wilderness! That's why Green Banking, SME Banking, Financial Inclusion, Corporate Social Responsibility - may not be as lucrative as other immediate business hunting avenues - still hold the key to long term success. Keeping that in mind DBL has turned a corner to widen its focus towards comprehensive and inclusive Banking.



# Directors' Report 2015

## Directors' Report 2015

On behalf of the Board of Directors of Dhaka Bank Limited, I joyfully invite you to the majestic event of our 21st Annual General Meeting that is indeed a symbol of our loving bond for years. On the eve of this grand occasion, I am delighted to present Bank's 21st Annual Report to our valued shareholders and other stakeholders. The report mainly comprises Auditors' Report, Directors' Report, Management Analysis of Business, Audited Financial Statements of the Bank and its subsidiary company. General review of this report, unless explained otherwise, is based on the financials of 'The Bank' rather than consolidated financial statements. Moreover, the Directors would like to explain and disclose certain issues, which they deem relevant and important to ensure transparency and good governance practices. We hope, the report will give you a genuine insight into the Bank's performance and continuous growth amid stiff competition in the industry.

## Global economic situation

### Flashback 2015

The world economy exhibited similarly a lethargic footstep in 2015 as like as in the preceding year. The global growth projected by the IMF mid in the just concluded year was set lower at the end of the same itself justifies the stagnancy. The world GDP growth was projected as 3.5 percent and 3.8 percent for the year 2015 and 2016 respectively by The IMF's World Economic Outlook (WEO).

The year started its ride with reflecting some dark cloud in the European sky. The Greek Crisis, its referendum, approving the third bailout by the Troika, the Chinese economic slowdown, devaluation of Yuan, shrinking the US embargo on Cuba & Iran and the advent of two newly formed banks- China led Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (NDB) of BRICS nations were on the top of the screen throughout the year. Continuous oil price decrease, Trans-Pacific Partnership (TPP), refugee issue in the Europe and raising the interest rates by the Fed acted as key players in determining the fate of the global economy in 2015.

### Greek crisis

The world never observed such happening in the European region. The country possessing the glory, grandeur and affluence became insolvent and defaulter to the IMF. Though the decline started before but the crisis loomed large after the left-wing party came to power in the dawn of 2015. According to the CIA World Fact Book and Eurostat, Greek GDP fell from US\$ 242bn in 2008 to US\$ 179bn in 2014, a 26 percent decline overall. The public debt to GDP ratio in 2014 was 177 percent GDP or US\$ 317bn where unemployment rate has risen considerably. Apart from the economic effect, this crisis showed a chronic social impact in respect of the norms, values and cultures. Where spending for food was getting harder, there maintaining social health was not an easy rhyme. Experts opined the imprudent Government spending, tax evasion, uniform Euro currency and austerity measure as the key culprits behind the catastrophe. In 2010, the estimated tax evasion costs for the Greek government amounted to well over US\$ 20bn.

Bailout programmes were the initiatives to ensure the revival or at least survival of the loan loaded country. On May 2, 2010, the European Commission, European Central Bank (ECB) and International Monetary Fund (IMF), later nicknamed the Troika took the first bailout and two more times later on. But the outcome is not satisfactory, seems the ghost of the Greek crisis will remain live in the play in coming several years.

### Low oil price followed by low inflation

Another key player in the global economy was the incredibly low crude oil price in the international market in 2015. Even at the starting of the year 2014, the price of Brent crude oil per barrel was around \$120, which became around \$ 35 at the end of 2015. Merely the theory of supply and demand is the main reason behind it. The United States domestic production has nearly doubled over the last six years, Saudi, Nigerian and Algerian oil that once was sold in the United States is suddenly competing for Asian markets, and the producers are forced to drop prices. Canadian and Iraqi oil production and exports are rising year after year. Even the Russians, with all their economic problems, manage to keep pumping.



On the demand side, the economies of Europe and developing countries are weak and vehicles are becoming more energy-efficient. So demand for fuel is lagging a bit. The stagnant growth of world economy creates also a room for lowering the oil price. The low income countries enjoy a fresh breath on this ground, thus keep the inflation as tolerable while the OPEC countries and oil trading giants like Chevron and BP face massive challenges in upholding their survival.

### AIIB

The idea of Unipolar World has been fortified by some influencing organizations including the IMF for years. The emerging powers on the other side try to build an alternative platform to face the reality. The China backed Asian Infrastructure Investment Bank (AIIB) is the initiative alike which has been formally established and expected to start operation early next year. The bank will help finance construction of roads, ports, railways and other infrastructure projects in Asia. It is based in Beijing and currently has 57 members, including Australia, Germany and Britain. It expects to offer its first batch of project loans by mid-2016. Formation of this bank holds a distinct significance in impelling the economic and political activities in the Asian region and will influence the way gravely in days ahead.

# Directors' Report 2015

Continued

## China's economic slowdown

After registering a rapid growth compared to the USA, the China's economy suddenly drop down at the mid of 2015. The growth slowed to 6.9 percent in the third quarter, down from 7 percent in the first and second quarters. Players behind the scene may be sensed as the natural way. A traditional rule applies to nations as well as to companies: "the bigger an economy gets, the harder it is to keep growing at a fast clip." Besides, growth is a function of changes in labour, capital and productivity. They all are slowing now, and so as the China's economic growth.

To face this downturn, China's government has taken measures but a bit lately. Making a surprise devaluation of the Yuan was an effort to boost exports. Propping up the markets by actually buying stocks, spending big and cutting interest rates are all efforts to stimulate the economy.

## Developing countries

The year 2015 was not much friendly with the developing countries at all. These countries tackled a series of hard challenges in the year, including the impending prospect of higher borrowing costs in a new era of low prices for oil and other key commodities. It was fourth consecutive year of unsatisfactory economic growth that year. Developing countries' growth was 4.4 percent that year, with a likely rise to 5.2 percent in 2016, and 5.4 percent in 2017. Low oil price helped oil-importing developing countries like India to enjoy tolerable inflation though the oil exporter developing countries like Russia were not adequately vibrant in the holistic standpoint.

## The Fed raised interest rates

When the year was about to end its journey, then the Fed took a crucial decision in changing the interest rates dishonouring the IMF's advice. On December 16, 2015, The Federal Reserve hiked interest rates for the first time in nearly a decade signalling faith that the US economy had largely overcome the wounds of the 2007-2009 financial crisis. It raised the key interest rates from a range of 0 percent to 0.25 percent to a range of 0.25 percent to 0.5 percent. The Wall Street celebrated the rate hike and expected more in the mid of this year.

## Approaching 2016

The year 2016 will not be an extraordinary compared to the preceding year's economic performance projected by most of the prudential bodies. The International Monetary Fund (IMF) for example, forecasts growth of 3.6 percent this year after 3.1 percent in 2015. The IMF head Christine Lagarde warned that the year 2016 is going to disappoint again. Rising US interest rates, a Chinese slowdown and disappointing world trade will all weigh on growth prospects in 2016.

The "spillover" effects from the first interest rate hike in the US for a decade displays that it could lead to tighter credit conditions and higher debt servicing costs for emerging markets. Companies that have loaded up on dollar-denominated debt are at particular risk from the Federal Reserve's decisions. Mass defaults could then "infect" banking systems and governments, cautioned the IMF's managing director.

As always, two factors dominate, and they come from the world's two largest economies: the United States and China. The big issue thus on the other side is China's slowing economic growth. China's stagnant economic growth highly influenced and will remain in the year 2016 also.

The falling oil price will remain as a key player in 2016 again. The price fall will be good news for some countries while a great concern for some others. Cheap oil in particular is often likened to a tax cut for consumers. Besides, the Japanese deflation, China's slowdown, US economic recovery, Greek catastrophe and flourishing emerging countries like India will shape the economy in 2016.

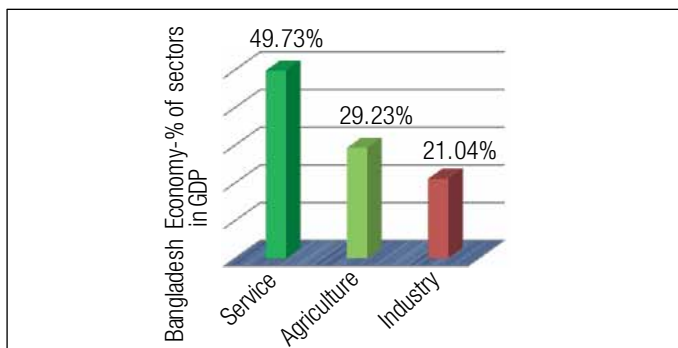
## State of Bangladesh economy: a brief sketch

### Overall economic reflection

Morning shows the day is not always true. At least Bangladesh economy in 2015 dishonoured that long live truth. The year started by struggling with political turmoil resulting in quite uncertainty in the field of business; showed a brilliant comeback later on, focusing the significance of political constancy. Despite some adversities, Bangladesh registered 6.55 percent GDP growth at the end of FY2015. The rest two quarters of the year continued the trend till the end of the day. The growth for the running fiscal year is projected as 7.00 percent in the 45th National Budget. On July 1, 2015, becoming a Lower Middle Income Country (LMIC) recognized by the World Bank was the other good news for the country.

Continuous decline in oil price in the International market made the floor to take some fresh air for the economy in the just concluded year; felt properly in the dropping inflation rate. Rate of Inflation as measured by CPI was 6.19 percent (monthly average) in December 2015, which was 6.99 percent in December 2014.

Though the private sector investment was not satisfactory, but the robust remittance inflow and stable RMG sector contributed a lot to shape the Bangladesh economy in 2015. Foreign currency reserve of the Central Bank touched a new height, 27bn, mainly based on the remittance inflow at the end of the year. The export earnings also retained its growing trend by registering 6.4 percent modestly. The total export earnings was 32.37bn in 2015, which was 30.41bn in 2014, the EPB revealed. But the excessive liquidity in the commercial banks was a great concern in the year 2015.



Sector wise contribution to GDP (FY' 15)

# Directors' Report 2015

Continued

## Banking industry scenario

Banking sector was in trouble a bit throughout the year 2015 with its idle money due to stagnant public and private sector investment. The Bangladesh Bank's cautious monetary policy, weak infrastructure and lower growth of industrialization acted as key reasons behind it. In the Monetary Policy Statement for the H1, the reserve money was projected to grow at 16 percent and broad money (M2) at 15.2 percent. The private and public sector credit growth projected as 15 percent and 23.7 percent respectively.

According to Bangladesh Bank data, the year-on-year credit growth rate in the private sector rose to 13.72 percent in November compared with that of 13.22 percent in October of that year. The private sector credit growth was 12.88 percent in September, 12.69 percent in August and 12.96 percent in July.

The average Spread showed a declining trend that year started 5.06 percent in January and decreased to 4.81 percent in December.

Despite political turmoil in the starting of the year, banks registered comparatively better profits at the year ended 2015, though the state-owned commercial banks saw their operating profits decline 4.69 percent year-on-year in 2015 owing to low credit growth and large amount of non-performing loans. After some big scandal in the previous year, banks were extra cautious in granting loans and advances that affected the profit growth. Privately owned commercial banks on the contrary registered a bit smarter profits excluding a few. The central bank's high lending rate and declining deposit rate as well contributed to make so. The banks will look forward to invest its huge idle money in the days ahead.

## Overall economic outlook 2016

The outgoing year left a prosperous trend stepping forward of which may open the door to the numerous potentials in 2016. The Bangladesh economy is expected to show strong growth in 2016. Both International Monetary Fund (6.8 percent) and Asian Development Bank (6.7 percent) have revised their growth forecasts although none of these is as ambitious as that of the government which is projecting 7.0 percent plus economic growth rate. Inflation is expected to remain at around 6.2 percent mark. The ADB hoped that exports will boost-up relying on the continuous economic recovery in the US and the Euro Zone. Stable increase in remittances will lift consumption demand, private and public investment will pick up as the business climate expands under a stabilising political situation.

The declining oil price will remain as a crucial player in keeping the inflation rate tolerable and raising the foreign currency reserves in current year, the experts hope. The excessive idle money in banks must find a way to be utilized for the sake of holistic economic health in the year 2016. The decision of constructing Padma Bridge completely funded by the own may influence the major economic indicators.

## Making the story of endeavour and success

Dhaka Bank is reminiscent of another 'Dhaka Bank' that dated back

in the history in the city of Dhaka under the British Empire. A passion for heritage with the velocity of technological excellence set the pace of DBL in 1995 amidst great expectation of the countrymen. Now at the height of success, Dhaka Bank celebrates two decades of banking excellence in the country. We call it a tale of prosperity and financial triumph with many petals to look around.

DBL formally launched its operation in July, 1995 with a Branch at Motijheel, Dhaka. Islamic Banking window was opened in July of 2003. The company got listed with DSE and CSE in April 2000. Subsequently, DBL embarked on capital market services which amounted to the establishment of a subsidiary 'Dhaka Bank Securities Limited' in 2011. DBL opened up new avenues for foreign investors in the country by setting up Offshore Banking Unit in 2006. DBL network is now strong with 87 Branches including 2 Islamic Banking Branches, 53 ATMs, 19 ADMs, 3 SME service centres, 6 Brokerage Branches (DBL Subsidiary), 1 Off-shore Banking Unit and 1 Business Kiosk brightened with cutting edge delivery system, internet banking and mobile banking operation.

We have left behind a track with an illustration of prosperity for 20 long years. With unbound joy and ecstasy we have celebrated our 20th birthday on July 5, 2015 taking the pride of a balance sheet size of Tk. 176 billion, deposits of Tk. 139 billion and advances of Tk. 118 billion along a sustainable profit track of approximately Tk. 3,504 million as on December 31, 2015. It is the perseverance and tenacity of the Board and our fellow colleagues who have made our presence indispensable to the community. In our ultimate goal, we want to be a powerful voice for country's economic development with a melody that we want to be heard even from the distant borders.

## Scopes of business

Dhaka Bank acts as a trusted custodian of customers' deposit and a true financier of their wants. Apart from financial intermediation, DBL undertakes a series of financial services in exchange of fees and commissions. The mode of banking operation includes both conventional and Islamic Banking based on Shari'ah principles. DBL runs its business with a country-wide reach through state-of-the-art delivery system supported by real-time online banking. The Bank has established its own subsidiary named "Dhaka Bank Securities Ltd." on February 13, 2011 to provide brokerage services and margin loans in the capital market. DBL has offshore banking unit to provide banking services in Non-Resident foreign currency denominated assets and liabilities.

## Core areas of DBL business and banking

- Care for customers' deposit as a trusted custodian
- Honour cash withdrawal by depositors on demand
- Extend credit to large corporate business
- Finance small and medium enterprise (SME)
- Organize syndicated deals and structured finance
- Conduct retail business
- Finance import and export business (trade finance)
- Take on project financing
- Carry out lease and hire purchase financing
- Issue local and international credit cards



# Directors' Report 2015

Continued

- Deliver Islamic banking services based on Shariah principles
- Channel remittance from abroad
- Provide off-shore banking service

## We value our customers

Customers are our first priority and driving force. Superior customer service through the integration of the state-of-the-art technology is our motto. Our customers come from all walks of life. They are professionals, businessmen, large companies, small enterprises, public servants, entrepreneurs, homemakers, marginal farmers, residents and non-residents maintaining local and foreign currency accounts comprising men and women. Introducing new products and upgrading existing ones are the strategies we adopt to serve our customers. We are aware of natural consequences of globalization, liberalization, privatization, reforms, foreign investment, economic policy and infrastructure development. We have a long-term sustainable bond with our customers caring and sharing with their values.

To serve the millions in multiple forms of relationship, we have resolved to guide our way through the flashes of good governance and ethical practices on the top. Forces of globalizations, global challenges and changes all around have cast a shadow of volatility and uncertainties ahead. As a trusted custodian of people's hard-earned money, we cannot shake their confidence. It is unwarranted too to put depositor's interests at whims just for windfall gains. So Dhaka Bank activities have turned out to be a promising engagement and a reward of binding relationship. Our corporate responsibilities always look forward to sustainable means.

## Highlights of Financial Performance

### Profitability and performance of Dhaka Bank

Dhaka Bank Limited recorded profit after tax of Tk. 1,438 million in 2015 in comparison with Tk.2,029 million in 2014 as a result of critical market condition. Bank focused on protection of shareholders' equity through building up remarkably higher Provision against Loans & Advances (with 102% growth). Though the growth is notably unfavorable considering earlier profitability of the Bank, the positive & significant movement in Provision built up depicts a cautionary outlook taken by the Bank during this time of drastic decrease in asset quality in the banking industry. Bank's performance was accomplished mainly from downsizing of loan loss, sticking to core banking business, consolidation of business mix with expanded pie on SMEs, efficient cost management as well as appropriate strategic choice.

Our overall business performance for the year 2015 suggests that our achievement particularly revenue basket was more viable than we have expected especially in the category of investment income and fees & commission income. We have every reason to explain our position under most difficult circumstances that banking sector got through in 2015. Though bank's interest income was reduced by 11%, total operating income was sustained by reasonable growth in investment income (18%) and commission, fees & brokerage income (17%).

Thus the Bank secured an amount of Tk. 6,709 million in Operating Income. On the balance sheet side, the Bank shaped an amazing balance in assets of Tk. 176 billion showing up an increase of Tk. 17 billion from Tk. 159 billion of 2014. The growth was achieved on the

wings of 14% growth in Loans and Advances. Deposits also showed a growth of 11% from higher mobilization of retail and corporate deposits. The Bank continued to have notable capital adequacy at 10.46% in accordance with Basel-III requirement. Total Shareholders' Equity increased to Tk. 13.38 billion from Tk. 12.75 billion in 2014. Liquidity maintained a comfortable position with liquid assets (cash, balance with other banks and financial institutions, money at call, treasury bonds and tradable securities) forming 26% of total assets. During such condition of low investment demand, the Bank successfully improved its portfolio of Loans & Advances through increasing Loan to Deposit ratio at 84.74% at the year-end that was comparatively lower (81.26%) in 2014.

### Appropriation of profit

Profit After Tax (PAT) stood at Tk. 1,438 million. Profit available for distribution among shareholders is Tk. 962 million after a mandatory transfer of statutory reserve of Tk. 475 million (@20% on PBT). Directors have recommended cash dividend @ 6% accompanied by stock dividend @ 10% for the year 2015 (10 shares out of 100 shares held on record date) subject to approval in the AGM.

### Payment of dividend

Optimizing shareholders' value always gets priority here in Dhaka Bank Limited. During the period more than a decade, Bank's dividend rate was as minimum as 1 share for 4 shares each (25% in stocks) and as maximum as 3 shares for 10 shares each (30% in stocks) in addition to cash dividend. In almost all occasions, Bank's dividend was paid largely in stocks with a marginal proportion in cash. The initiative enhanced Bank's solvency through capital adequacy.

### Capital adequacy

Dhaka Bank is a firm follower of guidelines of the Bangladesh Bank regarding capital adequacy and its policy is to maintain regulatory capital at a level which is higher than the minimum required capital. Bank's strength in capital base is also significant in the fact that the ratio of eligible capital to Risk Weighted Assets (RWA) was 10.46% as of Dec 31, 2015. The Bank has already entered the Basel III regime since January 2015 as an enhanced regulation for capital adequacy, liquidity and stability and remains committed to compliance of the requirement in phases till 2020.

BDT in million

Particulars	Year 2015	Year 2014
Profit After Tax (PAT)	1,437.59	2,029.00
Retained earnings brought forward	1,364.43	1,191.17
<b>To be appropriated</b>		
Transfer to statutory reserve	475.20	644.17
Transfer to general reserve	-	20.39
<b>Dividend for the year 2015 (recommended):</b>		
Stock dividend	10%	10%
Cash dividend	6%	14%
Retained earnings to be carried forward	962.39	1,364.43
Dividend	1,364.43	1,191.17





# Directors' Report 2015

Continued

## Credit rating vis-à-vis capital adequacy

Dhaka Bank is keen to ensure proper credit rating by fair banking practices. Bank kept up efforts to pursue its corporate and SME-mid customers to get credit rated by eligible External Credit Assessment Institutions (ECAI). Credit rating by eligible rating agencies played an important role in decreasing Bank's capital requirement. In accordance with Bangladesh Bank BRPD Circular No. 05 dated April 29, 2009 and BRPD Circular No. 31 dated October 25, 2010, Dhaka Bank has nominated 8 (Eight) recognized External Credit Assessment Institute (ECAI) namely, (i) Credit Rating Information & Services Ltd. (CRISL), (ii) Credit Rating Agency of Bangladesh (CRAB), (iii) National Credit Rating Ltd., (iv) Emerging Credit Rating Ltd., (v) ARGUS Credit Rating Services Ltd., (vi) WASO Credit Rating company (BD) Ltd., (vii) Alpha Credit Rating Limited & (viii) Bangladesh Rating Agencies Limited (for SME clients only). As on December 31, 2015, amount of exposure rated by ECAs stood at Tk. 4,240.39 crore (which is about 35.98% of total funded exposure) compared to Tk. 4,968.78 crore as on December 31, 2014. So far a total of 408 customers have been rated by authorized credit agencies.

Bank believes that the credit rating has a healing impact on the risky assets of Bank. Minimum capital requirement decreases significantly with a safer portfolio. Credit rating gives the Bank an economical advantage in holding minimum capital as the measure for risk weighted assets unloads risks from the rated exposure. As per regulatory practice, funded exposure to a customer having external rating of at least double B (BB) with Bangladesh Bank rating grade 4, requires risk weight of 100% whereas exposure to any unrated customers is risk weighted by 125%. Since external rating of most of our rated corporate customers falls in the range of A to AAA (BB rating grade 1 & 2) bearing risk weight of 50% or below, the more our customers do their entity rating, the less will be the capital requirement of Dhaka Bank. We will move forward with this vision to place the Bank on a sound financial footing in 2016 and coming days ahead.

## History of raising capital

Dhaka Bank Limited started its operation as a private commercial bank in the country on July 5, 1995 with a start-up authorized capital of Tk. 1,000 million and paid-up capital of Tk. 100 million. The Bank strengthened its authorized capital base in 2005 by raising the same from Tk. 1,000 million to Tk. 2,650 million and Tk. 6,000 million in 2007. Authorized capital was further enhanced to Tk. 10,000 million by passing a special resolution in the Bank's 4th Extra Ordinary General Meeting (EGM) held on July 4, 2010. Out of the total issued, subscribed and paid-up capital, 1,320,000 ordinary shares of Tk. 100 each amounting to Tk. 132,000,000 was raised through Initial Public Offering (IPO) of shares held in 24 February 2000. The Bank has increased its paid-up capital twice by issuance of 2:1 right share at par on April 15, 2003 and November 30, 2005 respectively. As on December 31, 2015, equity of the Bank including retained earnings reflected a balance of Tk. 13,339 million. Equity as a percentage of total assets was 8%. Bank's paid-up capital increased by Tk. 569 million at the year ended 2015. The statutory reserve also increased by Tk. 475 million due to transfer of 20% of pre-tax profit under regulatory compliance.

## Special assets management

Growing trend of Non-Performing Loan (NPL) again was a headache for banks in 2015 due to which the industry experienced remarkable pressure in deteriorating asset quality. In a year span, classified loans amounted to Tk. 549 crore from Tk. 566 crore of 2014. In 2015, non-performing loans (NPL) to total loans ratio reached to 4.66% compared to 5.49% of the year 2014. Political demonstration at the opening of the year, financial malpractices by a few groups, dull performance of the industry sector as well as extra cautious regulatory control on classification were some of the key players in shaping such the industry scenario in 2015.

# Directors' Report 2015

Continued

## Non-performing assets by segments:

Taka in million

Particulars	As on 31.12.2015	As on 31.12.2014	Change
<b>Unclassified loans:</b>	<b>112,349</b>	<b>97,474</b>	<b>15.26%</b>
Standard (including staff loan)	108,070	94,215	14.70%
Special Mention Accounts (SMA)	4,279	3,259	31.30%
<b>Classified Loans:</b>	<b>5,490</b>	<b>5,657</b>	<b>(2.95%)</b>
Sub-standard (SS)	1,236	689	79.39%
Doubtful (DF)	265	496	(46.57%)
Bad/Loss (BL)	3,989	4,472	(10.80%)
<b>Total Loans</b>	<b>117,840</b>	<b>103,131</b>	<b>14.26%</b>
<b>Non Performing Loans</b>	<b>4.66%</b>	<b>5.49%</b>	<b>(15%)</b>

## Summary of Segmented Performance

The Bank operates under the following business segments along with a fully owned subsidiary of the Bank. The operations of these segments are specifically identified by income, expenses, assets and liabilities. Based on such allocation, segmented balance sheet as on December 31, 2015, segmented profit and loss account for the year ended December 31, 2015 have been prepared.

### Conventional Banking (Main banking operations)

Conventional Banking Operation is the major growth engine of the Bank with respect to business resources and profitability. As usual, this segment remained vibrant in all areas of banking business. Assets under conventional banking accounted for 99.52% of consolidated assets in 2015 totalling Tk. 176 billion. Profit before Tax & Provision (Operating Profit) was Tk. 3,504 million contributing 94% share of consolidated profits.

### Islamic Banking

Dhaka Bank Limited has been providing Islamic Banking services through its 2 (two) branches to adhere to the Islamic values & Integrity. One is Islamic Banking Branch, Motijheel, Dhaka inaugurated on July 02, 2003 and second one is Islamic Banking Branch, Agrabad, Chittagong opened on May 22, 2004. This IBB Branch was later relocated at Muradpur, Chittagong in the name of IBB Muradpur.

We may mention here that Dhaka Bank Limited is the pioneer to establish Shariah based banking operations through Islamic Banking branches in the country. At the end of the year 2015, the deposit and investment of Islamic Banking operations of Dhaka Bank Ltd. stood at Tk. 7,480 million & Tk. 4,746 million respectively.

### Off-shore Banking business

We have come a long way since we launched our Off-shore Banking operations in Dhaka Export Processing Zone nine years ago. We are one of the pioneers among local banks in Bangladesh to set up an Off-shore Banking Unit, which went operation in the year of 2006 in Dhaka Export Processing Zone. As a second generation private commercial Bank, Dhaka Bank's Off-shore Banking Unit has earned enormous confidence of the foreign investors due to its strong commitment and dedication over the years. Currently, the bank has been providing offshore banking services to several Types-A industrial units of the EPZ through its OBU in

Dhaka Export Process Zone. We, in the Off-shore Banking unit, pride ourselves in our ability to provide premier Off-shore Trade solutions to our clients, while ensuring that highest levels of professionalism are practiced by our colleagues. Though the country's offshore banking market is dominated by the foreign banks, Dhaka Bank has been able to make its presence felt by attracting a good number of customers in a short period of time through effective marketing, competitive pricing of its offshore banking products and ensuring highest levels of professionalism and excellent customer services backed by quality human and technological supports. OBU invested around USD 32 million in offshore market to support Type-A industries, local entrepreneurs as well as to strengthen its asset portfolios.

### Subsidiary: Dhaka Bank Securities Limited

The trade volume of the company experienced downturn in last year while the capital market of Bangladesh has gone through a major sluggish period for the last few years. Total market trade value decreased by 13.22% in 2015 from the year 2014 and the daily average trade value generated by DBSL followed the similar pattern. The company generated brokerage turnover of BDT 1,119.87 million in the year 2015 and captured 1.64% market share in 2015 where it was 2.61% in 2014. DBSL Management's careful selection of customer and strict credit disbursement immune the company from taking risky approach to increase market share and enable it to keep the asset quality good.

Despite the dull scenario in the capital market, DBSL posted more profit after tax in 2015 than 2014. Company's Net profit stood at BDT 76.08 million in 2015, which was BDT 73.42 Million in previous year. This increase of 3.62% in net profit figure is due to this year's lower amount of provision reserved against unrealized loss in margin loan as total provision already reached BDT 322.00 million in 2015. The total operating income is BDT 272.86 million in 2015 which is BDT 388.30 million in the previous year. The capital gain and dividend income from dealer operation is BDT 210.74 million in 2015 compared to BDT 259.89 million in year 2014. DBSL's income from brokerage commission decreased too mirroring the market's poor turnover throughout the last year.

### Green Banking

Decades of careless handling of environment lured by unchecked industrial competition have let loose a Pandora's Box, known as "Global Warming". Global warming also called as "Green House Effect" is a



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global issue that calls for a global response. Realizing the importance of green banking and policy guidelines from Bangladesh Bank, the Central Bank, Dhaka Bank Limited has already formulated its Green Banking Policy and gets it approved from its Board of Directors. The Board of Directors of Dhaka Bank Limited has approved budget for "Green Finance" and "Climate Risk Fund" and working closely for its utilization. The bank is actively looking to finance green projects such as ETP, Hybrid Hoffman Kiln (HHK), Zigzag or equivalent Technology in Brick Field, Bio-Gas Plant, Solar Power System etc.

## Green Finance:

**The Bank has undertaken the following green finance project up to December 31, 2015**

BDT million

Particulars		Number	Amount
ETP	For Installation of ETP (Amount Disbursed)	-	-
	Projects financed having ETP (Full amount disbursed)	85	4,668.76
Solar Panel/Renewable Energy Plant		2	8.10
Hybrid Hoffman Kiln (HHK)		21	148.64

## SME

DBL recognizes that SMEs as a core part of financial integration is key to achieving sustainable growth of a financial institution. Considering the prospects and growing opportunities of SME Finance, Dhaka Bank made a strategic shift in SME portfolio. The threshold (loan limit) for SME finance has been enhanced to Tk. 15 crore under manufacturing, Tk. 7.50 crore under trade and service. Under the new arrangements along with our continued support for promotion of SME business, Bank's total SME loan portfolio has increased by 14% to Tk. 12,226.73 million. The change also contributed to Bank's profitability that resulted from the reduction in provision requirement for the Bank.

## Syndication Arrangement & Project Finance

### Lead Arranger in two big projects

In 2015 we disbursed the Syndicated Foreign Currency Loan of USD 58.50 Million for United Ashuganj Energy Limited under IPFF scheme of Bangladesh Bank to finance a 195 MW gas based IPP (Independent Power Producer) power project at Ashuganj, Brahmanbaria. We also participated to the extent of BDT 1,760.00 million in Syndication deals, arranged by other Banks & FIs.

During the last quarter of 2015, the Bank signed a Term Sheet with Mahmud Fabric's & Finishing Limited (MFFL) - a concern of Mahmud Group, to act as 'Lead Arranger' and 'Agent' for raising a Syndicated Term Loan comprising of USD 26.00 million and BDT 460.77 million for setting up a LEED certified 100% export oriented woven fabrics manufacturing factory at Kaliakoir, Gazipur with an estimated project cost of BDT 3,842.82 Million. We have also received a mandate from Doreen Group to act as 'Lead Arranger' & 'Agent' for raising a Syndicated Term Loan of USD 34.50 million to set up a power plant at Bhairab.

## Project Finance

Dhaka Bank financing window to pioneering but non-conventional undertakings was wide open during the year 2015. The Bank continued project financing in support of entrepreneurship, innovative schemes and ventures profitable in terms of commercial, economic and environmental outlook. Project finance undertaken by the Bank exclusive of Syndication and Structured Finance, Export Finance and General Credit Unit was significant in number of deals and in volume that spanned industrial, energy, social and physical infrastructure as well as ICT sectors. The initiative has opened up new avenues and opportunities for pioneering entrepreneurship in the recent times.

## Business & Operational Highlights

### Service network enhancement

Dhaka Bank has made its vibrant presence all over the country with a strong web of networks dotted by 164 delivery points. In 2015, the Bank has opened 06 new Branches including 03 rural Branches, added 06 more ATMs and 04 more ADMs to the existing delivery channel of Dhaka Bank. Presently we are available with our 87 Branches (Including 2 Islamic Branches), 53 ATMs, 19 ADMs, 3 SME Service Centres, 6 Brokerage Branch under Dhaka Bank Securities Limited, 1 Off-shore Banking Unit and 1 Business Kiosk.

### Remittance arrangement with two new Exchange Houses

In the year 2015 Dhaka Bank maintained growth trend in inward remittance, total inward remittance through exchange houses stood at USD 236.87 million compared to previous years USD 223 million. This year 2 new remittance drawdown arrangement has been established with Al Noor Exchange (UAE) and Continental Exchange Solutions, RIA FINANCIAL Services (having world's 2nd largest network covering more than 180 countries). At present, DBL has agency arrangements with total 22 exchange houses located in USA, UAE, UK, Oman, Italy, Kuwait, France and so on to facilitate remittance of expatriate Bangladeshis working abroad.

### Introducing Real Time Gross Settlement (RTGS)

Customers' comfort is the thing we always put top priority. Towards smooth and fast inter-bank transactions, Bangladesh Bank initiated the RTGS system in Bangladesh. As always, Dhaka Bank took initiative to introduce the new system in its operation. On October 29, 2015 the Bank inaugurates the RTGS system in its several Branches. RTGS is a continuous (real-time) settlement of funds transfers individually on an order by order basis (without netting). 'Real Time' means the processing of instructions at the time they are received rather than at some later time; 'Gross Settlement' means the settlement of funds transfer instructions occurs individually (on an instruction by instruction basis).

### Newly opened nostro A/C

Dhaka Bank has opened a new Nostro Account (ACU Dollar A/C) with United Bank of India, India. This new account will provide settlement process for import from bordering states in India.

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## Meeting & Business Review

### 20th Annual General Meeting

The 20th General Meeting of Dhaka Bank Limited was held on May 13, 2015 at Bashundhara Convention Centre-2, Dhaka. All members of the Board of the Bank as well as a good number of shareholders participated in the meeting and shared their comments and recommendation for the overall progress of the Bank. The AGM approved 10% bonus share and 14% cash dividend for the year ended 2014.

### 6th Extraordinary General Meeting

Bank's 6th Extra-ordinary General Meeting was held on October 8, 2015 at Utsab Hall, Radisson Blu Water Garden Hotel, Dhaka. Mr. Reshadur Rahman, Chairman of the Board of Directors, presided over the meeting. In the meeting, the Shareholders of the Bank unanimously passed the resolution for issuance of Dhaka Bank Non-convertible privately placed 2nd Subordinated Bond for Tk. 300.00 crore eligible as Tier-II Capital of the Bank subject to approval of Regulatory Authorities.

### Annual Managers' Conference 2015

Annual Managers' conference 2015 of the Bank took place on January 23, 2016 at Hotel Le Meridian, Nikunja, Dhaka. The Directors of Dhaka Bank, Senior Management along with all Branch Managers from around the country participated in the conference. The conference reviewed overall progress of the Bank across 2015 and chalked out various plans and programmes towards achieving yearly target of 2016.

### Meeting of Shariah Supervisory Committee

During the year 2015 under review the Shari'ah Supervisory Committee conducted several meetings and reviewed a number of operational issues including those referred to by the Board of Directors and the Bank Management. In those meetings, among important agenda, discussed and approved final rates of Mudaraba Deposits under Islamic Banking wing for 2014, Report of the Shariah Supervisory Committee published in the Annual Report 2014. The committee also reviewed implementation of the rules of profit distribution system, prospects of Income Sharing Ratio (ISR) among the Mudaraba Depositors and other related issues.

### Quarterly Business Review

Dhaka Bank held quarterly Business Review with due participation of Board Members and Bank Management at quarterly intervals to evaluate Bank's position on yearly business target and discussed immediate issues that affected banking business.

## Strategic Alliance

### Signing Agreement with Bangladesh Bank

Dhaka Bank signed Participating Agreement with Bangladesh Bank for Long Term Financing Facility under Financial Sector Support Project (FSSP), financed by the International Development Association (IDA) and implemented by Bangladesh Bank. Mr. Md. Ahsan Ullah, Executive Director & Project Director of FSSP and Mr. Syed Mahbubur Rahman, Managing Director of Dhaka Bank signed the agreement on behalf of their respective organizations.

Dr. Atiur Rahman, former Governor of Bangladesh Bank, Mr. Shitangshu Kumar Sur Chowdhury and Ms. Nazneen Sultana (former), Deputy Governors of Bangladesh Bank, Mr. Shah Nur Quayyum, Financial Sector Specialist of The World Bank, Mr. Emranul Huq, Deputy Managing Director of Dhaka Bank Limited and other high officials from respective organizations graced the occasion.

### Participation in 3rd Showcase Canada 2015 as Premium Partner

Dhaka Bank participated in the 3rd Showcase Canada 2015 as the Premium Partner. The event took place on February 14, 2015 at Ball Room of Pan Pacific Sonargaon Hotel, Dhaka. Hon'ble High Commissioner of Canada in Bangladesh H. E. Mr. Benoit Pierre Laramée, President of Canada Bangladesh Chamber of Commerce & Industry Mr. Masud Rahman and Hon'ble Commerce Minister of Bangladesh H.E. Mr. Tofail Ahmed formally inaugurated the event at 10:30 in the morning. Former Chairman of Dhaka Bank Mr. Abdul Hai Sarker, Former Managing Director Mr. Niaz Habib and Deputy Managing Director Mr. Emranul Huq were also present.

### Becoming the Ticketing Rights Partner of BPL 2015

Dhaka Bank signed an agreement with Music Super Star regarding the Bangladesh Premier League 2015 (Season 3). As per the agreement, Dhaka Bank was the Ticketing Rights Partner of BPL 2015. Mr. Khandaker Anwar Ehtesham, SAVP & Head, Communications & Branding Division of Dhaka Bank and Mr. Shabbir Hossain, CEO of Music Super Star signed the agreement on behalf of the respective organizations. Managing Director of Dhaka Bank Mr. Syed Mahbubur Rahman along with other senior officials of both the organization were present at the time of signing the agreement.

### Cards Campaign

During the year 2015, the Card Business Unit undertook the following programmes:

- Introduced 0% EMI facility "Swipe It" against credit card transactions and tied up with leading merchants to offer this facility.
- A promotional campaign namely "Boishakhi Ullash" to celebrate Bangla New Year 1422.
- Signing agreement with more than 50 different merchants including Fashion and Lifestyle, Restaurant, Hotel and Resort, Health & Beauty Care to attract DBL Cards to augment usage against attractive discount offers.
- Introduced inactive debit/credit card activation and reinstate program during this period.

### Market Research & Developing New Products

With a view to warrant added excellence in Banking, we have special team of banking experts under the umbrella of Research & Development Unit to carry out extensive research in the industry to add, reshape, and innovate new products and services. In 2015, we introduced JOMA, a saving account inclusive for our valued Garment workers in order to inspire them to dream bigger. Besides, some other liability products were overhauled and redesigned last year to the comfort of Clients and Business. R&D Unit also took care of Dhaka Bank website ([www.dhakabankltd.com](http://www.dhakabankltd.com)) and worked for rebranding it with new design,





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content/information and regular maintenance/updating around the year. Review on monetary policy, national budget, etc were published in Bank's quarterly INSIGHT. INSIGHT also focuses on world and local economy for better understanding of, inter alia, Money Market and Banking Industry movement. R&D Unit is now working on developing few products for the under privileged parts of the society.

## Corporate Social Responsibility

Dhaka Bank considers the CSR initiatives not as expenditure but as a wise investment in the society. In 2015 Dhaka Bank continued its role to socioeconomic development of the country through its CSR initiatives. Dhaka Bank donated BDT 2.00 crore to the Prime Minister's Relief Fund in October and December 2015. The cheques were ceremoniously handed over to the Hon'ble Prime Minister Sheikh Hasina at Gana Bhaban. On the occasion of the 20th Anniversary, Dhaka Bank donated around BDT 1.5 crore to several institutions including Centre for Women & Child Health, Khulna University & Rotary District Community Hospital, Dhaka Ahsania Mission Hospital and SEID Trust. It donated a Rescue Boat to Bangladesh Fire Service & Civil Defence on that occasion. The Bank also donated Blankets for the Nepal Earthquake Victims and contributed towards CCTV Surveillance System in Dhaka City.

## AGM

The 21st Annual General Meeting of the Bank will be held on Sunday, May 29, 2016, at Utsab Hall, Radisson Blu Dhaka Water Garden, Airport Road, Dhaka Cantonment, Dhaka 1206 at 11:00 a.m.

## Dividend

This is a great pleasure for the Board of Directors of DBL to recommend 6% cash dividend and 10% Stock Dividend i.e. 10 Bonus Shares for every 100 Shares for the year that ended on December 31, 2015 subject to approval of shareholders in the 21st Annual General Meeting.

## Election of Directors

As per the Company Act 1994 and the Articles of Association of the Bank, 1/3 (one third) of the Directors of the Bank will retire in the 21st Annual General Meeting and they are eligible for re-election, subject to approval of Bangladesh Bank.

## Appointment of Auditors

The shareholders of Dhaka Bank Ltd., in the 20th AGM held on May 13, 2015 re-appointed ACNABIN, Chartered Accountants the statutory auditor of the company for the year 2015. As per Bangladesh Bank circular letter no. 33 dated December 23, 1992, ACNABIN is eligible for conducting audits for 3-year term. As such, the auditor is eligible for re-appointment in the 21st AGM of the Bank.

## Way forward 2016

Appraising the outcomes of the days behind is essential for framing the future in a golden shape. And this is significant at least to envision the future roadmap. As banking business and industry growth depends on lot many internal and external factors, it is always not possible to predict the growth and way towards upfront. Still Dhaka Bank appreciates the fact that there have to be plans and strategies based on which we will continue our tracking to the height of excellence.

## Challenges:

- Finding the way out the excessive liquidity by exploring newer sectors for quality asset products
- Ensuring sophisticated IT system towards safe and lawful transactions
- Uncertainty still prevails in the political frontier. Unless there is any political stability, economic stability is less feasible
- Addressing NPL issue, as we perceive, will be the top most challenge for banks. The banks would face more hurdles in recovering loans
- With decreasing industrial production, business can be affected and defaulted. So asset quality may not improve further
- Under continuous business stagnancy, business community might seek more cut in lending rates from banks which may cause further decline in income from lending activities

## Opportunities

- Upgraded to the Lower Middle Income Country, continuous over 6 percent growth for a decade and tolerable inflation have made us believe that the days ahead will open the door of enormous opportunities
- Prudential policies taken by Bangladesh Bank to strengthen the quality of banks' assets will continue in 2016 and beyond so that the progressive trend in the financial sector can be retained, in accordance with the needs for sustained growth and expansion
- Resilient exports have brought optimism over achieving fiscal 2015-2016 export targets. Export achievement proves our resilience against domestic challenges. Demand for the country's garment product is still very good due to its competitive price well liked by international retailers. This uptrend will boost banks' income as banks have the highest exposure in this sector
- Market diversification of garment products is growing at a rapid pace, though some incidents are there, and the new markets are performing very well. India, Japan, Russia, Mexico, Brazil, South Africa, South Korea, Malaysia, China and Australia are strong new destinations making up for the loss from suspension of GSP finance
- Foreign remittance has become an unswerving hand to take the responsibility of Bangladesh economy. Every year, inward remittance is perched on a historic high strengthening country's position to meet foreign exchange demand. Banks will have ample scopes ahead to capture earnings from trade finance and channelling remittance from abroad
- Infrastructural development like the construction of Padma Bridge definitely will make a floor to boost up the investment situation in coming days

## Goals set for 2016

### Towards safe & sound transactions

Safety in banking transactions has become an alarming issue all over the world. In line with the massive application of information technology in banking arena, the fraud and forgery has emerged as the evil side of the coin. Believing in excellence in banking, we promise to ensure maximum safeguard in banking transactions for the sake of the hard



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earned public money. We are now upgrading the Core Banking System (CBS) to ensure safer and more hassle-free banking experience for the customers.

## Achieving cost effectiveness

This year we are focusing on appropriating Profit after Tax at a higher level than the forgone years. Unless we hold back expenses in phases, we can hardly expedite our earnings towards our goal. In three stages, we will try to do that:

- Controlling the cost of fund by healthy deposit mix enhancing share of low cost deposit and refinancing from Bangladesh Bank
- Controlling the operating expenses by boosting HR productivity, competitive bidding with the suppliers and rational promotion of banking business
- Controlling provisions against bad loans by accelerating recovery mechanism both on-going and alternative

## Betterment of asset quality

Asset quality remains always a biggest challenge for the banking industry. Our main focus in the year is to reduce the NPL. We are developing in-built capacity in the Bank to help expedite loan recovery process. We are considering appointment of more loan recovery agents and new mechanism to avoid lengthy, expensive and cumbersome procedures and too much dependence on the court for recovering loans.

## Sound business mix

Focusing on inclusive finance, at the end of December 31, 2015, Bank's total SME loan portfolio was increased by 14% to Tk. 12,205.73 million from Tk. 10,706 million in 2014. Percentage of Non-Performing Loans to total SME portfolio has gone a bit high to 9.53% at the close of December 2015 from 9.18% of 2014. During 2015, the Bank has achieved refinance for Tk. 70.22 million from respective funds of BB, ADB, WE, EGBMP, SOLAR and BIO-GAS. We have also disbursed considerable agri loans for the fiscal year 2014-2015. It stood at 2,044 million for that fiscal year. In the first half of the current fiscal year, the amount stood at 378 million. Year 2016 will see more flourishes small ticket loans in the focus sectors of SMEs, cluster based finance, green projects, woman entrepreneurs finance, agriculture and others. On the corporate sides, we will try to focus on growth supportive sectors including large infrastructure and PPP in the economy. For a sound business mix, we will introduce a bundle of new products and services in tandem with rising demand and need.

## Internal control & risk management

Ensuring a healthy banking business largely depends on Banks' internal soundness. In 2016 and beyond, we will stay most vigilant about financial scams, irregularities and other operational failures. We will ensure stable well-integrated operating process, new equipment to support work volume as well as strong customer complaint resolution process and Anti-money Laundering & Combatting Financing of Terrorism mechanism. To control credit losses, we will ensure appropriate debt rating models, rigorous monitoring of portfolio performance and timely and effective response to changes.

## HR productivity & efficiency

We will give more concentration on HR productivity this year based on our experience and output in the last five years. We believe, heightened efficiency of HR forces adds more values to banking development than any other factors. We are committed to give every try to achieve the target by a combination of talent management, including expert bankers and brilliant chunk of business graduates, sharpening job efficiency, increasing learning curve and motivating through more reward and retribution.

## Business ethics to reign supreme

Whatever growth we achieve, we have to get back to the root: Ethical Standard in every sphere of business for a sustainable growth. Business ethics is more oriented with culture than administrative response, as we have experienced for long. To establish a good ethics culture, we have formed Ethics Committee comprising the Senior Management. This year we will focus on building loyalty to the organization, training on ethical practices, recognizing ethical precedence in performance appraisal and transparency in all banking operation.

## Shareholders' value

All of our actions must lead to an ultimate goal-maximization of shareholders' value for what we exist and excel. With this in mind, we will concentrate on enhancing profitability to raise Earnings per Share, Dividend as well as confidence of the Shareholders.

## DBL as a Power Brand

Together with you and our great team of banking excellence, we dream to build Dhaka Bank as a Power Brand in the country and even beyond across the border. Convincingly, a power brand carries enough strength to weather difficult times. The Board of Directors of Dhaka Bank aspires to honour your dream to make the Bank 'The First Choice of the Customers' in the not too distant future.

## On behalf of the Board of Directors,



**Reshadur Rahman**

Chairman of the Board of Directors

# পরিচালকদের প্রতিবেদন ২০১৫

ঢাকা ব্যাংকের ২১তম বার্ষিক সাধারণ সভা উপলক্ষে পরিচালনা পর্ষদের পক্ষ থেকে আপনাদের সাদর সম্ভাষণ। এ বিশাল আয়োজনের প্রারম্ভে আপনাদের হাতে বার্ষিক আর্থিক প্রতিবেদন ২০১৫ তুলে দিতে পেরে আমরা আনন্দিত। কয়েকটি অংশে বিভক্ত এ প্রতিবেদন বিগত বছরে ব্যাংকটির নানাবিধ কার্যক্রম এবং অর্জন সম্পর্কে আপনাদের একটি সম্যক ধারণা দিবে। পাশাপাশি ব্যাংকিং ব্যবসায় আমাদের স্বচ্ছতা ও জবাবদিহিতার একটি স্পষ্ট চিত্র আপনাদের সামনে উন্মোচিত হবে।

## বিশ্ব অর্থনীতি ২০১৫ : মিশ্র অর্থনৈতিক প্রবৃদ্ধি

২০১৫ সালের বিশ্ব অর্থনীতি অনেকটা তার আগের বছরের মতই মন্থর গতিতে চলেছে। আন্তর্জাতিক মুদ্রা তহবিল (আইএমএফ) বছরের মাঝামাঝি সময়ে যে প্রবৃদ্ধি প্রাক্কলন করেছিল, বছর শেষ হতে না হতেই তা সংশোধন করে কমিয়ে দেয়। আইএমএফ বছর শেষে ২০১৫ ও ২০১৬ সালের জন্য বৈশ্বিক প্রবৃদ্ধি প্রাক্কলন করে যথাক্রমে ৩.৫ ও ৩.৮ শতাংশ। গ্রীক সঙ্কট দিয়ে শুরু করে পরবর্তীতে বিশ্ববাজারে অপরিশোধিত তেলের অস্বাভাবিক দরপতন, চীনের অর্থনৈতিক মন্দা, ইউয়ানের অবমূল্যায়ন, জাপানের সংকোচনশীল অর্থনীতি এবং শেষের দিকে ফেডারেল রিজার্ভ ব্যাংক কর্তৃক সুদের হার বাড়ানো ছিলো গত বছরের কয়েকটি উল্লেখযোগ্য ঘটনা। বছরের মাঝামাঝি সময়ে এসে ইরান এবং কিউবার উপর যুক্তরাষ্ট্রের অর্থনৈতিক অবরোধ শিথিল করার ঘটনাও বিশ্ব বাণিজ্যের গতিপথ নির্ধারণে গুরুত্বপূর্ণ নিয়ামক হিসেবে কাজ করেছে। গত বছর বিশ্ব অর্থনীতির মধ্যে নতুন করে দুটি বহুজাতিক ব্যাংকের আবির্ভাব ঘটেছে। চীনের নেতৃত্বে এশিয়ান ইনফ্রাস্ট্রাকচার ইনভেস্টমেন্ট ব্যাংক (এআইআইবি) এবং ব্রিকস্‌ এর নেতৃত্বে নিউ ডেভেলপমেন্ট ব্যাংক (এনডিবি)। ব্যাংক দুটি সামনের দিনগুলিতে বিশ্ব অর্থনীতির গতিপথ নির্ধারণে ব্যাপক ভূমিকা রাখবে।

## বাংলাদেশ অর্থনীতি ২০১৫ : ঘুরে দাঁড়ানোর প্রচেষ্টা

শুরুতে কিছুটা রাজনৈতিক অস্থিরতা থাকলেও বছরের বাকি সময়টা অর্থনীতির জন্য বেশ অনুকূলেই ছিলো বলা যায়। অনিশ্চয়তা কাটিয়ে ২০১৪-১৫ অর্থবছরে বাংলাদেশ ৬.৫৫ শতাংশ প্রবৃদ্ধি অর্জন করেছে। গত এক দশক ধরেই বাংলাদেশ ৬ শতাংশের উপরে প্রবৃদ্ধি অর্জন করে আসছে যা খুবই আশাব্যঞ্জক। দেশের ৪৫তম বাজেটে চলতি অর্থবছরের (২০১৫-১৬) জন্য প্রবৃদ্ধির লক্ষ্যমাত্রা ধরা হয়েছে ৭ শতাংশ। ২০১৫ সালে বাংলাদেশের একটি বড় অর্জন ছিলো মাথাপিছু আয়ের ভিত্তিতে নিম্ন আয়ের দেশ থেকে নিম্ন মধ্যম আয়ের দেশে উন্নীত হওয়া। উলেখ্য, বর্তমানে বাংলাদেশের মাথাপিছু আয় ১,৩১৬ মার্কিন ডলার। বিশ্ববাজারে অপরিশোধিত তেলের মূল্যবৃদ্ধির বেশ একটা ইতিবাচক দিক অনুভূত হয়েছে বাংলাদেশের অর্থনীতিতে। বিশেষ করে মুদ্রাস্ফীতি গ্রহণযোগ্য মাত্রায় রাখতে এর ভূমিকা ছিলো উল্লেখযোগ্য। ডিসেম্বর ২০১৫ তে এসে মাসিক গড় ভিত্তিতে মুদ্রাস্ফীতি ছিলো ৬.১৯ শতাংশ যা ২০১৪ সালের একই সময় ছিলো ৬.৯৯ শতাংশ। বরাবরের মতই ২০১৫ সালেও বাংলাদেশের অর্থনীতিতে তৈরি পোশাক খাত ও প্রবাসী আয়ের ভূমিকা ছিলো গুরুত্বপূর্ণ। ইপিবি'র তথ্যমতে বছরটিতে মোট রপ্তানি আয় ছিলো ৩২.৩৭ বিলিয়ন। তবে বিনিয়োগ চিত্র ছিলো অনেকটাই হতাশাজনক। কাজেই বছরজুড়ে ব্যাংকগুলোতে অতি তারল্য পরিলক্ষিত হয়েছে যা ব্যাংকিং ব্যবসার উপর বড় ধরনের নেতিবাচক প্রভাব ফেলেছে।

## ঢাকা ব্যাংক: টেকসই ব্রহ্মবৃদ্ধির দুই দশক

১৯৯৫ সালে যে পথচলা শুরু হয়েছিলো, দুই দশক পেরিয়ে তা আজ অবধি পূর্ণ উদ্যমে চলছে। এর মাঝে অর্জন যেমন হয়েছে, তেমনি পাড়ি দিতে হয়েছে কঠিন

কিছু সময়। তবে আত্মবিশ্বাসের জায়গাটি ছিলো ঢাকা ব্যাংকের প্রতি সম্মানিত শেয়ারহোল্ডারবৃন্দ, আমানতকারী এবং ঋণগ্রহীতাদের নিরবচ্ছিন্ন আস্থা ও বিশ্বাস। এ আস্থা ও বিশ্বাস ভবিষ্যতেও অব্যাহত থাকবে বলেই আমরা আশা করি। এরইমাঝে দেশজুড়ে ৮৭ টি ব্রাঞ্চ (২ টি ইসলামী ব্রাঞ্চসহ), ৫৩ টি এটিএম, ১৯ টি এডিএম, ৩ টি এসএমই সার্ভিস সেন্টার, ১ টি বিজনেস কিয়স্ক ও ঢাকা ব্যাংক সিকিউরিটিজের অধীনে ৬ টি ব্রোকারেজ ব্রাঞ্চে মাধ্যমে আমরা আমাদের উপস্থিতি নিশ্চিত করেছি। আমাদের সম্মানিত আমানতকারী এবং ঋণগ্রহীতাদের দোরগোড়ায় গুণগত মানসম্পন্ন আর্থিক সেবা পৌঁছে দেয়ার লক্ষ্যে আমরা বদ্ধপরিকর।

## এক নজরে বার্ষিক প্রতিবেদন ২০১৫

সামনে এগিয়ে চলার এ যাত্রায়, ডিসেম্বর ৩১, ২০১৫ পর্যন্ত ঢাকা ব্যাংকের মোট আমানতের পরিমাণ ১৩৯ বিলিয়ন টাকা। অপরদিকে ঋণ ও অগ্রিমের পরিমাণ ১১৮ বিলিয়ন টাকা যা আগের বছরের ১০৩ বিলিয়ন টাকার তুলনায় ১৪ শতাংশ বেশী। বেশ চ্যালেঞ্জিং পরিস্থিতি স্বত্বেও ২০১৫ সালের ঢাকা ব্যাংকের পরিচালন মুনাফা ছিল ৩,৫০৪ মিলিয়ন টাকা। মোট পরিচালন আয় ছিল ৬,৭০৯ মিলিয়ন টাকা যেখানে নিট ইন্টারেস্ট ও বিনিয়োগসহ অন্যান্য আয় ছিল যথাক্রমে ২,০১৯ মিলিয়ন ও ৪,৬৯০ মিলিয়ন টাকা। বছর শেষে ঢাকা ব্যাংক নিট মুনাফা অর্জন করে ১,৪৩৮ মিলিয়ন টাকা। ২০১৫ সালে শেয়ার প্রতি আয় ছিল ২.৩০ টাকা। পরিচালকবৃন্দ ২০১৫ সালের জন্য নগদ ৬ শতাংশ এবং স্টক হিসেবে ১০ শতাংশ লভ্যাংশ প্রস্তাবনা করেন।

২০১৫ সালের শেষে আমাদের মোট গ্রাহক হিসাবের সংখ্যা দাঁড়ায় ৪,৩৯,৫৪৪ টি যেখানে অনলাইন ব্যাংক হিসাবের সংখ্যা ২,৯৩,৮৮৩ টি এবং মোবাইল এসএমএস ব্যাংক হিসাবের সংখ্যা ১,০৭,০৬২ টি। গত ২০১৪-১৫ অর্থবছরে বিতরণকৃত মোট কৃষি ঋণের পরিমাণ ছিল ২,০৪৪ মিলিয়ন টাকা। মোট এসএমই অর্থায়নের পরিমাণ ছিল ১২.২ বিলিয়ন টাকা, যেখানে মোট এসএমই গ্রাহকের সংখ্যা ৪,৪৫০ জন। ঢাকা ব্যাংক সিকিউরিটিজ লিমিটেড ২০১৫ সালে নিট মুনাফা অর্জন করেছে ৭৬.০৮ মিলিয়ন টাকা যা ২০১৪ সালে ছিল ৭৩.৪৩ মিলিয়ন টাকা। অপরদিকে ২০১৫ সাল শেষে ঢাকা ব্যাংকের ইসলামী ব্যাংকিং এর মোট আমানত এবং বিনিয়োগের পরিমাণ দাঁড়িয়েছে যথাক্রমে ৭,৪৮০ ও ৪,৭৪৬ মিলিয়ন টাকায়।

পরিশেষে ২০১৬ সাল ঢাকা ব্যাংক এবং আপনাদের সবার জীবনে বয়ে নিয়ে আসুক শান্তি, সাফল্য এবং টেকসই অগ্রগতি। অতীতের মত আপনারা ব্যাংকের এই গৌরবময় পথযাত্রায় शामिल থাকবেন এই কামনাই করছি।

সবুজে থাকুন, সবুজে বাঁচুন।

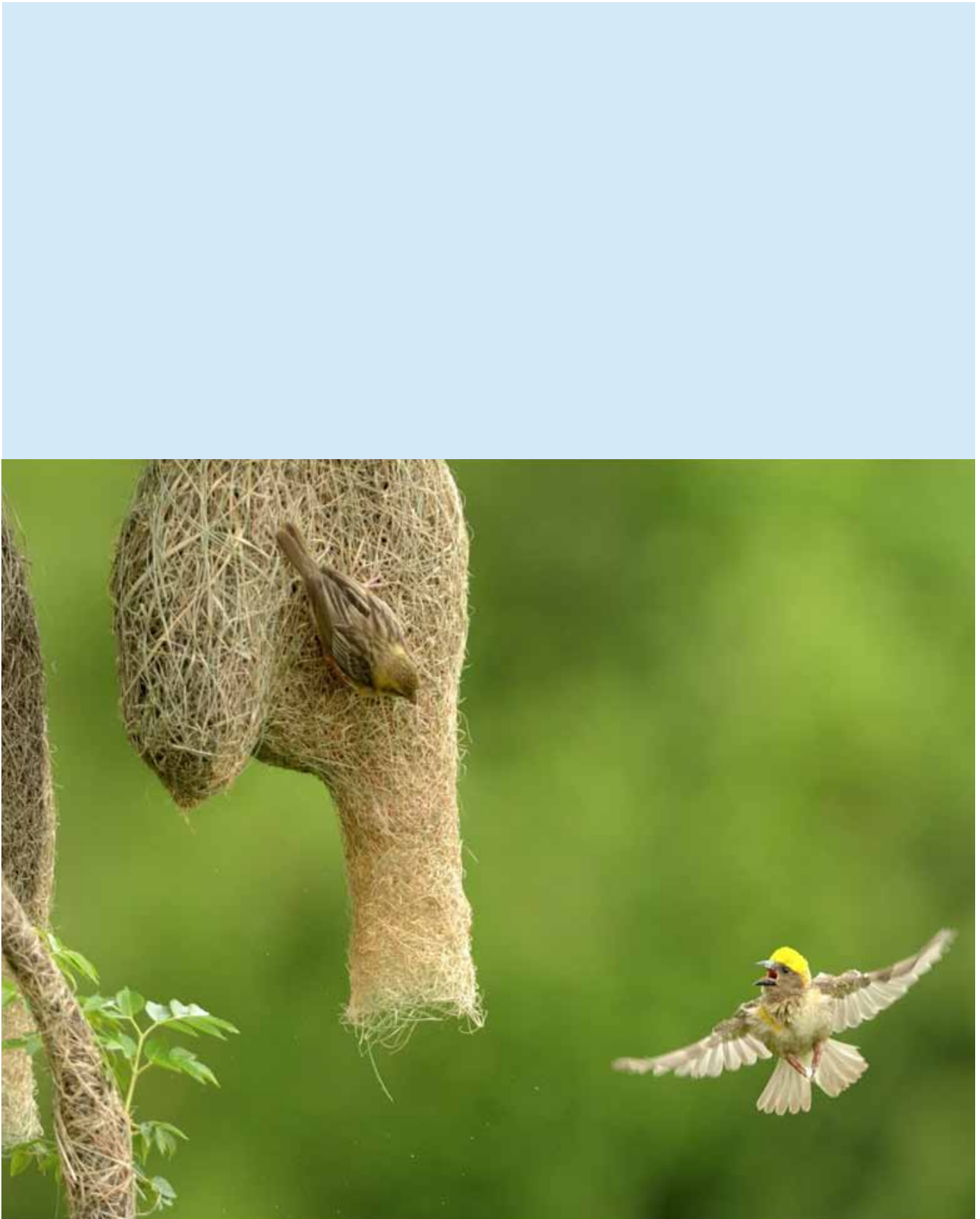


রেশাদুর রহমান

চেয়ারম্যান

পরিচালনা পর্ষদ, ঢাকা ব্যাংক

# Compliance Report on BSEC's Notification



# Compliance Report on BSEC's Notification

The Bangladesh Securities and Exchange Commission (BSEC) has made it mandatory for all listed companies to report on the compliance of the conditions described in BSEC's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 on 'comply' basis.

The Notification requires that the company shall obtain a certificate from a practicing professional Accountant/Chartered Accountant/ Chartered Secretary/ Cost and Management Accountant regarding compliance of conditions of corporate governance guidelines of the commission. The issuer company should not engage its External /Statutory Auditors to perform Audit/ Certification Services on compliance of corporate governance as required under condition number 7. In compliance with the Notification, Dhaka Bank Limited has appointed M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants for certification in this regard.

The Board of Directors of Dhaka Bank Limited has taken appropriate steps to comply with the conditions as detailed in Annexure-I, II & III below:

## Annexure-1

33 (Thirty Three) Meetings of the Board of Directors were held from January 01, 2015 to December 31, 2015. Attendance of the Directors in these Meetings is given below:

Name of Directors	Position	Number of Meetings Held	Meetings Attended *	Remarks
Mr. Reshadur Rahman	Chairman	33	30	
Mrs. Rokshana Zaman	Vice-Chairperson	33	23	
Mr. Abdul Hai Sarker	Director	33	22	
Mr. Mirza Abbas Uddin Ahmed	Director	24	07	Till 05.09.2015
Mr. Altaf Hossain Sarker	Director	33	29	
Mr. Md. Amirullah	Director	33	28	
Mr. Abdullah Al Ahsan	Director	33	22	
Mr. Khondoker Monir Uddin	Director	33	17	
Mr. Tahidul Hossain Chowdhury	Director	33	22	
Mr. Jashim Uddin	Director	33	11	
Mr. Mohammed Hanif	Director	33	27	
Mr. Khondoker Jamil Uddin	Director	33	25	
Mr. M.N.H. Bulu	Director	10	09	From 01.09.2015
Mr. Mirza Yasser Abbas	Director	33	25	
Mr. Amanullah Sarker	Director	33	19	
Mr. Syed Abu Naser Bukhtear Ahmed	Independent Director	33	28	
Mr. Suez Islam	Independent Director	26	22	Till 20.09.2015
Mr. Niaz Habib	Ex-Managing Director	29	29	Till 10.11.2015
Mr. Syed Mahbubur Rahman	Managing Director	05	05	From 11.11.2015

\*The directors who could not attend any Meeting were granted leave of absence.

# Compliance Report on BSEC's Notification

Continued

## Annexure-II

The pattern of shareholding of Dhaka Bank Limited as on 31.12.2015 as per BSEC's Notification No.SEC/CMRRCD/2006-158/129/Admin/43 dated August 07, 2012 is as under:

a) Shareholding by Parent/Subsidiary/Associated Companies and other related parties: Nil

b) Shareholding by:

1. Directors & their Spouses:

Sl. No	Name of Directors	No. of shares held	Name of spouse	No. of shares held
01.	Mr. Reshadur Rahman	21,107,938	Mrs. Shamsi Rahman	2,032,996
02.	Ms. Rokshana Zaman	12,519,812	Mr. A.T.M. Hayatuzzaman Khan	1,473,037
03.	Mr. Abdul Hai Sarker	13,605,774	Mrs. Selina Hai	778,247
04.	Mr. Altaf Hossain Sarker	17,440,446	Mrs. Nilufar Hossain	951,376
05.	Mr. Mohammed Hanif	19,048,981	Mrs. Rowshan Ara Hanif	518,587
06.	Mr. Md. Amirullah	12,508,771	Mrs. Ayesha Amir	2,975
07.	Mr. Abdullah Al Ahsan	12,509,848	Mrs. Amena Begum	766,365
08.	Mr. Tahidul Hossain Chowdhury	12,559,725	Mrs. Jesmin Sultana Chowdhury	59,591
09.	Mr. Jashim Uddin	12,508,886	Mrs. Mamtaj Begum	1,051,668
10.	Mr. Khondoker Monir Uddin	17,959,623	Mrs. Jasmin Sultana	4,224,196
11.	Mr. Khondoker Jamil Uddin	12,508,712	Mrs. Afroza Begum	53,592
12.	Mr. Amanullah Sarker	12,508,774	Mrs. Nasrin Aman	Nil
13.	Mr. Mirza Yasser Abbas	23,032,472	Mrs. Yakut Binte Sadek	Nil
14.	Mr. M. N. H. Bulu	12,841,605	Mrs. Hosne Ara Naz	Nil
15.	Mr. Syed Abu Naser Bukhtear Ahmed	Nil	Mrs. Mahin Ahmed	Nil

2. Managing Director:

Nil

3. Company Secretary:

Nil

4. Chief Financial Officer:

Nil

5. Head of Internal Control and Compliance:

Nil

6. Spouses of above Executives:

Nil

c) Shareholding by other Executives (Top five salaried employees):

1. Mr. Emranul Huq, Deputy Managing Director:

Nil

2. Mr. Khan Shahadat Hossain, Deputy Managing Director:

Nil

3. Mr. Md. Shakir Amin Chowdhury, Deputy Managing Director:

Nil

4. Mr. Mohammad Abu Jafar, Deputy Managing Director :

Nil

5. Mr. A. M. M. Moyeen Uddin, SEVP :

Nil

d) Shareholders holding ten percent (10%) or more shares:

Nil.



