

# Hoda Vasi Chowdhury & Co

## Chartered Accountants

### INDEPENDENT AUDITORS' 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 (the "Group") as well as the separate financial statements of Dhaka Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2017, 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 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 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 up to 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 controls 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 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 these 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**

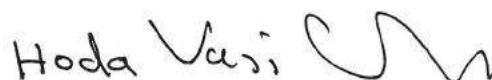
In our opinion, the consolidated financial statements of the Group and also separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2017, and of its consolidated and separate 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.

**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 up to 2013) and the rules and regulations issued by Bangladesh Bank, we also report the following:

- 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 controls 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 of 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 also 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) as mentioned in note 7.11: A) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- j) the information and explanation required by us have been received and found satisfactory; and
- k) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 3,750 person hours for the audit of the books and accounts of the Bank.
- l) Capital to Risk-weighted Assets Ratio (CRAR) as required by the Bangladesh Bank has been maintained by the Bank.

Dhaka, 26 April 2018

  
Hoda Vasi Chowdhury & Co  
Chartered Accountants  
HVC

# Hoda Vasi Chowdhury & Co

## Dhaka Bank Limited and its Subsidiaries Consolidated Balance Sheet As at 31 December 2017

	Notes	31.12.2017 Taka	31.12.2016 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3(a)	<b>13,684,691,050</b>	<b>16,715,758,759</b>
Cash in hand (including foreign currencies)	3.1(a)	1,839,941,316	1,797,462,755
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	11,844,749,734	14,918,296,004
<b>Balance with other banks and financial institutions</b>	4(a)	<b>11,394,521,215</b>	<b>11,229,483,485</b>
In Bangladesh	4.1(a)	10,190,843,071	8,640,709,728
Outside Bangladesh	4.2(a)	1,203,678,144	2,588,773,757
<b>Money at call on short notice</b>	5(a)	<b>11,300,000</b>	<b>1,051,300,000</b>
<b>Investments</b>	6(a)	<b>26,040,501,710</b>	<b>23,783,240,894</b>
Government	6.1(a)	19,706,422,487	18,805,722,760
Others	6.2(a)	6,334,079,223	4,977,518,134
<b>Loans, advances and lease/investments</b>	7(a)	<b>153,867,641,893</b>	<b>134,833,390,731</b>
Loans, cash credits, overdrafts, etc./Investments	7.1(a)	150,656,808,845	131,707,113,368
Bills purchased and discounted	8(a)	3,210,833,048	3,126,277,363
<b>Fixed assets including premises, furniture and fixtures</b>	9(a)	<b>4,269,381,542</b>	<b>4,201,264,375</b>
<b>Other assets</b>	10(a)	<b>21,537,286,973</b>	<b>11,439,308,527</b>
<b>Non-banking assets</b>	11(a)	<b>23,166,033</b>	<b>23,166,033</b>
<b>Total Assets</b>		<b>230,828,490,416</b>	<b>203,276,912,804</b>
<b>LIABILITIES &amp; CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	12(a)	<b>21,633,548,366</b>	<b>11,496,873,150</b>
<b>Deposits and other accounts</b>	13(a)	<b>169,729,720,650</b>	<b>156,756,948,352</b>
Current accounts & other accounts		20,025,396,323	21,093,467,455
Bills payable		2,826,174,811	2,047,637,778
Savings bank deposits		19,061,994,573	16,735,239,732
Term deposits		127,816,154,943	116,880,603,387
<b>Non Convertible Subordinated Bond</b>	14	<b>3,000,000,000</b>	<b>3,800,000,000</b>
<b>Other Liabilities</b>	15(a)	<b>20,637,340,094</b>	<b>16,308,113,207</b>
<b>Total Liabilities</b>		<b>215,000,609,111</b>	<b>188,361,934,709</b>
<b>Capital/Shareholders' Equity</b>			
<b>Equity attributable to equity holders of the parent company</b>		<b>15,827,823,977</b>	<b>14,914,932,104</b>
Paid-up capital	16.2	7,222,957,200	6,879,006,860
Statutory reserve	17	6,418,181,801	5,850,338,779
Other reserve	18(a)	684,339,747	800,010,946
Retained earnings	19(a)	1,502,345,228	1,385,575,519
Non-controlling interest	19.1(a)	57,329	45,991
<b>Total Equity</b>		<b>15,827,881,305</b>	<b>14,914,978,095</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>230,828,490,416</b>	<b>203,276,912,804</b>

## Hoda Vasi Chowdhury & Co

### Off-Balance Sheet Items

#### Contingent Liabilities

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

Notes	31.12.2017 Taka	31.12.2016 Taka
21		
	32,868,131,246	25,263,660,677
	27,085,569,676	17,447,623,500
	23,083,135,224	19,928,711,771
	11,591,497,583	8,250,158,750
	3,493,879,200	2,036,246,400
	<u>98,122,212,930</u>	<u>72,926,401,097</u>
<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>	<u>98,122,212,930</u>	<u>72,926,401,097</u>

These Financial Statements should be read in conjunction with the annexed notes 1 to 44.

  
Managing Director & CEO

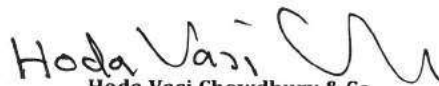
Director

Director

Chairman

See the annexed report of even date

Dhaka,  
26 April 2018

  
Hoda Vasi Chowdhury & Co  
Chartered Accountants



**Dhaka Bank Limited and its Subsidiaries  
Consolidated Profit and Loss Account  
For the year ended 31 December 2017**

	Notes	2017 Taka	2016 Taka
<b>OPERATING INCOME</b>			
Interest income/profit on investments	22(a)	13,727,205,143	13,173,471,870
Interest paid/profit on deposits and borrowings, etc.	23(a)	(10,339,604,517)	(9,451,375,496)
<b>Net interest income</b>		<b>3,387,600,626</b>	<b>3,722,096,375</b>
Investment income	24(a)	3,094,917,268	3,404,981,086
Commission, exchange and brokerage	25(a)	2,997,010,487	1,587,140,031
Other operating income	26(a)	236,734,487	271,693,740
		<b>6,328,662,242</b>	<b>5,263,814,856</b>
<b>Total operating income (a)</b>		<b>9,716,262,868</b>	<b>8,985,911,231</b>
<b>OPERATING EXPENSES</b>			
Salary and allowances	27(a)	2,221,634,512	1,744,368,347
Rent, taxes, insurance, electricity, etc.	28(a)	649,438,474	528,706,421
Legal expenses	29(a)	21,686,243	17,792,303
Postage, stamps, telecommunication, etc.	30(a)	45,415,750	40,674,152
Stationery, printing, advertisement, etc.	31(a)	150,115,511	149,468,134
Chief executive's salary and fees	32(a)	14,095,183	12,890,167
Directors' fees	33(a)	5,020,850	4,639,000
Auditors' fees	34(a)	1,782,500	1,782,500
Depreciation and repairs of Bank's assets	35(a)	365,643,104	345,278,702
Other expenses	36(a)	776,670,102	563,526,474
<b>Total operating expenses (b)</b>		<b>4,251,502,230</b>	<b>3,409,126,200</b>
<b>Profit/(Loss) before provision (c = (a-b))</b>		<b>5,464,760,638</b>	<b>5,576,785,031</b>
Provision against loans and advances	37(a)	2,153,981,089	2,444,517,209
Provision against good borrower	15.2	7,377,931	8,200,000
Provision for diminution in value of investments	38	-	-
Other Provisions	39(a)	283,968,402	252,948,481
<b>Total provision (d)</b>		<b>2,445,327,422</b>	<b>2,705,665,690</b>
<b>Profit/(Loss) before taxation (c-d)</b>		<b>3,019,433,216</b>	<b>2,871,119,341</b>
Provision for taxation		1,410,678,073	1,318,839,116
Current tax		1,439,667,055	1,352,164,621
Deferred Tax		(28,988,981)	(33,325,504)
<b>Net profit after taxation</b>		<b>1,608,755,143</b>	<b>1,552,280,224</b>
<b>Net profit after tax attributable to:</b>			
Equity holders of DBL		1,608,743,805	1,552,271,589
Non-controlling interest		11,338	8,635
		<b>1,608,755,143</b>	<b>1,552,280,224</b>
<b>Appropriations</b>			
Statutory reserve		567,843,022	549,596,961
General reserve		(115,519,953)	(38,192,034)
Investment Fluctuation Fund		7,800,000	5,700,000
Dividends etc.		1,031,851,026	1,000,582,816
Retained earnings		1,502,345,228	1,385,575,519
		<b>2,994,319,323</b>	<b>2,903,263,261</b>
<b>Consolidated Earning per Share (CEPS)</b>	40(a)	<b>2.23</b>	<b>2.15</b>

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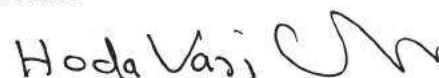
  
Managing Director & CEO

  
Director  
See the annexed report of even date

  
Director

  
Chairman

Dhaka,  
26 April 2018

  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

**Dhaka Bank Limited and its Subsidiaries  
Consolidated Cash Flow Statement  
For the year ended 31 December 2017**

Notes	2017 Taka	2016 Taka
<b>Cash Flows from Operating Activities</b>		
	16,174,739,589	14,468,057,834
Interest / Profit receipts	(10,335,544,529)	(9,418,911,699)
Interest / Profit payments	64,469,332	67,205,591
Dividend receipts	49,202,153	50,461,881
Recovery of loans previously written off	1,638,589,367	1,144,854,688
Fee and commission receipts	(2,235,729,695)	(1,757,258,514)
Payments to employees	(239,849,380)	(234,541,734)
Payments to suppliers	(1,353,072,300)	(772,709,861)
Income taxes paid	41(a) 239,809,771	370,515,201
Receipts from other operating activities	42(a) (1,496,474,455)	(1,164,121,478)
Payments for other operating activities		
<b>(i) Operating profit before changes in operating assets &amp; liabilities</b>	<b>2,506,139,854</b>	<b>2,753,551,908</b>
<b>Changes in operating assets and liabilities</b>		
	(369,516,454)	5,899,422,270
Purchase / Sale of trading securities	(19,034,251,162)	(16,357,597,702)
Loans and advances to customers	43(a) (8,798,997,478)	(3,872,807,928)
Other assets	5,568,154,933	(1,273,265,661)
Deposits from other banks	7,404,617,365	19,438,712,268
Deposits from customers	82,400,563	22,681,744
Other liabilities account of customers	44(a) 331,619,229	(564,279,276)
Other liabilities		
<b>(ii) Cash flow from operating assets and liabilities</b>	<b>(14,815,973,004)</b>	<b>3,292,865,715</b>
<b>Net cash flow from operating activities (a) = (i+ii)</b>	<b>(12,309,833,149)</b>	<b>6,046,417,624</b>
<b>Cash Flows from Investing Activities</b>		
	665,172,853	988,590,387
Proceeds from sale of securities	(1,895,881,889)	(5,655,342,471)
Sale/ (Purchase) of securities	(320,595,906)	(317,060,803)
Purchase/(Sale) of property, plant & equipment	2,490,121	4,018,467
Proceeds from sale of fixed assets	-	-
Purchase / sale of subsidiary		
<b>Net cash (used in) investing activities (b)</b>	<b>(1,548,814,820)</b>	<b>(4,979,794,421)</b>
<b>Cash flows from financing activities</b>		
	10,136,675,217	370,830,215
Borrowing from other banks	-	3,000,000,000
Issuance of Non Convertible Subordinated Bond	(800,000,000)	(600,000,000)
Redemption of Non Convertible Subordinated Bond	(687,900,686)	(375,218,556)
Dividends paid		
<b>Net cash flow from financing activities (c)</b>	<b>8,648,774,531</b>	<b>2,395,611,659</b>
<b>Net increase in cash and cash equivalents (a+b+c)</b>	<b>(5,209,873,439)</b>	<b>3,462,234,862</b>
Add: Effects of exchange rate changes on cash & cash equivalent	1,303,653,561	339,485,945
Add: Cash and cash equivalents at beginning of the year	29,000,627,043	25,198,906,236
<b>Cash and cash equivalents at end of the year (*)</b>	<b>25,094,407,165</b>	<b>29,000,627,044</b>
<b>(*) Cash and cash equivalents</b>		
	1,839,941,316	1,797,462,755
Cash in Hand	11,844,749,734	14,918,296,004
Balance with Bangladesh Bank & Sonali Bank	11,394,521,215	11,229,483,485
Balance with other banks & Financial Institutions	11,300,000	1,051,300,000
Money at call & Short Notice	3,894,900	4,084,800
Prize Bond		
	<b>25,094,407,165</b>	<b>29,000,627,043</b>

These Financial Statements should be read in conjunction with the annexed notes 1 to 44.

  
Managing Director & CEO

  
Director

  
Chairman

Dhaka,  
26 April 2018

**Dhaka Bank Limited and its Subsidiaries**  
**Consolidated Statement of Changes in Equity**  
**For the year ended 31 December 2017**

Particulars	(Amount in Taka)									
	Paid up capital	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment revaluation reserve	Investment Fluctuation Fund	Non-controlling interest	Retained Earnings	Total	
Balance as at 1 January 2017	6,879,006,860	5,850,338,779	122,080,584	622,516,800	29,513,562	25,900,000	45,991	1,385,575,519	14,914,978,094	
Changes in accounting policy	-	-	-	-	-	-	-	-	-	
<b>Restated balance</b>	<b>6,879,006,860</b>	<b>5,850,338,779</b>	<b>122,080,584</b>	<b>622,516,800</b>	<b>29,513,562</b>	<b>25,900,000</b>	<b>45,991</b>	<b>1,385,575,519</b>	<b>14,914,978,094</b>	
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-	
Surplus/deficit on account of revaluation of investments	-	-	-	-	(7,951,246)	-	-	-	(7,951,246)	
Current transaction differences	-	-	-	-	-	-	-	-	-	
<b>Net gains and losses not recognized in the income statement</b>	-	-	-	-	<b>21,562,316</b>	-	-	-	-	
Net Profit for the period	-	-	-	-	-	-	-	1,608,755,143	1,608,755,143	
Stock dividend paid by Subsidiary Company	-	-	-	-	-	-	-	-	-	
Transfer to reserve	-	-	-	-	-	-	-	-	-	
Dividend:										
Stock dividend	343,950,340	-	-	-	-	-	-	(343,950,340)	-	
Cash dividend	-	567,843,022	(115,519,953)	-	-	7,800,000	-	(687,900,686)	(687,900,686)	
Changes in reserve	-	-	-	-	-	-	-	(460,123,069)	-	
Non-controlling interest	-	-	-	-	-	-	11,338	(11,338)	-	
<b>Balance as at 31 December 2017</b>	<b>7,222,957,200</b>	<b>6,418,181,801</b>	<b>6,560,631</b>	<b>622,516,800</b>	<b>21,562,316</b>	<b>33,700,000</b>	<b>57,329</b>	<b>1,502,345,228</b>	<b>15,827,881,305</b>	

These Financial Statements should be read in conjunction with the annexed notes 1 to 44.

  
Managing Director & CEO

Dhaka,  
26 April 2018

**Hoda Vasi  
Chowdhury & Co**

  
Director

  
Chairman

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

Particulars	(Amount in Taka)							Total	
	Paid up capital	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment revaluation reserve	Investment Fluctuation Fund	Non-controlling interest		Retained Earnings
Balance as at 1 January 2016	6,253,642,600	5,300,741,818	160,272,618	648,455,000	63,168,447	20,200,000	37,355	1,265,053,471	13,711,571,310
Changes in accounting policy	-	-	-	-	-	-	-	-	-
<b>Restated balance</b>	<b>6,253,642,600</b>	<b>5,300,741,818</b>	<b>160,272,618</b>	<b>648,455,000</b>	<b>63,168,447</b>	<b>20,200,000</b>	<b>37,355</b>	<b>1,265,053,471</b>	<b>13,711,571,310</b>
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(33,654,885)	-	-	-	(33,654,885)
Currency transaction differences	-	-	-	-	-	-	-	-	-
<b>Net gains and losses not recognized in the income statement</b>	-	-	-	-	<b>29,513,562</b>	-	-	-	-
Net Profit for the year	-	-	-	-	-	-	-	1,552,280,225	1,552,280,225
Adjustment made during the year	-	-	-	(25,938,200)	-	-	-	85,938,200	60,000,000
Transfer to reserve	-	-	-	-	-	-	-	-	-
Dividend:									
Stock dividend	625,364,260	-	-	-	-	-	-	(625,364,260)	-
Cash dividend	-	-	-	-	-	-	-	(375,218,556)	(375,218,556)
Changes in reserve	-	549,596,961	(38,192,034)	-	-	5,700,000	-	(517,104,927)	-
Non-controlling interest	-	-	-	-	-	-	8,635	(8,635)	-
<b>Balance as at 31 December 2016</b>	<b>6,879,006,860</b>	<b>5,850,338,779</b>	<b>122,080,584</b>	<b>622,516,800</b>	<b>29,513,562</b>	<b>25,900,000</b>	<b>45,991</b>	<b>1,385,575,519</b>	<b>14,914,978,095</b>

These Financial Statements should be read in conjunction with the annexed notes 1 to 44.



# Hoda Vasi Chowdhury & Co

## Dhaka Bank Limited Balance Sheet As at 31 December 2017

	Notes	31.12.2017 Taka	31.12.2016 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3	<b>13,684,591,050</b>	<b>16,715,649,259</b>
Cash in hand (including foreign currencies)	3.1	1,839,841,316	1,797,353,255
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	11,844,749,734	14,918,296,004
<b>Balance with other banks and financial institutions</b>	4	<b>11,224,922,706</b>	<b>11,170,526,692</b>
In Bangladesh	4.1	10,021,244,562	8,581,752,935
Outside Bangladesh	4.2	1,203,678,144	2,588,773,757
<b>Money at call on short notice</b>	5	<b>11,300,000</b>	<b>1,051,300,000</b>
<b>Investments</b>	6	<b>23,181,794,347</b>	<b>21,305,722,760</b>
Government	6.1	19,706,422,487	18,805,722,760
Others	6.2	3,475,371,860	2,500,000,000
<b>Loans, advances and lease/investments</b>	7	<b>154,017,029,266</b>	<b>134,689,308,364</b>
Loans, cash credits, overdrafts, etc./Investments	7.1	150,806,196,218	131,563,031,001
Bills purchased and discounted	8	3,210,833,048	3,126,277,363
<b>Fixed assets including premises, furniture and fixtures</b>	9	<b>4,262,893,303</b>	<b>4,193,540,105</b>
<b>Other assets</b>	10	<b>23,047,157,792</b>	<b>13,042,382,648</b>
<b>Non-banking assets</b>	11	<b>23,166,033</b>	<b>23,166,033</b>
<b>Total Assets</b>		<b>229,452,854,497</b>	<b>202,191,595,861</b>
<b>LIABILITIES &amp; CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	12	<b>21,533,553,426</b>	<b>11,296,873,150</b>
<b>Deposits and other accounts</b>	13	<b>170,035,420,927</b>	<b>157,161,630,521</b>
Current accounts & other accounts		20,025,396,323	21,093,467,455
Bills payable		2,826,174,811	2,047,637,778
Savings bank deposits		19,061,994,573	16,735,239,732
Term deposits		128,121,855,220	117,285,285,556
<b>Non Convertible Subordinated Bond</b>	14	<b>3,000,000,000</b>	<b>3,800,000,000</b>
<b>Other liabilities</b>	15	<b>19,638,634,359</b>	<b>15,487,366,332</b>
<b>Total Liabilities</b>		<b>214,207,608,713</b>	<b>187,745,870,003</b>
<b>Capital/Shareholders' Equity</b>			
<b>Total Shareholders' Equity</b>		<b>15,245,245,785</b>	<b>14,445,725,858</b>
Paid-up capital	16.2	7,222,957,200	6,879,006,860
Statutory reserve	17	6,418,181,801	5,850,338,779
Other reserve	18	650,639,747	774,110,946
Retained earnings	19	953,467,037	942,269,273
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>229,452,854,497</b>	<b>202,191,595,861</b>

**Hoda Vasi  
Chowdhury & Co**

**Off-Balance Sheet Items**

	Notes	31.12.2017 Taka	31.12.2016 Taka
<b>Contingent liabilities</b>	21	<b>98,122,212,930</b>	<b>72,926,401,097</b>
Acceptances and endorsements		32,868,131,246	25,263,660,677
Irrevocable Letters of Credit		27,085,569,676	17,447,623,500
Letter of guarantee		23,083,135,224	19,928,711,771
Bills for collection		11,591,497,583	8,250,158,750
Other contingent liabilities		3,493,879,200	2,036,246,400
<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>98,122,212,930</b>	<b>72,926,401,097</b>

These Financial Statements should be read in conjunction with the annexed notes 1 to 44.

  
Managing Director & CEO

Director

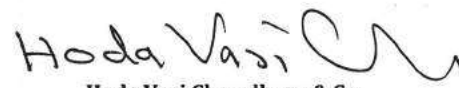


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 Director

Chairman

Dhaka,  
26 April 2018

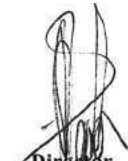
  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

**Dhaka Bank Limited  
Profit & Loss Account  
For the year ended 31 December 2017**

	Notes	2017 Taka	2016 Taka
<b>OPERATING INCOME</b>			
Interest income/profit on investments	22	13,714,929,994	13,165,602,608
Interest paid/profit on deposits and borrowings, etc.	23	(10,336,326,037)	(9,452,611,371)
<b>Net interest income</b>		<b>3,378,603,957</b>	<b>3,712,991,237</b>
Investment income	24	2,884,488,508	3,238,231,845
Commission, exchange and brokerage	25	2,876,740,973	1,517,376,553
Other operating income	26	235,674,687	270,819,482
		<b>5,996,904,168</b>	<b>5,026,427,880</b>
<b>Total operating income (a)</b>		<b>9,375,508,125</b>	<b>8,739,419,116</b>
<b>OPERATING EXPENSES</b>			
Salary and allowances	27	2,179,485,872	1,711,533,723
Rent, taxes, insurance, electricity, etc.	28	634,454,439	508,410,393
Legal expenses	29	20,256,493	17,395,303
Postage, stamps, telecommunication, etc.	30	44,604,307	40,064,088
Stationery, printing, advertisement, etc.	31	148,203,308	148,276,067
Chief executive's salary and fees	32	14,095,183	12,890,167
Directors' fees	33	3,847,544	3,700,186
Auditors' fees	34	1,380,000	1,380,000
Depreciation and repairs of Bank's assets	35	357,664,024	337,001,950
Other expenses	36	766,974,424	555,116,746
<b>Total operating expenses (b)</b>		<b>4,170,965,595</b>	<b>3,335,768,622</b>
<b>Profit/(Loss) before provision (c = (a-b))</b>		<b>5,204,542,530</b>	<b>5,403,650,494</b>
Provision against loans and advances	37	2,153,981,089	2,444,517,209
Provision against good borrower	15.2	7,377,931	8,200,000
Provision for diminution in value of investments	38	-	-
Other provisions	39	203,968,402	202,948,481
<b>Total provision (d)</b>		<b>2,365,327,422</b>	<b>2,655,665,690</b>
<b>Profit/(Loss) before taxation (c-d)</b>		<b>2,839,215,108</b>	<b>2,747,984,804</b>
Provision for taxation		1,343,843,250	1,282,056,770
Current tax		1,372,864,467	1,314,967,979
Deferred tax income		(29,021,217)	(32,911,209)
<b>Net profit after taxation</b>		<b>1,495,371,858</b>	<b>1,465,928,034</b>
<b>Appropriations</b>			
Statutory reserve		567,843,022	549,596,961
General reserve		(115,519,953)	(38,192,034)
Dividends etc.		1,031,851,026	1,000,582,816
Retained earnings		953,467,037	942,269,273
		<b>2,437,641,131</b>	<b>2,454,257,016</b>
<b>Earning per Share (EPS)</b>	40	<b>2.07</b>	<b>2.03</b>

These Financial Statements should be read in conjunction with the annexed notes 1 to 44.

  
Managing Director & CEO

  
Director

   
Director Chairman

See the annexed report of even date

Dhaka,  
26 April 2018


  
Hoda Vasi Chowdhury & Co  
Chartered Accountants


# Hoda Vasi Chowdhury & Co

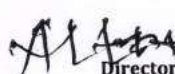
## Dhaka Bank Limited Cash Flow Statement For the year ended 31 December 2017

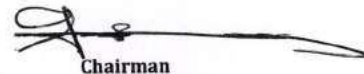
	Notes	2017 Taka	2016 Taka
<b>Cash Flow from Operating Activities</b>			
Interest / Profit receipts		16,005,513,079	15,334,485,309
Interest / Profit payments		(10,332,266,049)	(9,420,147,575)
Dividend receipts		10,405,000	14,750,000
Recovery of loans previously written off		49,202,153	50,461,881
Fee and commission receipts		1,518,319,853	1,075,091,210
Payments to employees		(2,193,581,055)	(1,724,423,890)
Payments to suppliers		(214,444,109)	(207,115,457)
Income taxes paid		(1,290,315,902)	(725,025,033)
Receipts from other operating activities	41	238,749,972	369,640,943
Payments for other operating activities	42	(1,485,605,471)	(1,154,772,936)
<b>(i) Operating profit before changes in operating assets &amp; liabilities</b>		<b>2,305,977,471</b>	<b>3,612,944,452</b>
<b>Changes in operating assets and liabilities</b>			
Purchase / Sale of trading securities		11,672,775	6,103,104,253
Loans and advances to customers		(19,327,720,902)	(16,849,142,401)
Other assets	43	(8,773,910,241)	(3,812,918,811)
Deposits from other banks		5,568,154,933	(1,273,265,661)
Deposits from customers		7,305,635,473	19,365,996,863
Other liabilities account of customers		82,400,563	22,681,744
Other liabilities	44	306,441,792	(453,614,536)
<b>(ii) Cash flow from operating assets and liabilities</b>		<b>(14,827,325,606)</b>	<b>3,102,841,453</b>
<b>Net cash flow from/(used in) operating activities (a)= (i+ii)</b>		<b>(12,521,348,135)</b>	<b>6,715,785,904</b>
<b>Cash Flow from Investing Activities</b>			
Proceeds from sale of securities		665,172,853	988,590,387
Sale/ (Purchase) of securities		(1,895,881,889)	(6,643,932,858)
Purchase/(Sale) of property, plant & equipment		(319,718,198)	(315,573,767)
Proceeds from sale of fixed assets		2,490,121	4,018,467
Purchase / sale of subsidiary		-	-
<b>Net cash flow from investing activities (b)</b>		<b>(1,547,937,112)</b>	<b>(5,966,897,771)</b>
<b>Cash Flow from Financing Activities</b>			
Borrowing from other banks		10,236,680,277	662,142,729
Issuance of Non Convertible Subordinated Bond		-	3,000,000,000
Redemption of Non Convertible Subordinated Bond		(800,000,000)	(600,000,000)
Dividends paid		(687,900,686)	(375,218,556)
<b>Net cash flow from/(used in) financing activities (c)</b>		<b>8,748,779,591</b>	<b>2,686,924,173</b>
<b>Net increase/ (decrease) in cash and cash equivalents (a+b+c)</b>		<b>(5,320,505,657)</b>	<b>3,435,812,306</b>
Add: Effects of exchange rate changes on cash & cash equivalent		1,303,653,561	339,485,944
Add: Cash and cash equivalents at beginning of the year		28,941,560,751	25,166,262,501
<b>Cash and cash equivalents at end of the year (*)</b>		<b>24,924,708,656</b>	<b>28,941,560,751</b>
<b>(*) Cash and cash equivalents</b>			
Cash in Hand		1,839,841,316	1,797,353,255
Balance with Bangladesh Bank & Sonali Bank		11,844,749,734	14,918,296,004
Balance with other banks & Financial Institutions		11,224,922,706	11,170,526,692
Money at call & Short Notice		11,300,000	1,051,300,000
Prize Bond		3,894,900	4,084,800
		<b>24,924,708,656</b>	<b>28,941,560,751</b>

These Financial Statements should be read in conjunction with the annexed notes 1 to 44.

  
Managing Director & CEO

  
Director

  
Director

  
Chairman

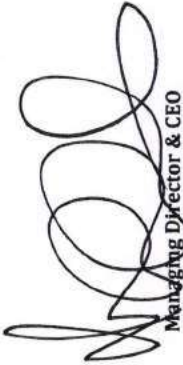
Dhaka,  
26 April 2018

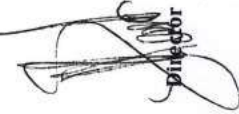


**Dhaka Bank Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2017**

Particulars	(Amount in Taka)						
	Paid up capital	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment Revaluation Reserve	Retained Earnings	Total
Balance as at 1 January 2017	6,879,006,860	5,850,338,779	122,080,584	622,516,800	29,513,562	942,269,273	14,445,725,858
Changes in accounting policy	-	-	-	-	-	-	-
<b>Restated balance</b>	<b>6,879,006,860</b>	<b>5,850,338,779</b>	<b>122,080,584</b>	<b>622,516,800</b>	<b>29,513,562</b>	<b>942,269,273</b>	<b>14,445,725,858</b>
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(7,951,246)	-	(7,951,246)
Currency transaction differences	-	-	-	-	-	-	-
<b>Net gains and losses not recognized in the income statement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,562,316</b>	<b>-</b>	<b>-</b>
Net Profit for the year	-	-	-	-	-	1,495,371,858	1,495,371,858
Adjustment made during the year	-	-	-	-	-	-	-
Transfer to reserve	-	-	-	-	-	-	-
Dividend:							
Stock dividend	343,950,340	-	-	-	-	(343,950,340)	-
Cash dividend	-	-	-	-	-	(687,900,686)	(687,900,686)
Changes in reserve	-	567,843,022	(115,519,953)	-	-	(452,323,069)	-
<b>Balance as at 31 December 2017</b>	<b>7,222,957,200</b>	<b>6,418,181,801</b>	<b>6,560,631</b>	<b>622,516,800</b>	<b>21,562,316</b>	<b>953,467,037</b>	<b>15,245,245,785</b>

These Financial Statements should be read in conjunction with the annexed notes 1 to 44.

  
**Managing Director & CEO**

  
**Director**

  
**Chairman**

**Hoda Vasi  
Chowdhury & Co**

Dhaka,  
26 April 2018

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

Particulars	(Amount in Taka)						
	Paid up capital	Statutory Reserve	General Reserve	Asset Revaluation Reserve-Restated	Investment Revaluation Reserve	Retained Earnings-Restated	Total
Balance as at 1 January 2016	6,253,642,600	5,300,741,818	160,272,618	648,455,000	63,168,447	962,390,782	13,388,671,266
Changes in accounting policy	-	-	-	-	-	-	-
<b>Restated balance</b>	<b>6,253,642,600</b>	<b>5,300,741,818</b>	<b>160,272,618</b>	<b>648,455,000</b>	<b>63,168,447</b>	<b>962,390,782</b>	<b>13,388,671,266</b>
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(33,654,885)	-	(33,654,885)
Currency transaction differences	-	-	-	-	-	-	-
<b>Net gains and losses not recognized in the income statement</b>	-	-	-	-	<b>29,513,562</b>	-	-
Net Profit for the year	-	-	-	-	-	1,465,928,034	1,465,928,034
Adjustment for made during the year	-	-	-	(25,938,200)	-	25,938,200	-
Transfer to reserve	-	-	-	-	-	-	-
Dividend:							
Stock dividend	625,364,260	-	-	-	-	(625,364,260)	-
Cash dividend	-	-	-	-	-	(375,218,556)	(375,218,556)
Changes in reserve	-	549,596,961	(38,192,034)	-	-	(511,404,927)	-
<b>Balance as at 31 December 2015</b>	<b>6,879,006,860</b>	<b>5,850,338,779</b>	<b>122,080,584</b>	<b>622,516,800</b>	<b>29,513,562</b>	<b>942,269,273</b>	<b>14,445,725,858</b>

These Financial Statements should be read in conjunction with the annexed notes 1 to 44.

**Dhaka Bank Limited**  
**Liquidity Statement**  
**(Asset and Liability Maturity Analysis)**  
**As at 31 December 2017**

Particulars	(Amount in Taka)					
	Upto 01 month	1 - 3 months	3 - 12 months	1 - 5 years	more than 5 years	Total
<b>Assets:</b>						
Cash in hand	13,684,591,050	-	-	-	-	13,684,591,050
Balance with other banks and financial institutions	8,230,987,054	2,864,535,652	129,400,000	-	-	11,224,922,706
Money at call on short notice	-	-	-	-	11,300,000	11,300,000
Investment	-	5,705,784,675	3,672,595,741	7,287,206,987	6,516,206,945	23,181,794,347
Loans and Advances	19,668,975,660	41,148,502,657	49,312,518,420	32,920,731,915	10,966,300,615	154,017,029,266
Fixed assets including premises, furniture and fixtures	-	-	-	689,839,549	3,573,053,753	4,262,893,303
Other assets	13,936,098,446	-	4,435,225,177	2,903,484,323	1,772,349,846	23,047,157,792
Non-banking assets	-	-	-	23,166,033	-	23,166,033
<b>Total Assets</b>	<b>55,520,652,210</b>	<b>49,718,822,984</b>	<b>57,549,739,338</b>	<b>43,824,428,806</b>	<b>22,839,211,158</b>	<b>229,452,854,497</b>
<b>Liabilities:</b>						
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	(665,400,000)	-	(18,102,797,191)	(2,765,356,235)	-	(21,533,553,426)
Deposits & Other Accounts	(22,886,395,037)	(35,817,851,963)	(77,988,998,628)	(20,005,305,180)	(13,336,870,120)	(170,035,420,927)
Non Convertible Subordinated Bond	-	-	(800,000,000)	(1,800,000,000)	(400,000,000)	(3,000,000,000)
Other liabilities	(4,961,533,534)	-	(14,677,100,825)	-	-	(19,638,634,359)
<b>Total Liabilities</b>	<b>(28,513,328,571)</b>	<b>(35,817,851,963)</b>	<b>(111,568,896,644)</b>	<b>(24,570,661,415)</b>	<b>(13,736,870,120)</b>	<b>(214,207,608,713)</b>
<b>Net Liquidity Gap</b>	<b>27,007,323,639</b>	<b>13,900,971,022</b>	<b>(54,019,157,306)</b>	<b>19,253,767,391</b>	<b>9,102,341,038</b>	<b>15,245,245,785</b>
<b>Cumulative Liquidity Gap</b>	<b>27,007,323,639</b>	<b>40,908,294,661</b>	<b>(13,110,862,646)</b>	<b>6,142,904,746</b>	<b>15,245,245,784</b>	<b>-</b>

**Dhaka Bank Limited and its Subsidiaries  
Notes to the Consolidated & Separate Financial Statements  
As at and for the year ended 31 December 2017**

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

**1.1 Legal form of the Bank**

The Dhaka Bank Limited (the "Bank") was incorporated in Bangladesh as a public limited company as on 06 April 1995 under the Companies Act, 1994 and commenced commercial operation on 05 July 1995. The Bank went for the public issue of shares on 18 November 1999 and its shares are listed with the Stock Exchanges of Bangladesh. Now it has 100 branches all over Bangladesh which includes 63 urban and 37 rural branches, two offshore banking unit at EPZ, Dhaka & EPZ, Chittagong and 03 SME Service Centers. Out of the above, 2 branches of the Bank are run under Islamic Shariah, the modus operandi of which is substantially different from other non-Islamic branches. The Bank has two subsidiary companies in the name of Dhaka Bank Securities Limited and Dhaka Bank Investment Limited. The Bank has been holding 99.99% shares of Dhaka Bank Securities Limited with 6 branches in Dhaka, Chittagong and Sylhet and Dhaka Bank Investment Limited. Moreover the Bank has a dedicated philanthropic unit named Dhaka Bank Foundation which has been operating since 28 July 2004.

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

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

**1.2.1 Conventional banking**

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

**1.2.2 Islamic banking**

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

**1.2.3 Off-shore banking unit**

Off-Shore Banking Unit is a separate business unit of Dhaka Bank Limited, governed under the Rules & Guidelines of Bangladesh Bank. Currently, the Bank has two OBUs in DEPZ & CEPZ. The Bank obtained DEPZ Offshore Banking Unit permission vide letter no. BRPD (P)744(92)/2005-2181 dated June 18, 2005 and CEPZ Offshore Banking Unit permission vide letter no. BRPD (P-3)744(92)/2017-123 dated January 05, 2017. The Bank commenced the operation of its DEPZ Offshore Banking Unit with effect from May 10, 2006 and CEPZ Offshore Banking Unit with effect from February 12, 2017. Separate financial statements of Off-shore Banking Unit are also presented.



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

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

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

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

#### **1.2.6 Subsidiaries of the Bank**

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

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

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

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

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

### **2.1 Basis of accounting**

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

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is to be formed and it is to issue financial reporting standards for public interest entities such as banks. The Bank Companies Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards

as per the provisions of the FRA and hence Bangladesh Financial Reporting Standards (BFRS) as issued by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable.

Accordingly, the financial statements of the Bank and its subsidiaries (the "Group") continue to be prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and the requirements of the Bank Companies Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, Securities and Exchange Rules 1987.

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.

In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of BFRS & AAOIFI standards, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail.

#### **Material departures from the requirement of BFRS**

Material deviations from the requirements of BFRS are as follows:

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

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

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003, investments in quoted and unquoted shares are revalued at the year-end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

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

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

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

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

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

**Bangladesh Bank:** As per BRPD circular no. 14 (23 September 2012), BRPD circular no. 19 (27 December 2012) and BRPD circular no. 05 (29 May 2013) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for substandard loans, doubtful loans and bad losses has to be maintained at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again, as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

**iv) Recognition of interest in suspense**

**BFRS:** Loans and advances to customers are generally classified as 'loans and receivables' as per BAS 39 and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised in profit and loss account on the same basis based on revised carrying amount.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

**v) Other comprehensive income**

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

**Bangladesh Bank:** Bangladesh Bank has issued templates for financial statements which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

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

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

**vii) Repo transactions**

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

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



**vii) Financial guarantees**

**BFRS:** As per BAS 39, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin.

**viii) Cash and cash equivalent**

**BFRS:** Cash and cash equivalent items should be reported as cash item as per BAS 7.

**Bangladesh Bank:** Some cash and cash equivalent items such as 'money at call and on short notice', treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments.

**(ix) Non-banking asset**

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

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

**x) Cash flow statement**

**BFRS:** The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003, cash flow is the mixture of direct and indirect methods.

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

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

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

**xii) Presentation of intangible asset**

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

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

**xiii) Off-balance sheet items**

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



**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

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

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

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

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

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

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

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

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

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

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

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

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

The consolidated financial statements have been prepared in accordance with BFRS-10 based on a common period ended 31 December 2017.

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

**Transaction eliminated on consolidation**

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

**2.3 Cash and cash equivalents**

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

**2.4 Loans and advances and provision thereon**

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

- a) 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.
- b) General Provision against all unclassified Credit Card loans under Consumer Financing: BRPD Circular No-12 dated 20 August, 2017
- c) Provision for Short-term Agricultural and Micro-Credits: BRPD Circular No- 15 dated 27 September, 2017

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 (including Credit Cards)	5%	5%	20%	50%	100%
Brokerage Houses/ Merchant Banks/ Stock Dealers against shares		2%	2%	20%	50%	100%
Small and Medium Enterprises		0.25%	0.25%	20%	50%	100%
Agriculture		2.5%	2.5%	5%	5%	100%
Short-term Agricultural & Micro Credits		1%	1%	5%	5%	100%
Others		1%	1%	20%	50%	100%

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

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

## **2.5 Investments**

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

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

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

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

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

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

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

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

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

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

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

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

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

**g) Investment in subsidiary**

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

Value of Investment has been enumerated as follows:

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

**2.6 Property, plant and equipment and depreciation**

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

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

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

## **2.7 Impairment of assets**

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

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

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may be impaired. Building includes a floor space in the BGMEA Bhaban at Hatirjheel, Kawran Bazar, Dhaka, against which there is a dispute and Honorable High Court had published a verdict to demolish the building but recently the deadline to do the same has been extended further. Besides, Bank will receive compensation from BGMEA once the building is demolished. So, Bank will maintain provision or will make impairment loss at the time of demolition of the structure or at the time of settlement of the issue with BGMEA. **[For detail please see Note-9 & 18.2].**

## **2.8 Asset revaluation reserve**

Dhaka Bank Limited revalued the Land during the year 2011 by an independent valuation firm according to Paragraph 36 of BAS-16 as per approval of the Board of Directors of the Bank. As per Risk Based Capital Adequacy Guidelines for Banks under BASEL - III, the Revaluation Reserve for Assets and Securities will diminish at 20% per year on the base amount of 31 December 2015 so that the whole revaluation reserve amount will not get capital treatment after the end of five years (starting from January 2015). **[For detail please see Note-16.9 & 18.2].**

## **2.9 Other assets**

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

## **2.10 Receivables**

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

## **2.11 Non-banking assets**

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



## **2.12 Leased assets**

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

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

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

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

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

## **2.13 Share capital**

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

## **2.14 Statutory reserve**

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

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

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

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

- i) The Bank issued Redeemable Non-Convertible Subordinated Bond of Tk.2,000,000,000 as Supplementary Capital (Tier-2) of the Bank for a term of 07 (seven) years to strengthen the capital base of the Bank on the consent of Bangladesh Securities and Exchange Commission Vide Letter No. SEC/CI/CPLC-10/2001-256 dated 09.09.2010. It has been fully redeemed in December, 2017.
- ii) The Bank issued another tranche of Non-Convertible Subordinated Bond of Tk. 3,000,000,000 with consent of BSEC vide letter no. BSEC/CI/DS-34/2015/643 dated 28.12.2015 and subsequently approved by Bangladesh Bank vide letter no. BRPD (BFIS) 661/14B (P) 2016-2474 dated April 17, 2016 to strengthen the capital base in line with the newly introduced Capital Adequacy Guidelines under BASEL-III Accord.
- iii) The Bank is going to issue 3<sup>rd</sup> tranche of Non-Convertible Subordinated Bond of Tk. 5,000,000,000 which is approved by the Board of Directors in its 310<sup>th</sup> meeting held on September 26, 2017. Bank has already got approval from BSEC vide letter no. BSEC/CI/CPLC/DS-210/2009/210 dated March 28, 2018 and from Bangladesh Bank vide letter no. BRPD (BFIS) 661/14B (P) 2018-2569 dated April 17, 2018.

### **2.17 Deposits and other accounts**

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

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

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

### **2.19 Interest suspense account**

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

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

#### **a) Provident fund**

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

#### **b) Superannuation fund**

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

#### **c) Gratuity**

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

### **2.21 Revenue recognition**

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

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

Interest on Credit Card outstanding is calculated on daily product balance but charged on monthly basis. Interest is charged on Credit Card up to 28 December 2017. Monthly bill of Credit Card is issued on 28<sup>th</sup> day of each month.

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

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

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

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

### **2.22 Foreign currency transactions**

- i) Functional and presentational currency-Financial statements of the Bank are presented in Taka, which is the Bank's functional and presentational currency.
- ii) Foreign currency transactions are converted into equivalent Taka currency at the ruling exchange rates on the respective date of such transactions as per BAS-21 "The Effects of Changes in Foreign Exchange Rates".
- iii) Assets and liabilities as at 31 December 2017 in foreign currencies are converted into Taka currency at the average of the prevailing selling and buying rates of the relevant foreign currencies at that date except "Balances with other Banks and Financial Institutions" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD 717/2004-959 dated 21 November 2004.

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

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

## **2.23 Taxation**

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

The Bank is considered as a publicly traded company as per the Income Tax Ordinance, 1984. Provision for Current Income Tax has been made at the existing rate of 40.00% as prescribed in the Finance Act, 2017 of the business income of the Bank after considering some of the taxable add backs of income and disallowances of expenditures.

### **b) Deferred tax**

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

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

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

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

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

## **2.26 Memorandum items**

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

## **2.27 Cash flow statement**

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

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

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

### 2.29 Statement of liquidity

The liquidity statement has been prepared in accordance with the remaining maturity grouping of the value of the assets and liabilities as on 31 December 2017 and under the guidelines of Bangladesh Bank BRPD Circular No.14 dated 25 June 2003.

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

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

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

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

### 2.31 Offsetting

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

### 2.32 Reporting period

These financial statements cover from 01 January to 31 December 2017.

### 2.33 Post Balance sheet event

The Board of Directors of the company approved the financial statements of the company for the year ended 31 December 2017 in its 323<sup>rd</sup> meeting on April 26, 2017.

### 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 year or part thereof was 1,771 (Male- 1,368 & Female-403). The Bank recruited 215 numbers of staff during the year. Attrition rate is 6.38% in 2017 compared to 4.79% in 2016.

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

#### **i. Risk management**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **b) Interest rate risk**

Interest rate risk may arise either from trading portfolio or non-trading portfolio. The trading portfolio of the Bank consists of Government treasury bills and bonds of different maturities. Interest risk arises from mismatches between the future yield of an asset and their funding costs. Asset Liability Committee of the Bank

regularly monitors the interest rate movement and Treasury division actively manages the Balance Sheet gap profitability on a regular basis.