# Compliance Report on BSEC's Notification

Continued

## Annexure-III

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification no. SEC CMRRCD/2006-158/134/Admin/44 dated 7th August 2012 and subsequent modification SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013; issued under section 2CC of the Securities & Exchange Ordinance, 1969 by Dhaka Bank Limited as at 31st December 2015

### SEC Checklist: (Report under Condition No.7)

	Title	Compliance Status		Remarks
		Complied	Not complied	
<b>1</b>	<b>Board of Directors (BoD)</b>			
1.1	Board's size shall not be less than 5 (five) and more than 20 (twenty) members	√		
<b>1.2</b>	<b>Independent Director:</b>			
1.2 (i)	At least one fifth (1/5) of the total number of Directors in the company's Board shall be Independent Directors		√	As on 31.12.2015, the Board of Directors consists of 15 (fifteen) members including 1 (one) Independent Director. The BSEC has accorded its clearance for appointment of Mr. M A Yussouf Khan as another Independent Director in the Board of the Bank on 30.12.2015 and the Bangladesh Bank approved this appointment on 12.01.2016. With this inclusion, the number of directors shall be 16 (sixteen) including 02(two) Independent Directors which will be in conformity with the Bank Company (Amendment) Act, 2013 [Section 15(9)]
<b>1.2 (ii)</b>	<b>Independent Director means a Director</b>			
1.2 (ii) (a)	Who either does not hold any share in the company or holds less than one (1%) percent shares of the total paid-up shares of the company	√		
1.2 (ii) (b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid up shares of the company on the basis of family relationship. His/Her family members also should not hold above mentioned shares in the company.	√		
1.2 (ii) (c)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	√		
1.2 (ii) (d)	Who are not the members, Directors or officers of any Stock Exchange(s).	√		

# Compliance Report on BSEC's Notification

Continued

	Title	Compliance Status		Remarks
		Complied	Not complied	
1.2 (ii) (e)	Who is not a shareholder, Director or Officer of any member of Stock Exchange or an Intermediary of the capital market.	√		
1.2 (ii) (f)	Who is/was not a partner or an executive during the preceding 3 (three) years of concerned company's statutory audit firm.	√		
1.2 (ii) (g)	Who shall not be an Independent Director in more than 3 (three) listed companies.	√		
1.2 (ii) (e)	Who is not a shareholder, Director or Officer of any member of Stock Exchange or an Intermediary of the capital market.	√		
1.2 (ii) (f)	Who is/was not a partner or an executive during the preceding 3 (three) years of concerned company's statutory audit firm.	√		
1.2 (ii) (g)	Who shall not be an Independent Director in more than 3 (three) listed companies.	√		
1.2 (ii) (h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a non bank financial institution (NBF).		NA	
1.2 (ii) (i)	Who has not been convicted for a criminal offence involving moral turpitude.		NA	
1.2 (iii)	Independent Director (s) shall be appointed by the Board of Directors (BoD) and approved by the shareholders in the Annual General Meeting (AGM).	√		
1.2 (iv)	The post of Independent Director(s) can not remain vacant for more than 90 days.		√	The post of the Independent Director remained vacant for 97 days
1.2 (v)	The Board shall lay down a Code of conduct for all Board members and annual compliance of the Code to be recorded.	√		
1.2 (vi)	Tenure of office Independent Director (ID) shall be for a period of 3 years , may be extended for 1(one) term only.	√		
<b>1.3</b>	<b>Qualification of Independent Director (ID):</b>			
1.3 (i)	Independent Director shall be knowledgeable individual with integrity and able to ensure compliance with financial, regulatory and corporate law and required compliance.	√		
1.3 (ii)	Independent Director should be Business Leader/ Corporate Leader/ Bureaucrat/University Teacher with Economics or Business Studies or Law background / Professionals (like CA, CMA,CS) and must have at least 12 years of corporate management/professional experiences.	√		
1.3 (iii)	In special cases qualifications of Independent Director may be relaxed subject to prior approval of Security Exchange Commission (SEC).		NA	

# Compliance Report on BSEC's Notification

Continued

	Title	Compliance Status		Remarks
		Complied	Not complied	
<b>1.4</b>	<b>Individual Chairman &amp; Chief Executive Office (CEO):</b>			
	The Chairman of the Board and the Chief Executive Officer (CEO) shall be different individuals. The Chairman shall be elected from among the directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and Chief Executive Officer (CEO).	√		
<b>1.5</b>	<b>The director's report shall include the following additional statements</b>			
1.5 (i)	Industry outlook and possible future development in the industry.	√		
1.5 (ii)	Segment-wise or product-wise performance.	√		
1.5 (iii)	Risk and concerns	√		
1.5 (iv)	A discussion on cost of goods sold, Gross profit margin and net profit margin.	√		Information relevant to the Banking Industry are provided
1.5 (v)	Discussion on Continuity of any extraordinary gain or loss.			<b>NA</b>
1.5 (vi)	Basis for related party transaction- a statement of all related party transactions should be disclosed in the annual report.	√		
1.5 (vii)	Utilization of proceeds from public issues, right issues and/or through any other instrument.			<b>NA</b>
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO)			<b>NA</b>
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.			<b>NA</b>
1.5 (x)	Remuneration of Directors including Independent Directors.	√		
1.5 (xi)	The financial statements present fairly its state of affairs, the result of its operations, cash flow and changes in equity	√		
1.5 (xii)	Maintenance of proper books of account by the company.	√		
1.5 (xiii)	Adaptation of appropriate accounting policies and estimates	√		
1.5 (xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS) as applicable in Bangladesh, have been followed in adequate disclosure for any departure	√		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1.5 (xvi)	Going Concern (ability to continue as going concern)	√		

# Compliance Report on BSEC's Notification

Continued

	Title	Compliance Status		Remarks
		Complied	Not complied	
1.5 (xvii)	Highlight and explain significant deviations from the last year's operating result	√		
1.5 (xviii)	Key operating and financial data at least preceding 5 (five) years shall be summarised	√		
1.5 (xix)	Reason for non declaration of dividend		NA	
1.5 (xx)	The number of Board meetings held during the year and attendance by each director	√		
<b>1.5 (xxi)</b>	<b>Pattern of shareholding and name wise details (disclosing aggregate number of shares)</b>			
1.5 (xxi)(a)	Parent/Subsidiary/Associated companies and other related parties	√		
1.5 (xxi)(b)	Directors, Chief Executive Officer (CEO) , Chief Financial Office (CFO), Company Secretary (CS), Head of Internal Audit (HIA) and their spouses and minor children	√		
1.5 (xxi)(c)	Executives	√		
1.5 (xxi)(d)	Shareholders holding of 10 % or more voting interest in the company	√		
<b>1.5 (xxii)</b>	<b>In case appointment/re-appointment of director, disclose:</b>			
1.5 (xxii)(a)	A brief resume of director	√		
1.5 (xxii)(b)	Nature of the propose Directors' expertise in specific functional areas.	√		
1.5 (xxii)(c)	Name of companies in which the person also held the directorship and membership of committees of the board	√		
<b>2</b>	<b>Chief Financial Officer (CFO), Company Secretary (CS) and Head of Internal Audit (HIA):</b>			
2.1	Chief Financial Office (CFO), Company Secretary (CS) and Head of Internal Audit (HIA) and defining their respective roles, responsibilities and duties.	√		
2.1	Appointment of Company Secretary & Head of Internal Audit and defining of their roles, responsibilities and duties.	√		
2.2	Chief Financial Officer (CFO )& Company Secretary (CS) shall attend the meeting of Board of Directors.	√		
<b>3</b>	<b>Audit Committee (AC):</b>			
3(i)	Audit Committee shall be a subcommittee of the Board of Directors (BoD)	√		
3(ii)	Audit Committee shall assist the Board of Director (BoD)s in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a monitoring system within the business.	√		
3(iii)	Audit Committee shall be responsible to the Board of Directors (BoD) and the duties of the Committee clearly defined in writing.	√		
<b>3.1</b>	<b>Constitution of Audit Committee:</b>			
3.1(i)	The Audit Committee shall be composed of at least 3 members.	√		



# Compliance Report on BSEC's Notification

Continued

	Title	Compliance Status		Remarks
		Complied	Not complied	
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) Independent director.	√		
3.1(iii)	All members of Audit Committee should be "Financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	√		
3.1(iv)	Expiration of the term of service of Audit Committee members making the number lower than 3 (three) and fill up the vacancy(ies) by the Board not later than 1 (one) month from the date of vacancy(ies)	√		
3.1(v)	Company Secretary (CS) shall act as the Secretary of the Committee.	√		
3.1(vi)	The quorum of Audit Committee meeting shall not constitute without at least 1 (one) Independent Director.	√		
3.2	<b>Chairman of the Audit Committee</b>			
3.2(i)	Chairman of the Audit Committee shall be an Independent Director (ID).	√		
3.2(ii)	Chairman of the Audit Committee shall remain present in the the Annual General Meeting (AGM).	√		
3.3	<b>Role of Audit Committee:</b>			
3.3 (i)	Oversee the financial reporting process	√		
3.3(ii)	Monitor Choice of accounting policies and principles	√		
3.3(iii)	Monitor Internal Control Risk Management Process	√		
3.3(iv)	Oversee hiring and performance of external auditors	√		
3.3(v)	Review along with the management, the annual financial statements before submission to the Board for approval.	√		
3.3(vi)	Review the the quarterly , half yearly and annual financial statements before submission to the board for approval	√		
3.3(vii)	Review the adequacy of internal audit function	√		
3.3(viii)	Review significant of significant related party transactions submitted by the management.	√		
3.3(ix)	Review Management Letters/ Letter of Internal Control weakness issued by the statutory auditors.	√		
3.3(x)	Disclosure to the Audit Committee about the uses/ application of Initial Public offering (IPO)funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further on an annual basis, shall prepare a statement of funds utilized for thepurpose other than those stated in the prospectus		N/A	

# Compliance Report on BSEC's Notification

Continued

	Title	Compliance Status		Remarks
		Complied	Not complied	
<b>3.4</b>	<b>Reporting of the Audit Committee</b>			
3.4.1	<b>Reporting to the Board of Directors</b>	√		
3.4.1(i)	Reporting to the Board of Directors (BoD) on the activities of Audit Committee	√		
3.4.1(ii) (a)	Report on conflict of interest		N/A	
3.4.1(ii) (b)	Reporting to the Board of Director (BoD) on any fraud or irregularity or material defect in the internal control system		N/A	
3.4.1(ii) (c)	Reporting to the Board of Director (BoD) on suspected infringement of laws		N/A	
3.4.1(ii) (d)	Reporting the Board of Director on any other matter		N/A	
3.4.2	Reporting of anything having material financial impact to the Commission.		N/A	
3.4.2	Reporting of anything having material financial impact to the Commission.		N/A	
3.5	Reporting of activities of the Audit committee to the Shareholders and General investors.		N/A	
<b>4</b>	<b>Engagement of External Auditors (EA):</b>			
4.00(i)	Non-engagement in appraisal or valuation services or fairness opinions	√		
4.00(ii)	Non-engagement in designing and implementation of Financial Information System	√		
4.00(iii)	Non-engagement in Bookkeeping or other services related to the accounting records or financial statements	√		
4.00(iv)	Non-engagement in Broker/ dealer services	√		
4.00(v)	Non-engagement in actuarial Services	√		
4.00(vi)	Non-engagement in Internal Audit services	√		
4.00(vii)	Non-engagement in any other services that the Audit Committee determines	√		
4.00(viii)	No partner or employees of its external audit firms shall possess any share during the tenure of their audit assignment	√		
4.00 (ix)	Audit / Certification services on compliance of corporate governance as required under clause (i) of condition No.7	√		
<b>5</b>	<b>Subsidiary Company</b>			
5.00(i)	Provisions relating to the composition of the Board of Directors (BoD) of the holding company shall be made applicable to the composition of the Board of Directors (BoD) of the subsidiary company	√		
5.00(ii)	At least 1 (one) Independent Director on the Board of Directors (BoD) of the holding company shall be a Director in the Board of Directors (BoD) the subsidiary company.	√		
5(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	√		

# Compliance Report on BSEC's Notification

Continued

	Title	Compliance Status		Remarks
		Complied	Not complied	
5(iv)	The minutes of the respective Board Meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	√		
5(v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company also	√		
<b>6</b>	<b>Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO):</b>			
6(i)	The CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief	√		
6(i)(a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
6(i)(b)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	√		
6(ii)	There are, to the best knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	√		
<b>7</b>	<b>Reporting and Compliance of Corporate Governance Guidelines:</b>			
7(i)	Obtaining certificate from a Professional Accountant/Secretary (CA, CMA or CS) regarding compliance of conditions of Corporate Governance Guidelines of the BSEC and include in the Annual Report	√		
7(ii)	Directors statement in the director's report whether the company has complied with these conditions	√		

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**Hoda Vasi  
Chowdhury & Co**

## Certificate on Compliance of Conditions of Corporate Governance Guidelines to the Shareholders of Dhaka Bank Limited

We have examined the compliance of condition of corporate governance guidelines of the Bangladesh Securities and Exchange Commission (“BSEC”) by Dhaka Bank Limited (the “Bank”) as stipulated in the BSEC notification no SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012 and subsequent modification SEC/CMRRCD/2006-158/147/Admin/48 dated 21st July 2013 as at 31st December 2015.

### The Bank’s Responsibilities

Those charged with governance and management of the Bank are responsible for complying with the conditions of corporate governance guidelines as stated in the aforesaid notification and reporting of the status of compliance in the annual report.

### Our Responsibilities

Our examination for the purpose of issuing this certification was limited to the checking of procedures and implementations thereof, adopted by the Bank for ensuring the compliance of conditions of corporate governance and correct reporting of compliance status on the attached statement on the basis of evidence gathered and representation received.

### Conclusion

To the best of our information and according to the explanations given to us, we certify that, except the condition related to “Independent Directors”, the Bank has complied with the conditions of corporate governance stipulated in the above mentioned BSEC notification and reported thereon.

Dhaka,  
7 March 2016

*Hoda Vasi Chowdhury*

**Manzoor Alam, FCA**  
Senior Partner  
ICAB Enrolment Number 132  
For Hoda Vasi Chowdhury & Co  
Chartered Accountants



# CEO's & CFO's Declaration to the Board of Directors

**Date: April 20, 2016**

To  
The Board of Directors  
Dhaka Bank Limited

## **Certification of Financial Statements by the CEO & CFO**

In accordance with the notification of Bangladesh Securities and Exchange Commission No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 we declared the followings regarding the financial statements of Dhaka Bank Limited for the year ended 31 December 2015:

- i) We have reviewed the financial statements for the year and that to the best of our knowledge and belief:
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;

There are, to the best of knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violation of the Bank's code of conduct.



**Darashiko Khasru**  
Executive Vice President &  
Chief Financial Officer (CFO)

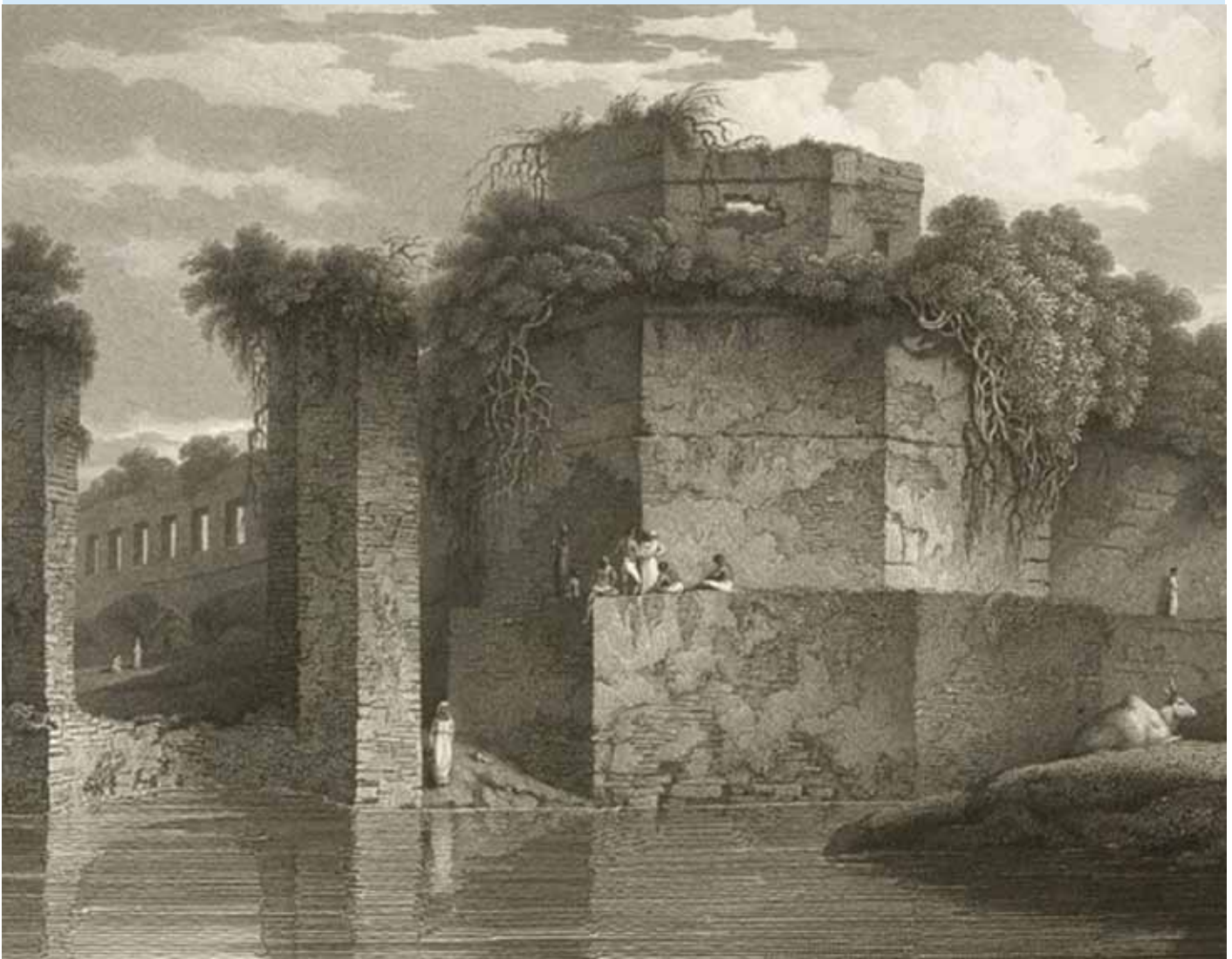


**Syed Mahbubur Rahman**  
Managing Director &  
Chief Executive Officer (CEO)

# Sustainability

Steering the wheel for 20 years Dhaka Bank always values heritage, upholds tradition and looks forward to brighter future. Keeping stakeholder's interest intact we are eager to perform our social responsibility and love to build a strong economic platform for Generation next. We focus on stable approach, solid ground and steady growth.

- Best mixing of deposit
- Diversification of advance
- Prudence on risk assessment
- Adherence to compliance
- Emphasis on SME and Green Banking
- Search for new avenues of business
- Combative on money laundering & financing of terrorism
- Last but not the least, passion for CSR



# Sustainability

## Sustainability

We are rebuilding a stronger and safer Dhaka Bank. The work we doing on sustainability is an integral part of this, contributing to the long-term performance of the Bank and the return to ongoing profitability, steering the Bank towards its corporate targets with a direction of growth that meets expectations of shareholders, customers, employees, investors, international financial institutions, regulators, business partners, above all the community we operate in. Our stakeholder engagement approach allows us to understand the issues that matter most to those who have an interest in our business: treating customers fairly, being good employer, keeping customers' money and data safe. In addition, managing our wider ethical, social and environmental impacts remain among the key concerns of our stakeholders.

## Our Approach

Dhaka Bank is firmly committed to being good corporate citizen and to helping clients and other key stakeholders achieve sustainable success. Bank's central sustainability theme, Generation next and beyond, reflects the essence of its ambition: Dhaka Bank here for the long term and takes into account the legitimate interest of its stakeholders – not only for today's world, but for future generations too. Three key elements shape this theme:

**Entrepreneurship:** A sustainable business model is based on the pursuit of a socially responsible and environmentally friendly market opportunities and supporting clients in becoming more sustainable themselves.

**Stewardship:** Taking responsibility for clients, suppliers, employees and reducing the environmental impact

**Inclusion:** Dhaka Bank encourages community involvement throughout its 20 years of operation; Dhaka Bank has pledged its commitment to build long-term sustainability through business transparency, eco-friendly innovations, and community development for a better quality of life and sustainable well-being for the next generation. We believe that responsible banking addressing social, environmental and financial conditions are key to long term success and beneficial for immediate community that includes our clients, employees and place where we operate.

## Fair Banking

We are working to provide a simple, accessible and innovative service for our customers in response to their requirements. Banking is central to the daily lives of almost everyone, and it's important that we understand their needs. In 2015 we have taken steps to proactively identify people who may get into financial difficulty so we can work with customers to improve their situation. We have reviewed our rates structure (for corporate, SME and retail) as we aim to place customers at the heart of our business decision.

## Supporting Enterprise

Giving support to the enterprise in the economies in which we operate is a cornerstone of our customer offering. The health of Dhaka Bank is directly influenced by the health and success of the business it supports. Whether it's continuing to serve our existing clients in the best way possible or working to give start ups the help they need to become successful-we are here to support the growth of viable businesses. We provide advice and guidance to businesses through our Branch Managers and online courses. We know it is a difficult time for some organizations and that's why we created specialist team under 'Mentorship Programme' to provide that support.

## Employee Engagement

Being good employer is fundamental to our success as a business body. Our employees are a diverse and talented group which we support and encourage through internal networks and training. We highly value our employees and seek to support them through this process with a range of tools and services to help them find other roles, either inside or outside the Bank. We also offer emotional and practical challenges that they may experience.

## Safety and Security

Managing safety and security of our employees and customers is one of our fundamental responsibilities. We have adopted continued vigilance approach to keep up with challenging and changeable environment that we operate in, and continually review and innovate the way we face. In 2015, we invested good sum to cover Branch security and operational risks.

## Citizenship and Environmental Sustainability

As a large organization we have a responsibility to manage our internal and external impacts. A core part of this is the way we govern our environmental, social and ethical risks, not only within our own operations, but also in relation to companies we lend to. In 2015, we implemented sector policies which clearly define our lending criteria in certain sensitive industries. 2016 will also see the launch of revised and more stretching targets to reduce our environmental footprint across our travel and energy waste, water and paper use. These targets will drive forward the management of our own footprint, and allow our stakeholders to track our progress.

## Financial Inclusion

Multitudes of people across the country still remain unbanked or have limited access to banking services. We remain committed to agricultural and rural credit (micro finance) as a means of increasing financial inclusion in the country. Our approach is to support this sector

# Sustainability

Continued

by providing a range of financial services to microfinance institutions (MFIs) as well as through our own branch network. Small and Medium Enterprises played crucial role in generating jobs and economic growth in Bangladesh. In 2015, we continued to demonstrate our support for SMEs, increasing our lending to the sector by more than 14% to Tk. 12,205 million from Tk 10,706 million last year and enriching our SME products and services. In 2015 we launch a new liability product 'JOMA' Savings Account for RMG worker and have been working with similar sort of product for underprivileged and marginal income group of the society to bring more people under the umbrella of Banking system.

## Tackling Financial Crime

To guard against the risk of financial crime within our business, we focus in training our employees, strengthening our screening system and ensuring that our policies and procedures are effective and up to date. We devote our efforts to minimize the damaging effects of financial crimes on our business, our customers, and community. We focus on the following key areas:

01. Compliance with all applicable laws, regulations, and sanctions.
02. Actions to prevent Money laundering and terrorism financing.
03. Prevention of fraud.

Employee awareness about fraud trends and combating technique is the key to successful financial crime prevention. Our effort to train up the staff regarding money laundering continued in 2015. We have prioritized fraud prevention in coming years; hence planned to launch comprehensive fraud prevention strategy and training for our employees.

Suspicious Transaction Reporting (STR) and KYC procedure are tools Bank is presently executing to prevent financial crimes and money laundering. Our core fraud combating units are security, compliance and internal audit, IT security, human resource, and risk management unit. These units are working together to strengthen fraud prevention management system in the bank.

## Promoting Sustainable Finance

Our main impact on people and the environment stems from the business activities we finance. Our approach is to manage the environment, social and governance risks that come with our financing decisions, working with our client to encourage compliance with international standards. As of 31st December 2015 our refinancing outstanding balance on green projects was 6.93 million, 13.60% more than the same of 31st December 2014 (6.10 million). During the fiscal year 2014-2015, we have disbursed agri-loan of Tk. 2,044 million. In addition to social and environmental policies outlined above, Dhaka Bank makes every effort to ensure that its own operations and activities are minimal in their environmental impact. Board of Directors of the bank also approved Green Banking Policy for overall governance of green banking initiatives. In line with the said policy, Dhaka Bank and its subsidiary will comply with all laws and regulations related to environmental protection, green banking and other regulatory requirements.





# SME Banking

We understand little straight lines eventually make a big net. Along with Corporate Banking Dhaka Bank always prefer to walk in different avenues keeping in mind the concurrent socioeconomic development. We value the role Microfinance, Small and Medium Enterprise can play in building the nation.



# Sustainability

Continued

## SME Banking

### Strategic Choice

To build SME portfolio as the right tool for financial inclusion, sustainability, diversification and earning potentials of the Bank.

2014 Priorities	2015 Performance (As on 31.12.2015)
<ul style="list-style-type: none"> <li>Enhance and accelerate lending portfolio</li> <li>Restructure SME portfolio and credit operations</li> <li>Focus on Woman Entrepreneur Finance and cluster finance</li> <li>Expand share of refinance from local and foreign funds</li> <li>Improve asset quality</li> <li>Step up campaign for awareness and marketing</li> <li>Build awareness for SME customers through training &amp; workshop</li> <li>Develop new products for both asset and liability customers</li> </ul>	<ul style="list-style-type: none"> <li>Threshold (limit) of SME financing has been set in the following way: Tk. 150.00 million for Manufacturing Sector, Tk. 75.00 million for both Service and Trade Sector</li> <li>Established Women Entrepreneur Dedicated Help Desk in all the branches.</li> <li>SME Lending Portfolio went up by 14.00%</li> <li>Total WEF Outstanding Tk. 106 million</li> <li>Total SME Customers increased by 4.22%</li> <li>No. of Customers 4,450</li> <li>WE Lending Portfolio went up by 1.74%</li> <li>Total Poetfolio Tk. 12,226.73 million</li> <li>Tie up with SME Foundation to finance 'Kaluhati Footwear Cluster, Rajshahi' under the Credit Wholesale Program.</li> </ul>

### Objectives 2016

- Enhance the Threshold (limit) of SME financing up to Tk. 500.00 million.
- Enhance finance to various strategic segments towards obtaining more refinance from BBK, JICA, ADB-2 & BB Fund, Cottage, Micro & Small New Entrepreneur Refinance Scheme.
- Develop new products for Woman Entrepreneurs as well as SME enterprises
- Restructure SME Division incorporating Business Unit, Risk Management Unit, Monitoring & Recovery Unit and Women Entrepreneur Development Unit
- Pursue target for ME, SE, WE and cluster finance with geographical concentration
- Putting more focus on Manufacturing Sector
- Development of sustainable women entrepreneurs – at least two women entrepreneurs through each branch in 2016
- Arrange meeting, seminar, training for SME customers on regional basis across Dhaka, Chittagong, Khulna, Sylhet and North Bengal
- Sustainable growth of SME Financing on selective clusters: Handloom, Power Loom, Local Garments, Backward linkage, Footwear industries.
- Introduce three-tier monitoring system to ensure growth of the SME sector in the economy
- Design a 'Business Plan for New Venture" and promote overall SME business
- SME Loan target for 2016: Tk. 15,000.00 million
- Sustainable improvement in recovery of SME Classification below 5%.

### Focus Sector

Light engineering, handicraft, flower, fish processing, handloom, rice-mill, jamdani, Rajshahi silk, khadi, bio-gas and compost fertilizer, stone crush, shoe making, environment friendly brickfield, etc.



# Sustainability

Continued

## SME Banking

**New definition of SMEs on the basis of business size:**

Business Segment	Sector	Business Size (Tk.) Fixed Asset other than Land & Building	Employed Manpower (Not above)
Cottage Enterprise	Manufacturing (Predominant Family Labour)	Up to 500,00	10
Micro Enterprise	Manufacturing	500,000 – 5,000,000	10 – 24
	Service	Less than 500, 000	10
	Trade	Less than 500, 000	5
Small Enterprise	Manufacturing	5,000,000 – 100,000,000	25 – 99
	Service	500,000 – 10,000,000	10 – 49
	Trade	500,000 – 10,000,000	6 – 10
Medium Enterprise	Manufacturing	100,000,000 – 300,000,000	100 – 250
	Service	10,000,000 – 150,000,000	50 - 100
	Trade	10,000,000 – 150,000,000	11 – 50

*(Source: Bangladesh Bank SMESPD Circular No. 01, dated 19 June 2011)*

**Note:** If a firm belongs to one more categories (business segment) on any criterion, the same will be deemed as belonging to the 'larger' category.

## Present Context

SME business was badly hit during last year's socio-economic turbulence. Paralyzed transportation system and disrupted supply chain could hardly help SME growth potentials observed in the last few years. Small businesses were fighting for survival in dearth of capital and reserve fund. As a result, failure in timely repayment of SME loans became a challenge to financing banks. On the backdrop, BRPD circular dated December 18, 2013, the Central Bank relaxed the loan rescheduling policy for the SME for the next six months to facilitate financing for the small and medium businesses, affected by the political unrest. The regulation had a healing impact on SME portfolio and it is expected that the shining growth of SME will go on in 2016 with sign of improvement in the political fronts.

With an optimistic approach this year, the central bank has set the small and medium enterprise credit disbursement target marking significant growth over the preceding year. The loans will be disbursed across more than 60 SME sectors existing in the country. So with all SMEs under a new sun, there are a lot to achieve.

## Our Approach

Dhaka Bank has formally stepped into financing SMEs in the country in 2003. At present, the Bank is catering SME banking services through its 87 regular Branches, 3 SME Service Centers and 1 KIOSK. The Bank focuses on diversification, differentiation, and segmentation in SME business. To this effect, manufacturing and service sectors as well as women entrepreneurs are given considerable focus. The Bank, in principle and as per guidance of the Board, has advised all small Branches to focus singly or preferably on SME business with a view to serving the underserved segment of the enterprises. The Bank targets manufacturing and service sector with more concentration on area based cluster industries. Bank's exposure to SME business is well diversified among as many as 4,450 clients cum entrepreneurs in varied sectors such as light engineering, handy crafts, cottage, power loom, agro-processing industries, poultry, dairy, boutiques, embroidery and so on.

The Bank helps create database of SME clients, carry out survey and other necessary actions by providing relevant information to Bangladesh Bank, SME Foundation, FBCCI, DCCI, BIBM and other institutions. The Bank was visible in almost all SME programmes such as SME Fair, Workshop, Seminar, Symposium, Focus Group Discussion (FGD) organized by Bangladesh Bank, SEDF, IFC and many other national and international agencies to disseminate expertise, knowledge and information. SME Monitoring Unit has been equipped to oversee SME loan target, supervise delinquent SME accounts and enforce remedial effects as and when necessary and to maintain liaison with branches and SME clients. Area wise focal persons are working to meet SME related queries, share information and register complaints from SME clients.

# Sustainability

Continued

## SME Banking

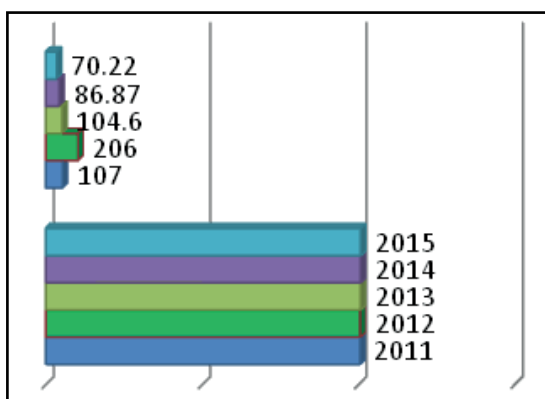
### Operating Highlights

DBL recognizes that SMEs as a core part of financial integration is key to achieving sustainable growth of a financial institution. Considering the prospects and growing opportunities of SME Finance, Dhaka Bank made a strategic shift in SME portfolio. The threshold (loan limit) for SME finance has been enhanced to Tk. 15 crore under manufacturing, Tk. 7.50 crore under trade and service. Under the new arrangements along with our continued support for promotion of SME business, Bank's total SME loan portfolio has increased by 14% to Tk. 12,226.73 million. The change also contributed to Bank's profitability that resulted from the reduction in provision requirement for the Bank.

#### Refinance History (5 years Receipt of Fund)

Tk. in million

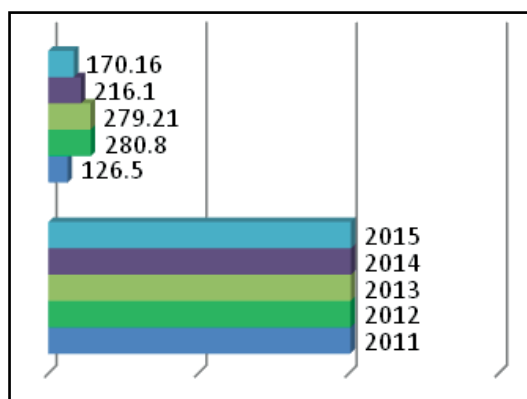
2011	2012	2013	2014	2015
107.00	206.00	107.00	86.87	70.22



#### Outstanding balance of SME Refinance

Tk. in million

2011	2012	2013	2014	2015
126.50	280.80	279.21	216.10	170.16



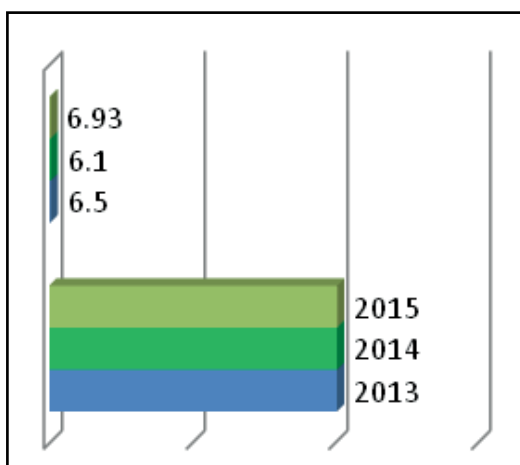
### Financial Highlights

Dhaka Bank's current SME portfolio stands at Tk. 12,226.73 million as on December 31, 2015. Bank's disbursement to SME sector during 2015 aggregated Tk. 12,529.76 million against the budgetary target of Tk. 15000.00 million. Percentage of Non Performing Loans to total SME portfolio has gone a bit high to 9.53% at the close of December 2015 from 9.18% of 2014. During 2015, the Bank has achieved refinance for Tk. 70.22 million from respective funds of BB, ADB, WE, EGBMP, SOLAR and BIO-GAS.

#### Outstanding balance of Green Banking Refinance

Tk. in million

2013	2014	2015
6.5	6.10	6.93



# Sustainability

Continued

## SME Banking

### SME Asset Products

FUNDED	SHORT TERM	OD (WO)	OVERDRAFT WORK ORDER
		OD (PO)	OVERDRAFT PAY ORDER
		OD (Share)	OVERDRAFT SHARE
		SOD	SECURED OVERDRAFT
		OD (SME)	OVERDRAFT SME
		OD (Pledge)	OVER DRAFT PLEDGE
		SSTL	SME SHORT TERM LOAN (Amortized)
		FSTL	FESTIVAL SHORT TERM LOAN
		STLS	SHORT TERM LOAN UNDER SME (Capitalized)
		SLTR	LOAN AGAINST TRUST RECEIPT
		SPAD	PAYMENT AGAINST DOCUMENT-SME
		SLIM	LOAN AGAINST IMPORTED MERCHANDISE-SME
	LABA	LOAN AGAINST BANKERS ACCEPTANCE	
	LONG TERM	SLTP	SME LONG TERM PRODUCT
SMTMP		SME MID TERM PRODUCT	
LSME		SME LEASE	
HBSM		HOUSE BUILDING COMMERCIAL-SME	
NON FUNDED	LC	LETTER OF CREDIT	
	BG	BANK GUARANTEE	

## Women Entrepreneur Finance

### Key Attributes of WE Finance

- Available at all DBL Branches and SME Service Centers
- Easy terms and conditions
- Rate of interest only at 10.00% under Women Entrepreneur Refinance Scheme (BB)
- Quick approval process
- Unsecured facility for a certain limit

### Operating Highlights (as on December 31, 2015)

Till date, the Bank has disbursed loan of Tk. 138.93 million approximately to 61 Women Entrepreneurs under Women Entrepreneur Refinance Scheme by Bangladesh Bank. Total outstanding in WE Finance is around Tk. 106.22 million. Total disbursement to WE reached Tk. 138.93 million in 2015 against Tk. 109.30 million in 2014 indicating a growth of 1.74%. Products and services offered by Women Entrepreneurs included Boutiques, Readymade garments, Cookery Items, Embroidery and Designing, Fisheries, Agro Products, Personal Care, Training Center and so forth.

## National Recognition

In recognition of its dedicated efforts for fostering SME manufacturing sector in the country, Dhaka Bank Limited has been awarded 'SME Banking Award 2014: Manufacturing Sector Friendly Bank of the Year'. The Bank was given the accolade on the occasion of 'SME Financing Fair 2014' jointly organized by Bangladesh Bank and SME Foundation at Pan Pacific Sonargaon Hotel, Dhaka on November 12, 2014 where the Bank was also a key participant together with 41 banks and 16 financial institutions. Mr. Niaz Habib, former Managing Director of Dhaka Bank received the award from the Honourable Finance Minister Mr. Abul Maal Abdul Muhith, while former Governor of Bangladesh Bank Dr. Atiur Rahman along with other distinguished guests were present in the event. Mr. Sirajul Hoque, Senior Executive Vice President and Head of SME Banking accompanied the Managing Director in the award giving ceremony.

### Tie Up with SME Foundation under Credit Wholesale Program (CWP) for Cluster Financing

SMEs are believed to be the key driving force for private sector development in Bangladesh. SMEs contribute about 25 per cent to the national gross domestic product (GDP) and the government is mulling to raise the share to over 40 per cent to make Bangladesh a middle-income country by 2021. The priority toward the achievement of the objectives of SMEs will be oriented to the maximum exploration resource base activities, greater employment generation and increase export. Cluster development strategy has been chosen as one of the priorities. Bangladesh Bank & SME Foundation are influencing all the banks to be involved in this 'single-area single-product multiple-entrepreneurs' financing. Though Dhaka Bank Limited invested a substantial amount in 12 clusters of 40 regions, financing was not made on 'single-area single-product multiple-entrepreneurs' basis. To comply with the Cluster Development Policy of the Central Bank, we, Dhaka Bank Limited, SME Unit decided to finance 'Kaluhati Footwear Cluster' at Rajshahi, which had developed over the years with the help of SME Foundation.

In financing this cluster, we for the first time made a tie up with SME Foundation. SME Foundation agreed to help us through providing 'Refinance' against our financing this cluster at a nominal rate of interest (@4.00%) under the Credit Wholesaling Program (CWP).

Initially Tk. 10.00 million has been obtained from SME Foundation under CWP to disburse the same among the cluster members of 'Kaluhati Footwear Cluster of Rajshahi'. So far we have disbursed Tk. 4.00 million among 14 members. We are hopeful to continue this relationship in coming days and to finance new clusters with the help of SME Foundation.

## Upcoming Products

Lending Product for Woman Entrepreneur  
Liability Products for Woman Folk



# Sustainability

Continued

## SME Banking



### SME Development Planning 2016

The Bank has decided to invest funds on cluster basis along with an area approach method, as per Bangladesh Bank initiatives. To the tune of BB mechanism, we are planning to introduce 3-tier new monitoring system using mobile phone to ensure proper utilization of SME loans across the country to review SME Credit Programmes regularly. We will remain careful to follow relaxation on loan rescheduling policy for the SMEs properly. At the same time, strong monitoring on SME loans will continue so that the betterment in asset quality is not hurt by further downgrading of assets.

### Summary of SME Planning 2016

- Enhance Threshold (limit) of SME Financing up to 500.00 million gradually and thus doubling SME Portfolio in next 5 years
- Restructuring of SME Unit, HO
  - Segregation of Corporate/SME with threshold limit
  - Separate Marketing/CRM/Monitoring & Recovery/Women Entrepreneur Development Unit
- Sustainable growth of SME Financing on Selective Clusters and to gain more refinance from SME Foundation.
- The products of SME to be reorganized & some new products to be launched.
- Frequent get-together with the clients at Branch location.
- New entrepreneur creation through training with co-operation of SME Foundation, BSCIC & Local trade bodies.
- Disbursement to selected sectors in order to obtain more refinance from BB & ADB.
- More emphasis on Manufacturing Sector like weaving, garments, light engineering, Environment friendly Brick Field, Rice Mill etc.
- Financing SME emphasizing Green Finance.
- Sustainable improvement in recovery of SME Classification to keep CL under 5%



# Green Banking

Global warming, ozone layer and continuous ice-breaking in the earth poles are big time concern of the environmentalists. First world economy may not be to the justified range, trying to invest a portion of their budget to negate these climate issues. The wave of climate change touched the periphery of Bangladesh a few years ago. Being guided and self-driven, Banking Industry also puts its due emphasis. We value the eco-stability and try to paint our business with green.



# Sustainability

Continued

## Green Banking

Decades of careless handling of environment lured by unchecked industrial competition have let loose a Pandora's Box, known as "Global Warming". Global warming, also called as "Green House Effect", is a global issue that calls for a global response. The warming, an effect of certain man-made gas emissions (such as carbon-di-oxide, methane, nitrous oxide and hydro-fluro carbon), is found responsible for distortion of balance in the environment and climate changes. Green Banking is a component of the global initiative by a group of stakeholders to save environment. Bangladesh is one of the most climate change vulnerable countries. In line with global development and response to the environmental degradation, financial sector in Bangladesh should play an important role as one of the key stakeholders. Dhaka Bank Limited, as part of financial sector of Bangladesh, is also responsible for safeguarding the environment.

### Green Banking Activities

Green Banking calls for banking business in such areas and in such a manner that helps the overall reduction of external carbon emission and internal carbon footprint. To aid the reduction of external carbon emission, banks should finance green technology and pollution reducing projects. Internally the banking operations have considerably increased the carbon footprint of banks due to their massive use of energy e.g. lighting, air conditioning, electronic / electrical equipments, IT, high paper wastage, lack of green buildings etc. Therefore, to adopt green banking, bank should adopt technology, process, and products which result in substantial reduction of their carbon footprint as well as develop sustainable business.

### Green Banking as a Safeguard against Risk

Green banking is potential to shield against certain risks. Green banking can act as a tool to mitigate some form of credit risk, legal risk, reputation risk, security risk etc.

### Green Banking Initiatives of Dhaka Bank

- Realizing the importance of green banking, Dhaka Bank Limited has already formulated its Green Banking Policy as per Bangladesh Bank guidelines and have had it approved from its Board of Directors.
- Green Banking Financial Products: Dhaka Bank Ltd. has developed innovative green banking financial products which can directly or indirectly contribute to the reduction of carbon emissions.
- The Board of Directors of Dhaka Bank Limited has approved budget for "Green Finance" and "Climate Risk Fund" and working closely for its utilization. The bank is actively looking to finance green projects such as ETP, Hybrid Hoffman Kiln (HHK), Zigzag or equivalent Technology in Brick Field, Bio-Gas Plant, Solar Power System etc.
- Recently a participation agreement for "Refinancing in Hybrid Hoffman Kiln (HHK) or equivalent Technology of Brick Field" between Bangladesh Bank and Dhaka Bank Limited has been

singed at the conference room of Bangladesh Bank. Under this agreement, Dhaka Bank Limited will finance brick field using environment friendly technology and will obtain refinancing facility from Bangladesh Bank in this respect.

- Online banking, mobile banking, internet banking facilities for our clients to encourage paper less banking.
- Use of e-mail and IP message system for internal communication throughout the bank.

### In-House Green Banking Activities

In light of Green Banking Policy of Dhaka Bank Limited, a general instruction has been issued on the followings green activities/practices as part of in-house environment management and to promote Green.

### Electricity Consumption

- Ensure economic use of electricity;
- Use energy saving lights in bank premises;
- Shutdown your computer properly and switch off your computer monitor before leaving office each day;
- Ensure that light, fans, air conditioner have been switched off before leaving office each day; and
- Use energy efficient electronic equipments;

### Fuel Consumption

- Ensure economic use of fuel;
- Buy energy efficient cars to reduce gas and petroleum consumption.

### Paper Consumption

- Where possible use online communication (e-mail, IP message etc.) instead of printed communication;
- Think twice before taking a print;
- Take print on the both side of paper to save paper consumption;
- Use scrap paper for taking draft print and as note pads;

### Water Consumption

- Do not misuse drinking water; and
- Ensure economic use of water in all other cases.

### Others

- Avoid use of disposable cups/glasses to become more eco-friendly;

### Green Mortgages

Dhaka Bank Ltd. will offer special discount to the borrower who will provide mortgage of land and buildings which are greener. This initiative will induce use of more energy-efficient materials and building plans. Dhaka Bank will not allow the land as mortgage that is prone to environmental impacts by virtue of its geographical location and polluted by the operation business activities. As a mortgage preference will be given to the buildings those are designed and constructed with energy efficient items such as solar panels and improved insulation.



# Sustainability

Continued

## Green Banking

### Carbon Footprint Reduction

Dhaka bank has taken the following measures to reduce the carbon footprint: (a) paperless banking (b) energy consciousness, (c) establishment of green building for its own use etc.

### Environmental risk

The bank use Environmental Risk Rating (EnvRR) for both financing for new, green field projects as well as those pertaining to existing facilities. The scenario of environmental rating of the Bank is as under as of December 31, 2015:

Tk. in million

Particulars		Total
No. of Projects applicable for Environmental Due Diligence (EDD)		595.00
No. of Projects Rated (Environmental Risk Rating)		595.00
Low		517.00
Moderate		78.00
High		-
Rated Projects financed	Total Number	523.00
	Low	452.00
	Moderate	71.00
	High	-
	Total Amount Disbursed (in million Taka)	8,533.22
	Low	4,569.95
	Moderate	3,963.28
	High	-

### Social Responsibility Services

As part of the green banking strategies, Dhaka Bank has initiated a number of social responsibility services like tree plantation campaign, park development, etc. As a token of the initiatives Dhaka Bank Ltd. has already developed a green square in front of the High Court named "Kadam Fountain" and another small park in front of the Dhaka Bank head office. Dhaka Bank also decorated the road island from Central Idgah to Kakrail Mosque with plantation of tree and flower plant as part of the Government beatification program.

### Green Finance

The Bank has undertaken the following green finance project up to December 31, 2015:

Tk. in million

Particulars	Number	Amount
ETP	For Installation of ETP (Amount Disbursed)	-
	Projects financed having ETP (Full amount disbursed)	85
Solar Panel/Renewable Energy Plant	2	8.10
Hybrid Hoffman Kiln (HHK)	21	148.64

# Sustainability

Continued

## Green Banking

### Online Banking

Dhaka Bank is a pioneer bank of the country for conducting banking online. The online banking effort of the Bank is as under (Up to December 31, 2015):

Particulars		Number
No. of ADCs (ATMs & ADMs)	Own	72
	Shared (All NPSBs shared ATMs)	7,200
Online Banking	No. of Total Branches	87
	No. of Branches with online coverage	87
Mobile/SMS Banking	No. of Accounts facilitated with Mobile/SMS Banking	1,07,062
	Growth	50%

Apart from our concern for renewable energy, we also encourage tree plantation. We take holistic approach to green banking.





# Corporate Social Responsibility

Every business has three major goals: sustaining profit, sustaining the brand and sustaining the staff. And a business has to strive for earning profit as it is essential for its survival and growth as an enterprise. The survival of any business will be a day-dream without profit. But the profit has other dimensions too. Socially responsible business practices reduce a company's financial profit but could potentially enhance its value. Sustainable Corporate Social Responsibility (CSR) initiatives are embedded in the viable business strategy of organization. The role of CSR, especially from the viewpoint of company, is important in bridging the economic divide that exists in the country. The businesses themselves alone cannot largely carry out the CSR initiatives. They need to create their own patrons for this. The more there is a linkage between business and the patron organization, the more likely is that CSR initiatives will be sustainable for a longer period. The contemporary CSR agenda is founded in recognition that businesses are part of the society and they have the potential to make positive contribution towards social goals and aspirations.

## CSR in DBL

The word sustainability has become essential in business terminology, with implications much more far-reaching than environmental friendliness. Savvy leaders understand that in order to gain a competitive edge, they must incorporate sustainable business practices to ensure the long-term success of their companies. The phrase corporate social responsibility (CSR) gained popularity throughout the late 1960s and early 1970s, referring to companies that emphasized a new paradigm in business: the triple bottom line. Businesses focusing on the components of the triple bottom line — people, planet, profit — stress a commitment to business practices that ensure the long-term health of their company, employees, the environment and the community. The paradigm is rooted in the belief that businesses have an obligation to care for their surroundings and by doing so, will realize greater success.

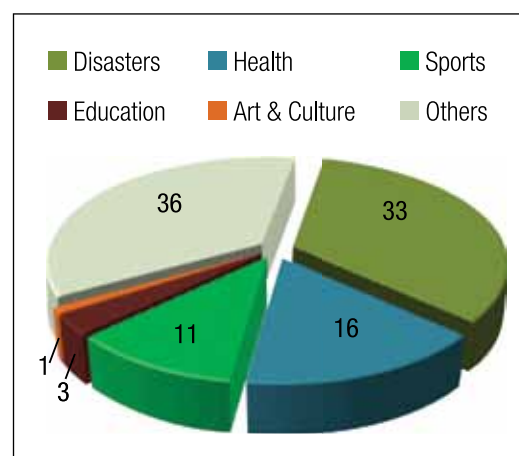
No matter the size of the company, demonstrating good corporate citizenship will likely result in significant business benefits. A successful CSR endeavor enhances a company's reputation by positioning it as a business that is interested in more than just the bottom line. This philosophy can be very attractive, not just to customers or clients, but also to vendors, partners, investors and employees. When people's values align, it can often lead to better working relationships and increased loyalty, which often results in increased financial gain. DBL actively embraces its role as a corporate citizen. It regards CSR not as a charity, but an investment in society and in its own future. DBL's goal as a responsible corporate citizen is to build social capital. The Bank leverages its core competencies in five areas of activities through social investments it aims to create opportunities; with its involvements in art & culture it fosters creativity; via its educational grant programme it enables talent; through its commitment towards sustainability it ensures long term viability and the Bank's employees regularly participate in activities that provide social support.



**Mr. Reshadur Rahman, Chairman of Dhaka Bank Limited donated Tk. 1.00 crore at the Relief Fund of Hon'ble Prime Minister of the People's Republic of Bangladesh on December 9, 2015 for cold-stricken underprivileged people of the country. The cheque was ceremoniously handed over to the Hon'ble Prime Minister Sheikh Hasina at Gono Bhaban.**

## Dhaka Bank Foundation

The endowment of Dhaka Bank Foundation, which was founded in 2004, has grown to a significant size since its inception. The funding policy has focused on some major areas: education and research, healthcare, art and culture and social projects. Dhaka Bank wants to eliminate the impropriety in the society, to create fellow feeling among the citizens of the country, motivate people to do good works and conserve nature. Thus education, healthcare, human resource development, conservation of nature, creation of social awareness, rehabilitation of destitute, communication and address human sufferings arising out of man-made & natural causes are some of the important areas where Dhaka Bank has been carrying out its social



# Sustainability

Continued

## Corporate Social Responsibility

and philanthropic responsibilities. In the reporting year Tk. 42.2 million was contributed for social and philanthropic causes. Area of our corporate philanthropy and social obligation is not limited at all. Since our take-off in 1995, we have been taking part in diversified social activities. In recognition of active participation in social development activities, DBL won the Standard Chartered-Financial Express CSR Award 2005 followed by many more accolades till date.

### CSR Contribution of DBL

Dhaka Bank has celebrated its 20 years of successful journey in a befitting manner at Radisson Blu Water Garden on July 5, 2015. Dr. Atiur Rahman, the then Governor of Bangladesh Bank graced the occasion as Chief Guest. "Personal Social Responsibility (PSR) Office" and "Reconciler Office" were formally opened in that event under the CSR initiatives of the Bank. Moreover, financial supports were provided to some of the noble institutions namely, Khulna University & Rotary Community District Community Hospital, SEID Trust, Dhaka Ahsania

Mission Hospital and Centre for Women & Child Health. Dhaka Bank also financed a Rescue Boat for Bangladesh Fire Service & Civil Defense. Besides, financial aids were provided to ten families of that institution who died while performing their job. A special deposit scheme for the garments workers namely "Joma" was formally launched in that event. Chairman of the Bank Mr. Reshadur Rahman, Sponsor Mr. ATM Hayatuzzaman Khan along with the Directors namely, Mr. Altaf Hossain Sarker, Mr. Khondoker Monir Uddin, Mr. Md. Amirullah, Mr. Abdullah Al Ahsan, Mr. Khondoker Jamil Uddin, Mr. Mirza Yasser Abbas, Independent Director Mr. Syed Abu Naser Bukhtear Ahmed, former Vice Chairperson Mrs. Afroza Abbas, former Director Mr. Khondoker Mohammad Shahjahan and the then Managing Director Mr. Niaz Habib were present on this occasion. Deputy Managing Directors namely, Mr. Emranul Huq, Mr. Khan Shahadat Hossain, Mr. Md. Shakir Amin Chowdhury and Company Secretary Mr. Arham Masudul Huq were also present in the event. Moreover, Diplomats, High Commissioners of different countries, High Officials of the Govt., renowned businessmen, et al graced the event with their presence.



CSR Programme on the Occasion of the 20th Anniversary

### Dhaka Bank donates blanket for Nepal earthquake victims

Dhaka Bank Limited donated Blankets for the victims of Nepal Earthquake on June 1, 2015 in a program arranged by Bangladesh Bank. The then Governor of Bangladesh Bank Dr. Atiur Rahman was present in the event as the Chief Guest. The blankets were formally handed over to the hon'ble Ambassador of Nepal in Bangladesh H. E. Mr. Hari Kumar Shrestha by the then Managing Director of Dhaka Bank Mr. Niaz Habib. Deputy Governor of Bangladesh Bank Mr. Shitangshu Kumar Sur Chowdhury, Deputy Managing Director of Dhaka Bank Mr. Emranul Huq, High Officials of Bangladesh Bank and other Banks and NBFIs were also present in that event. It is worth mentioning that Dhaka Bank also contributed Tk.15 lac for Nepal victims through Bangladesh Association for Banks (BAB).





# Sustainability

Continued

## Corporate Social Responsibility



### Dhaka Bank's former Chairman distributed blankets to distressed people of Arai hazar, Narayanganj

As in the earlier years, Dhaka Bank Limited distributed blankets to the poor and distressed communities of the country as a part of Corporate Social Responsibility (CSR) of the Bank. Sponsor Director & Former Chairman of the Bank Mr. A.T.M. Hayatuzzaman Khan distributed the blankets to the distressed people of Arai hazar, Narayanganj on behalf of the Bank on January 2, 2015. Deputy Managing Director Mr. Emranul Huq, SEVP & Company Secretary Mr. Arham Masudul Huq along with Branch Managers of Narayanganj zone and distinguished guests and representatives were present in the event.

### Dhaka Bank donated Tk.1.00 crore to Hon'ble Prime Minister's Relief Fund

Mr. Reshadur Rahman, Chairman of Dhaka Bank Limited along with Mr. Abdul Hai Sarker, Founder Chairman of Dhaka Bank Limited donated Tk. 1.00 crore at the Relief Fund of Hon'ble Prime Minister of the Peoples' Republic of Bangladesh on October 12, 2015. The cheque was ceremoniously handed over to the Hon'ble Prime Minister Sheikh Hasina at Gono Bhaban.



### Dhaka Bank donated Taka 25 lac for renovation of Baridhara Society Park

Dhaka Bank Limited recently donated an amount of Tk. 25 lac towards Baridhara Society for the renovation works of the walkways of the Baridhara Society Park as a part of Corporate Social Responsibilities of the Bank. The cheque was ceremoniously handed over by the Chairman of Dhaka Bank Limited Mr. Reshadur Rahman to the President of Baridhara Society Mr. Badiur Rahman. Among others, Founder Chairman & Director Mr. Abdul Hai Sarker, Managing Director & CEO Mr. Syed Mahbubur Rahman of Dhaka Bank along with senior office bearers of the Society and other distinguished guests were also present.



# Management Review of Business

Change is the most obvious thing that happens in the planet. Business is not a page of other book. We review, analyse and further modify our business strategies as and when required to cope up with newly demanding and diversified environment. At the same time Dhaka Bank always restores the values and upholds the tradition as we believe every skyscraper firmly stands on its deep-rooted pillars.



# Management Review of Business

Banking in the previous year went through some notable challenges mainly because of some industry inclinations. Excessive liquidity was the major concern throughout the year stirred by the insufficient investment. The credit growth was less than hitherto expected. The cumulative effects of these put pressure on the profitability of the banking sector as a whole. Dhaka Bank was not an exception from these effects. Dhaka Bank had to ensure its market share under the challenging market setting in 2015. Amid this challenging scenario, Dhaka Bank so far covered those negatives and sustained its voyage to the prosperity using its manifold potentials; competitive pricing of the products and services and definitely highly motivated human resources and a state of the art IT infrastructure to remain vibrant in the race.

## Corporate Banking

Keeping in mind DBL values we drive for business, manage money in most effective way and cherish customer's smile. Penetrative approach with calculative marketing and thirst for new avenues is fundamentals of our Corporate Banking. We travel over time and areas, ask new people many questions, then get back to them with answers and smiles!

### Credit portfolio

Corporate portfolio of the Bank is governed by Head Office Credit Committee with segregation of responsibilities under three essential parts namely assessment of risks, credit administration and monitoring function. At the end of 2015, credit portfolio of the Bank increased by Tk. 14,708 million to reach the total of Tk 117,840 million against Tk. 103,132 million of 2014. The growth reflected an increase of 14.26 percent over the preceding year. DBL adopts a cautious and selective approach in choosing borrowers so as to maintain a quality credit portfolio.

Our Credit line-up comprises core exposures to business, industry, service and trade sectors. DBL has been keeping its loan portfolio well diversified with the blend of corporate lending, project finance, trade finance, SME loans, agriculture credit, house-building loan, retail and credit card to the deserving clients.

### Breakdown of portfolio as on December 31, 2015

BDT in million

Sector	Amount	%
Corporate & Syndication	100,791.11	85.53
SME	12,218.67	10.37
Consumer & Card	1,371.53	1.16
Brokerage	2,059.10	1.75
Agriculture	545.75	0.46
Staff	854.01	0.72
<b>Grand Total</b>	<b>117,840</b>	<b>100.00</b>

### Portfolio distribution by Industry/Business Segments as on December 31, 2015

BDT in million

Sector	Amount	%
Agricultural Industries	545.75	0.46
Chemical Industries	1,517.56	1.29
Electronics & Automobile Industries	1,854.82	1.57
Energy & Power Industries	3,846.75	3.26
Engineering & Metal Industries including Ship Breaking Industries	14,120.49	11.98
Food & allied Industries	6,909.70	5.86
Housing & Construction Industries	14,981.06	12.64
Pharmaceutical Industries	919.36	0.78
Service Industries	5,392.48	4.58
Textile & Garment Industries	28,868.19	24.50
Transport & Communication	3,640.58	3.09
Other Industries	35,333.41	29.98
<b>Total</b>	<b>1,17,840.17</b>	<b>100.00</b>

### Commercial Loans

Commercial Loans hold the major portion of corporate lending comprising a complete range of banking products namely working capital finance, trade finance and other loans intended to serve commercial purpose. This segment of financing extends supports to large and thriving business entities in Bangladesh including commodity trading, financing in infrastructures like roads, bridges, transportations, etc. and lots of industrial undertakings.

### Export Finance

Export earnings and inward remittances from abroad have a telling effect upon the Balance of Payment (BoP) of the country and are the main source of foreign exchange. A significant part of Bank's lending portfolio belongs to export financing. DBL has tailored a complete solution to its export driven customers with a countrywide network of 17 Authorized Dealer (AD) Branches, 1 offshore banking unit and other 70 Non-AD branches. A lot of exporters now bank with us and the volume of direct export finance in 2015 was worth Tk. 69,590 million on account of considerable number of customers. Bank's total volume of export encompassed the area of RMG, home-textile, fisheries, leather, ceramics, pharmaceuticals, jute, natural rubber and others.

### Project Finance

Dhaka Bank financing window to pioneering but non-conventional undertakings was wide open during the year 2015. The Bank continued project financing in support of entrepreneurship, innovative schemes and ventures profitable in terms of commercial, economic and environmental outlook. Project finance undertaken by the Bank exclusive of Syndications and Structured Finance, Export Finance and General Credit Unit was significant in number of deals and in volume that



# Management Review of Business

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spanned industrial, energy, social and physical infrastructure as well as ICT sectors. The initiative has opened up new avenues and opportunities for pioneering entrepreneurship in the recent times.

## Syndications & Structured Finance Unit

In 2015 Banks faced difficulty achieving targets and increasing their loan disbursement portfolio because of low credit demand, cautious lending policy and the sluggish business environment. Despite the odds, in retrospective, Dhaka Bank's Syndications & Structured Finance (SSF) Unit continued its role as a key market player in the Banking industry by arranging and participating in a number of syndication deals.

2015 also saw a rise in a new concept of providing short term financing to the clients to facilitate their urgent working capital needs by issuance of Commercial Paper (CP) by the business concerns through Financial Institutions (FI), where the FIs acted as Issuing and Paying Agent, and in some cases, the FIs would provide their guarantee against those CPs. SSF Unit successfully arranged 4 (four) such deals for its premier clients in 2015 for a total amount of BDT 1,900.00 Million. The sectors were electronic goods marketing & sales, real estate, steel manufacturing and power generation where one of CPs was not backed by bank guarantee.

In 2015 we disbursed the Syndicated Foreign Currency Loan of USD 58.50 Million for United Ashuganj Energy Limited under IPFF scheme of Bangladesh Bank to finance a 195 MW gas based IPP (Independent Power Producer) power project at Ashuganj, Brahmanbaria. We also participated to the extent of BDT 1,760.00 Million in Syndication deals, arranged by other Banks & FIs. During the last quarter of 2015, the Bank signed a Term Sheet with Mahmud Fabric's & Finishing Limited (MFFL) - a concern of Mahmud Group, to act as 'Lead Arranger' and 'Agent' for raising a Syndicated Term Loan comprising of USD 26.00 Million and BDT 460.77 Million for setting up a LEED certified 100% export oriented woven fabrics manufacturing factory at Kaliakoir, Gazipur with an estimated project cost of BDT 3,842.82 Million. We have also received a mandate from Doreen Group to act as 'Lead Arranger' & 'Agent' for raising a Syndicated Term Loan of USD 34.50 Million to set up a power plant at Bhairab. 2016 holds a lot of promise for us as we are going to arrange projects of diversified sectors which in turn would bring a positive impact in the economic development of the country.

SSF Unit has a diversified portfolio with emphasis on financing in infrastructure and green projects for preserving scarce resources for future generation. It has already financed sectors like energy & power, textiles, aviation, telecom, pulp & paper, shipbuilding, steel, cement, ceramic, consumer products, etc. The Unit also plays a major role to accommodate different types of large scale loans for the Bank's Corporate Clients, such as Term Loan (Local Currency / Foreign Currency), Working Capital Financing, IPFF Financing, Offshore Financing, etc.

# Management Review of Business

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## Project Pictures



Robintex (Bangladesh) Limited



Epyllion Fabrics Limited



JMS Garments Limited



Dana Sweater Industries Limited



Zaber & Zubair Fabrics Limited



Creative Collections Limited



Agami Fashions Limited



Fakir Apparels Limited

# Management Review of Business

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## Business Operations

Business Operation is the heart of the bank. The efficiency, prudence and dynamism of the division make sure Dhaka Bank run smoothly meeting the compliance, mitigating operational risks and ensuring interest of the stakeholders.

## Anti-Money Laundering (AML) & Combating Financing of Terrorism (CFT)

The Bank has developed policies and procedures in line with Money Laundering Prevention Act 2012, Money Laundering Prevention (Amendment) Act 2015, Master Circulars and guidelines of Bangladesh Bank to combat money laundering and terrorist financing. In light of 3rd Mutual Evaluation of Bangladesh conducted by Asia Pacific Group on Money Laundering in October 2015, Year 2015 remained crucial for the financial system to ensure local and international compliance standard to help the country earn a better rating by APG. A good rating bears significance for the country to obtain competitiveness on foreign trade and thereby reducing the cost of doing business. The Bank made best efforts to implement a sound AML system in conformity with regulatory requirement.

The Central Compliance Unit (CCU) is the prime mover of the Bank for ensuring the compliance of AML & CFT measures. The CCU is headed by the Chief Anti Money Laundering Compliance Officer (CAMLCO). The position is held by the Deputy Managing Director - Operations of the Bank having long banking experience. The CAMLCO is assisted by Deputy CAMLCO (D-CAMLCO) in conducting day-to-day AML activities. As per BFIU Master Circular 10 dated December 28, 2014, the CCU has been re-constituted in 2015 including Officials from different divisions so that AML compliance can be disseminated across the Bank.

### During the year of 2015, CCU has performed following activities to mitigate AML/CFT related risk of the Bank:

- Circulated Managing Director's declaration showing Bank's commitments to fight ML/TF.
- Reformed CCU as per the recommendations of BFIU.
- Arranged training on AML & CFT for the officials of Dhaka, Chittagong, Sylhet, Khulna, Comilla, Sirajgonj regions.
- Arranged training on AML & CFT for Branch Manager and Manager Operations of the Bank of Dhaka and Chittagong region.
- Being a lead Bank, conducted AML & CFT training covering all Banks under Faridpur District.
- Conducted audit on DBL Branches as per instruction of Bangladesh Bank.
- Prepared questionnaire and supplied the resources (including 40 Recommendations of FATF) among the officials of the Bank for enhancing knowledge on Mutual Evaluation (ME) conducted by Asia Pacific Region (APG).
- Held special training session at DBTI and different branches/ regions to grow awareness and Bank's preparedness for facing Mutual Evaluation.
- Risk Based Approach related guideline has been prepared for implementation.
- Building awareness relating to reporting of STR to mitigate

AML/CFT risk on day-to-day banking activities.

- Updated AML/CFT Guideline approved by the Management of the Bank.
- Submitted report relating to AML/CFT to the Board of Directors for information.
- Arranged training to prevent Fraud & Forgery of the Bank.
- Issued circulars time to time based on the directives of Bangladesh Financial Intelligence Unit (BFIU) for building awareness among the Officials of the Bank.

Dhaka Bank Limited always put highest level of emphasis for mitigating AML/CFT related risk for building up the image on the matter in the banking arena.



As a Lead Bank, DBL conducted AML training covering all banks under Faridpur District.

## Bangladesh Automated Clearing House (BACH) Operation

Bangladesh Automated Clearing House (BACH) is a sophisticated and high tech based module for handling clearing cheques and EFT transaction to facilitate smoother customer services all over the country under the leadership of Bangladesh Bank. Dhaka Bank Limited has started participating in BACH Operation on October 05, 2010 when Bangladesh Bank implemented the process in the country and has been running the payment system with good reputation since then. During the period of 2015, Dhaka Bank Limited has successfully processed clearing cheques (Inward & Outward) and EFT transactions (Inward & Outward). Besides, all Branches of the Bank are constantly motivating/ educating customers to do more and more transactions through EFT to mitigate fraud and forgery in the banking system.

## Customer Services and Complaint Management System

As per BB FICSD Circular No. 01/2014 dated July 13, 2014, the Bank has renamed Head Office Complaint Cell as Central Customer Services and Complaint Management Cell (CCS&CMC) and reformed it to supervise overall complaint management activities of the Bank. During the year 2015, the Bank took steps to implement 'Guidelines for Customer Services & Complaint Management' issued by FICSD of Bangladesh Bank. The key focus was to establish complaint management system at Branch-level and Zonal Office, enhance complaint lodgment procedures through various means and expedite complaint resolution process.

Dhaka Bank has taken following initiatives for maximizing customer services to satisfy customer needs:

- Formulated 'Guidelines for Customer Services & Complaint Management' of the Bank along with 'Customer Charter',



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'Employees' Code of Conduct in delivering services' & 'Customer Acceptance Policy' as required by the guidelines which was approved by the Board of Directors;

- Implemented the above guidelines in phases as per instruction of Bangladesh Bank;
- Formed a Central Complaint Cell headed by Deputy Managing Director;
- Formed Zonal Customer Services & Complaint Management Cell (ZCS & CMC) and Branch Level Customer Services & Complaint Management Desk (BLCS & CMD) for responding and handling customer complaint with proper care;
- Designed and implemented 'Service Standard' of the Bank in all levels of banking operations;
- Designed customer awareness programme about customer services and complaints;
- Modernized the complaint lodgment and resolution process by way of introducing complaint form, Web based complaint box and follow-up of complaint through email;
- Introduced check list to assess status of complaint management by the Branches;
- During the Year - 2015, Dhaka Bank handled 10 (ten) numbers of customer complaint and out of which 9 (nine) numbers of complaint has been settled with top priority;
- The Bank received relatively low number of complaints over phone and resolved those instantly.

Moreover, the Bank wholeheartedly participated in the Banking Fair Bangladesh - 2015 responding the invitation from Bangladesh Bank. A complaint desk was established there to meet customers' query and their grievances about the Bank's products/services. Spot solutions were provided to customer to satisfy their need/queries.

## Real Time Gross Settlement

An RTGS system is a gross settlement system of money or securities in which both processing and final settlement of funds transfer instructions can take place continuously (i.e., in real time). It will enable instant settlement of high value local currency transactions as well as government securities and foreign currency based transactions. As it is a gross settlement system, transfers are settled individually, i.e., without netting debits against credits. An RTGS system can thus be characterized as a fund transfer system that is able to provide continuous intraday finality for individual transfers. In RTGS or large-value fund transfer system, the transmission and processing of payment messages are typically automated or electronic, while settlement takes place in central bank funds. Along with these individual interbank transactions all other Deferred Net Settlement Batches (DNSB) such as BACPS, BEFTN or NPSB will settle their net position through RTGS system, RTGS in turn will be linked to BB core banking solution.

## RTGS Application Areas

- Treasury fund transfer both Local & Foreign
- Customer fund transfer from one bank to another bank across the country
- Domestic Forex Transactions
- Business to business payments (B2B)
- Government tax/VAT payments etc.

In order to facilitate the corporate as well as general customers, we have set up RTGS software at our all branches. Customer can easily transfer fund from other bank branches to Dhaka Bank branches.

## Payment Cycle under RTGS



## Cash Management Operations

With a view to maintaining sufficient liquidity of Clients and maximizing their return, Dhaka Bank Ltd has introduced a range of Cash Management Solutions that have enabled Corporate group to manage their cash flows efficiently and effectively by optimizing liquidity, reducing default risk and lowering operating cost. Our Cash Management product and services provide transactional value by automating collection and payments of our customers that creates a win-win situation. In line with this, a number of following worthy initiatives have been made during the year-2015:

- 1) Collection arrangement with a number of the Govt. enterprises in the Power Sector viz. Rural Electrification Board, Dhaka Power Distribution Company, DESCO and Department of Immigration & Passport, Dhaka WASA.
- 2) Central Software developed in order to settle IPO refund money and Cash dividend to the beneficiary's account on time.
- 3) DBL successfully initiated a number of depository relationship with Bangladesh Telecom Regulatory Commission (BTRC), Bangladesh Road Transport Authority (BRTA), etc.

In addition to that, DBL is going to make agreement with a corporate group, Garments Industries and Institutional Clients to disburse monthly salary under Cash Management Operations.





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## Asset Liability Management

The Asset Liability Committee (ALCO) of the Dhaka Bank monitors Market Risks and Liquidity Risks analyses the market views, competition and the prospective target market. ALCO prepares the liquidity plan as per the Maturity Profile of Assets and Liabilities, Deposits and Advances, analyses the Factor Sensitivity of interest rates and calculates VAR on daily basis of Asset and Liability of the bank.

### ALM primarily manages two types of risks

- Liquidity Risk
- Interest Rate Risk

Both risks trigger from mismatches in Assets and Liabilities

ALCO takes necessary market information from Treasury Division, Finance & Accounts Division and from all other well conversant members of the committee to take strategic decisions. ALCO also includes invitees to enrich the decision making process by their valuable understanding. The members of the committee are:

- The Managing Director & CEO
- The Deputy Managing Director-Business Banking
- The Deputy Managing Director - Risk Management
- The Deputy Managing Director- Operations
- The Deputy Managing Director- International Business
- The Head of IT
- The Chief Financial Officer
- The Head of Retail Banking
- The Head of Credit Risk Management
- The Head of Risk Management Division
- The Head of Treasury

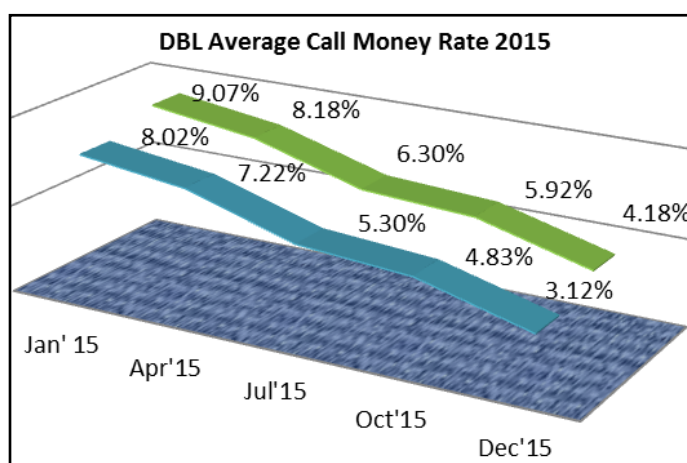
Through ALCO, Dhaka Bank makes all major strategic plans regarding interest rates on Deposits and Advances, Market Risk, Foreign Exchange Risk and compliance with the regulatory requirement of Bangladesh Bank. Dhaka Bank organizes special ALCO meeting as and when required by the bank. In every ALCO meeting the key points of the discussion are minuted and the action points are highlighted to strengthen the balance sheet position.

### Money Market Scenario

Despite continuing political turmoil and economic disruption in the early days of year, 2015- the Bangladeshi economy fared well for this year, even the picture is brighter than from the year 2014. Economic growth forecast in FY2015 sees growth coming at 6.5% for the year, outperforming the 6.1% reading recorded in FY2014. These developments come on the back of stronger performance by industries serving the domestic market, supported in turn by healthy remittance

inflows. Investment growth also continued, with public investment rising steadily. Mostly, throughout the year 2015, Money market experiences with excess liquidity supply due to poor private sector credit growth and lower import payments. Imports of Bangladesh decreased to 238.04 BDT Billion in September 2015 from 248.37 BDT Billion in August 2015, in converse exports growth was 3.30% in FY2015, down significantly from 12.1% in FY2014. Inflation moderated in FY 2015 @ 6.4% compared to 7.4% in FY2014, although higher public sector wages and upward adjustments to administered prices for natural gas and electricity exerted inflationary pressure, the easing of supply constraints, a cautious monetary policy, and a better crop outlook kept inflation in check.

### DBL Average Call Money Rate



Month	Borrowing	Lending
Jan'15	8.02%	9.07%
Apr'15	7.22%	8.18%
Jul'15	5.30%	6.30%
Oct'15	4.83%	5.92%
Dec'15	3.12%	4.18%

### Foreign Exchange Reserve

Foreign Exchange Reserve, a country holds to buffer out imbalances foreign receipts and payments. Main objectives of the Central bank for holding foreign exchange reserves include maintenance and safety of adequate level of reserve to meet foreign obligations, liquidity of reserve for the purpose of monetary and exchange rate management and finally, optimal return from the reserves assuming controlled risks in a prudent manner that will preserve the nominal value of the reserve.

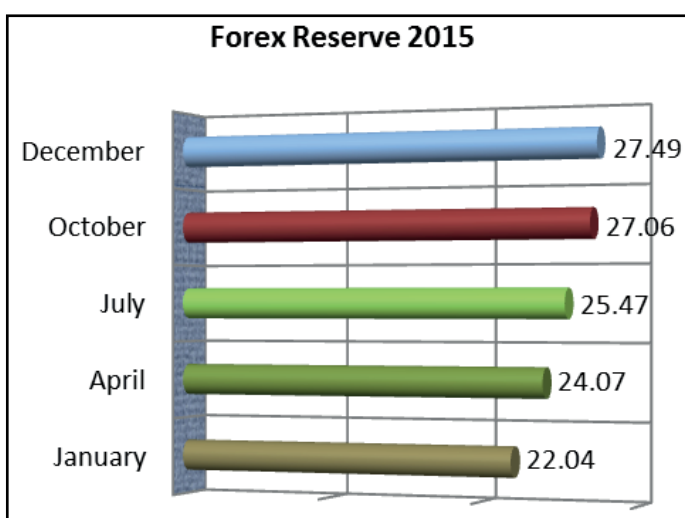
Foreign Exchange Reserves reached at USD 27.49 Billion at the end of December 2015 and initially it was 22.31 Billion, as at the end of December 2014. It seems that the reserve continued to grow in the backdrop of steadily increasing workers' remittances as well as export earnings.

# Management Review of Business

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## Foreign Exchange Reserves:

Months	USD in Billion
Jan '15	22.04
Apr '15	24.07
Jul '15	25.47
Oct '15	27.06
Dec '15	27.49



## Human Resources

Skilled and motivated employee is vital to the success of our Bank. Our employee commitment, qualifications and loyalty toward the bank give us a strong competitive edge. We want to reinforce our leading position in the long term. That is why we combine modern banking and innovative strategies with traditional values such as fairness, trust and professionalism. Our employees are a key element in achieving this aspiration, so we continuously develop and expand the skills and knowledge of our employees.

### HR Vision

Team Dhaka Bank represents the brand of Dhaka Bank through their excellent services. To strengthen the team spirit HR Division has set its own vision that is best managed, most productive and cost efficient workforce among local banks in Bangladesh.

### Recruitment, Selection & Hiring

We are constantly seeking to attract talented young people to our Bank, provide opportunities for the fresh and talented graduates from different reputed universities. Through different communication channels, Dhaka Bank arranges talent hunts to include best caliber within its workforce. It invites best talents, experts to work in an excellent environment where they can exploit to their knowledge, skills and abilities. To help many young people enjoy successful careers, we provide them on-the-job and off-the-job training through Management Trainee Development Program.

Dhaka Bank has prescribed code of conduct and employees are not permitted to solicit or accept any inducements, which are likely to conflict with their duties to clients. Appraisal of their individual performance is done in a rating scale against objectives and the Bank's prescribed core values.

Dhaka Bank recruits fresher and experienced employee on a permanent basis as per yearly manpower planning considering the attrition and expansion requirements of the bank. This year we have recruited 111 people. In the year 2015 employee turnover rate is 5.7%.

DBL Team at a glance				
Particulars	2015	2014	2013	2012
Number of Employees	1524	1501	1400	1412
Female Representation	345	345	319	317
Average Employee Age	37.69	37.7	37.35	36.85
Average Length of Service	7.66	7.3	8.13	8.3

### Compensation & Benefit

In making decisions around compensation, we had to balance between the banks existing funds with the commercial necessity of attracting and retaining the talents we need to generate profit for all our shareholders. In terms of facilitating employees with the competitive package to maintain the centre of excellence we are fully compliant with regulatory body.

We have market driven salary package which includes Hospitalization Benefits as short term benefits and provident funds, gratuity, superannuation fund as long term benefits. Under corporate agreement with different renowned hospitals in Bangladesh and abroad, employees of Dhaka Bank also enjoy health care facilities at a discounted rate and priority services. In addition, we also offer our employees soft loans like employee house building loan and provident fund loan.

### Training & Development

We are keen advocates of training and strive continuously and systematically to develop the skills and attainments of our employee, since they are the human capital of our corporate success. In the year under review, we enhanced our integrated and diversified training and development program at Dhaka Bank Training Institute. Providing employees with training and development opportunities not only contributes to the quality and effectiveness of the organization it also serves to motivate and retain employees. According to Dhaka Bank Limited training is not an expense but an investment.

#### In a variety of categories we have provided training:

- Orientation Program
- Foundation Training Program
  - Job Specific Training Program
    - Need based Local/Foreign Training
    - Peer or supervisors' coaching

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In the year 2015 DBL Human Resources Division arrange in-house, local and foreign training programs. We try to ensure 30 hours of training for each employee. It covers areas like Basic Foundation Course for the Bankers; specialized training courses i.e. Credit Appraisal and Management, Foreign Exchange and Foreign Trade, BASEL II Implementation, Corporate Social Responsibility, Retail Banking, SME, Corporate Banking, Green Banking etc. Beyond the local and in-house training program, Human Resources Division also arranged foreign training in Germany, Malaysia, Singapore and Thailand.

Training location	Number of training	Participants
In House (DBTI)	44	1277
Local/Outsource	110	316
Foreign Training Program	10	12

## Our Strategic Objectives for training

- Capture training based on competence framework
- More effective instructional method for learning retention
- Develop employees for succession
- Provide continuous learning opportunity for all

## Information Technology

Being able to grow and sustain in the ever-changing market scenario, banks have to use latest technologies and tools which are user friendly as well as prompt in responding to the ever changing dynamics of the situation. Acting as an instrument to ensure comprehensive timely operation with ease 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 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, Automated Call Centre, DMS etc. to face the fierce competition, more importantly to bring comfort in operation and to increase customers' satisfaction.

To attain the objectives we have ensured few endeavours in place to go further in meeting 21st century demand.

### Green Banking

87 Branches under real time online banking, 53 own ATMs and shared around 4,000, generating E-statement for all Account holders and ever increasing e-communication keep our focus on track as far as paperless banking is concerned.

### RTGS

Real time interbank fund transfer through Gross settlement system is one of the telling tasks which Dhaka Bank completed last year. While reducing the transaction time by substantial degree it increases the customers' convenience and softens the operation.

### Central Bank and Internal Business Reporting

Bangladesh Bank has introduced a large number of reports from

each commercial bank under various interval frequencies, such as, Monthly, Quarterly etc. Major portion of data in preparing these reports are extracted from the Core Banking Solution and forwarded to the respective divisions/branches to verify and place to the Central Bank.

### Looking Forward 2016

Technology is ever changing and changing in a serious speed. To keep pace with that we have undertaken few major steps to make banking operation more smother onward. Some of them mentioned below:

#### Core Banking Software Up-gradation

Dhaka Bank 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. Time has changed, so the definition of faster operation and customers' convenience. To be more modernized and, Dhaka Bank decided to upgrade the Core Banking Software to keep the bank abreast of the foreseeable technology change. The project has been kicked off and gained serious momentum in February 2016, expected to be completed before last quarter of 2016.

#### Automated Call Centre-IVR

Meeting clients' query and entertaining the request immediately is the open secret of modern day business success. Addressing the issue Dhaka Bank has decided to automate the Call Centre. Things are rightly placed and all screws are tightening up to launch Automated Call Centre as soon as we touch the first quarter of 2016.

#### 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.

#### Few more steps enriching Green Banking

##### Mobile APP

To be faster and customer friendly we are going to introduce Mobile App in 2016. It will enable the customers with some fantastic services instantaneously like

- Balance Inquiry
- Last 5 transactions
- Check leaf status
- Utility payment/Airtime Top up
- EFT etc.
- ATM Location

Moreover Bank can use the channel for push promotional activities for any new or intended service or product.

#### Documentation Management System (DMS)

Digitalization of Documents and Paperless Banking is another call of the hour Dhaka Bank decided to listen to. For better stage monitoring of banking activities, increasing paperless banking we have already started

# Management Review of Business

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the DMS project piloting CPC Trade Operations Division. It will also ensure better archiving, save time and reduce manual intervention.

## E-Advice

We also started arranging e-advice for trade finance saving substantial amount of time and man hours.

## Internal Control System

### Internal Control & Compliance Division

In order to establish the efficient, effective and compliant internal control system in the Bank, Internal Control & Compliance Division segregated its functions into 04 (four) separate units:

- Compliance Unit;
- Audit & Inspection Unit;
- Monitoring Unit; and
- IS/IT Audit Unit.

### Major Aspects developed in ICCD during 2015

- Overall audit coverage has been enhanced;
- Continuous monitoring has been established in major risk attributes;
- Regulatory compliance has been improved.

### Compliance Unit

This unit is entrusted to ensure that bank complies with all regulatory requirements while conducting its business. They maintain liaison with the regulators at all levels and notify the other units/departments and Branches regarding any regulatory changes.

### Functions of Compliance Unit

- Responsible to ensure timely dissemination of all regulatory updates;
- Maintain strong liaison with the regulatory authorities;
- Maintain all relevant circulars and regulatory guidelines;
- Ensure regulatory requirements are properly incorporated in the operational tasks;
- Assist Head of Internal Control & Compliance Division to establish compliance culture.

### Bangladesh Bank Inspection

Bangladesh Bank inspection team conducted a total number of 48 inspections on six Divisions/Units of Head Office & 42 Branches during the Year 2015 that included Comprehensive Inspection, Inspection on Foreign Exchange Transactions, Foreign Exchange Risk Management, Internal Control & Compliance, Information System Security, Asset Liability Management and Credit Risk Management. Compliance Unit received 202 reports/letters from Bangladesh Bank during the year 2015 and successfully submitted compliance of all reports/letters within the prescribed deadlines.

### Audit & Inspection Unit (including IS/IT Audit Unit)

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations.

It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal Audit conducts regular risk based internal audits/inspections on the basis of affairs of the bank based on different manuals, instructions, rules & regulations and procedures laid down by Bangladesh Bank & other regulatory authorities from time to time.

### The Audit & Inspection Unit of ICCD undertakes the following types of audit & inspections

- Comprehensive Audit;
- Information System & Technology Audit;
- Special Audit/Inspection/Investigation.

### Functions of Audit & Inspection Unit

- Prepare a risk based audit plan for each year
- Conduct risk based comprehensive periodic internal audit in different branches & divisions/departments/units of Head Office;
- Conduct special investigation in case of gross employee misconduct or major violation;
- Conduct IS/IT audit as per Bangladesh Bank guideline.
- Recommend to the Head of Internal Control & Compliance Division regarding the effectiveness of the control system of the bank.

### Internal Audit & Inspection

DBL Internal Audit team conducted a total number of 105 Comprehensive Audits on 21 Divisions/Departments/Units of Head Office and 84 Branches/OBU/SME Service Centers and also conducted 80 number of IS/IT Audits on Branches/SME Service Centers during the Year 2015. 9 number of Special Inspection/Investigation has been conducted on different issues and Nostro Accounts reviewed on quarterly basis.

### Monitoring Unit

The Monitoring Unit of the division monitors effectiveness of the Bank's internal control system on an ongoing basis through follow-up of compliances and regularization of deficiencies that are identified by Audit & Inspection teams throughout the year.

### Functions of Monitoring Unit

- Establish monitoring mechanism/procedures to ensure high risks areas are regularly reviewed;
- Ensure all limits set internally or externally are properly followed and appropriate reports are generated regularly;
- Review operational performances against key control issues of individual offices;
- Analyze various reports and assess key risk areas;
- Recommend to the Head of Internal Control & Compliance to send audit/inspection team in the areas where regular deficiencies are identified.



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## Research & Development

R&D expenditure in Banking is yet too little to talk about in Bangladesh perspective, though the significance is immense for the next day Banking. Where the race is in its peak, there the sight through the same everyday window seems like a suicide. Thriving for sustainable innovation is the only beverage that can satisfy the thirstiness of Banking in Bangladesh, the way, we are on.

### 2015 Priorities

- Assist in formulating plans & programmes backed by empirical data
- Develop new asset products in the field of SME, Agriculture and Green Banking
- Develop new liability products under the umbrella of Consumer Banking Division
- Repackage existing products based on market demand and regulatory compliance
- Introduce new line of service for priority segment of customers
- Explore market opportunities

### 2015 performance highlights

#### Developing & repackaging products

- Launching new product namely 'JOMA' inclusive for the garment workers
- Developing a new collateral free SME product namely 'AGROGOTI' (Placed Memo for Management review and approval)
- Conducted market survey focused on peer Bank's market offerings
- Have been working with 3 (three) new products for the underprivileged and marginal income group of the society, Street/Working children.
- Repackaged Liability products (DPS, SDS, LDS, KDS and Tawfeer Mudaraba Deposit Pension Scheme).

#### Policy research and market search

- Review on monetary policy, national budget, etc. published in Bank's quarterly INSIGHT
- Articles on new business horizon, opportunities, new market/ industry products featured in INSIGHT at regular interval

#### Publications

- Annual Report 2014
- Newsletter INSIGHT (a Quarterly Magazine)

#### Objectives 2016

- Periodically developing Reports/Studies to support/further business growth and finding out Sustainable Competitive Advantages
- Corporate/Retail products to be developed in line with the Annual Business Plan, performance monitored and products withdrawn/re-packaged if deemed necessary
- Design new products for SME, Green and Agricultural Credit
- Web management and content updating

- Publication of Annual Report and Newsletter INSIGHT at quarterly rest

With the learning curve, we have achieved through the just concluded year, we are much confident of its upsurge in future. However, our actions and assertions are not conclusive and warrant management review and recommendation so as to pick the best. And that would eventually complement our standard and capabilities. To take our R&D mission to a newer height, we want to translate R&D resource and support into a tangible gain.

## Islamic Banking

Islamic Banking & Finance has turned into well accepted to the people and its' suitability has been rising in the country and all over the world enormously. Islamic Banking & Finance has already been proved its significance in the field of economy caring 30% business volume of the whole banking business. The sector is also standing at leading point by discharging its responsibilities in Corporate Social Responsibility (CSR). Highlighting on elevated ethical standards it builds a society with the honest, responsible & trustworthy people. The well-structured Liability & Asset products based on Islamic Shariah principles save banks from the rapid raising of non-performing resources and ensure quality of the assets. Dhaka Bank Limited has been providing Islamic Banking services through its 2 (two) branches with adhere to the Islamic values & Integrity. One is Islamic Banking Branch, Motijheel, Dhaka inaugurated on July 02, 2003 and second one is Islamic Banking branch Muradpur, Chittagong was opened in May 22, 2004.

We may mention here that Dhaka Bank Limited is the pioneer to establish Shariah based banking operations through Islamic Banking branches in the country.

At the end of the year 2015, the deposit and investment of Islamic Banking operations of Dhaka Bank Ltd. stand at 884, 74.17 & 474, 51.48 lac.

#### Objectives of Islamic Banking Operations

- To eliminate oppression & disparity from the economic field ensuring equitable distribution of wealth.
- To establish honesty & justice.
- To earn welfare by best utilization of assets without keeping idle.
- To invest with caring welfare of individual & whole together and avoid uncertainty in the society.
- To prioritize the welfare & necessity of the society instead of profit only.
- To invest in comparative least developed & deprived area prioritizing common demand along with agriculture, Industry & Commerce.
- To work for earning economic stability.
- To meet basic needs & develop status of human life by ensuring proper utilization of human resources & wealth.
- To assist legitimate business & financial transaction along with Riba free commodity base transaction.
- To help in balanced development of the Society.

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- To engage small & big capital in business & create fastness in economy.
- To avoid uncertainty in the society improving financial strength of distressed people with more confidence standing on Islamic Financial System.
- To create various products derivatives considering modern economies demands.

## Shariah Supervisory Committee

Islamic Banking Operations of Dhaka Bank Limited is being conducted under keen supervision of Shariah Supervisory Committee. Shariah Supervisory Committee of Dhaka Bank Limited consist of a team of Shariah Scholars & experts, renowned Islamic banker along with personalities having outstanding strength in Qur'an, Hadith & Fiqh. The Shariah Supervisory Committee meeting is being held at least once in a quarter and reviews the Islamic Banking activities and provides their expert opinion on various Shariah related issues of Islamic Banking Operations. The Member Secretary & Muraquib helps the Shariah Supervisory Committee for its regular activities. A short introduction of Shariah Supervisory Committee is given below:

Sl. No.	Name	Designation	Qualification
1	M. Azizul Huq	Chairman	M Com (Renowned Islamic Banker)
2	Prof. Mowlana Mohammad Salah Uddin	Member (Faqih)	Kamil, MA (Khatib of Baitul Mukarram National Mosque)
3	Md. Mokhlesur Rahman	Member (Faqih)	Kamil, MA
4	Hafej Mawlana Abdul Gaffar	Member (Faqih)	Takmil (Dawrah)
5	Syed Mahbubur Rahman	Member (Ex-Officio)	MSC, MBA
6	Md. Sirajul Hoque	Member Secretary	M Com, C.A. (Intermediate)
7	Md. Kamaruzzaman	Muraquib	Kamil, MBA

## Activities of Islamic Banking Division

As per Guideline on Islamic Banking issued by Bangladesh Bank BRPD Circular No.15 dated 09.11.2009, a full fledged separate division namely "Islamic Banking Division" was established in Head Office headed by an Executive Vice President having experience in Islamic Banking. The duty & responsibility of the Division is exclusively as follows:

- Framing Islamic Banking rules and regulations and ensuring their implementations.
- Maintaining co-ordination with the Shariah Supervisory Committee and the other divisions of the bank.
- To hold Shariah Supervisory Committee meeting at least once in a quarter and various Shariah related issues are being discussed, reviewed & resolved.
- Confirm investment of the Funds received for Islamic Banking Business under modes approved by Islamic Shariah.
- A good numbers of employees have been received Islamic Banking Training.
- Submission of required statements to the Central Bank.
- Compliance of any other responsibility (ies), the Central Bank may assign from time to time.
- Supervise the Islamic Treasury Function (Fund Management of Bangladesh Government Islamic Investment Bond, SLR/CRR maintenance etc.)
- Conduct Shariah Audit/Inspection of the Islamic Banking Branches.
- Supervise & monitoring 3 Islamic Mudaraba deposit products namely "Tawfeer Mudaraba Savings Bond Account-TMSBA, Tawfeer Mudaraba Deposit Pension Scheme-TMDPS, Tawfeer Mudaraba Foreign Remittance Account-TMFRA.

- Other responsibilities/activities as and when assigned by the management & day to day activities.

## Consumer Banking

Consumer banking is a business model which continues to cater the needs of consumer customers only. Consumer customers are individuals i.e. professionals, doctors, engineers, teachers, bankers, defense personnel, high net worth account holders etc. Consumer Banking Division (CBD) looks after individual demands and provides the solution according to demand.

## Financial Highlights

BDT in million

Sector	Loans & Advances	Deposits
DBL Total	103,131.50	124,500.00
CBD Total	1,325.66	31,387.20
Percentage	1.29	25.21

In 2015, Bank further strengthened focus on customer segment through proper channeling of variety of consumer products and services to ensure quality asset/liability product innovation and brand building. As on December 31, 2015, consumer loan outstanding (including Credit Card) was Tk.1,325.66 million which is 1.29% of total Dhaka Bank Limited loans & advance outstanding of Tk. 103,131.50 million.

# Management Review of Business

Continued

- Total Asset booked through Branch is BDT 373.82 million in 2015, which is 93.29 % more than the booking of previous year (193.40 million).
- In 2015, Consumer Banking focused on changing the deposit composition by mobilizing more CASA Account as well as deposit through several CASA Campaigns by different branches and repackaged the products (Savings Bundle Scheme, DPS, SDS, DDS and Edu Savings Plan, Lakhopoti Deposit Scheme, Kotipototi Deposit Plan, Gift Cheque) to further increase low cost deposit base as well as to cope up with market competition.
- In 2015, Consumer Banking Division took significant initiative to upgrade the Mobile Banking Services and registered 110,756 customers which were more than that of 2014 (71,256).

## Consumer Banking Structure

Division is composed of four (4) units providing services to all branches:

- Marketing & Business Development Unit (Asset & Liability)
- Risk Assessment & Credit Approvals Unit (Consumer Loans)
- Loan Operations, Disbursement Unit & UC/SMA Loans Monitoring Unit
- Legal & Recovery Unit (Consumer Loans & Credit Card)

## Business Highlights

### Product Initiatives

During 2015, Consumer Banking Division launched 01 (One) new deposit product.

- Joma (Inclusive Banking for Garments Workers)

### Performance

Division has been offering its asset & liability products through 87 branch-network of the Bank in 2015. Assets are 4.22% of its liabilities.

### Business Review

In 2015, Division has further strengthened focus on customer segment through proper channeling of consumer products and services to ensure quality asset and liability, product innovation and brand building. The branches, direct sales agents, call center, ATMs, CDMs, Internet Banking, Phone Banking and SMS Banking are the channels to ensure business procuring, service delivery and compliance.

### M-Banking Solutions

In 2015, Consumer Banking introduced SMS alert services to registered M-Banking Solution customers to maximize their satisfaction. Customers are receiving SMS for all types of deposit and withdrawal transactions.

### Business outlook 2016

In 2016, Division will focus on the following key areas:

- Loan for existing & reputed Corporate Clients
- Building strong business relation with Corporate Companies and reputed organizations through signing MOU

- Low cost deposit mobilization
- More School Banking Account mobilization through campaign under all branches.
- Distribution channel penetration
- Strengthening the Monitoring & collection Unit
- Strengthening Legal & Recovery Unit
- Launch real time Mobile Financial Services

## Dhaka Bank Cards

Card Business Unit was formed on 23 June, 2013. The vision was to promote DBL Card products among the existing and potential cardholders by offering various value added products and services and to build a long term pleasing customer relationship. Followings are some milestones of Card Business Unit during 2015:

- The Bank undertook a card transaction promotional campaign “Boishakhi Ullash” to celebrate Bangla Ney Year.
- We have signed agreement with more than 50 different kind merchants including Fashion and Lifestyle, Restaurant, Hotel and Resort, Health & Beauty Care to attract DBL Cards to augment usage against attractive discount offers.
- We also introduced inactive debit/credit card activation and reinstate program during this period.
- We have introduced 0% EMI facility “Swipe It” against credit card transaction and we have tied up with leading merchants to offer this facility

## Off-Shore Banking Unit

We have come a long way since we launched our Off-shore Banking operations in Dhaka Export Processing Zone eight years ago. We are one of the pioneers among local banks in Bangladesh to set up an Off-shore Banking Unit, which went operation in the year of 2006 in Dhaka Export Processing Zone.

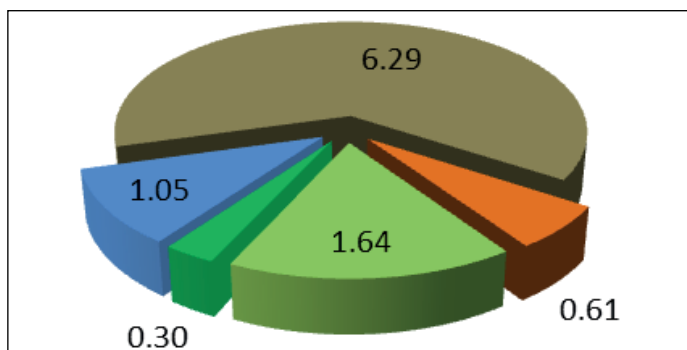
Though the country's offshore banking market is dominated by the foreign banks, Dhaka Bank has been able to make its presence felt by attracting a good number of customers in a short period of time through effective marketing, competitive pricing of its offshore banking products and ensuring highest levels of professionalism and excellent customer services backed by quality human and technological supports. OBU invested around USD 32 million in offshore market to support Type-A industries, local entrepreneurs as well as to strengthen its asset portfolios. Portfolio of the unit during December, 2015 is shown in the following info graph:

### OBU Business Portfolio

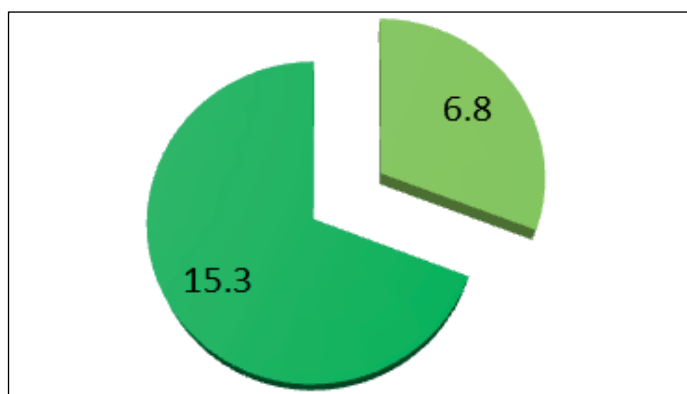
Type-A Industry	USD million
Term Loan/Syndication	1.05
Short Term Loan	6.29
Working Capital	0.61
Bills Purchased	1.64
Others	0.30

# Management Review of Business

Continued

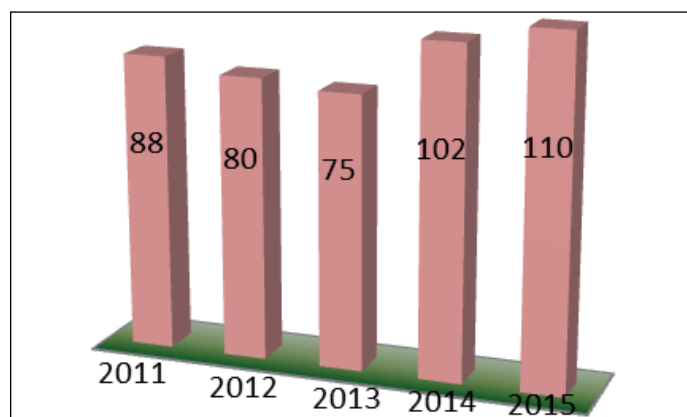


To Local Industries	USD million
Buyers	6.80
Suppliers credit	15.13



OBU of the Bank has added diversification in its overall portfolio to mitigate overall credit risk of the bank. The unit also earns reasonable spread on different short-term financing. Profitability curve of the unit looks as follows:

OBU Profitability (5 Years)	BDT million
2011	88
2012	80
2013	75
2014	102
2015	109.50



## Nature of OBU facilities extended to the enterprises

Dhaka Bank OBU extends the following funded, non-funded and working capital facilities to the Type "A" industries of EPZ:

- EXP Certifying
- LC Advising
- Export Bill Negotiation
- Export Bill Discounting
- LC Opening
- LTR creation
- Short Term Loan
- OD for working capital
- Guarantee
- NFCD Deposit
- Current FC Account Deposit
- FC Term Deposit

We also extend the following facilities to the bonafide local entrepreneurs for their business growth as well as employment generation:

- UPAS LC Financing
- Suppliers Credit facilities
- Exporters Financing etc

## Global Trade Services

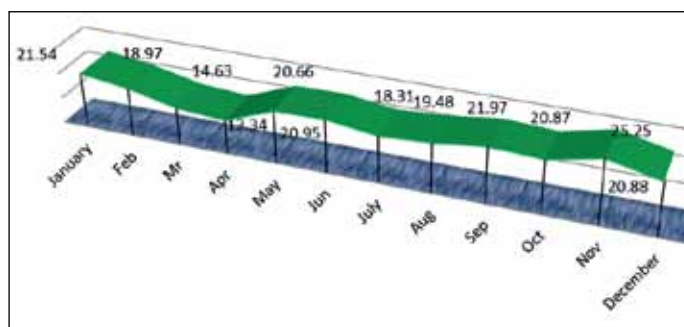
Global Trade Services (GTS) Division of Dhaka Bank is working for ensuring smooth foreign trade business, foreign exchange transactions and channelizing wage earners remittance. This division consists of two (2) separate units:

- Financial Institutions (FI) Unit
- Remittance Unit

### Financial Institution (FI) Unit

Trade finance business is one of the major concentration areas of Dhaka Bank Limited. Presently this sector is more focused and it is expected that export-import transactions will be increasing with a substantial amount under the present capable management. Financial Institutions Unit has been playing a key role as facilitator to overall trade finance and foreign exchange transactions under prevailing local and international laws. Financial Institutions Unit mainly manages the correspondence banking relations with the different banks and financial institutions in home and abroad. In this regard, it needs to maintain Relationship Management Applications (RMA), Nostro Accounts and different correspondent banking arrangements.

### Month Wise total Remittance in 2015 (Total 236.86 Million)





# Management Review of Business

Continued

Financial Institutions arranges correspondent banking network, credit lines and other facilities required for 17 Authorized Dealer (AD) branches, Two Central Processing Centers (CPCs) and one Offshore Banking unit of DBL. It mainly provides customized supports to the following areas of Dhaka Bank Trade Finances:

1. Import Letter of Credits
2. Export Letter of Credits
3. Negotiation and Documentary Collection
4. Confirmation and Discounting
5. Arranging Credit Lines for funded and non-facilities
6. Monitoring reporting of foreign trade and foreign exchange transactions

In the year of 2015, Global Trade Services (GTS) Division's FI Unit has been engaged in strengthening its correspondent networks to facilitate the Bank's trade finance business. Dhaka Bank has routed total number of 17,922 LCs with total amount of BDT 76,060.4 million. Clients were offered multiple options in routing their LCs with confirmation and discounting facilities without any major hurdle. Moreover, geographical coverage with correspondent banks is continuously being increased ensuring smooth LC issuance service for our import clients.

This year Dhaka Bank has opened a new Nostro Account in ACU Dollar currency with United Bank of India, one of the largest branch networks in eastern region of India. This account will enable our clients to settle their trade payments with their counterparts in border area within shortest possible time.

In September 2015, Dhaka Bank has entered in a bilateral fund placement agreement with European bank supplying liquidity for Offshore Banking Unit.

## Remittance unit

DBL has correspondent relationship and agency arrangements with internationally reputable major banks, financial institutions and exchange houses throughout the world. As a part of its continuous endeavour to facilitate international transactions including trade facilitations and remittance services, DBL is continuing its efforts to establish relationship with more banks and exchange houses in all important financial centres of the world to cater to the growing needs of its clients at home and abroad.

## Remittance Unit's performance in 2015

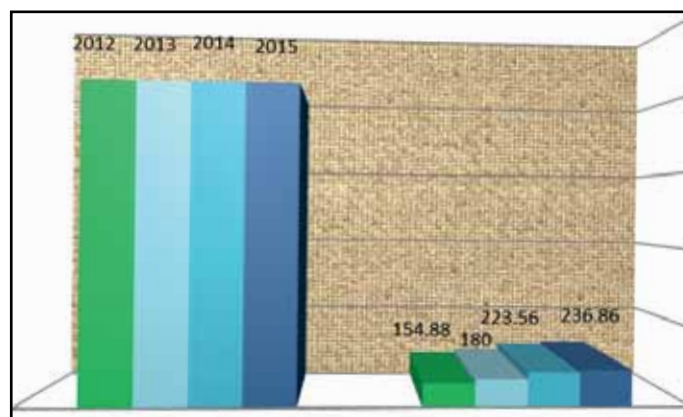
In the year 2015 Dhaka Bank maintained growth trend in inward remittance, total inward remittance through exchange houses stood at USD 236.87 million compared to previous years USD 223 million. This year 2 new remittance drawdown arrangement has been established with Al-Noor Exchange (UAE) and Continental Exchange Solutions, Inc. dbd RIA Financial Services (having world's 2nd largest network covering more than 180 countries). At present, DBL has agency arrangements with total 22 exchange houses located in USA, UAE, UK, Oman, Italy, Kuwait, France and so on to facilitate remittance of expatriate Bangladeshis working abroad. As a tech-savvy bank, DBL constantly

adapted the latest in online money transfer technology (including in-house Remittance Software and FTP Set ups) and brought it to customers for their convenience. Moreover, outlets of DBL's NGO partners (PAGE and Padakkhep Manabik Unnayan Kendra that have more than 230 branches) have been used significantly to facilitate remittance recipients locating across the country. Newly established arrangement with mobile financial services like bKash will enable Dhaka Bank to reach to the remittance beneficiary living in the remotest area.

## Overall performance of Remittance Unit and its future plans

While growing network in the existing markets of UAE, Oman, Kuwait on one hand, Remittance Unit will make all-out effort to explore new markets like countries in Africa and South America, KSA, Singapore, Australia, Bahrain on the other. DBL's delivery channels are rendering services to those customers who do not maintain any account with the bank. Beneficiary can send their remittance through our associate exchange house and banks around the globe. Our expertise, remittance handling experience and countrywide network are unparalleled. Focusing on creating customer loyalty and as a part of our endeavour to serve a greater number of common people, Dhaka Bank is continuously striving to serve the Bangladeshis working and residing abroad by safe delivery of their hard earned money to their relatives in Bangladesh at the shortest possible time. This is also one of the major missions of our central bank as well as the Government. This prompted us to offer different products and services to accommodate the needs of our clients. As Dhaka Bank moves forward to reach the targets that it set, we believe that it can be achieved by spreading our network in new markets in the coming days.

## DBL Total Remittance Last 4 Years (in Million)



## Dhaka Bank Training Institute

### Our Centre for Excellence

Training is by far the most important and crucial event for organizational advancement. Human Resource development through training is a perpetual process that enhances the competency of personnel as well as the organization. Human Resource development is the most important part in any organizational growth and sustainability. The need for professional excellence at Dhaka Bank was duly recognized by its Board of Directors leading to the creation of Dhaka Bank Training

# Management Review of Business

Continued

Institute (DBTI) in 2000. DBTI moved to its present premises at Sara Tower in Motijheel Commercial Area in January 2004.

DBTI is committed to develop the human resources, the driving force of the Bank through structured modular training programs. With a view to achieving professional excellence in Banking, DBTI conducts various courses, workshops, executive development programs mainly for Officers and Executives of the Bank. Since August 2000 till December 2015, DBTI trained as many as 15,216 participants through 581 different training programs covering diverse courses in banking, finance, management, law etc.

Besides conventional banking related training programs, DBTI also arranged, facilitated and conducted various Executive Development Programs, workshops, discussion meetings and exchanged views to meet the banking industry challenges in the twenty-first century. DBTI also arranges offsite programs for officers/executives of Branches outside Dhaka. The course content is commensurate with the experience level of participants.

## Academic & Logistics

Besides the Principal, DBTI & Faculty members and internal resource persons, DBTI invites external resource persons comprising experienced professionals to facilitate its programs. They lead the class sessions with their versatile knowledge & experience and develop the participants with the holistic approaches and broader perceptions.

## DBTI Library

For its participants, DBTI has a library containing books on banking, economics and other disciplines and different local and international journals and periodicals. At present we have around 1,500 books in our library.

## Preparation of Course Plan

While designing & formulating a Course, DBTI gathers general information regarding the course, identifies target groups, and code of conduct for them to follow. While drawing up a list of programs/courses, we include need-based programs in addition to basic/core banking courses. We have already conducted 3/4 Training Need Assessment (TNA) sessions in this connection. We interact with the training institutes of others Banks as well as the Bangladesh Institute of Bank Management (BIBM) for curriculum development.

## Liaisons

The DBTI maintains constant liaison with universities, others organizations, training institutions for keeping itself update with changes and development in relevant areas and also for necessary dissemination thereof among our staff working at field level.

DBTI conducted the following courses for the last five years:

Year	Number of Course	Number of Participants
2011	59	1,521
2012	51	1,344
2013	46	1,270
2014	47	1,449
2015	44	1,277

Dhaka Bank also believes in bringing holistic approach in training and development area. Human Resources Division sent handful of participants to attend various courses both at home and abroad.

## DBTI Hostel

Dhaka Bank Training Institute Hostel is operative since September 09, 2012 with full board residential accommodation for 27 participants (mainly non-Dhaka Branches). The hostel is located at Shahidbagh, Dhaka.

## Overseas Training and Training in Other Organizations

Human Resource Division sends participants for training at local & international organizations to attain special skills.

## Other Initiatives

Dhaka Bank Training Institute has been relentlessly working for both personal and professional development of the human resources of DBL. DBTI assists people to enhance their efficiency and effectiveness at respective workstations and offers regular Foundation Course to freshers.



## 49th Foundation Course

A Three-week long Foundation Training Program for the 49th Batch of Trainee Officers of Dhaka Bank was inaugurated at the Dhaka Bank Training Institute (DBTI) on November 29, 2015. The Program was formally inaugurated by Mr. Syed Mahbubur Rahman, Managing Director of Dhaka Bank. The Inaugural Session was conducted by Mr. Md. Abdul Motaleb Miah, FVP, while Mr. Kaiser A. Chowdhury, Principal of DBTI, also spoke on the occasion. A total of 22 Trainee Officers participated in the program.

## Communications and Branding

Customers recognize a company, a product or a service through its brand image. A strong brand image not only helps an organization to make profit but also ensures sustainable growth. Based on this core understanding, Communications and Branding Division was formed to uphold the face of the Bank. This division is considered as the face of Bank since it deals with the externals which include customers, shareholders, regulatory bodies, etc. Since the inception of this division, it has been contributing towards corporate image building through various marketing tools and techniques. The core functions of this division include brand management, advertising, public relations, event management, media planning and buying, activation, etc.

# Management Review of Business

Continued

## Major Achievement in 2015

- Best Sponsor Award 2009 (awarded in 2015) by Bangladesh Sports Journalists Association (BSJA)

## Major Sponsorship Events in 2015

- Ticketing Partner of Bangladesh Premier League 2015
- Title Sponsorship of 4th Dhaka Bank Victory Day Golf Tournament 2015 at Bhatiary Golf & Country Club
- Title Sponsorship of Dhaka Bank Cup 2015 at Army Golf Club
- Participated in Canadian Chamber of Commerce and Industries Fair 2015
- Participated in American Chamber of Commerce and Industries Fair 2015
- Sponsorship of Sheikh Kamal International Club Cup 2015

## Major Celebration with Clients

- 20th Anniversary of the Bank
- Sponsorship of 24th Founding Anniversary Event of Uttara Club
- Sponsorship of Dhaka Mughol Food Festival 2015
- Celebration of Bengali New Year
- Eid-UL-Fitre 2015
- New Year Calendar 2016
- New Year Card 2016
- Sponsorship of Inaugural Ceremony of DSC Brokers Associations

## Launching and Repackaging Products

- Launch of Swipe It (a credit card service)
- Launching of JOMA (a specialized product of Garments Workers)
- Repackaging of Gift Cheque

## Major CSR Events

- CSR Event on the occasion of 20th Anniversary of Dhaka Bank Limited
- Distributed Blankets to poor and distressed People in different parts of Bangladesh
- Handed over Rescue Boat to Bangladesh Fire Service & Civil Defence
- Donation Bangladesh Football Federation
- Donation towards Prime Minister's Relief Fund

## Media Channel Utilization

- Television (both Local and International)
- Newspaper (both National and Regional)
- Magazine
- Online Newspaper
- Social Media (Facebook, Twitter, LinkedIn)
- Viral Marketing (#tag)

## Programmed Events

- Annual Managers' Conference 2015
- 20th Annual General Meeting 2015
- Quarterly Business Review Meetings
- Half Yearly Business Review Meeting 2015
- Grand Opening and Relocations of Branches

# Risk Management

Risk and convenience are always inversely proportionate. Making perfect balance between these two aspects is a classical predicament to successful growth of business. We focus on transparency of contracts between parties, accountability to stakeholders and proper mix of assets and liabilities to make sure risk is duly addressed and effectively minimized.





# Risk Management

## Risk Management of Dhaka Bank Limited

Identifying, measuring, monitoring and controlling various type of risks are paramount important for ensuring the health of a bank as well as the whole financial systems.

Dhaka Bank Limited has established Risk Management Division (RMD), complying the direction of Bangladesh Bank (DOS(RMSS)/1154/1/2013-61, dated 24-01-2013), integrating the Existing 'Risk Management Unit' and 'Basel Implementation Unit' for strengthening risk management activities of the bank with effect from February 26, 2013. RMD looks after effectiveness of the Core Risks Management of the Bank and also ensure the capital management of the Bank under Basel Accords in association with the directives of Bangladesh Bank time to time.

RMD is responsible to manage and measure risk on the basis of the bank's approved risk parameters, independently of regulatory

requirements and category. It is responsible for designing risk management strategy, establishing risk management policies & procedure, communicating views of Board & Senior Management regarding risk issues throughout the bank, informing Board & All Risk Committee about appetite for risk, measuring & monitoring risk, identifying & quantifying bank's exposure to material loss, independently monitor limits, developing & implementing loss prevention/retention programs, securing & maintaining adequate loss coverage, periodic stress testing, preparation of monthly & half-yearly risk management paper & holding meeting of All Risk Committee etc.

Presently the Chief Risk Officer (CRO) of the Bank is Mr. Khan Shahadat Hossain, Deputy Managing Director (Risk Management) of the Bank. RMD is working as secretary of All Risk Committee (which comprised of heads of all core risk owners and previously known as RMD Committee) of the bank. Members (by designation) of All Risk Committee are as given below:

Sl.	Name of the Executives	Designation	Position in the Committee
1.	Mr. Khan Shahadat Hossain	DMD-Risk Management & Chief Risk Officer	Chairman
2.	Mr. A.M.M. Moyen Uddin	SEVP & Head of IT	Member
3.	Mr. Darashiko Khasru	EVP & CFO	Member
4.	Mr. Md. Ziaur Rahman	EVP & Head, CRM Division	Member
5.	Mr. S. M. Abdullah Hil Kafi	EVP & Head of ICC Division	Member
6.	Mr. Md. Fakhru Islam	SVP & Head, Business Operations Division and AML	Member
7.	Mr. K. M. Faisal Faruqui	FVP & Head, Treasury Division and FX	Member
8.	Mr. Mohammad Mokhlesuzzaman Khan	VP & Head of Risk Management Division	Member

### Reporting by Risk Management Division:

In compliance with Bangladesh Bank directives, Risk Management Division conducted the following reporting and took actions accordingly:

Sl.	Deliverables	Format/Method	Compliance Status	Remarks
1.	Quantitative Impact Analysis (QIS)	Prescribed Questionnaire	Complied	
2.	Nomination Of Recognized ECAIs	As In BRPD Circular # 12/2012	Complied	
3.	Pillar-1: MCR Reporting	Reporting Format As In BRPD Circular # 09/2008 and BRPD Circular#	Complied	MCR Report is submitted on a quarterly basis starting from the 1st quarter of 2009, the regime of parallel run of Basel I & Basel II.
4.	Pillar-2: Statement of ICAAP-2014	Bangladesh Bank Guideline	Complied	Bank has Adequate capital for Pillar-2: Supervisory Review Process as per ICAAP-2014
5.	Stress Testing Report	Bangladesh Bank Guideline	Complied	Stress Testing Report is submitted on a quarterly basis starting from June 2010.
6.	Pillar-3: Market Discipline: A Disclosure Framework (Qualitative & Quantitative)		Complied	Market Disclosure is given on a yearly basis started from the year- 2009.
7.	Risk Management Paper	Bangladesh Bank Guideline	Complied	Monthly reporting to Bangladesh Bank (including monthly report)
8.	Comprehensive Risk Management Report	Bangladesh Bank Guideline	Complied	Half yearly reporting to BB

# Risk Management

Continued

## Risk Management Paper

Risk Management Paper (RMP) consisting of various data related to Credit Risk, Market Risk, Liquidity Risk and Operational Risk from all related divisions are presented in the monthly meeting of All Risk Committee conducted under the supervision of Risk Management Division (RMD).

Credit risk under RMP covers the sector concentration of the portfolio, area concentration, classification, recovery, provisioning, top 20 defaulters, collateral, fund diversion etc. Market Risk covers the Interest Rate Risk, Foreign Exchange Risk, and Equity Risk. Liquidity Risk covers Statutory Liquidity Requirement (SLR), Cash Reserve Ratio (CRR), Advance Deposit Ratio (ADR) etc. Operational Risk covers internal fraud, external fraud, evaluation of core risk management etc.

Subsequently, the RMP is submitted to the Risk Management Committee



of the Board and the decisions are communicated to relevant divisions of the bank for implementation. The report submitted to Bangladesh Bank on monthly basis. Another half yearly report namely CRMR is also submitted. Bangladesh Bank also determines the status of risk management of the bank on the basis of RMP and provides Risk Management rating biannually which is ultimately considered in the CAMELS rating of the Bank.

# Risk Management

Continued

## Internal Capital Adequacy Assessment Process (ICAAP)

Internal Capital Adequacy Assessment Process has been formulated by Bangladesh Bank to facilitate the process of implementation of the Pillar-2 Supervisory Review Process (SRP) of Basel III.

A dialogue between SRP team of the Bank & Supervisory Review Evaluation Process (SREP) team of the Bangladesh Bank will also be held. The objective of the dialogue is to determine the adequate level of capital needed for a bank by reviewing the ICAAP and strategies of the bank. The bank conducts ICAAP reporting each year to incorporate the additional capital requirement under Pillar 2 Supervisory Review Process. The assessment started from the year 2011 based on the year end figure of 2010.

The bank developed 'Internal Capital Adequacy Assessment Process-ICAAP' document following the 'Revised Process Document for SRP-SREP Dialogue on ICAAP, 31-May-2014' of Bangladesh Bank. This document covers capital charge process under Pillar II Supervisory Review Process (SRP) for nine risks areas namely residual risk, concentration risk, liquidity risk, reputation risk, strategic risk, settlement risk, core risk, environmental & climate change risk & other material risks, if any.

Besides the Credit Risk, Market Risk and Operational Risk under Pillar-1 bank has to assess additional capital under Pillar-2 Supervisory Review Process for the following risk areas:

Sl. No	Types of Risks	Risk area
1.	Residual Risk	<ul style="list-style-type: none"> <li>Error in documentation</li> <li>Error in valuation of collateral</li> </ul>
2.	Evaluation of Core Risk Management	<ul style="list-style-type: none"> <li>Ratings of Core Risks implementation</li> </ul>
3.	Credit Concentration Risk	<ul style="list-style-type: none"> <li>Credit Concentration Risk</li> <li>Market Concentration Risk</li> </ul>
4.	Liquidity Risk	<ul style="list-style-type: none"> <li>Cash Reserve Ratio (CRR)</li> <li>Statutory Liquidity Ratio (SLR)</li> <li>Medium Term Funding (MTFR)</li> <li>Maximum Cumulative Outflow (MCO)</li> <li>Advance Deposit Ratio (ADR)</li> </ul>
5.	Reputation Risk	<ul style="list-style-type: none"> <li>Credit Rating conducted by ECAs</li> <li>Internal Fraud</li> <li>External Fraud</li> <li>Non-Payment or Delayed payment of accepted bills</li> </ul>
6.	Settlement Risk	<ul style="list-style-type: none"> <li>Issues of foreign trade settlement</li> <li>All types of receivables that have not been realized or have been realized lately</li> </ul>
7.	Strategic Risk	<ul style="list-style-type: none"> <li>CAMELS rating</li> <li>Operating expenses</li> <li>Classified loans ratio</li> <li>Recovery of classified loan</li> <li>Written-off loans</li> <li>Interest waiver</li> <li>Cost of fund</li> </ul>
8.	Environmental & Climate change Risk	<ul style="list-style-type: none"> <li>Damage of assets due to adverse change of environment</li> </ul>
9.	Other Material Risk	<ul style="list-style-type: none"> <li>Other risks that may jeopardize bank's assets or income.</li> </ul>

The ICAAP statement-2014 shows that the Bank has surplus capital after considering capital requirement both under Pillar-1 Minimum Capital Requirement and Pillar-2 Supervisory Review Process of Basel II accord.

# Risk Management

Continued

## Capital Management

Apart from risk management activities, RMD is also responsible to implement Basel accords in the Bank as per the guidelines of Bangladesh Bank time to time.



## Implementation of Basel III

Basel III reforms are the response of Basel Committee on Banking Supervision (BCBS) to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spillover from the financial sector to the real economy. "Basel III: A global regulatory framework for more resilient banks and banking systems" (known as Basel III capital regulations) in December 2010. Basel III reforms strengthen the bank-level i.e. micro prudential regulation, with the intention to raise the resilience of individual banking institutions in periods of stress. Besides, the reforms have a macro prudential focus also, addressing system wide risks, which can build up across the banking sector, as well as the procyclical amplification of these risks over time. These new global regulatory and supervisory standards mainly addressed the following areas:

- raise the quality and level of capital to ensure banks are better able to absorb losses on both a going concern and a gone concern basis;
- increase the risk coverage of the capital framework;
- introduce leverage ratio to serve as a backstop to the risk-based capital measure;
- raise the standards for the supervisory review process (Pillar 2); and
- Public disclosures (Pillar 3) etc.

Consequently, Basel III capital regulations would be fully implemented as on January 1, 2019.

The framework of Basel III Capital Accord consists of three pillars:

### 1st Pillar - Minimum Capital Requirements

Provide approaches to the calculation of Minimum Capital Requirements (MCR). MCR is based on credit risk, market risk and operational risk to:

- reduce risks of failure by cushioning against losses;
- provide continuing access to financial markets to meet liquidity need; and
- provide incentives to prudent risk management

### 2nd Pillar: Supervisory Review Process

Provides the framework to ensure that each Bank has sound internal processes to enable it to perform a thorough evaluation of its risks and therefore assess the required capital. The Supervisory Review Process (SRP) recognizes the responsibility of Bank management in developing an internal capital assessment process and setting capital targets that are commensurate with the Bank's risk profile and control environment.

The Basel Committee has identified four key principles of supervisory review:

- Banks should have a process for assessing their overall capital adequacy in relation to their risk profile and a strategy for maintaining their capital levels;
- Supervisors should review and evaluate Bank's internal capital adequacy assessments and strategies, as well as their ability to monitor and ensure their compliance with regulatory capital ratios;
- Supervisors should expect Banks to operate above the minimum regulatory capital ratios and should have ability to require Banks to hold capital in excess of the minimum; and
- Supervisors should seek to intervene at an early stage to prevent capital from falling below the minimum levels required to support the risk characteristics of a particular Bank and should require rapid remedial action if capital is not maintained or restored.

### 3rd Pillar: Market Discipline

The purpose of Pillar-3, market discipline, is to complement the minimum capital requirements (Pillar-1) and the supervisory review process (Pillar-2). The Basel Committee aims to encourage market discipline by developing a core set of disclosure requirements which will allow market participants to assess key pieces of information on the scope of application, capital, risk exposure, risk assessment process, and hence the capital adequacy of the institution.

In principle Banks' disclosure should be consistent with how senior management and the Board of Directors (BoDs) of the Bank assesses and manage different risks of the Bank.



# Risk Management

Continued

## Capital Charge Method for Risks

As per the requirement of Basel III accords, Banks have to determine minimum capital for three major types of risks faced by the banking industry as described below:

- **Credit Risk** – risk of losses resulted from debtor's non-payment of a loan, double default etc.
- **Operational Risk** – risk of losses resulted from inadequate and failed internal processes, systems, people and external events like information technology, fraud & forgery, money laundering, legal contracts etc.
- **Market Risk** – risk of losses in on- and off-balance sheet items arising from movements in the market prices of interest rate, foreign exchange rate, equity securities, commodities etc.

## Rationale for Basel III

To cope with the international best practices and to make the Bank's capital more risk-sensitive as well as more shock-resilient, Bangladesh Bank has made it mandatory to comply with Risk Based Capital Adequacy (RBCA) under Basel III. Accordingly, capital requirement for Banks those hold risky assets in their investment portfolio shall be higher compared to Banks that hold safer portfolio.

## Basel III Regime In Bangladesh Under Supervision of Bangladesh Bank

With a view to ensuring the implementation of Basel III in a congenial manner, Bangladesh Bank (BB) conducted two consecutive Quantitative Impact Studies (QIS) on the banks. It had shown a propitious condition in quality and level of capital for phasing in arrangement of Basel-III. Based on the findings of the last QIS, an Action Plan/Roadmap was issued. Banks have to comply with the regulatory limits and minima as prescribed under Basel III capital regulations, on an ongoing basis. To ensure smooth transition to Basel III, appropriate transitional arrangements have been provided for meeting the minimum Basel III capital ratios, full regulatory adjustments to the components of capital etc. Consequently, Basel III capital regulations would be fully implemented as on January 1, 2019.

To strengthen global capital and liquidity rules with the goal of promoting a more resilient banking sector, the Basel Committee on Banking Supervision (BCBS) issued "Basel III: A global regulatory framework for more resilient banks and banking systems" in December 2010. The objective of the reforms was to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spillover from the financial sector to the real economy.

Through its reform package, BCBS also aims to improve risk management and governance as well as strengthen banks' transparency and disclosures. Basel Committee's comprehensive reform package also addressed the lessons of the financial crisis.

One of the main reasons the economic and financial crisis, which began in 2007, became so severe was that the banking sectors of many countries had built up excessive on and off-balance sheet leverage. This was accompanied by a gradual erosion of the level and quality of the capital base. At the same time, many banks were holding insufficient liquidity buffers. The banking system therefore was not able to absorb the resulting systemic trading and credit losses nor could it cope with the re-intermediation of large off-balance sheet exposures that had built up in the shadow banking system. The crisis was further amplified by a procyclical deleveraging process and by the interconnectedness of systemic institutions through an array of complex transactions. During the most severe episode of the crisis, the market lost confidence in the solvency and liquidity of many banking institutions. The weaknesses in the banking sector were rapidly transmitted to the rest of the financial system and the real economy, resulting in a massive contraction of liquidity and credit availability. Ultimately the public sector had to step in with unprecedented injections of liquidity, capital support and guarantees, exposing taxpayers to large losses.