**c) Equity risk**

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

**v. Credit risk management**

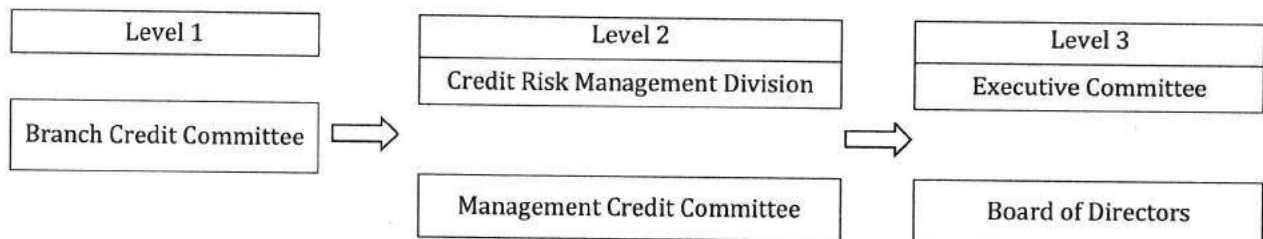
Credit Risk, broadly adverted as the uncertainty to meet financial obligations as per agreed terms and condition by the borrowers during the tenor of the credit facilities, occupies the largest constituent in the risk spectrum of financial institutions. Efficacy in credit risk management is demanded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

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

**a) Pre approval phase**

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

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



**b) Post approval phase**

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

**Recent development in credit risk management**

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

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

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

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

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

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

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

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

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

Banking environment has become highly competitive now-a-days. Being able to grow and sustain in the ever-changing market scenario, banks have to use latest technologies and tools which can help in developing learner and more flexible structure that can react or respond as per the dynamics of the situation of the market. IT is also acting as an instrument of cost efficiency and effective communication with people and institutions associated with the banking business. Moreover, IT is moving from a back office function to a prime assistant in



increasing the value of a bank over time. In line with these, IT Division of Dhaka Bank Limited Ltd., has taken pro-active measures such as strengthening and standardizing banks infrastructure in respect of security, communication and networking, achieving inter branch connectivity, moving towards Real Time gross settlement (RTGS) environment etc. to face the fierce competition locally and globally.

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

**a) Core banking software up gradation**

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

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

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

- RIT (Rationalized Input Template): Bangladesh Bank are maintaining a SAP solution based on RS/400 system for importing data from a very critical and unique format, which is called RIT (Rationalized Input Template). IT Division is working restless to supply these data to the concerned divisions, so that it can be accommodated with the central bank system.
- go-AML: Anti-Money Laundering is a very big challenge to Bangladesh Government to support the local and international compliance. The Central Bank already changed its major architecture in both physical and software system. New software is in the project pilot phase, which requires data each month. Dhaka Bank Limited IT Division prepares Cash Transaction data, Customer Data and relevant stakeholder's data each month for due submission to Bangladesh Bank.
- Online CIB: CIB is one of the most important reports for each and every Commercial Bank in Bangladesh, which reflects the borrowers' position with the Bank. Dhaka Bank Limited IT Division extracts these data through some complex process each month and publishes it into intra-net portal.
- Import and export reporting: IT has developed application integrated with the core banking system for batch uploading of import and export information of the clients so that man-hour can be reduced and efficiency of reporting can be increased.
- Green banking activities: We have been using a high performance automated core banking software and e-mail for intra bank correspondence where no more manual banking is required. With a view to reducing the usage of hard copy statement as well as to popularize paperless banking, Dhaka Bank Limited introduced e-statements, M-Banking, Internet Banking, ATM, ADM. Through e-statements client can view, download or print an electronic version of the statement that looks just like the paper version.

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

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

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

**d) Utilities bill payment**

Dhaka Bank Limited being a tech-savvy bank supported by state-of-the-art technology always prioritizes digitalized financial and banking services that we have been doing for more than a decade. Although we carry out formal banking operations through our 100 branches 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 & CEO. Sometimes internal audit team conducts surprise visit to the branches. Regular monitoring has been done for the effectiveness of the control and compliance policies and procedures with the effect to evaluate the application of Internal Control System, and Internal Audit Policy, Policy for financial risk, existing rules and regulations, other obligation from regulatory authority etc.

**x. Fraud and forgeries**

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

**2.37 Audit committee of the board of directors**

**i) Particulars of audit committee**

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

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

**ii) Meeting held with audit committee**

During the period up to December 2017, 06 (six) 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:

- Summary of loan classification and provisioning for the quarters ended as on 31.12.2016, 31.03.2017, 30.06.2017 & 30.09.2017
- Audited Consolidated Financial Statements of the Company and Financial Statements of the Bank for the year ended 31st December, 2016
- Un-audited Quarterly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 31st March 2017
- Un-audited Half-yearly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 30th June, 2017
- Un-audited Quarterly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 30th September 2017
- Common Observations and latest compliance status of Internal Audit Conducted during the year 2016 and January to December 2017
- Quarterly (31.12.2016, 31.03.2017) & Half-yearly (January-June, 2017) Statement of Self-Assessment of Anti-Fraud Internal Controls under DOS Circular Letter No.17 Dated November 07, 2012 of Bangladesh Bank
- Achievement of Audit Division for the Year-2016, for the Quarter Ended June 2017
- Submission of Executive Summary Audits conducted during the year 2016
- An information Memo on the compliance i.e. open issues of 18<sup>th</sup> Bangladesh Bank Comprehensive inspection on Dhaka Bank Limited, Head Office as on 31.12.2015
- Compliance and responses of 19<sup>th</sup> Comprehensive Bangladesh Bank Inspection Report on Dhaka Bank Limited, Head Office as on 31.12.2016
- Audit Plan for the Year-2017 & Year 2018
- Deviations in Quarterly Operations Report for the Quarter Ended December 2016, for the Quarter Ended March 2017, for the Quarter Ended June 2017
- Discrepancies in the Loan Documentation Checklist (LDCL) for the quarter ended December 2016, for the quarter ended June 2017
- Updated Organogram of ICCD of Dhaka Bank Limited
- Internal Control & Compliance (ICC) Health of Dhaka Bank Limited
- ICC Process Manual/Internal Audit Manual of ICCD of Dhaka Bank Limited
- Revised ICC Policy of Internal Control and Compliance Division of Dhaka Bank Limited
- Effectiveness of the Internal Control System of Dhaka Bank Limited
- Review of the Bank's Management Information System (MIS)
- Appointment of External Auditors of the Bank for the year 2017
- An information Memo on Misappropriation of fund from a deceased account of Laldighirpar Branch, Sylhet
- Annual Health Report of Dhaka Bank Limited for the Year 2016
- Latest compliance and response status of 65 inspection reports of 40 branches and 5 divisions of head office carried out by Bangladesh Bank during the year 2017

- Review of the Bank's Management Information System (MIS)
- Status of Password Sharing
- High Risk and Medium Risk Branches as per Internal Audit Report for the year 2017

**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**

Shariah Supervisory Committee of Dhaka Bank Ltd. has been formed with the veteran Islamic Scholars, Economists, Bankers and competent Faqihs having vast knowledge. In this regard, the bank has followed the criteria for selection of Shariah Supervisory Committee member 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. AzizulHuq	Chairman	1 <sup>st</sup> CEO of IBBL	16.10.1935	MA (Economics)
2	Prof. Mowlana Mohammad Salahuddin	Member (Faqih)	Khatib of National Mosque, Baitul Mukarram	01.11.1944	Kamil, MA
3	Dr.Mohd. Haroon Rashid	Member (Faqih)	Member Secretary, Shariah Supervisory Committee, AB Bank Ltd.	11.06.1969	Fazill, MA, PhD
4	HafejMawlana Abdul Gaffar	Member (Faqih)	Imam & Khatib, Shahidbag Jame Mosque & Vice Principal, Madrasa Jamiatul Uloomil Islamia, Tejgoan, Dhaka	05.11.1960	Takmil, DarulUlumDewband, UP, India
5	Md. Fariduddin Ahmed	Member (Expert in Islamic Banking)	Ex Managing Director, IBBL EX. Managing Director & Advisor, EXIM Bank Ltd.	25.07.1947	BA, DAIBB
6	Omar Sadat	Member (Lawyer)	Lawyer & Head of Chamber: Sadat Sarwat& Associates	20.08.1974	Bar-at-law, LL.M, LL.B (Hons.)
7	Syed Mahbubur Rahman	Member (Ex-Officio)	Managing Director & CEO, Dhaka Bank Ltd.	16.02.1962	MBA, IBA, University of Dhaka
8	Md. Sirajul Hoque	Member Secretary	EVP & Head of Islamic Banking Division	18.10.1960	B Com (Honours) M Com (Accounting) CA, CC

During the period up to December 2017, the following issues were discussed in the meetings:

- Approval of Islamic Liability Products i) Mudaraba Gold Deposit Account, ii) Mudaraba Platinum Deposit Account & iii) Mudaraba Silver Deposit Account of Islamic Banking Operations
- Discussion & Approval on Quard Policy against Mudaraba Term Deposit of Islamic Banking
- Discussion on Shariah Inspection Report of Islamic Banking Branches (IBBs) as on dated 31.12.2016
- Discussion on development of publishing a Booklet on Muamalat of Daily lives regarding Islamic Solutions



- Approval of Shariah Supervisory Committee Opinion for publication in Bank's Annual Report, 2016
- Approval of final rates on various Mudaraba Deposits on the basis of weight age for the Year 2016
- Discussion on Islamic Banking Software UBS for Islamic Banking Operations.
- Maintenance of Compensation GL separately from Income Account.
- To train the employees of the bank with the knowledge of Islamic banking, Economics & Finance
- Compliance of Shariah principle in all transaction of Deposits & Investments
- Marketing & Development of Islamic Banking products through conventional branches using online

### 2.39 Information about segment reporting

The bank operates under the following business segments:

(Figure in '000)

Particulars	Conventional	Islamic	OBU	DBSL	DBIL	Total
Total Operating Income	8,763,271	211,063	401,173	332,465	8,290	9,716,263
Allocated Expenses	4,177,887	76,899	16,179	80,416	120	4,351,502
Operating Profit (Before Tax & Provision)	4,585,384	134,164	384,994	252,049	8,169	5,364,761
Total Provision (Loans/Advances & Others)	2,345,937	-	19,390	80,000	-	2,445,327
Profit Before Tax	2,239,447	134,164	365,604	172,049	8,169	2,919,433
Provision for Income Tax	1,343,843	-	-	63,976	2,859	1,410,678
Net Profit	895,603	134,164	365,604	108,073	5,310	1,508,755
Segment Assets	204,063,732	8,358,347	17,030,775	5,433,872	292,023	230,828,490
Segment Liabilities	204,063,732	8,358,347	17,030,775	5,433,872	292,023	230,828,490

The operations of these segments are specifically identified by Income, expenses, assets and Liabilities. Based on such allocation, balance sheet as at 31 December 2017 and profit and loss account for the year ended 31 December 2017 have been prepared.

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

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is to be formed and it is to issue financial reporting standards for public interest entities such as banks. The Bank Companies Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence Bangladesh Financial Reporting Standards (BFRS) as issued by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable.

Accordingly, the financial statements of the Bank and its subsidiaries (the "Group") continue to be prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and the requirements of the Bank Companies Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, Securities and Exchange Rules 1987.

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.

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In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of BFRS & AAOIFI standards, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail.

While reporting the financial statements, Dhaka Bank Limited applied all the applicable of BAS and BFRS as adopted by ICAB. Details are given below:

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

Sl. No.	BFRS No.	BFRS Title	Compliance Status
1	1	First-time Adoption of Bangladesh Financial Reporting Standards	Not Applicable
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Not Applicable
4	4	Insurance contracts	Not Applicable
5	5	Non-Current Assets Held for Sale and Discontinued Operations	Not Applicable
6	6	Exploration for and Evaluation of Mineral	Not Applicable
7	7	Financial Instruments: Disclosures	Complied *
8	8	Operating Segments	Complied



Sl. No.	BFRS No.	BFRS Title	Compliance Status
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
13	14	Regulatory Deferral Accounts	Not Applicable

\* 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.

#### **Standards issued but not yet effective**

The Institute of Chartered Accountants of Bangladesh (ICAB) has adopted following new standards and amendments to standards during the year 2017. All previously adopted reporting standards are consistently applied by the Bank as explained in Note 3.16.

#### **BFRS 9 Financial instruments:**

BFRS 9, published in July 2014, replaces the existing guidance in BAS 39 'Financial instruments: Recognition and measurement'. BFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from BAS 39. BFRS 9 is effective for annual reporting periods beginning on or after 01 January 2018, with early adoption permitted

The Bank is assessing the potential impact on its financial statements resulting from the application of BFRS 9.

#### **BFRS 15 Revenue from contracts with customers:**

BFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including BAS 18 'Revenue', BAS 11 'Construction contracts' and BFRIC 13 'Customer loyalty programmes'. BFRS 15 is effective for annual reporting periods beginning on or after 01 January 2018, with early adoption permitted.

The Bank is assessing the potential impact on its financial statements resulting from the application of BFRS 15.

#### **2.41 Approval of Audited Financial Statements**

These financial statements were reviewed by the Audit Committee of the Board of the Bank in its 82<sup>nd</sup> meeting held on April 26, 2018 and was subsequently approved by the Board of Directors of the Bank in its 323<sup>rd</sup> meeting held on April 26, 2018.

## Hoda Vasi Chowdhury & Co

		31.12.2017 Taka	31.12.2016 Taka
<b>3. Cash</b>			
Cash in hand	(Note: 3.1)	1,839,841,316	1,797,353,255
Balance with Bangladesh Bank and its agent bank(s)	(Note: 3.2)	11,844,749,734	14,918,296,004
		<b>13,684,591,050</b>	<b>16,715,649,259</b>
<b>3(a) Consolidated Cash</b>			
Dhaka Bank Limited	(Note: 3)	13,684,591,050	16,715,649,259
Dhaka Bank Securities Limited		100,000	109,500
Dhaka Bank Investment Limited		-	-
		<b>13,684,691,050</b>	<b>16,715,758,759</b>
<b>3.1 Cash in hand</b>			
In local currency		1,794,943,053	1,776,810,310
In foreign currencies		44,898,263	20,542,945
		<b>1,839,841,316</b>	<b>1,797,353,255</b>
Cash in hand (local currency) includes balance of Cash held at Automated Teller Machine (ATM) of Tk.4,32,51,500 as on 31.12.2017.			
<b>3.1(a) Consolidated Cash in hand</b>			
Dhaka Bank Limited	(Note: 3.1)	1,839,841,316	1,797,353,255
Dhaka Bank Securities Limited		100,000	109,500
Dhaka Bank Investment Limited		-	-
		<b>1,839,941,316</b>	<b>1,797,462,755</b>
<b>3.2 Balance with Bangladesh Bank and its agent bank(s)</b>			
Balance with Bangladesh Bank			
In local currency		11,042,061,959	9,994,344,869
Conventional		10,620,604,771	9,568,380,071
Al-Wadiah current account		421,457,187	425,964,798
In foreign currencies		613,398,289	4,816,003,831
Balance with Sonali Bank as agent of Bangladesh Bank		11,655,460,248	14,810,348,700
		189,289,486	107,947,304
		<b>11,844,749,734</b>	<b>14,918,296,004</b>
As per Bangladesh Bank circulars/guidelines, balance with Bangladesh Bank is a part of cash and cash equivalent regardless of any restriction. However, to meet up the foreign currency liabilities of the bank, the cover fund against the liabilities has been kept and booked in Bangladesh Bank FC Clearing account as well as Nostro Bank Accounts.			
<b>3.2(a) Consolidated Balance with Bangladesh Bank and its agent bank(s)</b>			
Dhaka Bank Limited	(Note: 3.2)	11,844,749,734	14,918,296,004
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		<b>11,844,749,734</b>	<b>14,918,296,004</b>
<b>3.3 Statutory deposits</b>			
Cash Reserve Ratio and Statutory Liquidity Ratio have been calculated and maintained as per Section 33 of the Bank Companies Act 1991 (amended up to 2013) and MPD Circular No. 04, dated 01.12.2010, MPD Circular No.05 dated 01.12.2010 and MPD Circular No.01 dated 23.06.2014.			
<b>3.3.1 Cash Reserve Ratio (CRR)</b>			
<b>Conventional Banking</b>			
<b>Bi-weekly Requirement</b>			
<b>(6.50% of Average Demand and Time Liabilities)</b>			
Required Reserve		10,376,314,455	9,357,849,072
Actual reserve maintained		10,499,248,280	9,457,561,409
Surplus		<b>122,933,825</b>	<b>99,712,337</b>
<b>Required</b>		6.50%	6.00%
<b>Maintained</b>		6.58%	6.57%
<b>Daily Requirement</b>			
<b>(6.00% of Average Demand and Time Liabilities)</b>			
Required Reserve		9,578,136,420	8,638,014,528
Actual reserve maintained		10,625,125,899	9,583,022,093
Surplus		<b>1,046,989,479</b>	<b>945,007,565</b>
<b>Required</b>		6.00%	6.00%
<b>Required</b>		6.50%	6.50%
<b>Maintained</b>		7.21%	7.21%

# Hoda Vasi Chowdhury & Co

	31.12.2017 Taka	31.12.2016 Taka
<b>Islamic Banking</b>		
<b>Bi-weekly Requirement</b>		
<b>(6.50% of Average Demand and Time Liabilities)</b>		
Required Reserve	400,881,050	414,438,359
Actual reserve maintained	664,398,360	425,964,798
<b>Surplus</b>	<b>263,517,310</b>	<b>11,526,439</b>
<b>Required</b>	<b>6.50%</b>	<b>6.50%</b>
<b>Maintained</b>	<b>10.77%</b>	<b>6.68%</b>
<b>Daily Requirement</b>		
<b>(6.00% of Average Demand and Time Liabilities)</b>		
Required Reserve	370,044,045	382,558,485
Actual reserve maintained	421,457,187	425,964,798
<b>Surplus</b>	<b>51,413,142</b>	<b>43,406,313</b>
<b>Required</b>	<b>6.50%</b>	<b>6.50%</b>
<b>Maintained</b>	<b>7.40%</b>	<b>7.24%</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	20,752,628,910	18,715,698,144
Actual reserve maintained	21,571,342,636	20,539,335,533
<b>Surplus</b>	<b>818,713,726</b>	<b>1,823,637,389</b>
<b>Required</b>	<b>13.00%</b>	<b>13.00%</b>
<b>Maintained</b>	<b>13.51%</b>	<b>14.27%</b>
<b>Islamic Banking</b>		
<b>(5.50% of Average Demand and Time Liabilities)</b>		
Required Reserve	339,207,040	350,678,611
Actual reserve maintained	430,123,016	404,213,491
<b>Surplus</b>	<b>90,915,976</b>	<b>53,534,880</b>
<b>Required</b>	<b>5.50%</b>	<b>5.50%</b>
<b>Maintained</b>	<b>6.97%</b>	<b>6.34%</b>
<b>Held for Statutory Liquidity Ratio (Conventional)</b>		
Cash in Hand	1,810,294,438	1,774,666,204
Balance with Bangladesh Bank and its agent Bank(s) over CRR	248,811,444	333,031,369
Government Securities (excluding Assured Liquidity Support)	19,322,527,587	18,431,637,960
	<b>21,381,633,470</b>	<b>20,539,335,533</b>
<b>Held for Statutory Liquidity Ratio (Islamic)</b>		
Cash in Hand	29,546,878	22,687,052
Balance with Bangladesh Bank and its agent Bank(s) over CRR	20,576,139	11,526,440
Government Securities (excluding Assured Liquidity Support)	380,000,000	370,000,000
	<b>430,123,016</b>	<b>404,213,491</b>
Dhaka Bank Limited has maintained the above SLR and CRR requirement based on based on weekly average total demand and time liabilities (ATDTL) of the base month which is two months back of the reporting month.		
As per DOS Circular No. 05 dated 26 May 2008, all the Government treasury bond and bill will be open for SLR requirement and Dhaka Bank Limited has maintained the minimum SLR as per said circular.		
<b>3.4 Maturity grouping of cash</b>		
On Demand	13,684,591,050	16,715,649,259
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>13,684,591,050</b>	<b>16,715,649,259</b>



# Hoda Vasi Chowdhury & Co

		31.12.2017 Taka	31.12.2016 Taka
<b>4. Balance with other banks and financial institutions</b>			
In Bangladesh	(Note: 4.1)	10,021,244,562	8,581,752,935
Outside Bangladesh	(Note: 4.2)	1,203,678,144	2,588,773,757
		<b>11,224,922,706</b>	<b>11,170,526,692</b>
<b>4(a) Consolidated Balance with other banks and financial institutions</b>			
In Bangladesh	(Note: 4.1(a))	10,190,843,071	8,640,709,728
Outside Bangladesh	(Note: 4.2(a))	1,203,678,144	2,588,773,757
		<b>11,394,521,215</b>	<b>11,229,483,485</b>
<b>4.1 In Bangladesh</b>			
<b>Current Deposits</b>			
Sonali Bank Limited		126,921,755	58,165,306
Janata Bank Limited		5,322,574	201,772,652
Southeast Bank Limited		212,514	214,164
Standard Chartered Bank (Visa Settlement)		26,476,733	4,291,243
Brac Bank Limited		-	70,398
Agrani Bank Limited		14,613,580	21,911,904
Dutch Bangla Bank Limited		-	-
Islami Bank Bangladesh Limited		33,617,466	14,797,440
United Commercial Bank Limited		16,093,204	1,009,564
		<b>223,257,827</b>	<b>302,232,671</b>
<b>Special Notice Deposits (SND)</b>			
Janata Bank Limited		191,283	2,783,215
Dutch Bangla Bank Limited		10,584,822	6,695,550
Sonali Bank Limited		-	65,363
AB Bank Limited		583,159	1,055,132
Agrani Bank Limited		43,133	5,056,083
National Bank Limited		3,648,686	589,270
		<b>15,051,083</b>	<b>16,244,612</b>
<b>Fixed Deposits</b>			
<b>Commercial Banks</b>			
Social Islami Bank Limited		827,000,000	790,000,000
Eastern Bank Limited		2,067,500,000	2,054,000,000
AB Bank Limited		-	1,185,000,000
Premier Bank Limited		-	395,000,000
BRAC Bank Limited		413,500,000	-
Mercantile Bank Limited		620,250,000	-
Trust Bank Limited		827,000,000	-
The City Bank Limited		2,894,500,000	3,160,000,000
		<b>7,649,750,000</b>	<b>7,584,000,000</b>
<b>Financial Institutions</b>			
Phoenix Finance and Investment Limited		133,185,652	179,275,652
Prime Finance		-	200,000,000
International Leasing & Financial Service Limited		-	200,000,000
IDLC Finance Limited		2,000,000,000	-
Peoples Leasing Company Limited		-	100,000,000
		<b>2,133,185,652</b>	<b>679,275,652</b>
		<b>10,021,244,562</b>	<b>8,581,752,935</b>
<b>4.1(a) Consolidated In Bangladesh</b>			
Dhaka Bank Limited	(Note: 4.1)	10,021,244,562	8,581,752,935
Dhaka Bank Securities Limited		188,476,888	184,272,326
Dhaka Bank Investment Limited		286,821,899	279,366,635
		10,496,543,348	9,045,391,896
Less: Intercompany transaction		305,700,277	404,682,168
		<b>10,190,843,071</b>	<b>8,640,709,728</b>
<b>4.2 Outside Bangladesh (Nostro Accounts)</b>			
<b>Current Deposits</b>			
Standard Chartered Bank, New York		95,266,686	962,431,530
Mashreq Bank, New York		115,520,063	145,374,604
Habib American Bank, New York, OBU		277,064,344	85,320,047
Commerz Bank, Frankfurt		6,042,995	78,943,983

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Habib American Bank
Wells Fargo Bank N.A., New York
United Bank of India
JP Morgan Chase Bank NA
Standard Chartered Bank, Mumbai
Sonali Bank, Kolkata
AB Bank Mumbai
Nepal Bangladesh Bank
Sampath Bank, Srilanka
Bhutan National Bank
Bank of Bhutan
Habib Metropolitan Bank Ltd. Pakistan
Dhaka Bank OBU Nostro
ICICI Bank Limited, India
Mashreq Bank, Mumbai
Axis Bank Ltd, India
Union Bank of Switzerland
Commerz Bank, Frankfurt
Standard Chartered Bank, Frankfurt
Unicredit S.P.A. Milano
Commerz Bank, Frankfurt
Standard Chartered Bank, Japan
Standard Chartered Bank, London
United Bank of India
Commerz Bank, Frankfurt
Al-Rajhi Bank, Kingdom of Saudi Arabia

31.12.2017 Taka	31.12.2016 Taka
150,664,263	127,679,181
98,789,768	115,934,702
19,952,936	14,984,824
124,948,105	208,065,167
72,184,469	70,323,669
21,600,758	3,685,539
36,601,527	44,084,152
660,670	641,776
210,223	9,175,831
2,760,623	1,126,212
358,880	2,025,524
13,058,968	29,960,673
-	474,000,000
59,814	25,759,300
31,174,282	37,851,495
19,634,644	-
720,657	14,711,939
64,274,866	42,284,738
437,675	3,099,493
3,691,583	2,296,476
3,019,999	2,759,720
15,405,437	17,999,529
9,316,599	25,297,397
17,950,312	31,462,893
696,447	5,746,574
1,610,551	5,744,788
<b>1,203,678,144</b>	<b>2,588,773,757</b>

(Details are given in Annexure - A)

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

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

Dhaka Bank Limited
Dhaka Bank Securities Limited
Dhaka Bank Investment Limited

(Note: 4.2)

1,203,678,144	2,588,773,757
-	-
-	-
<b>1,203,678,144</b>	<b>2,588,773,757</b>

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

Current Deposits
Short-Notice Deposits
Fixed Deposits

1,426,935,971	2,891,006,428
15,051,083	16,244,612
9,782,935,652	8,263,275,652
<b>11,224,922,706</b>	<b>11,170,526,692</b>

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

On demand
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

2,441,987,054	2,891,006,428
5,789,000,000	411,244,612
2,864,535,652	2,138,000,000
100,000,000	5,654,025,000
29,400,000	43,065,000
-	33,185,652
-	-
<b>11,224,922,706</b>	<b>11,170,526,692</b>

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

With banking companies
With non-banking financial institutions

(Note: 5.1)

(Note: 5.2)

11,300,000	761,300,000
-	290,000,000
<b>11,300,000</b>	<b>1,051,300,000</b>

#### 5(a) Consolidated Money at call on short notice

Dhaka Bank Limited
Dhaka Bank Securities Limited
Dhaka Bank Investment Limited

(Note: 5)

11,300,000	1,051,300,000
-	-
-	-
<b>11,300,000</b>	<b>1,051,300,000</b>

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		31.12.2017 Taka	31.12.2016 Taka
<b>5.1</b>	<b>With banking companies</b>		
	Midland Bank Ltd	-	200,000,000
	The City Bank Ltd	-	500,000,000
	Mercantile Bank Ltd	-	50,000,000
	ICB Islamic Bank Limited	11,300,000	11,300,000
		<b>11,300,000</b>	<b>761,300,000</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</b>	<b>With non-banking financial institutions</b>		
	International Leasing & Financial Service Limited	-	90,000,000
	Lanka Bangla Finance Ltd.	-	100,000,000
	Prime Finance	-	100,000,000
		-	<b>290,000,000</b>
<b>5.3</b>	<b>Maturity grouping of money at call &amp; short notice</b>		
	On demand	-	1,040,000,000
	Upto 1 month	-	-
	Over 1 month but not more than 3 months	-	-
	Over 3 months but not more than 6 months	-	-
	More than 6 months but less than 1 year	2,000,000	-
	More than 1 year but less than 5 years	6,000,000	-
	More than 5 years	3,300,000	11,300,000
		<b>11,300,000</b>	<b>1,051,300,000</b>
<b>6.</b>	<b>Investments</b>		
	Government securities	19,706,422,487	18,805,722,760
	Other investments	3,475,371,860	2,500,000,000
		<b>23,181,794,347</b>	<b>21,305,722,760</b>
<b>6(a)</b>	<b>Consolidated Investments</b>		
	Dhaka Bank Limited	23,181,794,347	21,305,722,760
	Dhaka Bank Securities Limited	2,858,707,363	2,477,518,134
	Dhaka Bank Investment Limited	-	-
		<b>26,040,501,710</b>	<b>23,783,240,894</b>
<b>6.1</b>	<b>Government securities</b>		
	Bangladesh Bank bills	4,397,491,220	-
	Treasury bonds	14,925,036,367	18,431,637,960
	Government Islamic bond	380,000,000	370,000,000
	Prize bond	3,894,900	4,084,800
		<b>19,706,422,487</b>	<b>18,805,722,760</b>
<b>6.1(a)</b>	<b>Consolidated Government securities</b>		
	Dhaka Bank Limited	19,706,422,487	18,805,722,760
	Dhaka Bank Securities Limited	-	-
	Dhaka Bank Investment Limited	-	-
		<b>19,706,422,487</b>	<b>18,805,722,760</b>
<b>6.1.1</b>	<b>Bangladesh Bank bills</b>		
	7 days Bangladesh Bank Bills	4,397,491,220	-
		<b>4,397,491,220</b>	-
<b>6.1.2</b>	<b>Treasury Bonds</b>		
	2 years Bangladesh Government Treasury Bond	1,500,249,997	12,605,838
	5 years Bangladesh Government Treasury Bond	6,079,495,753	6,082,035,904
	10 years Bangladesh Government Treasury Bond	6,419,317,676	10,169,002,772
	15 years Bangladesh Government Treasury Bond	699,378,491	1,941,409,279
	20 years Bangladesh Government Treasury Bond	226,594,451	226,584,167
		<b>14,925,036,367</b>	<b>18,431,637,960</b>
<b>6.2</b>	<b>Other investments</b>		
	Investment in shares	226,121,860	226,000,000
	Investment in subordinated bonds	3,099,250,000	1,524,000,000
	Investment in Commercial Paper	150,000,000	750,000,000
		<b>3,475,371,860</b>	<b>2,500,000,000</b>

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	31.12.2017 Taka	31.12.2016 Taka
<b>6.2(a) Consolidated Other investments</b>		
Dhaka Bank Limited		
Dhaka Bank Securities Limited		
Dhaka Bank Investment Limited		
	(Note: 6.2)	
	3,475,371,860	2,500,000,000
	2,858,707,363	2,477,518,134
	-	-
	<b>6,334,079,223</b>	<b>4,977,518,134</b>
<b>6.2.1 Shares</b>		
Quoted (Publicly Traded)		
Unquoted		
	26,121,860	26,000,000
	200,000,000	200,000,000
	<b>226,121,860</b>	<b>226,000,000</b>
(Details are given in Annexure - B)		
<b>6.2.2 Investment in subordinated bonds</b>		
MTBL Subordinated Bond	900,000,000	95,000,000
Mercantile Bank Subordinated Bond	240,000,000	300,000,000
The City Bank Subordinated Bond	159,250,000	79,000,000
One Bank Limited	300,000,000	300,000,000
Bank Asia Limited	750,000,000	-
Southeast Bank Limited	750,000,000	750,000,000
	<b>3,099,250,000</b>	<b>1,524,000,000</b>
<p>MTBL Subordinated Bond - date of purchase is 23.09.2010 and redemption started on 30.09.2015; Mercantile Bank Subordinated Bond - date of purchase is on 29.06.2014 and redemption will start on 30.06.2017; The City Bank Subordinated Bond - date of purchase is on 21.10.2014 and redemption will start on 21.10.2017; One Bank Limited Subordinated Bond - date of purchase is on 27.10.2016 and redemption will start on 27.10.2019; Southeast Bank Limited Subordinated Bond - date of purchase is on 27.10.2016 and redemption will start on 27.10.2019; Bank Asia Limited Subordinated Bond - date of purchase is on 23.04.2017 and redemption will start on 23.04.2020. The City Bank Limited Subordinated Bond - date of purchase is on 21.06.2017 and redemption will start on 21.06.2020.</p> <p>As per DOS Circular No. 02 dated 16 September 2013 and subsequent DOS Circular No. 03 dated 20 December 2015 of Bangladesh Bank, the total market value of investment in the Capital Market of any Bank cannot be exceeded 25% of the total amount of Paid up Capital, Share Premium Account, Statutory Reserve and Retained Earnings of the Bank. In compliance with the guidelines of the Bangladesh Bank, the portfolio exposure of Dhaka Bank Ltd. is 20.21% as of December 31, 2017.</p>		
<b>6.2.3 Investment in Commercial Paper</b>		
Hashem Food Limited	-	250,000,000
KSRM Billete Industries Limited	-	500,000,000
Partex Leminates Ltd	-	-
	150,000,000	-
	<b>150,000,000</b>	<b>750,000,000</b>
<b>6.3 Investment in Securities are classified as per Bangladesh Bank Circular</b>		
<b>Held for Trading (HFT)</b>		
28 days Treasury Bills	-	-
30 days Treasury Bills	-	-
91 days Treasury Bills	-	-
182 days Treasury Bills	-	-
364 days Treasury Bills	-	-
2 years Bangladesh Government Treasury Bond	-	12,605,838
5 years Bangladesh Government Treasury Bond	-	-
10 years Bangladesh Government Treasury Bond	-	-
15 years Bangladesh Government Treasury Bond	-	-
	-	<b>12,605,838</b>
<b>Held to Maturity (HTM)</b>		
7 days Bangladesh Bank Bills	4,397,487,600	-
91 days Treasury Bills	-	-
182 days Treasury Bills	-	-
364 days Treasury Bills	-	-
2 years Bangladesh Government Treasury Bond	1,500,249,997	-
5 years Bangladesh Government Treasury Bond	6,079,495,753	6,082,035,904
10 years Bangladesh Government Treasury Bond	6,419,317,676	10,169,002,772
15 years Bangladesh Government Treasury Bond	699,378,491	1,941,409,279
20 years Bangladesh Government Treasury Bond	226,594,451	226,584,167
	<b>19,322,523,967</b>	<b>18,419,032,122</b>
	<b>19,322,523,967</b>	<b>18,431,637,960</b>

As per DOS Circular No. 01 dated 19 January 2014, the maximum limit of holding approved Securities under Held to Maturity (HTM) is 110% of SLR for all nonprimary dealer banks and Dhaka Bank Limited has invested in Treasury bonds under HTM category as per said circular.

# Hoda Vasi Chowdhury & Co

	31.12.2017 Taka	31.12.2016 Taka
<b>6.4 Assets pledged as security</b>		
<b>Assets in the amounts shown below were pledged as security for the following liabilities</b>		
Liabilities to bank	-	-
Liabilities to customers	-	-
<b>Following assets were pledged as security for the above mentioned liabilities</b>		
Claim on banks	-	-
Claim on customers	-	-
<b>6.5 Maturity Grouping of Investments</b>		
On demand	-	-
Over 2 Days but not more than 3 Months	-	-
Over 3 months but not more than 6 months	5,705,784,675	776,000,000
More than 6 months but less than 1 year	816,765,158	386,690,638
Over 1 year but not more than 5 years	2,855,830,583	1,641,090,358
Over 5 years	7,287,206,987	6,594,033,425
	6,516,206,945	11,907,908,339
	<b>23,181,794,347</b>	<b>21,305,722,760</b>
<b>7. Loans, advances and lease/investments including Bills purchased and discounted</b>		
Loans, cash credits, overdrafts, etc./Investments	150,806,196,218	131,563,031,001
Bills purchased and discounted	3,210,833,048	3,126,277,363
	<b>154,017,029,266</b>	<b>134,689,308,364</b>
<b>7(a) Consolidated Loans, advances and lease/investments including Bills purchased and discounted</b>		
Dhaka Bank Limited	154,017,029,266	134,689,308,364
Dhaka Bank Securities Limited	2,088,210,237	2,057,523,809
Dhaka Bank Investment Limited	-	-
Less: Inter company transaction	156,105,239,503	136,746,832,173
	2,237,597,610	1,913,441,442
	<b>153,867,641,893</b>	<b>134,833,390,731</b>
<b>7.1 Loans, cash credits, overdrafts, etc./Investments</b>		
<b>Broad category-wise breakup</b>		
<b>In Bangladesh</b>		
Secured Overdraft/Quard	34,906,979,506	31,686,036,697
Cash Credit/Murabaha	6,871,534,101	6,819,836,713
House Building Loan	1,009,756,433	1,880,858,465
Transport Loan	1,180,903,554	563,478,631
Term Loan	51,948,964,722	44,057,645,551
Loan Against Trust Receipt	6,222,107,802	4,231,011,084
Payment Against Documents	156,176,413	110,572,130
Loan Against Imported Merchandize	1,965,997	1,891,495
Loan Against Accepted Bills	228,280,607	1,404,688,247
Packing Credit	631,655,435	396,517,436
Lease Finance / Izara	3,348,153,978	2,233,076,259
Credit Card	350,713,201	295,155,175
Retail Loan	2,756,196,992	499,909,445
Other Loans (Including Bai-Muajjal)	40,529,593,209	37,382,353,674
	150,142,981,951	131,563,031,001
Outside Bangladesh	663,214,268	-
	<b>150,806,196,218</b>	<b>131,563,031,001</b>
<b>7.1(a) Consolidated Loans, cash credits, overdrafts, etc./Investments</b>		
Dhaka Bank Limited	150,806,196,218	131,563,031,001
Dhaka Bank Securities Limited	2,088,210,237	2,057,523,809
Dhaka Bank Investment Limited	-	-
Less: Inter company transaction	152,894,406,455	133,620,554,810
	2,237,597,610	1,913,441,442
	<b>150,656,808,845</b>	<b>131,707,113,368</b>



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	31.12.2017 Taka	31.12.2016 Taka
<b>7.2 Residual maturity grouping of loans including bills purchased and discounted</b>		
Repayable on Demand	19,668,975,660	14,064,801,005
Upto 1 month	17,671,280,491	16,890,830,255
Not more than 3 months	23,477,222,166	24,875,497,369
More than 3 months but not more than 6 months	30,339,170,975	29,168,983,069
More than 6 months but not more than 1 year	18,973,347,445	19,204,335,303
More than 1 year but not more than 5 years	32,920,731,915	25,341,474,123
More than 5 years	10,966,300,615	5,143,387,240
	<b>154,017,029,266</b>	<b>134,689,308,364</b>
<b>7.3 Investment in lease/ izara finance</b>		
Lease rental receivable within 1 year	2,574,628,748	1,146,931,112
Lease rental receivable more than 1 year	773,525,229	1,355,643,267
<b>Total lease/ izara rental receivable</b>	<b>3,348,153,978</b>	<b>2,502,574,379</b>
Less: unearned interest/profit receivable	-	269,498,120
<b>Net investment in lease/izara finance</b>	<b>3,348,153,978</b>	<b>2,233,076,259</b>
<b>7.4 Product wise loans and advances</b>		
Loans	107,865,787,564	93,057,157,591
Cash Credits	7,098,899,988	6,819,836,713
Overdrafts	35,841,508,666	31,686,036,697
Bills purchased and discounted	3,210,833,048	3,126,277,363
	<b>154,017,029,266</b>	<b>134,689,308,364</b>
<b>7.5 Loans on the basis of significant concentration including bills purchased &amp; discounted</b>		
a. Advances to allied concerns of Directors	3,766,966	1,011,413
b. Advances to Chief Executive	-	2,792,665
c. Advances to Other Senior Executives	-	151,236,644
d. <b>Advances to Customer's Group:</b>		
Agriculture loan	1,961,961,069	1,660,368,959
Commercial lending	22,364,753,824	90,144,267,908
Export financing	13,428,887,401	10,912,419,446
Consumer credit scheme	4,605,284,977	1,387,608,719
Small and Medium Enterprise (SME)	12,647,161,256	21,509,000,558
Staff Loan	1,305,020,308	923,556,636
Others	97,700,193,465	7,997,045,417
	<b>154,017,029,266</b>	<b>134,689,308,364</b>
7.5.1 The amount represents loan in the name of existing directors & related parties of the bank. Details are provided in Annexure-G.		
<b>7.6 Advances to customers for more than 10% of Bank's total capital</b>		
<b>Total capital of the Bank</b>		
Number of Customers	21	13
Amount of outstanding loans and advances*	69,684,162,630	40,042,693,997
Amount of classified loans and advances	1,730,537,175	-
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 2017.		
(Details are given in Annexure - C )		
<b>7.7 Industry-wise loans, advances and lease/investments</b>		
Agricultural	1,961,961,069	1,660,368,959
Pharmaceuticals	2,095,992,873	856,850,090
Textile & Garment	42,455,481,250	37,012,047,145
Chemical	6,153,017,980	1,418,003,455
Food & allied	10,565,000,686	9,135,150,181
Transport & Communication	5,435,460,811	2,270,617,135
Electronics & Automobile	968,229,336	35,345,803
Housing & Construction	16,999,644,565	16,407,229,143
Engineering & Metal Industres including Ship Breaking	13,993,257,887	12,380,904,493
Energy & Power	5,257,658,769	4,220,010,784
Service	5,044,726,734	5,712,256,127
Others	43,086,597,307	43,580,525,048
	<b>154,017,029,266</b>	<b>134,689,308,364</b>

# Hoda Vasi Chowdhury & Co

			31.12.2017	31.12.2016
			Taka	Taka
<b>7.8</b>	<b>Geographical location-wise (division) distribution</b>			
	<b>Urban</b>			
	Dhaka Region		106,099,419,533	90,689,575,547
	Chittagong Region		27,438,420,373	24,149,664,181
	South Region		4,157,113,459	2,340,713,599
	North Region		3,291,285,006	2,403,257,199
	Sylhet Region		2,021,112,862	872,783,051
	Other		624,109,541	5,117,451,983
			<b>143,631,460,773</b>	<b>125,573,445,559</b>
	<b>Rural</b>			
	Dhaka Region		7,205,944,235	4,518,998,969
	Chittagong Region		1,183,403,085	1,115,854,724
	South Region		-	-
	North Region		1,878,633,468	1,666,045,610
	Sylhet Region		117,587,705	128,160,847
	Other		-	1,686,802,654
			<b>10,385,568,492</b>	<b>9,115,862,805</b>
			<b>154,017,029,266</b>	<b>134,689,308,364</b>
<b>7.9</b>	<b>Sector-wise loans, advances and lease/investments</b>			
	Government & Autonomous bodies		-	794,698,521
	Financial Institutions (Public & Private)		3,104,721,222	4,320,416,768
	Private Sector		150,912,308,044	129,574,193,075
			<b>154,017,029,266</b>	<b>134,689,308,364</b>
<b>7.10</b>	<b>Classification of loans, advances and lease/investments</b>			
	<b>Unclassified</b>			
	Standard		142,013,884,527	124,364,862,317
	Special Mention Account		2,794,294,465	4,921,496,854
			<b>144,808,178,991</b>	<b>129,286,359,171</b>
	<b>Classified</b>			
	Sub-Standard		321,518,861	257,483,421
	Doubtful		1,809,802,653	287,950,818
	Bad or loss		7,077,528,761	4,857,514,954
			<b>9,208,850,274</b>	<b>5,402,949,193</b>
			<b>154,017,029,266</b>	<b>134,689,308,364</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		0%	-
	Unclassified	22,175,336,850	0.25	55,438,342
	Unclassified	111,737,712,814	1	1,117,377,128
	Unclassified	2,629,403,273	2	52,588,065
	Unclassified		2.5	-
	Unclassified	584,499,342	5	29,224,967
	Unclassified	197,515,285	20	39,503,057
	Unclassified			-
	Unclassified		50	-
	Unclassified	2,053,887,579	100	2,053,887,579
	Unclassified		Special	-
	Special Mention Account	518,093,044	0.25	1,295,232.61
	Special Mention Account	2,263,479,645	1	22,634,796
	Special Mention Account	10,376,329	2	207,527
	Special Mention Account	2,345,446	5	117,272
	Special Mention Account		50	-
	Special Mention Account		100	-
				<b>3,372,273,967</b>
	<b>Classified:</b>			
	Sub-Standard	1,241,593	5	62,080
	Sub-Standard	202,205,333	20	40,441,067
	Doubtful	1,518,626,442	50	759,313,221
	Bad or loss	433,103,018	Special	283,103,018
	Bad or loss	3,324,282,480	100	3,324,282,480
				<b>4,407,201,865</b>
				<b>2,405,607,824</b>
	Required provision for loans & advances			7,779,475,833
	Total provision maintained			6,237,904,158
	Excess / short provision as at 31 December			1,541,571,675
				<b>3,479,640</b>

Note: \*

(1) Provision has been kept as per CL as at 31 December 2017.

(2) However, as per requirement of Bangladesh Bank in respect to loan provisioning total required provision against loans and advances is BDT 1,243.05 crore, against which the Bank has maintained an amount of BDT 777.95 crore as provision. The remaining balance of BDT 465.10 crore will be provided equally within 3 years from 2018 to 2020 as per Bangladesh Bank approval given vide letter no DBI-1/92/2018-1249 dated 15 April 2018. As per this letter, Bank will not distribute any cash dividend.