# Risk Management

Continued

## Phase-wise Implementation Plan of Basel III implementation in Bangladesh:

Bangladesh Bank issued transitional arrangements for Basel III implementation in Bangladesh. The phase-in arrangements for Basel III implementation in Bangladesh will be as follows:

Particulars	2015	2016	2017	2018	2019	2020
Minimum Common Equity Tier-1 (CET-1) Capital Ratio	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Capital Conservation Buffer	-	0.625%	1.25%	1.875%	2.50%	2.50%
Minimum CET-1 plus Capital Conservation Buffer	4.50%	5.125%	5.75%	6.375%	7.00%	7.00%
Minimum T-1 Capital Ratio	5.50%	5.50%	6.00%	6.00%	6.00%	6.00%
Minimum Total Capital Ratio	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Minimum Total Capital plus Conservation Buffer	10.00%	10.625%	11.25%	11.875%	12.50%	12.50%
RR for Fixed Assets, Securities and Equity Securities	20%	40%	60%	80%	100%	100%
Leverage Ratio	3%	3%	3%	Migration to Pillar 1	Migration to Pillar 1	Migration to Pillar 1
Liquidity Coverage Ratio	≥100% (From Sep.)	≥100%	≥100%	≥100%	≥100%	≥100%
Net Stable Funding Ratio	> 100% (From Sep.)	>100%	>100%	>100%	>100%	>100%

## Basel III: Dhaka Bank Perspective

Dhaka Bank believes that stepping into the Basel III regime, the new capital accord, is sincere and most appropriate decision of Bangladesh Bank. This changeover is justified in order to make Bank's capital more risk-sensitive and shock-absorbent in changed scenario of banking industry of our country which is characterized by increased complexity, increased use of information technology and diversity in the asset portfolio of the Banks.

Accordingly, Dhaka Bank has taken the issue of Risk Based Capital Adequacy for Banks under Basel III accord, as one of its topmost priorities. Dhaka Bank has established a Basel II Implementation Unit (BIU) at Head Office in the 1st Quarter of year 2007 for effective implementation of the new capital accord and ensuring Board & Senior Management oversight. The Basel Unit is exclusively responsible for planning & reviewing the implementation of Basel III accord as per Bangladesh Bank's Road Map, for liaison about issues of Basel III with top management of DBL, for capacity building of concerned Bank personnel and for planning & developing process for assessing overall capital adequacy.

Dhaka Bank has formed an exclusive body, named SRP Team, and a Basel Unit which is an integral part of SRP Team to ensure that Dhaka Bank has a process for assessing overall capital adequacy in relation to their risk profile and a strategy for maintaining their capital at an adequate level. Accordingly DBL is ensuring compliance under Pillar-2: Supervisory Review Process of Basel III Accord.

Dhaka Bank has been successful in meeting all the deadlines for submission of different reports as prescribed by Bangladesh Bank, such as quarterly MCR Report, quarterly Stress Testing Report, Position Paper, monthly Meeting Minutes of All Risk Committee etc.

# Risk Management

Continued

## Basel Unit (BU)

Dhaka Bank has a 14-member Basel Unit, having cross-functional representations, to ensure effective implementation of Risk Based Adequacy requirements under the new capital accord named Basel III. However, to supervise the implementation more closely and sincerely a Core Team for Basel III was formed on July 12, 2015 with members from the existing Basel Implementation Unit. It is presently headed by Mr. Syed Mahbubur Rahman, Managing Director of the Bank.

The Basel Unit consists of the following members representing Senior Management from different cross-functional Divisions:

Sl. No.	Name of the Employee	Designation	Position in the Committee
1.	Mr. Syed Mahbubur Rahman	Managing Director	Chairman
2.	Mr. Emranul Huq	DMD-Buisness Banking	Member
3.	Mr. Khan Shahadat Hossain	DMD-Risk Management & Chief Risk Officer	Member
4.	Mr. Md. Shakir Amin Chowdhury	DMD-Operations	Member
5.	Mr. Mohammad Abu Jafar	DMD-International Buisness	Member
6.	Mr. A M M Moyen Uddin	SEVP & Head, IT Division	Member
7.	Mr. Darashiko Khasru	EVP & CFO	Member
8.	Mr. S.M. Abdullah Hil Kafi	EVP & Head, ICC Division	Member
9.	Mr. Md. Ziaur Rahman	EVP & Head, CRM Division	Member
10.	Mr. Fakhru Islam	SVP & Head, Business Operations Division	Member
11.	Mr. Mohammad Mokhlesuzzaman Khan	VP & Head, Risk Management Division	Member
12.	Mr. K.M. Faisal Faruqui	FVP & Head, Treasury Division	Member
	Working Team:		
13.	Mr. Ahmed Arefin, ACA	FVP & In Charge, Basel Unit	Member
14.	Mr. Mahamudur Rahman	AVP, Basel Unit	Member

The BU members meet on regular basis, to monitor the implementation status of Risk Based Capital Adequacy for the Bank and, also to discuss issues which may directly influence capital requirement.

## Supervisory Review Process (SRP) Team

The SRP Team, responsible for assessing overall capital adequacy in relation to their risk profile and capital planning, consisting of following members representing Senior Management and different cross-functional Divisions of the Bank:

# Risk Management

Continued

Sl. No	Name	Designation	Position in the Team
1.	Mr. Syed Mahbubur Rahman	Managing Director & CEO	Chairman
2.	Mr. Emranul Huq	DMD-Buisness Banking	Member
3.	Mr. Khan Shahadat Hossain	DMD-Risk Management & Chief Risk Officer	Member
4.	Mr. Md. Shakir Amin Chowdhury	DMD-Operations	Member
5.	Mr. Mohammad Abu Jafar	DMD-International Buisness	Member
6.	Mr. A M M Moyen Uddin	SEVP & Head, IT Division	Member
7.	Mr. S.M. Abdullah Hil Kafi	EVP & Head of ICCD	Member
8.	Mr. Darashiko Khasru	EVP & CFO	Member
9.	Mr. Md. Ziaur Rahman	EVP & Head, CRM Division	Member
10.	Mr. Md. Fakhru Islam	SVP & Head, Business Operations Division	Member
11.	Mr. Mir Saidul Islam	SVP & Head, CPC-Credit Operations	Member
12.	Mr. Mohammad Mokhlesuzzaman Khan	VP & Head, Risk Management Division	Member
13.	Mr. Ahmed Arefin, ACA	FVP & In Charge, Basel Unit	Member

The SRP Team will review and assess overall capital adequacy in line with the Bank's risk profile and strategy for maintaining Bank's capital at an adequate level, i.e., enough capital to compensate all the risks in the Bank's business, and to develop & practice better risk management techniques in monitoring and managing risks. The SRP Team of the Bank is responsible to ensure that the Bank has adequate capital to support its risks beyond the minimum regulatory requirements.

The SRP Team with the help of Basel Unit is apprising the Board on quarterly basis about the nature and level of risk being taken by the Bank and how this risk relates to Bank's adequate capital levels.

The SRP Team is entrusted with responsibility to move gradually towards more advanced approaches of calculating risk-weighted assets against credit risk, capital charge against market risk and operational risk.

Sl.	Deliverables	Format/Method	Compliance Status	Remarks
1.	Quantitative Impact Analysis (QIS)	Prescribed Questionnaire	Complied	-
2.	Nomination of Recognized ECAIs	As In BRPD Circular # 12/2012	Complied	-
3.	Pillar-1: MCR Reporting	Reporting Format as In BRPD Circular # 09/2008	Complied	MCR Report is submitted on a quarterly basis starting from the 1st quarter of 2009, the regime of parallel run of Basel I & Basel II.
4.	Pillar-2: Statement of Capital Adequacy Under SRP (ICAAP)	Bangladesh Bank Guideline	Complied	Submitted position of December 31, 2012
5.	Pillar-3: Market Discipline a Disclosure Framework (Qualitative & Quantitative)		Complied	Market Disclosure published on a yearly basis started from the year- 2009.



# Risk Management

Continued

## Reporting Under Basel III by Dhaka Bank Limited:

Sl.	Deliverables	Format/Method	Compliance Status	Remarks
1.	Quantitative Impact Analysis (QIS)	Prescribed Questionnaire	Complied	-
2.	Nomination of Recognized ECAIs	As in BRPD Circular # 12/2012	Complied	-
3.	Pillar-1: MCR Reporting	Reporting Format as in BRPD Circular # 09/2008	Complied	MCR Report is submitted on a quarterly basis starting from the 1st quarter of 2009, the regime of parallel run of Basel I & Basel II.
4.	Pillar-2: Statement of Capital Adequacy Under SRP (ICAAP)	Bangladesh Bank Guideline	Complied	Submitted position of December 31, 2012
5.	Pillar-3: Market Discipline a Disclosure Framework (Qualitative & Quantitative)		Complied	Market Disclosure is given on a yearly basis started from the year- 2009.

## Issuance of Non Convertible Subordinated Bond

The Board of Directors of Dhaka Bank Limited in their 255th meeting held on 16 August 2015 approved issuance of Non-convertible 2nd Subordinated Bond for Tk. 300.00 crore to strengthen Bank's capital base and expansion of business in line with BASEL-III accord. Subsequently, in the 6th Extra-ordinary General Meeting of Dhaka Bank Limited held on 08 October 2015 approved the issuance of the bond. Accordingly, we have submitted the application for the approval of Subordinated 2nd Bond to Bangladesh Securities & Exchange Commission (BSEC) on 25 October 2015 and BSEC has given consent on December 28, 2015. Subsequently, we have applied to Bangladesh Bank for final approval of the same.

## Borrowers' Rating

Capital Management is one of the key strategic issues these days in the banking business. Borrower rating not only plays an important role in improving capital adequacy of the bank through capital relief but also helps the bank to understand the risk associated with the borrowers. In this regard, RMD calculates capital relief on the basis of rated customers quarterly.

The Bank has already recognized the fact that minimum capital requirements under Basel II Accord increases significantly if it holds risky assets and decreases significantly with a safer portfolio. The Bank is consistently persuading its clients for credit rating. We have arranged a Seminar on 'Importance of Credit Rating for Better Access to Finance' on January 16, 2010 and subsequently take rigorous steps to get the client rated by the external rating agencies (especially for corporate client having exposure of Tk.1.00 crore and above). As a result of vigorous effort and continuous persuasion, out of total 1,002 nos. of eligible corporate borrowers of Dhaka Bank Ltd. having exposures of BDT 10 million and above, rating of 422 nos. of borrowers has been completed till September 30, 2015 among which 236 borrowers have valid rating.

Dhaka Bank has nominated 8 (eight) recognized External Credit Assessment Institutions operating in Bangladesh namely:

- (i) Credit Rating Information & Services Ltd. (CRISL)
- (ii) Credit Rating Agency of Bangladesh (CRAB)
- (iii) National Credit Rating Limited
- (iv) Emerging Credit Rating Limited
- (v) ARGUS Credit Rating Service Limited (ACRSL)
- (vi) WASO Credit Rating Company (BD) Limited
- (vii) Alpha Credit Rating Ltd and
- (viii) The Bangladesh Rating Agency Limited (BDRAL).

# Report of the Board of Directors Dhaka Bank Securities Limited

## Dhaka Bank Securities Management Team



Political unrest quit faded away for the moment. Still local and foreign investment has been struggling to generate reasonable pace due to under proficient infrastructure and insufficient supply of energy & power that always affects the Capital Market. In spite of all adversity we drive very strongly to keep up pace with the market and ensure maximum return for the stakeholders.

### Dhaka Bank Securities Management Team

Mr. Emranul Huq, Acting Managing Director  
Mr. Mohammad Ali, FCA, Chief Operating Officer  
Mr. Md. Shahjahan Miah, Company Secretary  
Mr. Kamrul Aziz, Business Development Manager  
Mr. Forhad H. Khandaker, ACMA, ACS, Head of Finance & Accounts  
Mr. Md. Reazur Rahman, Head of CDBL & Trade Operations  
Mr. Md. Rabiul Hassan, Head of Research

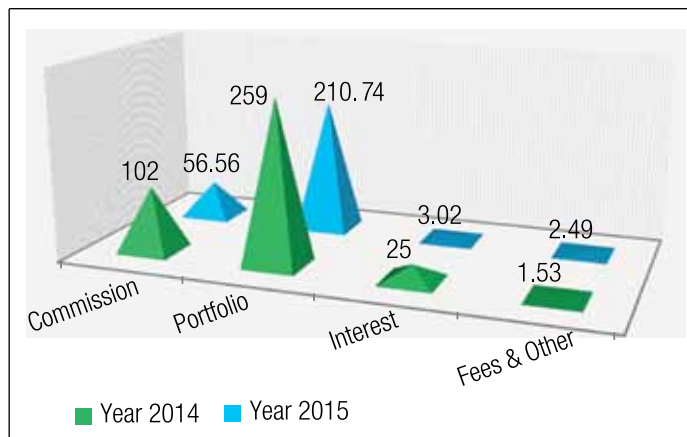
# Dhaka Bank Securities Limited Report of the Board of Directors

## Dear Shareholders,

It is an immense pleasure on the part of the Board of Directors in presenting the Audited Financial Statements of your Company for the year ended 31 December 2015 together with the Auditors' Report thereon, for your kind consideration and approval. Additional disclosures and explanations relating to certain issues have been given by the Directors, which they consider relevant and vital to ensure transparency and good governance practices. It is our firm conviction that the report will give an insight into the Company's past performance and future strategies.

## Financial Performance

Despite the dull scenario in the capital market, Dhaka Bank Securities Limited posted more profit after tax in 2015 than 2014, thanks to the persistent effort of all divisions and employees of the company. Due to existing low growth opportunities in capital market, DBSL faced tremendous competitive pressures and increasing regulatory compliances last year. But with prudent managerial capacities DBSL has done satisfactorily well to remain in profit in spite of slowdown in market turnover due to its focus on costs and diversified activities within the broad core brokerage business of the company. Company's total operating income is BDT 272.86 million in 2015 which was BDT 388.30 million in the previous year.



The capital market faced extreme downtrend in the year 2015 and generated very poor total market trade. In response to this plunge, DBSL was able to earn reasonable income. The capital gain and dividend income from dealer operation is BDT 210.74 million in 2015 compared to BDT 259.89 million in year 2014. DBSL's income from brokerage commission decreased too mirroring the market's poor turnover throughout the last year. Company's Net profit stands in BDT 76.08 million in 2015, which was BDT 73.42 million in previous year. This increase of 3.62% in net profit figure is due to this year's lower amount of provision reserved against unrealized loss in margin loan as total provision already reached BDT 322.00 million in 2015.

## Operations & Business Activities of the Company

Dhaka Bank Securities Limited (DBSL) is a subsidiary of Dhaka Bank Limited and one of the top stock brokers of our country and provider

of state-of-the-art trading facilities. Professional workforce are engaged within the company to ensure quality services towards local and foreign clients, which include Cash trading, Margin trading and other DP related services. DBSL has extended its services to different areas in and outside Dhaka through six existing branches and extended information services through different branches of Dhaka Bank Limited. In October 2015, DBSL participated in Trade Fair organized by Chittagong Stock Exchange to promote offered product and services. The overwhelming response from the prospective clients and visitors result in increasing number of account opening by new customers at the end of 2015.

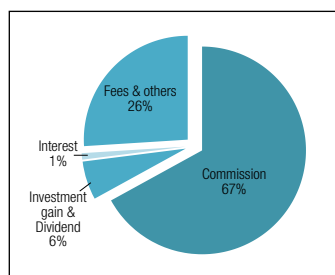
## Infrastructure & Facilities

DBSL possesses a proficient setup of Infrastructures including advanced broker and back office software, efficient Human Resources, own mail server, well informative website, superior customer service with other facilities. DBSL has all kinds of IT & electronic capability which gives customers the choice to enter prices and execute trades electronically, directly via one of DBSL's electronic trading systems, and/or to engage with a broker to execute his/her trades.

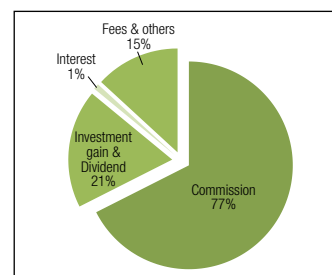
## Client Base

DBSL has a large client base of around 7,500 accounts in which almost 6,500 accounts are regular in trade. Both Individual and institutional clients are maintaining their account with DBSL. Moreover DBSL has a number of Foreign and NRB clients who have sizable portfolio investment.

Head wise Income Distribution	2014	2015
Commission	67%	77%
Investment gain & Dividend	6%	21%
Interest	1%	1%
Fees & others	26%	15%



Head wise income 2014



Head wise income 2015

## Growth in Trade Volume and Brokerage Commission

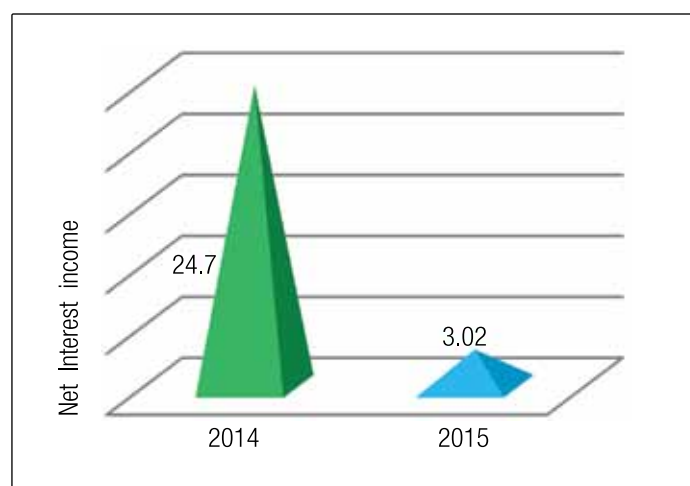
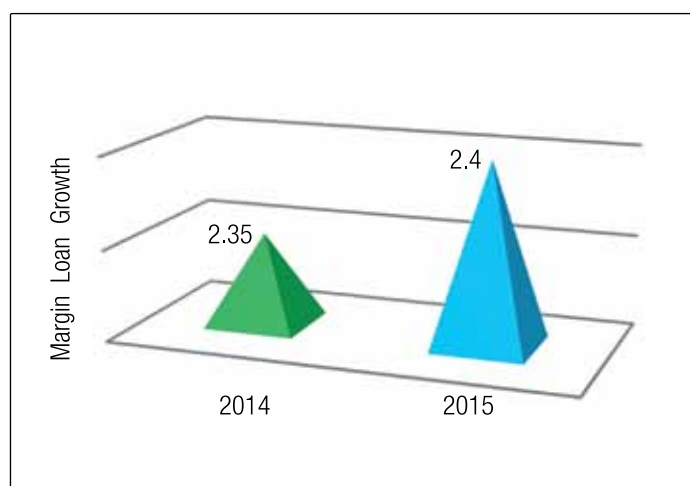
The trade volume of the company experienced downturn the last year despite the active participation of corporate and retail investors. Total market trade value decreased by 13.22% in 2015 from the year 2014 and the daily average trade value generated by DBSL followed

# Dhaka Bank Securities Limited Report of the Board of Directors

Continued

the similar pattern. The company generated a brokerage turnover of BDT 1,119.87 million in the year 2015 and captured 1.64% market share in 2015 where it was 2.61% in 2014. DBSL Management's careful selection of customer and strict credit disbursement immune the company from taking risky approach to increase market share and enable it to keep the asset quality good.

## Growth in Margin Loan and Interest Income



DBSL continues to achieve its business growth with sensible selection of credit customer. The loan facilities are restricted only to a few fundamentally sound script after following the instructions of the regulatory body BSEC time to time. DBSL has 824 margin clients with a portfolio value of BDT 3,390 million. As mentioned, the interest income from margin loan dropped due to increased amount in interest suspense A/C. This is because the downfall of market had negative effect on the overall portfolio value.

As on December 31, 2015 outstanding loan provided to the clients stood at BDT 2,403.36 million whereas it was BDT 2,350.69 million in 2014 and interest earned from the loan during year 2015 is BDT 3.07

million, which was BDT 24.79 million in the previous year. Margin loan posted 2.24% positive growth but net interest income decreased because DBSL wanted to remain very cautious towards providing margin loan and charging interest against non-performing loan.

## Ratio Analysis

DBSL has managed to book daily average Trade Volume of BDT 70.32 million in 2015 compared to BDT 141.01 million in 2014, which was in line with the overall market trade volume growth. DBSL captured 1.64% of market share in total market trade in 2015 compared to 2.61% in 2014. The Earning Per Share posted a growth of 3.4%, thanks to the dealer portfolio management team for outperforming the market again and generating most of the income for the company. In line with this, other financial ratios have remained reasonably satisfactory.

	2015	2014
<b>i. Activity Ratio</b>		
Daily Average Trade Volume with DSE	69.12	137.82
Daily Average Trade Volume with CSE	1.20	3.18
Market Share in DSE (%)	1.64	2.76
Market Share in CSE (%)	0.33	0.78
<b>ii. Profitability Ratio</b>		
Earnings Per Share (EPS)	0.44	0.47
Return on Equity (%)	4.15	4.18
Return on Assets (%)	1.58	1.65
Return on Capital Employed (%)	7.44	7.90
<b>iii. Liquidity Ratio</b>		
Current Ratio	2.51	2.82
Quick Ratio	0.51	0.48
<b>iv. Financial Ratio</b>		
Asset - Liability Ratio	1.59	1.64
Total Debt - Equity Ratio	1.68	1.57

## Dividend

Despite the fact that the company earned an EPS of Tk. 0.49 in 2015 compared to 0.47 in 2014, in order to strengthen the financial position of the company, the Board of Directors of the company has not recommended any dividend for the year 2015.

## Observance of BAS, BFRS & Applicable Laws

Company keeps accounting records, which disclose with reasonable accuracy the financial position of the Company and it is the responsibility of the Directors to ensure that the financial statements comply with the Companies Act, 1994 and the Securities and Exchange Rules, 1987. The Directors also confirm that the financial statements have been prepared in accordance with the Bangladesh Accounting Standards, Bangladesh Financial Reporting Standards and other applicable rules and regulations.

## Accounting Policies and Maintenance of Books of Accounts

The Directors consider that in preparing the financial statements, the



# Dhaka Bank Securities Limited

## Report of the Board of Directors

Continued

Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments & estimates and that all International Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) have been followed. In preparing financial statements, information has been obtained from the books of accounts, which have been maintained properly as required by the applicable rules and regulations.

### Internal Control

The internal control system provides reasonable but not absolute assurance against material misstatements, losses and fraud and of the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate rules and regulations and best practices and the identification and management of business risk. Our internal control department is supported by professional staffs who conduct periodic audits of all aspects of DBSL's operations. The Board retaining ultimate responsibility for its operations has delegated the review of the effectiveness of the system of internal controls to the Audit Committee.

### Auditors

M/S. ACNABIN, Chartered Accountants was appointed the independent auditor of the Company in the third Annual General Meeting held on May 12, 2015. The auditors will retire in the fifth Annual General Meeting. Being eligible under Section 212 of the Companies Act, 1994 and the Financial Institutions Act, 1993, the Auditors have expressed their willingness to continue their office for the year 2016. The Auditors have completed their fourth year of audit and hence eligible for re-appointment. A resolution proposing the re-appointment of M/S. ACNABIN, Chartered Accountants, as the independent auditor of the Company at a remuneration of BDT 2.50 lac plus VAT will be proposed at 2016 Annual General Meeting of DBSL.

### Directors' Meeting & Attendance

During the year ended December 31, 2015 four (04) meetings were held. During this year, all of the Directors serving on the Board attended more than 90 percent of the aggregate of the total number of meetings of the Board of Directors.

### Directors to Retire and Re-Appointment

The Company has eleven (11) Directors in the Board including the Acting Managing Director. Pursuant to the provisions of the Companies Act, 1994, one third of the Directors, except the Acting Managing Director, shall retire by rotation in every general meeting. Accordingly four (4) Directors of the Company will retire at the 5th Annual General Meeting and they expressed their willingness to be reappointed.

### Outlook

The "Outlook" part in this document is based on the DBSL's views & expectations and thus the actual outcome is not certain. Stakeholders should consider the above-noted factors when reviewing these sections. The Board remains very excited with the prospects of DBSL. We will maintain our growth and diversity in our revenue and earning flows. We are working hard to bring innovative approaches into regular business

operations as well as mixing up the resources we have to fetch the maximum output from existing opportunities. Expenses will be vigilantly handled and initiatives will be taken to improve customer satisfaction. The DBSL's net interest income is expected to increase as robust effort has been taken for realization of accrued interest. Growth in brokerage commission income will be accelerated and provisions for credit losses will remain relatively stable in 2016. It is expected that after months of frosty character prevailing in the capital market, 2016 will be the year of recovery but existing unstable political condition may take a toll on overall growth of the economy. In 2016, we expect that all departments would experience a transformation and contribute to the overall profitability of DBSL. We will devote our full efforts to accomplish the target to reward our shareholders and the community in the coming year.

### Acknowledgement

On behalf of the Board of Directors, I would like to express my gratitude to our customers, business partners and shareholders for their continuous support and confidence in DBSL. A special note of appreciation goes to the Management team and all the employees for their devotion, integrity, hard work and professionalism. My sincere thanks also go to Bangladesh Securities and Exchange Commission, Bangladesh Bank, Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited, all retail & institutional investors, who are the partners in the growth of this Company for their invaluable assistance, support, guidance and counsel.



**Reshadur Rahman**  
Chairman



## *Auditor's Report*

# 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 2015 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 2015, 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 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;
- (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;

# Independent Auditor's Report to the Shareholders of Dhaka Bank Limited

- (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 3,100 person hours for the audit of the books and accounts of the Bank.

Dhaka,  
20 April 2016



ACNABIN  
Chartered Accountants



# Dhaka Bank Limited and its Subsidiaries

## Consolidated Balance Sheet

As at 31 December 2015

	Notes	31.12.2015 Taka	31.12.2014 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3(a)	<b>14,966,422,109</b>	<b>15,900,963,572</b>
Cash in hand (including foreign currencies)	3.1(a)	1,543,708,584	1,395,199,940
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	13,422,713,525	14,505,763,632
<b>Balance with other banks and financial institutions</b>	4(a)	<b>10,212,560,426</b>	<b>6,685,901,914</b>
In Bangladesh	4.1(a)	6,724,351,465	2,542,023,266
Outside Bangladesh	4.2(a)	3,488,208,961	4,143,878,648
<b>Money at call and on short notice</b>	5(a)	<b>15,300,000</b>	<b>448,300,000</b>
<b>Investments</b>	6(a)	<b>23,072,924,090</b>	<b>21,660,965,339</b>
Government	6.1(a)	19,637,850,305	18,358,963,884
Others	6.2(a)	3,435,073,785	3,302,001,455
<b>Loans, advances and lease/investments</b>	7(a)	<b>118,184,480,515</b>	<b>103,604,211,956</b>
Loans, cash credits, overdrafts, etc./ Investments	7.1(a)	115,789,830,575	101,376,448,530
Bills purchased and discounted	8(a)	2,394,649,940	2,227,763,426
<b>Fixed assets including premises, furniture and fixtures</b>	9(a)	<b>4,109,853,726</b>	<b>3,972,617,496</b>
<b>Other assets</b>	10(a)	<b>6,630,271,560</b>	<b>7,479,196,391</b>
<b>Non-banking assets</b>	11(a)	<b>23,166,033</b>	<b>23,166,033</b>
<b>Total Assets</b>		<b>177,214,978,460</b>	<b>159,775,322,700</b>
<b>LIABILITIES &amp; CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	12(a)	<b>10,834,730,420</b>	<b>9,414,685,059</b>
<b>Deposits and other accounts</b>	13 (a)	<b>138,591,501,745</b>	<b>124,853,559,335</b>
Current accounts & other accounts		15,782,686,124	14,362,088,804
Bills payable		1,267,436,384	2,175,092,005
Savings bank deposits		14,564,284,031	11,463,880,702
Term deposits		106,977,095,206	96,852,497,824
<b>Non Convertible Subordinated Bond</b>	14	<b>1,400,000,000</b>	<b>2,000,000,000</b>
<b>Other Liabilities</b>	15(a)	<b>12,697,374,983</b>	<b>10,534,004,356</b>
<b>Total Liabilities</b>		<b>163,523,607,149</b>	<b>146,802,248,750</b>
<b>Capital/Shareholders' Equity</b>			
<b>Equity attributable to equity holders of the parent company</b>		<b>13,691,333,955</b>	<b>12,973,044,957</b>
Paid-up capital	16	6,253,642,600	5,685,129,640
Statutory reserve	17	5,300,741,818	4,825,543,616
Other reserve	18	871,896,065	870,409,255
Retained earnings	19(a)	1,265,053,472	1,591,962,445
Non-controlling interest	16(a)	37,355	28,994
<b>Total Equity</b>		<b>13,691,371,311</b>	<b>12,973,073,950</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>177,214,978,460</b>	<b>159,775,322,700</b>

**Off-Balance Sheet Items****Contingent Liabilities**

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

**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

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

Notes	31.12.2015 Taka	31.12.2014 Taka
21		
	14,225,611,128	13,756,065,906
	14,238,167,995	13,042,203,273
	14,194,068,714	13,085,748,553
	7,608,526,452	5,783,061,204
	1,988,427,743	3,008,744,945
	<b>52,254,802,031</b>	<b>48,675,823,881</b>
	-	-
	-	-
	-	-
	-	-
	-	-
	<b>52,254,802,031</b>	<b>48,675,823,881</b>

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

**Syed Mahbubur Rahman**  
 Managing Director & CEO

**Altaf Hossain Sarker**  
 Director

**Abdul Hai Sarker**  
 Director

**Reshadur Rahman**  
 Chairman

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

Dhaka,  
 20 April 2016

**ACNABIN**  
 Chartered Accountants

# Dhaka Bank Limited and its Subsidiaries

## Consolidated Profit and Loss Account

For the year ended 31 December 2015

	Notes	2015 Taka	2014 Taka
<b>Operating Income</b>			
Interest income/profit on investments	22(a)	12,146,219,663	13,735,943,604
Interest paid/profit on deposits and borrowings, etc.	23(a)	(10,124,160,206)	(10,872,137,267)
<b>Net interest income</b>		<b>2,022,059,457</b>	<b>2,863,806,337</b>
Investment income	24(a)	3,214,203,256	2,802,724,014
Commission, exchange and brokerage	25(a)	1,372,701,795	1,229,119,977
Other operating income	26(a)	385,037,898	362,407,946
		<b>4,971,942,949</b>	<b>4,394,251,937</b>
<b>Total operating income (a)</b>		<b>6,994,002,406</b>	<b>7,258,058,274</b>
<b>Operating Expenses</b>			
Salary and allowances	27(a)	1,668,303,553	1,658,519,240
Rent, taxes, insurance, electricity, etc.	28(a)	474,877,645	420,901,350
Legal expenses	29(a)	10,539,131	18,453,410
Postage, stamps, telecommunication, etc.	30(a)	50,265,745	43,139,888
Stationery, printing, advertisement, etc.	31(a)	202,509,445	199,016,679
Chief executive's salary and fees	32(a)	10,422,334	7,268,600
Directors' fees	33(a)	4,203,240	4,451,376
Auditors' fees	34(a)	1,495,000	977,500
Depreciation and repairs of Bank's assets	35(a)	308,421,863	283,775,653
Other expenses	36(a)	544,338,145	481,099,128
<b>Total operating expenses (b)</b>		<b>3,275,376,103</b>	<b>3,117,602,824</b>
<b>Profit before provision (c = (a-b))</b>		<b>3,718,626,303</b>	<b>4,140,455,450</b>
Provision against loans and advances	37(a)	1,095,173,902	543,128,511
Provision against good borrower	15.2	1,254,000	-
Provision for diminution in value of investments	38	4,075,897	13,499,886
Other Provisions	39(a)	129,759,710	238,787,580
<b>Total provision (d)</b>		<b>1,230,263,509</b>	<b>795,415,977</b>
<b>Profit before taxation (c-d)</b>		<b>2,488,362,794</b>	<b>3,345,039,473</b>
Provision for taxation		975,634,094	1,246,392,649
Current tax		973,201,002	1,231,650,519
Deferred Tax		2,433,092	14,742,131
<b>Net profit after taxation</b>		<b>1,512,728,701</b>	<b>2,098,646,823</b>
<b>Net profit after tax attributable to:</b>			
Equity holders of DBL		1,512,720,339	2,098,639,857
Non-controlling interest		8,362	6,966
		<b>1,512,728,701</b>	<b>2,098,646,823</b>
<b>Retained surplus from previous year</b>			
Add: Net profit after tax (attributable to equity holders of DBL)		1,591,962,445	1,349,055,004
		1,512,720,339	2,098,639,857
		<b>3,104,682,784</b>	<b>3,447,694,861</b>
<b>Appropriations</b>			
Statutory reserve		475,198,202	644,167,728
General reserve		-	20,394,675
Dividends etc.		1,364,431,110	1,191,170,013
Retained earnings		1,265,053,472	1,591,962,445
		<b>3,104,682,784</b>	<b>3,447,694,861</b>
<b>Consolidated Earning per Share (CEPS)</b>	40(a)	<b>2.42</b>	<b>3.36</b>

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

**Syed Mahbubur Rahman**  
Managing Director & CEO

**Altaf Hossain Sarker**  
Director

**Abdul Hai Sarker**  
Director

**Reshadur Rahman**  
Chairman

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

Dhaka,  
20 April, 2016

**ACNABIN**  
Chartered Accountants

# Dhaka Bank Limited and its Subsidiaries

## Consolidated Cash Flow Statement

For the year ended 31 December 2015

	Notes	2015 Taka	2014 Taka
<b>Cash Flow From Operating Activities</b>			
Interest / Profit receipts		12,452,248,134	13,750,834,735
Interest / Profit payments		(10,409,383,282)	(11,114,332,831)
Dividend receipts		17,224,307	80,295,480
Fee and commission receipts		907,896,707	930,579,591
Payments to employees		(1,636,454,240)	(1,627,967,019)
Payments to suppliers		(262,456,314)	(259,505,834)
Income taxes paid		(1,126,541,634)	(1,391,744,053)
Receipts from other operating activities	41(a)	687,609,836	690,233,887
Payments for other operating activities	42(a)	(1,157,057,813)	(1,014,613,426)
<b>(i) Operating profit before changes in operating assets &amp; liabilities</b>		<b>(526,914,301)</b>	<b>43,780,529</b>
<b>Changes in operating assets and liabilities</b>			
Purchase / Sale of trading securities		(1,276,494,561)	(2,601,304,570)
Loans and advances to customers		(14,761,366,258)	(3,254,621,253)
Other assets	43(a)	837,356,509	(975,269,050)
Deposits from other banks		4,829,331,120	862,371,005
Deposits from customers		8,908,611,290	8,010,022,917
Other liabilities account of customers		(40,640,900)	(36,798,429)
Other liabilities	44(a)	1,338,331,940	(764,253,845)
<b>(ii) Cash (used in)/ flow from operating assets and liabilities</b>		<b>(164,870,861)</b>	<b>1,240,146,775</b>
<b>Net cash (used in) / flow from operating activities (a)= (i+ii)</b>		<b>(691,785,162)</b>	<b>1,283,927,304</b>
<b>Cash Flow From Investing Activities</b>			
Proceeds from sale of securities		2,577,699,492	1,938,405,838
Sale/ (Purchase) of securities		178,653,642	1,407,746,691
Purchase of property, plant & equipment		(332,751,208)	(1,616,815,345)
Proceeds from sale of scrap		12,300	-
Sale of property, plant & equipment		-	29,481
<b>Net cash flow from investing activities (b)</b>		<b>2,423,614,225</b>	<b>1,729,366,665</b>
<b>Cash Flow From Financing Activities</b>			
Borrowing from other banks		1,451,143,061	5,764,767,188
Dividends paid		(795,918,150)	(920,449,563)
Redemption of Non Convertible Subordinated Bond		(600,000,000)	-
Purchase / sale of subsidiary		-	60
<b>Net cash flow from financing activities (c)</b>		<b>55,224,911</b>	<b>4,844,317,685</b>
<b>Net increase in cash and cash equivalents (a+b+c)</b>		<b>1,787,053,975</b>	<b>7,857,611,654</b>
Add: Effects of exchange rate changes on cash & cash equivalent		372,968,125	243,235,518
Add: Cash and cash equivalents at beginning of the year		23,038,884,136	14,938,036,964
<b>Cash and cash equivalents at end of the year (*)</b>		<b>25,198,906,236</b>	<b>23,038,884,136</b>
<b>(*) Cash and cash equivalents</b>			
Cash in Hand		1,543,708,584	1,395,199,940
Balance with Bangladesh Bank & Sonali Bank		13,422,713,525	14,505,763,632
Balance with other banks & Financial Institutions		10,212,560,426	6,685,901,914
Money at call & Short Notice		15,300,000	448,300,000
Prize Bond		4,623,700	3,718,650
		<b>25,198,906,236</b>	<b>23,038,884,136</b>


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

Dhaka,  
20 April 2016

  
**Syed Mahbubur Rahman**  
Managing Director & CEO

  
**Altaf Hossain Sarker**  
Director

  
**Abdul Hai Sarker**  
Director

  
**Reshadur Rahman**  
Chairman



## 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	Non-controlling interest	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment Revaluation Reserve	Retained Earnings	Total Equity
Balance as at 1 January 2015	5,685,129,640	28,994	4,825,543,616	160,272,618	648,455,000	61,681,637	1,591,962,445	12,973,073,950
Changes in accounting policy	-	-	-	-	-	-	-	-
<b>Restated balance</b>	<b>5,685,129,640</b>	<b>28,994</b>	<b>4,825,543,616</b>	<b>160,272,618</b>	<b>648,455,000</b>	<b>61,681,637</b>	<b>1,591,962,445</b>	<b>12,973,073,950</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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63,168,447</b>	<b>-</b>	<b>-</b>
Share Capital of subsidiary company	-	-	-	-	-	-	-	-
Adjustment with retained earnings	-	-	-	-	-	-	-	-
Net Profit for the year	-	-	-	-	-	-	1,512,728,701	1,512,728,701
Transfer to reserve	-	-	-	-	-	-	-	-
Dividend:								
Stock dividend	568,512,960	-	-	-	-	-	(568,512,960)	-
Cash dividend	-	-	-	-	-	-	(795,918,150)	(795,918,150)
Stock dividend paid by subsidiary company	-	-	-	-	-	-	-	-
Changes in reserve	-	-	475,198,202	-	-	-	(475,198,202)	-
Non-controlling interest	-	8,362	-	-	-	-	(8,362)	-
<b>Balance as at 31 December 2015</b>	<b>6,253,642,600</b>	<b>37,355</b>	<b>5,300,741,818</b>	<b>160,272,618</b>	<b>648,455,000</b>	<b>63,168,447</b>	<b>1,265,053,472</b>	<b>13,691,371,311</b>

## Dhaka Bank Limited and its Subsidiaries Consolidated Statement of Changes in Equity

For the year ended 31 December 2014

(Amount in Taka)

Particulars	Paid up capital	Non-controlling interest	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment Revaluation Reserve	Retained Earnings	Total Equity
Balance as at 1 January 2014	541,440,919	21,968	4,181,375,888	139,877,943	648,455,000	311,620,853	1,349,055,004	12,044,815,846
Changes in accounting policy	-	-	-	-	-	-	-	-
<b>Restated balance</b>	<b>5,414,409,190</b>	<b>21,968</b>	<b>4,181,375,888</b>	<b>139,877,943</b>	<b>648,455,000</b>	<b>311,620,853</b>	<b>1,349,055,004</b>	<b>12,044,815,846</b>
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	(249,939,216)	-	(249,939,216)
Currency transaction differences	-	-	-	-	-	-	-	-
<b>Net gains and losses not recognized in the income statement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,681,637</b>	<b>-</b>	<b>-</b>
Share Capital of subsidiary company	-	60	-	-	-	-	-	60
Adjustment with retained earnings	-	-	-	-	-	-	-	-
Net Profit for the year	-	-	-	-	-	-	2,098,646,823	2,098,646,823
Transfer to reserve	-	-	-	-	-	-	-	-
Dividend:								
Stock dividend	270,720,450	-	-	-	-	-	(270,720,450)	-
Cash dividend	-	-	-	-	-	-	(920,449,563)	(920,449,563)
Stock dividend paid by subsidiary company	-	-	-	-	-	-	-	-
Changes in reserve	-	-	644,167,728	20,394,675	-	-	(664,562,403)	-
Non-controlling interest	-	6,966	-	-	-	-	(6,966)	-
<b>Balance as at 31 December 2014</b>	<b>5,685,129,640</b>	<b>28,994</b>	<b>4,825,543,616</b>	<b>160,272,618</b>	<b>648,455,000</b>	<b>61,681,637</b>	<b>1,591,962,445</b>	<b>12,973,073,950</b>

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

Dhaka,  
20 April 2016

  
**Syed Mahubur Rahman**  
Managing Director & CEO

  
**Altaf Hossain Sarker**  
Director

  
**Abdul Hai Sarker**  
Director

  
**Reshadur Rahman**  
Chairman

# Dhaka Bank Limited

## Balance Sheet

As at 31 December 2015

	Notes	31.12.2015 Taka	31.12.2014 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	<b>3</b>	<b>14,966,312,609</b>	<b>15,900,854,072</b>
Cash in hand (including foreign currencies)	3.1	1,543,599,084	1,395,090,440
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	13,422,713,525	14,505,763,632
<b>Balance with other banks and financial institutions</b>	<b>4</b>	<b>10,180,026,192</b>	<b>6,219,697,351</b>
In Bangladesh	4.1	6,691,817,231	2,075,818,703
Outside Bangladesh	4.2	3,488,208,961	4,143,878,648
<b>Money at call and on short notice</b>	<b>5</b>	<b>15,300,000</b>	<b>448,300,000</b>
<b>Investments</b>	<b>6</b>	<b>20,799,087,940</b>	<b>19,698,855,161</b>
Government	6.1	19,637,850,305	18,358,963,884
Others	6.2	1,161,237,635	1,339,891,277
<b>Loans, advances and lease/investments</b>	<b>7</b>	<b>117,840,165,963</b>	<b>103,131,519,274</b>
Loans, cash credits, overdrafts, etc./Investments	7.1	115,445,516,023	100,903,755,848
Bills purchased and discounted	8	2,394,649,940	2,227,763,426
<b>Fixed assets including premises, furniture and fixtures</b>	<b>9</b>	<b>4,099,983,356</b>	<b>3,957,799,257</b>
<b>Other Assets</b>	<b>10</b>	<b>8,438,430,047</b>	<b>9,367,352,413</b>
<b>Non-Banking Assets</b>	<b>11</b>	<b>23,166,033</b>	<b>23,166,033</b>
<b>Total Assets</b>		<b>176,362,472,141</b>	<b>158,747,543,561</b>
<b>LIABILITIES &amp; CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from Other Banks, Financial Institutions and Agents</b>	<b>12</b>	<b>10,634,730,420</b>	<b>9,414,685,059</b>
<b>Deposits and Other Accounts</b>	<b>13</b>	<b>139,068,899,318</b>	<b>124,853,559,335</b>
Current accounts & other accounts		15,782,686,124	14,362,088,804
Bills payable		1,267,436,384	2,175,092,005
Savings bank deposits		15,041,681,604	11,463,880,702
Term deposits		106,977,095,206	96,852,497,824
<b>Non Convertible Subordinated Bond</b>	<b>14</b>	<b>1,400,000,000</b>	<b>2,000,000,000</b>
<b>Other Liabilities</b>	<b>15</b>	<b>11,870,171,137</b>	<b>9,733,785,542</b>
<b>Total Liabilities</b>		<b>162,973,800,875</b>	<b>146,002,029,936</b>
<b>Capital / Shareholders' Equity</b>			
<b>Total Shareholders' Equity</b>		<b>13,388,671,266</b>	<b>12,745,513,625</b>
Paid-up capital	16	6,253,642,600	5,685,129,640
Statutory reserve	17	5,300,741,818	4,825,543,616
Other reserve	18	871,896,065	870,409,255
Retained earnings	19	962,390,782	1,364,431,114
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>176,362,472,141</b>	<b>158,747,543,561</b>

## OFF BALANCE SHEET ITEMS

### Contingent liabilities

Acceptances and endorsements

Letter of credit

Letter of guarantee

Bills for collection

Other contingent liabilities

### 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

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

Notes	31.12.2015 Taka	31.12.2014 Taka
21	<b>52,254,802,031</b>	<b>48,675,823,881</b>
	14,225,611,128	13,756,065,906
	14,238,167,995	13,042,203,273
	14,194,068,714	13,085,748,553
	7,608,526,452	5,783,061,204
	1,988,427,743	3,008,744,945
	-	-
	-	-
	-	-
	-	-
	-	-
	<b>52,254,802,031</b>	<b>48,675,823,881</b>

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



**Syed Mahbubur Rahman**  
Managing Director & CEO



**Altaf Hossain Sarker**  
Director




**Abdul Hai Sarker**  
Director



**Reshadur Rahman**  
Chairman

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

Dhaka,  
20 April 2016



**ACNABIN**  
Chartered Accountants



# Dhaka Bank Limited

## Profit & Loss Account

For the year ended 31 December 2015

	Notes	2015 Taka	2014 Taka
<b>Operating Income</b>			
Interest income/profit on investments	22	12,135,286,236	13,705,387,970
Interest paid/profit on deposits and borrowings, etc.	23	(10,116,296,447)	(10,879,027,249)
<b>Net interest income</b>		<b>2,018,989,789</b>	<b>2,826,360,721</b>
Investment income	24	3,003,455,981	2,542,824,552
Commission, exchange and brokerage	25	1,316,145,294	1,127,036,781
Other operating income	26	370,836,561	360,878,331
		<b>4,690,437,836</b>	<b>4,030,739,664</b>
<b>Total operating income (a)</b>		<b>6,709,427,625</b>	<b>6,857,100,385</b>
<b>Operating Expenses</b>			
Salary and allowances	27	1,636,454,240	1,627,967,019
Rent, taxes, insurance, electricity, etc.	28	459,716,648	406,184,756
Legal expenses	29	10,263,756	18,081,062
Postage, stamps, telecommunication, etc.	30	49,624,780	42,600,696
Stationery, printing, advertisement, etc.	31	201,302,778	198,019,076
Chief executive's salary and fees	32	10,422,334	7,268,600
Directors' fees	33	3,556,195	3,600,271
Auditors' fees	34	1,265,000	805,000
Depreciation and repairs of Bank's assets	35	298,178,696	268,105,367
Other expenses	36	534,410,087	476,392,510
<b>Total operating expenses (b)</b>		<b>3,205,194,514</b>	<b>3,049,024,357</b>
<b>Profit before provision (c = (a-b))</b>		<b>3,504,233,111</b>	<b>3,808,076,028</b>
Provision against loans and advances	37	1,095,173,902	543,128,511
Provision against good borrower	15.2	1,254,000	-
Provision for diminution in value of investments	38	4,075,897	13,499,886
Other provisions	39	27,738,300	30,608,990
<b>Total provision (d)</b>		<b>1,128,242,099</b>	<b>587,237,387</b>
<b>Profit before taxation (c-d)</b>		<b>2,375,991,012</b>	<b>3,220,838,641</b>
Provision for taxation		938,402,032	1,191,845,133
Current tax		934,833,819	1,176,134,507
Deferred Tax		3,568,213	15,710,626
<b>Net profit after taxation</b>		<b>1,437,588,980</b>	<b>2,028,993,508</b>
<b>Profit available for distribution</b>			
Retained earnings from previous year		1,364,431,114	1,191,170,022
Add: Retained earnings of current year		1,437,588,980	2,028,993,508
		<b>2,802,020,094</b>	<b>3,220,163,530</b>
<b>Appropriations</b>			
Statutory reserve		475,198,202	644,167,728
General reserve		-	20,394,675
Dividends etc.		1,364,431,110	1,191,170,013
Retained earnings		<b>962,390,782</b>	<b>1,364,431,114</b>
		<b>2,802,020,094</b>	<b>3,220,163,530</b>
<b>Earning per Share (EPS)</b>	40	<b>2.30</b>	<b>3.24</b>

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

**Syed Mahbubur Rahmam**  
Managing Director & CEO

**Altaf Hossain Sarker**  
Director

**Abdul Hai Sarker**  
Director

**Reshadur Rahman**  
Chairman

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

Dhaka,  
20 April 2016

**ACNABIN**  
Chartered Accountants

# Dhaka Bank Limited

## Cash Flow Statement

For the year ended 31 December 2015

	Notes	2015 Taka	2014 Taka
<b>Cash Flow From Operating Activities</b>			
Interest / Profit receipts		12,225,018,344	13,488,419,129
Interest / Profit payments		(10,185,223,161)	(10,876,711,749)
Dividend receipts		17,224,307	80,295,480
Fee and commission receipts		848,851,082	826,966,780
Payments to employees		(1,636,454,240)	(1,627,967,019)
Payments to suppliers		(262,456,314)	(259,505,834)
Income taxes paid		(1,126,541,634)	(1,391,744,053)
Receipts from other operating activities	41	465,150,348	417,683,333
Payments for other operating activities	42	(1,092,764,963)	(952,253,574)
<b>(i) Operating profit before changes in operating assets &amp; liabilities</b>		<b>(747,196,231)</b>	<b>(294,817,507)</b>
<b>Changes in operating assets and liabilities</b>			
Purchase / Sale of trading securities		(1,276,494,561)	(2,601,304,570)
Loans and advances to customers		(14,708,646,689)	(3,535,635,805)
Other assets	43	880,562,594	(957,403,335)
Deposits from other banks		4,829,331,120	862,371,005
Deposits from customers		9,386,008,863	8,010,022,917
Other liabilities account of customers		(40,640,900)	(36,798,429)
Other liabilities	44	1,337,285,264	(628,859,973)
<b>(ii) Cash flow from operating assets and liabilities</b>		<b>407,405,691</b>	<b>1,112,391,810</b>
<b>Net cash (used in)/ flow from operating activities (a)= (i+ii)</b>		<b>(339,790,540)</b>	<b>817,574,303</b>
<b>Cash Flow from Investing Activities</b>			
Proceeds from sale of securities		2,889,425,464	2,416,603,730
Sale/ (Purchase) of securities		178,653,642	1,407,746,691
Purchase of property, plant & equipment		(331,703,774)	(1,616,074,495)
Proceeds from sale of scrap		12,300	-
Sale of property, plant & equipment		-	29,481
Purchase / sale of subsidiary		-	(249,999,940)
<b>Net cash flow from investing activities (b)</b>		<b>2,736,387,631</b>	<b>1,958,305,467</b>
<b>Cash Flow from Financing Activities</b>			
Borrowing from other banks		1,220,045,361	5,764,767,188
Redemption of Non Convertible Subordinated Bond		(600,000,000)	-
Dividends paid		(795,918,150)	(920,449,563)
<b>Net cash (used in)/ flow from financing activities (c)</b>		<b>(175,872,788)</b>	<b>4,844,317,625</b>
<b>Net increase in cash and cash equivalents (a+b+c)</b>		<b>2,220,724,303</b>	<b>7,620,197,395</b>
Add: Effects of exchange rate changes on cash & cash equivalent		372,968,125	243,235,518
Add: Cash and cash equivalents at beginning of the year		22,572,570,073	14,709,137,160
<b>Cash and cash equivalents at end of the year (*)</b>		<b>25,166,262,501</b>	<b>22,572,570,073</b>
<b>(*) Cash and cash equivalents</b>			
Cash in Hand		1,543,599,084	1,395,090,440
Balance with Bangladesh Bank & Sonali Bank		13,422,713,525	14,505,763,632
Balance with other banks & Financial Institutions		10,180,026,192	6,219,697,351
Money at call & Short Notice		15,300,000	448,300,000
Prize Bond		4,623,700	3,718,650
		<b>25,166,262,501</b>	<b>22,572,570,073</b>


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

Dhaka,  
20 April 2016

  
**Syed Mahbubur Rahman**  
Managing Director & CEO

  
**Altaf Hossain Sarker**  
Director

  
**Abdul Hai Sarker**  
Director

  
**Reshadur Rahman**  
Chairman

## Dhaka Bank Limited

### 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	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	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
Transfer to reserve	-	-	-	-	-	-	-
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>13,388,671,266</b>

## Dhaka Bank Limited

### Statement of Changes in Equity

For the year ended 31 December 2014

(Amount in Taka)

Particulars	Paid up capital	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment Revaluation Reserve	Retained Earnings	Total Equity
Balance as at 1 January 2014	5,414,409,190	4,181,375,888	139,877,943	648,455,000	311,620,853	1,191,170,022	11,886,908,896
Changes in accounting policy	-	-	-	-	-	-	-
<b>Restated balance</b>	<b>5,414,409,190</b>	<b>4,181,375,888</b>	<b>139,877,943</b>	<b>648,455,000</b>	<b>311,620,853</b>	<b>1,191,170,022</b>	<b>11,886,908,896</b>
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(249,939,216)	-	(249,939,216)
Currency transaction differences	-	-	-	-	-	-	-
<b>Net gains and losses not recognized in the income statement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,681,637</b>	<b>-</b>	<b>-</b>
Net Profit for the year	-	-	-	-	-	2,028,993,508	2,028,993,508
Transfer to reserve	-	-	-	-	-	-	-
Dividend:							
Stock dividend	270,720,450	-	-	-	-	(270,720,450)	-
Cash dividend	-	-	-	-	-	(920,449,563)	(920,449,563)
Changes in reserve	-	644,167,728	20,394,675	-	-	(664,562,403)	-
<b>Balance as at 31 December 2014</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>

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

Dhaka,  
20 April 2016

**Syed Mahubur Rahman**  
Managing Director & CEO



**Altaf Hossain Sarker**  
Director



**Abdul Hai Sarker**  
Director



**Reshadur Rahman**  
Chairman



**Dhaka Bank Limited**  
**Liquidity Statement**  
 (Asset and Liability Maturity Analysis)  
 As at 31 December 2015

(Amount in Taka)

Particulars	Upto 01 month	1 - 3 months	3 - 12 months	1 - 5 years	more than 5 years	Total
<b>Assets:</b>						
Cash in hand	14,966,312,609	-	-	-	-	14,966,312,609
Balance with other banks and financial institutions	3,651,550,540	-	6,528,475,652	-	-	10,180,026,192
Money at call on short notice	-	-	-	-	15,300,000	15,300,000
Investment	244,361,335	-	400,000,000	8,408,529,506	11,746,197,100	20,799,087,940
Loans and Advances	33,519,902,061	29,208,368,404	28,884,310,741	23,989,080,249	2,238,504,508	117,840,165,963
Fixed assets including premises, furniture and fixtures	-	-	-	594,043,164	3,505,940,192	4,099,983,356
Other assets	2,354,723,401	-	3,445,443,184	866,380,406	1,771,883,056	8,438,430,047
Non-banking assets	-	-	-	23,166,033	-	23,166,033
<b>Total Assets</b>	<b>54,736,849,945</b>	<b>29,208,368,404</b>	<b>39,258,229,577</b>	<b>33,881,199,357</b>	<b>19,277,824,857</b>	<b>176,362,472,141</b>
<b>Liabilities:</b>						
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	(2,130,000,000)	-	(6,213,323,414)	(2,291,407,007)	-	(10,634,730,420)
Deposits & Other Accounts	(17,078,684,610)	(24,872,354,036)	(69,527,502,528)	(16,554,214,886)	(11,036,143,257)	(139,068,899,318)
Non Convertible Subordinated Bond	-	-	-	-	(1,400,000,000)	(1,400,000,000)
Other liabilities	(3,244,272,213)	-	(8,625,898,924)	-	-	(11,870,171,137)
Capital & Reserve	-	-	-	(13,388,671,266)	-	(13,388,671,266)
<b>Total Liabilities</b>	<b>(22,452,956,824)</b>	<b>(24,872,354,036)</b>	<b>(84,366,724,866)</b>	<b>(32,234,293,158)</b>	<b>(12,436,143,257)</b>	<b>(176,362,472,141)</b>
<b>Net Liquidity Gap</b>	<b>32,283,893,122</b>	<b>4,336,014,368</b>	<b>(45,108,495,288)</b>	<b>1,646,906,200</b>	<b>6,841,681,600</b>	<b>-</b>
<b>Cumulative Liquidity Gap</b>	<b>32,283,893,122</b>	<b>36,619,907,490</b>	<b>(8,488,587,798)</b>	<b>(6,841,681,600)</b>	<b>-</b>	<b>-</b>



# Dhaka Bank Limited and its Subsidiaries

## Notes to the Consolidated & Separate Financial Statements

For the year ended 31 December 2015

### 1.0 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 with limited liability 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 87 branches all over Bangladesh which includes 56 urban and 31 rural branches, an offshore banking unit at EPZ, Dhaka and 03 SME Service Centers. 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 two subsidiary companies in the name of Dhaka Bank Securities Limited with 6 branches in Dhaka, Chittagong and Sylhet and Dhaka Bank Investment Limited.

The principal place of business is the registered office at 100, Motijheel Commercial Area, Biman Bhaban, Dhaka-1000, Bangladesh. The Bank has been holding 99.99% shares of Dhaka Bank Securities Limited and Dhaka Bank Investment Limited, two subsidiary companies of Dhaka Bank Limited.

The Bank has a dedicated philanthropic unit named Dhaka Bank Foundation which has been operating since 28 July 2004.

#### 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, income statement and a statement of profit paid 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. The Bank obtained the Offshore Banking Unit permission vide letter no. BRPD(P)744(92)/2005-2181 dated 18 June 2005. The Bank commenced the operation of its Offshore

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 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 153rd 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 208th 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. 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 190th 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 Managers, Securities Management and Brokerage, Custodian Service, Investment and Asset Management, Portfolio Management, Capital Market operation etc. Dhaka Bank 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") are made up to 31 December each year, and are prepared under the historical cost convention, except land which is shown at revalued amount and certain investments which are measured at fair/market value as per the guideline of the Bangladesh Bank. The financial statements are 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 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 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 requirements of 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 shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

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

**BFRS:** As per requirement of 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 requirement of BAS 39 an entity should start the impairment assessment by 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 individual or 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 provided 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 interest expense.

**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.

#### viii) 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 14, 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.

#### ix) 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.

#### x) Non-banking asset

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

**Bangladesh Bank:** As per BRPD 14, there must exist a face item named Non-banking asset.

#### xi) 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 14, cash flow is the mixture of direct and indirect methods.

#### xii) 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.

#### xiii) 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 14.

#### xiv) 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 14, off balance sheet items

(e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

#### xv) Loans and advances/Investments net of provision

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

**Bangladesh Bank:** As per BRPD 14, 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)' at present value 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)' at present value using amortization concept.
- Zero Coupon Bond at present value using amortization concept.
- 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.

### 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 2015.

A Banking software system 'FLEXCUBE' produces consolidate

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. Profit and loss resulting from transaction between 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. 1,095,173,902 has been made during the year 2015 which has been found to be adequate. The total volume of non-performing loan is Tk. 5,490,649,320 as of 31.12.2015.

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%	--	5%	5%	100%
Others		1%	1%	20%	50%	100%



Written off against classified Loans and Advances are considering to the extent that; i. there is no realistic prospects of recovery, and ii. 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 and revaluation reserve 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) REPO and Reverse REPO

Since 1 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.

### f) 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

## 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 company 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.

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

## 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.

## 2.8 Asset revaluation reserve

Dhaka Bank Limited re-valued 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

Other assets include 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.

## 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 Leasing

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 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.2,000,000,000.00 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 received approval for issuance of another tranche of Non Convertible Subordinated Bond of Tk. 3,000,000,000.00 as additional Supplementary Capital (Tier-2) of the Bank vide letter no. BSEC/CI/DS-34/2015/643 dated 28.12.2015 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 1st 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 1st January 2001 under section 3 & 4 of part-A of first schedule of Income Tax Ordinance 1984. The Bank contributes to the fund annually as per Superannuation Fund Rules of the bank.

**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.

### 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 quarterly 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 2015. Monthly bill of Credit Card is issued on 28th 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 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 2015 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.

Differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting/crediting to the Revaluation Account.

**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 Taka terms 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, 2015 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 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.

## 2.24 Earnings per shares (EPS)

Earnings 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.

## 2.25 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 2015 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 effect 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 2015.

### 2.33 Post Balance sheet event

The Board of Directors of the company in its 274th meeting held on 20 April 2016 approved the financial statements of the company for the year ended 31 December 2015 and authorized the same for the issue. The Board of Directors also recommended 10% stock and 6% cash dividend for public shareholders only for the year ended 31 December 2015 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 1,524 (Male- 1,179 & Female-345). The Bank recruited 111 numbers of staff during the year. Attrition rate is 5.70% in 2015 compared to 5.05% in 2014.

### 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 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 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 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 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 already introduced risk based internal audit and continues the same with necessary improvements when felt necessary. 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 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 II Implementation Unit of the Bank under a well-defined prudent investment framework

#### v. Credit risk management

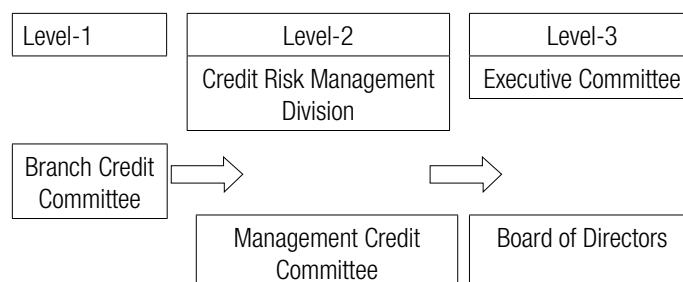
Credit Risk, broadly adverted as the uncertainty to meet financial obligations as per agreed terms and condition by the borrowers during the tenor of the credit facilities, occupies the largest constituent in the risk spectrum of financial institutions. Efficacy in credit risk management is demanded 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 meets at least once a month to analyze, review and formulate strategy to manage the balance sheet of the Bank. Dhaka Bank formed 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 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 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 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 this year. 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 IT 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 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 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 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 87 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 is fully aware of its responsibility towards stakeholders specially depositors.

### 2.37 Audit committee of the board of directors

#### j) 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
1	Mr. Syed Abu Naser Bukhtear Ahmed	Independent Director	Chairman	MBA
2	Mr. Reshadur Rahman	Chairman	Member	Graduate
3	Mrs. Rokshana Zaman	Vice Chairperson	Member	Intermediate
4	Mr. Tahidul Hossain Chowdhury	Director	Member	Bachelor of Arts

## ii) Meeting held with audit committee

During the year 2015, 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:

- Audit Plan for the year 2015.
- Quarterly (31.12.2014, 31.03.2015, 30.06.2015 and 30.09.2015) Statement of Self-Assessment of Anti-Fraud Internal Controls under DOS Circular Letter No.17 dated November 07, 2012 of Bangladesh Bank.
- Summary of Loan Classification and Provision as on 31.12.2014, 31.03.2015, 30.06.2015 and 30.09.2015.
- Compliance Report on pending issues/items of Audit Reports of 2013 and 2014 of Branches.
- Finalization of the Audited Financial Statements-2014.
- Re-appointment of M/s. ACNABIN, Chartered Accountants as External Auditors of the Bank.
- Un-audited Quarterly (31.03.2015, 30.06.2015 and 30.09.2015) Consolidated Financial Statements of the Company and quarterly Financial Statements of the Bank.
- Classified and Written-off Loan recovery strategy.
- Status of deviations in Quarterly Operations Report for the quarter ended December 2014.
- Compliance on 16th Comprehensive Inspection Report of Dhaka Bank Limited, Head Office, Dhaka Position as at Close of Business Dated 31 December 2013 Conducted by Inspection Team of Bangladesh Bank, Head Office, Dhaka.
- Compliance on 17th Comprehensive Inspection Report of Dhaka Bank Limited, Head Office, Dhaka Position as at Close of Business Dated 31 December 2014 Conducted by Inspection Team of Bangladesh Bank, Head Office, Dhaka.
- Summary Report on the Audit Findings & Corrective Measures taken thereon of Dhaka Bank Limited for the Year-2014.

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

The Committee placed its report 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	1st 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.	Md. Mokhlesur Rahman	Member (Faqih)	Member Secretary, Shariah Supervisory Committee, Union Bank Ltd.	28.02.1975	Kamil, MA
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.	Syed Mahbubur Rahman	Member (Ex-Officio)	Managing Director & CEO, Dhaka Bank Ltd.	16.02.1962	MBA, IBA, University of Dhaka
6.	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 2015, the following issues were discussed in the meetings:

- Purchase of AAOIFI Standards for Islamic Banking.
- Approval on appointment of Buying Agent Rules during Investment of Islamic Banking.
- Approval of Islamic Investment Policy of Islamic Banking Operations.
- Discussion on Shariah Inspection Report of Islamic Banking Branches (IBBs) as on dated 30.12.2014
- Discussion on Quard Policy against Mudaraba Term Deposit.
- Approval of Expense Heads of Compensation & Doubtful Income.
- Decision of publishing a Booklet on Muamalat of Daily lives regarding Islamic Solutions.
- Decision of arrangement a Workshop for Executives / Officials of the Bank by Central Shariah Board.
- Approval of Shariah Supervisory Committee Opinion for publication in Bank's Annual Report, 2014
- Approval of final rates on various Mudaraba Deposits on the basis of weight age.
- Discussion on separate Islamic Banking Software for Islamic Banking Operations.

- Maintenance of Compensation GL separately from Income Account
- Other shariah related issues.

### 2.39 Information about segment reporting

The bank operates under the following business segments:

Particulars	Conventional	Islamic	OBU	DBSL	DBIL	Total
Total Operating Income	6,709,427,625	50,929,419	133,300,850	272,862,568	11,712,213	6,994,002,406
Allocated Expenses	3,205,194,514	49,430,444	18,047,598	70,285,854	117,300	3,275,597,668
Operating Profit (Before Tax & Provision)	3,504,233,111	1,498,976	115,253,252	202,576,714	11,594,913	3,718,404,738
Total Provision (Loans/ Advances & Others)	1,128,242,099	-	7,824,205	102,021,410	-	1,230,263,509
Profit Before Tax	2,375,991,012	1,498,976	107,429,047	100,555,304	11,594,913	2,488,141,229
Provision for Income Tax	950,000,000	-	-	33,173,843	4,058,220	987,232,062
Net Profit	1,425,991,012	1,498,976	107,429,047	67,381,461	7,536,693	1,500,909,167
Segment Assets	171,903,600,903	8,262,809,306	3,054,048,811	5,035,910,452	275,467,105	177,214,978,460
Segment Liabilities	171,903,600,903	8,262,809,306	3,054,048,811	5,035,910,452	275,467,105	177,214,978,460

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 2015 and segmental profit and loss account for the year ended 31 December 2015 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:

SI. 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

SI. No.	BAS No.	BAS Title	Compliance Status
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

SI. 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.