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31.12.2017 Taka	31.12.2016 Taka
16,831,931	9,454,000

## B) Provision for good borrower

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

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

Status	Base for Provision	Rate %		
Acceptances and Endorsements	32,868,131,246	1	328,681,312	252,636,607
Letter of Credit	27,085,569,676	1	270,855,697	174,476,235
Letter of Guarantee	23,083,135,224	1	230,831,352	199,287,118
<b>Required provision</b>			830,368,362	626,399,959
Total Provision Maintained			830,368,362	626,399,959
<b>Excess / (Short) Provision as at 31 December</b>			<b>0.00</b>	<b>-</b>

## 7.12 Securities against loans including bills purchased & discounted

### a. Secured

Collateral of movable / Immovable assets	99,166,339,608	122,839,278,647
Local Banks & Financial Institutions guarantee	-	2,911,138,109
Foreign Banks Guarantee	-	215,115,608
Export documents	-	110,572,130
Government Guarantee	-	-
<b>Fixed Deposits Receipts</b>		
Own FDR	3,696,144,561	1,899,986,632
FDR of Other Banks	445,858,876	33,676,031
Personal Guarantee	1,374,990,235	1,872,611,319
Corporate Guarantee	20,007,433,817	-
Other Securities	7,478,684,052	4,806,929,888
Government bonds	21,847,578,119	-
	154,017,029,266	134,689,308,364
	<b>154,017,029,266</b>	<b>134,689,308,364</b>

### b. Unsecured

## 7.13 Particulars of Loans, advances and lease/investments

(i) Loans considered good in respect of which the bank company is fully secured;	99,166,339,608	98,336,144,517
(ii) Loans considered good against which the banking company holds no security other than the debtor's personal guarantee;	1,374,990,235	1,757,461,918
(iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors;	4,142,003,436	2,320,262,277
(iv) Loans adversely classified; provision not maintained there against;	-	-
(v) Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons;*	1,308,787,274	1,078,597,358
(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)	3,766,966	1,011,413
(vii) Maximum total amount of advances including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person;*	1,308,830,690	1,081,882,297
(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;	3,810,381	4,296,352
(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;	1,538,092,035	(133,673,686)
b) Amount realized against loan previously written off; **	49,202,153	50,461,881
c) Amount of provision kept against loan classified as 'bad/loss' on the date of preparing the balance sheet;	3,607,385,498	2,307,858,438
d) Interest creditable to the Interest Suspense A/c;	-	-
(xi) Cumulative amount of the written off loan;***	6,121,520,944	5,466,295,628

\* The amount represents loan in the name of existing directors and officers of the bank.

\*\*The detail of Recovery up to December 31, 2017 from loan previously written off may be seen in the Annexure - E

\*\*\* The detail of the amount of the written - off loans up to December 31, 2017 may be seen in the Annexure - F

## Hoda Vasi Chowdhury & Co

	31.12.2017 Taka	31.12.2016 Taka
<b>8. Bills purchased and discounted</b>		
In Bangladesh	711,569,593	1,117,983,911
Outside Bangladesh	2,499,263,455	2,008,293,452
	<b>3,210,833,048</b>	<b>3,126,277,363</b>
<b>8(a) Consolidated Bills purchased and discounted</b>		
Dhaka Bank Limited	3,210,833,048	3,126,277,363
Dhaka Bank Securities Limited	-	-
Dhaka Bank Investment Limited	-	-
	<b>3,210,833,048</b>	<b>3,126,277,363</b>
<b>8.1 Maturity grouping of bills purchased &amp; discounted</b>		
Payable within 1 month	1,475,722,525	1,415,053,247
Over 1 month but less than 3 months	1,378,650,315	1,364,116,169
Over 3 months but less than 6 months	356,460,208	347,107,947
6 months or more	-	-
	<b>3,210,833,048</b>	<b>3,126,277,363</b>
<b>9. Fixed assets including premises, furniture and fixtures</b>		
<b>Cost/ Revaluation</b>		
Land	2,950,332,536	2,950,332,536
Building	622,721,217	622,721,217
Furniture and fixture including office decoration	453,711,763	428,892,919
Office appliances and equipment	1,035,562,183	866,487,334
Computer	239,317,326	217,967,490
Software	107,607,120	77,845,853
Bank's vehicle	199,916,665	142,893,420
Less: Accumulated depreciation	5,609,168,810	5,307,140,769
	1,346,275,507	1,113,600,664
	<b>4,262,893,303</b>	<b>4,193,540,105</b>
(Details are given in <b>Annexure - D</b> )		
Building includes a floor space in the BGMEA Bhaban at Hatirjheel, Kawran Bazar, Dhaka, against which there is a dispute and Honorable High Court had published a verdict to demolish the building but recently the deadline to do the same has been extended further. Besides, Bank will receive compensation from BGMEA once the building is demolished. So, Bank will maintain provision or will make impairment loss at the time of demolishment of the structure or at the time of settlement of the issue with BGMEA.		
<b>9(a) Consolidated Fixed assets including premises, furniture and fixtures</b>		
Dhaka Bank Limited	4,262,893,303	4,193,540,105
Dhaka Bank Securities Limited	6,488,239	7,724,271
Dhaka Bank Investment Limited	-	-
	<b>4,269,381,542</b>	<b>4,201,264,375</b>
<b>10. Other Assets</b>		
Investment in Shares of subsidiary companies	1,749,999,880	1,749,999,880
Stationery, stamps, printing materials etc.	44,821,499	30,044,856
Advance rent	378,401,447	279,331,753
Prepaid expenses against advertisement	23,936,330	18,709,878
Interest/Profit accrued and other receivable	491,744,070	572,958,051
Security deposit	22,349,966	21,988,606
Preliminary, formation, Work in progress, renovation expenses and prepaid expenses	3,429,830,055	2,860,612,139
Branch adjustments	66,491,777	39,897,115
Suspense account	269,019,211	139,958,704
Others	16,570,563,558	7,328,881,667
	<b>23,047,157,792</b>	<b>13,042,382,648</b>

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

Bank has maintained Tk.6.95 Lac provision @1% against Tk.6.95 Crore payment to RAJUK as advance for a plot at Motijheel.

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	31.12.2017 Taka	31.12.2016 Taka
<b>10(a) Consolidated Other assets</b>		
Dhaka Bank Limited		
Dhaka Bank Securities Limited	(Note: 10) 23,047,157,792	13,042,382,648
Dhaka Bank Investment Limited	291,889,279	217,833,900
	5,200,771	4,371,820
	<u>23,344,247,842</u>	<u>13,264,588,368</u>
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	-	-
Receivable from Dhaka Bank Investment Limited	1,173,725	1,173,725
Receivable from Dhaka Bank Securities Limited	55,787,264	74,106,236
	<u>1,806,960,869</u>	<u>1,825,279,841</u>
	<u>21,537,286,973</u>	<u>11,439,308,527</u>

## 10.1 Investment in shares of subsidiary companies

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
	<u>1,749,999,880</u>	<u>1,749,999,880</u>

The total number of Shareholding in Dhaka Bank Securities Limited is 171,599,994 shares after considering the stock dividend issued in 2011 and 2014.

## 10.2 Interest accrued and other receivable

Amount represents interest/profit accrued on loans/investment but not collected, commission & brokerage receivable on shares and debenture and other income receivable etc.

10.3 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.

## 10.4 Branch adjustment

Branch adjustment account represents outstanding amount of Inter-Branch and Head Office transactions at the Balance Sheet date.

## 10.5 Suspense account

Suspense Account represents advance paid against renovation of different branches which is Capital Expenditure and will be adjusted after receiving the final bills.

## 10.6 Others

	31.12.2017 Taka	31.12.2016 Taka
Advance Tax	(Note: 10.6.1) 2,881,721,341	1,591,405,439
Deferred Tax Assets	(Note: 15.8) 21,762,982	-
Account receivable others	(Note: 10.6.2) 13,667,079,236	5,737,476,228
	<u>16,570,563,558</u>	<u>7,328,881,667</u>

### 10.6.1 Advance Tax

Opening Balance	1,591,405,439	866,380,406
Add: Paid during the year	1,290,315,902	725,025,033
	2,881,721,341	1,591,405,439
Less: Adjustment during the year	-	-
	<u>2,881,721,341</u>	<u>1,591,405,439</u>

### 10.6.2 Account receivable others

Receivable against Bangladesh / Paribar Sanchaya Patra	180,078,159	35,148,165
Fees receivable	4,422,392	2,235,517
Receivable from share sale proceeds	1,226,336	-
Finance to AD branches for Local Documentary Bill Purchased	(Note: 10.6.2.a) 2,198,196,309	2,024,402,632
Finance to AD branches for Import Bill Discounting	(Note: 10.6.2.b) 11,195,948,315	3,571,042,791
Protestation account	1,666,805	1,666,805
ATM settlement account	27,589,748	26,200,609
Receivable from exchange houses	990,184	1,499,749
Excise Duty Receivable	-	-
Receivable from Dhaka Bank Investment Limited	1,173,725	1,173,725
Receivable from Dhaka Bank Securities Limited	55,787,264	74,106,236
	<u>13,667,079,236</u>	<u>5,737,476,228</u>

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.2,198,196,309 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.



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	31.12.2017 Taka	31.12.2016 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	2,198,196,309	2,024,402,632
Finance to AD branches for Import Bill Discounting	11,195,948,315	3,571,042,791
	<b>15,144,144,504</b>	<b>7,345,445,303</b>
<b>Non-income generating</b>		
Stationery, stamps, printing materials etc.	44,821,499	30,044,856
Advance rent	378,401,447	279,331,753
Prepaid expenses against advertisement	23,936,330	18,709,878
Interest/Profit accrued and other receivable	491,744,070	572,958,051
Security deposit	22,349,966	21,988,606
Preliminary, formation, work in progress, renovation expenses and prepaid expenses	3,429,830,055	2,860,612,139
Branch adjustments	66,491,777	39,897,115
Suspense account	269,019,211	139,958,704
Advance tax paid	2,881,721,341	1,591,405,439
Account receivable others		
Receivable against Bangladesh / Paribar Sanchaya Patra	180,078,159	35,148,165
Protestation account	1,666,805	1,666,805
Receivable from exchange houses	990,184	1,499,749
Receivable from Dhaka Bank Investment Limited	1,173,725	1,173,725
Receivable from Dhaka Bank Securities Limited	55,787,264	74,106,236
Fees receivable	4,422,392	2,235,517
Receivable from share sale proceeds	1,226,336	-
ATM settlement account	27,589,748	26,200,609
	<b>7,881,250,307</b>	<b>5,696,937,345</b>
	<b>23,025,394,810</b>	<b>13,042,382,648</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 account 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	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	15,102,340,246	10,452,934,335
Outside Bangladesh	6,431,213,181	843,938,814
	<b>21,533,553,426</b>	<b>11,296,873,150</b>
<b>12.1 In Bangladesh</b>		
<b>Call Borrowing</b>		
Sonali Bank Limited	300,000,000	-
Janata Bank	165,400,000	-
Mutual Trust Bank Limited	200,000,000	-
	<b>665,400,000</b>	-
<b>Bangladesh Bank refinance</b>		
Small and Medium Enterprise	139,359,965	194,704,228
Syndication	2,765,356,235	2,766,195,834
Green Banking	82,792	365,772
Export Development Fund	9,459,217,386	7,491,668,501
FSSP Fund	68,994,548	-
Mudaraba Refinance	2,003,929,319	-
	<b>14,436,940,246</b>	<b>10,452,934,335</b>

## Hoda Vasi Chowdhury & Co

### Outside Bangladesh

Bank Muscat, Oman  
Nabil Bank, Nepal  
IFC  
Caixa Bank  
Bank of Tokyo  
NIC Asia Bank Ltd  
IDCOL, Bangladesh

	31.12.2017 Taka	31.12.2016 Taka
	831,924,670	246,899,362
	628,155,603	395,730,507
	1,657,779,528	
	858,304,438	
	2,069,490,152	
	167,020,920	
	218,537,869	201,308,946
	<b>6,431,213,181</b>	<b>843,938,814</b>
	<b>21,533,553,426</b>	<b>11,296,873,150</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.  
The amount of Tk.6,431,213,181 represents fund borrowed from foreign banks by Off-shore Banking Unit.

### 12.2 Disclosure regarding Outstanding Repo on 31 December 2017

Sl. No.	Counterparty Name	Agreement date	Reversal date	Reversal date
-	-	-	-	-

### 12.3 Disclosure regarding Outstanding Reverse Repo on 31 December 2017

Sl. No.	Counterparty Name	Agreement date	Reversal date	Reversal date
-	-	-	-	-

### 12.4 Disclosure regarding Overall transaction of Repo and Reverse Repo during 2017

Sl. No.	Counterparty Name	Minimum outstanding during the year	Maximum outstanding during the year	Maximum outstanding during the year
<b>Securities sold under Repo</b>				
1	With Bangladesh Bank	-	-	-
2	With other Banks & FIs	-	-	-
<b>Securities purchased under Reverse Repo</b>				
1	From Bangladesh Bank	-	-	-
2	From other Banks & FIs	-	-	-

### 12.5 Analysis by security

Secured (assets pledge as security for liabilities)  
Unsecured

	-	-
	21,533,553,426	11,296,873,150
	<b>21,533,553,426</b>	<b>11,296,873,150</b>

### 12.6 Repayment pattern

Repayable on demand  
Repayable on maturity

	665,400,000	-
	20,868,153,426	11,296,873,150
	<b>21,533,553,426</b>	<b>11,296,873,150</b>

### 12.7 Maturity grouping

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

	665,400,000	-
	-	-
	-	-
	68,994,548	-
	18,033,802,643	8,530,677,315
	2,765,356,235	2,766,195,834
	-	-
	<b>21,533,553,426</b>	<b>11,296,873,150</b>

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

Dhaka Bank Limited  
Dhaka Bank Securities Limited  
Dhaka Bank Investment Limited

(Note: 12)

	21,533,553,426	11,296,873,150
	2,337,592,550	2,113,441,442
	-	-
	23,871,145,977	13,410,314,592
	2,237,597,610	1,913,441,442
	<b>21,633,548,366</b>	<b>11,496,873,150</b>

Less: Inter company transaction

### 13. Deposits and other accounts

Current and other accounts  
Bills payable  
Savings deposits  
Term deposits

(Note: 13.1)

(Note: 13.2)

(Note: 13.3)

(Note: 13.4)

	20,025,396,323	21,093,467,455
	2,826,174,811	2,047,637,778
	19,061,994,573	16,735,239,732
	128,121,855,220	117,285,285,556
	<b>170,035,420,927</b>	<b>157,161,630,521</b>

# Hoda Vasi Chowdhury & Co

	31.12.2017 Taka	31.12.2016 Taka
<b>Non-interest bearing accounts</b>		
<b>13.1 Current and other accounts</b>		
Current account	11,164,633,072	10,374,651,794
Foreign currency deposits	1,849,561,598	2,184,671,554
Margin under Letter of Credit	1,101,635,757	1,045,111,125
Margin under Letter of Guarantee	852,060,951	833,454,505
Deposits awaiting disposal	973,346,674	655,839,263
Sundry deposit	4,084,158,272	5,999,739,213
	<b>20,025,396,323</b>	<b>21,093,467,455</b>
<b>13.1.1 Sundry deposit</b>		
F.C held against Back to Back L/C	3,857,565,330	5,703,107,536
Sundry creditors	95,752,320	147,771,478
Unclaimed deposits	61,239,558	79,833,471
Risk fund	6,583,592	7,537,968
Security deposits for locker	7,360,530	6,539,730
Advance lease rent	55,656,943	54,949,031
	<b>4,084,158,272</b>	<b>5,999,739,213</b>
<b>13.2 Bills payable</b>		
Pay order	1,954,270,035	1,679,616,208
Demand draft	871,904,776	368,021,570
	<b>2,826,174,811</b>	<b>2,047,637,778</b>
<b>Total Non-interest bearing accounts</b>	<b>22,851,571,134</b>	<b>23,141,105,233</b>
<b>Interest bearing Account</b>		
<b>13.3 Savings deposits</b>		
Savings account	18,556,159,571	16,330,841,801
Mudaraba savings accounts	505,835,002	404,397,930
	<b>19,061,994,573</b>	<b>16,735,239,732</b>
<b>13.4 Term deposits</b>		
Special Notice Deposits	16,745,221,057	12,782,768,668
Fixed Deposits	85,699,682,960	81,488,309,356
Deposit Pension Scheme	25,631,490,774	22,972,975,423
Gift Cheque	34,823,903	32,399,917
Marriage Deposit Scheme	193	193
Non Resident Foreign Currency Deposit (NFCD)	10,636,333	8,831,999
	<b>128,121,855,220</b>	<b>117,285,285,556</b>
<b>13.4 (a) Consolidated Term deposits</b>		
Dhaka Bank Limited	128,121,855,220	117,285,285,556
Dhaka Bank Securities Limited	-	-
Dhaka Bank Investment Limited	-	-
	128,121,855,220	117,285,285,556
Less: Inter company transaction	305,700,277	404,682,168
	<b>127,816,154,943</b>	<b>116,880,603,387</b>
<b>Total Interest bearing Account</b>	<b>147,183,849,793</b>	<b>134,020,525,288</b>
<b>Total Deposits and other accounts</b>	<b>170,035,420,927</b>	<b>157,161,630,521</b>
<b>13.5 Deposits and Other Accounts</b>		
Deposits from Banks	11,455,697,594	5,887,542,661
Deposits from Customers	158,579,723,333	151,274,087,860
	<b>170,035,420,927</b>	<b>157,161,630,521</b>
<b>Deposits from Banks</b>		
Current Deposits and Other Accounts	-	-
Savings Bank/Mudaraba	8,034,025	34,585,178
Special Notice Deposits	11,257,074,167	2,957,483
Fixed Deposits	190,589,402	5,850,000,000
	<b>11,455,697,594</b>	<b>5,887,542,661</b>
<b>Deposits from Customers</b>		
<b>i) Current Deposits and Other Accounts</b>		
Current Account	11,164,633,072	10,374,651,794
Foreign Currency Deposits	1,849,561,598	2,184,671,554
Margin under Letter of Credit	1,101,635,757	1,045,111,125
Margin under Letter of Guarantee	852,060,951	833,454,505
Deposits Awaiting Disposal	973,346,674	655,839,263
Sundry Deposit	4,084,158,272	5,999,739,213
	<b>20,025,396,323</b>	<b>21,093,467,455</b>

(Note: 13.1.1)

## Hoda Vasi Chowdhury & Co

	31.12.2017 Taka	31.12.2016 Taka
<b>ii) Bills Payable</b>		
Pay Order	1,954,270,035	1,679,616,208
Demand Draft	871,904,776	368,021,570
	<b>2,826,174,811</b>	<b>2,047,637,778</b>
<b>iii) Savings Deposits</b>		
Savings Account	18,556,159,571	16,330,841,801
Mudaraba Savings Accounts	497,800,977	369,812,752
	<b>19,053,960,548</b>	<b>16,700,654,554</b>
<b>iv) Term Deposits</b>		
Special Notice Deposits	5,488,146,890	12,779,811,185
Fixed Deposits	85,509,093,558	75,638,309,356
Deposit Pension Scheme	25,631,490,774	22,972,975,423
Gift Cheque	34,823,903	32,399,917
Marriage Deposit Scheme	193	193
Non Resident Foreign Currency Deposit (NFC D)	10,636,333	8,831,999
	<b>116,674,191,651</b>	<b>111,432,328,073</b>
	<b>158,579,723,333</b>	<b>151,274,087,860</b>
<b>13.6 Payable on Demand and Time Deposits</b>		
<b>a) Demand Deposits</b>		
Current Account	11,164,633,072	10,374,651,794
Savings Deposits (10%)	1,906,199,457	1,673,523,973
Foreign Currency Deposits	1,849,561,598	2,184,671,554
Margin under Letter of Credit	1,101,635,757	1,045,111,125
Margin under Letter of Guarantee	852,060,951	833,454,505
Deposits Awaiting Disposal	973,346,674	655,839,263
Sundry Deposit	4,084,158,272	5,999,739,213
Bills Payable	2,826,174,811	2,047,637,778
	<b>24,757,770,591</b>	<b>24,814,629,206</b>
<b>b) Time Deposits</b>		
Savings Deposits (90%)	17,155,795,116	15,061,715,759
Special Notice Deposits	16,745,221,057	12,782,768,668
Fixed Deposits	85,699,682,960	81,488,309,356
Deposit Pension Scheme	25,631,490,774	22,972,975,423
Gift Cheque	34,823,903	32,399,917
Marriage Deposit Scheme	193	193
Non Resident Foreign Currency Deposit (NFC D)	10,636,333	8,831,999
	<b>145,277,650,336</b>	<b>132,347,001,315</b>
	<b>170,035,420,927</b>	<b>157,161,630,521</b>
<b>13.7 Maturity grouping of deposits and other accounts</b>		
<b>Other than Bank Deposits</b>		
Repayable on demand	22,886,395,037	23,173,505,150
Repayable within 1 month	24,552,743,771	29,489,297,737
Over 1 month but within 3 months	44,456,233,733	39,444,513,912
Over 3 months but within 6 months	11,114,058,433	9,861,128,478
Over 6 months but within 1 year	22,228,117,060	19,722,257,149
Over 1 year but within 5 years	20,005,305,180	17,750,031,260
Over 5 years but within 10 years	13,336,870,120	11,833,354,174
	<b>158,579,723,333</b>	<b>151,274,087,860</b>
<b>Inter-bank deposits</b>		
Repayable on demand	-	-
Repayable within 1 month	11,265,108,192	37,542,661
Over 1 month but within 3 months	-	-
Over 3 months but within 6 months	190,589,402	5,850,000,000
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years but within 10 years	-	-
	<b>11,455,697,594</b>	<b>5,887,542,661</b>
	<b>170,035,420,927</b>	<b>157,161,630,521</b>

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	31.12.2017 Taka	31.12.2016 Taka
<b>13.8 Sector wise Deposits</b>		
Government	1,326,950,175	1,099,584,071
Public Sector	7,905,490,032	7,704,657,097
Private sector	160,802,980,720	148,357,389,353
	<b>170,035,420,927</b>	<b>157,161,630,521</b>
<b>13. (a) Consolidated Deposits and other accounts</b>		
Dhaka Bank Limited	170,035,420,927	157,161,630,521
Dhaka Bank Securities Limited	-	-
Dhaka Bank Investment Limited	-	-
Less: Inter company transaction	170,035,420,927	157,161,630,521
	305,700,277	404,682,168
	<b>169,729,720,650</b>	<b>156,756,948,353</b>
<b>14. Non Convertible Subordinated Bond</b>	<b>3,000,000,000</b>	<b>3,800,000,000</b>
<p>The Bank issued Redeemable Non Convertible Subordinated Bond of Taka 2,000,000,000 as Supplementary Capital (Tier-2) of the Bank for a term of 7 years to strengthen the capital base of the bank on the consent of BSEC vide letter no. SEC/CI/CPLC-10/2001-256 dt.09.09.2010. The redemption of the Bond has been started from the year 2015. The Bond has been fully redeemed in December 2017.</p> <p>Moreover, The Bank issued another tranche of Non Convertible Subordinated Bond of Tk. 3,000,000,000 with consent of BSEC vide letter no. BSEC/CI/DS-34/2015/643 dated 28.12.2015 and subsequently approved by Bangladesh Bank vide letter no. BRPD(BFIS)661/14B(P)2016-2474 dated April 17, 2016 to strengthen the capital base in line with the newly introduced Capital Adequacy Guidelines under BASEL-III Accord.</p> <p>iii) The Bank is going to issue 3rd tranche of Non-Convertible Subordinated Bond of Tk. 5,000,000,000 which is approved by the Board of Directors in its 310th meeting held on September 26, 2017. Bank has already got approval from BSEC vide letter no. BSEC/CI/CPLC/DS-210/2009/210 dated March 28, 2018 and from Bangladesh Bank vide letter no. BRPD (BFIS) 661/14B (P) 2018-2569 dated April 17, 2018.</p>		
<b>15. Other Liabilities</b>		
Accrued Interest	48,201,672	44,141,685
Provision on loans and advances	7,779,475,833	6,241,383,798
Provision for Good Borrower	12,523,697	9,454,000
Provision for Off Balance Sheet Exposure	830,368,362	626,399,959
Interest Suspense Account	1,874,880,813	1,831,665,015
Provision against Expenses	51,466,437	13,576,027
Provision for decrease in value of investments	-	-
Provision for Other Assets	12,151,156	11,797,024
Fund for Dhaka Bank Foundation	27,432,031	27,479,849
Provision for Current Tax	4,167,700,964	2,794,836,497
Deferred tax liability	-	7,258,236
Tax deducted at source & payable	333,278,461	270,441,417
Excise Duty Payable	35,001,271	15,437,752
Other Account Payable	4,466,153,662	3,593,495,073
	<b>19,638,634,359</b>	<b>15,487,366,332</b>
<b>15(a) Consolidated Other liabilities</b>		
Dhaka Bank Limited	19,638,634,359	15,487,366,332
Dhaka Bank Securities Limited	1,039,740,118	883,074,456
Dhaka Bank Investment Limited	15,926,605	12,952,380
Less: Inter-company transactions	20,694,301,082	16,383,393,167
Dhaka Bank Securities Limited	55,787,264	74,106,236
Dhaka Bank Investment Limited	1,173,725	1,173,725
	56,960,989	75,279,961
	<b>20,637,340,094</b>	<b>16,308,113,207</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	2,409,087,464	1,902,698,726
Specific provision	2,614,003,456	954,049,421
Recoveries from written off loans	-	50,461,881
Fully provided debt written off	(511,121,061)	(460,532,282)
Provision no longer required	(104,767,993)	(37,590,282)
<b>Provision held at the end of the year</b>	<b>4,407,201,865</b>	<b>2,409,087,464</b>
<b>ii) The movement in general provision on unclassified loans:</b>		
Provision held at the beginning of the year	3,832,296,334	2,341,828,546
Additional provision for the year	(460,022,367)	1,490,467,788
<b>Provision held at the end of the year</b>	<b>3,372,273,967</b>	<b>3,832,296,334</b>
	<b>7,779,475,833</b>	<b>6,241,383,798</b>



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## 15.2 Provision for Good Borrower

Opening Balance  
Add: Addition during the year  
Less: Disbursement during the year

31.12.2017 Taka	31.12.2016 Taka
9,454,000	1,254,000
7,377,931	8,200,000
4,308,234	-
<b>12,523,697</b>	<b>9,454,000</b>

## 15.3 Provision for Off Balance Sheet Exposures

Opening balance  
Add: Addition during the year

626,399,959	426,578,478
203,968,402	199,821,481
<b>830,368,362</b>	<b>626,399,959</b>

Bank has made a provision of Tk. 203,968,402 @ 1.00% on off balance sheet exposure (i.e. Acceptance & Endorsement, Letter of Credit & Letter of Guarantee) as per BRPD Circular number 14 dated 23.09.2012 from current year's profit. The total amount of provision of Tk.830,368,361 is deemed sufficient on requirement as on 31 December 2017.

## 15.4 Interest Suspense Account

Balance at the beginning of the year  
Amount transferred to "Interest Suspense" A/c during the year (+)  
Amount recovered from "Interest Suspense" A/c during the year (-)  
Amount written off during the year (-)  
Balance at the end of the year

1,831,665,015	2,419,863,452
1,542,524,155	1,614,619,700
(1,428,447,557)	(1,945,971,642)
(70,860,800)	(256,846,494)
<b>1,874,880,813</b>	<b>1,831,665,015</b>

## 15.5 Provision against Expenses

Provision for Audit Fees  
Provision for House Rent, Telephone, Utility, Risk Premium etc.  
Provision for Promotional Expenses for Exchange Houses  
Provision for Superannuation Fund  
Provision for gratuity fund  
Provision for Travel Passage

1,380,000	1,380,000
8,199,251	5,647,040
382,079	589,319
13,500,000	2,500,000
27,912,000	3,459,668
93,107	-
<b>51,466,437</b>	<b>13,576,027</b>

As per Actuary Report, Bank has to maintain provision for Tk.8.37 Crore against Gratuity and Tk.4.05 Crore against Superannuation Fund within December 2019. In line with the requirement, Bank has maintained provision for Tk.2.79 Crore against Gratuity and Tk.1.35 Crore against Superannuation Fund as one-third portion of the requirement.

## 15.6 Provision for Other Assets

Balance at the beginning of the year  
Add: Addition during the year

11,797,024	8,670,024
354,132	3,127,000
<b>12,151,156</b>	<b>11,797,024</b>

## 15.7 Provision for Current Tax

Opening Balance  
Add: Provision made during the year  
Less: Adjustment during the year

2,794,836,497	1,479,868,518
1,372,864,467	1,314,967,979
4,167,700,964	2,794,836,497
<b>4,167,700,964</b>	<b>2,794,836,497</b>

Provision for taxation has been made on accounting profit considering taxable allowances / disallowances as per Income Tax Ordinance 1984 amounting to Tk.1,372,867,246 as Current Tax Provision for the period up to December 31, 2017 (Assessment Year 2018-2019).

Income Tax 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 the Income Tax Authority. But under section 120 of Income Tax Ordinance 1984, the assessment for the year 2004, 2005 and 2006 had been re-opened and the Bank had filed appeal to the Honorable High Court against the additional demand. The Bank has also filed appeal against the assessment order for the year 2007, 2008, 2009, 2010, 2011 and 2015 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) & for the year 2016 (Assessment year 2017-2018) had been submitted respectively in July, 2016 & September, 2017.

## 15.7(a) Consolidated Provision for Current Tax

Dhaka Bank Limited  
Dhaka Bank Securities Limited  
Dhaka Bank Investment Limited

(Note: 15.7)

4,167,700,964	2,794,836,497
180,895,067	79,145,670
14,407,880	-
<b>4,363,003,911</b>	<b>2,873,982,167</b>

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		31.12.2017 Taka	31.12.2016 Taka
<b>15.8</b>	<b>Deferred tax liabilities/(Asset)</b>		
	<b>31 December 2017</b>		
		<b>Carrying amount</b>	<b>Tax base</b>
			<b>(Taxable)/ deductible temporary difference</b>
	Fixed Asset excluding land	1,312,560,767	1,321,288,052
	Less: Non adjusting difference for Vehicle exceeding Tk 2,500,000	(69,125,669)	-
		<b>1,243,435,098</b>	<b>1,321,288,052</b>
	Provision for gratuity	27,900,000	-
	Provision for Supper annuation fund	13,500,000	-
	Deductible temporary difference		
	Applicable tax rate		40%
	<b>Deferred Tax Asset</b>		<b>(47,701,182)</b>
	Revaluation reserve of land at carrying amount	648,455,000	-
	Applicable Tax Rate	4%	4%
	<b>Deferred Tax Liability</b>		<b>25,938,200</b>
	<b>Net Deferred Tax (Asset)/ Liability as on 31 December 2017</b>		<b>(21,762,982)</b>
	<b>31 December 2016</b>		
		<b>Carrying amount</b>	<b>Tax base</b>
			<b>(Taxable)/ deductible temporary difference</b>
	Fixed Asset excluding land	1,243,207,569	1,262,087,157
	Less: Non adjusting difference for Vehicle exceeding Tk 2,500,000	(21,860,655)	-
		<b>1,221,346,914</b>	<b>1,262,087,157</b>
	Provision for gratuity	3,459,668	-
	Provision for Supper annuation fund	2,500,000	-
	Taxable temporary difference		
	Applicable tax rate		40%
	<b>Deferred Tax Liability</b>		<b>(18,679,964)</b>
	Revaluation reserve of land at carrying amount	648,455,000	-
	Applicable Tax Rate	4%	4%
	<b>Deferred Tax Liability</b>		<b>25,938,200</b>
	<b>Net Deferred Tax (Asset)/ Liability as on 31 December 2016</b>		<b>7,258,236</b>
	<b>Deferred tax expense/ (Income)</b>		
	Closing Deferred tax (Asset )/Liability excluding liability for revaluation reserve for land	(21,762,982)	7,258,236
	Opening Deferred tax liability excluding liability for revaluation reserve for land	7,258,236	40,169,445
		<b>(29,021,217)</b>	<b>(32,911,209)</b>

Deferred tax (asset)/liability has been recognised and measured as per BAS 12 'Income taxes' and BRPD circular no. 11 dated 12 December 2011.

## 15.8(a) Consolidated Deferred tax liabilities

	31.12.2017 Taka	31.12.2016 Taka
Dhaka Bank Limited	-	7,258,236
Dhaka Bank Securities Limited	-	2,170,619
Dhaka Bank Investment Limited	-	-
		<b>9,428,854</b>

## 15.9 Other Account Payable

	31.12.2017 Taka	31.12.2016 Taka
3 month and 5 years Bangladesh/Pratirakkha Sanchay Patra Application, Processing, Membership & Utilisation Fee	224,736,231	84,328,536
Adjusting Account Credit	4,876,030	18,116,030
Export Proceeds Suspense	17,925,976	25,932,745
Vendors' Security Deposit	1,250,479,221	948,126,832
Finance from Bill Discounting OBU	6,722,072	2,551,509
Compensation Income of Islamic Banking operations	2,283,443,574	2,053,278,130
ATM settlement account	(Note: 15.9.1)	(Note: 15.9.2)
Import Payment Suspense	22,912,759	15,823,055
Baina against Non-Banking Assets	-	-
	635,057,800	425,338,236
	(Note: 15.9.3)	(Note: 15.9.3)
	20,000,000	20,000,000
	<b>4,466,153,662</b>	<b>3,593,495,073</b>

15.9.1 Authorised Dealer Branches maintained cover fund of Tk.2,283,443,574 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.22,912,759 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.

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	31.12.2017 Taka	31.12.2016 Taka
<b>16 Share capital</b>		
<b>16.1 Authorised Capital</b>		
1,000,000,000 ordinary shares of Tk.10 each	<u>10,000,000,000</u>	<u>10,000,000,000</u>
The Bank increased its authorized capital from Tk 6,000 million to Tk 10,000 million by passing a special resolution in the Bank's 4th Extra Ordinary General Meeting (EGM) held on 04 July 2010.		
<b>16.2 Issued, Subscribed and Paid-up Capital</b>		
687,900,686 ordinary shares (2016: 625,364,260 ordinary shares of Tk. 10.00 each) of Tk.10 each issued for cash	6,879,006,860	6,253,642,600
34,395,034 ordinary shares ( 2016: 62,536,426 ordinary shares of Tk. 10.00 each) of Tk.10.00 each	343,950,340	625,364,260
	<u>7,222,957,200</u>	<u>6,879,006,860</u>

The Bank has increased its paid up capital by issuance of 5% bonus share i.e 34,395,034 ordinary shares of Tk. 10.00 each as on 12/06/2017.

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	1,438,800	143,880,000	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	1,327,673	132,767,250	663,836,200
2004	35% Stock & 1R:2	5,642,608	564,260,813	1,228,097,000
2005	5% Stock Dividend	614,049	61,404,853	1,289,501,900
2006	10% Cash & 20% Stock Dividend	2,579,004	257,900,383	1,547,402,300
2007	25% Stock Dividend	3,868,506	386,850,575	1,934,252,875
2008	15% Cash & 10% Stock Dividend	1,934,253	193,425,287	2,127,678,200
2009	25% Stock Dividend (Split: Note 16.2)	244,682,988	531,919,540	2,659,597,700
2010	35% Stock Dividend	93,085,920	930,859,195	3,590,457,030
2011	5% Cash & 30% Stock Dividend	107,713,707	1,077,137,069	4,667,594,130
2012	16% Stock Dividend	74,681,503	746,815,034	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	56,851,294	568,512,945	6,253,642,600
2015	6% Cash & 10% stock Dividend	62,536,424	625,364,239	6,879,006,860
2016	10% Cash & 5% stock Dividend	34,395,033	343,950,340	7,222,957,200

## 16.6 Percentage of shareholding

Particulars	31.12.2017		31.12.2016	
	% of holdings	Value of Shares (Tk.)	% of holdings	Value of Shares (Tk.)
<b>1. Local Ownership</b>				
Banking Companies	-	-	11.6528	801,598,130
Financial Institutions	11.7447	848,310,550	6.0800	418,244,060
Sponsors	39.6152	2,861,389,280	39.0994	2,689,652,840
General Public	37.8668	2,735,097,010	36.5356	2,513,285,460
Mutual Funds	0.7183	51,879,870	0.7973	54,847,430
Unit Funds	0.5134	37,083,440	0.5785	39,796,150
ICB Account Holders	0.0833	6,018,690	0.0957	6,584,110
ICB Head office (Investors A/c)	0.0488	3,524,920	0.0650	4,470,340
ICB Mutual Fund	0.0014	100,000	-	-
ICB Unit Fund	0.0076	550,000	0.0032	222,580
ICB AMCL Unit Fund	0.0208	1,500,000	0.0408	2,809,610
Non-Resident Bangladeshi (NRB)	0.2526	18,243,260	0.2559	17,604,410
ICB Mutual Fund	-	-	0.0200	1,375,000
ICB Asset Management Company Ltd.	0.1249	9,020,000	-	-
ICB Capital Management Limited	0.1801	13,009,760	0.3326	22,882,160
Other Investor's A/C	8.6941	627,969,570	4.2924	295,276,790
	<u>99.8720</u>	<u>7,213,696,350</u>	<u>99.8494</u>	<u>6,868,649,070</u>

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Particulars	31.12.2017		31.12.2016	
	% of holdings	Value of Shares (Tk.)	% of holdings	Value of Shares (Tk.)
<b>2. Foreign Ownership</b>				
Financial Company	0.1280	9,260,850	0.1506	10,357,790
Individual Investors	-	-	-	-
	<b>0.1280</b>	<b>9,260,850</b>	<b>0.1506</b>	<b>10,357,790</b>
	<b>100.00</b>	<b>7,222,957,200</b>	<b>100.00</b>	<b>6,879,006,860</b>

**16.7 Classification of shareholders by holding**

Holdings	31.12.2017		31.12.2016	
	No. of share holders	Number of Shares	No. of share holders	Number of Shares
1 to 500 shares	12,225	1,835,880	14,645	2,083,679
501 to 5,000 shares	10,911	19,282,235	11,393	17,951,139
5,001 to 10,000 shares	1,625	12,115,480	1,180	8,031,781
10,001 to 20,000 shares	891	13,044,438	518	7,259,129
20,001 to 30,000 shares	340	8,401,683	185	4,551,067
30,001 to 40,000 shares	179	6,378,595	86	3,012,064
40,001 to 50,000 shares	159	7,431,536	48	2,236,984
50,001 to 100,000 shares	271	20,807,920	106	7,579,612
100,001 to 1,000,000 shares	310	88,740,899	146	44,768,572
1000001 & above shares	86	544,257,054	81	590,426,659
	<b>26,997</b>	<b>722,295,720</b>	<b>28,388</b>	<b>687,900,686</b>

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

Sl. No.	Name of Directors	2017		2016	
		No. of shares	Value of share (Tk.)	No. of shares	Value of share (Tk.)
1	Mr. Reshadur Rahman (Chairman)	24,379,667	243,796,670	23,218,731	232,187,310
2	Mrs. Rokshana Zaman (Vice Chairman)	17,694,260	176,942,600	13,771,792	137,717,920
3	Mr. Abdul Hai Sarker (Director)	16,029,668	160,296,680	15,266,351	152,663,510
4	Mr. Altaf Hossain Sarker	20,143,714	201,437,140	19,184,490	191,844,900
5	Mr. Mohammed Hanif (Director)	22,001,572	220,015,720	20,953,879	209,538,790
6	Mr. Md. Amirullah (Director)	14,447,630	144,476,300	13,759,648	137,596,480
7	Mr. Abdullah Al Ahsan (Director)	14,448,872	144,488,720	13,760,832	137,608,320
8	Mr. Khondoker Monir Uddin (Director)	20,743,363	207,433,630	19,755,585	197,555,850
9	Mr. Tahidul Hossain Chowdhury (Director)	14,506,481	145,064,810	13,815,697	138,156,970
10	Mr. Jashim Uddin (Director)	14,447,762	144,477,620	13,759,774	137,597,740
11	Mr. Khondoker Jamil Uddin (Director)	14,447,562	144,475,620	13,759,583	137,595,830
12	Mr. Mirza Yasser Abbas (Director)	26,602,504	266,025,040	25,335,719	253,357,190
13	Mr. Amanullah Sarker (Director)	14,447,633	144,476,330	13,759,651	137,596,510
14	Mr. M.N.H. Bulu (Director)	14,464,553	144,645,530	13,775,765	137,757,650
15	Mr. Syed Abu Naser Bukhtear Ahmed (Independent Director)	nil	nil	-	-
16	Mr. M.A. Yussouf Khan (Independent Director)	nil	nil	-	-
	<b>Total</b>	<b>248,805,241</b>	<b>2,488,052,410</b>	<b>233,877,497</b>	<b>2,338,774,970</b>

<b>31.12.2017</b>	<b>31.12.2016</b>
<b>Taka</b>	<b>Taka</b>

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

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

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

Paid up Capital	7,222,957,200	6,879,006,860
Statutory Reserve	6,418,181,801	5,850,338,779
General Reserve	6,560,631	122,080,584
Surplus in Profit and Loss Account	953,467,037	942,269,273
	<b>14,601,166,669</b>	<b>13,793,695,496</b>
<b>Regulatory Adjustment:</b>		
Deferred Tax Assets (DTA)	21,762,982	-
Book value of Goodwill and value of all other Intangible Assets**	39,783,794	23,939,277
(Written down value of Software which is treated as Intangible Assets)	<b>14,539,619,893</b>	<b>13,769,756,219</b>
<b>Additional Tier 1 Capital (AT 1)</b>	-	-
<b>Total Tier - I Capital</b>	<b>14,539,619,893</b>	<b>13,769,756,219</b>



## Tier - II Capital (gone concern capital)

General Provision	(Note - 16.9.1)	4,202,642,329	4,458,696,293
Asset Revaluation Reserve (50%)	(Note-18.2)	129,691,000	194,536,500
Revaluation Reserve for HTM & HFT Securities (50%)	(Note - 16.9.2)	12,336,327	18,504,491
Non-convertible Subordinated Bond	(Note-16.9.3)	3,000,000,000	3,400,000,000
		<b>7,344,669,656</b>	<b>8,071,737,285</b>
<b>Regulatory Adjustment</b>		-	-
<b>Total Tier - II Capital</b>		<b>7,344,669,656</b>	<b>8,071,737,285</b>
<b>A. Total Eligible Capital</b>		<b>21,884,289,549</b>	<b>21,841,493,503</b>

## B. Risk Weighted Assets

<b>Credit Risk</b>			
Balance sheet business		144,737,835,014	129,904,754,729
Off- Balance sheet business		22,137,025,678	17,131,092,346
		<b>166,874,860,692</b>	<b>147,035,847,075</b>
<b>Market Risk</b>		3,701,657,912	1,442,876,247
<b>Operational Risk</b>		12,376,972,302	11,311,260,340
<b>Total Risk-weighted Assets</b>		<b>182,953,490,906</b>	<b>159,789,983,662</b>
<b>C. Required Capital on Risk Weighted Assets</b>		<b>20,582,267,727</b>	<b>15,978,998,366</b>
<b>D. Capital Surplus / (Shortfall) [A-C]</b>		<b>1,302,021,822</b>	<b>5,862,495,137</b>
<b>Total Capital Ratio (%)</b>		<b>11.96%</b>	<b>13.67%</b>

Capital Requirement	2017		2016	
	Required (%)	Held (%)	Required (%)	Held (%)
Tier - I Capital (going concern capital)	5.50%	7.95%	5.50%	8.62%
Tier - II Capital (gone concern capital)	-	4.01%	-	5.05%
<b>Total</b>	<b>11.250%</b>	<b>11.96%</b>	<b>10.625%</b>	<b>13.67%</b>

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

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

16.9.3 As per the risk based capital adequacy guidelines in line with Basel-III issued in December 2014 by Bangladesh Bank, the amount of subordinated debt in the regulatory capital will have to be reduced (amortized) in the last 05 (five) years of the bond's life by 20% from the amount of the instrument. According to the rules, an amount of Tk.1,600,000,000 of non-convertible subordinated bond has not been treated as Supplementary Capital (Tier-2) in 2016. According to the guidelines, Tk.400,000,000 in 2013, Tk.800,000,000 crore in 2014, Tk.1,200,000,000 in 2015 and Tk.1,600,000,000 in 2016 of non convertible subordinated bond has not been treated as supplementary capital (Tier-2). It has been fully redeemed in 2017 and has not contributed in Bank's Capital.