		31.12.2015 Taka	31.12.2014 Taka
<b>3. Cash</b>			
Cash in hand	(Note: 3.1)	1,543,599,084	1,395,090,440
Balance with Bangladesh Bank and its agent bank(s)	(Note: 3.2)	13,422,713,525	14,505,763,632
		<b>14,966,312,609</b>	<b>15,900,854,072</b>
<b>3(a) Consolidated Cash</b>			
Dhaka Bank Limited	(Note: 3)	14,966,312,609	15,900,854,072
Dhaka Bank Securities Limited		109,500	109,500
Dhaka Bank Investment Limited		-	-
		<b>14,966,422,109</b>	<b>15,900,963,572</b>
<b>3.1 Cash in hand</b>			
In local currency		1,507,169,880	1,347,423,429
In foreign currencies		36,429,204	47,667,011
		<b>1,543,599,084</b>	<b>1,395,090,440</b>

Cash in hand (local currency) includes balance of cash held at Automated Teller Machine (ATM) of Tk.68,066,000 as on 31.12.2015.

<b>3.1(a) Consolidated Cash in hand</b>			
Dhaka Bank Limited	(Note: 3.1)	1,543,599,084	1,395,090,440
Dhaka Bank Securities Limited		109,500	109,500
Dhaka Bank Investment Limited		-	-
		<b>1,543,708,584</b>	<b>1,395,199,940</b>
<b>3.2 Balance with Bangladesh Bank and its agent bank(s)</b>			
Balance with Bangladesh Bank			
In local currency		8,717,693,496	8,515,756,575
Conventional		8,277,058,032	8,228,477,074
Al-Wadiah current account		440,635,463	287,279,501
In foreign currencies		4,577,955,675	5,882,421,520
		13,295,649,171	14,398,178,095
Balance with Sonali Bank as agent of Bangladesh Bank		127,064,354	107,585,537
		<b>13,422,713,525</b>	<b>14,505,763,632</b>

As per Bangladesh Bank circulars/guidelines, balance with Bangladesh Bank is 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)	13,422,713,525	14,505,763,632
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		<b>13,422,713,525</b>	<b>14,505,763,632</b>

### 3.3 Statutory deposits

Cash Reserve Ratio and Statutory Liquidity Ratio have been calculated and maintained as per Section 33 of the Bank Companies Act 1991 and BCD Circular No.13 dated 24.05.1992, BRPD Circular No.12 dated 20.09.1999 & BRPD Circular No.22 dated 06.11.2003, BRPD Circular No. 12 dated 25.08.2005, 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.

#### 3.3.1 Cash Reserve Ratio (CRR)

##### Conventional Banking

##### (6.50% of Average Demand and Time Liabilities)

Required reserve	8,034,850,226	7,522,321,339
Actual reserve maintained	8,066,948,979	7,677,576,428
<b>Surplus</b>	<b>32,098,753</b>	<b>155,255,089</b>
<b>Required</b>	<b>6.50%</b>	<b>6.50%</b>
	<b>6.53%</b>	<b>6.63%</b>



	31.12.2015 Taka	31.12.2014 Taka
<b>Islamic Banking</b> <b>(6.50% of Average Demand and Time Liabilities)</b>		
Required reserve	365,513,083	244,205,195
Actual reserve maintained	394,164,875	356,169,961
<b>Surplus</b>	<b>28,651,792</b>	<b>111,964,766</b>
<b>Required</b>	<b>6.50%</b>	<b>6.50%</b>
<b>Maintained</b>	<b>7.01%</b>	<b>9.48%</b>
<b>3.3.2 Statutory Liquidity Ratio (SLR)</b>		
<b>Conventional Banking</b> <b>(13% of Average Demand &amp; Time Liabilities )</b>		
Required reserve	16,069,700,452	15,044,642,678
Actual reserve maintained	21,183,070,043	20,416,814,714
<b>Surplus</b>	<b>5,113,369,591</b>	<b>5,372,172,036</b>
<b>Required</b>	<b>13.00%</b>	<b>13.00%</b>
<b>Maintained</b>	<b>17.14%</b>	<b>17.64%</b>
<b>Islamic banking</b> <b>(5.50% of Average Demand and Time Liabilities)</b>		
Required reserve	309,280,301	206,635,165
Actual reserve maintained	415,540,383	316,241,205
<b>Surplus</b>	<b>106,260,082</b>	<b>109,606,040</b>
<b>Required</b>	<b>5.50%</b>	<b>5.50%</b>
<b>Maintained</b>	<b>7.39%</b>	<b>8.42%</b>
<b>Held for Statutory Liquidity Ratio (Conventional)</b>		
Cash in Hand	1,513,181,000	1,368,140,000
Balance with Bangladesh Bank and its agent Bank(s) over CRR	366,662,438	943,429,480
Government Securities (excluding Assured Liquidity Support)	19,303,226,605	18,105,245,234
Others	-	-
	<b>21,183,070,043</b>	<b>20,416,814,714</b>
<b>Held for Statutory Liquidity Ratio (Islamic)</b>		
Cash in hand	30,418,000	26,808,000
Balance with Bangladesh Bank and its agent Bank(s) over CRR	55,122,383	39,433,205
Government securities (excluding Assured Liquidity Support)	330,000,000	250,000,000
Others	-	-
	<b>415,540,383</b>	<b>316,241,205</b>
<b>3.4 Maturity grouping of cash</b>		
On demand	14,966,312,609	15,900,854,072
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>14,966,312,609</b>	<b>15,900,854,072</b>

		31.12.2015 Taka	31.12.2014 Taka
<b>4. Balance with other banks and financial institutions</b>			
In Bangladesh	(Note: 4.1)	6,691,817,231	2,075,818,703
Outside Bangladesh	(Note: 4.2)	3,488,208,961	4,143,878,648
		<b>10,180,026,192</b>	<b>6,219,697,351</b>
<b>4(a) Consolidated Balance with other banks and financial institutions</b>			
In Bangladesh	(Note: 4.1(a))	6,724,351,465	2,542,023,266
Outside Bangladesh	(Note: 4.2(a))	3,488,208,961	4,143,878,648
		<b>10,212,560,426</b>	<b>6,685,901,914</b>
<b>4.1 In Bangladesh</b>			
<b>Current Deposit</b>			
Sonali Bank Limited		88,186,671	87,631,597
Janata Bank Limited		1,759,766	50,214,002
Southeast Bank Limited		222,814	696,964
Standard Chartered Bank (Visa Settlement)		6,165,219	14,991,583
Brac Bank Limited		540,786	11,737,187
Agrani Bank Limited		29,985,615	11,848,864
AB Bank Limited		-	1,470,304
Dutch Bangla Bank Limited		85,780	14,698,979
Islami Bank Bangladesh Limited		11,754,284	23,767,846
United Commercial Bank Limited		1,781,939	418,089
		<b>140,482,874</b>	<b>217,475,415</b>
<b>Special Notice Deposit (SND)</b>			
Janata Bank Limited		5,250,723	30,141,363
Dutch Bangla Bank Limited		8,182,060	8,156,387
Sonali Bank Limited		63,293	61,348
AB Bank Limited		169,029	524,080
Agrani Bank Limited		8,202,643	-
National Bank Limited		990,958	660,458
		<b>22,858,705</b>	<b>39,543,636</b>
<b>Fixed Deposit</b>			
<b>Commercial Banks</b>			
Social Islami Bank Limited		395,000,000	300,000,000
Al-Arafah Islami Bank Limited		-	1,200,000,000
Eastern Bank Limited		1,580,000,000	-
AB Bank Limited		2,370,000,000	-
Premier Bank Limited		395,000,000	-
BRAC Bank Limited		395,000,000	-
Trust Bank Limited		395,000,000	-
The City Bank Limited		790,000,000	-
		<b>6,320,000,000</b>	<b>1,500,000,000</b>
<b>Financial Institutions</b>			
Phoenix Finance and Investment Limited		193,475,652	203,799,652
Peoples Leasing Company Limited		15,000,000	115,000,000
		208,475,652	318,799,652
		<b>6,691,817,231</b>	<b>2,075,818,703</b>
<b>4.1(a) Consolidated In Bangladesh</b>			
Dhaka Bank Limited	(Note: 4.1)	6,691,817,231	2,075,818,703
Dhaka Bank Securities Limited		238,008,858	204,820,305
Dhaka Bank Investment Limited		271,922,950	261,384,258
		7,201,749,038	2,542,023,266
Less: Inter company transaction		477,397,573	-
		<b>6,724,351,465</b>	<b>2,542,023,266</b>

	31.12.2015 Taka	31.12.2014 Taka
<b>4.2 Outside Bangladesh (Nostro Accounts)</b>		
<b>Current Deposits</b>		
Standard Chartered Bank, New York	1,481,455,651	1,125,184,836
Mashreq Bank, New York	129,576,119	201,990,836
Habib American Bank, New York, OBU	-	29,182,037
Commerz Bank, Frankfurt	65,502,249	144,104,057
Habib American Bank	156,064,898	395,954,575
Wells Fargo Bank N.A., New York	214,703,944	-
Standard Chartered Bank, New York, OBU	522,548,757	-
Wachovia Bank NA, New York	-	293,027,253
JP Morgan Chase Bank NA	147,730,957	544,074,322
Standard Chartered Bank, Mumbai	65,887,763	(13,834,731)
Sonali Bank, Kolkata	9,664,979	5,086,901
AB Bank Mumbai	36,081,514	16,754,866
Nepal Bangladesh Bank	641,776	636,090
Sampath Bank, Srilanka	10,780,910	3,953,786
Bhutan National Bank	1,128,212	1,118,216
Bank of Bhutan	2,438,694	171,441
Habib Metropolitan Bank Ltd. Pakistan	21,216,962	25,098,512
Dhaka Bank OBU Nostro	474,000,000	1,221,480,000
ICICI Bank Limited, India	33,120,644	6,102,069
Mashreq Bank, Mumbai	12,784,603	36,263,313
Union Bank of Switzerland	6,579,896	6,307,181
Commerz Bank, Frankfurt	31,268,456	13,255,758
Standard Chartered Bank, Frankfurt	10,436,265	28,559,876
Unicredit S.P.A. Milano	4,002,601	3,631,661
Commonwealth Bank of Australia, Sydney	-	4,066,026
Commerz Bank, Frankfurt	3,159,217	-
Standard Chartered Bank, Japan	7,624,977	16,912,973
Standard Chartered Bank, London	29,879,383	24,832,219
Bank of Nova Scotia	-	1,578,461
Commerz Bank, Frankfurt	4,184,444	-
Al-Rajhi Bank, Kingdom of Saudi Arabia	5,745,088	8,386,116
	<b>3,488,208,961</b>	<b>4,143,878,648</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.

<b>4.2(a) Consolidated outside Bangladesh (Nostro Accounts)</b>		
Dhaka Bank Limited	(Note: 4.2) 3,488,208,961	4,143,878,648
Dhaka Bank Securities Limited	-	-
Dhaka Bank Investment Limited	-	-
	<b>3,488,208,961</b>	<b>4,143,878,648</b>
<b>4.3 Account-wise/grouping of balance with other banks and financial institutions</b>		
Current Deposits	3,628,691,835	4,361,354,063
Short-Notice Deposits	22,858,705	39,543,636
Fixed Deposits	6,528,475,652	1,818,799,652
	<b>10,180,026,192</b>	<b>6,219,697,351</b>
<b>4.4 Maturity grouping of balances with other banks and financial institutions</b>		
On demand	3,628,691,835	4,361,354,063
Upto 1 month	22,858,705	39,543,636
Over 1 month but not more than 3 months	-	-
Over 3 months but not more than 6 months	6,320,000,000	1,500,000,000
Over 6 months but not more than 1 year	208,475,652	318,799,652
Over 1 year but not more than 5 years	-	-
Over 5 years	-	-
	<b>10,180,026,192</b>	<b>6,219,697,351</b>

		31.12.2015 Taka	31.12.2014 Taka
<b>5. Money at call and on short notice</b>			
With banking companies	(Note: 5.1)	15,300,000	18,300,000
With non-banking financial institutions	(Note: 5.2)	-	430,000,000
		<b>15,300,000</b>	<b>448,300,000</b>
<b>5(a) Consolidated money at call and on short notice</b>			
Dhaka Bank Limited	(Note: 5)	15,300,000	448,300,000
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		<b>15,300,000</b>	<b>448,300,000</b>
<b>5.1 With banking companies</b>			
AB Bank Limited		-	-
BRAC Bank Limited		-	-
ICB Islamic Bank Limited		15,300,000	18,300,000
		<b>15,300,000</b>	<b>18,300,000</b>
<p>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.</p>			
<b>5.2 With non-banking financial institutions</b>			
Lanka Bangla Finance Ltd.		-	80,000,000
Delta Brac Housing Finance Corp. Ltd.		-	150,000,000
Industrial Promotion & Development Co. of Bangladesh Ltd.		-	100,000,000
Industrial & Infrastructure Development Finance Co. Ltd.		-	100,000,000
		-	<b>430,000,000</b>
<b>5.3 Maturity grouping of money at call &amp; short notice</b>			
On demand		-	430,000,000
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		15,300,000	18,300,000
		<b>15,300,000</b>	<b>448,300,000</b>
<b>6. Investments</b>			
Government securities	(Note: 6.1)	19,637,850,305	18,358,963,884
Other investments	(Note: 6.2)	1,161,237,635	1,339,891,277
		<b>20,799,087,940</b>	<b>19,698,855,161</b>
<b>6(a) Consolidated Investments</b>			
Dhaka Bank Limited	(Note: 6)	20,799,087,940	19,698,855,161
Dhaka Bank Securities Limited		2,273,836,150	1,962,110,178
Dhaka Bank Investment Limited		-	-
		<b>23,072,924,090</b>	<b>21,660,965,339</b>
<b>6.1 Government securities</b>			
Treasury bills	(Note: 6.1.1)	-	970,330,700
Treasury bonds	(Note: 6.1.2)	19,303,226,605	17,134,914,534
Government islamic bond		330,000,000	250,000,000
Prize bond		4,623,700	3,718,650
		<b>19,637,850,305</b>	<b>18,358,963,884</b>
<b>6.1(a) Consolidated Government securities</b>			
Dhaka Bank Limited	(Note: 6.1)	19,637,850,305	18,358,963,884
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		<b>19,637,850,305</b>	<b>18,358,963,884</b>

	31.12.2015 Taka	31.12.2014 Taka
<b>6.1.1 Treasury Bills</b>		
28 days Treasury Bills	-	-
30 days Treasury Bills	-	-
91 days Treasury Bills	-	211,364,799
182 days Treasury Bills	-	298,496,931
364 days Treasury Bills	-	460,468,970
	<b>-</b>	<b>970,330,700</b>
<b>6.1.2 Treasury Bonds</b>		
2 years Bangladesh Government Treasury Bond	1,078,263,045	2,254,313,429
5 years Bangladesh Government Treasury Bond	6,478,766,460	7,685,008,514
10 years Bangladesh Government Treasury Bond	9,606,145,066	6,267,836,050
15 years Bangladesh Government Treasury Bond	1,913,477,026	701,189,691
20 years Bangladesh Government Treasury Bond	226,575,008	226,566,851
	<b>19,303,226,605</b>	<b>17,134,914,534</b>
<b>6.2 Other investments</b>		
Investment in shares (Note:6.2.1)	239,737,635	670,891,277
Investment in subordinated bonds (Note:6.2.2)	521,500,000	569,000,000
Commercial Paper (Butterfly Marketing Ltd. and DoreenPower Generations & Systems Ltd.)	400,000,000	100,000,000
	<b>1,161,237,635</b>	<b>1,339,891,277</b>

As per DOS Circular No.02 dated 16 September 2013 of Bangladesh Bank, the total market value of investment in the capital market of any bank can not be exceeded 25% of the total amount of paid up capital, share premium account, statutory reserve and retained earnings of the bank. This exposure has to be reduced to the allowable limit by 21 July 2016. To comply with the guidelines of the Bangladesh Bank, the portfolio investment reduced from Tk.44 crore to Tk.1.37 crore by adjustment with provision account during the year 2015.

<b>6.2(a) Consolidated Other investments</b>		
Dhaka Bank Limited (Note: 6.2)	1,161,237,635	1,339,891,277
Dhaka Bank Securities Limited	2,273,836,150	1,962,110,178
Dhaka Bank Investment Limited	-	-
	<b>3,435,073,785</b>	<b>3,302,001,455</b>
<b>6.2.1 Shares</b>		
Quoted (Publicly Traded)	13,737,635	444,891,277
Unquoted	226,000,000	226,000,000
	<b>239,737,635</b>	<b>670,891,277</b>
(Details are given in <b>Annexure - B</b> )		
<b>6.2.2 Investment in subordinated bonds</b>		
MTBL subordinated bond	142,500,000	190,000,000
Mercantile Bank subordinated bond	300,000,000	300,000,000
The City Bank subordinated bond	79,000,000	79,000,000
	<b>521,500,000</b>	<b>569,000,000</b>

Dhaka Bank Limited invested in MTBL Subordinated bond, Marcantile Bank subordinated bond and The City Bank subordinated bond on 23 September 2010, 29 June 2014 and on 21 October 2014 respectively. The redemption of MTBL Subordinated bond has already started on 30 September 2015 and the redemption of Marcantile Bank subordinated bond and The City Bank subordinated bond will be started on 30 June 2017 and 21 October 2017.



### 6.3 Investment in securities are classified as per Bangladesh Bank Circular

#### Held for Trading (HFT)

	31.12.2015 Taka	31.12. 2014 Taka
28 days Treasury Bills	-	-
30 days Treasury Bills	-	-
91 days Treasury Bills	-	211,364,799
182 days Treasury Bills	-	298,496,931
364 days Treasury Bills	-	460,468,970
2 years Bangladesh Government Treasury Bond	1,029,555,070	1,018,843,695
5 years Bangladesh Government Treasury Bond	1,678,121,262	2,877,942,688
10 years Bangladesh Government Treasury Bond	2,806,514,632	572,247,607
15 years Bangladesh Government Treasury Bond	607,013,245	-
	<b>6,121,204,208</b>	<b>5,439,364,690</b>

#### Held to Maturity (HTM)

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	1,235,469,734
5 years Bangladesh Government Treasury Bond	4,800,645,198	4,807,065,825
10 years Bangladesh Government Treasury Bond	6,799,630,434	5,695,588,443
15 years Bangladesh Government Treasury Bond	1,306,463,781	701,189,691
20 years Bangladesh Government Treasury Bond	226,575,008	226,566,851
	<b>13,182,022,397</b>	<b>12,665,880,544</b>
	<b>19,303,226,605</b>	<b>18,105,245,234</b>

### 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	-	-
	-	-

#### Following assets were pledged as security for the above mentioned liabilities

Claim on banks	-	-
Claim on customers	-	-
	-	-

### 6.5 Maturity grouping of investments

On demand	244,361,335	674,609,927
Over 3 months but not more than 6 months	-	211,364,799
More than 6 months but less than 1 year	400,000,000	858,965,901
Over 1 year but not more than 5 years	8,408,529,506	10,758,321,943
Over 5 years	11,746,197,100	7,195,592,591
	<b>20,799,087,940</b>	<b>19,698,855,161</b>

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

Loans, cash credits, overdrafts, etc./Investments	(Note: 7.1)	115,445,516,023	100,903,755,848
Bills purchased and discounted	(Note: 8)	2,394,649,940	2,227,763,426
		<b>117,840,165,963</b>	<b>103,131,519,274</b>

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

Dhaka Bank Limited	(Note: 7)	117,840,165,963	103,131,519,274
Dhaka Bank Securities Limited		2,403,412,251	2,350,692,682
Dhaka Bank Investment Limited		-	-
		120,243,578,214	105,482,211,956
Less: Inter company transaction		2,059,097,699	1,878,000,000
		<b>118,184,480,515</b>	<b>103,604,211,956</b>

		31.12.2015 Taka	31.12.2014 Taka
<b>7.1 Loans, cash credits, overdrafts, etc./Investments</b>			
<b>Broad category-wise breakup</b>			
In Bangladesh			
Secured Overdraft/Quard		30,151,740,757	25,895,003,987
Cash Credit/Murabaha		8,471,869,368	8,176,502,757
House Building Loan		835,072,341	1,080,623,916
Transport Loan		884,930,592	915,394,422
Term Loan		36,750,405,359	33,244,080,791
Loan Against Trust Receipt		7,859,726,531	6,881,708,187
Payment Against Documents		102,705,800	121,531,907
Loan Against Imported Merchandize		63,557,902	292,899,560
Loan Against Accepted Bills		1,133,675,558	751,613,813
Packing Credit		290,005,594	122,416,440
Lease Finance / Izara	(Note: 7.3)	1,938,276,474	1,749,862,740
Credit Card		268,687,414	235,372,143
Retail Loan		622,316,670	1,595,885,762
Other Loans (Including Bai-Muajjal)		26,072,545,664	19,840,859,423
		115,445,516,023	100,903,755,848
Outside Bangladesh		-	-
		<b>115,445,516,023</b>	<b>100,903,755,848</b>
<b>7.1(a) Consolidated Loans, cash credits, overdrafts, etc./Investments</b>			
Dhaka Bank Limited	(Note: 7.1)	115,445,516,023	100,903,755,848
Dhaka Bank Securities Limited		2,403,412,251	2,350,692,682
Dhaka Bank Investment Limited		-	-
		117,848,928,274	103,254,448,530
Less: Inter company transaction		2,059,097,699	1,878,000,000
		<b>115,789,830,575</b>	<b>101,376,448,530</b>
<b>7.2 Residual maturity grouping of loans including bills purchased and discounted</b>			
Repayable on demand		33,519,902,061	24,386,265,223
Upto 1 month		18,196,221,860	16,052,005,497
Not more than 3 months		11,012,146,544	9,059,741,091
More than 3 months but not more than 6 months		11,339,858,145	11,839,358,759
More than 6 months but not more than 1 year		17,544,452,596	16,745,341,233
More than 1 year but not more than 5 years		23,989,080,249	22,158,953,293
More than 5 years		2,238,504,508	2,889,854,178
		<b>117,840,165,963</b>	<b>103,131,519,274</b>
<b>7.3 Investment in lease / izara finance</b>			
Lease rental receivable within 1 year		995,518,887	804,187,183
Lease rental receivable more than 1 year		1,176,677,886	1,222,839,776
<b>Total lease/ izara rental receivable</b>		<b>2,172,196,773</b>	<b>2,027,026,959</b>
Less: unearned interest/profit receivable		233,920,299	277,164,219
<b>Net investment in lease/izara finance</b>		<b>1,938,276,474</b>	<b>1,749,862,740</b>
<b>7.4 Product wise loans and advances</b>			
Loans		76,821,905,898	66,832,249,104
Cash Credits		8,471,869,368	8,176,502,757
Overdrafts		30,151,740,757	25,895,003,987
Bills purchased and discounted	(Note: 8)	2,394,649,940	2,227,763,426
		<b>117,840,165,963</b>	<b>103,131,519,274</b>
<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)	3,805,974	2,062,493
b. Advances to Chief Executive		-	208,325
c. Advances to Other Senior Executives		169,533,508	148,986,478
d. Advances to Customer's Group:			
Agriculture loan		545,749,021	1,694,224,767
Commercial lending		73,548,157,735	62,021,821,819
Export financing		8,108,727,876	7,224,769,131
Consumer credit scheme		1,367,751,687	1,306,557,535
Small and Medium Enterprise (SME)		12,218,670,366	10,648,851,988
Staff Loan		684,472,899	714,351,851
Others		21,193,296,896	19,369,684,887
		<b>117,840,165,963</b>	<b>103,131,519,274</b>

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

**7.6 Advances to customers for more than 10% of Bank's total capital**

	31.12.2015 Taka	31.12.2014 Taka
Number of customers	9	9
Amount of outstanding loans and advances*	19,693,159,944	17,699,718,558
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 2015.  
(Details are given in **Annexure - C**)

**7.7 Industry-wise loans, advances and lease/investments**

Agricultural	545,749,021	1,694,224,767
Pharmaceuticals	919,361,643	1,016,224,020
Textile & Garment	28,868,185,700	26,519,956,341
Chemical	1,517,557,877	1,321,388,059
Food & allied	6,909,703,499	5,048,209,415
Transport & Communication	3,640,581,919	3,371,503,504
Electronics & Automobile	1,854,823,252	1,170,502,905
Housing & Construction	14,891,062,355	12,900,384,117
Engineering & Metal Industries including Ship Breaking	14,120,490,692	11,223,049,895
Energy & Power	3,846,752,830	2,487,726,838
Service	5,392,482,749	3,677,802,112
Others	35,333,414,426	32,700,547,301
	<b>117,840,165,963</b>	<b>103,131,519,274</b>

**7.8 Geographical location-wise (division) distribution**

**Urban**

Dhaka Region	75,219,992,923	64,046,181,001
Chittagong Region	24,553,795,595	21,955,248,508
South Region	2,273,912,290	2,052,232,073
North Region	2,517,193,891	2,182,825,525
Sylhet Region	687,782,539	612,592,488
Other	4,618,092,406	4,312,440,518
	<b>109,870,769,645</b>	<b>95,161,520,113</b>

**Rural**

Dhaka Region	4,175,519,710	4,645,612,095
Chittagong Region	1,058,934,323	939,204,024
South Region	-	-
North Region	1,169,721,084	962,432,212
Sylhet Region	139,358,691	140,471,982
Other	1,425,862,511	1,282,278,848
	<b>7,969,396,319</b>	<b>7,969,999,161</b>
	<b>117,840,165,963</b>	<b>103,131,519,274</b>

**7.9 Sector-wise loans, advances and lease/investments**

Government & autonomous bodies	82,653,671	122,951,277
Financial institutions (Public & Private)	447,695,043	637,993,673
Private sector	117,309,817,249	102,370,574,324
	<b>117,840,165,963</b>	<b>103,131,519,274</b>

			31.12.2015 Taka	31.12.2014 Taka
<b>7.10</b>	<b>Classification of loans, advances and lease/investments</b>			
	<b>Unclassified</b>			
	Standard		108,070,088,301	94,215,418,510
	Special Mention Account		4,279,428,342	3,258,845,401
			<b>112,349,516,643</b>	<b>97,474,263,911</b>
	<b>Classified</b>			
	Sub-Standard		1,236,020,456	688,524,510
	Doubtful		265,358,725	496,348,474
	Bad or loss		3,989,270,139	4,472,382,379
			<b>5,490,649,320</b>	<b>5,657,255,363</b>
			<b>117,840,165,963</b>	<b>103,131,519,274</b>
<b>7.11</b>	<b>A) Provision required for loans and advances</b>			
	<b>Status</b>	<b>Base for Provision</b>	<b>Rate %</b>	
	<b>Unclassified</b>			
	Unclassified	10,437,124,047	0.25	26,092,810
	Unclassified*	90,915,245,951	1*	2,195,315,321
	Unclassified	2,452,572,414	2	49,051,448
	Unclassified	141,707,054	2.5	3,542,676
	Unclassified	534,008,145	5	26,700,407
	Special Mention Account	326,671,196	0.25	816,678
	Special Mention Account	3,923,526,261	1	39,235,263
	Special Mention Account	12,920,060	2	258,401
	Special Mention Account	16,310,825	5	815,541
				2,341,828,546
	<b>Classified</b>			
	Sub-Standard	265,396	5	13,270
	Sub-Standard	627,876,475	20	125,575,295
	Doubtful	67,177,956	50	33,588,978
	Bad or loss	1,743,521,183	100	1,743,521,183
				1,902,698,726
	Required provision for loans & advances			4,244,527,272
	Total provision maintained			4,244,527,272
	<b>Excess/Short provision as at 31 December</b>			-
				-
	* Liabilities of 18 (Eighteen) number of clients have been shown as UC instead of BL and SS under Writ Petition. Tk. 80.82 crore provision (Outstanding amount is Tk. 281.27 crore and base for provision is Tk. 120.43 crore) has been kept against the said clients. Tk. 80.82 crore provision is included within unclassified corporate advances and Tk. 51.13 crore additional provision (Outstanding amount is Tk. 326.09 crore and base for provision is Tk.213.39 crore) is maintained for 2 (Two) number of "UC" clients. Tk. 51.13 crore provision is also included within unclassified corporate advances.			
	Provision on loans and advances amended as per Bangladesh Bank Inspection Report submitted in Tripartite Meeting as well as subsequent instruction letters of BB. CL has been rectified accordingly.			
	<b>B) Provision for good borrower</b>		<b>1,254,000</b>	-
	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.			
	<b>C) Provision required for off-balance sheet exposures</b>			
	<b>Status</b>	<b>Base for Provision</b>	<b>Rate %</b>	
	Acceptances and Endorsements	14,225,611,128	1	142,256,111
	Letter of Credit	14,238,167,995	1	142,381,680
	Letter of Guarantee	14,194,068,714	1	141,940,687
	<b>Required provision</b>			426,578,478
	Total Provision Maintained			426,578,478
	<b>Excess / (Short) Provision as at 31 December</b>			-
				-
<b>7.12</b>	<b>Securities against loans including bills purchased and discounted :</b>			
	<b>a. Secured</b>			
	Collateral of movable / immovable assets		107,938,829,796	94,790,580,737
	Local banks & financial institutions guarantee		2,009,839,310	1,727,914,397
	Government guarantee		-	-
	Foreign banks guarantee		384,810,631	499,849,029
	Export documents		102,705,800	121,531,907
	<b>Fixed Deposits Receipts</b>			
	Own FDR		1,930,542,565	1,994,425,686
	FDR of Other banks		62,041,799	232,075,233
	Government bonds		-	-
	Personal guarantee		1,787,402,351	2,181,327,009
	Other securities		3,623,993,711	1,583,815,276
			117,840,165,963	103,131,519,274
	<b>b. Unsecured</b>			
				-
			<b>117,840,165,963</b>	<b>103,131,519,274</b>

### 7.13 Particulars of Loans, advances and lease/investments

	31.12.2015 Taka	31.12.2014 Taka
(i) Loans considered good in respect of which the bank company is fully secured;	60,415,746,902	53,727,469,237
(ii) Loans considered good against which the banking company holds no security other than the debtor's personal guarantee;	1,414,152,301	1,331,346,821
(iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors;	55,750,904,165	48,992,099,548
(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;*	857,788,515	865,609,148
(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)	3,805,974	2,062,493
(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;*	860,912,111	868,622,540
(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;	3,805,974	2,135,361
(ix) Due from banking companies;	-	-
(x) Amount of classified loan on which interest has not been charged, should be mentioned as follows:		
a) Increase/(decrease) in provision;	(180,234,191)	758,481,593
b) Amount realized against loan previously written off; **	57,380,000	34,220,000
c) Amount of provision kept against loan classified as "bad/loss" on the date of preparing the balance sheet;	1,776,777,963	1,957,012,154
d) Interest creditable to the Interest Suspense A/c;	-	-
(xi) Cumulative amount of the written off loan;***	4,680,072,911	3,739,379,806

\* The amount represents loan in the name of existing directors and officers of the bank.

\*\*The detail of Recovery of loan previously written off may seen in the **Annexure - E**

\*\*\* The detail of the amount of the written - off loans may be seen in the **Annexure - F**

### 8. Bills Purchased and Discounted

In Bangladesh	2,009,839,310	1,727,914,397
Outside Bangladesh	384,810,631	499,849,029
	<b>2,394,649,940</b>	<b>2,227,763,426</b>

### 8(a) Consolidated bills purchased and discounted

Dhaka Bank Limited	(Note: 8) 2,394,649,940	2,227,763,426
Dhaka Bank Securities Limited	-	-
Dhaka Bank Investment Limited	-	-
	<b>2,394,649,940</b>	<b>2,227,763,426</b>

### 8.1 Maturity grouping of bills purchased & discounted

Payable within 1 month	1,033,576,376	1,040,763,106
Over 1 month but less than 3 months	1,067,596,945	881,156,264
Over 3 months but less than 6 months	293,476,619	305,844,056
6 months or more	-	-
	<b>2,394,649,940</b>	<b>2,227,763,426</b>



		31.12.2015 Taka	31.12.2014 Taka
<b>9</b>	<b>Fixed assets including premises, furniture and fixtures</b>		
	<b>Cost/ Revaluation</b>		
	Land	2,950,332,536	2,950,332,536
	Building	555,607,656	451,628,137
	Furniture and fixture including office decoration	410,491,120	366,897,098
	Office appliances and equipment	734,292,285	574,275,583
	Computer	202,591,275	187,180,406
	Software	76,271,261	73,057,500
	Bank's vehicle	69,928,345	64,439,445
		4,999,514,479	4,667,810,705
	Less: Accumulated depreciation	899,531,122	710,011,448
		<b>4,099,983,356</b>	<b>3,957,799,257</b>
	(Details are given in <b>Annexure - D</b> )		
<b>9(a)</b>	<b>Consolidated fixed assets including premises, furniture and fixtures</b>		
	Dhaka Bank Limited (Note: 9)	4,099,983,356	3,957,799,257
	Dhaka Bank Securities Limited	9,870,370	14,818,239
	Dhaka Bank Investment Limited	-	-
		<b>4,109,853,726</b>	<b>3,972,617,496</b>
<b>10.</b>	<b>Other Assets</b>		
	Investment in shares of subsidiary companies (Note: 10.1)	1,749,999,880	1,749,999,880
	Stationery, stamps, printing materials etc.	36,342,049	59,107,097
	Advance rent	294,005,997	210,877,832
	Prepaid expenses against advertisement	19,197,432	23,742,389
	Interest/Profit accrued and other receivable (Note: 10.2)	506,949,293	499,875,191
	Security deposit	21,883,176	21,277,876
	Preliminary, formation, work in progress, renovation expenses and prepaid expenses (Note: 10.3)	2,563,186,913	2,672,846,497
	Branch adjustments (Note: 10.4)	25,761,499	13,554,788
	Suspense account (Note: 10.5)	174,359,339	114,911,072
	Others (Note: 10.6)	3,046,744,467	4,001,159,791
		<b>8,438,430,047</b>	<b>9,367,352,413</b>
<b>10(a)</b>	<b>Consolidated Other assets</b>		
	Dhaka Bank Limited (Note: 10)	8,438,430,047	9,367,352,413
	Dhaka Bank Securities Limited	110,673,323	67,503,339
	Dhaka Bank Investment Limited	3,544,155	2,151,369
		<b>8,552,647,525</b>	<b>9,437,007,121</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	60,000,000
	Receivable from Dhaka Bank Investment Limited	1,173,725	1,116,225
	Receivable from Dhaka Bank Securities Limited	111,202,361	146,694,625
		1,922,375,966	1,957,810,730
		<b>6,630,271,560</b>	<b>7,479,196,391</b>

		31.12.2015 Taka	31.12.2014 Taka
<b>10.1</b>	<b>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>

Dhaka Bank Securities Limited recommended for issue of 10 (ten) Bonus share for every 100 (one hundred) shares for the year 2014.

<b>10.2</b>	<b>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</b>	<b>Branch adjustment</b>		
	Branch adjustment account represents outstanding amount of inter-branch and head office transactions at the balance sheet date.		
<b>10.5</b>	<b>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</b>	<b>Others</b>		
	Advance Tax (Note: 10.6.1)	866,380,406	921,814,280
	Account Receivable Others (Note: 10.6.2)	2,180,364,061	3,079,345,511
		<b>3,046,744,467</b>	<b>4,001,159,791</b>
<b>10.6.1</b>	<b>Advance Tax</b>		
	Opening Balance	921,814,280	1,835,196,268
	Add: Paid during the year	1,133,460,133	1,391,744,053
		2,055,274,413	3,226,940,321
	Less: Adjustment during the year	1,188,894,008	2,305,126,041
		<b>866,380,406</b>	<b>921,814,280</b>
<b>10.6.2</b>	<b>Account receivable others</b>		
	Receivable against Bangladesh / Paribar Sanchaya Patra	178,464,079	139,634,404
	Fees receivable	963,160	2,382,231
	Receivable from share sale proceeds	103,928,144	35,097,891
	Finance to AD branches for Local Documentary Bill Purchased (Note: 10.6.2.a)	1,204,790,808	657,105,454
	Finance to AD branches for Import Bill Discounting (Note: 10.6.2.b)	544,288,727	2,069,579,588
	Protestation account	2,045,518	2,300,518
	ATM settlement account	32,281,215	24,492,506
	Receivable from exchange houses	1,226,324	942,069
	Receivable from Dhaka Bank Investment Limited	1,173,725	1,116,225
	Receivable from Dhaka Bank Securities Limited	111,202,361	146,694,625
		<b>2,180,364,061</b>	<b>3,079,345,511</b>

**10.6.2.a** In accordance with the FE Circular No.03 dated 04 February 2013 of Bangladesh Bank, the amount represents bills discounted Tk.1,204,790,808 to facilitate the exporters of the country.

**10.6.2.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.

	31.12.2015 Taka	31.12.2014 Taka
<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	1,204,790,808	657,105,454
Finance to AD branches for Import Bill Discounting	544,288,727	2,069,579,588
	<b>3,499,079,415</b>	<b>4,476,684,922</b>
<b>Non-income generating</b>		
Stationery, stamps, printing materials etc.	36,342,049	59,107,097
Advance rent	294,005,997	210,877,832
Prepaid expenses against advertisement	19,197,432	23,742,389
Interest/Profit accrued and other receivable	506,949,293	499,875,191
Security deposit	21,883,176	21,277,876
Preliminary, formation, work in progress, renovation expenses and prepaid expenses	2,563,186,913	2,672,846,497
Branch adjustments	25,761,499	13,554,788
Suspense account	174,359,339	114,911,072
Advance tax paid	866,380,406	921,814,280
Account receivable others		
Receivable against Bangladesh / Paribar Sanchaya Patra	178,464,079	139,634,404
Protestation account	2,045,518	2,300,518
Receivable from exchange houses	1,226,324	942,069
Receivable from Dhaka Bank Investment Limited	1,173,725	1,116,225
Receivable from Dhaka Bank Securities Limited	111,202,361	146,694,625
Fees receivable	963,160	2,382,231
Receivable from share sale proceeds	103,928,144	35,097,891
ATM settlement account	32,281,215	24,492,506
	<b>4,939,350,632</b>	<b>4,890,667,491</b>
	<b>8,438,430,047</b>	<b>9,367,352,413</b>
<b>11 Non-banking assets</b>		
Land and Building	<b>23,166,033</b>	<b>23,166,033</b>
<p>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.</p>		
<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) 9,323,249,963	7,014,072,791
Outside Bangladesh	1,311,480,458	2,400,612,268
	<b>10,634,730,420</b>	<b>9,414,685,059</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>-</b>

	31.12.2015 Taka	31.12.2014 Taka
<b>Bangladesh Bank refinance</b>		
Small and Medium Enterprise Syndication	174,809,295	216,604,139
Green Banking	2,291,407,007	594,747,814
Export Development Fund	697,601	633,166
Islami Investment Bond's Fund	4,726,336,060	5,002,087,672
	-	1,200,000,000
	<b>7,193,249,963</b>	<b>7,014,072,791</b>
<b>Outside Bangladesh</b>		
Bank SOHAR, Oman	798,350,125	1,566,000,000
United Bank, Dubai	-	51,612,268
NMB Bank, Nepal	-	234,900,000
BMI Bank, Bahrain	-	391,500,000
UBAE Bank, Italy	319,054,667	-
IDCOL, Bangladesh	194,075,666	-
Commercial Bank of Ceylon, Bangladesh	-	156,600,000
	<b>1,311,480,458</b>	<b>2,400,612,268</b>
	<b>10,634,730,420</b>	<b>9,414,685,059</b>

The amount of Tk.1,311,480,458 represents fund borrowed from foreign banks by Off-shore Banking branch.

#### 12.2 Disclosure regarding Outstanding Repo on 31 December 2015

Sl.no.	Counterparty Name	Agreement Date	Reversal Date	Amount in Taka
-	-	-	-	-

#### 12.3 Disclosure regarding Outstanding Reverse Repo on 31 December 2015

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

#### 12.4 Disclosure regarding Overall transaction of Repo and Reverse Repo during 2015

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	75,820,000	568,890,000	47,147,534
2	With other Banks & Fis	204,413,557	2,982,824,830	396,921,983
<b>Securities purchased under Reverse Repo</b>				
1	From Bangladesh Bank	250,000,000	480,000,000	4,465,753
2	From other Banks & Fis	149,392,650	1,055,501,518	9,474,666

		31.12.2015 Taka	31.12.2014 Taka
<b>12.5</b>	<b>Analysis by security</b>		
	Secured (assets pledge as security for liabilities)	-	-
	Unsecured	10,634,730,420	9,414,685,059
		<b>10,634,730,420</b>	<b>9,414,685,059</b>
<b>12.6</b>	<b>Repayment pattern</b>		
	Repayable on demand	2,130,000,000	-
	Repayable on maturity	8,504,730,420	9,414,685,059
		<b>10,634,730,420</b>	<b>9,414,685,059</b>
<b>12.7</b>	<b>Maturity grouping</b>		
	Repayable on demand	2,130,000,000	-
	Repayable within 1 month	-	-
	Over 1 month but within 3 months	-	-
	Over 3 month but within 6 months	-	1,200,000,000
	Over 6 months but within 1 year	6,213,323,414	7,619,937,245
	Over 1 year but within 5 years	2,291,407,007	594,747,814
	Over 5 years	-	-
		<b>10,634,730,420</b>	<b>9,414,685,059</b>
<b>12(a)</b>	<b>Consolidated Borrowings from other banks, financial institutions and agents</b>		
	Dhaka Bank Limited	(Note: 12) 10,634,730,420	9,414,685,059
	Dhaka Bank Securities Limited	2,259,097,699	1,878,000,000
	Dhaka Bank Investment Limited	-	-
		12,893,828,120	11,292,685,059
	Less: Inter company transaction	2,059,097,699	1,878,000,000
		<b>10,834,730,420</b>	<b>9,414,685,059</b>
<b>13.</b>	<b>Deposits and other accounts</b>		
	Current and other accounts	(Note: 13.1) 15,782,686,124	14,362,088,804
	Bills payable	(Note: 13.2) 1,267,436,384	2,175,092,005
	Savings deposits	(Note: 13.3) 15,041,681,604	11,463,880,702
	Term deposits	(Note: 13.4) 106,977,095,206	96,852,497,824
		<b>139,068,899,318</b>	<b>124,853,559,335</b>
	<b>Non-interest bearing accounts</b>		
<b>13.1</b>	<b>Current and other accounts</b>		
	Current account	8,630,357,775	6,971,439,303
	Foreign currency deposits	1,102,070,702	1,815,160,145
	Margin under Letter of Credit	1,251,237,763	935,966,065
	Margin under Letter of Guarantee	838,504,479	791,827,509
	Deposits awaiting disposal	389,298,236	608,304,811
	Sundry deposit	(Note: 13.1.1) 3,571,217,169	3,239,390,971
		<b>15,782,686,124</b>	<b>14,362,088,804</b>
<b>13.1.1</b>	<b>Sundry deposit</b>		
	F.C held against Back to Back L/C	3,302,727,639	2,969,208,539
	Sundry creditors	133,851,448	139,434,939
	Unclaimed deposits	71,793,022	63,616,930
	Risk fund	7,354,889	8,057,899
	Security deposits for locker	5,664,400	4,939,500
	Advance lease rent	49,825,771	54,133,164
		<b>3,571,217,169</b>	<b>3,239,390,971</b>



	31.12.2015 Taka	31.12.2014 Taka
<b>13.2 Bills payable</b>		
Pay order	1,031,881,086	1,723,392,053
Demand draft	235,555,298	451,699,952
	<b>1,267,436,384</b>	<b>2,175,092,005</b>
<b>Total Non-interest bearing accounts</b>	<b>17,050,122,508</b>	<b>16,537,180,809</b>
<b>Interest bearing Account</b>		
<b>13.3 Savings deposits</b>		
Savings account	12,746,576,955	10,565,695,867
Mudaraba savings accounts	2,295,104,649	898,184,835
	<b>15,041,681,604</b>	<b>11,463,880,702</b>
<b>13.3(a) Consolidated Savings deposits</b>		
Dhaka Bank Limited	15,041,681,604	11,463,880,702
Dhaka Bank Securities Limited	-	-
Dhaka Bank Investment Limited	-	-
	15,041,681,604	11,463,880,702
Less: Inter company transaction	477,397,573	-
	<b>14,564,284,031</b>	<b>11,463,880,702</b>
<b>13.4 Term deposits</b>		
Special Notice Deposits	9,776,875,770	7,188,777,447
Fixed Deposits	78,490,733,361	74,986,998,837
Deposit Pension Scheme	18,627,127,118	14,546,897,793
Gift Cheque	28,562,103	22,221,113
Marriage Deposit Scheme	193	273,839
Non Resident Foreign Currency Deposit (NFCD)	53,796,662	107,328,795
	<b>106,977,095,206</b>	<b>96,852,497,824</b>
<b>Total Interest bearing Account</b>	<b>122,018,776,811</b>	<b>108,316,378,526</b>
<b>Total Deposits and other accounts</b>	<b>139,068,899,318</b>	<b>124,853,559,335</b>
<b>13.5 Deposits and Other Accounts</b>		
Deposits from Banks	7,160,808,322	2,331,477,202
Deposits from Customers	131,908,090,996	122,522,082,133
	<b>139,068,899,318</b>	<b>124,853,559,335</b>
<b>Deposits from Banks</b>		
Current Deposits and Other Accounts	-	-
Savings Bank/Mudaraba	2,007,913,166	628,717,456
Special Notice Deposits	2,895,156	2,759,746
Fixed Deposits	5,150,000,000	1,700,000,000
	<b>7,160,808,322</b>	<b>2,331,477,202</b>
<b>Deposits from Customers</b>		
<b>i) Current Deposits and Other Accounts</b>		
Current Account	8,630,357,775	6,971,439,303
Foreign Currency Deposits	1,102,070,702	1,815,160,145
Margin under Letter of Credit	1,251,237,763	935,966,065
Margin under Letter of Guarantee	838,504,479	791,827,509
Deposits Awaiting Disposal	389,298,236	608,304,811
Sundry Deposit	3,571,217,169	3,239,390,971
	<b>15,782,686,124</b>	<b>14,362,088,804</b>

	31.12.2015 Taka	31.12.2014 Taka
<b>ii) Bills Payable</b>		
Pay Order	1,031,881,086	1,723,392,053
Demand Draft	235,555,298	451,699,952
	<b>1,267,436,384</b>	<b>2,175,092,005</b>
<b>iii) Savings Deposits</b>		
Savings Account	12,746,576,955	10,565,695,867
Mudaraba Savings Accounts	287,191,483	269,467,379
	<b>13,033,768,438</b>	<b>10,835,163,246</b>
<b>iv) Term Deposits</b>		
Special Notice Deposits	9,773,980,614	7,186,017,701
Fixed Deposits	73,340,733,361	73,286,998,837
Deposit Pension Scheme	18,627,127,118	14,546,897,793
Gift Cheque	28,562,103	22,221,113
Marriage Deposit Scheme	193	273,839
Non Resident Foreign Currency Deposit (NFCD)	53,796,662	107,328,795
	<b>101,824,200,051</b>	<b>95,149,738,078</b>
	<b>131,908,090,996</b>	<b>122,522,082,133</b>
<b>13.6 Payable on demand and time deposits</b>		
<b>a) Demand deposits</b>		
Current Account	8,630,357,775	6,971,439,303
Savings Deposits (10%)	1,504,168,160	1,146,388,070
Foreign Currency Deposits	1,102,070,702	1,815,160,145
Margin under Letter of Credit	1,251,237,763	935,966,065
Margin under Letter of Guarantee	838,504,479	791,827,509
Deposits Awaiting Disposal	389,298,236	608,304,811
Sundry Deposit	3,571,217,169	3,239,390,971
Bills Payable	1,267,436,384	2,175,092,005
	<b>18,554,290,668</b>	<b>17,683,568,879</b>
<b>b) Time Deposits</b>		
Savings Deposits (90%)	13,537,513,444	10,317,492,632
Special Notice Deposits	9,776,875,770	7,188,777,447
Fixed Deposits	78,490,733,361	74,986,998,837
Deposit Pension Scheme	18,627,127,118	14,546,897,793
Gift Cheque	28,562,103	22,221,113
Marriage Deposit Scheme	193	273,839
Non Resident Foreign Currency Deposit (NFCD)	53,796,662	107,328,795
	<b>120,514,608,650</b>	<b>107,169,990,456</b>
	<b>139,068,899,318</b>	<b>124,853,559,335</b>
<b>13.7 Maturity grouping of deposits and other accounts</b>		
<b>Other than Bank Deposits</b>		
Repayable on demand	17,078,684,610	16,559,401,922
Repayable within 1 month	22,861,545,714	18,128,509,742
Over 1 month but within 3 months	36,787,144,191	35,133,558,652
Over 3 months but within 6 months	9,196,786,048	8,783,389,663
Over 6 months but within 1 year	18,393,572,289	17,567,053,165
Over 1 year but within 5 years	16,554,214,886	15,810,101,393
Over 5 years but within 10 years	11,036,143,257	10,540,067,596
	<b>131,908,090,996</b>	<b>122,522,082,133</b>

**Inter-bank deposits**

	31.12.2015 Taka	31.12.2014 Taka
Repayable on demand	-	-
Repayable within 1 month	2,010,808,322	631,477,202
Over 1 month but within 3 months	-	-
Over 3 months but within 6 months	5,150,000,000	1,700,000,000
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years but within 10 years	-	-
	<b>7,160,808,322</b>	<b>2,331,477,202</b>
	<b>139,068,899,318</b>	<b>124,853,559,335</b>

**13.8 Sector wise Deposits**

Government	943,283,854	848,195,514
Public Sector	7,801,806,350	5,994,673,193
Private sector	130,323,809,114	118,010,690,628
	<b>139,068,899,318</b>	<b>124,853,559,335</b>

**13.(a) Consolidated deposits and other accounts**

Dhaka Bank Limited	139,068,899,318	124,853,559,335
Dhaka Bank Securities Limited	-	-
Dhaka Bank Investment Limited	-	-
	139,068,899,318	124,853,559,335
Less: Inter company transaction	477,397,573	-
	<b>138,591,501,745</b>	<b>124,853,559,335</b>

**14. Non Convertible Subordinated Bond**

	<b>1,400,000,000</b>	<b>2,000,000,000</b>
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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 dated 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.

Moreover, the bank received approval for issuance of another tranche of non convertible subordinated bond of Tk. 3,000,000,000 vide letter no. BSEC/CI/DS-34/2015/643 dated 28.12.2015 to strengthen the capital base in line with the newly introduced Capital Adequacy Guidelines under BASEL-III Accord.

**15. Other Liabilities**

Accrued Interest		11,677,888	80,604,602
Provision on loans and advances	(Note: 15.1)	4,244,527,272	3,569,521,263
Provision for good borrower	(Note: 15.2)	1,254,000	-
Provision for off balance sheet exposure	(Note: 15.3)	426,578,478	398,840,178
Interest suspense account	(Note: 15.4)	2,419,863,452	1,945,302,752
Provision for decrease in value of investments	(Note: 38)	4,967,735	162,188,991
Fund for Dhaka Bank Foundation	(Note: 36.1)	23,999,322	32,533,724
Provision for current tax	(Note: 15.7)	1,479,868,518	1,733,928,707
Deferred tax liabilities	(Note: 15.8)	40,169,445	36,601,232
Other account payable	(Note: 15.9)	2,882,754,066	1,402,382,404
Provision for other assets	(Note: 15.6)	8,670,024	8,670,024
Provision against expenses	(Note: 15.5)	62,643,513	59,373,340
Tax deducted at source & payable		239,534,187	224,418,157
Excise duty payable		23,663,237	79,420,168
		<b>11,870,171,137</b>	<b>9,733,785,542</b>

	31.12.2015 Taka	31.12.2014 Taka
<b>15(a) Consolidated Other liabilities</b>		
Dhaka Bank Limited	11,870,171,137	9,733,785,542
Dhaka Bank Securities Limited	929,597,274	942,220,226
Dhaka Bank Investment Limited	9,982,658	5,809,438
	<b>12,809,751,069</b>	<b>10,681,815,206</b>
Less: Inter-company transactions		
Dhaka Bank Securities Limited	111,202,361	146,694,625
Dhaka Bank Investment Limited	1,173,725	1,116,225
	112,376,086	147,810,850
	<b>12,697,374,983</b>	<b>10,534,004,356</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	2,120,305,055	2,185,734,892
Specific provision	680,467,438	243,883,535
Fully provided debt written off	(477,905,874)	(129,616,036)
Provision no longer required	(420,167,893)	(179,697,336)
<b>Provision held at the end of the year</b>	<b>1,902,698,726</b>	<b>2,120,305,055</b>
<b>ii) The movement in general provision on unclassified loans:</b>		
Provision held at the beginning of the year	1,449,216,208	956,259,041
Additional provision for the year	892,612,338	492,957,167
<b>Provision held at the end of the year</b>	<b>2,341,828,546</b>	<b>1,449,216,208</b>
	<b>4,244,527,272</b>	<b>3,569,521,263</b>
<b>15.2 Provision for good borrower</b>	<b>1,254,000</b>	<b>-</b>
<b>15.3 Provision for off balance sheet exposures</b>		
Opening balance	398,840,178	373,671,394
Add: Addition during the year	27,738,300	25,168,784
	<b>426,578,478</b>	<b>398,840,178</b>
<p>The Bank has made a provision of Tk.27,738,300 @ 1.00% on off balance sheet exposure (i.e. Acceptance &amp; Endorsement, Letter of Credit &amp; 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.426,578,478 is deemed sufficient on requirement and will be treated as Supplementary Capital of the bank..</p>		
<b>15.4 Interest Suspense Account</b>		
Balance at the beginning of the year	1,945,302,752	1,515,124,672
Amount transferred to "Interest Suspense" A/c during the year	838,523,004	932,075,487
Amount recovered in "Interest Suspense" A/c during the year	(90,983,056)	(471,892,761)
Amount written off during the year	(272,979,248)	(30,004,646)
<b>Balance at the end of the year</b>	<b>2,419,863,452</b>	<b>1,945,302,752</b>
<b>15.5 Provision against expenses</b>		
Provision for audit fees	920,000	805,000
Provision for other professional fees	115,000	-
Provision for superannuation fund	2,500,000	2,500,000
Provision for LFA	-	33,367
Provision for bonus	50,000,000	52,123,018
Provision for house rent, telephone, utility, risk premium etc.	8,220,022	2,798,464
Provision for promotional expenses for exchange houses	888,491	1,113,491
	<b>62,643,513</b>	<b>59,373,340</b>

## 15.6 Provision for Other Assets

	31.12.2015 Taka	31.12.2014 Taka
Balance at the beginning of the year	8,670,024	3,229,818
Add: Addition during the year	-	5,440,206
<b>Balance at the end of the year</b>	<b>8,670,024</b>	<b>8,670,024</b>

## 15.7 Provision for Current Tax

Opening Balance	1,733,928,707	2,862,920,241
Add: Provision made during the year	934,833,819	1,176,134,507
	2,668,762,526	4,039,054,748
Less: Adjustment during the year	1,188,894,008	2,305,126,041
	<b>1,479,868,518</b>	<b>1,733,928,707</b>

Provision for taxation has been made on accounting profit considering taxable allowances / disallowances as per Income Tax Ordinance 1984 amounting to Tk. 934,833,819 as current tax provision for the year 2015 (Assessment Year 2016-2017). 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. The 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) to be submitted by 15 July 2016.

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

Dhaka Bank Limited	(Note: 15.7) 934,833,819	1,176,134,507
Dhaka Bank Securities Limited	34,308,963	50,880,298
Dhaka Bank Investment Limited	4,058,220	4,635,713
	<b>973,201,002</b>	<b>1,231,650,519</b>

## 15.8 Deferred tax liabilities

Opening Balance	36,601,232	20,890,606
Add: Addition during the year	3,568,213	15,710,626
	<b>40,169,445</b>	<b>36,601,232</b>

### 15.8(a) Consolidated Deferred tax liabilities

Dhaka Bank Limited	(Note: 15.8) 3,568,213	15,710,626
Dhaka Bank Securities Limited	(1,135,120)	(968,495)
Dhaka Bank Investment Limited	-	-
	<b>2,433,092</b>	<b>14,742,131</b>



	31.12.2015 Taka	31.12.2014 Taka
<b>15.9 Other Account Payable</b>		
3 month and 5 years Bangladesh/Pratirakhkha Sanchay Patra Application, Processing, Membership & Utilisation Fee	44,831,230	23,024,360
Adjusting Account Credit	9,188,168	4,981,800
Export Proceeds Suspense	19,690,650	11,870,909
Vendors' Security Deposit	766,186,812	380,929,768
Finance from Bill Discounting OBU (Note: 15.9.1)	1,455,994	5,701,687
Compensation Income of Islamic Banking operations (Note: 15.9.2)	1,206,697,723	658,310,392
Import Payment Suspense	27,656,188	18,139,292
Baina against Non-Banking Assets (Note: 15.9.3)	787,047,300	279,424,196
	20,000,000	20,000,000
	<b>2,882,754,066</b>	<b>1,402,382,404</b>

**15.9.1** Authorised dealer branches maintained cover fund of Tk.1,206,697,723 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.27,656,188 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.

## 16 Share capital

### 16.1 Authorised Capital

1,000,000,000 ordinary shares of Tk.10 each

**10,000,000,000**

**10,000,000,000**

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.

### 16.2 Issued, Subscribed and Paid-up Capital

568,512,964 ordinary shares of Tk.10 each issued for cash

5,685,129,640

5,414,409,190

56,851,296 ordinary shares of Tk.10 each issued as bonus shares

568,512,960

270,720,450

**6,253,642,600**

**5,685,129,640**

The Bank has increased its paid up capital by issuance of 10% bonus share i.e 56,851,296 ordinary shares of Tk. 10.00 each as on 14 May 2015.

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

## 16.6 Percentage of shareholding

Particulars	2015		2014	
	% of holdings	Value of Shares (Tk.)	% of holdings	Value of Shares (Tk.)
<b>1. Local Ownership</b>				
Banking Companies	12.01	750,774,730	12.04	684,702,820
Financial Institutions	4.90	306,266,150	5.18	294,658,850
Sponsors	39.08	2,444,182,770	45.48	2,585,588,180
General Public	37.88	2,368,904,400	32.47	1,845,954,080
Mutual Fund	0.81	50,540,540	0.29	16,361,550
Unit Funds	0.30	18,855,800	0.18	10,134,680
ICB Account Holders	0.09	5,898,810	0.12	6,562,660
ICB Head office (Investors A/c)	0.07	4,487,490	0.08	4,403,150
ICB Unit Fund	-	-	0.09	5,061,100
ICB AMCL First Mutual Fund	-	-	0.01	398,190
Non-Resident Bangladeshi (NRB)	0.45	28,323,460	0.65	36,996,250
ICB Mutual Fund	-	-	-	-
ICB Investors A/C, Local Office	0.02	1,100,000	0.03	1,507,710
ICB Capital Management Limited	0.32	20,241,400	0.32	18,398,390
Other Investor's A/C	3.93	246,018,520	3.07	174,402,030
	<b>99.87</b>	<b>6,245,594,070</b>	<b>100.00</b>	<b>5,685,129,640</b>
<b>2. Foreign Ownership</b>				
Financial Company	0.13	8,048,530	-	-
	<b>0.13</b>	<b>8,048,530</b>	<b>-</b>	<b>-</b>
	<b>100.00</b>	<b>6,253,642,600</b>	<b>100.00</b>	<b>5,685,129,640</b>

## 16.7 Classification of shareholders by holding

Holdings	2015		2014	
	No. of share holders	Number of Shares	No. of share holders	Number of Shares
1 to 500 shares	19,395	3,087,661	26,172	3,870,885
501 to 5,000 shares	11,452	19,230,000	13,405	21,945,690
5,001 to 10,000 shares	934	6,525,531	1,059	7,338,676
10,001 to 20,000 shares	474	6,548,761	554	7,561,454
20,001 to 30,000 shares	156	3,810,900	175	4,177,452
30,001 to 40,000 shares	56	1,930,971	71	2,467,686
40,001 to 50,000 shares	50	2,260,591	49	2,168,218
50,001 to 100,000 shares	90	6,564,380	110	7,765,593
100,001 to 1,000,000 shares	114	38,574,507	128	40,855,314
1000001 & above shares	77	536,830,958	74	470,361,996
	<b>32,798</b>	<b>625,364,260</b>	<b>41,797</b>	<b>568,512,964</b>

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

Sl. No.	Name of Directors with Designation	2015		2014	
		No. of share	Value of share (Tk.)	No. of share	Value of share (Tk.)
1	Mr. Reshadur Rahman Chairman	21,107,938	211,079,380	19,024,605	190,246,050
2	Mrs. Rokshana Zaman Vice Chairperson	12,519,812	125,198,120	11,381,648	113,816,480
3	Mr. Mirza Abbas Uddin Ahmed* Director	-	-	35,067,910	350,679,100
4	Mr. Abdul Hai Sarke Director	13,605,774	136,057,740	12,368,886	123,688,860
5	Mr. Altaf Hossain Sarker Director	17,440,446	174,404,460	15,854,951	158,549,510
6	Mr. Mohammed Hanif Director	19,048,981	190,489,810	17,317,256	173,172,560
7	Mr. Md. Amirullah Director	12,508,771	125,087,710	11,371,610	113,716,100
8	Mr. Abdullah Al Ahsan Director	12,509,848	125,098,480	11,372,590	113,725,900
9	Mr. Khondoker Monir Uddin Director	17,959,623	179,596,230	16,326,930	163,269,300
10	Mr. Tahidul Hossain Chowdhury Director	12,559,725	125,597,250	11,417,932	114,179,320
11	Mr. Jashim Uddin Director	12,508,886	125,088,860	11,371,715	113,717,150
12	Mr. Khondoker Jamil Uddin Director	12,508,712	125,087,120	11,371,557	113,715,570
13	Mr. Mirza Yasser Abbas Director	23,032,472	230,324,720	20,938,611	209,386,110
14	Mr. Amanullah Sarker Director	12,508,774	125,087,740	11,371,613	113,716,130
15	Mr. M.N.H. Bulu Director	12,841,605	128,416,050	-	-
16	Mr. Syed Abu Naser Bukhtear Ahmed Independent Director	-	-	-	-
17	Mr. Suez Islam** Independent Director	-	-	1,675,078	16,750,780
	<b>Total</b>	<b>212,663,382</b>	<b>2,126,613,670</b>	<b>218,234,906</b>	<b>2,182,328,920</b>

\* Continued as director up to 05.09.2015.

\*\* Continued as independent director up to 20.09.2015.

## 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)

	31.12.2015 Taka	31.12.2014 Taka
Paid up Capital	6,253,642,600	5,685,129,640
Statutory Reserve	5,300,741,818	4,825,543,616
General Reserve	160,272,618	160,272,618
Surplus in profit and loss account/ Retained Earnings	962,390,782	1,364,431,114
	<b>12,677,047,818</b>	<b>12,035,376,988</b>

#### Regulatory Adjustment:

Book value of Goodwill and value of all other Intangible Assets*	34,205,020	-
<b>Total Common Equity Tier 1 Capital (CET 1)</b>	<b>12,642,842,799</b>	<b>12,035,376,988</b>
<b>Additional Tier 1 Capital (AT 1)</b>	<b>-</b>	<b>-</b>
<b>Total Tier - I Capital</b>	<b>12,642,842,799</b>	<b>12,035,376,988</b>

(\*Written down value of Software which is treated as Intangible Assets)

### Tier - II Capital (Going - Concern Capital)

General provision including off-balance sheet exposure	(Note - 16.9.1)	1,680,022,373	1,848,056,386
Asset revaluation reserve (50%)	(Note-18.2)	259,382,000	324,227,500
Revaluation reserve for HTM & HFT securities (50%)	(Note - 16.9.2)	25,267,379	30,840,819
[Note-2.5(a) & (b) and 18.3]			
Non-convertible subordinated bond	(Note-16.9.3)	800,000,000	1,200,000,000
		<b>2,764,671,752</b>	<b>3,403,124,705</b>

#### Regulatory Adjustment (if any)

		-	-
<b>Total Tier - II Capital</b>		<b>2,764,671,752</b>	<b>3,403,124,705</b>

#### A. Total Eligible Capital

	<b>15,407,514,550</b>	<b>15,438,501,692</b>
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### B. Risk Weighted Assets

#### Credit Risk

Balance sheet business	116,933,105,879	107,728,400,000
Off- Balance sheet business	17,468,683,949	18,475,900,000
	<b>134,401,789,828</b>	<b>126,204,300,000</b>

Market Risk	2,290,722,493	1,611,900,000
Operational Risk	10,650,650,000	10,025,400,000
<b>Total Risk-weighted Assets</b>	<b>147,343,162,322</b>	<b>137,841,600,000</b>

#### C. Required Capital on Risk Weighted Assets

	<b>14,734,316,232</b>	<b>13,784,160,000</b>
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#### D. Capital Surplus / (Shortfall) [A-C]

	<b>673,198,318</b>	<b>1,654,341,692</b>
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<b>Total Capital Ratio (%)</b>	<b>10.46%</b>	<b>11.20%</b>
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Capital Requirement	2015		2014	
	Required (%)	Held (%)	Required (%)	Held (%)
Tier - I Capital (Going Concern Capital)	5.50	8.58%	5.00	8.73%
Tier - II Capital (Gone Concern Capital)	-	1.88%	-	2.47%
<b>Total</b>		<b>10.46%</b>		<b>11.20%</b>

- 16.9.1** As per risk based capital adequacy guideline for banks under BASEL - III, the Tier 2 capital under heading "General Provision" is limited to the actual amount of general provision or 1.25% of credit risk weighted assets, which is lower.
- 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 2015 so that the whole revaluation reserve amount will not get capital treatment after the end of five years (starting from January 2015).
- 19.9.3** As per the risk based capital adequacy guidelines in line with Basel-II issued in December 2010 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.1,200,000,000 of non-convertible subordinated bond has not been treated as Supplementary Capital (Tier-2) in 2015. According to the guidelines, Tk.400,000,000 in 2013, Tk.800,000,000 crore in 2014 and Tk.1,200,000,000 in 2015 of non convertible subordinated bond has not been treated as supplementary capital (Tier-2).

Capital Adequacy Ratio (CAR) 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 on reporting CRAR & leverage ratio by Bangladesh Bank.

	31.12.2015 Taka	31.12.2014 Taka
<b>16.9(a) Consolidated Capital to Risk Weighted Assets Ratio (CRAR) - as per BASEL III</b>		
<b><u>Tier - I Capital (Going - Concern Capital)</u></b>		
<b>Common Equity Tier 1 Capital (CET 1)</b>		
Paid up Capital	6,253,642,600	5,685,129,640
Minority Interest	37,355	28,994
Statutory Reserve	5,300,741,818	4,825,543,616
General Reserve	160,272,618	160,272,618
Surplus in profit and loss account/ Retained Earnings	1,265,053,472	1,591,962,445
	<b>12,979,747,863</b>	<b>12,262,937,313</b>
<b>Regulatory Adjustment:</b>		
Book value of Goodwill and value of all other Intangible Assets**	34,249,226	-
Deferred Tax Assets (DTA)	1,756,323	-
	<b>36,005,549</b>	-
(**Written down value of Software which is treated as Intangible Assets)		
<b>Total Common Equity Tier 1 Capital (CET 1)</b>	<b>12,943,742,314</b>	<b>12,262,937,313</b>
<b>Additional Tier 1 Capital (AT 1)</b>	-	-
<b>Total Tier - I Capital</b>	<b>12,943,742,314</b>	<b>12,262,937,313</b>
<b><u>Tier - II Capital (Gone Concern Capital)</u></b>		
General provision	1,701,683,898	1,848,056,386
Asset revaluation reserve (50%) (Note-18.2)	259,382,000	324,227,500
Revaluation reserve for HTM & HFT securities (50%) [Note-2.5(a) & (b) and 18.3]	25,267,379	30,840,819
Non-convertible subordinated bond (Note-16.9.1)	800,000,000	1,200,000,000
	<b>2,786,333,276</b>	<b>3,403,124,705</b>
<b>Regulatory Adjustment (if any)</b>	-	-
<b>Total Tier - II Capital</b>	<b>2,786,333,276</b>	<b>3,403,124,705</b>
<b>A. Total Eligible Capital</b>	<b>15,730,075,591</b>	<b>15,666,062,017</b>



	31.12.2015 Taka	31.12.2014 Taka
<b>B. Risk Weighted Assets</b>		
Credit risk		
Balance sheet business	118,666,027,856	107,743,200,000
Off- balance sheet business	17,468,683,949	18,475,900,000
	<b>136,134,711,805</b>	<b>126,219,100,000</b>
Market risk	4,199,163,912	1,611,900,000
Operational risk	10,993,430,350	10,025,400,000
<b>Total Risk-Weighted Assets</b>	<b>151,327,306,067</b>	<b>137,856,400,000</b>
<b>C. Required Capital on Risk Weighted Assets</b>	<b>15,132,730,607</b>	<b>13,785,640,000</b>
10% on total risk weighted assets		
<b>D. Capital Surplus / (Shortfall) [A-C]</b>	<b>597,344,984</b>	<b>1,880,422,017</b>
<b>Total capital ratio (%)</b>	<b>10.39%</b>	<b>11.36%</b>

Capital requirement	2015		2014	
	Required (%)	Held (%)	Required (%)	Held (%)
Tier - I Capital (Going Concern Capital)	5.50	8.55%	5.00	8.90%
Tier - II Capital (Gone Concern Capital)	-	1.84%	-	2.47%
<b>Total</b>		<b>10.39%</b>		<b>11.36%</b>

Capital Adequacy Ratio (CAR) 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 on reporting CRAR & leverage ratio by Bangladesh Bank.

<b>16(a) Non-controlling interest</b>		
Opening balance	28,994	21,968
Add: Addition for the year from Dhaka Bank Securities Limited	7,608	6,193
Addition for the year from Dhaka Bank Investment Limited	754	773
Dhaka Bank Investment Limited	-	60
	<b>37,355</b>	<b>28,994</b>

<b>17. Statutory reserve</b>		
Opening balance	4,825,543,616	4,181,375,888
Add: Addition during the year	475,198,202	644,167,728
	<b>5,300,741,818</b>	<b>4,825,543,616</b>

As per Section 24 of Bank Companies Act 1991, 20% of pre tax profit has been transferred to statutory reserve account.

<b>18. Other reserve</b>		
General reserve (Note 18.1)	160,272,618	160,272,618
Assets revaluation reserve (Note 18.2)	648,455,000	648,455,000
Investment revaluation reserve (Note 18.3)	63,168,447	61,681,637
	<b>871,896,065</b>	<b>870,409,255</b>

<b>18.1 General reserve</b>		
Opening balance	160,272,618	139,877,943
Add: Addition during the year	-	20,394,675
	<b>160,272,618</b>	<b>160,272,618</b>

	31.12.2015 Taka	31.12.2014 Taka
<b>18.2 Assets revaluation reserve</b>		
Opening balance	648,455,000	648,455,000
Add: Addition during the year	-	-
	<b>648,455,000</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.

<b>18.3 Investment revaluation reserve</b>		
<b>Revaluation reserve for HTM securities</b>		
Opening balance	38,796,746	267,535,985
Add: Addition during the year	4,534,472	4,285,988
Less: Adjustment during the year	(205,725)	(233,025,227)
	43,125,493	38,796,746
<b>Revaluation reserve for HFT securities</b>		
Opening balance	22,884,891	44,084,868
Add: Addition during the year	804,471,869	178,029,620
Less: Adjustment during the year	(807,313,806)	(199,229,597)
	20,042,955	22,884,891
	<b>63,168,447</b>	<b>61,681,637</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 will be treated as supplementary capital.

<b>19. Retained earnings</b>		
Opening balance	1,364,431,114	1,191,170,022
Add: Post-tax profit for the year	1,437,588,980	2,028,993,508
	2,802,020,09	3,220,163,53
Less: Transfer to statutory reserve	475,198,202	644,167,728
Transfer to general reserve	-	20,394,675
Stock dividend	568,512,960	270,720,450
Cash dividend	795,918,150	920,449,563
	1,839,629,312	1,855,732,416
	<b>962,390,782</b>	<b>1,364,431,114</b>

<b>19(a) Consolidated retained earnings</b>		
Dhaka Bank Limited	962,390,782	1,364,431,114
Dhaka Bank Securities Limited	287,215,478	219,834,017
Dhaka Bank Investment Limited	15,484,447	7,726,189
	1,265,090,707	1,591,991,319
Less: Non-controlling interest	37,235	28,874
	<b>1,265,053,472</b>	<b>1,591,962,445</b>

<b>20. Profit &amp; loss account</b>		
<b>Income</b>		
Interest, discount and similar income	12,135,286,236	13,705,387,970
Dividend income	17,224,307	80,295,480
Fee, commission and brokerage	848,851,082	826,966,780
Gains less losses arising from investment securities	3,005,205,439	2,504,435,289
Gains less losses arising from dealing in foreign currencies	467,294,212	300,070,001
Other operating income	351,862,797	318,972,114
	<b>16,825,724,072</b>	<b>17,736,127,634</b>

	31.12.2015 Taka	31.12.2014 Taka
<b>Expenses</b>		
Interest, fee and commission	10,116,296,447	10,879,027,249
Administrative expenses	2,372,605,731	2,304,526,480
Other operating expenses	534,410,087	476,392,510
Depreciation and repairs of bank's assets	298,178,696	268,105,367
	<b>13,321,490,961</b>	<b>13,928,051,606</b>
	<b>3,504,233,111</b>	<b>3,808,076,028</b>
<b>21 Contingent liabilities</b>		
<b>Acceptance &amp; Endorsement</b>	<b>14,225,611,128</b>	<b>13,756,065,906</b>
<b>Letters of Credit</b>	<b>14,238,167,995</b>	<b>13,042,203,273</b>
Usance/Defer Letter of Credit	4,127,577,483	4,417,010,815
Sight Letter of Credit	5,239,843,760	5,211,668,789
Back to Back Letter of Credit	1,486,959,028	1,150,261,648
BD-Sight (EDF)	1,123,173,406	590,732,218
Back to Back - Local	2,260,614,318	1,672,529,803
	<b>14,194,068,714</b>	<b>13,085,748,553</b>
<b>Letters of Guarantee</b>		
Bid Bond	1,033,001,406	1,241,493,184
Performance Bond	6,770,052,355	6,900,826,792
Counter Guarantee	459,180,537	560,298,223
Other Guarantee	5,931,834,415	4,383,130,354
Shipping Guarantee	-	-
	<b>7,608,526,452</b>	<b>5,783,061,204</b>
<b>Bills for collection</b>		
Local bills for collection	5,442,164,698	4,502,459,596
Foreign bills for collection	2,166,361,753	1,280,601,608
	<b>1,988,427,743</b>	<b>3,008,744,945</b>
<b>Other contingent liabilities</b>		
Bangladesh/Pratirakhkha/Paribar Sanchay Patra	1,453,795,443	991,567,845
ICB Unit certificate	51,340,900	51,340,900
Forward exchange position	471,125,400	1,951,507,300
US investment & premium Bond	12,166,000	14,328,900
	<b>52,254,802,031</b>	<b>48,675,823,881</b>

**21.1** The amount represents the forward position of foreign currencies at the end of the year 2015 which are very short term in nature and adjustment are made on a continuous basis.

**21.2 Letters of Guarantee**

Money for which the bank is contingently liable in respect of guarantees given favouring:

Directors	-	-
Government	10,025,073,976	9,242,282,810
Bank and other financial institutions	658,857,834	607,412,020
Others	3,510,136,904	3,236,053,723
	<b>14,194,068,714</b>	<b>13,085,748,553</b>

### 21.3 Litigation pending by bank

	31.12.2015 Taka	31.12.2014 Taka
<b>SL #</b>		
<b>Branch Name</b>		
1	689,320,000	682,591,959
2	153,320,000	153,413,881
3	695,040,000	685,529,978
4	17,090,000	17,105,467
5	2,026,000	-
6	6,740,000	-
7	23,860,833	6,271,425
8	7,540,000	5,450,181
9	558,192,750	397,095,041
10	17,059,637	-
11	236,210,000	115,642,547
12	91,920,000	93,369,245
13	258,207,646	265,677,773
14	77,470,000	77,468,942
15	2,244,860,000	-
16	6,440,000	203,565,011
17	10,000,000	9,391,085
18	56,757,250	-
19	50,540,000	19,051,958
20	452,810,000	449,800,595
21	1,959,770,000	1,959,774,188
22	43,810,232	62,767,709
23	23,260,000	20,473,043
24	58,247,219	11,067,219
25	5,080,000	533,291
26	681,200,000	681,199,019
27	47,010,000	47,009,297
28	4,550,000	-
29	680,570,000	680,571,815
30	15,050,000	-
31	1,133,870,000	1,365,751,293
32	12,184,223	1,254,223
33	32,059,663	27,313,846
34	12,640,000	1,498,405
35	2,193,813	282,909,361
36	12,400,000	12,401,751
37	8,850,000	5,782,814
38	5,970,000	5,961,991
39	18,998,000	16,736,855
40	6,450,000	2,626,856
41	113,100,000	117,194,772
42	15,060,000	-
	<b>10,547,727,266</b>	<b>8,484,252,836</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.

		2015 Taka	2014 Taka
<b>22. Interest income/profit on investments</b>			
Demand loan		-	-
Term loan		4,880,249,230	5,033,233,272
Overdrafts		3,899,738,657	4,009,438,004
Loan against Imported Merchandise/Murabaha		34,976,710	44,573,433
Loan against Trust Receipt		1,018,315,727	1,390,073,349
Packing Credits		15,998,755	11,560,050
Cash Credits / Bai-Muajjal		1,036,347,745	1,339,874,822
Payment against Documents		28,802,637	444,817,245
House Building loan		176,954,974	226,762,745
Transport loan		112,591,928	117,977,359
Syndicate loan		372,382,363	393,873,278
Hire Purchase		44,769,856	62,501,670
Lease rental/Izara		251,510,752	342,201,108
Credit Card		34,116,211	30,670,156
<b>Total Interest / profit &amp; Rental Income on loans &amp; advances</b>		<b>11,906,755,545</b>	<b>13,447,556,491</b>
Call lending and fund placement with banks		213,384,451	249,369,443
Accounts with foreign banks		15,146,240	8,462,036
		<b>12,135,286,236</b>	<b>13,705,387,970</b>
<b>22(a) Consolidated interest income/profit on investments</b>			
Dhaka Bank Limited	(Note: 22)	12,135,286,236	13,705,387,970
Dhaka Bank Securities Limited		227,229,789	262,415,606
Dhaka Bank Investment Limited		-	-
		12,362,516,025	13,967,803,576
Less: Inter company transaction		216,296,362	231,859,972
		<b>12,146,219,663</b>	<b>13,735,943,604</b>
<b>23. Interest paid/profit on deposits and borrowings, etc.</b>			
Savings Account including Mudaraba		535,752,547	436,303,047
Special Notice Deposit		347,343,321	369,201,319
Term deposits		6,322,076,015	7,718,564,872
Deposits under Scheme		1,787,494,347	1,374,856,710
Call borrowing & fund placement		209,842,176	244,793,901
Non-convertible subordinate bond		230,993,611	236,236,111
Repurchase Agreement (REPO)		33,649,160	11,778,934
Overseas accounts charges		9,485,439	9,323,234
Leased assets		43,522,581	45,301,788
HTM / HFT securities		303,746,834	71,046,538
Others	(Note: 23.1)	292,390,416	361,620,795
		<b>10,116,296,447</b>	<b>10,879,027,249</b>
<b>23.1 Others</b>			
Interest paid on NFCB		220,764	4,035,966
Interest/profit paid against refinance from Bangladesh Bank		40,903,621	69,846,966
Interest paid on Gift Cheque		564,166	401,957
Interest paid on Excel account		603,524	609,823
Interest on Smart Plant (Deposit)		-	14,712
Interest on finance bill rediscounting		54,563,297	28,294,311
Interest on refinance from Woori Bank		-	4,303,521
Interest on fund borrowing-OBU		80,647,815	61,595,474
Treasury bond premium	(Note: 23.1.a)	114,887,229	192,518,065
		<b>292,390,416</b>	<b>361,620,795</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.		



		2015 Taka	2014 Taka
<b>23(a)</b>	<b>Consolidated interest / profit paid on deposits &amp; borrowings, etc.</b>		
	Dhaka Bank Limited (Note: 23)	10,116,296,447	10,879,027,249
	Dhaka Bank Securities Limited	224,160,122	5,761,110
	Dhaka Bank Investment Limited	-	-
		10,340,456,568	10,884,788,359
	Less: Inter company transaction	216,296,362	12,651,092
		<b>10,124,160,206</b>	<b>10,872,137,267</b>
<b>24.</b>	<b>Income from investment</b>		
	Interest on treasury bills / bonds	2,482,368,389	2,100,083,891
	Profit on govt. islamic bond	2,528,750	13,571,468
	Capital gain on government securities	404,528,325	302,948,371
	Interest on commercial papers	29,567,923	1,250,000
	Interest on Subordinated bond	67,238,288	44,675,342
	Dividend on Shares	17,224,307	80,295,480
		<b>3,003,455,981</b>	<b>2,542,824,552</b>
<b>24(a)</b>	<b>Consolidated income from investment</b>		
	Dhaka Bank Limited (Note: 24)	3,003,455,981	2,542,824,552
	Dhaka Bank Securities Limited	210,747,275	259,899,462
	Dhaka Bank Investment Limited	-	-
		<b>3,214,203,256</b>	<b>2,802,724,014</b>
<b>25.</b>	<b>Commission / fees and exchange earnings</b>		
	Commission on Letter of Credit	365,057,207	405,950,913
	Commission on Letter of Guarantee	156,860,108	152,574,754
	Commission on Remittance / Bills	23,754,516	8,962,508
	Processing fee consumer loan	17,658,930	11,068,632
	Other comm./ fees (Clearing, cash tr., risk prem., utilisation fee etc.)	255,173,918	224,921,362
	Rebate from foreign bank outside Bangladesh	10,638,952	7,059,724
	Commission & fee on Credit Card	19,707,452	16,428,887
	Exchange gain including gain from foreign currency dealings	467,294,212	300,070,001
		<b>1,316,145,294</b>	<b>1,127,036,781</b>
<b>25(a)</b>	<b>Consolidated commission / fees, exchange earnings &amp; brokerage</b>		
	Dhaka Bank Limited (Note: 25)	1,316,145,294	1,127,036,781
	Dhaka Bank Securities Limited	56,556,501	102,083,196
	Dhaka Bank Investment Limited	-	-
		<b>1,372,701,795</b>	<b>1,229,119,977</b>
<b>26.</b>	<b>Other operating income</b>		
	Other income on Credit Card and ATM	15,055,060	12,636,828
	Incidental charges	74,320,063	67,901,337
	Supervision & monitoring charges	163,619,538	147,016,318
	Swift charge recoveries	91,377,292	84,527,949
	Locker rent	7,462,544	6,844,201
	Income from prize bond	16,000	16,000
	Capital gain on sale of Shares (Note: 26.1)	18,973,764	41,906,217
	Profit from sale of fixed assets	-	29,481
	Profit from sale of scrap	12,300	-
		<b>370,836,561</b>	<b>360,878,331</b>

		2015 Taka	2014 Taka
<b>26.1</b>	<b>Profit on sale of Shares</b>		
	Sale proceeds of Shares	119,552,858	1,195,875,213
	Less: Cost of Shares	100,579,094	1,153,968,996
		<b>18,973,764</b>	<b>41,906,217</b>
<b>26(a)</b>	<b>Consolidated other operating income</b>		
	Dhaka Bank Limited (Note: 26)	370,836,561	360,878,331
	Dhaka Bank Securities Limited	2,489,124	1,529,615
	Dhaka Bank Investment Limited	11,712,213	12,651,092
		385,037,898	375,059,038
	Less: Inter company transaction	-	12,651,092
		<b>385,037,898</b>	<b>362,407,946</b>
<b>27.</b>	<b>Salary and allowances</b>		
	Basic salary	645,903,371	619,107,372
	Allowances	597,843,694	540,538,790
	Bonus & ex-gratia	146,600,817	140,642,684
	Leave fare assistance	92,457,561	87,301,913
	Bank contribution to gratuity fund (Note: 27.1)	100,000,000	190,000,000
	Bank's contribution to provident fund	53,648,798	50,376,260
		<b>1,636,454,240</b>	<b>1,627,967,019</b>
27.1	The Bank provided an amount of Taka 10.00 crore during 2015 in gratuity fund.		
<b>27(a)</b>	<b>Consolidated salary and allowances</b>		
	Dhaka Bank Limited (Note: 27)	1,636,454,240	1,627,967,019
	Dhaka Bank Securities Limited	31,849,313	30,552,221
	Dhaka Bank Investment Limited	-	-
		<b>1,668,303,553</b>	<b>1,658,519,240</b>
<b>28.</b>	<b>Rent, taxes, insurance, electricity, etc.</b>		
	Office rent	304,577,430	257,406,046
	Electricity and lighting	60,577,840	54,998,105
	Regulatory charges	7,329,622	6,567,403
	Insurance	87,231,756	87,213,202
		<b>459,716,648</b>	<b>406,184,756</b>
<b>28(a)</b>	<b>Consolidated rent, taxes, insurance, lighting etc.</b>		
	Dhaka Bank Limited (Note: 28)	459,716,648	406,184,756
	Dhaka Bank Securities Limited	15,160,998	14,716,594
	Dhaka Bank Investment Limited	-	-
		<b>474,877,645</b>	<b>420,901,350</b>
<b>29.</b>	<b>Legal expenses</b>		
	Legal expenses	9,394,597	16,839,312
	Other professional fees	869,159	1,241,750
		<b>10,263,756</b>	<b>18,081,062</b>

		2015 Taka	2014 Taka
<b>29(a) Consolidated Legal expenses</b>			
Dhaka Bank Limited	(Note: 29)	10,263,756	18,081,062
Dhaka Bank Securities Limited		275,375	372,348
Dhaka Bank Investment Limited		-	-
		<b>10,539,131</b>	<b>18,453,410</b>
<b>30. Postage, stamps, telecommunication, etc.</b>			
Stamps, postage & courier		6,198,200	4,952,839
Telephone charges		10,510,957	9,502,540
Fax, internet, radio link, & DDN charges		32,915,623	28,145,317
		<b>49,624,780</b>	<b>42,600,696</b>
<b>30(a) Consolidated postage, stamps, telecommunication, etc.</b>			
Dhaka Bank Limited	(Note: 30)	49,624,780	42,600,696
Dhaka Bank Securities Limited		640,965	539,192
Dhaka Bank Investment Limited		-	-
		<b>50,265,745</b>	<b>43,139,888</b>
<b>31. Stationery, printing, advertisement, etc.</b>			
Table stationery		11,308,865	11,172,405
Printing stationery		76,119,445	72,506,804
Security stationery		11,276,247	8,189,584
Computer stationery		25,633,069	21,878,503
Advertisement		76,965,152	84,271,780
		<b>201,302,778</b>	<b>198,019,076</b>
<b>31(a) Consolidated stationery, printing, advertisement, etc.</b>			
Dhaka Bank Limited	(Note: 31)	201,302,778	198,019,076
Dhaka Bank Securities Limited		1,206,667	989,203
Dhaka Bank Investment Limited		-	8,400
		<b>202,509,445</b>	<b>199,016,679</b>
<b>32. Chief executive's salary and fees</b>			
Basic salary		6,239,667	4,264,667
House rent allowances		1,666,500	1,411,767
Entertainment allowances		-	53,000
House maintenance allowances		888,500	619,166
Medical allowances		17,667	-
Bonus		1,610,000	920,000
		<b>10,422,334</b>	<b>7,268,600</b>
<b>32(a) Consolidated chief executive's salary and fees</b>			
Dhaka Bank Limited	(Note: 32)	10,422,334	7,268,600
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		<b>10,422,334</b>	<b>7,268,600</b>

**33. Directors' fees**

Directors fees  
Fees related to shariah council meeting  
Board/Executive committee / Shariah council meeting expenses

	2015 Taka	2014 Taka
Directors fees	2,739,600	2,395,000
Fees related to shariah council meeting	62,600	45,000
Board/Executive committee / Shariah council meeting expenses	753,995	1,160,271
	<b>3,556,195</b>	<b>3,600,271</b>

Directors fees are paid following the Bangladesh Bank's BRPD Circular No. 03 dated 18 January 2010 and BRPD Circular Letter # 11 dated 04 October 2015.

**33(a) Consolidated directors' fees**

Dhaka Bank Limited (Note: 33)  
Dhaka Bank Securities Limited  
Dhaka Bank Investment Limited

Dhaka Bank Limited	3,556,195	3,600,271
Dhaka Bank Securities Limited	647,045	851,105
Dhaka Bank Investment Limited	-	-
	<b>4,203,240</b>	<b>4,451,376</b>

**34. Auditor's fees****34(a) Consolidated auditor's fees**

Dhaka Bank Limited (Note: 34)  
Dhaka Bank Securities Limited  
Dhaka Bank Investment Limited

	<b>1,265,000</b>	<b>805,000</b>
Dhaka Bank Limited	1,265,000	805,000
Dhaka Bank Securities Limited	115,000	115,000
Dhaka Bank Investment Limited	115,000	57,500
	<b>1,495,000</b>	<b>977,500</b>

**35. Depreciation and repairs of bank's assets****Depreciation:**

Building  
Furniture & fixture  
Office appliance & equipment  
Computer  
Software  
Motor vehicle

Building	12,590,447	11,159,252
Furniture & fixture	37,648,153	34,600,554
Office appliance & equipment	96,927,943	84,752,875
Computer	21,288,139	23,032,759
Software	11,982,124	12,309,612
Motor vehicle	9,082,869	10,909,154
	<b>189,519,675</b>	<b>176,764,206</b>

**Repair:**

Office premises  
Office equipment  
Office furniture  
Motor vehicle  
Computer and accessories  
Software

Office premises	30,462,257	28,932,042
Office equipment	29,918,168	23,513,366
Office furniture	1,731,015	1,577,957
Motor vehicle	12,435,438	7,486,534
Computer and accessories	1,958,766	2,123,016
Software	32,153,377	27,708,246
	<b>108,659,021</b>	<b>91,341,161</b>

**35(a) Consolidated depreciation and repairs of bank's assets**

Dhaka Bank Limited (Note: 35)  
Dhaka Bank Securities Limited  
Dhaka Bank Investment Limited

	<b>298,178,696</b>	<b>268,105,367</b>
Dhaka Bank Limited	298,178,696	268,105,367
Dhaka Bank Securities Limited	10,243,167	15,670,286
Dhaka Bank Investment Limited	-	-
	<b>308,421,863</b>	<b>283,775,653</b>

	2015 Taka	2014 Taka
<b>36. Other expenses*</b>		
Contribution to superannuation fund	2,500,000	2,500,000
Contractual service charge	207,619,890	200,325,449
Petrol, oil and lubricants (vehicle & generator)	22,871,105	23,275,562
Entertainment (canteen & other)	32,326,036	31,848,194
AGM expenses	4,449,571	5,780,901
Donation	85,035,633	47,057,985
Subscription	3,627,079	2,903,100
Travelling (foreign and local)	11,476,901	8,939,222
Conveyance	14,193,479	11,439,761
Branch opening expenses	6,965,870	5,126,563
Godown expenses	533,364	335,821
Training expenses	7,833,234	7,250,401
Bond issue expenses	4,567,634	6,067,636
Books and papers	3,435,565	2,537,301
WASA charges	3,695,498	3,536,187
Staff uniform	2,840,755	2,548,030
Vehicle registration charges	23,602	756,936
Potted plants	2,047,768	1,927,964
Business development & promotion	72,105,762	64,218,687
Reuters charges	1,764,005	1,719,267
Fees and expenses for credit card	11,841,548	11,957,213
ATM network service charges	8,656,465	1,806,606
Dhaka Bank Foundation (Note: 36.1)	23,999,322	32,533,724
	<b>534,410,087</b>	<b>476,392,510</b>
* Expenses are shown inclusive of VAT		
<b>36.1 Fund for Dhaka Bank Foundation</b>		
Opening balance	32,533,724	30,747,661
Add: Addition during the year	23,999,322	32,533,724
Less: Transferred to DBL Foundation trustee account	(32,533,724)	(30,747,661)
	<b>23,999,322</b>	<b>32,533,724</b>

Dhaka Bank Limited has been contributing towards Dhaka Bank Foundation since 2003. In 2015, the Bank has contributed Tk. 23,999,322 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.

<b>36(a) Consolidated other expenses</b>		
Dhaka Bank Limited (Note: 36)	534,410,087	476,392,510
Dhaka Bank Securities Limited	10,147,324	4,483,328
Dhaka Bank Investment Limited	2,300	223,290
Less: Adjustment for prior year preliminary expenses of DBIL**	(221,565)	-
	<b>544,338,145</b>	<b>481,099,128</b>

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

<b>37. Provision against loans &amp; advances</b>		
On classified loans & advances	202,561,564	50,171,344
On unclassified loans & advances	892,612,338	492,957,167
	<b>1,095,173,902</b>	<b>543,128,511</b>



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

Dhaka Bank Limited  
Dhaka Bank Securities Limited  
Dhaka Bank Investment Limited

2015  
Taka

2014  
Taka

1,095,173,902

543,128,511

-

-

-

-

**1,095,173,902**

**543,128,511**

**38. Provision for diminution in value of investments****In quoted shares**

Opening balance  
Less: Adjustment during the year  
Add: Addition during the year

162,188,991

775,763,769

(161,297,153)

(627,074,664)

4,075,897

13,499,886

**4,967,735**

**162,188,991**

**Unquoted**

-

-

**4,967,735**

**162,188,991**

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 Limited reduced the portfolio investment by adjustment with provision account for Tk.161,297,153 during the year 2015.

Moreover, cost price of investment in shares represents the book value as on 31.12.2015 being ordinary shares of different companies purchased from primary and secondary market. A required provision for Tk.4,075,897 made from current year's profit due to shortfall in market price than the cost price.

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

Dhaka Bank Limited  
Dhaka Bank Securities Limited  
Dhaka Bank Investment Limited

4,967,735

162,188,991

-

-

-

-

**4,967,735**

**162,188,991**

**39. Other provisions**

Provision for off balance sheet items (Note: 39.1)  
Provision for other assets (Note: 15.6)

27,738,300

25,168,784

-

5,440,206

**27,738,300**

**30,608,990**

**39.1 Provision against off balance sheet exposures**

On off balance sheet exposures

**27,738,300**

**25,168,784**

Bank has made a provision of Tk.27,738,300 @ 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 years profit.

**39(a) Consolidated other provisions**

Dhaka Bank Limited (Note: 39)  
Dhaka Bank Securities Limited  
Dhaka Bank Investment Limited

27,738,300

30,608,990

102,021,410

208,178,590

-

-

**129,759,710**

**238,787,580**

	2015 Taka	2014 Taka
<b>40. Earnings per share (EPS)</b>		
Net profit after taxation	1,437,588,980	2,028,993,508
Number of ordinary shares outstanding	625,364,260	625,364,260
Earnings per share (EPS)	<b>2.30</b>	<b>3.24</b>

Earnings per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2015 in terms of Bangladesh Accounting Standard (BAS)-33. According to BAS-33, EPS for the year ended 31 December 2014 was restated for the issues of 56,851,296 bonus shares (for 2014) in 2015.

<b>40(a) Consolidated earnings per share (CEPS)</b>		
Net profit after taxation	1,512,728,701	2,098,646,823
Less: Non-controlling interest	8,362	6,966
Net profit attributable to the shareholders of parent company	1,512,720,339	2,098,639,857
Number of ordinary shares outstanding	625,364,260	625,364,260
<b>Consolidated earnings per share (CEPS)</b>	<b>2.42</b>	<b>3.36</b>

<b>41. Receipts from other operating activities</b>		
Exchange earnings	94,326,087	56,834,483
Other operating income	370,824,261	360,848,850
<b>Non operating income</b>	-	-
	<b>465,150,348</b>	<b>417,683,333</b>
<b>41(a) Consolidated receipts from other operating activities</b>		

Dhaka Bank Limited	(Note: 41) 465,150,348	417,683,333
Dhaka Bank Securities Limited	210,747,275	259,899,462
Dhaka Bank Investment Limited	11,712,213	12,651,092
	<b>687,609,836</b>	<b>690,233,887</b>

<b>42. Payments for other operating activities</b>		
Rent, taxes, insurance, lighting etc.	459,716,648	406,184,756
Chief executive's salary & allowances	10,422,334	7,268,600
Directors' fees & meeting expenses	3,556,195	3,600,271
Repair of bank's assets	108,659,021	91,341,161
Other expenses	534,410,087	476,392,510
	1,116,764,285	984,787,298
Dhaka Bank Foundation	(23,999,322)	(32,533,724)
	<b>1,092,764,963</b>	<b>952,253,574</b>

<b>42(a) Consolidated payments for other operating activities</b>		
Dhaka Bank Limited	(Note: 42) 1,092,764,963	952,253,574
Dhaka Bank Securities Limited	64,290,551	62,358,127
Dhaka Bank Investment Limited	2,300	1,725
	<b>1,157,057,813</b>	<b>1,014,613,426</b>

		2015 Taka	2014 Taka
<b>43. Other assets</b>			
Stationery, stamps, printing materials etc.		36,342,049	59,107,097
Advance rent and advertisement		313,203,429	234,620,221
Security deposit		21,883,176	21,277,876
Preliminary, formation, work in progress and organization expenses, renovation / development expenses and prepaid expenses		2,563,186,913	2,672,846,497
Branch adjustments		25,761,499	13,554,788
Suspense account		174,359,339	114,911,072
Other assets		2,180,364,061	3,079,345,511
		<b>5,315,100,468</b>	<b>6,195,663,062</b>
<b>Increase / (decrease) during the year</b>		<b>(880,562,594)</b>	<b>957,403,335</b>
<b>43(a) Consolidated other assets</b>			
Dhaka Bank Limited	(Note: 43)	880,562,594	(957,403,335)
Dhaka Bank Securities Limited		(42,034,865)	(16,600,606)
Dhaka Bank Investment Limited		(1,171,221)	(1,265,109)
		<b>837,356,509</b>	<b>(975,269,050)</b>
<b>44. Other liabilities</b>			
Provision against expenses		62,643,513	59,373,340
Interest suspense account		2,419,863,452	1,945,302,752
Other account payable		2,882,754,066	1,402,382,404
		<b>5,365,261,030</b>	<b>3,407,058,496</b>
Amount transferred to DBL Foundation trustee account		(32,533,724)	(30,747,661)
Adjustment of loss on shares from provision for decrease in value of investment		(161,297,153)	(627,074,664)
Adjustment of classified loan from provision		(427,086,393)	(115,601,181)
<b>Increase / (decrease) during the year</b>		<b>1,337,285,264</b>	<b>(628,859,973)</b>
<b>44(a) Consolidated other liabilities</b>			
Dhaka Bank Limited	(Note: 44)	1,337,285,264	(628,859,973)
Dhaka Bank Securities Limited		1,046,676	(135,393,872)
Dhaka Bank Investment Limited		-	-
		<b>1,338,331,940</b>	<b>(764,253,845)</b>

## Dhaka Bank Limited

### Highlights on the overall activities of the Bank

Sl. No.	Particulars	2015	2014	Change in %
1	Paid up capital	6,253,642,600	5,685,129,640	10
2	Total capital	15,407,514,550	15,438,501,692	(0)
3	Capital surplus / (deficit) (Note - 16.9)	673,198,318	1,654,341,692	(59)
4	Total assets	176,362,472,141	158,747,543,561	11
5	Total deposits	139,068,899,318	124,853,559,335	11
6	Total loans and advances	117,840,165,963	103,131,519,274	14
7	Total contingent liabilities and commitments	52,254,802,031	48,675,823,881	7
8	Credit deposit ratio (%)	84.74	81.26	4
9	Percentage of classified loans against total loans and advances (%)	4.66	5.49	(15)
10	Profit after tax and provision	1,437,588,980	2,028,993,508	(29)
11	Amount of classified loans during the year	5,490,649,320	5,657,255,363	(3)
12	Provisions kept against classified loans	1,902,698,726	2,120,305,055	(10)
13	Provision surplus / (deficit)	-	-	-
14	Cost of fund [deposit cost & overhead cost] (%)	9.57	10.95	(13)
15	Interest earnings assets	144,961,526,925	124,462,407,796	16
16	Non-interest earnings assets	31,400,945,216	34,285,135,765	(8)
17	Return on Investment (ROI) [%]	14.83	13.22	12
18	Return on Assets (ROA) [%]	0.86	1.34	(36)
19	Income from Investments	3,003,455,981	2,542,824,552	18
20	Earnings per share (Taka)	2.30	3.24	(29)
21	Net Income per share (Taka)	2.30	3.24	(29)
22	Price earnings ratio (Times)	8.57	5.13	67

## Dhaka Bank Limited

### Currency wise Balances

As at 31 December 2015

Annexure-A

Name of the bank	Location	Name of currency	2015			2014		
			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	18,752,603.18	79.00	1,481,455,651.22	14,370,176.71	78.30	1,125,184,836.39
Mashreq Bank	New York	USD	1,640,204.04	79.00	129,576,119.16	2,579,704.16	78.30	201,990,835.73
Habib American Bank, OBU	New York	USD	-	79.00	-	372,695.23	78.30	29,182,036.51
Commerz Bank	Frankfurt	USD	829,142.39	79.00	65,502,248.81	1,840,409.41	78.30	144,104,056.80
Habib American Bank	USA	USD	1,975,505.04	79.00	156,064,898.16	5,056,891.12	78.30	395,954,574.70
Wells Fargo Bank N.A.	New York	USD	2,717,771.44	79.00	214,703,943.76	-	78.30	-
Standard Chartered Bank, OBU	New York	USD	6,614,541.23	79.00	522,548,757.17	-	78.30	-
Wachovia Bank NA	New York	USD	-	79.00	-	3,742,365.94	78.30	293,027,253.10
JP Morgan Chase Bank NA	USA	USD	1,870,012.11	79.00	147,730,956.69	6,948,586.49	78.30	544,074,322.17
Standard Chartered Bank	Mumbai	ACUD	834,022.32	79.00	65,887,763.28	(176,688.78)	78.30	(13,834,731.47)
Sonali Bank	Kolkata	ACUD	122,341.51	79.00	9,664,979.29	64,966.81	78.30	5,086,901.22
AB Bank	Mumbai	ACUD	456,728.03	79.00	36,081,514.37	213,982.96	78.30	16,754,865.77
Nepal Bangladesh Bank	Nepal	ACUD	8,123.75	79.00	641,776.25	8,123.75	78.30	636,089.63
Sampath Bank	Sri Lanka	ACUD	136,467.22	79.00	10,780,910.38	50,495.35	78.30	3,953,785.91
Bhutan National Bank	Bhutan	ACUD	14,281.17	79.00	1,128,212.43	14,281.17	78.30	1,118,215.61
Bank of Bhutan	Bhutan	ACUD	30,869.54	79.00	2,438,693.66	2,189.54	78.30	171,440.98
Habib Metropolitan Bank Ltd.	Pakistan	ACUD	268,569.14	79.00	21,216,962.06	320,542.94	78.30	25,098,512.20
Dhaka Bank OBU Nostro	OBU	USD	6,000,000.00	79.00	474,000,000.00	15,600,000.00	78.30	1,221,480,000.00
ICICI Bank Limited	India	ACUD	419,248.66	79.00	33,120,644.14	77,931.92	78.30	6,102,069.34
Mashreq Bank	Mumbai	ACUD	161,830.42	79.00	12,784,603.18	463,132.99	78.30	36,263,313.12
Union Bank of Switzerland	Switzerland	CHF	82,148.27	80.10	6,579,895.70	79,639.74	79.20	6,307,180.70
Commerz Bank	Frankfurt	EURO	362,088.66	86.36	31,268,455.91	139,335.70	95.14	13,255,757.55
Standard Chartered Bank	Frankfurt	EURO	120,851.93	86.36	10,436,265.10	300,202.41	95.14	28,559,876.36
Unicredit S.P.A.	Milano	EURO	46,350.11	86.36	4,002,600.83	38,173.60	95.14	3,631,660.71
Commonwealth Bank of Australia	Sydney	AUD	-	-	-	63,894.76	63.64	4,066,026.12
Commerz Bank	Frankfurt	AUD	54,910.24	57.53	3,159,216.73	-	-	-
Standard Chartered Bank	Japan	JPY	11,651,860.00	0.65	7,624,977.18	26,112,356.00	0.65	16,912,972.98
Standard Chartered Bank	London	GBP	255,345.08	117.02	29,879,383.28	204,434.75	121.47	24,832,218.88
Bank of Nova Scotia	Toronto	CAD	-	-	-	23,485.54	67.21	1,578,460.79
Commerz Bank	Frankfurt	CAD	73,607.85	56.85	4,184,444.34	-	-	-
Al-Rajhi Bank	Saudi Arabia	SAR	273,075.00	21.04	5,745,088.39	402,206.00	20.85	8,386,116.10
					<b>3,488,208,961</b>			<b>4,143,878,648</b>

As per Bangladesh Bank Circular No. FEPPD(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.



## Dhaka Bank Limited Investment in Shares

As at 31 December 2015

Annexure-B

Name of the Company	Types of Shares	Face Value	No. of Shares	Cost Price	Average Cost	Quoted Rate per Share as at 31.12.2015	Total Market Value at 31.12.2015
<b>Quoted</b>							
ICB AMCL First Mutual Fund	A	10	356,500	13,737,635 <u>13,737,635</u>	38.535	24.60	8,769,900 <u>8,769,900</u>
<b>Unquoted</b>							
Acme Laboratories Limited				26,000,000			26,000,000
Bangladesh Fund				200,000,000			200,000,000
				<u>226,000,000</u>			<u>226,000,000</u>
<b>Total</b>				<u>239,737,635</u>			<u>234,769,900</u>

The cost price of investment in shares represents the book value as on 31.12.2015 being ordinary shares of different companies purchased from primary and secondary markets. Due to reduction in market value of shares, a provision of Tk.4,967,735.00 has been kept against the diminution of value of investment.

### 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)

Annexure-C

(Taka in Thousand)

Sl. No.	Name of the Client	Outstanding as on 31.12.2015		Total
		Funded	Non funded	
1	Fakir Apparels Limited	2,141,386	821,894	2,963,279
2	Vosta Lmg- Karnafuly Jvc Ltd.	1,791,909	917,364	2,709,273
3	Bangladesh Erectors Ltd.	1,237,817	1,087,319	2,325,136
4	Bashundhara Industrial Complex Ltd.	1,723,279	505,769	2,229,048
5	Dhaka Bank Securuties Limited	2,059,098	100,000	2,159,098
6	Suruj Miah Spinning Mills Ltd	1,945,437	4,829	1,950,266
7	Noman Weaving Mills Ltd.	1,238,705	689,261	1,927,966
8	United Ashuganj Energy Ltd.	1,755,077	-	1,755,077
9	BRAC	1,674,017	-	1,674,017
	<b>Total</b>	<b>15,566,725</b>	<b>4,126,435</b>	<b>19,693,160</b>

**Dhaka Bank Limited**  
**Fixed Assets Schedule**  
As at 31 December 2015

Annexure-D

Particulars	Cost Price			Rate of Dep.	Depreciation					Written Down Value as at 31.12.2015
	Balance as at 01.01.2015	Addition during the year	Transfer/ Adjustment during the year		Total as at 31.12.2015	Balance as at 01.01.2015	Addition during the year	Transfer/ Adjustment during the year	Disposal/ Transfer to	
<b>A. At Cost</b>										
<b>Tangible Assets</b>										
Land	2,301,877,536	-	-	2,301,877,536	-	-	-	-	-	2,301,877,536
Building	451,628,137	103,979,519	-	555,607,656	2.5%	39,788,825	12,590,447	-	52,379,272	503,228,384
Furniture & Fixture	366,897,098	43,594,022	-	410,491,120	10%	145,699,638	37,648,153	-	183,347,791	227,143,329
Office Appliances & Equipments	574,275,583	160,016,702	-	734,292,285	20%	307,590,128	96,927,943	-	404,518,071	329,774,214
Computer	187,180,406	15,410,869	-	202,591,275	20%	143,824,730	21,288,139	-	165,112,869	37,478,406
Bank Vehicle	64,439,445	5,488,900	-	69,928,345	20%	43,024,010	9,082,869	-	52,106,878	17,821,467
<b>Intangible Assets</b>										
Software	73,057,500	3,213,761	-	76,271,261	20%	30,084,117	11,982,124	-	42,066,241	34,205,020
<b>Sub Total</b>	<b>4,019,355,705</b>	<b>331,703,774</b>	<b>-</b>	<b>4,351,059,479</b>	<b>-</b>	<b>710,011,447</b>	<b>189,519,675</b>	<b>-</b>	<b>899,531,122</b>	<b>3,451,528,356</b>
<b>B. Revaluation</b>										
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 2015 (A+B)</b>	<b>4,667,810,705</b>	<b>331,703,774</b>	<b>-</b>	<b>4,999,514,479</b>	<b>-</b>	<b>710,011,447</b>	<b>189,519,675</b>	<b>-</b>	<b>899,531,122</b>	<b>4,099,983,356</b>
<b>TOTAL 2014</b>	<b>3,052,350,313</b>	<b>1,621,509,448</b>	<b>(6,049,056)</b>	<b>4,667,810,705</b>	<b>-</b>	<b>533,861,345</b>	<b>176,764,206</b>	<b>(614,103)</b>	<b>710,011,448</b>	<b>3,957,799,257</b>

## Dhaka Bank Limited

### Recovery of loans previously written-off during the year 2015

Annexure-E

(Amount in Taka)

Sl. No.	Name of borrower	Amount written-off	Amount of provision kept at the time of written-off	Suit Value	Amount recovered after loan written-off
1	N. F. Enterprise	9,690,871	8,215,393	12,500,000	450,000
2	Otto Textile Ltd.	268,583,988	157,493,992	280,715,548	37,500,000
3	M/s. Omni Impex	19,104,632	13,161,318	23,559,893	8,000,000
4	M/s. Anudip Autos Limited	43,767,825	32,747,739	40,257,537	4,430,000
5	M/s Pakiza Enterprise	553,838,534	339,602,075	518,741,932	4,790,000
<b>Total</b>		<b>894,985,851</b>	<b>551,220,518</b>	<b>875,774,911</b>	<b>55,170,000</b>

The above figure of Tk.55,170,000 of recovery of written-off loans represents the amount of only corporate clients of the Bank.

# Dhaka Bank Limited

## Details of Borrowers for written-off loan during the year 2015

Annexure-F

(Amount in Taka)

Sl. No.	Name of borrower	Amount written-off	Amount of interest suspense kept at the time of written-off	Amount of provision kept at the time of written-off	Amount recovered after loan written-off
<b>Corporate Loan</b>					
1	M/s Power Craft Transport Technology	3,443,292	-	3,443,292	7,417,167
2	M/s Al-Falah Trading & Suppliers	4,669,730	1,130,428	833,726	4,615,299
3	M/s Choice Knit Fabrics	6,791,589	605,145	3,752,454	7,618,775
4	M/s Hridhi Knitwear	2,451,893	143,590	1,971,304	2,120,957
5	M/s Fairway Trading	93,230,198	51,515,637	13,984,530	124,800,378
6	M/s Pakiza Enterprise	553,838,534	134,409,656	339,602,075	518,741,932
7	M/s Siddique Traders	176,337,598	48,220,319	51,321,139	150,287,087
8	M/s. Nipa Enterprise	340,506	132,868	229,196	804,679
9	M/s. Iqbal & Brothers	1,789,290	144,515	1,644,775	4,399,757
10	M/s Khorshed Alam	7,739,692	1,437,215	6,302,477	8,479,369
11	M/s. Prolific Amaze	1,226,906	337,885	889,021	1,485,769
	<b>Sub Total</b>	<b>851,859,229</b>	<b>238,077,258</b>	<b>423,973,988</b>	<b>830,771,169</b>
<b>Retail Loan</b>					
1	Consumer Loans	77,819,374	33,569,474	44,249,900	-
2	Credit Cards	11,014,502	1,332,517	9,681,985	-
	<b>Sub Total</b>	<b>88,833,876</b>	<b>34,901,991</b>	<b>53,931,885</b>	-
	<b>Total</b>	<b>940,693,105</b>	<b>272,979,248</b>	<b>477,905,874</b>	<b>830,771,169</b>



## Related Party Disclosures

### A. i) Name of the Directors and their interest in the Bank as on 31.12.2015

Sl. No.	Name of Directors	Designation	% of interest as on 31.12.2015
1	Mr. Reshadur Rahman	Chairman	3.37530
2	Mrs. Rokshana Zaman	Vice-Chairperson	2.00201
3	Mr. Abdul Hai Sarker	Director	2.17566
4	Mr. Altaf Hossain Sarker	Director	2.78885
5	Mr. Md. Amirullah	Director	2.00024
6	Mr. Abdullah Al-Ahsan	Director	2.00041
7	Mr. Khondoker Monir Uddin	Director	2.87187
8	Mr. Tahidul Hossain Chowdhury	Director	2.00839
9	Mr. Jashim Uddin	Director	2.00026
10	Mr. Mohammed Hanif	Director	3.04606
11	Mr. Khondoker Jamil Uddin	Director	2.00023
12	Mr. Mirza Yasser Abbas	Director	3.68305
13	Mr. Amanullah Sarker	Director	2.00024
14	Mr. M.N.H. Bulu	Director	2.05346
15	Mr. Syed Abu Naser Bukhtear Ahmed	Independent Director	Nil

### ii) Name of the Directors and their interest in the Bank as on 31.12.2014

Sl. No.	Name of Directors	Designation	% of interest as on 31.12.2014
1	Mr. Abdul Hai Sarker	Chairman	2.17566
2	Mrs. Rokshana Zaman	Vice-Chairperson	2.00201
3	Mr. Mirza Abbas Uddin Ahmed	Director	6.16835
4	Mr. Reshadur Rahman	Director	3.34638
5	Mr. Altaf Hossain Sarker	Director	2.78885
6	Mr. Md. Amirullah	Director	2.00024
7	Mr. Abdullah Al-Ahsan	Director	2.00041
8	Mr. Khondoker Monir Uddin	Director	2.87187
9	Mr. Tahidul Hossain Chowdhury	Director	2.00839
10	Mr. Jashim Uddin	Director	2.00026
11	Mr. Mohammed Hanif	Director	3.04606
12	Mr. Khondoker Jamil Uddin	Director	2.00023
13	Mr. Mirza Yasser Abbas	Director	3.68305
14	Mr. Amanullah Sarker	Director	2.00024
15	Mr. Suez Islam	Independent Director	0.29464
16	Mr. Syed Abu Naser Bukhtear Ahmed	Independent Director	Nil

### iii) Name of Directors and their interest in different entities as on 31.12.2015

Sl. No.	Name	Status with the Bank	Name of the firms/Companies in which they have interest	Status in the interested entities
1	Mr. Reshadur Rahman	Chairman	RR Holdings Ltd. RR Trading & Co. RR Shipping Lines RR Architecture & Engineering Co. National Traders Alliance Deep Sea Fishing Ltd. Alliance Bags Ltd. Quality Breeders Ltd. Quality Grains Ltd. Trade Hub Bangladesh Ltd. Dhaka Bank Securities Ltd.	Managing Director Proprietor Proprietor Proprietor Proprietor Shareholder Shareholder Shareholder Shareholder Chairman Chairman

Sl. No.	Name	Status with the Bank	Name of the firms/Companies in which they have interest	Status in the interested entities
2	Mrs. Rokshana Zaman	Vice-Chairperson	Dhaka Enterprise M/s. Manehor Fisheries Dhaka Bank Securities Ltd.	Proprietress Proprietress Director
3	Mr. Abdul Hai Sarker	Director	Shohagpur Textile Mills Ltd. Purbani Fabrics Ltd. Karim Textiles Ltd. Purbani Traders. Purbani Yarn Dyeing Ltd. Karim Spinning Mills Ltd. Purbani Synthetic Spinning Mills Ltd. Purbani Rotor Spinning Ltd. Purbani Fisheries. Purbani Fashion Ltd. Purbani Agro Processing Ltd. Dhaka Bank Securities Ltd.	Chairman & Managing Director Chairman Chairman Proprietor Chairman Chairman Chairman & Managing Director Chairman Proprietor Chairman Chairman Director
4	Mr. Altaf Hossain Sarker	Director	Rahmat Textiles Ltd. Rahmat Spinning Mills Ltd. Belkuchi Spinning Mills Ltd. China Plastic (BD.) Ltd. Rahmat Plastic and Accessories Ltd. Rahmat Knit Dyeing & Finishing Ltd. Rahmat Sweaters (BD) Ltd. Logos Apparels Ltd. Dhaka Bank Securities Ltd.	Managing Director Chairman Chairman Chairman Chairman Managing Director Director Advisor Director
5	Mr. Mohammed Hanif	Director	Hanif Steels Ltd. Hanif Spinning Mills Ltd. National Foundry & Engineering Works (Pvt.) Ltd.	Managing Director Managing Director Managing Director
6	Mr. Md. Amirullah	Director	Dhaka Bank Investment Ltd.	Director
7	Mr. Abdullah Al-Ahsan	Director	Aroma Poultry. Aroma Fisheries Ltd.	Director Director
8	Mr. Khondoker Monir Uddin	Director	Shanta Apparel Ltd. Shanta Medical Centre Ltd. Shanta Washing Plants Ltd. Shanta Properties Ltd. Universal Business Machines Ltd. STS Holdings Ltd. STS Educational Group Ltd. Shanta Holdings Ltd. GDS Chemical Bangladesh (Pvt.) Ltd. Shanta Securities Ltd.	Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director
9	Mr. Tahidul Hossain Chowdhury	Director	Riotex Ltd. Jerat Fashion Ltd. Jerat Shirt Ltd. Central Hospital Ltd. HURDCO International Ltd. Hotel Victory Ltd. Dhaka Bank Investment Ltd.	Chairman Managing Director Chairman Director Director Managing Director Director
10	Mr. Jashim Uddin	Director	Impel Shares & Securities Ltd. Rafid Enterprise HURDCO International Ltd.	Chairman Proprietor Director

Sl. No.	Name	Status with the Bank	Name of the firms/Companies in which they have interest	Status in the interested entities
11	Mr. Khondoker Jamil Uddin	Director	A & A Accessories Limited. JAAZ Concerns Ltd. Executive Attire Ltd. Green Field Tea Estate Ltd. OK Mobile Ltd. Shanta Garments Ltd. STS Holdings Ltd. GDS Chemical Bangladesh (pvt.) Ltd. Universal Business Machines Ltd. Citizen Securities Ltd. Apollo Hospitals Dhaka Ltd. International School Dhaka. Delhi Public School, STS Education Group Ltd. Dhaka Bank Investment Ltd.	Chairman Chairman Chairman Chairman Chairman Chairman Director Director Director Director Sponsor Director Sponsor Director Sponsor Director Sponsor Director Chairman
12	Mr. Mirza Yasser Abbas	Director	Dhaka Bank Investment Ltd. Mirza Enterprise	Director Executive
13	Mr. Amanullah Sarker	Director	Rahmat Textiles Ltd. Rahmat Spinning Mills Ltd. Belkuchi Spinning Mills Ltd. China Plastic (BD.) Ltd. Rahmat Plastic and Accessories Ltd. Rahmat Knit Dyeing & Finishing Ltd. Rahmat Sweaters (BD) Ltd.	Director Managing Director Director Director Managing Director Director Director
14	Mr. M.N.H Bulu	Director	National Chemical Industries Ltd. Nawshin Vinyl Industries Ltd. Abico Industries Ltd. Rumki Industries Ltd. BNS Ceramic Industries Ltd. BNS Chemical Industries Ltd. BNS BOPP Tape and Adhesive Industries Ltd. Shafkat PVC Sole Industries Ltd. BNS DOP & Chemical Industries Ltd. Bulu International Oishee International Company Ltd. Bulu Trading Corporation Bulu Enterprise Bulu Traders BNS International Co. Boss PVC Vinyl Industries	Managing Director Proprietor Chairman Managing Director Chairman & Managing Director Chairman & Managing Director Chairman & Managing Director Proprietor Proprietor Proprietor Proprietor Proprietor Proprietor Proprietor Proprietor Proprietor Proprietor
15	Mr. Syed Abu Naser Bukhtear Ahmed	Independent Director	Trade Hub (Bangladesh) Ltd. Financial Excellence Ltd.	Managing Director Director

- 
- iv) Share issued to Directors & Executives without consideration or exercisable at discount: **Nil**
- v) Related party Transactions: **Tk. 3,805,974**
- vi) Lending Policies to related parties:  
Lending to related parties is effected as per requirements of Section 27 (1) of Bank Companies Act 1991 (Amended up to July 2013).
- vii) Loans and Advances to Directors and their related concern: **Tk. 3,805,974**
- viii) Business other than Banking business with any related concern of the Directors as per Section 18 (2) of Bank Companies Act 1991 (Amended up to July 2013):

**Lease agreement:**

Lease agreement for Uttara Branch and Data Recovery Center of the Bank was executed with Mr. A.T.M. Hayatuzzaman Khan, Land Owner who is the Husband of Mrs. Rokshana Zaman, Vice Chairperson of the Bank.

**Service provider:**

Omni Technologies, a service provider company which provides various sorts of services to the Bank has Mr. Hasanuzzaman as a Director in its board who is the son of Mrs. Rokshana Zaman, Vice Chairperson of the Bank.

- ix) Investments in the Securities of Directors and their related concern: **Nil**

## Dhaka Bank Limited Statement of Tax Position of Dhaka Bank Limited

As at 31 December 2015

Annexure-H

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	-	128,958,461	-	128,958,461	Filed Appeal to Commissioner of Taxes (Appeal)
10	2014-2015	2013	1,096,530,432	913,596,502	182,933,929	62,832,663	-	62,832,663	Filed Appeal to Commissioner of Taxes (Appeal)
11	2015-2016	2014	1,191,845,133	1,142,636,345	49,208,788	-	-	-	Case settled after DCT Level & Tax Clearance Certificate received
	<b>Total</b>		<b>8,561,106,995</b>	<b>7,994,170,161</b>	<b>434,923,682</b>	<b>865,117,668</b>	<b>132,013,152</b>	<b>733,104,516</b>	





## *Islamic Banking*

### Distribution of Profit under Islamic Banking Operation

Dhaka Bank operating two Islamic Banking branches in complying with the rules of Islamic shariah, which absolutely prohibits receipts of and payments of interest in any form. The modus operandi of these two branches is totally different from other conventional branches. A separate balance sheet and income statement are being maintained as recommended by the Central Shariah Board for Islamic Banking in Bangladesh.

### Final Rates on Mudaraba Deposit Products of Islamic Banking for the Year 2015

Dhaka Bank Limited has successfully completed the business year 2015 and declared final profit rates on various Mudaraba Deposits Accounts for the year 2015 to the depositors.

The final rates of various Mudaraba Deposits Accounts of Banks as per approved weight age for the year 2015 have come up lower than declared provisional profit rates of Mudaraba Deposits Accounts except Mudaraba Savings Deposit.

As per recommendation of the Shariah Supervisory Committee final rate of Mudaraba Savings Deposit Account as per approved weight age and declared provisional profit rates of other Mudaraba Deposit Accounts for the year 2015 is hereby declared as final rates considering present market position.