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

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

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

### Tier - I Capital (going - concern capital) Common Equity Tier 1 Capital (CET 1)

	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>Taka</b>	<b>Taka</b>
Paid up Capital	7,222,957,200	6,879,006,860
Minority Interest	57,329	45,991
Statutory Reserve	6,418,181,801	5,850,338,779
General Reserve	6,560,631	122,080,584
Surplus in Profit and Loss Account	1,502,345,228	1,385,575,519
	<b>15,150,102,189</b>	<b>14,237,047,733</b>

### Regulatory Adjustment:

Book value of Goodwill and value of all other Intangible Assets**	39,783,794	23,939,277
(**Written down value of Software which is treated as Intangible Assets)		
Deferred Tax Assets (DTA)	23,901,364	2,170,621
	<b>15,086,417,031</b>	<b>14,210,937,834</b>

### Additional Tier 1 Capital (AT 1)

<b>Total Tier - I Capital</b>	<b>15,086,417,031</b>	<b>14,210,937,834</b>
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	31.12.2017 Taka	31.12.2016 Taka
<b>Tier - II Capital (gone concern capital)</b>		
General Provision	4,202,642,329	4,458,696,293
Asset Revaluation Reserve (50%) (Note-18.2)	129,691,000	194,536,500
Revaluation Reserve for HTM & HFT Securities (50%) [Note-2.5(a) & (b) and 18.3]	12,336,327	18,504,491
Non-convertible Subordinated Bond (Note-16.9.1)	3,000,000,000	3,400,000,000
	<b>7,344,669,656</b>	<b>8,071,737,285</b>
<b>Regulatory Adjustment:</b>	-	-
<b>Total Tier - II Capital</b>	<b>7,344,669,656</b>	<b>8,071,737,285</b>
<b>A. Total Eligible Capital</b>	<b>22,431,086,687</b>	<b>22,282,675,119</b>
<b>B. Risk Weighted Assets</b>		
Credit Risk		
Balance sheet business	146,192,738,000	132,292,271,259
Off- Balance sheet business	22,137,025,678	17,131,092,346
	<b>168,329,763,678</b>	<b>149,423,363,605</b>
Market Risk		
Operational Risk	6,853,922,949	3,782,048,423
	12,812,895,731	11,777,306,397
<b>Total Risk-weighted Assets</b>	<b>187,996,582,358</b>	<b>164,982,718,425</b>
<b>C. Required Capital on Risk Weighted Assets</b>	<b>21,149,615,515</b>	<b>17,529,413,833</b>
(11.25% on Total Risk Weighted Assets)		
<b>D. Capital Surplus / (Shortfall) [A-C]</b>	<b>1,281,471,172</b>	<b>4,753,261,286</b>
<b>Total Capital Ratio (%)</b>	<b>11.93%</b>	<b>13.51%</b>

Capital Requirement	2017		2016	
	Required (%)	Held (%)	Required (%)	Held (%)
Tier - I Capital (going concern capital)	5.50%	8.02%	5.50%	8.61%
Tier - II Capital (gone concern capital)	-	3.91%	-	4.89%
<b>Total</b>	<b>11.250%</b>	<b>11.93%</b>	<b>10.625%</b>	<b>13.51%</b>

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

	31.12.2017 Taka	31.12.2016 Taka
<b>17. Statutory Reserve</b>		
Opening balance	5,850,338,779	5,300,741,818
Add: Addition during the year	567,843,022	549,596,961
	<b>6,418,181,801</b>	<b>5,850,338,779</b>
As per Section 24 of Bank Companies Act 1991 (amended up to 2013), 20% of pre tax profit has been transferred to Statutory Reserve Account		
<b>18. Other Reserve</b>		
General reserve (Note 18.1)	6,560,631	122,080,584
Assets revaluation reserve (Note 18.2)	622,516,800	622,516,800
Investment revaluation reserve (Note 18.3)	21,562,316	29,513,562
	<b>650,639,747</b>	<b>774,110,946</b>
<b>18(a) Consolidated other Reserve</b>		
Dhaka Bank Limited	650,639,747	774,110,946
Dhaka Bank Securities Limited	33,700,000	25,900,000
Dhaka Bank Investment Limited	-	-
	<b>684,339,747</b>	<b>800,010,946</b>
<b>18.1 General Reserve</b>		
Opening balance	122,080,584	122,080,584
Add: Addition during the year	-	-
	122,080,584	160,272,618
Less: Transfer to Capital Account for issue of Bonus Shares	115,519,953	38,192,034
	<b>6,560,631</b>	<b>122,080,584</b>

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

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### 18.2 Assets Revaluation Reserve

Opening balance  
Adjustment for deferred tax

	31.12.2017 Taka	31.12.2016 Taka
	622,516,800	648,455,000
	-	(25,938,200)
	<b>622,516,800</b>	<b>622,516,800</b>

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

Location	Area of Land	Value before Revaluation	Revalued Amount	Revaluation Reserve
71, Purana Paltan Line, VIP Road, Naya Paltan, Dhaka	16.50 decimal	51,545,000	700,000,000	648,455,000

### 18.3 Investment Revaluation Reserve

#### Revaluation Reserve for HTM Securities

Opening balance  
Add: Addition during the year  
Less: Adjustment during the year  
Closing balance

	28,702,360	43,125,493
	-	299,685
	(7,140,044)	(14,722,817)
	<b>21,562,316</b>	<b>28,702,360</b>

#### Revaluation Reserve for HFT Securities

Opening balance  
Add: Addition during the year  
Less: Adjustment during the year  
Closing balance

	811,202	20,042,955
	-	157,955,028
	(811,202)	(177,186,781)
	<b>21,562,316</b>	<b>29,513,562</b>

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

### 19. Retained Earnings

Opening balance  
Add: Post-tax profit for the year  
    Transferred from general reserve  
    Adjustment made during the year

	942,269,273	962,390,782
	1,495,371,858	1,465,928,034
	115,519,953	38,192,034
	-	25,938,200
	<b>2,553,161,084</b>	<b>2,492,449,050</b>

Less: Transfer to statutory reserve  
    Stock dividend  
    Cash dividend

	567,843,022	549,596,961
	343,950,340	625,364,260
	687,900,686	375,218,556
	<b>1,599,694,048</b>	<b>1,550,179,777</b>
	<b>953,467,037</b>	<b>942,269,273</b>

Adjustment made in 2016 is related to deferred tax arising from asset revaluation reserve which is a component of other comprehensive income but in the year 2015 it was recognized as expense in profit and loss account. As a result retained earnings 2015 was understated by Taka 25,938,200.

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

Opening balance  
Add: Post-tax profit for the period  
    Transferred from general reserve  
    Adjustment made during the period

	1,385,575,519	1,265,053,471
	1,608,743,805	1,552,271,589
	115,519,953	38,192,034
	-	85,938,200
	<b>3,109,839,276</b>	<b>2,941,455,295</b>

Less: Transfer to statutory reserve  
    Transfer to investment fluctuation fund  
    Stock dividend  
    Cash dividend  
    Stock dividend paid by subsidiary

	567,843,022	549,596,961
	7,800,000	5,700,000
	343,950,340	625,364,260
	687,900,686	375,218,556
	-	-
	<b>1,607,494,048</b>	<b>1,555,879,777</b>
	<b>1,502,345,228</b>	<b>1,385,575,519</b>

Consolidated retained earnings has been adjusted in 2016 by Taka 60,000,000 for the stock dividend declared by Dhaka Bank Securities Limited which has been deducted from retained earnings in 2011 and amount of Taka 25,938,200 for deferred tax expense recognized in 2015 from asset revaluation reserve.

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## 19.1 (a) Non-controlling interest

Opening balance	
Add: Addition for the year from Dhaka Bank Securities Limited	
Addition for the year from Dhaka Bank Investment Limited	
Dhaka Bank Investment Limited	

31.12.2017 Taka	31.12.2016 Taka
45,991	37,355
10,807	8,105
531	530
-	-
<b>57,329</b>	<b>45,991</b>

## 20. Profit & Loss Account

### Income

Interest, discount and similar income	
Dividend Income	
Fee, Commission and Brokerage	
Gains less Losses arising from dealing securities	
Gains less Losses arising from investment securities	
Gains less Losses arising from dealing in foreign currencies	
Income from non-banking assets	
Other operating income	
Profit less Losses on interest rate changes	

13,714,929,994	13,165,602,608
10,405,000	14,750,000
1,518,319,853	1,075,091,210
-	-
2,875,187,984	3,250,970,891
1,358,421,120	442,285,343
-	-
234,570,211	243,330,435
-	-
<b>19,711,834,161</b>	<b>18,192,030,488</b>

### Expenses

Interest, fee and commission	
Administrative expenses	
Other operating expenses	
Depreciation and repairs of Bank's assets	

10,336,326,037	9,452,611,371
3,046,327,147	2,443,649,926
766,974,424	555,116,746
357,664,024	337,001,950
<b>14,507,291,631</b>	<b>12,788,379,993</b>
<b>5,204,542,530</b>	<b>5,403,650,494</b>

## 21. Contingent Liabilities

### Acceptance & Endorsement

#### Letters of Credit

Usance/Defer Letter of Credit	
Sight Letter of Credit	
Back to Back Letter of Credit	
BD-Sight (EDF)	
Back to Back - Local	

<b>32,868,131,246</b>	<b>25,263,660,677</b>
<b>27,085,569,676</b>	<b>17,447,623,500</b>
11,862,464,424	5,645,894,541
8,300,578,082	6,035,185,722
2,707,268,694	2,249,193,087
1,181,871,874	1,174,023,526
3,033,386,602	2,343,326,623

#### Letters of Guarantee

Bid Bond	
Performance Bond	
Counter Guarantee	
Other Guarantee	
Shipping Guarantee	

(Note: 21.2)

<b>23,083,135,224</b>	<b>19,928,711,771</b>
1,191,487,419	1,431,426,409
11,910,943,564	9,438,841,732
1,400,540,558	1,003,016,404
8,580,163,683	8,055,427,226
-	-

#### Bills for Collection

Local Bills for Collection	
Foreign Bills for Collection	

<b>11,591,497,583</b>	<b>8,250,158,750</b>
6,713,162,813	5,540,907,546
4,878,334,770	2,709,251,203

#### Other contingent liabilities

Bangladesh/Pratirakhkha/Paribar Sanchay Patra	
ICB Unit Certificate	
Forward Exchange Position	
US Investment & Premium Bond	

(Note: 21.1)

<b>3,493,879,200</b>	<b>2,036,246,400</b>
2,223,155,000	1,569,255,000
51,340,900	51,340,900
910,288,000	393,609,500
309,095,300	22,041,000
-	-
<b>98,122,212,930</b>	<b>72,926,401,097</b>

21.1 The amount represents the forward position of foreign currencies at the end of the period December 31, 2017 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	
Bank and other financial institutions	
Others	

-	-
16,303,298,433	14,075,372,874
1,071,468,991	925,047,507
5,708,367,800	4,928,291,390
<b>23,083,135,224</b>	<b>19,928,711,771</b>



## Hoda Vasi Chowdhury & Co

	2017 Taka	2016 Taka
<b>22. Interest income/profit on investments</b>		
Term Loan	6,924,033,644	6,478,302,517
Overdrafts	3,528,189,671	3,498,399,485
Loan against Imported Merchandise/Murabaha	554,541	4,914,338
Loan against Trust Receipt	928,859,532	1,016,920,120
Packing Credits	35,760,079	25,418,259
Cash Credits / Bai-Muajjal	805,292,773	865,599,697
Payment against Documents	14,282,494	14,169,262
House Building Loan	236,862,524	204,328,530
Transport Loan	82,651,164	87,054,426
Syndicate Loan	409,376,626	318,049,163
Hire Purchase	32,317,383	38,336,690
Lease Rental/Izara	288,376,156	261,870,596
Credit Card	44,424,759	38,402,705
<b>Total Interest / profit &amp; Rental Income on loans &amp; advances</b>	<b>13,330,981,344</b>	<b>12,851,765,788</b>
Call Lending and Fund Placement with banks	334,167,480	282,040,433
Accounts with Foreign Banks	49,781,170	31,796,387
	<b><u>13,714,929,994</u></b>	<b><u>13,165,602,608</u></b>
<b>22(a) Consolidated Interest income/profit on investments</b>		
Dhaka Bank Limited	13,714,929,994	13,165,602,608
Dhaka Bank Securities Limited	147,540,545	159,231,617
Dhaka Bank Investment Limited	-	-
	<b>13,862,470,539</b>	<b>13,324,834,225</b>
Less: Inter company transaction	135,265,396	151,362,355
	<b><u>13,727,205,143</u></b>	<b><u>13,173,471,870</u></b>
<b>23. Interest paid/profit on deposits and borrowings, etc.</b>		
Savings Account including Mudaraba	484,868,100	435,666,529
Special Notice Deposit	581,181,740	374,213,741
Term Deposits	4,566,408,691	4,843,859,027
Deposits under Scheme	2,633,244,523	2,289,916,778
Call Borrowing & Fund Placement	663,057,718	224,209,111
Non-convertible Subordinate Bond	372,051,389	340,945,696
Repurchase Agreement (REPO)	24,054,364	31,036,292
Overseas Accounts charges	1,625,835	5,194,144
Leased assets	19,996,624	30,372,932
HTM / HFT Securities	464,770,265	475,718,324
Others	525,066,788	401,478,798
	<b><u>10,336,326,037</u></b>	<b><u>9,452,611,371</u></b>
<b>23.1 Others</b>		
Interest paid on NFCB	49,819	1,753,949
Interest/profit paid against Refinance from Bangladesh Bank	244,118,492	76,935,883
Interest paid on Gift Cheque	684,181	599,625
Interest paid on Excel Account	534,528	567,168
Interest on Finance Bill Rediscounting	102,307,505	85,703,863
Interest on Fund Borrowing-OBU	155,058,983	30,915,328
Treasury Bond Premium	22,313,280	205,002,983
	<b><u>525,066,788</u></b>	<b><u>401,478,798</u></b>
<b>23.1.a</b> Treasury Bond Premium expenses reflects the amount of interest accrued upto the date of purchase of the Treasury Bond. This amount has been paid at the time of purchase of the Bond.		
<b>23(a) Consolidated Interest / Profit Paid On Deposits &amp; Borrowings, etc.</b>		
Dhaka Bank Limited	10,336,326,037	9,452,611,371
Dhaka Bank Securities Limited	146,833,391	158,403,128
Dhaka Bank Investment Limited	-	-
	<b>10,483,159,428</b>	<b>9,611,014,500</b>
Less: Inter company transaction	143,554,911	159,639,004
	<b><u>10,339,604,517</u></b>	<b><u>9,451,375,496</u></b>

## Hoda Vasi Chowdhury & Co

	2017 Taka	2016 Taka
<b>24. Income from Investment</b>		
Interest on Treasury bills / bonds	1,934,340,553	2,116,156,227
Profit on Govt. Islamic Bond	930,727	879,375
Capital Gain on Government Securities	665,172,853	988,590,387
Interest on Commercial Papers	27,565,278	40,062,500
Interest on Subordinated Bond	246,074,097	77,793,356
Dividend on Shares	10,405,000	14,750,000
	<b>2,884,488,508</b>	<b>3,238,231,845</b>
<b>24(a) Consolidated Income from Investment</b>		
Dhaka Bank Limited	2,884,488,508	3,238,231,845
Dhaka Bank Securities Limited	210,428,761	166,749,241
Dhaka Bank Investment Limited	-	-
	<b>3,094,917,268</b>	<b>3,404,981,086</b>
<b>25. Commission / Fees and Exchange Earnings</b>		
Commission on Letter of Credit	563,340,360	455,719,713
Commission on Letter of Guarantee	320,970,818	257,878,307
Commission on Remittance / Bills	51,891,634	33,662,464
Processing Fee Consumer Loan	7,235,119	8,582,035
Other Comm/ Fees (Clearing, cash tr., risk prem., utilisation fee etc.)	519,608,057	279,540,500
Rebate from Foreign Bank outside Bangladesh	23,512,971	17,010,516
Commission & Fee on Credit Card	31,760,894	22,697,675
Exchange gain including gain from foreign currency dealings	1,358,421,120	442,285,343
	<b>2,876,740,973</b>	<b>1,517,376,553</b>
<b>25(a) Consolidated Commission / Fees, Exchange Earnings &amp; Brokerage</b>		
Dhaka Bank Limited	2,876,740,973	1,517,376,553
Dhaka Bank Securities Limited	120,269,514	69,763,477
Dhaka Bank Investment Limited	-	-
	<b>2,997,010,487</b>	<b>1,587,140,031</b>
<b>26. Other Operating Income</b>		
Other Income on Credit Card and ATM	19,365,583	14,122,330
Incidental charges	83,573,941	70,055,902
Supervision & monitoring charges	4,819,385	4,376,408
Management Fees	39,774,621	115,054,274
Swift charge recoveries	27,338,507	27,977,283
Locker rent	8,005,900	7,766,300
Capital gain on sale of Shares	1,104,476	27,489,047
Profit from sale of fixed assets	2,490,121	3,977,938
Recovery from written off loans	49,202,153	-
	<b>235,674,687</b>	<b>270,819,482</b>
<b>26.1 Capital gain on sale of Shares</b>		
Sale proceeds of Shares	1,226,336	119,552,858
Less: Cost of Shares	121,860	100,579,094
	<b>1,104,476</b>	<b>18,973,764</b>
<b>26(a) Consolidated Other Operating Income</b>		
Dhaka Bank Limited	235,674,687	270,819,482
Dhaka Bank Securities Limited	1,059,799	874,258
Dhaka Bank Investment Limited	8,289,515	8,276,649
	245,024,002	279,970,389
Less: Inter company transaction	8,289,515	8,276,649
	<b>236,734,487</b>	<b>271,693,740</b>

## Hoda Vasi Chowdhury & Co

	2017 Taka	2016 Taka
<b>27. Salary and allowances</b>		
Basic salary	730,087,379	620,627,625
Allowances	1,005,668,997	789,655,737
Bonus & ex-gratia	211,656,404	126,263,285
Leave fare assistance	133,824,242	110,284,757
Bank contribution to gratuity fund	27,900,000	3,459,668
Bank's contribution to provident fund	70,348,849	61,242,651
	<b>2,179,485,872</b>	<b>1,711,533,723</b>
<b>27(a) Consolidated Salary and allowances</b>		
Dhaka Bank Limited	2,179,485,872	1,711,533,723
Dhaka Bank Securities Limited	42,148,640	32,834,624
Dhaka Bank Investment Limited	-	-
	<b>2,221,634,512</b>	<b>1,744,368,347</b>
<b>28. Rent, taxes, insurance, electricity, etc.</b>		
Office rent	422,387,999	332,403,057
Electricity and lighting	69,488,659	62,924,552
Regulatory charges	32,246,106	11,410,121
Insurance	110,331,675	101,672,663
	<b>634,454,439</b>	<b>508,410,393</b>
<b>28(a) Consolidated Rent, taxes, insurance, lighting etc.</b>		
Dhaka Bank Limited	634,454,439	508,410,393
Dhaka Bank Securities Limited	14,984,035	20,296,028
Dhaka Bank Investment Limited	-	-
	<b>649,438,474</b>	<b>528,706,421</b>
<b>29. Legal expenses</b>		
Legal expenses	14,929,826	13,058,134
Other professional fees	5,326,667	4,337,168
	<b>20,256,493</b>	<b>17,395,303</b>
<b>29(a) Consolidated Legal expenses</b>		
Dhaka Bank Limited	20,256,493	17,395,303
Dhaka Bank Securities Limited	1,429,750	397,000
Dhaka Bank Investment Limited	-	-
	<b>21,686,243</b>	<b>17,792,303</b>
<b>30. Postage, stamps, telecommunication, etc.</b>		
Stamps, postage & courier	933,404	2,176,449
Telephone charges	9,121,901	9,104,847
Fax, internet, radio link, & DDN charges	34,549,003	28,782,791
	<b>44,604,307</b>	<b>40,064,088</b>
<b>30(a) Consolidated Postage, stamps, telecommunication, etc.</b>		
Dhaka Bank Limited	44,604,307	40,064,088
Dhaka Bank Securities Limited	811,443	610,064
Dhaka Bank Investment Limited	-	-
	<b>45,415,750</b>	<b>40,674,152</b>



## Hoda Vasi Chowdhury & Co

	2017 Taka	2016 Taka
<b>31. Stationery, printing, advertisement, etc.</b>		
Table stationery	12,369,660	11,746,301
Printing stationery	51,347,622	45,963,389
Security stationery	8,875,107	10,776,416
Computer stationery	17,008,266	21,176,294
Advertisement	58,602,653	58,613,666
	<b>148,203,308</b>	<b>148,276,067</b>
<b>31(a) Consolidated Stationery, printing, advertisement, etc.</b>		
Dhaka Bank Limited	148,203,308	148,276,067
Dhaka Bank Securities Limited	1,912,203	1,192,067
Dhaka Bank Investment Limited	-	-
	<b>150,115,511</b>	<b>149,468,134</b>
<b>32. Chief executive's salary and fees</b>		
Basic salary	11,385,183	10,350,167
House rent allowances	300,000	300,000
Entertainment allowances	120,000	120,000
House maintenance allowances	300,000	300,000
Medical Allowances	120,000	120,000
Bonus	1,870,000	1,700,000
	<b>14,095,183</b>	<b>12,890,167</b>
<b>32(a) Consolidated Chief executive's salary and fees</b>		
Dhaka Bank Limited	14,095,183	12,890,167
Dhaka Bank Securities Limited	-	-
Dhaka Bank Investment Limited	-	-
	<b>14,095,183</b>	<b>12,890,167</b>
<b>33. Directors' fees</b>		
Directors fees	3,523,600	3,459,200
Fees related to Shariah Council Meeting	193,200	138,000
Board/Executive Committee / Shariah Council Meeting Expenses	130,744	102,986
	<b>3,847,544</b>	<b>3,700,186</b>
Directors fees are paid following the Bangladesh Bank's BRPD Circular No. 03 dated 18 January 2010 and subsequent BRPD Circular Letter # 11 dated 04 October 2015.		
<b>33(a) Consolidated Directors' fees</b>		
Dhaka Bank Limited	3,847,544	3,700,186
Dhaka Bank Securities Limited	1,173,306	938,814
Dhaka Bank Investment Limited	-	-
	<b>5,020,850</b>	<b>4,639,000</b>
<b>34. Auditor's fees</b>	<b>1,380,000</b>	<b>1,380,000</b>
<b>34(a) Consolidated Auditor's fees</b>		
Dhaka Bank Limited	1,380,000	1,380,000
Dhaka Bank Securities Limited	287,500	287,500
Dhaka Bank Investment Limited	115,000	115,000
	<b>1,782,500</b>	<b>1,782,500</b>



## Hoda Vasi Chowdhury & Co

	2017 Taka	2016 Taka
<b>35. Depreciation and repairs of Bank's assets</b>		
<b><u>Depreciation &amp; Amortization</u></b>		
Building	15,568,030	15,053,353
Furniture & Fixture	42,590,012	41,375,613
Office Appliance & Equipment	135,913,699	118,539,143
Computer	15,699,512	16,308,572
Software	13,916,750	11,840,335
Motor Vehicle	26,214,926	18,859,474
	<b>249,902,929</b>	<b>221,976,490</b>
<b><u>Repair &amp; Maintenance:</u></b>		
Office Premises	37,762,286	31,644,125
Office Equipment	39,053,497	34,815,797
Office Furniture	2,149,292	1,828,139
Motor Vehicle	11,276,333	9,383,002
Computer and accessories	3,036,708	3,106,270
Software (AMC)	14,482,979	34,248,127
	<b>107,761,095</b>	<b>115,025,460</b>
	<b>357,664,024</b>	<b>337,001,950</b>
<b>35(a) Consolidated Depreciation and repairs of Bank's assets</b>		
Dhaka Bank Limited	357,664,024	337,001,950
Dhaka Bank Securities Limited	7,979,080	8,276,753
Dhaka Bank Investment Limited	-	-
	<b>365,643,104</b>	<b>345,278,702</b>
<b>36. Other Expenses</b>		
Contractual service charge (own & third party)	296,781,950	248,323,545
Petrol, oil and lubricants (vehicle & generator)	24,030,791	23,933,477
Entertainment (canteen & other)	33,727,365	28,685,193
AGM expenses	3,864,232	1,764,307
Donation	167,400,367	64,906,944
Subscription	4,480,719	3,844,090
Travelling Expenses	21,505,923	10,721,797
Conveyance	13,890,048	16,042,756
Branch opening expenses	2,789,726	2,076,247
Godown expenses	1,103,270	816,001
Training expenses	16,826,780	10,999,935
Bond issue expenses	15,602,500	10,447,500
Books and papers	1,523,002	1,675,847
WASA charges	5,646,421	4,248,771
Staff uniform	3,097,343	2,737,218
Potted plants	2,393,950	2,205,597
Business development & promotion	82,302,267	61,648,831
Reuters charges	1,895,196	1,780,062
Fees and expenses for credit card	19,632,043	16,752,737
ATM network service charges	7,548,499	11,526,042
Contribution to superannuation fund	13,500,000	2,500,000
Dhaka Bank Foundation	27,432,031	27,479,849
	<b>766,974,424</b>	<b>555,116,746</b>

## Hoda Vasi Chowdhury & Co

	2017 Taka	2016 Taka
<b>36.1 Fund for Dhaka Bank Foundation</b>		
Opening balance	27,479,849	23,999,322
Add: Addition during the year	27,432,031	27,479,849
Less: Transferred to DBL Foundation Trustee Account	(27,479,849)	(23,999,322)
Closing balance	<b>27,432,031</b>	<b>27,479,849</b>

Dhaka Bank Limited has been contributing towards Dhaka Bank Foundation since 2003. In 2016, the Bank has contributed Tk. 27,479,849 for Dhaka Bank Foundation @1% on pre tax profit (i.e. profit after provision for loans and other provisions) as per the decision of the Executive Committee of the Board of Directors which was transferred to DBL Foundation Trustee Account in 2017.