Sl. No.	Type of Deposit	Weight age	Final Rate For the Year 2015
1.	Mudaraba Savings Deposit	0.75	4.41
2.	Mudaraba Savings Deposit For Bank	0.70	3.50
3.	Mudaraba Short Notice Deposit	0.50	3.50
4.	Mudaraba Term Deposit Account <ul style="list-style-type: none"> <li>• 36 Months</li> <li>• 24 Months</li> <li>• 12 Months</li> <li>• 6 Months</li> <li>• 3 Months</li> <li>• 1 Months</li> <li>• Bank</li> </ul>		
			-
			-
		0.98	6.85
		0.92	7.00
		0.90	7.00
		0.85	7.00
		0.80	4.00
5.	Mudaraba Hajj Savings Scheme	1.10	9.50
6.	Mudaraba Special Deposit Scheme	1.00	10.00
7.	Mudaraba Deposit Pension Scheme	1.10	8.50

# Dhaka Bank Limited (Islamic Banking) Balance Sheet

As at 31 December 2015

Annexure - I(i)

	Notes	31.12.2015 Taka	31.12.2014 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	<b>1</b>	<b>471,053,532</b>	<b>314,087,499</b>
Cash in hand (including foreign currencies)		30,418,068	26,807,998
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		440,635,463	287,279,501
<b>Balance with other banks and financial institutions</b>	<b>2</b>	<b>-</b>	<b>1,200,000,000</b>
In Bangladesh		-	1,200,000,000
Outside Bangladesh		-	-
<b>Money at call and on short notice</b>		<b>-</b>	<b>-</b>
Investment in securities		330,000,000	250,000,000
Investments	<b>3</b>	<b>4,745,571,704</b>	<b>4,505,039,890</b>
General Investments	<b>3.1</b>	4,668,952,304	4,390,323,755
Bills Discounted and Purchased	<b>3.2</b>	76,619,400	114,716,135
<b>Fixed assets including premises, furniture and fixtures</b>	<b>4</b>	<b>26,629,403</b>	<b>29,663,921</b>
<b>Other Assets</b>	<b>5</b>	<b>2,689,554,668</b>	<b>189,625,583</b>
Non-Banking Assets		-	-
<b>Total Assets</b>		<b>8,262,809,306</b>	<b>6,488,416,893</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>LIABILITIES</b>			
<b>Borrowings from other banks / financial Institutions and agents</b>	<b>6</b>	<b>138,340,930</b>	<b>1,427,719,325</b>
<b>Deposits and Other Accounts</b>	<b>7</b>	<b>7,479,680,989</b>	<b>4,393,704,888</b>
Current Accounts & Other Accounts		187,369,342	153,245,158
Bills Payable		28,238,623	22,573,324
Savings Bank Deposits		2,295,104,649	898,184,835
Term Deposits		4,968,968,375	3,319,701,571
<b>Other Liabilities</b>	<b>8</b>	<b>644,787,387</b>	<b>666,992,680</b>
<b>Total Liabilities</b>		<b>8,262,809,306</b>	<b>6,488,416,893</b>

	Notes	31.12. 2015 Taka	31.12. 2014 Taka
<b>Off-balance Sheet Items</b>			
<b>Contingent Liabilities</b>			
Acceptances and Endorsements		764,354,357	307,145,503
Letter of Credit		471,342,049	407,800,370
Letter of Guarantee		63,437,100	70,543,470
Bills for Collection		917,641,133	316,198,756
Other Contingent Liabilities		-	-
		<b>2,216,774,639</b>	<b>1,101,688,099</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>2,216,774,639</b>	<b>1,101,688,099</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 2015

Annexure - I(ii)

	Notes	2015 Taka	2014 Taka
<b>OPERATING INCOME</b>			
Profit Received from Investment	9	518,665,155	447,237,433
Profit Paid on Deposits & Borrowings	10	504,042,563	467,930,464
<b>Net Investment Income</b>		<b>14,622,593</b>	<b>(20,693,031)</b>
Commission, Exchange Earnings & Brokerage	11	28,255,875	27,465,405
Other Operating Income	12	8,050,952	17,749,444
		36,306,827	45,214,849
<b>Total Operating Income (A)</b>		<b>50,929,419</b>	<b>24,521,818</b>
<b>Operating Expenses</b>			
Salary & Allowance	13	27,323,688	27,907,634
Rent, Taxes, Insurance, Lighting etc.	14	10,344,232	9,499,505
Legal Expenses		559,082	311,310
Postage, Stamp, Telecommunication etc.	15	904,346	927,495
Stationery, Printing, Advertisement etc.	16	969,767	1,205,577
Shariah Council Meeting Expenses		116,168	88,565
Depreciation of Bank's Assets	17	3,514,748	3,388,338
Repair of Bank's Assets	18	1,066,760	1,033,111
Other Expenses	19	4,631,653	4,384,378
<b>TOTAL Operating Expenses (B)</b>		<b>49,430,444</b>	<b>48,745,913</b>
<b>Operating Profit During the Year (A - B)</b>		<b>1,498,976</b>	<b>(24,224,095)</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 2015

		31.12. 2015 Taka	31.12. 2014 Taka
<b>1. Cash</b>			
Cash in hand	(Note: 1.1)	30,418,068	26,807,998
Balance with Bangladesh Bank and its agent bank(s)	(Note: 1.2)	440,635,463	287,279,501
		<b>471,053,532</b>	<b>314,087,499</b>
<b>1.1 Cash in hand</b>			
In Local Currency		30,418,068	26,195,692
In Foreign Currencies		-	612,306
		<b>30,418,068</b>	<b>26,807,998</b>
<b>1.2 Balance with Bangladesh Bank and its agent bank(s)</b>			
In Local Currency			
Al-Wadiah Current Account		440,635,463	287,279,501
In Foreign Currencies		-	-
		<b>440,635,463</b>	<b>287,279,501</b>
<b>2. Balance with other banks and financial institutions</b>			
<b>In Bangladesh</b>			
Mudaraba Term Deposits			
Social Investment Bank Limited		-	300,000,000
Shahjalal Islami Bank Limited		-	-
Al-Arafah Islamic Bank Limited		-	900,000,000
Islamic Hajj Finance		-	-
			1,200,000,000
<b>Outside Bangladesh</b>			
		-	-
		<b>-</b>	<b>1,200,000,000</b>
<b>3. Investments</b>			
General Investments		4,668,952,304	4,390,323,755
Bills Purchased & Discounted		76,619,400	114,716,135
		<b>4,745,571,704</b>	<b>4,505,039,890</b>
<b>3.1 General Investments</b>			
<b>In Bangladesh</b>			
Murabaha (Purchase Order)		1,422,392,453	1,115,085,422
Murabaha (Term Financing)		1,110,708,844	1,082,446,736
MPI Trust Receipt		407,931,840	412,890,502
Murabaha Import Bill (PAD)		-	-
Bai Muajjal		1,352,851,374	1,355,985,160
Ijara (Lease Financing) (Note-3.5)		36,954,334	40,599,039
Shirkatul Mulk (Hire Purchase)		318,061,093	357,473,345
Others		20,052,366	25,843,551
		<b>4,668,952,304</b>	<b>4,390,323,755</b>
<b>Outside Bangladesh</b>			
		-	-
		<b>4,668,952,304</b>	<b>4,390,323,755</b>

	31.12.2015 Taka	31.12.2014 Taka
<b>3.2 Bills Purchased &amp; Discounted</b>		
Payable in Bangladesh:		
Inland bills purchased	75,894,812	114,716,135
Payable outside Bangladesh:		
Foreign bills purchased & discounted	724,588	-
	<b>76,619,400</b>	<b>114,716,135</b>
<b>3.3 Residual maturity grouping of investments including bills purchased and discounted</b>		
Repayable on Demand	719,398,274	1,024,031,395
Not more than 3 months	1,950,136,352	1,647,549,412
More than 3 months but not more than 6 months	759,997,759	600,615,277
More than 6 months but not more than 1 year	280,248,554	68,006,525
More than 1 year but not more than 5 years	778,876,810	883,109,808
More than 5 years	256,913,954	281,727,473
	<b>4,745,571,704</b>	<b>4,505,039,890</b>
<b>3.4 Maturity grouping of bills purchased &amp; discounted</b>		
Payable within 1 month	49,046,903	68,333,333
Over 1 month but less than 3 months	17,015,239	46,114,022
Over 3 months but less than 6 months	10,557,258	268,780
6 months or more	-	-
	<b>76,619,400</b>	<b>114,716,135</b>
<b>3.5 Investment in lease / izara finance</b>		
Lease rental receivable within 1 year	31,511,921	28,983,038
Lease rental receivable within more than 1 year	7,864,823	13,314,320
<b>Total lease/ izara rental receivable</b>	<b>39,376,744</b>	<b>42,297,358</b>
Less: unearned interest receivable	2,422,411	1,698,319
<b>Net investment in lease/izara finance</b>	<b>36,954,334</b>	<b>40,599,039</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	2,041,472	270,822
d. Investments to Customer's Group:		
Agriculture investments	-	-
Commercial lending	4,158,716,056	3,843,605,036
Export financing	193,130,205	325,846,745
Consumer credit scheme	38,330,472	11,517,058
Special Program Loan (SME)	335,342,605	298,227,500
Staff investments	18,010,894	25,572,729
Others	-	-
	<b>4,745,571,704</b>	<b>4,505,039,890</b>
<b>3.7 Investments under the following broad categories</b>		
Investments	3,316,100,930	3,034,338,596
Bai Murabaha/ Bai Muajjal	1,352,851,374	1,355,985,160
	4,668,952,304	4,390,323,755
Bills Purchased and discounted	76,619,400	114,716,135
	<b>4,745,571,704</b>	<b>4,505,039,890</b>

		31.12.2015 Taka	31.12.2014 Taka
<b>3.8</b>	<b>Industry - wise investments including bills purchased &amp; discounted</b>		
	Agricultural Industries	-	-
	Pharmaceuticals Industries	-	-
	Textile & Garment Industries	1,817,631,169	1,802,327,035
	Chemical Industries	9,157,812	3,470,663
	Food & Allied Industries	369,854,487	189,291,328
	Transport & Communication	6,144,367	82,867,279
	Electronics & Automobile Industries	-	-
	Housing & Construction Industries	203,218,318	153,696,847
	Engineering & Metal Industries including Ship Breaking	1,762,539,388	1,675,036,768
	Energy & Power Industries	327,625,050	327,625,050
	Service Industries	19,563,573	16,074,591
	Other Industries	229,837,540	254,650,330
		<b>4,745,571,704</b>	<b>4,505,039,890</b>
<b>3.9</b>	<b>Geographical Location - wise investments</b>		
	Dhaka Region	2,401,520,078	2,361,550,999
	Chittagong Region	2,344,051,626	2,143,488,891
	Sylhet Region	-	-
	Other	-	-
		<b>4,745,571,704</b>	<b>4,505,039,890</b>
<b>3.10</b>	<b>Sector - wise investments</b>		
	<u>In Bangladesh</u>		
	Government & Autonomous bodies	-	-
	Financial Institutions (Public & Private)	-	-
	Other Public Sector	-	-
	Private Sector	4,745,571,704	4,505,039,890
		<b>4,745,571,704</b>	<b>4,505,039,890</b>
	<u>Outside Bangladesh</u>	-	-
		<b>4,745,571,704</b>	<b>4,505,039,890</b>
<b>3.11</b>	<b>Classification of investments</b>		
	Unclassified (including staff loan)	4,109,040,726	3,354,912,762
	Sub-Standard	-	-
	Doubtful	-	-
	Bad or loss	636,530,978	1,150,127,128
		<b>4,745,571,704</b>	<b>4,505,039,890</b>
<b>3.12</b>	<b>Provision required for investments</b>		
	<u>Status</u>	Rate %	
	Unclassified	0.25, 1, 2.5 & 100	
	Special Mention Account	0.25, 1	
	<u>Classified:</u>		
	Sub-Standard	20	
	Doubtful	50	
	Bad or loss	100	
	Required provision for investments		
	Total provision maintained		
	<b>Excess / short provision as at 31 December</b>		

	31.12.2015 Taka	31.12.2014 Taka
<b>3.13 Securities against investments including bills purchased &amp; discounted</b>		
<b>a. Secured</b>		
Collateral of movable / immovable assets	3,217,061,179	2,900,358,715
Local Banks & Financial Institutions guarantee	75,894,812	114,716,135
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	51,736,912	374,879,618
Other Securities	1,400,154,213	1,115,085,422
	<b>4,745,571,704</b>	<b>4,505,039,890</b>
<b>b. Unsecured</b>	-	-
	<b>4,745,571,704</b>	<b>4,505,039,890</b>
<b>3.14 Particulars of Loans and Advances</b>		
(i) Investments considered good in respect of which the bank company is fully secured;	1,685,149,989	1,564,895,492
(ii) Investments considered good against which the banking company holds no security other than the debtor's personal guarantee;	50,738,507	27,747,573
(iii) Investments considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors;	1,665,915,023	1,485,080,758
(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;*	20,052,366	25,843,551
(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;	27,108,088	26,960,826
(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;	50,790,139	189,080,335
b) Amount realized against investments previously written off;	-	-
c) Amount of provision kept against investments classified as 'bad/loss' on the date of preparing the balance sheet;	331,671,758	280,881,618
d) Profit creditable to the Profit Suspense A/c;	-	-
(xi) Cumulative amount of the written off investments;	400,020,582	400,020,582

	31.12.2015 Taka	31.12.2014 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	11,670,120	11,321,591
Computer	3,031,764	3,322,023
Software	421,959	-
Bank's Vehicle	-	-
	<b>44,754,603</b>	<b>44,274,374</b>
Less: Accumulated depreciation	18,125,201	14,610,453
	<b>26,629,403</b>	<b>29,663,921</b>
<b>5. Other Assets</b>		
Stationery, stamps, printing materials etc.	244,636	313,264
Profit accrued on investment but not collected,	16,935,000	16,935,000
Advance rent	8,093,896	9,442,878
Security deposit;	315,000	315,000
Preliminary, formation and organization expenses, renovation / development expenses and prepaid expenses	482,197	631,101
Branch Adjustments	2,660,922,003	141,707,709
Suspense Account	104,415	54,201
Others	2,457,522	20,226,430
	<b>2,689,554,668</b>	<b>189,625,583</b>
<b>6. Borrowings From Other Banks, Financial Institutions &amp; Agents</b>		
<b>Bangladesh Bank refinance</b>		
Export development fund	138,340,930	227,719,325
Islami Investment bond's fund	-	1,200,000,000
	<b>138,340,930</b>	<b>1,427,719,325</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	101,120,746	106,989,264
Foreign Currency Deposits	1,793,968	375,425
Margin under Letter of Credit	1,189,520	14,590,947
Margin under Letter of Guarantee	5,211,137	6,440,350
Deposits Awaiting Disposal	42,479	4,807,219
Sundry Deposit	78,011,491	20,041,953
	<b>187,369,342</b>	<b>153,245,158</b>
<b>7.2 Bills Payable</b>		
Pay Order	28,238,623	22,573,324
Demand Draft	-	-
	<b>28,238,623</b>	<b>22,573,324</b>
<b>7.3 Savings Deposits</b>		
Mudaraba Savings Accounts	<b>2,295,104,649</b>	<b>898,184,835</b>



	31.12.2015 Taka	31.12.2014 Taka
<b>7.4 Term Deposits</b>		
Mudaraba Special Notice Deposits	208,641,667	58,947,098
Mudaraba Term Deposits	4,258,628,413	2,887,516,472
Mudaraba Deposit Pension/Hajj Savings Scheme	501,698,295	373,238,001
	<b>4,968,968,375</b>	<b>3,319,701,571</b>
<b>8. Other Liabilities</b>		
Accrued Interest	-	5,137,595
Profit Suspense Account	561,580,251	553,442,732
Provision against Expenses	-	77,000
Finance from OBU for Bill Discounting	66,898,233	96,443,398
Tax/VAT deducted at source & payable	7,791,461	3,236,129
Excise Duty Payable	3,524,767	4,288,487
Others	4,992,676	4,367,340
	<b>644,787,387</b>	<b>666,992,680</b>
	2015 Taka	2014 Taka
<b>9. Profit received from Investment</b>		
Murabaha Term Loan	40,562,910	31,838,418
Loan against Imported Merchandise/Murabaha	22,373	280,472
Loan against MPI Trust Receipt	1,451,269	3,223,319
Cash Credits / Bai-Murabaha	192,099,808	174,821,283
Murabaha Import Bill (PAD)	-	6,313,109
House Building Loan	882,448	1,188,541
Transport Loan	501,839	518,510
Hire Purchase/Shirkatul Mulk	48,278,807	73,716,386
<b>Total Profit received from Investment</b>	<b>283,799,454</b>	<b>291,900,038</b>
Fund Placement with banks	-	25,535,556
Inter Branch Profit received	234,865,701	129,801,839
	<b>518,665,155</b>	<b>447,237,433</b>
<b>10. Profit Paid On Deposits &amp; Borrowings</b>		
Mudaraba Savings Account	67,051,347	23,084,230
Special Notice Deposits	4,733,852	2,696,746
Term Deposits	313,641,954	316,416,356
Mudaraba Deposit Pension / Hajj Savings Scheme	46,634,233	36,606,705
Inter Branch Profit paid	37,567,745	6,105,414
Borrowing & Fund Placement	34,413,431	83,021,013
	<b>504,042,563</b>	<b>467,930,464</b>
<b>11. Commission / Fees, Exchange Earnings &amp; Brokerage</b>		
Commission on L/C	13,575,225	11,818,885
Commission on L/G	787,234	1,473,162
Commission on Remittance / Bills	120,844	170,192
Processing Fee Consumer Loan	59,500	134,500
Other Commission / Fees	10,195,013	3,777,965
Exchange gain including gain from foreign currency dealings	3,518,059	10,090,701
	<b>28,255,875</b>	<b>27,465,405</b>

	2015 Taka	2014 Taka
<b>12. Other Operating Income</b>		
Profit on Govt. Islamic Bond	2,528,750	13,571,468
Postage charge recoveries	300,071	2,417,376
Incidental charges	1,373,441	1,156,600
Supervision & monitoring charges	2,996,254	19,000
ATM charges realised	167,400	129,000
Swift charge recoveries	685,035	456,000
	<b>8,050,952</b>	<b>17,749,444</b>
<b>13. Salary and Allowances</b>		
Basic Salary	8,901,143	9,462,233
Allowances	12,207,500	11,903,615
Bonus & Ex-gratia	1,567,722	1,576,477
Leave Fare Assistance	1,519,086	1,577,075
Gratuity Expense	2,228,376	2,464,937
Bank's contribution to Provident Fund	899,860	923,297
	<b>27,323,688</b>	<b>27,907,634</b>
<b>14. Rent, Taxes, Insurance, Lighting Etc.</b>		
Office Rent	6,792,875	6,593,971
Electricity and Lighting	1,210,543	1,113,469
Regulatory Charges	45,160	25,161
Insurance	2,295,654	1,766,904
	<b>10,344,232</b>	<b>9,499,505</b>
<b>15. Postage, Stamps, Telecommunication Etc.</b>		
Stamps, Postage & Courier	144,244	167,400
Telephone Charges	170,731	192,554
Fax, Internet, Radio Link, & DDN Charges	589,371	567,541
	<b>904,346</b>	<b>927,495</b>
<b>16. Stationery, Printing, Advertisement Etc.</b>		
Table Stationery	247,949	172,367
Printing Stationery	336,789	297,174
Security Stationery	177,038	170,935
Computer Stationery	176,888	172,395
Advertisement	31,104	392,706
	<b>969,767</b>	<b>1,205,577</b>
<b>17. Depreciation of Bank's Assets</b>		
Land	608,075	538,246
Building	501,124	501,124
Furniture & Fixture	2,133,622	2,022,600
Office Appliance & Equipment	223,402	266,731
Computer	48,525	59,637
Software	-	-
Motor Vehicle	-	-
	<b>3,514,748</b>	<b>3,388,338</b>

	2015 Taka	2014 Taka
<b>18. Repair &amp; Maintenance of Bank's Assets</b>		
Office Premises	266,659	178,034
Office Equipment	327,443	339,057
Office Furniture	13,570	77,900
Computer & Office Appliances	459,089	438,120
	<b>1,066,760</b>	<b>1,033,111</b>
<b>19. Other Expenses</b>		
Contractual Service Charge	3,374,613	3,370,336
Petrol, Oil and Lubricants	104,720	101,980
Entertainment: canteen & other	438,582	404,957
Travelling	152,608	109,803
Conveyance	181,216	145,244
Training Expenses	33,400	46,500
Books and Papers	16,879	13,264
WASA Charges	74,360	60,840
Staff Uniform	31,025	28,600
Potted Plants	62,850	66,300
Branch Opening Expenses	-	-
ATM Network Service Charges	146,700	-
Miscellaneous expenses	14,700	36,554
	<b>4,631,653</b>	<b>4,384,378</b>

# Disclosures on Risk Based Capital (Under Pillar-3 of Basel-III Framework)

For the year ended 31 December 2015

Annexure - J

## Background:

The Disclosure on Risk Based Capital (under pillar 3 of Basel III framework) has been prepared in accordance with the Guidelines on 'Risk Based Capital Adequacy' published by Bangladesh Bank on December 2014. These disclosures are purported to affirm the information on Minimum Capital Requirement (MCR) under Pillar 1 and Supervisory Review Process (SRP) under Pillar 2 and ensure transparency about the capital adequacy of the Bank, capital adequacy framework, risk assessment and mitigation methodologies, risk exposure in various spectrum so that the stakeholders of the industry can examine the risk related compliance of the Bank.

### 1. Scope of Application:

#### 1.1 Qualitative Disclosure:

a) The Risk Based Capital Adequacy and related disclosures are applicable for Dhaka Bank Limited which is the top corporate entity of the group which has 2 (two) subsidiaries- Dhaka Bank Securities Limited and Dhaka Bank Investment Limited.

#### b) Brief Description of the Subsidiaries:

##### 1. Dhaka Bank Securities Limited:

Dhaka Bank Securities Limited (the name of company has been changed from DBL Securities Limited to Dhaka Bank Securities Limited dated 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 company is the Trading Right Entitlement Certificate (TREC) holder of both 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.

##### 2. Dhaka Bank Investment Limited:

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.

## Basis for Consolidation:

The quantitative disclosures are made on the basis of consolidated audited financial statements of the bank and its subsidiaries as at and for the year ended December 31, 2015. The consolidated financial statements 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 year ended 31 December 2015.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profit and loss resulting from transaction between Groups is also eliminated on consolidation.

c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group: Not applicable.

#### 1.2 Quantitative Disclosure:

a) The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group: **Not applicable**

### 2. Capital Structure

#### 2.1 Qualitative Disclosure

Under Basel-III Accord regulatory capital of a bank will be categorized into three tiers: (a) Tier – 1 Capital/Core Capital, (b) Tier-2 Capital/Supplementary Capital, and (c) Tier-3 Capital/Additional Supplementary Capital.

Total eligible regulatory capital of Dhaka Bank Limited consists of partly Tier-1 Capital and partly Tier-2 Capital. Almost 82.06% (Solo basis) of total eligible capital is Tier-1 or core capital, which comprises of Paid-up Capital, Statutory Reserve, Retained Earnings, General Reserve etc. On the other hand, Tier-2 or supplementary capital (comprises of Non-convertible Subordinated Bond, General Provision, Asset Revaluation Reserve, and Revaluation Reserves for Securities) is 17.94% of total eligible capital and almost 21.87% of Tier-1 capital.

#### Non-convertible Subordinated Bond

Dhaka Bank Limited issued Redeemable Non Convertible Subordinated Bond of BDT 2,000,000,000 for a term of 7 years to strengthen the capital base of the bank on the consent of SEC vides letter no.SEC/CI/CPLC-10/2001-256 dated 09.09.2010. As per BRPD Circular No. 10/2002 and BRPD Circular No. 13/2009 issued by Bangladesh Bank, among the total BDT 2,000,000,000 of Subordinated Bond, BDT 800,000,000 i.e. 6.33% of Tier-I capital has been considered as a component of Supplementary Capital (Tier-2) of the Bank.

## 2.2 Quantitative Disclosure

Sl. No.	Particulars	Amount (in crore BDT)	
		Consolidated	Solo
<b>A.</b>	<b>Tier-1 Capital (Going-Concern Capital):</b>		
	<b>Common Equity Tire- 1 Capital (CET- 1)</b>		
	Fully Paid-up Capital	625.36	625.36
	Statutory Reserve	530.07	530.07
	General Reserve	16.03	16.03
	Retained Earnings	126.51	96.24
	Minority Interest in Subsidiaries	0.00	0.00
	<b>Sub-Total:</b>	<b>1,297.97</b>	<b>1,267.70</b>
	<b>Less : Regulatory Adjustment:</b>		
	Book value of Goodwill and value of all other Intangible Assets**	3.42	3.42
	Deferred Tax Assets (DTA)	0.18	0.00
	<b>Sub-Total:</b>	<b>3.60</b>	<b>3.42</b>
	<b>Total Common Equity Tire- 1 Capital (CET 1)</b>	<b>1,294.37</b>	<b>1,264.28</b>
	<b>Additional Tire- 1 Capital (AT- 1)</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Tier-1 Capital (A):</b>	<b>1,294.37</b>	<b>1,264.28</b>
<b>B.</b>	<b>Tier-2 Capital (Gone Concern Capital):</b>		
	General Provision (including provision for Off-Balance Sheet Exposure)	170.17	168.00
	Assets Revaluation Reserves up to 80%	25.94	25.94
	Revaluation Reserve for HTM & HFT Securities (up to 80%)	2.53	2.53
	Non-convertible Subordinated Bond	80.00	80.00
	<b>Sub Total:</b>	<b>278.63</b>	<b>276.47</b>
	<b>Less : Regulatory Adjustment</b>	-	-
	<b>Total Tier-2 Capital (B):</b>	<b>278.63</b>	<b>276.47</b>
<b>C.</b>	<b>Total Eligible Regulatory Capital (A+B):</b>	<b>1,573.00</b>	<b>1,540.75</b>
	**Written down value of Software which is treated as Intangible Assets		

## 3. Capital Adequacy

### 3.1 Qualitative Disclosure

As per the Guidelines on Risk Based Capital Adequacy (RBCA) for Banks under Basel-III Accord each banks have to maintain Capital to Risk-weighted Asset Ratio (CRAR) on solo basis and consolidated basis as per instructions given by Bangladesh Bank from time to time. The minimum CRAR for the year ended December, 2015 was 10% of total Risk Weighted Assets.

Dhaka Bank Limited strictly follows the guidelines of Bangladesh Bank regarding capital adequacy and its policy is to maintain regulatory capital at a level higher than the minimum required capital.

### 3.2 Quantitative Disclosure:

Sl. No.	Particulars	Amount (in crore BDT)	
		Consolidated	Solo
<b>1.</b>	<b>Risk Weighted Assets:</b>		
	For Credit Risk:		
	On-Balance Sheet	11,866.60	11,693.31
	Off-Balance Sheet	1,746.87	1,746.87
	For Market Risk	419.92	229.07
	For Operational Risk	1,099.34	1,065.07
	<b>Total:</b>	<b>15,132.73</b>	<b>14,734.32</b>



Sl. No.	Particulars	Amount (in crore BDT)	
		Consolidated	Solo
<b>2.</b>	<b>Minimum Capital Required:</b>		
	For Credit Risk	1,361.35	1,344.02
	For Market Risk	41.99	22.91
	For Operational Risk	109.93	106.51
	<b>Total:</b>	<b>1,513.27</b>	<b>1,473.44</b>
<b>3.</b>	<b>Total Eligible Regulatory Capital:</b>		
	Tier-1 Capital/Core Capital	1,294.37	1,264.28
	Total Tier-2 Capital/Supplementary Capital	278.63	276.47
		<b>1,573.00</b>	<b>1,540.75</b>
<b>4.</b>	<b>Capital Adequacy Ratio:</b>		
	Tier-1 Capital to RWA	8.55%	8.58%
	Tier-2 Capital to RWA	1.84%	1.88%
	<b>Total:</b>	<b>10.39%</b>	<b>10.46%</b>

#### 4. Credit Risk

##### 4.1 Qualitative Disclosure Exposure to Credit Risk

Credit risk is the risk of financial loss resulting from failure by a client or counterparty to meet its contractual obligations to the Bank. Bank is exposed to credit risk from its dealing with or lending to corporate, individuals, and other banks or financial institutions.

##### Past due Claims

**Special mention:** These assets have potential weaknesses thus deserve management's close attention. If left uncorrected, these weaknesses may result in a deterioration of the repayment prospects of the borrower.

**Sub-standard:** These are the loans where bank has reason to doubt about the repayment of the loan although recovery prospect is encouraging.

**Doubtful:** Full repayment of principal and interest is unlikely and the possibility of loss is extremely high.

**Bad /Loss:** These are the loans that have a bleak recovery possibility.

##### Capital Requirement for Credit Risk

The capital requirement for credit risk is based on the risk assessment made by external credit assessment institutions (ECAIs) recognized by BB for capital adequacy purposes. Banks are required to assign a risk weight to both on-balance sheet and off-balance sheet exposures based on external credit rating (solicited) which mapped with the BB rating grade or a fixed weight specified by BB.

Minimum regulatory capital for credit risk is calculated by multiplying the Risk Weighted Assets (RWA) for both on balance sheet and off-balance sheet exposure with a certain percentage (10% for 2015).

##### Credit Risk Management System

Dhaka Bank is managing Credit Risk through a robust process that enables the bank to proactively manage loan portfolios in order to minimize losses and earn an acceptable level of return for shareholders.

Credit risk is controlled and monitored by establishing appropriate limits and operational controls to constrain credit exposure to individual counter parties and counterparty groups. There are specific policies and procedures applicable to different business segments.

##### Credit Risk Mitigation

Banks use a number of techniques to reduce their credit risk to which they are exposed. Guidelines on Risk Based Capital Adequacy (RBCA) consider two aspects of credit risk mitigation:

**a) Collateral for Credit Risk Mitigation**

Taking collateral is the most common way to mitigate credit risk. The Bank generally takes collaterals in the form of pledges of sufficient eligible marketable securities or cash, mortgages over the property etc. All of the collaterals taken do not necessarily qualify for availing capital relief under the Basel-II Accord on capital adequacy.

Where a transaction is secured by eligible financial collateral and meets the eligibility criteria and minimum requirements, banks are allowed to reduce their credit exposure or potential credit exposure by taking into account the risk mitigating effect of the collateral for the calculation of capital charge.

To ensure with a high degree of certainty that the collateral value will cover the exposure, discounts ("haircuts") are generally applied to the current market value. These reflect the quality, liquidity, volatility and, in some cases, the complexity of the individual instruments. Exposures and collateral values are continuously monitored, and margin calls or close-out procedures are enforced, when the market value of collateral falls below a predefined trigger level. Concentrations within individual collateral portfolios and across clients are also monitored where relevant and may affect the discount applied to a specific collateral pool.

Dhaka Bank has developed stringent process on collateral management. The collaterals considered by Dhaka Bank for credit risk mitigation (for capital calculation under standardized approach) comprise of financial collaterals (Bank deposits, Gold, Debt securities, equities, units of mutual funds etc). A detail process of calculation of correct valuation and application of haircut has been put in place with the help of core banking software Flex-cube (State of the art banking software of Dhaka Bank).

Majority of financial collaterals held by Dhaka Bank are in the form of own deposits and thus are not exposed to any uncertainty in realization in case of default by counterparty. As such, there is no risk concentration on account of nature of collaterals.

**b) Guarantee for Credit Risk Mitigation**

To reduce credit risk transaction may be secured by guarantees. Where guarantees are direct, explicit, irrevocable and unconditional banks may consider such credit protections in calculating capital requirements through a substitution approach. Only guarantees issued by entities with a lower risk weight than the counterparty will lead to reduced capital charge, whereas the uncovered portion retains the risk weight of the underlying counterparty.

In Dhaka Bank only those guarantees that are direct, explicit, irrevocable and unconditional, are taken into consideration for calculating capital requirement. Use of such guarantees for capital calculation purpose is strictly as per Bangladesh Bank Guidelines on Risk Based Capital Adequacy.

**4.2 Quantitative Disclosure:****4.2.1 Total gross credit risk exposures broken down by major types of credit exposure**

(Amount in Crore BDT)

Particulars	Consolidated	Solo
Cash and Cash equivalents	154.37	154.36
Claims on Bangladesh Government and Bangladesh Bank	2,693.94	2,693.94
Claims on Banks & NBFIs:	1,259.00	1,275.33
Claims on Corporate	6,061.86	6,027.43
Credit Risk Mitigation	2,650.93	2,650.93
Claims included in retail portfolio & Small Enterprise	1,071.09	1,071.09
Claims on Consumer Loan	51.08	51.08
Claims fully secured by residential property	68.39	68.39
Claims fully secured by commercial real estate	593.27	593.27
Past due claims	358.77	358.77
Capital market exposure	303.62	205.91
Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book	227.15	227.15
Investments in premises, plant and equipment and all other fixed assets	410.99	410.00
All other assets		
i) Claims on GOB & BB	104.48	104.48
ii) Staff Loan / Investment	85.40	85.40
iii) Other Assets	577.07	566.68
<b>Total:</b>	<b>16,671.41</b>	<b>16,544.21</b>

(Amount in Crore BDT)

Types of Loan	2015	2014
Secured Overdraft/Quard	3,015.17	2,589.50
Cash Credit/Murabaha	847.19	817.65
House Building Loan	83.51	108.06
Transport Loan	88.49	91.54
Term Loan	3,675.04	3,324.41
Loan Against Trust Receipt	785.97	688.17
Payment Against Documents	10.27	12.15
Loan Against Imported Merchandize	6.36	29.29
Loan Against Accepted Bills	113.37	75.16
Packing Credit	29.00	12.24
Lease Finance / Izara	193.83	174.99
Credit Card	26.87	23.54
Retail Loan	62.23	159.59
Bills Purchased and discounted	239.46	222.78
Other Loans (Including Bai-Muajjal)	2,607.25	1,984.09
<b>Grand Total</b>	<b>11,784.02</b>	<b>10,313.15</b>

## 4.2.2 Geographical Distribution of Exposure (Region Based):

(Amount in Crore BDT)

Particulars	2015	2014
<b>Urban</b>		
Dhaka Region	7,522.00	6,404.62
Chittagong Region	2,455.38	2,195.52
South Region	227.39	205.22
North Region	251.72	218.28
Sylhet Region	68.78	61.26
Other	461.81	431.24
<b>Sub. Total</b>	<b>10,987.08</b>	<b>9,516.15</b>
<b>Rural</b>		
Dhaka Region	417.55	464.56
Chittagong Region	105.89	93.92
South Region	0.00	0.00
North Region	116.97	96.24
Sylhet Region	13.94	14.05
Other	142.59	128.23
<b>Sub. Total</b>	<b>796.94</b>	<b>797.00</b>
<b>Grand Total</b>	<b>11,784.02</b>	<b>10,313.15</b>

## 4.2.3 Industry or counterparty type distribution of exposures:

(Amount in Crore BDT)

Particulars	2015	2014
AGRICULTURE	54.57	169.42
RMG	1,257.70	1,045.81
TEXTILE	1,480.95	1,471.93
SHIP BUILDING	277.82	213.92
SHIP BREAKING	227.48	242.18
OTHER MANUFACTURING	2,502.40	2,096.24
SME LOANS	1,221.87	1,069.51
CONSTRUCTION	794.44	753.94
POWER, GAS	384.68	241.06
TRANSPORT, STORAGE & COMMUNICATION	342.32	310.46
TRADE SERVICE	1,359.53	1,156.29
COMMERCIAL REAL ESTATE FINANCE	599.18	407.42
RESIDENTIAL REAL ESTATE FINANCING	14.37	27.45
CONSUMER CREDIT	137.15	125.23
CAPITAL MARKET	205.91	187.79
OTHERS	878.88	730.68
NON-BANK FINANCIAL INSTITUTIONS	44.77	63.80
<b>GRAND TOTAL</b>	<b>11,784.02</b>	<b>10,313.15</b>

## 4.2.4 Residual contractual maturity of credit exposure:

(Amount in Crore BDT)

Particulars	2015	2014
On demand	3,351.99	2,438.63
Up to one month	1,819.62	1,605.20
Not more than three months	1,101.21	905.97
More than three months but not more than six months	1,133.99	1,183.94
More than six months but not more than one year	1,754.45	1,674.53
More than one year but not more than five years	2,398.91	2,215.90
More than five years	223.85	288.99
<b>Total</b>	<b>11,784.02</b>	<b>10,313.15</b>

## 4.2.5 Major Industry type amount of impaired loans:

(Amount in Crore BDT)

Industry Name	SS	DF	BL	Total
Agriculture	0.18	-	-	0.18
Rmg	3.97	-	14.73	18.70
Textile	27.17	-	22.59	49.76
Ship Building	-	-	-	-
Ship Breaking	63.59	-	35.94	99.52
Other Manufacturing	-	-	32.27	32.27
Sme Loans	5.31	11.82	129.17	146.29
Construction	3.98	-	11.80	15.78

(Amount in Crore BDT)

Industry Name	SS	DF	BL	Total
Power, Gas	-	-	-	-
Transport, Storage & Communication	2.61	-	5.86	8.47
Trade Service	9.84	14.12	94.67	118.62
Commercial Real Estate Finance	-	-	5.91	5.91
Residential Real Estate Financing	0.06	0.07	0.86	0.99
Consumer Credit	1.24	0.53	39.71	41.48
Capital Market	-	-	-	-
Others	5.66	-	5.43	11.09
Non-Bank Financial Institutions	-	-	-	-
<b>Grand Total</b>	<b>123.60</b>	<b>26.54</b>	<b>398.93</b>	<b>549.06</b>

#### 4.2.6 Gross Non Performing Assets (NPAs)

(Amount in Crore BDT)

	2015	2014
Gross Non Performing Assets (NPAs)	549.06	565.73
Non Performing Assets (NPAs) to Outstanding Loans & Advances	4.66%	5.49%
<b>Movement of Non Performing Assets (NPAs):</b>		
Opening Balance	565.73	413.67
Additions	750.66	813.31
Reductions	767.32	661.26
<b>Closing Balance</b>	<b>549.06</b>	<b>565.73</b>
<b>Movement of specific provisions for NPAs:</b>		
Opening	212.03	218.57
Specific provision for the year	68.05	24.39
Fully provided debt written off	(47.79)	(12.96)
Provision no longer required due to recoveries	(42.02)	(17.97)
<b>Closing Balance</b>	<b>190.27</b>	<b>212.03</b>

## 5 Equities: Disclosures for Banking Book Positions

### 5.1 Qualitative Disclosures

Dhaka Bank has considerable investment in equity shares of various companies and mutual funds and has active participation in the secondary market. The bank also participates in the primary market by the purchase of shares and securities from private placement for institutional investors. There is an investment committee for the management of investment portfolio and associated risk to which bank may be exposed. In the investment process Dhaka Bank strictly follow the internal policies and procedures put into place in this respect.

#### Valuation of Equity Securities

Shares and securities are valued as per the prescribed guideline of Bangladesh Bank and adequate provision is maintained accordingly for unrealized losses (if any).

#### Capital Charge for Equity Position Risk

Capital charge for equities are calculated on the basis of their current market value in the bank's trading book. This capital charge is calculated taking into account both the specific risk and the general market risk factor by applying the same rate of minimum capital adequacy ratio (10% for 2014).



## 5.2 Quantitative Disclosure

### 5.2.1 Equity Position

Sl. No.	Particulars	Amount (in Crore BDT)	
		Consolidated	Solo
1.	Investment in Equity Securities:		
	Cost price	153.16	23.97
	Market Price	96.94	23.48
	<b>Difference</b>	<b>(56.22)</b>	<b>(0.49)</b>
2.	The cumulative realized gains (losses) arising from sales and liquidation	19.38	1.90
3.	Total unrealized gains (losses)	<b>(56.22)</b>	<b>(0.49)</b>
4.	Total latest revaluation gains (losses)	-	-
5.	Any amount of the above included in Tier 2 capital	-	-
6.	Capital requirements broken down by appropriate equity grouping, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements (10% on market value).		
	• Specific Market Risk	9.63	0.09
	• General Market Risk	9.63	0.09

## 6. Interest Rate Risk in the Banking Book (IRRBB)

### 6.1 Qualitative Disclosures

Interest rate risk is the risk where changes in the market interest rates might adversely affect a bank's financial condition. The immediate impact of changes in interest rates is on the Net Interest Income (NII). A long term impact of changing interest rates is on the bank's net worth since the economic value of banks' assets, liabilities and off-balance sheet positions get affected due to variation in market interest rates.

In Dhaka Bank the responsibility of interest rate risk management rests with the bank's Assets Liability Management Committee (ALCO). The bank periodically computes the interest rate risks in the banking book that arises due to re-pricing mismatches in interest rate sensitive assets and liabilities. For the purpose of monitoring such interest rate risk, the bank has in place a system that tracks the re-pricing mismatches in interest bearing assets and liabilities. For the computation of the interest rate mismatch the guidelines of the Bangladesh Bank are followed.

### 6.2 Quantitative Disclosures (for 1% change in interest rate for both asset and liability portfolio of the bank)

The Increase (decline) in earning or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB broken down by currency (as relevant):

Particulars	Up to 01 month	1 - 3 months	3 - 12 months	1 - 5 years	More than 5 years
Rate Sensitive Assets	3,741.58	2,920.84	3,581.28	3,239.76	1,400.00
Rate Sensitive Liabilities	1,920.87	2,487.24	7,574.08	1,884.56	1,103.61
GAP	1,820.71	433.60	(3,992.80)	1,355.20	296.39
Cumulative GAP	1,820.71	2,254.31	(1,738.49)	(383.29)	(86.90)
Adjusted Interest Rate Changes	1%	1%	1%	1%	1%
Quarterly Earnings Impact	4.55	1.08	(9.98)	3.39	0.74
Accumulated Earnings Impact	4.55	5.64	(4.35)	(0.96)	(0.22)
Earning Impact/ Avg. Quarterly Net Profit	12.66%	3.02%	(27.77%)	9.43%	2.06%

## 7. Market Risk

### 7.1 Qualitative Disclosure

#### Views of Board of Directors (BODs) on trading/investment activities:

Market risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate due to changes in different market variables, namely:

- Interest Rate Risk
- Equity Position Risk
- Foreign Exchange Risk
- Commodity Risk

All these risks are monitored by the Treasury. The foreign exchange risk is managed by setting limits on open foreign exchange position.

#### Methods Used to Measure Market Risk

To measure of market risk the Bank uses Value-at-Risk (VaR).

#### Market Risk & Liquidity Risk Management Policies and System

The objective of investment policy covering various facets of Market Risk is to assess and minimize risks associated with treasury operations by extensive use of risk management tools. Broadly it encompasses policy prescriptions for managing systematic risk, credit risk, market risk, operational risk and liquidity risk in treasury operations.

For market risks arising out of various products in trading book of the Bank and its business activities, the bank sets regulatory internal and ensure adherence thereto. Limits for exposure to counter-parties, industries and countries are monitored and the risks are controlled through Stop Loss limits, Overnight limit, Daylight limit, Aggregate Gap limit, Value at Risk (VAR) limit for forum, inter-bank dealing and investment limit etc.

For the Market Risk Management of the bank, it has a mid-office with separate Desks for Treasury & Asset Liability Management (ALM). Asset Liability Management Committee (ALCO) is primarily responsible for establishing the market risk management, asset liability management of the bank, procedures thereof, implementing core risk management framework issued by regulator, best risk management practices followed globally and ensuring that internal parameters, procedures, practices/policies and risk management prudential limits are adhered to.

Liquidity risk of the bank is assessed through Gap analysis for maturity mismatch based on residual maturity in different time buckets as well as various liquidity ratios and management of the same is done within the prudential limit fixed thereon. Further bank is also monitoring the liquidity position through various stock ratios. The bank is proactively using duration gap and interest rate forecasting to minimize the impact of interest rate changes.

#### Interest Rate Risk in the Trading Book

Dhaka Bank uses maturity method in measuring interest rate risk in respect of securities in the trading book. However, the capital charge for entire market risk exposure is calculated under the standardized approach using the maturity method and guideline of Bangladesh Bank in this respect.

Dhaka Bank's investment in interest rate sensitive instruments (such as Government Treasury Bill & Bond, sub-ordinate bond, commercial paper etc.) stood at BDT 1,423.26 crore as on 31 December 2015.

Investment was mostly in long term Government Securities. The Government Treasury Bonds were purchased at higher rate of interest to cover the increased SLR arising from the growth of deposit liabilities.

### 7.2 Quantitative Disclosure: Capital Requirement for Market Risk

Particulars	Amount (in Crore BDT)	
	Consolidated	Solo
<b>The capital requirements for:</b>		
Interest Rate Risk	15.49	15.49
Equity position risk	19.26	0.18
Foreign exchange risk	7.24	7.24
Commodity risk	-	-
<b>Total</b>	<b>41.99</b>	<b>22.91</b>

## 8. Operational Risk

### 8.1 Qualitative Disclosure

#### Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems (for example failed IT systems, or fraud perpetrated by a DBL employee), or from external causes, whether deliberate, accidental or natural. It is inherent in all of the Bank's activities

#### Views of Board of Directors (BODs) to Operational Risk

Dhaka Bank's approach to operational risk is not designed to eliminate risk altogether but rather, to contain risks within levels deemed acceptable by senior management. Operational risks are monitored and, to the extent possible, controlled and mitigated.

All functions, whether business, control or logistics functions, must manage the operational risks that arise from their activities. Operational risks are pervasive, as a failure in one area may have a potential impact on several other areas. The Bank has therefore established a cross-functional body to actively manage operational risk as part of its governance structure.

The foundation of the operational risk framework is that all functions have adequately defined their roles and responsibilities. The functions can then collectively ensure that there is adequate segregation of duties, complete coverage of risks and clear accountability. All the functions use their controls to monitor compliance and assess their operating effectiveness in several ways, including self-certification by staff, tracking of a wide range of metrics (for example, the number and characteristics of client complaints, deal cancellations and corrections, un-reconciled items on cash and customer accounts, and systems failures), and the analysis of internal and external audit findings.

#### Performance Gap of Executives and Staffs

Dhaka Bank always tries to be the best pay master in the sector and ensure best workplace safety for its employees to avoid inconsistent employment practices and unsound workplace safety caused by way of discrimination regarding employee's compensation, health and safety.

#### Potential External Events

Dhaka Bank has invested heavily in IT infrastructure for better automation and online transaction environment. The bank also has huge investment on alternative power supply (both UPS & generators) and network links to avoid business description and system failure. Its IT system does not allow any kind of external access to avoid external fraud by way of theft/ hacking of information assets, forgery etc. Dhaka Bank has also invests considerable on security from terrorism and vandalism to avoid damage to physical assets.

#### Approach for Calculating Capital Charges for Operational Risk

For calculating eligible regulatory capital under Basel-II Capital Accord, Dhaka Bank follows the Basic Indicator Approach.

### 8.2 Quantitative Disclosure

Capital requirement for Operational Risk exposure of Dhaka Bank is as below:

Particulars	Amount (in Crore BDT)	
	Consolidated	Solo
The capital requirements for Operational Risk	109.93	106.51

## 9. Liquidity Ratio

### 9.1 Qualitative Disclosure

Qualitative Disclosures	(a) <b>Views of Board of Directors on system to reduce liquidity Risk:</b> The Board reviews and approves the Assets Liability Management Policies and ensures that senior management manages liquidity risk effectively in the context of the Bank's business plan, long term funding plan and economic and financial position. DBL uses liquidity ratios and stressed liquidity gaps as key metrics to establish its liquidity risk tolerance levels. These metrics measures the Bank's ability to fulfill all its payment obligations stemming from ongoing business operations under various stress scenarios. The tolerance levels are defined either in the form of limits or management action triggers (MAT) and are part of the Bank's overall liquidity management framework which is approved and reviewed by the Board on an annual basis.
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	<p><b>(b) Methods used to measure Liquidity risk:</b>  There are different tools prescribed by Bangladesh Bank to measure and monitor liquidity risks. Following ratios are used by DBL as indicators for liquidity risks:</p> <ol style="list-style-type: none"> <li>Statutory Liquidity Requirement (SLR);</li> <li>Cash Reserve Ratio (CRR);</li> <li>Asset to Deposit Ratio (ADR);</li> <li>Structural Liquidity Profile (SLP);</li> <li>Maximum Cumulative Outflow (MCO);</li> <li>Medium Term Funding Ratio (MTF);</li> <li>Liquidity Coverage Ratio (LCR);</li> <li>Net Stable Funding Ratio (NSFR);</li> <li>Volatile Liability Dependency Ratio;</li> <li>Liquid Asset to Total Deposit Ratio;</li> <li>Liquid Asset to Short Term Liabilities;</li> </ol> <p>In addition to the above, DBL uses Stress Testing report and Liquidity mismatch profile as the methods to measure Liquidity risk.</p>
	<p><b>(c) Liquidity risk management system:</b>  Asset Liability Management Committee (ALCO) of DBL sets the direction for the Bank's liquidity management. ALCO meets at least once in every month and more as and when required. ALM desk of the Treasury Division closely monitors and controls liquidity requirements on regular basis by proper coordination of funding activities. It also monitors market developments, understanding their implications for the Bank's liquidity risk exposure and recommends appropriate risk management measures to ALCO. Another strategy of liquidity risk management is to develop a diversified funding base. It aims to align sources of funding with their use.</p>
	<p><b>(d) Policies and processes for mitigating liquidity risk:</b>  Dhaka Bank Ltd. has Contingency Funding Plan and Treasury Policy as a policy support to mitigate liquidity risk. The Board and the management of DBL put into operation the following check points and mechanisms for superior liquidity risk management:</p> <ul style="list-style-type: none"> <li>Liquidity risk tolerance: Bank set liquidity risk tolerance like Maximum Cumulative Outflow at 20%;</li> <li>Maintaining adequate levels of liquidity considering the average daily withdrawal by the customers;</li> <li>Identification and measurement of contingent liquidity risks arising from unseen scenarios.</li> <li>Contingency funding plan: Contingency funding plans incorporate events that could rapidly affect the bank's liquidity arising from sudden inability to call back long-term loans and advances, or the loss of a large depositor or counterparties.</li> <li>Public disclosure in promoting market discipline under Pillar 3 of Basel III.</li> <li>Maturity ladder of cash inflows and outflows are effective tool to determine banks cash position; that estimates cash inflows and outflows with net deficit or surplus (GAP) both on a day to day basis and over a series of specified time periods.</li> <li>A bucket wise (e.g. call, 2-7 days, 1 month, 1-3 months, 3-12 months, 1-5 years, over 5 years) maturity profile of the assets and liabilities is prepared to understand mismatch in every bucket.</li> </ul>

## 9.2 Quantitative Disclosure:

Particulars	Amount (in Crore BDT)
Liquidity Coverage Ratio	102.78%
Net Stable Funding Ratio (NSFR)	109.90%
Stock of High quality liquid assets	3,447.05
Total net cash outflows over the next 30 calendar days	2,245.29
Available amount of stable funding	14,409.99
Required amount of stable funding	13,112.34

## 10. Leverage Ratio

### 10.1 Qualitative Disclosure

Qualitative Disclosures	(a) <b>Views of Board of Directors on system to reduce liquidity Risk:</b> An underlying cause of the global financial crisis was the build-up of excessive on- and off-balance sheet leverage in the banking system. At the height of the crisis, financial markets forced the banking sector to reduce its leverage in a manner that amplified downward pressures on asset prices. This deleveraging process exacerbated the feedback loop between losses, falling bank capital and shrinking credit availability. To defuse the crisis, the Basel III framework introduced a non-risk-based capital measure, the leverage ratio, as an additional prudential tool to complement minimum capital adequacy requirements. Leverage ratio is the relative amount of Tier 1 capital to total exposure of the Bank (not risk-weighted) which has been set at minimum 3%. Under Basel III, a simple, transparent, non-risk based regulatory leverage ratio has been introduced to achieve the following objectives: <ul style="list-style-type: none"> <li>• Restrict the leverage in the banking sector, thus helping to mitigate the risk of the destabilizing deleveraging processes which can damage the financial system and the economy</li> <li>• Reinforce the risk-based requirements with a simple, transparent, independent measure of risk</li> </ul> The Board Risk Management Committee regularly reviews the leverage ratios and advice the management to strictly monitor the ratio in addition to the Pillar 1 Minimum Capital Requirement.
	(b) <b>Policies and processes for managing excessive on and off-balance sheet leverage:</b> The bank reviews its leverage position as per the Guidelines on Risk Based Capital Adequacy (revised regulatory capital framework for banks in line with Basel III). In addition, the bank has Risk Appetite as per Credit Risk Management Policy. Bank also employs Annual Budget Plan and Capital Growth Plan for managing excessive on and off-balance sheet leverage.
	(c) <b>Approach for calculating exposure:</b> The bank calculates the exposure under standardized approach as per the Guidelines on Risk Based Capital Adequacy (revised regulatory capital framework for banks in line with Basel III).

### 10.2 Quantitative Disclosure:

(in Crore BDT)

Particulars	Amount (Consolidated)	Amount (Solo)
Leverage Ratio	6.45%	6.33%
On balance sheet exposure	17,531.23	17,445.98
Off balance sheet exposure	2,533.57	2,533.57
Total exposure	20,061.20	19,976.13

\*Leverage ratio come into effect from March 31, 2015 as per RBCA Guidelines.

## 11. Remuneration

### 11.1 Qualitative Disclosure

Qualitative Disclosures	(a) The remuneration committee provides assistance to the Board in relation to the remuneration arrangements of the Bank. The Board makes all final decisions in relation to those arrangements. The current members of the Committee are as follows: <ol style="list-style-type: none"> <li>1. Syed Mahbubur Rahman, Managing Director &amp; CEO</li> <li>2. Darashiko Khasru, EVP &amp; CFO</li> <li>3. Md. Katebur Rahman, FVP</li> </ol> The committee is responsible to give input into the total risk framework in relation to remuneration risk, in particular, recommending to the Board the remuneration arrangements. The Committee's remuneration responsibilities include conducting reviews of, and making recommendations to the Board on, the remuneration policy taking into account the Bank's strategy, objectives, risk profile, shareholder interests, regulatory requirements, corporate governance practices and employee interests.
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	<p>The Committee may consult a professional adviser or expert, at the cost of the Bank, if the committee considers it necessary to carry out its duties and responsibilities. No remuneration recommendations were obtained from external consultants during the reporting period.</p> <p>The Board has approved a remuneration policy which applies to the Bank. The policy does not apply to service contracts with third parties. The policy deals with base remuneration and performance based remuneration including the deferral of short-term incentive payments. As on 31 December 2015, we have 87 branches, 3 SME service centers, 1 Kiosk and 1 Offshore Banking Unit in different areas of Bangladesh. The Bank has no foreign subsidiaries and branches.</p> <p>For the purposes of the accompanying remuneration disclosures, the “senior managers” of the bank comprise of Managing Director, the heads of appropriate big branches, the heads of operation, corporate, and credit risk functions and the company secretary.</p> <p>There were 39 senior managers as at the end of the reporting period.</p>
	<p>(b) The policy establishes a remuneration framework designed to attract, retain, and motivate employees to achieve the objectives of the bank. The framework is structured to provide the desired flexibility and reward arrangements to support the Bank’s strategy.</p> <p>The main features of the remuneration framework are: simplicity, fairness, alignment with values, appropriate risk behavior and transparency. Salary &amp; benefits structure implemented with effect from 1 July 2012. The major objectives of the remuneration policy includes:</p> <ol style="list-style-type: none"> <li>1. To ensure market driven pay and benefits,</li> <li>2. To retain bright professionals of the bank;</li> <li>3. To take the advantage over other banks in terms of attracting prospective employees due to less advantageous pay and benefits compared to the competitors.</li> </ol> <p>No review of remuneration happened during last year excluding regular annual increment. Accordingly, no changes were made.</p> <p>Technical allowance has given to IT employee for highly technical professional. Managers to manage the branch and employees to handle the cash are remunerated by charge allowance and risk allowance respectively. Risk and control personnel are still eligible to receive an annual bonus payment under the performance bonus plan.</p>
	<p>(c) The remuneration framework includes the following arrangements and processes designed to ensure that remuneration outcomes appropriately take into account the impact of business risk. The Board has discretion, having regard to the recommendation of the Committee, to provide variable remuneration to reflect the following:</p> <ol style="list-style-type: none"> <li>i. The outcomes of business activities;</li> <li>ii. The risk related to the business activities taking into account, where relevant.</li> <li>iii. Unexpected or unintended consequences that are not foreseen by the Board.</li> </ol> <p>On recommendation of the Management, the Board at its discretion may approve the performance/incentive bonus for the employees of the bank as a financial measure to minimize the risk.</p> <p>Risk and Compliance requirements represent a gateway to whether a bonus payment is made and the size of the payment. Notwithstanding financial performance and an individual’s contribution and performance, if the individual does not meet, or only partially meets, risk and compliance requirements, no award or a reduced award may be made.</p> <p>There were no changes to the nature and type of measures used during the reporting period.</p>
	<p>(d) The remuneration framework includes the following arrangements designed to ensure that remuneration outcomes are linked to performance:</p> <p><b>Fixed base:</b> There is an annual review for all eligible employees. Performance ratings for the performance period are taking into consideration as well as individual circumstances for annual increment.</p> <p><b>Performance base:</b> Performance bonus or incentive bonus are given to all eligible employees as per performance ratings for a performance period.</p> <p>Amounts of individual remuneration are linked to individual performance as per their performance ratings for the performance period. In addition, amounts of individual remuneration also linked to bank’s growth.</p> <p>In determining the payment of a bonus to individuals, the factors taken into account include:</p> <ol style="list-style-type: none"> <li>1. Team financial and strategic performance;</li> <li>2. Individual contribution to team performance;</li> <li>3. Individual performance including alignment with corporate values and meeting performance objectives.</li> </ol>

		Long term incentives are designed to link a component of remuneration with key performance measures that underpin sustainable longer term growth in shareholder value.
	(e)	The remuneration framework describes short term and long term benefits. Short term benefits include salary, festival bonus, LFA, and performance bonus as variable payments. Long term benefits include Gratuity, Provident Fund, Superannuation Fund and Leave encashment.
	(f)	Dhaka Bank Limited has no variable remuneration like cash, shares and share-linked instruments and other forms.

## 11.2 Quantitative Disclosure:

Number of meeting held by the main body overseeing remuneration during the financial year and remuneration paid to its member.	(a)	The Committee met twice during the financial year. No additional fees are paid for serving on board committees.
Number of employees having received a variable remuneration award during the financial year. Number and total amount o guaranteed bonuses awards made during the financial year. Number and total amount of sign-on awards made during the financial year. Number and total amount of severance payments made during the financial year.	(b)	Performance bonuses/Incentives:1285 employees Number of total guaranteed bonus(festival bonus): 2 Total amount of guaranteed bonus (festival bonus): BDT 9,50,731,89.00 Number of severance payments:44 employees Total amount of severance payments: BDT. 7,43,91,863.00, which includes Provident Fund, Gratuity Fund, Superannuation Fund and Leave Encashment.
Total amount of outstanding deferred remuneration, spilt into cash, shares and share-linked instruments and other forms. Total amount of deferred remuneration paid out in the financial year	(c)	Not applicable for Dhaka Bank Limited
Breakdown of amount of remuneration awards for the financial year to show: - Fixed and variable. -Deferred and non-deferred. -Different forms used (cash, shares, and share linked instruments, other forms).	(d)	<ul style="list-style-type: none"> <li>• Fixed: BDT. 1,54,32,27,776.00, Variable: BDT. 8,00,00,000.00</li> <li>• Deferred: BDT. 15,36,48,798.00</li> <li>• Non-deferred: Nil</li> <li>• Different forms used: Nil</li> </ul>
Quantitative information about employees' exposure to implicit (e.g. fluctuations in the value of share or performance units) and explicit adjustments (e.g. claw backs or similar reversals or downward revaluations of awards) of deferred remuneration: Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments. Total amount of reductions during the financial year due to ex post implicit adjustments.	(e)	Not applicable for Dhaka Bank Limited



## *Offshore Banking*

# Dhaka Bank Limited (Off-Shore Banking Unit)

## Balance Sheet

As at 31 December 2015

	Notes	31.12.2015		31.12.2014	
		USD	Taka	USD	Taka
<b>PROPERTY AND ASSETS</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>		6,614,541	522,548,757	372,695	29,182,037
In Bangladesh		-	-	-	-
Outside Bangladesh		6,614,541	522,548,757	372,695	29,182,037
<b>Money at call and on short notice</b>		-	-	-	-
<b>Investments</b>		-	-	-	-
Government		-	-	-	-
Others		-	-	-	-
<b>Loans, advances and lease/investments</b>	3	<b>9,904,057</b>	<b>782,420,518</b>	<b>15,727,731</b>	<b>1,231,481,349</b>
Loans, cash credits, overdrafts, etc./Investments	3.1	8,266,679	653,067,656	13,966,136	1,093,548,458
Bills purchased and discounted	3.2	1,637,378	129,352,862	1,761,595	137,932,892
<b>Fixed assets including premises, furniture and fixtures</b>		-	-	-	-
<b>Other assets</b>	4	22,140,247	1,749,079,535	35,590,451	2,786,732,296
<b>Non-banking assets</b>		-	-	-	-
<b>Total Assets</b>		<b>38,658,846</b>	<b>3,054,048,811</b>	<b>51,690,877</b>	<b>4,047,395,682</b>
<b>LIABILITIES AND CAPITAL</b>					
<b>Liabilities</b>					
Borrowings from other banks, financial institutions and agents	5	16,601,018	1,311,480,458	30,659,161	2,400,612,268
<b>Deposits and other accounts</b>	6	<b>9,189,219</b>	<b>725,948,292</b>	<b>18,467,080</b>	<b>1,445,972,363</b>
Current accounts & other accounts		8,539,936	674,654,973	17,406,122	1,362,899,320
Bills payable		-	-	-	-
Other deposits		649,283	51,293,319	1,060,958	83,073,043
<b>Other liabilities</b>	7	<b>11,409,706</b>	<b>901,366,810</b>	<b>1,466,773</b>	<b>114,848,347</b>
<b>Total Liabilities</b>		<b>37,199,944</b>	<b>2,938,795,559</b>	<b>50,593,014</b>	<b>3,961,432,978</b>
<b>Capital/Shareholders' Equity</b>					
Paid-up capital		-	-	-	-
Statutory reserve		-	-	-	-
Other reserve		-	-	-	-
Surplus in Profit and Loss Account		1,458,902	115,253,252	1,097,863	85,962,704
<b>Total Shareholders' Equity</b>		<b>1,458,902</b>	<b>115,253,252</b>	<b>1,097,863</b>	<b>85,962,704</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>38,658,846</b>	<b>3,054,048,811</b>	<b>51,690,877</b>	<b>4,047,395,682</b>

## Off-Balance Sheet Items

	Notes	31.12.2015		31.12.2014	
		USD	Taka	USD	Taka
<b>CONTINGENT LIABILITIES</b>	8				
Acceptances and Endorsements		6,842,797	540,580,924	9,018,103	706,117,427
Letter of Credit		4,029,956	318,366,485	3,739,842	292,829,661
Letter of Guarantee		-	-	-	-
Bills for Collection		6,795,507	536,845,029	4,678,497	366,326,318
Other Contingent Liabilities		-	-	-	-
<b>Sub-total:</b>		<b>17,668,259</b>	<b>1,395,792,437</b>	<b>17,436,442</b>	<b>1,365,273,406</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>17,668,259</b>	<b>1,395,792,437</b>	<b>17,436,442</b>	<b>1,365,273,406</b>

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

**Syed Mahbubur Rahman**  
Managing Director & CEO

**Altaf Hossain Sarker**  
Director

**Abdul Hai Sarker**  
Director

**Reshadur Rahman**  
Chairman

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

Dhaka,  
20 April 2016

**ACNABIN**  
Chartered Accountants



# Dhaka Bank Limited (Off-Shore Banking Unit)

## Profit and Loss Account

For the year ended 31 December 2015

	Notes	2015		2014	
		USD	Taka	USD	Taka
<b>Operating Income</b>					
Interest Income/Profit Received	9	2,116,875	167,233,155	1,760,959	137,883,092
Interest/Profit paid on Deposits & Borrowings	10	1,045,877	82,624,304	877,492	68,707,642
<b>Net Interest Income</b>		<b>1,070,998</b>	<b>84,608,851</b>	<b>883,467</b>	<b>69,175,450</b>
Income from Investment		-	-	-	-
Commission/Fees & Exchange Earnings	11	552,621	43,657,020	474,470	37,151,014
Other Operating Income	12	63,734	5,034,978	167,918	13,147,999
<b>Total Operating Income (A)</b>		<b>1,687,353</b>	<b>133,300,850</b>	<b>1,525,855</b>	<b>119,474,463</b>
<b>OPERATING EXPENSES</b>					
Salary and allowances		134,000	10,586,000	130,000	10,179,000
Rent, taxes, insurance, electricity, etc.		14,500	1,145,500	14,000	1,096,200
Legal expenses		6,000	474,000	6,000	469,800
Postage, stamps, telecommunication, etc.		10,500	829,500	10,000	783,000
Stationery, printing, advertisement, etc.		7,000	553,000	7,000	548,100
Chief executive's salary and fees		-	-	-	-
Directors' fees		-	-	-	-
Auditors' fees		-	-	-	-
Depreciation and repairs of Bank's assets		40,000	3,160,000	40,000	3,132,000
Other expenses	13	16,451	1,299,598	220,992	17,303,659
<b>Total operating expenses (b)</b>		<b>228,451</b>	<b>18,047,598</b>	<b>427,992</b>	<b>33,511,759</b>
<b>Profit / (Loss) Before Provision (C) = (A - B)</b>		<b>1,458,902</b>	<b>115,253,252</b>	<b>1,097,863</b>	<b>85,962,704</b>
Less: Provision for Loans (D)		99,041	7,824,205	79,218	6,202,744
<b>Total Profit/(Loss) before Tax (C-D)</b>		<b>1,359,861</b>	<b>107,429,046</b>	<b>1,018,646</b>	<b>79,759,960</b>
Less: Provision for Income Tax		-	-	-	-
<b>Net Profit / (Loss) after Tax :</b>		<b>1,359,861</b>	<b>107,429,046</b>	<b>1,018,646</b>	<b>79,759,960</b>

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

**Syed Mahbubur Rahman**  
Managing Director & CEO

**Altaf Hossain Sarker**  
Director

**Abdul Hai Sarker**  
Director

**Reshadur Rahman**  
Chairman

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

Dhaka,  
20 April 2016

**ACNABIN**  
Chartered Accountants

# Dhaka Bank Limited (Off-Shore Banking Unit)

## Cash Flow Statement

For the year ended 31 December 2015


	Notes	2015		2014	
		USD	Taka	USD	Taka
<b>Cash Flow from Operating Activities</b>					
Interest receipts		2,116,875	167,233,155	1,760,959	137,883,092
Interest payments		(1,045,877)	(82,624,304)	(877,492)	(68,707,642)
Receipts from other operating activities	14	616,354	48,691,999	642,388	50,299,013
Payments for other operating activities	15	(228,451)	(18,047,598)	(427,992)	(33,511,759)
Operating profit before changes in current assets & liabilities		<b>1,458,902</b>	<b>115,253,252</b>	<b>1,097,863</b>	<b>85,962,704</b>
<b>Changes in operating assets and liabilities</b>					
Other banks		(6,245,148)	(493,366,720)	1,995,211	156,225,007
Loans and advances to customers		5,684,314	449,060,831	(7,921,768)	(620,274,431)
Other assets		13,134,845	1,037,652,761	(28,084,375)	(2,199,006,595)
Deposits from other banks		(13,786,479)	(1,089,131,810)	20,742,175	1,624,112,268
Deposits from customers		(9,114,229)	(720,024,071)	13,956,835	1,092,820,183
Other liabilities account of customers		-	-	-	-
Other liabilities		9,955,930	786,518,463	(987,019)	(77,283,594)
<b>Net cash flow from operating activities (A)</b>		<b>1,088,135</b>	<b>85,962,704</b>	<b>798,921</b>	<b>62,555,542</b>
<b>Cash Flow from Investing Activities</b>					
		-	-	-	-
<b>Cash Flow from Financing Activities</b>					
Profit remitted to Head Office		(1,088,135)	(85,962,704)	(798,921)	(62,555,542)
<b>Net cash in financing activities</b>		<b>(1,088,135)</b>	<b>(85,962,704)</b>	<b>(798,921)</b>	<b>(62,555,542)</b>
Net increase / (Decrease) in cash (A+B+C)		-	-	-	-
Opening cash & cash equivalent as at 1 January		-	-	-	-
Closing cash & cash equivalent as at 31 December		-	-	-	-
<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  
20 April 2016

  
**Syed Mahbubur Rahman**  
Managing Director & CEO

  
**Altaf Hossain Sarker**  
Director

  
**Abdul Hai Sarker**  
Director

  
**Reshadur Rahman**  
Chairman

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

### Liquidity Statement (Asset and Liability Maturity Analysis) as at 31 December 2015

	Up to 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	6,614,541.23	522,548,757	-	-	-	-	-	-	-	-	6,614,541.23	522,548,757
Money at call on short notice	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-
Loans and Advances	8,244,867	651,344,485	612,941	48,422,362	-	-	1,046,249	82,653,671	-	-	9,904,057	782,420,518
Fixed assets including premises, furniture and fixtures	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	22,140,247	1,749,079,535	-	-	-	-	22,140,247	1,749,079,535
Non-banking assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>14,859,408</b>	<b>1,173,893,243</b>	<b>612,941</b>	<b>48,422,362</b>	<b>22,140,247</b>	<b>1,749,079,535</b>	<b>1,046,249</b>	<b>82,653,671</b>	<b>-</b>	<b>-</b>	<b>38,658,846</b>	<b>3,054,048,811</b>
<b>Liabilities:</b>												
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	-	-	-	-	(16,601,018)	(1,311,480,458)	-	-	-	-	(16,601,018)	(1,311,480,458)
Deposits & Other Accounts	(8,786,541)	(694,136,747)	-	-	-	-	-	-	-	-	(8,786,541)	(694,136,747)
Other liabilities	(661,781)	(52,280,709)	(10,222,169)	(807,551,358)	(525,756)	(41,534,743)	-	-	-	-	(11,409,706)	(901,366,810)
Capital & Reserve	-	-	-	-	-	-	(1,458,902)	(115,253,252)	-	-	(1,458,902)	(115,253,252)
<b>Total Liabilities</b>	<b>(9,448,322)</b>	<b>(746,417,456)</b>	<b>(10,222,169)</b>	<b>(807,551,358)</b>	<b>(17,126,775)</b>	<b>(1,353,015,201)</b>	<b>(1,458,902)</b>	<b>(115,253,252)</b>	<b>-</b>	<b>-</b>	<b>(38,256,168)</b>	<b>(3,022,237,266)</b>
<b>Net Liquidity Gap</b>	<b>5,411,086</b>	<b>427,475,786</b>	<b>(9,609,228)</b>	<b>(759,128,996)</b>	<b>5,013,473</b>	<b>396,064,335</b>	<b>(412,653)</b>	<b>(32,599,581)</b>	<b>-</b>	<b>-</b>	<b>402,678</b>	<b>31,811,545</b>
<b>Cumulative Liquidity Gap</b>	<b>5,411,086</b>	<b>427,475,786</b>	<b>(4,198,142)</b>	<b>(331,653,209)</b>	<b>815,331</b>	<b>64,411,125</b>	<b>-</b>	<b>31,811,545</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Dhaka Bank Limited (Off-shore Banking Unit)

## Notes to the Financial Statements

For the year ended 31 December 2015

### 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.

Notes	31.12. 2015		31.12. 2014	
	USD	Taka	USD	Taka
<b>3 Loans and Advances</b>				
<b>3.1 Loans, Cash Credits &amp; Overdrafts etc:</b>				
<b>In Bangladesh</b>				
Overdraft	612,941	48,422,362	1,301,777	101,929,136
Term Loan	7,653,738	604,645,294	12,466,862	976,155,269
Loan against Accepted Bills	-	-	197,497	15,464,053
	<b>8,266,679</b>	<b>653,067,656</b>	<b>13,966,136</b>	<b>1,093,548,458</b>
<b>Outside Bangladesh</b>	-	-	-	-
<b>Sub-total</b>	<b>8,266,679</b>	<b>653,067,656</b>	<b>13,966,136</b>	<b>1,093,548,458</b>
<b>3.2 Bills Purchased &amp; Discounted</b>				
Payable in Bangladesh:				
Inland bills purchased	1,637,378	129,352,862	1,761,595	137,932,892
Payable outside Bangladesh:				
Foreign bills purchased & discounted	-	-	-	-
<b>Sub-total</b>	<b>1,637,378</b>	<b>129,352,862</b>	<b>1,761,595</b>	<b>137,932,892</b>
<b>Total</b>	<b>9,904,057</b>	<b>782,420,518</b>	<b>15,727,731</b>	<b>1,231,481,349</b>
<b>3.3 Residual maturity grouping of loans including bills purchased and discounted</b>				
Repayable on Demand	8,244,867	651,344,485	12,855,695	1,006,600,935
Not more than 3 months	612,941	48,422,362	688,893	53,940,321
More than 3 months but not more than 1 year	-	-	612,884	47,988,815
More than 1 year but not more than 5 years	1,046,249	82,653,671	1,570,259	122,951,278
More than 5 years	-	-	-	-
	<b>9,904,057</b>	<b>782,420,518</b>	<b>15,727,731</b>	<b>1,231,481,349</b>

	2015		2014	
	USD	Taka	USD	Taka
<b>3.4 Maturity grouping of bills purchased &amp; discounted</b>				
Payable within 1 month	630,256	49,790,210	767,667	60,108,347
Over 1 month but less than 3 months	904,705	71,471,705	974,603	76,311,416
Over 3 months but less than 6 months	102,417	8,090,948	19,325	1,513,128
6 months or more	-	-	-	-
	<b>1,637,378</b>	<b>129,352,862</b>	<b>1,761,595</b>	<b>137,932,892</b>
<b>3.5 Loans on the basis of significant concentration including bills purchased &amp; discounted:</b>				
a. Advances to allied concerns of Directors	-	-	-	-
b. Advances to Chief Executive	-	-	-	-
c. Advances to Other Senior Executives	-	-	-	-
d. Advances to Customer's Group:				
Agriculture loan	-	-	-	-
Commercial lending	7,653,738	604,645,292	12,664,359	991,619,321
Export financing	1,637,378	129,352,864	1,761,595	137,932,892
Consumer credit scheme	-	-	-	-
Small and Medium Enterprise (SME)	-	-	-	-
Staff Loan	-	-	-	-
Others	612,941	48,422,362	1,301,777	101,929,137
	<b>9,904,057</b>	<b>782,420,518</b>	<b>15,727,731</b>	<b>1,231,481,349</b>
<b>3.6 Industry - wise loans including bills purchased &amp; discounted</b>				
Agricultural	-	-	-	-
Pharmaceuticals	-	-	-	-
Textile & Garment	8,137,954	642,898,368	3,085,866	241,623,284
Chemical	719,854	56,868,479	809,361	63,372,951
Food & allied	-	-	-	-
Transport & Communication	1,046,249	82,653,671	1,570,259	122,951,277
Electronics & Automobile	-	-	-	-
Housing & Construction	-	-	-	-
Engineering & Metal Industries including Ship	-	-	7,536,738	590,126,558
Breaking	-	-	-	-
Energy & Power	-	-	-	-
Service	-	-	-	-
Others	-	-	2,725,508	213,407,280
	<b>9,904,057</b>	<b>782,420,518</b>	<b>15,727,731</b>	<b>1,231,481,349</b>
<b>3.7 Geographical Location - wise Loans and Advances</b>				
Dhaka Region	9,904,057	782,420,518	15,727,731	1,231,481,349
Chittagong Region	-	-	-	-
South Region	-	-	-	-
North Region	-	-	-	-
Sylhet Region	-	-	-	-
Other	-	-	-	-
	<b>9,904,057</b>	<b>782,420,518</b>	<b>15,727,731</b>	<b>1,231,481,349</b>
<b>3.8 Sector wise loans</b>				
In Bangladesh				
Government & Autonomous bodies	1,046,249	82,653,671	1,570,259	122,951,277
Financial Institutions (Public & Private)	-	-	-	-
Other Public Sector	-	-	-	-
Private Sector	8,857,808	699,766,847	14,157,472	1,108,530,072
	<b>9,904,057</b>	<b>782,420,518</b>	<b>15,727,731</b>	<b>1,231,481,349</b>
Outside Bangladesh	-	-	-	-
	<b>9,904,057</b>	<b>782,420,518</b>	<b>15,727,731</b>	<b>1,231,481,349</b>



### 3.9 Classification of loans & advances

	31.12.2015		31.12.2014	
	USD	Taka	USD	Taka
Unclassified (including staff loan)	9,904,057	782,420,518	15,727,731	1,231,481,349
Sub-Standard	-	-	-	-
Doubtful	-	-	-	-
Bad or loss	-	-	-	-
	<b>9,904,057</b>	<b>782,420,518</b>	<b>15,727,731</b>	<b>1,231,481,349</b>

### 3.10 Provision required for loans and advances

Status	Rate%	31.12.2015		31.12.2014	
Unclassified	0.25,1,2 & 5	99,041	7,824,205	157,277	12,314,813
Special Mention Account	0.25,1,2 & 5	-	-	-	-
		<b>99,041</b>	<b>7,824,205</b>	<b>157,277</b>	<b>12,314,813</b>
Classified:					
Sub-Standard	20	-	-	-	-
Doubtful	50	-	-	-	-
Bad or loss	100	-	-	-	-
		-	-	-	-
Required provision for loans & advances		<b>99,041</b>	<b>7,824,205</b>	<b>157,277</b>	<b>12,314,813</b>
Total provision maintained		<b>99,041</b>	<b>7,824,205</b>	<b>157,277</b>	<b>12,314,813</b>
<b>Excess / short provision as at 31 December</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

a. Secured					
Collateral of movable / immovable assets	8,266,679	653,067,654	13,966,136	1,093,548,457	
Local Banks & Financial Institutions guarantee	1,637,378	129,352,864	1,761,595	137,932,893	
Government Guarantee	-	-	-	-	
Foreign Banks Guarantee	-	-	-	-	
Export documents	-	-	-	-	
Fixed Deposits Receipts	-	-	-	-	
1 Own FDR	-	-	-	-	
2 FDR of Other Banks	-	-	-	-	
Government bonds	-	-	-	-	
Personal Guarantee	-	-	-	-	
Other Securities	-	-	-	-	
b. Unsecured	-	-	-	-	
	<b>9,904,057</b>	<b>782,420,518</b>	<b>15,727,731</b>	<b>1,231,481,349</b>	

### 3.12 Particulars of Loans and Advances

(i) Loans considered good in respect of which the bank company is fully secured;	5,770,718	455,886,692	8,744,663	684,707,120
(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;	4,133,340	326,533,828	6,983,068	546,774,228
(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;	-	-	-	-

	31.12.2015		31.12.2014	
	USD	Taka	USD	Taka
(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;	-	-	-	-
(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	-	-	-	-
(xi) Cumulative amount of the written off loan;	3,028,550	239,255,443	3,055,625	239,255,443
<b>4 Other Assets</b>				
Accrued Interest	-	-	-	-
Advance Payment against Deferred LC	-	-	-	-
Prepaid Expenses	-	-	-	-
Finance to AD Branches for IBP (See Note-9.6.2.a)	15,250,517	1,204,790,808	9,159,038	717,152,708
Finance to AD Branches for Import Bill Discounting (See Note-9.6.2.b)	6,889,731	544,288,727	26,431,412	2,069,579,588
Branch Adjustment	-	-	-	-
	<b>22,140,247</b>	<b>1,749,079,535</b>	<b>35,590,451</b>	<b>2,786,732,296</b>
<b>5 Borrowing from Other Banks/Financial Institutions</b>	<b>16,601,018</b>	<b>1,311,480,458</b>	<b>30,659,161</b>	<b>2,400,612,268</b>
<b>5.1 Maturity grouping of Borrowings</b>				
Repayable on demand	-	-	-	-
Repayable within 1 month	-	-	-	-
Over 1 month but within 6 months	-	-	-	-
Over 6 months but within 1 year	16,601,018	1,311,480,458	30,659,161	2,400,612,268
Over 1 year but within 5 years	-	-	-	-
	<b>16,601,018</b>	<b>1,311,480,458</b>	<b>30,659,161</b>	<b>2,400,612,268</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.

	31.12.2015		31.12.2014	
	USD	Taka	USD	Taka
<b>6 Deposits and Other Accounts</b>				
<b>6.1 Current and Other Accounts</b>				
Foreign Currency Deposits	8,539,936	674,654,973	17,406,122	1,362,899,320
<b>6.2 Bills Payable</b>	-	-	-	-
<b>6.3 Other deposit</b>				
Margin under L/C	115,828	9,150,387	136,486	10,686,889
Term Deposit	402,678	31,811,545	808,939	63,339,914
Deposits Awaiting Disposal	130,777	10,331,388	96,376	7,546,240
Sundry Deposit	-	-	19,157	1,500,000
	<b>649,283</b>	<b>51,293,319</b>	<b>1,060,958</b>	<b>83,073,043</b>
	<b>9,189,219</b>	<b>725,948,292</b>	<b>18,467,080</b>	<b>1,445,972,363</b>
<b>6.4 Maturity grouping of deposits and other accounts</b>				
Repayable on demand	8,786,541	694,136,747	18,467,080	1,445,972,363
Repayable within 1 month	-	-	-	-
Over 1 month but within 6 months	-	-	-	-
Over 6 months but within 1 year	402,678	31,811,545	-	-
Over 1 year but within 5 years	-	-	-	-
Over 5 years but within 10 years	-	-	-	-
	<b>9,189,219</b>	<b>725,948,292</b>	<b>18,467,080</b>	<b>1,445,972,363</b>
<b>7 Other Liabilities</b>				
Accrued Interest	-	-	140,617	11,010,295
Finance from Bill Discounting	525,756	41,534,743	766,905	60,048,663
Refinance by SWAP Woori Bank	-	-	-	-
5 years BSP	-	-	184	14,370
Export proceeds suspense	661,781	52,280,709	103,296	8,088,061
Interest Suspense Account	-	-	-	-
Tax deducted at source & payable	-	-	25,020	1,959,032
Provision against Expenses	-	-	12	974
Branch Adjustment	10,222,169	807,551,358	430,740	33,726,952
	<b>11,409,706</b>	<b>901,366,810</b>	<b>1,466,773</b>	<b>114,848,347</b>
<b>8 Contingent Liabilities</b>				
Acceptance & Endorsement	6,842,797	540,580,924	9,018,103	706,117,427
Letters of Credit	4,029,956	318,366,485	3,739,842	292,829,661
Letters of Guarantee	-	-	-	-
Bills for Collection	6,795,507	536,845,029	4,678,497	366,326,318
Other Contingent Liabilities	-	-	-	-
	<b>17,668,259</b>	<b>1,395,792,437</b>	<b>17,436,442</b>	<b>1,365,273,406</b>
	2015		2014	
	USD	Taka	USD	Taka
<b>9 Interest Income</b>				
Interest on Advances	2,116,875	167,233,155	1,760,959	137,883,092
Interest on Money at call and short Notice	-	-	-	-
Call Lending and Fund Placement with banks	-	-	-	-
Accounts with Foreign Banks	-	-	-	-
	<b>2,116,875</b>	<b>167,233,155</b>	<b>1,760,959</b>	<b>137,883,092</b>
<b>10 Interest / Profit Paid On Deposits &amp; Borrowings</b>				
Term Deposits	5,831	460,642	10,660	834,670
Fund Borrowings	1,007,851	79,620,227	841,622	65,898,995
Inter Branch Interest paid	32,195	2,543,435	25,210	1,973,977
	<b>1,045,877</b>	<b>82,624,304</b>	<b>877,492</b>	<b>68,707,642</b>

	2015		2014	
	USD	Taka	USD	Taka
<b>11 Commission / Fees and Exchange Earnings</b>				
Commission/ Fees Income	479,875	37,910,151	474,470	37,151,014
Exchange gain including gain form foreign currency dealings	72,745	5,746,869	-	
	<b>552,621</b>	<b>43,657,020</b>	<b>474,470</b>	<b>37,151,014</b>
<b>12 Other Operating Income</b>				
Postage Charge Recoveries	18,832	1,487,764	16,040	1,255,942
Swift Charge Recoveries	44,901	3,547,214	34,155	2,674,329
Other Fees	-	-	117,723	9,217,728
	<b>63,734</b>	<b>5,034,978</b>	<b>167,918</b>	<b>13,147,999</b>
<b>13 Other expenses</b>				
Contractual service charge	4,151	327,898	6,000	469,800
Petrol, oil and lubricants (vehicle & generator)	3,250	256,750	3,000	234,900
Entertainment (canteen & other)	1,600	126,400	949	74,286
Travelling	1,100	86,900	1,000	78,300
Conveyance	500	39,500	465	36,410
Training expenses	1,200	94,800	1,200	93,960
Books and papers	550	43,450	500	39,150
Staff uniform	1,000	79,000	1,000	78,300
Potted plants	1,100	86,900	1,000	78,300
Business development & promotion	2,000	158,000	2,000	156,600
Revaluation loss	-	-	203,878	15,963,653
	<b>16,451</b>	<b>1,299,598</b>	<b>220,992</b>	<b>17,303,659</b>
<b>14 Cash Received from Other Operating Activities</b>				
Commission & Exchange	552,621	43,657,020	474,470	37,151,014
Other Operating Income	63,734	5,034,978	167,918	13,147,999
	<b>616,354</b>	<b>48,691,999</b>	<b>642,388</b>	<b>50,299,013</b>
<b>15 Cash Paid for Other Operating Activities</b>				
Office Operating Expenses	<b>(228,451)</b>	<b>(18,047,598)</b>	<b>(427,992)</b>	<b>(33,511,759)</b>

## 16 General

- 16.1 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.
- 16.2 Assets and liabilities have been converted into Taka Currency @ US\$ 1 = Tk. 79.00, GBP=117.0157, Euro = 86.3558 (2014 : US\$ 1 = Tk 78.30) which represents the year end mid rate of exchange as at 31 December 2015.
- 16.3 Previous year's figures have been rearranged, where considered necessary, to conform to current year's presentation.



*Dhaka Bank Securities Limited*



# Auditor's Report to the Shareholders of Dhaka Bank Securities Limited

We have audited the accompanying financial statements of Dhaka Bank Securities Limited which comprise the Statement of Financial Position as on 31 December 2015 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for year then ended and a summary of significant accounting policies and other explanatory information.

## Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 financial statements.

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 financial statements referred to above give a true and fair view of the financial position of Dhaka Bank Securities Limited as on 30 June 2015 and of the results of its operations and its cash flows for year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS).

## Report on Other Legal and Regulatory Requirements

We also report that the financial statements comply with the Companies Act 1994, the Securities and Exchange Act 1993, the Securities and Exchange Rules 1987, conditions for Registration issued by Bangladesh Securities and Exchange Commission and other applicable laws and regulations; and

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the financial statements dealt with by this report are in agreement with the books of account and returns; and
- d) the expenditure incurred was for the purpose of business of the Dhaka Bank Securities Limited.

Dhaka,  
08 March 2016

ACNABIN  
Chartered Accountants

**Dhaka Bank Securities Limited**  
**Statement of Financial Position**  
 As on 31 December 2015

Annexure - K

	Notes	31.12.2015 Taka	31.12.2014 Taka
<b>ASSETS</b>			
<b>Non Current Assets</b>			
		<b>986,948,140</b>	<b>991,896,009</b>
Property, plant and equipment	4	9,826,164	13,807,745
Intangible assets	5	44,206	1,010,494
Investment in un-quoted shares	6	977,077,770	977,077,770
<b>Current Assets</b>			
		<b>4,048,962,312</b>	<b>3,608,158,235</b>
Investment in marketable securities	7	1,296,758,380	985,032,408
Cash and bank balances	8	238,118,358	204,929,805
Margin loan	9	2,403,412,251	2,350,692,682
Account receivables	10	17,398,175	26,497,456
Advance income tax	11	65,468,799	22,137,984
Advance, prepayment & other receivables	12	26,050,026	18,246,696
Deferred tax assets	13	1,756,323	621,203
<b>Total Assets</b>		<b>5,035,910,452</b>	<b>4,600,054,243</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
		<b>1,867,415,478</b>	<b>1,791,334,017</b>
Share capital	14	1,560,000,000	1,560,000,000
Investment fluctuation fund	15	20,200,000	11,500,000
Retained earnings	16	287,215,478	219,834,017
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Loan from bank	17	-	1,878,000,000
<b>Current Liabilities</b>			
		<b>3,168,494,974</b>	<b>930,720,226</b>
Short-term loan from bank and NBF	18	2,259,097,699	150,000,000
Accounts payables	19	248,545,942	211,459,582
Provision for income tax	20	95,536,853	61,227,890
Provision for unrealized losses	21	452,516,721	359,184,705
Other liabilities	22	112,797,758	148,848,050
<b>Total Liabilities</b>		<b>3,168,494,974</b>	<b>2,808,720,226</b>
<b>Total Equity and Liabilities</b>		<b>5,035,910,452</b>	<b>4,600,054,243</b>

The annexed notes from 1 to 44 form an integral part of these financial statements.



**Emranul Huq**  
 Acting Managing Director



**Abdul Hai Sarker**  
 Director



**Reshadur Rahman**  
 Chairman

This is the Statement of Financial Position referred to in our separate report of even date.

Dhaka,  
 08 March 2016



**ACNABIN**  
 Chartered Accountants

# Dhaka Bank Securities Limited

## Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2015

Annexure - K

	Notes	2015 Taka	2014 Taka
<b>Operating Income</b>			
Brokerage commission income	23	63,632,147	115,405,579
Direct expenses	24	(7,075,645)	(13,322,383)
<b>Net brokerage commission income (a)</b>		<b>56,556,502</b>	<b>102,083,196</b>
Interest income	25	227,229,789	262,415,606
Interest expense	26	(224,160,122)	(237,621,082)
<b>Net interest income (b)</b>		<b>3,069,667</b>	<b>24,794,524</b>
Net investment income (c)	27	210,747,275	259,899,462
Fees & other income (d)	28	2,489,124	1,529,615
<b>Total Operating Income (A=a+b+c+d)</b>		<b>272,862,567</b>	<b>388,306,797</b>
<b>Operating Expenses</b>			
Salaries & allowances	29	31,849,313	30,552,221
Rent, taxes, insurance, electricity, etc.	30	15,160,998	14,716,594
Legal expenses	31	275,375	372,348
Postage, stamp, telecommunication, etc.	32	640,965	574,865
Stationery, printing, advertisements, etc.	33	1,206,667	953,530
Directors' fee & meeting expenses	34	647,045	851,105
Audit fee	35	115,000	115,000
Repair & maintenance of assets	36	4,247,864	4,148,191
Other expenses	37	10,147,324	10,074,273
Depreciation and amortization	38	5,995,303	5,931,150
<b>Total Operating Expenses (B)</b>		<b>70,285,854</b>	<b>68,289,277</b>
<b>Profit before Provisions and Tax (A - B)</b>		<b>202,576,713</b>	<b>320,017,520</b>
<b>Less: Provisions for Unrealized Losses</b>		<b>93,321,410</b>	<b>196,678,590</b>
Provision for unrealized loss in portfolio		73,321,410	11,678,590
Provision for unrealized loss in margin loan accounts		20,000,000	185,000,000
<b>Profit before Provision for Income Tax</b>		<b>109,255,303</b>	<b>123,338,930</b>
<b>Less: Provision for income tax</b>		<b>33,173,843</b>	<b>49,911,803</b>
Current tax	39	34,308,963	50,880,298
Deferred tax income	40	(1,135,120)	(968,495)
<b>Net profit</b>		<b>76,081,460</b>	<b>73,427,127</b>
Other comprehensive income		-	-
<b>Total Comprehensive Income</b>		<b>76,081,460</b>	<b>73,427,127</b>
<b>Earnings Per Share (EPS)</b>	41	<b>0.49</b>	<b>0.47</b>

The annexed notes from 1 to 44 form an integral part of these financial statements.



**Emranul Huq**  
Acting Managing Director



**Abdul Hai Sarker**  
Director



**Reshadur Rahman**  
Chairman

This is the Statement of Financial Position referred to in our separate report of even date.

Dhaka,  
08 March 2016



**ACNABIN**  
Chartered Accountants

# Dhaka Bank Securities Limited

## Statement of Changes in Equity

For the year ended 31 December 2015

Annexure - K

(Amount in Taka)

Particulars	Share Capital	Investment Fluctuation Fund	Retained Earnings	Total Equity
Balance as on 01 January 2014	1,560,000,000	-	157,906,891	1,717,906,891
Net profit for the year	-	-	73,427,127	73,427,127
Transfer to investment fluctuation fund	-	11,500,000	(11,500,000)	-
<b>Balance as on 31 December 2014</b>	<b>1,560,000,000</b>	<b>11,500,000</b>	<b>219,834,018</b>	<b>1,791,334,018</b>
<b>Balance as on 01 January 2015</b>	<b>1,560,000,000</b>	<b>11,500,000</b>	<b>219,834,018</b>	<b>1,791,334,018</b>
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 on 31 December 2015</b>	<b>1,560,000,000</b>	<b>20,200,000</b>	<b>287,215,478</b>	<b>1,867,415,478</b>



**Emranul Huq**  
Acting Managing Director

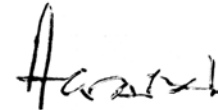


**Abdul Hai Sarker**  
Director



**Reshadur Rahman**  
Chairman

Dhaka,  
08 March 2016



**ACNABIN**  
Chartered Accountants

# Dhaka Bank Securities Limited

## Statement of Cash Flows


For the year ended 31 December 2015


Annexure - K

	2015 Taka	2014 Taka
<b>A. Cash flows from operating activities</b>		
<b>Net Income</b>	76,081,460	73,427,126
Adjustment for: Depreciation and amortization expenses	5,995,303	5,931,150
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>	<b>82,076,763</b>	<b>79,358,276</b>
<b>Increase / (decrease) in operating liabilities:</b>		
Account payables	37,086,361	(17,487,296)
Accrued expenses & other liabilities	(36,050,291)	(76,191,003)
Provision for income tax	33,173,843	9,451,020
Provision against unrealized losses	93,332,016	195,423,800
<b>(Increase) / decrease in operating assets:</b>		
Account receivables	9,099,281	(13,812,637)
Advance income tax	(43,330,815)	(2,500,031)
Advance & prepaid	(7,803,330)	(287,939)
<b>Net cash flow from operating activities</b>	<b>85,507,065</b>	<b>94,595,915</b>
	<b>167,583,828</b>	<b>173,954,191</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant & equipment	(1,047,434)	(740,850)
Investment in shares/securities	(311,725,972)	(478,197,891)
(Increase)/decrease in margin loan	(52,719,568)	177,014,552
<b>Net cash used in investing activities</b>	<b>(365,492,974)</b>	<b>(301,924,189)</b>
<b>C. Cash flow from financing activities</b>		
Receipt of /(repayment for) loan from Dhaka Bank Limited	181,097,699	(46,000,000)
Receipt of loan from United Finance Limited	50,000,000	150,000,000
<b>Net cash flows from financing activities</b>	<b>231,097,699</b>	<b>104,000,000</b>
Net cash surplus/(deficit) for the year (A+B+C)	33,188,553	(23,969,998)
Cash and bank balances at the beginning of the year	204,929,805	228,899,803
<b>Cash and bank balances at the beginning of the year</b>	<b>238,118,358</b>	<b>204,929,805</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>1.07</b>	<b>1.12</b>

Dhaka,  
08 March 2016

  
**Emranul Huq**  
Acting Managing Director

  
**Abdul Hai Sarker**  
Director

  
**Reshadur Rahman**  
Chairman



# Dhaka Bank Securities Limited

## Notes to the Financial Statements

For the year ended on 31 December 2015

Annexure - K

### 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 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:

Name of Authority	License/Registration No.	Purpose
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. Significant Accounting Policies

#### 2.1 Basis of Presentation of Financial Statements

These financial statements have been prepared in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) and no adjustment has been made for inflationary factors affecting the financial statements. The accounting policies, unless otherwise stated, have been consistently applied by the Company.

#### 2.2 Basis of Measurement

The financial statements have been prepared based on historical cost convention basis. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous years.

#### 2.3 Presentation and Functional Currency and Level of Precision

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.

#### 2.4 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.

#### 2.5 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.

### 2.6 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.

### 2.7 Property, Plant and Equipment

#### 2.7.1 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.

#### 2.7.2 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:

Name of the Assets	Rate
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

### 2.8 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.

### 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.

### 2.10 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.

### 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.

### 2.12 Provision for Tax

#### 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.

#### Deferred Tax

Deferred Tax is calculated as per Bangladesh Accounting Standard (BAS)-12 "Income Taxes". Deferred Tax is recognized on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred Tax liabilities are recognized for all taxable temporary differences. Deferred Tax assets are generally recognized for all deductible temporary differences. Deferred Tax is measured at the tax rate that is expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.

### 2.13 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":

# Dhaka Bank Securities Limited

## Notes to the Financial Statements

For the year ended on 31 December 2015

Annexure - K

### 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. General

Figures have been rounded off to the nearest integer.

#### 2.14 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.

#### 2.15 Provision against Unrealized Loss in Margin Loan

As Per Bangladesh Securities and Exchange Commission (BSEC) Circular No. SEC/CMRRCD/2009-193/181 dated 08 December 2015, the company may keep 20% Provision against Unrealized Loss in the Portfolio accounts of Margin Loan Clients as on 31 December 2015.

#### 2.16 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.

#### 2.17 Branch Accounting

The Company has 6 (six) Branch Offices (excluding Head Office), with no overseas branch as on 31 December 2015. Accounts of the branches are maintained at the head office which are included in the accompanying financial statements.

#### 2.18 Reporting Period

The company's reporting period is January to December.

# Dhaka Bank Securities Limited

## Notes to the Financial Statements

For the year ended on 31 December 2015

Annexure - K

		31.12.2015 Taka	31.12.2014 Taka
<b>4.</b>	<b>Property, Plant and Equipment</b>		
<b>A.</b>	<b>Cost</b>		
	Opening balance	30,842,283	30,101,432.66
	Purchased during the year	1,047,434	740,850
	Closing balance (A)	<b>31,889,717</b>	<b>30,842,283</b>
<b>B.</b>	<b>Accumulated Depreciation</b>		
	Opening balance	17,034,538	12,069,680
	Charged during the year	5,029,015	4,964,858
	Closing balance (B)	<b>22,063,552</b>	<b>17,034,538</b>
<b>C.</b>	<b>Written Down Value (A-B)</b>	<b>9,826,164</b>	<b>13,807,745</b>
	A schedule of property, plant and equipment is given in Annexure - A		
<b>5.</b>	<b>Intangible assets</b>		
<b>A.</b>	<b>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.</b>	<b>Accumulated Amortization:</b>		
	Opening balance	3,820,967	2,854,675
	Charged for the Year	966,288	966,292
	Closing balance (B)	<b>4,787,255</b>	<b>3,820,967</b>
<b>C.</b>	<b>Written Down Value (A-B)</b>	<b>44,206</b>	<b>1,010,494</b>
	A schedule of intangible assets is given in Annexure-A.		
<b>6.</b>	<b>Investment in un-quoted shares</b>		
	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 Allotment Status</b>	<b>Number of shares</b>	<b>Face value (BDT)</b>
	Dhaka Stock Exchange Alloted (40%)	2,886,042	28,860,420
	Exchange Blocked (60%)	4,329,063	43,290,630
		<b>7,215,105</b>	<b>72,151,050</b>
<b>6.2</b>	<b>Stock Exchange Allotment Status</b>		
	Chittagong Stock Exchange Alloted (40%)	1,714,932	17,149,320
	Exchange Blocked (60%)	2,572,398	25,723,980
		<b>4,287,330</b>	<b>42,873,300</b>

This represents the acquisition cost of Dhaka Stock Exchange Limited (DSE) & Chittagong Stock Exchange Limited (CSE) memberships incurred by the company. The said DSE & CSE memberships were purchased by Dhaka Bank Securities Limited from Dhaka Bank Limited. Along with the memberships, the company had obtained broker & dealer registration certificates, strong customer base, skilled & efficient workforce, six branches in prime locations, over and above business reputation, trading right etc. As per the provision of the Exchanges Demutualization Act 2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, DSE allotted total 7,215,105 ordinary Shares at face value of Tk.10.00 each and CSE allotted total 4,287,330 ordinary shares at face value of Tk.10.00 each against the membership respectively. Since then there is no active market for shares of DSE and CSE and the fair value of other assets cannot be reliably measured, the company has shown the value at acquisition cost of the investment for membership of DSE & CSE.

# Dhaka Bank Securities Limited

## Notes to the Financial Statements

For the year ended on 31 December 2015

Annexure - K

		31.12.2015 Taka	31.12.2014 Taka			
<b>7.</b>	<b>Investment in marketable securities</b>	<b>1,296,758,380</b>	<b>985,032,408</b>			
<b>7.1</b>	<b>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:</b>					
		<b>Total Market Value of Shares</b>	<b>Total Market Value of Shares</b>			
	<b>Business Segments</b>					
	<b>No. of Shares</b>					
	<b>Total Cost of Shares</b>					
	Banks / Finance	34,067,878	62,453,907			
	Mutual Fund	6,691,818	1,642,750			
	Insurance	125,148,823	94,470,396			
	Fuel & Power	450,539,878	263,924,792			
	Pharmaceuticals & Chemicals	212,964,132	270,677,453			
	Cement	348,607,154	158,827,740			
	Telecommunication/ IT	-	29,627,796			
	Engineering/ Travel & leisure	118,738,697	51,728,985			
		<b>1,296,758,380</b>	<b>933,353,819</b>			
<b>8.</b>	<b>Cash and bank balances</b>					
	Cash in hand	109,500	109,500			
	Cash at bank (Note: 8.1)	238,008,858	204,820,305			
		<b>238,118,358</b>	<b>204,929,805</b>			
<b>8.1</b>						
	<b>Bank Name</b>	<b>Branch Name</b>	<b>A/C No.</b>	<b>A/C Type</b>		
	Dhaka Bank Limited	Local	201.150.2960	SND A/C	2,407,073	3,763,818
	IFIC Bank Limited	Stock Ex.	1090-358447-001	CD A/C	5,368,764	4,917
	UCB Limited	Forex	72-111-16472	CD A/C	741,671	100,261
	Dhaka Bank Limited	Local	201.150.2972	SND A/C	203,026,948	163,864,660
	IFIC Bank Limited	Stock Ex.	1090-358002	SND A/C	22,700,432	32,615,939
	UCB Limited	Forex	72-111-16443	CD A/C	3,181,337	2,513,957
	Standard Chartered	Motijheel	01-1183892-01	SND A/C	542,030	516,184
	Dhaka Bank Limited	Local	201.150.3444	SND A/C	40,602	1,440,570
					<b>238,008,858</b>	<b>204,820,305</b>
<b>9.</b>	<b>Margin loan</b>					
	Opening balance				2,723,449,905	2,704,441,217
	Disbursed during the year				402,692,674	495,651,265
					3,126,142,579	3,200,092,481
	Realized during the year				(142,821,396)	(476,642,576)
	<b>Gross margin loan outstanding</b>				<b>2,983,321,183</b>	<b>2,723,449,905</b>
	Closing balance of interest suspense account				(579,908,932)	(372,757,223)
					<b>2,403,412,251</b>	<b>2,350,692,682</b>
<b>10.</b>	<b>Account receivables</b>					
	Receivable from non-margin clients				1,932,901	1,830,906
	Receivable from Dhaka Stock Exchange (DSE)				15,047,403	22,311,100
	Receivable from Chittagong Stock Exchange (CSE)				417,871	2,355,450
					<b>17,398,175</b>	<b>26,497,456</b>



# Dhaka Bank Securities Limited

## Notes to the Financial Statements

For the year ended on 31 December 2015

Annexure - K

		31.12.2015 Taka	31.12.2014 Taka
<b>11.</b>	<b>Advance Income Tax</b>		
	Opening Balance	22,137,984	19,637,953
	Addition during the year (Note: 11.1)	43,330,815	42,960,814
		65,468,799	62,598,767
	Settlement for previous year	-	(40,460,783)
		<b>65,468,799</b>	<b>22,137,984</b>
<b>11.1</b>	<b>Advance income tax (Addition)</b>		
	AIT/TDS on brokerage commission - DSE	8,432,947	15,764,337
	AIT/TDS on brokerage commission - CSE	146,053	385,667
	Advance Income Tax paid	28,637,420	20,839,830
	TDS/ AIT (Interest income, dividend income, etc)	6,114,395	5,970,980
		<b>43,330,815</b>	<b>42,960,814</b>
<b>12.</b>	<b>Advance, Prepayments and Other Receivables</b>		
	Advance (Note: 12.1)	853,000	900,000
	Prepayment (Note: 12.2)	2,843,706	5,664,634
	Other receivables (Note: 12.3)	22,353,321	11,682,062
		<b>26,050,027</b>	<b>18,246,696</b>
<b>12.1</b>	<b>Advances</b>	<b>853,000</b>	<b>900,000</b>
	Advance for purchase of floor space @ DSE tower	850,000	850,000
	Advance against expenses	3,000	50,000
<b>12.2</b>	<b>Prepayment</b>	<b>2,843,706</b>	<b>5,664,634</b>
	Prepaid rent -Premises	2,812,500	5,625,000
	Prepaid insurance - fire & burglary	26,906	38,588
	Prepaid non-judicial stamp	4,300	1,046
<b>12.3</b>	<b>Other receivables</b>	<b>22,353,321</b>	<b>11,682,062</b>
	Non-Interest Bearing Block Accounts (Note: 12.3.1)	1,244,183	1,254,790
	Cash Dividend Receivable	21,109,138	10,427,273
<b>12.3.1</b>	<b>Non-Interest Bearing Block Accounts</b>		
	This amount represents 50% of interest charged in 2011 against some 30 Affected Small Investors under the Scheme declared by Investment Corporation of Bangladesh (ICB). The Rest 50% of the Interest was waived to the clients as per terms and conditions of the scheme.		
<b>13.</b>	<b>Deferred tax assets</b>		
		<b>Carrying Amount</b>	<b>Tax Base</b>
		<b>Taka</b>	<b>Taka</b>
	<b>As on 31 December 2015</b>		
	Property, Plant & Equipment	9,870,370	14,888,436
	Applicable Tax Rate		35%
	<b>Deferred Tax Asset as on 31 December 2015</b>		<b>1,756,323</b>
	<b>As on 31 December 2014</b>		
	Property, Plant & Equipment	14,818,239	16,593,106
	Applicable Tax Rate		35%
	<b>Deferred Tax Asset as on 31 December 2014</b>		<b>621,203</b>

# Dhaka Bank Securities Limited

## Notes to the Financial Statements

For the year ended on 31 December 2015

Annexure - K

		31.12.2015 Taka	31.12.2014 Taka
<b>14. Share capital</b>			
<b>Authorized Capital</b>		<b>5,000,000,000</b>	<b>5,000,000,000</b>
500,000,000 ordinary shares of Tk. 10 each			
<b>Paid up Capital</b>		<b>1,560,000,000</b>	<b>1,560,000,000</b>
156,000,000 ordinary shares of Tk. 10 each fully paid			
		1,559,999,940	1,559,999,940
<b>Name of Shareholders</b>	<b>% of Shareholding</b>	<b>Number of Shares held</b>	
1. Dhaka Bank Limited, Represented By, Mr. Reshadur Rahman Mr. Abdul Hai Sarker Mrs. Rokshana Zaman Mr. Altaf Hossain Sarker Mr. Syed Abu Naser Bukhtear Ahmed	99.999996%	155,999,994	
2. Mr. Dilawar Hossain	0.000001%	1	10
3. Mr. Choudhury Md. Humayun Kabir	0.000001%	1	10
4. Mr. Md. Mahbubur Rahman	0.000001%	1	10
5. Mr. Nazmul Alam Khan	0.000001%	1	10
6. Mr. Suez Islam	0.000001%	1	10
7. Mrs. Shahnaz Naznin	0.000001%	1	10
	100%	156,000,000	1,560,000,000
		1,560,000,000	1,560,000,000
<b>15. Investment fluctuation fund</b>			
Opening Balance		11,500,000	-
Addition during the year		8,700,000	11,500,000
		<b>20,200,000</b>	<b>11,500,000</b>
<b>16. Retained earnings</b>			
Opening Balance		219,834,017	157,906,891
Net profit for the year		76,081,460	73,427,126
		<b>295,915,478</b>	<b>231,334,017</b>
Transfer to Investment Fluctuation Fund		(8,700,000)	(11,500,000)
		<b>287,215,478</b>	<b>219,834,017</b>
<b>17. Loan from bank</b>		-	<b>1,878,000,000</b>
The long term loan was taken from Dhaka Bank Limited and was fully repaid on 31 December 2015.			
<b>18. Short-term loan from bank and NBF</b>			
Loan from Dhaka Bank Limited	(Note 18.1)	2,059,097,699	-
Loan from United Finance Limited	(Note 18.2)	200,000,000	150,000,000
		<b>2,259,097,699</b>	<b>150,000,000</b>
<b>18.1 Loan from Dhaka Bank Limited</b>			
Dhaka Bank Limited, vide their Sanction Letter No. DBL/LO/CR/2015/7934 dated 30 December 2015, offered an Overdraft Facility of Tk. 2,300 Million in favor of Dhaka Bank Securities Limited. As on 31 December 2015 the facility was utilized to the tune of Taka 2,059,097,699 for full repayment of loan taken from Dhaka Bank Limited, Head Office and accrued interest thereon.			
<b>18.2 Loan from United Finance Limited</b>			
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 18 May 2015.			

# Dhaka Bank Securities Limited

## Notes to the Financial Statements

For the year ended on 31 December 2015

Annexure - K

		31.12.2015 Taka	31.12.2014 Taka
<b>19. Accounts payables</b>			
Payable to clients		243,878,241	202,376,309
IPO application money		-	3,059,000
Payable to DSE		4,593,930	4,953,816
Payable to CSE		16,604	276,012
Payable to CDBL		57,167	344,445
Payable to suppliers		-	450,000
		<b>248,545,942</b>	<b>211,459,582</b>
<b>20. Provision for income tax</b>			
Opening balance		61,227,890	50,808,375
Provision made during the period		34,308,963	50,880,298
Settlement for previous year		-	(40,460,783)
		<b>95,536,853</b>	<b>61,227,890</b>
<b>21. Provision for unrealized losses</b>			
Loss in portfolio	(Note: 21.1)	125,000,000	51,678,590
Loss in margin loan accounts	(Note: 21.2)	320,000,000	300,000,000
Stimulation fund for affected investors	(Note: 21.3)	7,516,721	7,506,115
		<b>452,516,721</b>	<b>359,184,705</b>
<b>21.1 Provision for Unrealized Loss in Portfolio</b>			
Opening balance		51,678,590	40,000,000
Addition during the year		73,321,410	11,678,590
		<b>125,000,000</b>	<b>51,678,590</b>
<b>21.2 Provision for unrealized loss in margin loan accounts</b>			
Opening balance		300,000,000	115,000,000
Addition during the year		20,000,000	185,000,000
		<b>320,000,000</b>	<b>300,000,000</b>
<b>21.3 Stimulation Fund for Affected Investors</b>			
Opening balance		7,506,115	8,760,904
Addition/(adjustments) during the year		10,606	(1,254,789)
		<b>7,516,721</b>	<b>7,506,115</b>
<b>22. Other liabilities</b>			
Liabilities for expense	(Note: 22.1)	112,504,715	148,422,721
Liabilities related to tax and VAT	(Note: 22.2)	293,043	425,329
		<b>112,797,758</b>	<b>148,848,050</b>
<b>22.1 Liabilities for expense</b>			
Interest expenses for loan from Bank & NBF		110,910,415	147,616,846
Audit fees		115,000	115,000
Others		1,479,300	690,875
		<b>112,504,715</b>	<b>148,422,721</b>
<b>22.2 Liabilities related to tax and VAT</b>			
VAT current A/C		167,898	293,322
Tax withholding liabilities		125,146	132,007
		<b>293,043</b>	<b>425,329</b>

# Dhaka Bank Securities Limited

## Notes to the Financial Statements

For the year ended on 31 December 2015

Annexure - K

	2015 Taka	2014 Taka
<b>23. Brokerage commission income</b>		
Brokerage - Dhaka Stock Exchange (DSE)	62,522,820	112,092,809
Brokerage - Chittagong Stock Exchange (CSE)	1,109,327	3,312,769
	<b>63,632,147</b>	<b>115,405,579</b>
<b>24. Direct expenses</b>		
Howla charges	15,608	1,089,424
Laga charges	4,250,572	6,459,408
CDBL Expense - Daily Settlement (Pay In/Out)	2,809,465	5,773,551
	<b>7,075,645</b>	<b>13,322,383</b>
<b>24.1 Howla charges</b>		
DSE for broker	-	959,646
DSE for dealer	-	84,956
	-	<b>1,044,602</b>
CSE for broker	15,608	44,592
CSE for dealer	-	230
	<b>15,608</b>	<b>44,822</b>
	<b>15,608</b>	<b>1,089,424</b>
<b>24.2 Laga charges</b>		
DSE for broker	3,498,528	5,273,386
DSE for dealer	696,063	1,050,416
	<b>4,194,591</b>	<b>6,323,801</b>
CSE for broker	43,833	132,971
CSE for dealer	12,148	2,635
	<b>55,980</b>	<b>135,606</b>
	<b>4,250,572</b>	<b>6,459,408</b>
<b>25. Interest income</b>		
Interest on margin loan	216,633,497	253,427,412
Interest income on bank deposit A/C	10,596,292	8,988,194
	<b>227,229,789</b>	<b>262,415,606</b>
<b>26. Interest expense</b>		
On Loan from Dhaka Bank Limited	216,318,811	231,859,972
On Loan from United Finance Limited	7,841,311	5,761,110
	<b>224,160,122</b>	<b>237,621,082</b>
<b>27. Net investment income</b>		
Capital gain from sale of securities	174,791,201	232,684,256
Dividend income	35,956,074	27,215,206
	<b>210,747,275</b>	<b>259,899,462</b>
<b>27.1 Capital gain from sale of securities</b>		
Sales price of shares	1,370,220,525	2,514,340,053
Cost price of shares	(1,195,429,324)	(2,278,865,793)
	<b>174,791,201</b>	<b>235,474,260</b>

(Note: 27.1)

# Dhaka Bank Securities Limited

## Notes to the Financial Statements

For the year ended on 31 December 2015

Annexure - K

	2015 Taka	2014 Taka
<b>28. Fees &amp; other income</b>		
BO account opening and closing fees	101,315	240,796
BO renewal fees	464,000	467,900
IPO processing fees	12,065	2,417
Central Depository Bangladesh Limited income (Note: 28.1)	1,768,676	627,945
Other income	143,068	190,557
	<b>2,489,124</b>	<b>1,529,615</b>
<b>28.1 Central Depository Bangladesh Limited income</b>		
<b>A. Central Depository Bangladesh Limited (CDBL) income</b>		
CDBL income - transfer in/out	823,350	327,940
CDBL income - Bonus/Right/IPO/Split/DEMAT	1,013,167	648,426
CDBL income - Pledge/Unpledge	587,474	646,184
CDBL income - Cash Back Rebate	632,371	-
	<b>3,056,362</b>	<b>1,622,550</b>
<b>B. Central Depository Bangladesh Limited (CDBL) expenses</b>		
CDBL expense - transfer in/out	528,385	222,005
CDBL expense - Bonus/Right/IPO/Split/DEMAT	379,352	338,257
CDBL expense - Pledge/Unpledge	373,949	428,343
CDBL expense - monthly connection fees	6,000	6,000
	<b>1,287,686</b>	<b>994,605</b>
<b>Net CDBL income (A - B)</b>	<b>1,768,676</b>	<b>627,945</b>
<b>29. Salaries &amp; allowances</b>		
Basic salaries	12,242,844	11,335,476
Allowances	13,463,046	12,627,771
Leave fare assistance	2,038,561	1,886,496
Employer's contribution to provident fund	1,196,874	1,105,350
Bonus	2,907,988	3,597,128
	<b>31,849,313</b>	<b>30,552,221</b>
<b>30. Rent, taxes, insurance, electricity, etc.</b>		
Rent expenses	10,682,644	10,214,176
Insurance expenses	105,032	139,847
Electricity expenses	1,916,107	1,934,686
Fuel expenses	1,337,722	1,322,862
Water and Sewerage	671,133	669,246
Contribution to investors' protection fund	15,778	20,784
Authorise representative registration fees & training expenses	11,500	170,000
Renewal of registration certificates, trade license, etc	356,982	232,494
Subscriptions & membership fees expenses	64,100	12,500
	<b>15,160,998</b>	<b>14,716,594</b>
<b>31. Legal expenses</b>	<b>275,375</b>	<b>372,348</b>
<b>32. Postage, stamp, telecommunication, etc.</b>		
Postage & courier	19,642	23,629
Stamps-judicial/non-judicial	22,506	35,673
Telephone, fax, PABX expense	158,662	158,540
Mobile, internet, cable TV bills	440,155	357,023
	<b>640,965</b>	<b>574,865</b>



# Dhaka Bank Securities Limited

## Notes to the Financial Statements

For the year ended on 31 December 2015

Annexure - K

	2015 Taka	2014 Taka
<b>33. Stationery, printing, advertisements, etc.</b>		
Stationeries expenses- (printed materials)	363,508	170,116
Stationeries - General (table/petty stationeries)	160,665	207,256
Stationeries- Computer consumable (paper & accessories)	641,372	550,798
Publicity expenses	20,000	9,200
Periodicals, magazines, books, journals etc.	21,122	16,160
	<b>1,206,667</b>	<b>953,530</b>
<b>34. Directors' fee &amp; meeting expenses</b>		
Director's fee	195,000	155,000
Meeting, seminar and conference expenses	452,045	696,105
	<b>647,045</b>	<b>851,105</b>
<b>35. Audit fee</b>		
Annual audit of 2015	115,000	115,000
	<b>115,000</b>	<b>115,000</b>
<b>36. Repair &amp; maintenance of assets</b>		
Office premises	264,057	266,903
Furnitures and fixtures	24,542	45,962
Office and electric appliances	430,473	398,235
Electrical fittings	318,000	112,774
Computer, software, printer, UPS etc.	542,155	516,753
Repair, replacement and maintenance - vehicles	92,105	92,099
Pool car expenses	334,267	321,925
Network connectivity expenses	2,151,375	2,286,920
Planting & nursary expense - office premises	70,725	66,500
Flower expense - office premises	20,165	40,120
	<b>4,247,864</b>	<b>4,148,191</b>
<b>37. Other expenses</b>		
Bank charges	30,003	82,655
Excise duty expense	62,500	21,000
Commission expense- bank guarantees	1,265,300	1,035,900
Cleaning & maintenance services	1,004,603	887,214
Contractual service charges	953,112	1,223,547
Staff uniform expense	101,805	90,250
Support staff expense	1,246,368	1,133,478
Security guard expense	2,256,456	2,256,456
Training and development	191,829	128,000
Traveling expense and allowances	377,891	76,222
Conveyance expense-Local	213,330	208,184
Regular canteen expense	1,577,130	1,553,860
Entertainment expenses	183,340	279,674
Business promotion expenses	461,107	787,385
Newspapers	62,094	61,316
Donation	10,000	5,000
Miscellaneous - (others )	150,456	244,132
	<b>10,147,324</b>	<b>10,074,273</b>

# Dhaka Bank Securities Limited

## Notes to the Financial Statements

For the year ended on 31 December 2015

Annexure - K

	2015 Taka	2014 Taka
<b>38. Depreciation and amortization</b>		
Depreciation-Furniture and Fixtures	1,204,956	1,203,598
Depreciation-Office Appliances & Equipments	1,273,555	1,236,904
Depreciation-Computer	1,952,400	1,926,255
Depreciation-Motor Vehicles	598,104	598,101
Amortization Expense-Software	966,288	966,292
	<b>5,995,303</b>	<b>5,931,150</b>
<b>39. Current tax</b>	<b>34,308,963</b>	<b>50,880,298</b>
<b>40. Deferred tax income</b>		
Closing Balance of Defferred Tax Assets	(1,756,323)	(621,203)
Opening Balance of Deferred Tax Assets/(liabilities)	(621,203)	347,292
Deferred Tax Income	<b>(1,135,120)</b>	<b>(968,495)</b>
<b>41. Earning Per Share (EPS)</b>		
a) Net profit after tax	76,081,460	73,427,127
b) Weighted average no. of shares outstanding	156,000,000	156,000,000
Earning Per Share (EPS) (a ÷ b)	<b>0.49</b>	<b>0.47</b>

#### 42. Related party transaction

Name of the related party	Relationship	Nature of transaction	Transacton during year	Closing balance as at 31.12.2015	Closing balance as at 31.12.2014
Dhaka Bank Limited	Parent Company	Loan	35,140,459	2,059,097,699	2,094,238,158
Mr. A. T. M. Hayatuzzaman Khan	Spouse of Director	Advance Rent for Leased Premises	2,812,500	2,812,500	5,625,000

#### 43. Issuance of Bonus Share


The Board of Directors of Dhaka Bank Securities Limited in its 25th Meeting held on 08 April 2015 recommended for issuance of 10 (ten) Bonus share for every 100 (one hundred) shares for the year 2014 to the shareholders of the company which was subsequently approved by the shareholders in the 5th Annual General Meeting held on 12 May, 2015. The Bonus Shares will be allotted to the Shareholders upon receiving the consent from Bangladesh Securities and Exchange Commission (BSEC)


#### 44. Date of authorisation

The Board of director has authorised these financial statements for issue on 08 March 2016.

Dhaka,  
08 March 2016

  
**Emranul Huq**  
Acting Managing Director

  
**Abdul Hai Sarker**  
Director

  
**Reshadur Rahman**  
Chairman

## Dhaka Bank Securities Limited Fixed Asset Schedule

Annexure-A

For the Period ended on December 31, 2015

### A. Property, Plant and Equipments:

Particulars	Cost			Rate %	Depreciation			Written Down Value as on 31.12.2015
	Balance as on 01.01.2014	Addition during the Period	Balance as on 31.12.2015		Balance as on 01.01.2014	Charges during the period	Balance as on 31.12.2015	
Furnitures & Fixtures	12,035,984	40,734	12,076,718	10%	4,488,492	1,204,956	5,693,448	6,383,270
Office Appliance & Equipments	6,184,520	529,600	6,714,120	20%	4,331,694	1,273,555	5,605,249	1,108,871
Computer	9,631,274	477,100	10,108,374	20%	6,420,049	1,952,400	8,372,449	1,735,925
Motor Vehicles	2,990,505	-	2,990,505	20%	1,794,303	598,104	2,392,407	598,098
<b>As on 31 December 2015</b>	<b>30,842,283</b>	<b>1,047,434</b>	<b>31,889,717</b>		<b>17,034,538</b>	<b>5,029,015</b>	<b>22,063,553</b>	<b>9,826,164</b>
<b>As on 31 December 2014</b>	<b>30,101,433</b>	<b>740,850</b>	<b>30,842,283</b>		<b>12,069,680</b>	<b>4,964,858</b>	<b>17,034,538</b>	<b>13,807,745</b>

### B. Intangible Asset:

Particulars	Cost			Rate %	Depreciation			Written Down Value as on 31.12.2015
	Balance as on 01.01.2014	Addition during the Period	Balance as on 31.12.2015		Balance as on 01.01.2014	Charges during the period	Balance as on 31.12.2015	
Software	4,831,461	-	4,831,461	20%	3,820,967	966,288	4,787,255	44,206
<b>As on 31 December 2015</b>	<b>4,831,461</b>	<b>-</b>	<b>4,831,461</b>		<b>3,820,967</b>	<b>966,288</b>	<b>4,787,255</b>	<b>44,206</b>
<b>As on 31 December 2014</b>	<b>4,831,461</b>	<b>-</b>	<b>4,831,461</b>		<b>2,854,675</b>	<b>966,292</b>	<b>3,820,967</b>	<b>1,010,494</b>



*Dhaka Bank Investment Limited*



# Auditor's Report to the Shareholders of Dhaka Bank Investments Limited

We have audited the accompanying financial statements of Dhaka Bank Investments Limited which comprise the Statement of Financial Position as on 31 December 2015 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 financial statements.

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

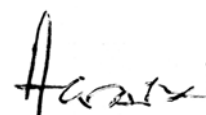
## Opinion

In our opinion, the financial statements referred to above give a true and fair view of the financial position of Dhaka Bank Investments Limited as on 31 December 2015 and of the results of its operations and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS).

## Report on Other Legal and Regulatory Requirements

We also report that the financial statements comply with the Companies Act 1994, the Securities and Exchange Act 1993, the Securities and Exchange Rules 1987, conditions for Registration issued by Bangladesh Securities and Exchange Commission and other applicable laws and regulations; and

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the financial statements dealt with by this report are in agreement with the books of account and returns; and
- d) the expenditure incurred was for the purpose of business of the Dhaka Bank Investments Limited.



Dhaka,  
13 March 2016

**ACNABIN**  
**Chartered Accountants**

# Dhaka Bank Investment Limited

## Statement of Financial Position

As on 31 December 2015

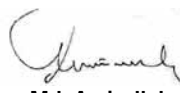
Annexure - L

	Notes	31.12.2015 Taka	31.12.2014 Taka
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Preliminary Expenditure	4	1,107,825	886,260
<b>Current Assets</b>			
Cash and Bank Balance	5	271,922,950	261,384,258
Advance Income Tax	6	2,436,330	1,265,109
		<u>274,359,280</u>	<u>262,649,367</u>
<b>Total Assets</b>		<b><u>275,467,105</u></b>	<b><u>263,535,627</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	7	250,000,000	250,000,000
Retained Earnings	8	15,484,447	7,726,189
<b>Total Equity</b>		<b><u>265,484,447</u></b>	<b><u>257,726,189</u></b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
		-	-
<b>Current Liabilities</b>			
Provision for Income Tax	9	8,693,933	4,635,713
Other Liabilities	10	1,288,725	1,173,725
		<u>9,982,658</u>	<u>5,809,438</u>
<b>Total Liabilities</b>		<b><u>9,982,658</u></b>	<b><u>5,809,438</u></b>
<b>Total Equity and Liabilities</b>		<b><u>275,467,105</u></b>	<b><u>263,535,627</u></b>

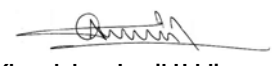
The annexed notes from 1 to 12 form an integral part of these financial statements.



**Emranul Huq**  
Managing Director



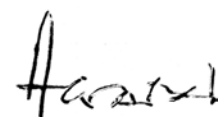
**Md. Amirullah**  
Director



**Khondoker Jamil Uddin**  
Chairman

This is the Statement of Financial Position referred to in our separate report of even date.

Dhaka,  
13 March 2016



**ACNABIN**  
Chartered Accountants



# Dhaka Bank Investment Limited

## Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2015

Annexure - L

	Notes	2015 Taka	2014 Taka
<b>Operating Income</b>			
Interest income		-	-
Other Income	11	11,712,213	12,651,092
		<b>11,712,213</b>	<b>12,651,092</b>
<b>Operating Expense</b>			
General & administrative expenses	12	(117,300)	(289,190)
<b>Profit Before Tax</b>		<b>11,594,913</b>	<b>12,361,902</b>
<b>Provision for Income Tax (Current Tax)</b>		<b>(4,058,220)</b>	<b>(4,635,713)</b>
<b>Net Profit after Tax</b>		<b>7,536,693</b>	<b>7,726,189</b>
Other comprehensive Income		-	-
<b>Net Profit for the period</b>		<b>7,536,693</b>	<b>7,726,189</b>

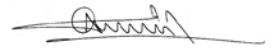
The annexed notes from 1 to 12 form an integral part of these financial statements.



**Emranul Huq**  
Managing Director



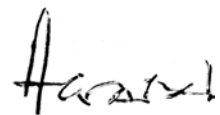
**Md. Amirullah**  
Director



**Khondoker Jamil Uddin**  
Chairman

This is the Statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of even date.

Dhaka,  
13 March 2016



**ACNABIN**  
Chartered Accountants

# Dhaka Bank Investment Limited

## Statement of Changes in Equity

For the year ended 31 December 2015

Annexure - L

(Amount In Taka)

Particulars	Share Capital	Retained Earnings	Total Equity
<b>Opening Balance</b>	<b>250,000,000</b>	<b>7,726,189</b>	<b>257,726,189</b>
Add: Adjustment for prior year	-	221,565	221,565
Net profit for the year	-	7,536,693	7,536,693
<b>Balace as on 31 December 2015</b>	<b>250,000,000</b>	<b>15,484,447</b>	<b>265,484,447</b>
<b>Opening Balance</b>	-	-	-
Paid up Share Capital	250,000,000	-	250,000,000
Net profit for the year	-	7,726,189	7,726,189
<b>Balance as on 31 December 2014</b>	<b>250,000,000</b>	<b>7,726,189</b>	<b>257,726,189</b>

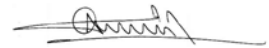
Dhaka,  
13 March 2016



**Emranul Huq**  
Managing Director



**Md. Amirullah**  
Director



**Khondoker Jamil Uddin**  
Chairman

# Dhaka Bank Investment Limited

## Statement of Cash Flows

For the year ended 31 December 2015

Annexure - L

	2015 Taka	2014 Taka
<b>a. Cash Flows from Operating Activities</b>		
Other Income	11,712,213	12,651,092
Operating Expenses	(2,300)	(1,725)
Cash generated from operating activities before changes in operating assets and liabilities	11,709,913	12,649,367
<b>Changes in Operating Assets and Liabilities</b>		
Advance Income Tax	(1,171,221)	(1,265,109)
<b>Net Cash Flow from Operating Activities</b>	<b>10,538,692</b>	<b>11,384,258</b>
<b>b. Cash Flows from Investing Activities</b>	<b>-</b>	<b>-</b>
<b>c. Cash Flows from Financing Activities</b>		
Proceeds from Issue of Shares	-	250,000,000
<b>Net Cash Flow from Financing Activities</b>	<b>-</b>	<b>250,000,000</b>
<b>Net cash surplus for the period (a+b+c)</b>	<b>10,538,692</b>	<b>261,384,258</b>
Cash & Bank Balance at Beginning of the year	261,384,258	-
<b>Cash &amp; Bank Balance at the end of the year*</b>	<b>271,922,950</b>	<b>261,384,258</b>
<b>*Cash &amp; Bank Balance</b>		
Cash in Hand	-	-
Cash at Bank	271,922,950	261,384,258
	<b>271,922,950</b>	<b>261,384,258</b>

Dhaka,  
13 March 2016

  
**Emranul Huq**  
Managing Director

  
**Md. Amirullah**  
Director

  
**Khondoker Jamil Uddin**  
Chairman

# Dhaka Bank Investment Limited

## Notes to the Financial Statements

For the year ended 31 December 2015

Annexure - L

### 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 Basis of Preparation and Significant Accounting Policies

#### 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 Basis of Measurement

The financial statements have been prepared under the historical cost convention.

These financial statements have been presented in Bangladesh Taka (Taka/Tk.), which is the company's functional currency. All financial information presented in Taka has been rounded to nearest integer.

#### 2.3 Use of estimated and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis.

#### 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 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.

#### 2.6 Preliminary expenditure

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.

### 3. Directors' Responsibility Statement

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

	31.12.2015 Taka	31.12.2014 Taka
<b>4. Preliminary Expenditure</b>		
Preliminary Expenditure	886,260	1,107,825
Less: Amortization for the year	-	221,565
	886,260	886,260
Add: Adjustment for prior year*	221,565	-
	<b>1,107,825</b>	<b>886,260</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. Amount amortized last year was restated in the current year.

<b>5. Cash &amp; Bank Balance</b>		
Cash in Hand	-	-
Cash at Bank (Note: 5.1)	271,922,950	261,384,258
	<b>271,922,950</b>	<b>261,384,258</b>

<b>5.1 Cash at Bank</b>	<b>Name of Bank</b>	<b>Branch</b>	<b>A/C #</b>		
	Dhaka Bank Limited	Local Office	201.150.3401	111,908,952	107,571,987
	Dhaka Bank Limited	Gulshan Circle-2	102.150.0018	160,013,998	153,812,271
				<b>271,922,950</b>	<b>261,384,258</b>

<b>6. Advance Income Tax</b>		
Opening Balance	1,265,109	-
Add: Addition during the year (Note: 6.1)	1,171,221	1,265,109
	<b>2,436,330</b>	<b>1,265,109</b>

<b>6.1 Addition during the year</b>		
Tax deducted at source	<b>1,171,221</b>	<b>1,265,109</b>

#### 7. Share Capital

<b>7.1 Authorized Capital</b>		
200,000,000 ordinary shares @ Tk. 10 each	<b>2,000,000,000</b>	<b>2,000,000,000</b>

#### 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 2015 is as follows:

SI #	Name of Shareholders	Number of Shares held	% Of Shareholding	31.12.2015 Amount in Taka	31.12.2014 Amount in Taka
1.	Dhaka Bank Limited, Represented By				
	Mr. Khondoker Jamil Uddin	24,999,994	99.999976	249,999,940	249,999,940
	Mr. Md. Amirullah				
	Mr. 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>



	31.12.2015 Taka	31.12.2014 Taka
<b>8. Retained Earnings</b>		
Opening Balance	7,726,189	-
Add: Net Profit for the Period	7,536,693	7,726,189
Adjustment for prior year*	221,565	-
	<b>15,484,447</b>	<b>7,726,189</b>
<p>* Dhaka Bank Investment Limited amortized Tk.221,565 for preliminary expenditure during the year 2014 but it did not start operation till now. Amortization of preliminary expenditure will be charged after starting of operation. Amount amortized last year has been restated in the current year.</p>		
<b>9. Provision for Income Tax</b>		
Opening Balance	4,635,713	-
Add: Addition during the year	4,058,220	4,635,713
	<b>8,693,933</b>	<b>4,635,713</b>
<b>10. Other Liabilities</b>		
Payable to Dhaka Bank Limited	1,173,725	1,116,225
Provision for Audit Fees	115,000	57,500
	<b>1,288,725</b>	<b>1,173,725</b>
<b>11. Other Income</b>	<b>2015</b> Taka	<b>2014</b> Taka
Interest on SND A/C	<b>11,712,213</b>	<b>12,651,092</b>
<b>12. General &amp; administrative expenses</b>		
Amortization of Preliminary Expenditure	-	221,565
Audit Fees	115,000	57,500
Bank Charges	2,300	1,725
Stationary, Printing, Advertisement, etc.	-	8,400
	<b>117,300</b>	<b>289,190</b>

## Notice of the 21st Annual General Meeting

Notice is hereby given to all the members of Dhaka Bank Limited that the 21st Annual General Meeting of the members of the Company will be held on Sunday, May 29, 2016 at the Utsab Hall, Radisson Blu Dhaka Water Garden, Airport Road, Dhaka Cantonment, Dhaka at 11:00 a.m. to transact the following business:

1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st December, 2015 and Balance Sheet as of that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend for the Shareholders for the year ended 31st December 2015 as recommended by the Board of Directors.
3. To elect/re-elect Directors who shall retire by rotation as per the Articles of Association of the Company and to approve the appointment of 01 (one) Independent Director of the Company.
4. To re-appoint Auditors of the Company for the term until the next Annual General Meeting and to fix-up their remuneration.
5. Any other matter with the permission of the Chair.

April 21, 2016

By order of the Board  
Sd/-  
**Arham Masudul Huq**  
SEVP & Company Secretary

### NOTES

1. The 'Record Date' shall be on Wednesday, May 11, 2016. The Shareholders whose names would appear in the CDS/Register of Members of the Company on the Record Date shall be entitled to the dividend and attend the AGM.
2. A member eligible to attend the Annual General Meeting may appoint a proxy to attend on his/her behalf. Proxy Form/Power of Attorney must be submitted at the Corporate Office of the Company situated at 71, Purana Paltan Lane, Kakrail, Dhaka not later than 48 hours before the time fixed for the Annual General Meeting. Revenue Stamp of Tk. 20/- (Taka Twenty) only shall have to be affixed on the Proxy Form.
3. Shareholders and proxies are requested to record their entry in the AGM well in time. No entry will be recorded after 10: 30 a.m.
4. Shareholders are requested to update their respective BO Accounts with 12 digits Taxpayer's Identification Number (e-TIN), Bank Account Number and Mailing Address through their respective Depository Participants before the Record Date. If a shareholder (other than a company) fails to update e-TIN in his/her BO Account before the Record Date, disbursement of dividend will be subject to deduction of Advance Income Tax (AIT) @15% instead of @10% as per amended Section 54 of the Income Tax Ordinance, 1984.
5. Merchant Banks and Depository Participants (DPs) are requested to provide the list of their margin clients who will hold the shares of the Company as on 'Record Date' to the Share Department of the Company situated at 71, Purana Paltan Lane (Level-6), Kakrail, Dhaka well ahead of AGM for facilitating payment of Cash Dividend and proportionate sale proceeds of fractional bonus shares.
6. No gift or benefit in cash or kind shall be offered to the shareholders in the 21st Annual General Meeting in compliance with the Bangladesh Securities and Exchange Commission's Circular No.SEC/CMRRCD/2009-193/154 dated 24.10.2013.

# DHAKABANK

L I M I T E D

Registered Office: Biman Bhaban, 100 Motijheel C/A, Dhaka-1000

Corporate Office: 71, Purana Paltan Lane, Kakrail, Dhaka

## Attendance Slip

I/We hereby record my attendance at the 21st Annual General Meeting of Dhaka Bank Limited being held on Sunday, May 29, 2016 at the Utsab Hall, Radisson Blu Dhaka Water Garden, Airport Road, Dhaka Cantonment, Dhaka

Name of the Shareholder(s) .....

BO ID- 

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Signature of Shareholder(s) .....

No. of Shares held .....

**Note:** Honourable Shareholders attending the Meeting in person are requested to complete the Attendance Slip and deposit the same at the “Registration Counter” of the AGM venue. Signature in the Attendance Slip must tally with the signature recorded with the Company.



**Registered Head Office**

Biman Bhaban, 100 Motijheel Commercial Area, Dhaka 1000, Bangladesh  
Phone: +8802 955 4514, 957 1006-10, Fax: +8802 955 6584

**Corporate Office**

71, Purana Paltan Lane, Kakrail, Dhaka  
Phone: +8802 5831 4424-30, 5831 4624-8, Fax: +8802 5831 4419  
Email: [info@dhakabank.com.bd](mailto:info@dhakabank.com.bd), SWIFT: DHBLBDDH