**36(a) Consolidated Other Expenses**

Dhaka Bank Limited	(Note: 36)	766,974,424	555,116,746
Dhaka Bank Securities Limited		9,690,378	8,404,428
Dhaka Bank Investment Limited		5,300	5,300
Less: Adjustment for prior year preliminary expenses of DBIL		-	-
		<b>776,670,102</b>	<b>563,526,474</b>

**37. Provision against loans & advances**

On classified loans & advances	2,614,003,456	954,049,421
On unclassified loans & advances	(460,022,367)	1,490,467,788
	<b>2,153,981,089</b>	<b>2,444,517,209</b>

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

Dhaka Bank Limited	2,153,981,089	2,444,517,209
Dhaka Bank Securities Limited	-	-
Dhaka Bank Investment Limited	-	-
	<b>2,153,981,089</b>	<b>2,444,517,209</b>

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

**In quoted shares**

Opening balance	-	4,967,735
Less: Adjustment during the year	-	(4,967,735)
Add: Addition during the year	-	-
Closing balance	-	-
<b>Unquoted</b>	-	-

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

Dhaka Bank Limited	-	-
Dhaka Bank Securities Limited	-	-
Dhaka Bank Investment Limited	-	-
	-	-

**39. Other provisions**

Provision for off balance sheet items	(Note: 39.1)	203,968,402	199,821,481
Provision for other assets	(Note: 15.6)	-	3,127,000
		<b>203,968,402</b>	<b>202,948,481</b>

**39.1 Provision against off balance sheet exposures**

On off balance sheet exposures	<b>203,968,402</b>	<b>199,821,481</b>
Bank has made a provision of Tk.203,968,402 @ 1.00% on off balance sheet exposure (i.e. Acceptance & Endorsement, Letter of Credit & Letter of Guarantee) as per BRPD Circular number 14 dated 23.09.2012 from current year's profit.		

## Hoda Vasi Chowdhury & Co

	2017 Taka	2016 Taka
<b>39(a) Consolidated Other provisions</b>		
Dhaka Bank Limited	203,968,402	202,948,481
Dhaka Bank Securities Limited	80,000,000	50,000,000
Dhaka Bank Investment Limited	-	-
	<b>283,968,402</b>	<b>252,948,481</b>
<b>40. Earnings Per Share (EPS)</b>		
Net profit after taxation	1,495,371,858	1,465,928,034
Number of ordinary shares outstanding	722,295,720	722,295,720
<b>Earnings Per Share (EPS) -Restated</b>	<b>2.07</b>	<b>2.03</b>
Earnings Per Share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2017 as per Bangladesh Accounting Standard (BAS)-33. According to BAS-33, EPS for the period ended 31 December 2016 was restated for the issues of bonus shares (for 2016) in 2017.		
<b>40(a) Consolidated Earnings Per Share (CEPS)</b>		
Net profit after taxation	1,608,755,143	1,552,280,224
Less: Non-controlling interest	11,338	8,635
Net profit attributable to the shareholders of parent company	1,608,743,805	1,552,271,589
Number of ordinary shares outstanding	722,295,720	722,295,720
<b>Consolidated Earnings per share (CEPS)- Restated</b>	<b>2.23</b>	<b>2.15</b>
<b>41. Receipts from other operating activities</b>		
Exchange earnings	54,767,559	102,799,399
Other operating income	183,982,413	266,841,544
	<b>238,749,972</b>	<b>369,640,943</b>
<b>Non Operating Income</b>	-	-
	<b>238,749,972</b>	<b>369,640,943</b>
<b>41(a) Consolidated Receipts from other operating activities</b>		
Dhaka Bank Limited	238,749,972	369,640,943
Dhaka Bank Securities Limited	1,059,799	874,258
Dhaka Bank Investment Limited	8,289,515	8,276,649
	248,099,286	378,791,850
Less: Intercompany Transactions	8,289,515	8,276,649
	<b>239,809,771</b>	<b>370,515,201</b>
<b>42. Payments for other operating activities</b>		
Rent, Taxes, Insurance, Lighting etc.	634,454,439	508,410,393
Chief executive's salary & allowances	-	-
Directors' fees & Meeting expenses	3,847,544	3,700,186
Repair of bank's assets	107,761,095	115,025,460
Other expenses	766,974,424	555,116,746
	<b>1,513,037,502</b>	<b>1,182,252,785</b>
Dhaka Bank Foundation	<b>(27,432,031)</b>	<b>(27,479,849)</b>
	<b>1,485,605,471</b>	<b>1,154,772,936</b>
<b>42(a) Consolidated Payments for other operating activities</b>		
Dhaka Bank Limited	1,485,605,471	1,154,772,936
Dhaka Bank Securities Limited	10,863,684	9,343,242
Dhaka Bank Investment Limited	5,300	5,300
	<b>1,496,474,455</b>	<b>1,164,121,478</b>

## Hoda Vasi Chowdhury & Co

	2017 Taka	2016 Taka
<b>43. Other Assets</b>		
Stationery, stamps, printing materials etc.	44,821,499	30,044,856
Advance rent and advertisement	402,337,776	298,041,631
Security deposit	22,349,966	21,988,606
Preliminary, formation, work in progress and organization expenses, renovation / development expenses and prepaid expenses	3,429,830,055	2,860,612,139
Branch adjustments	66,491,777	39,897,115
Suspense account	269,019,211	139,958,704
Other assets	13,667,079,236	5,737,476,228
	<b>17,901,929,519</b>	<b>9,128,019,279</b>
<b>Increase / (decrease) during the year</b>	<b>8,773,910,241</b>	<b>3,812,918,811</b>
<b>43(a) Consolidated Other Assets</b>		
Dhaka Bank Limited	(8,773,910,241)	(3,812,918,811)
Dhaka Bank Securities Limited	(25,087,237)	(59,889,117)
Dhaka Bank Investment Limited	-	-
	<b>(8,798,997,478)</b>	<b>(3,872,807,928)</b>
<b>44. Other Liabilities</b>		
Provision against Expenses	51,466,437	13,576,027
Provision for Other Assets	12,151,156	11,797,024
Interest Suspense Account	1,874,880,813	1,831,665,015
Other Account Payable	4,466,153,662	3,593,495,073
	<b>6,404,652,069</b>	<b>5,450,533,139</b>
Amount transferred to DBL Foundation Trustee Account	(27,479,849)	(23,999,322)
Adjustment of Loss on shares from Provision for decrease in value of Investment	-	(4,967,735)
Rebate disbursed to Good Borrowers	(4,308,234)	-
Adjustment of Classified Loan from Provision	(615,889,054)	(498,122,564)
<b>Increase / (decrease) during the year</b>	<b>306,441,792</b>	<b>(453,614,536)</b>
<b>44(a) Consolidated Other Liabilities</b>		
Dhaka Bank Limited	306,441,792	(453,614,536)
Dhaka Bank Securities Limited	25,062,438	(110,664,741)
Dhaka Bank Investment Limited	115,000	-
	<b>331,619,229</b>	<b>(564,279,276)</b>



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

SL No.	Particulars	31.12.2017	31.12.2016
1	Paid up Capital	7,222,957,200	6,879,006,860
2	Total Capital	21,884,289,549	21,841,493,503
3	Capital surplus / (deficit) (Note - 16.9)	882,744,135	5,862,495,137
4	Total Assets	229,452,854,497	202,191,595,861
5	Total Deposits	170,035,420,927	157,161,630,521
6	Total Loans and Advances	154,017,029,266	134,689,308,364
7	Total Contingent Liabilities and Commitments	98,122,212,930	72,926,401,097
8	Credit Deposit Ratio (%)	82.64	83.87
9	Percentage of classified loans against total loans and advances (%)	5.98	4.01
10	Profit after tax and provision	1,495,371,858	1,465,928,034
11	Amount of classified loans during the year	9,208,850,274	5,402,949,193
12	Provisions kept against classified loans	4,407,201,865	2,409,087,464
13	Provision surplus / (deficit)	-	3,479,640
14	Cost of fund [deposit cost & overhead cost] (%)	7.35	7.88
15	Interest earning Assets	187,004,215,448	165,095,766,588
16	Non-interest earning Assets	42,448,639,048	37,095,829,273
17	Return on Investment (ROI) [%]	12.97	15.38
18	Return on Assets (ROA) [%]	0.69	0.77
19	Income from Investments	2,884,488,508	3,238,231,845
20	Earning per Share (Taka)	2.07	2.13
21	Price Earning Ratio (Times)	10.63	8.40

Annexure-A

**Dhaka Bank Limited**  
Currency wise Balances  
As at 31 December 2017

Name of the bank	Location	Name of currency	2017			2016		
			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	1,151,955	82.70	95,266,686	12,182,678	79.00	962,431,530
Mashreq Bank	New York	USD	1,396,857	82.70	115,320,063	1,840,185	79.00	145,374,604
Habib American Bank, OBU	New York	USD	3,350,234	82.70	277,064,344	1,080,001	79.00	85,320,047
Commerz Bank	Frankfurt	USD	73,071	82.70	6,042,995	999,291	79.00	78,943,983
Habib American Bank	USA	USD	1,821,817	82.70	150,664,263	1,616,192	79.00	127,679,181
Wells Fargo Bank N.A.	New York	USD	1,194,556	82.70	98,789,768	1,467,528	79.00	115,934,702
J.P. Morgan, Chase Bank NA	USA	USD	1,510,860	82.70	124,948,105	2,633,736	79.00	208,065,167
Standard Chartered Bank	Mumbai	ACUD	872,847	82.70	72,184,469	890,173	79.00	70,323,669
Sonali Bank	Kolkata	ACUD	261,194	82.70	21,600,758	46,652	79.00	3,685,539
AB Bank	Mumbai	ACUD	442,582	82.70	36,601,527	558,027	79.00	44,084,152
Nepal Bangladesh Bank	Nepal	ACUD	7,989	82.70	660,670	8,124	79.00	641,776
Sampath Bank	Srilanka	ACUD	2,542	82.70	210,223	116,150	79.00	9,175,831
Bhutan National Bank	Bhutan	ACUD	33,381	82.70	2,760,623	14,281	79.00	1,128,212
Bank of Bhutan	Bhutan	ACUD	4,340	82.70	358,880	25,640	79.00	2,025,524
Habib Metropolitan Bank Ltd.	Pakistan	ACUD	157,908	82.70	13,058,968	379,249	79.00	29,960,673
Dhaka Bank OBU Nostro	OBU	USD	-	-	-	6,000,000	79.00	474,000,000
ICICI Bank Limited	India	ACUD	723	82.70	59,814	326,067	79.00	25,759,300
Mashreq Bank	Mumbai	ACUD	376,956	82.70	31,174,282	479,133	79.00	37,851,495
United Bank Of India	Kolkata	ACU	241,269	82.70	19,952,936	398,264	79.00	31,462,893
Axis Bank Ltd, India	Mumbai	ACU	237,420	82.70	19,634,644	-	-	-
Union Bank of Switzerland	Switzerland	CHF	8,572	84.07	720,657	191,285	76.91	14,711,939
Commerz Bank	Frankfurt	EURO	652,562	98.50	64,274,866	514,262	82.22	42,284,738
Standard Chartered Bank	Frankfurt	EURO	4,444	98.50	437,675	37,696	82.22	3,099,493
Unicredit S.P.A.	Milano	EURO	37,479	98.50	3,691,583	27,929	82.22	2,296,476
UNITED BANK OF INDIA	KOLKATA	EURO	182,244	98.50	17,950,312	182,244	82.22	14,984,824
Commerz Bank	Frankfurt	AUD	46,952	64.32	3,019,999	48,702	56.67	2,759,720
Standard Chartered Bank	Japan	JPY	21,112,015	0.73	15,405,437	26,761,120	0.67	17,999,529
Standard Chartered Bank	London	GBP	83,971	110.95	9,316,599	261,936	96.58	25,297,397
Commerz Bank	Frankfurt	CAD	10,647	65.41	696,447	98,707	58.22	5,746,574
Al-Rajhi Bank	Saudi Arabia	SAR	73,075	22.04	1,610,551	273,075	21.04	5,744,788
<b>Total</b>					<b>1,203,678,144</b>			<b>2,588,773,757</b>

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

**Dhaka Bank Limited  
Investment in Shares  
As at 31 December 2017**

(Amount in Taka)

Name of the Company	Face Value	No. of Shares	Average Cost	Cost Price	Market price per Share	Total Market Value
<b><u>Quoted</u></b>						
Acme Laboratories Limited	10	500,000	52	26,000,000	114.00	57,000,000
Oimex Electrode Limited	10	6,480	10	64,800	65.20	422,496
Nahee Aluminum Composite Panel Ltd.	10	5,706	10	57,060	73.40	418,820
<b><u>Unquoted</u></b>						
Bangladesh Fund				200,000,000		200,000,000
<b>Total</b>				<b>226,121,860</b>		<b>257,841,316</b>

The cost price of investment in shares represents the book value as on 31.12.2017 being ordinary shares of different companies purchased from primary and secondary markets.

**Bangladesh Fund**

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

**Dhaka Bank Limited**

**Detail of information on advances**

**More than 10 % of bank's total capital (Funded & Non-funded)**

(Taka in Thousand)

Sl. No.	Name of the Client	Outstanding as on 31.12.2017		Total
		Funded	Non funded	
1	ARMANA GROUP	2,156,387	3,360,628	5,517,015
2	BSRM GROUP	859,371	4,356,760	5,216,131
3	BASHUNDHARA GROUP	2,183,383	2,279,067	4,462,450
4	BANGLA TRAC	1,591,225	2,587,515	4,178,740
5	T.K. GROUP	1,819,412	2,050,757	3,870,169
6	AMBER-PARTEX GROUP	2,584,192	1,110,942	3,695,133
7	BANGLADESH ERECTORS GROUP	2,189,079	1,341,589	3,530,668
8	PRAN-RFL GROUP	2,386,521	912,937	3,299,459
9	RING SHINE GROUP	1,187,510	2,091,697	3,279,207
10	UNITED GROUP	1,842,309	1,395,971	3,238,280
11	KABIR GROUP	1,939,983	1,292,784	3,232,767
12	RANGS GROUP	1,686,444	1,411,060	3,097,503
13	EXPERIENCE GROUP	578,932	2,281,086	2,860,018
14	FAKIR GROUP	1,551,045	1,221,361	2,772,406
15	NOMAN GROUP	1,764,174	911,001	2,675,175
16	KARNAFULY GROUP	1,325,496	1,306,797	2,632,293
17	M & J GROUP	1,212,782	1,288,012	2,500,794
18	ABUL KHAIR GROUP	1,895,613	580,169	2,475,782
19	DHAKA BANK GROUP	2,237,598	200,000	2,437,598
20	S.A. GROUP	2,400,302	-	2,400,302
21	SURUJ MIAH GROUP	2,307,443	4,829	2,312,272
	<b>Total</b>	<b>37,699,202</b>	<b>31,984,960</b>	<b>69,684,163</b>



**Dhaka Bank Limited**  
**Schedule of Fixed Assets including premises, furniture & fixtures**  
**As at 31 December 2017**

Particulars	Cost Price			Rate of Dep.	Accumulated Depreciation				Written Down Value as at 31.12.2017
	Balance as at 01.01.2017	Addition during the year	Transfer/Adjustment during the year		Total as at 31.12.2017	Balance as at 01.01.2017	Addition during the year	Transfer/Adjustment during the year	
<b>A. At Cost</b>									
<b>Tangible Assets</b>									
Land	2,301,877,536			-	2,301,877,536				2,301,877,536
Building	622,721,217			2.5%	622,721,217	15,568,030			83,000,655
Furniture & Fixture	428,892,919	26,919,838	2,100,994	10%	453,711,763	42,590,012	1,721,477		265,367,991
Office Appliances & Equipments	866,487,334	169,864,362	789,512	20%	1,035,562,184	135,913,699	707,035		657,963,422
Computer	217,967,490	21,349,835		20%	239,317,325	15,699,512			197,120,953
Bank Vehicle	142,893,420	71,822,896	14,799,651	20%	199,916,665	26,214,926	14,799,574		74,999,161
<b>Intangible Assets</b>									
Software	77,845,853	29,761,267		20%	107,607,120	13,916,750			67,823,326
<b>Sub Total</b>	<b>4,658,685,769</b>	<b>319,718,198</b>	<b>17,690,157</b>	-	<b>4,960,713,810</b>	<b>249,902,929</b>	<b>17,228,086</b>	-	<b>1,346,275,507</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>648,455,000</b>	-	-	-	<b>648,455,000</b>
<b>Total 2017 (A+B)</b>	<b>5,307,140,769</b>	<b>319,718,198</b>	<b>17,690,157</b>	-	<b>5,609,168,810</b>	<b>249,902,929</b>	<b>17,228,086</b>	-	<b>1,346,275,507</b>
<b>TOTAL 2016</b>	<b>4,999,514,479</b>	<b>315,573,767</b>	<b>(7,947,477)</b>	-	<b>899,531,123</b>	<b>221,976,490</b>	<b>(7,906,948)</b>	-	<b>1,113,600,664</b>
					<b>5,307,140,769</b>	<b>221,976,490</b>	<b>(7,906,948)</b>		<b>4,193,540,105</b>

## Hoda Vasi Chowdhury & Co

Annexure- E

Dhaka Bank Limited

Recovery of loans previously written-off during the period January-December 2017

(Amount In Taka)					
Sl. No.	Name of Borrowers	Amount written-off	Amount of Provision kept at the time of written-off	Suit Value	Amount Recovered after loan written-off
1	Agrani Enterprise	14,315,154	11,599,129	17,683,191	14,310,000
2	Iqbal And Brothers	1,789,290	1,644,775	4,399,757	1,790,000
3	Sundari Fashion	181,694	139,499	250,000	180,000
4	Mousumi Enterprise	251,045	242,216	690,404	230,000
5	Nipa Traders	426,961	294,093	563,819	420,000
6	Gonoshasthaya Antibiotic Ltd.	71,628,580	60,192,640	75,998,182	7,500,000
7	Anudip Autos	43,767,825	32,747,739	40,257,537	2,750,000
8	Anar Impex Ltd	2,421,470	363,221	316,211	200,000
9	Momin Knit Fabrics	9,668,217	7,603,335	13,980,000	300,000
10	Rainbow Consortium Ltd.	1,078,222	161,733	1,057,258	270,000
11	Friends International	4,050,000	3,060,000	4,570,592	3,950,000
12	Mohua Naksha	1,553,470	1,335,057	1,553,497	16,000
13	Prime Construction	4,348,273	3,426,199	4,497,646	1,398,000
14	Prolific Amaze	1,226,906	889,021	1,485,769	10,000
15	Sundry parties of Consumer Banking	-	-	-	15,878,153
<b>Sub Total</b>		<b>156,707,107</b>	<b>123,698,657</b>	<b>167,303,861</b>	<b>49,202,153</b>

**Dhaka Bank Limited**

**Details of Borrowers for written-off loan during the year 2017**

Sl. No.	Name of Borrowers	Amount written-off	Amount of Interest Suspense kept at the time of written-off	(Amount In Taka)	
				Amount of Provision kept at the time of written-off	Suit Value
<b>Corporate &amp; SME Loan</b>					
1	Jhalok Fashion	167,552.35	4,368.99	163,183.36	368,605.92
2	Sun Flower Electric	179,294.78	46,466.19	132,828.59	413,314.93
3	Showon Trading	12,427,748.15	2,631,411.34	4,288,337.81	20,283,961.32
4	Nurul Hoque & Sons	12,741,618.26	888,448.16	11,853,170.10	12,339,586.75
5	Shamem Construction	6,473,430.16	422,455.91	6,050,974.25	7,855,194.43
6	Udayan Construction	10,511,900.24	2,440,730.28	8,071,169.96	10,838,412.72
7	Agrani Enterprise	14,315,154.33	2,716,025.74	11,599,128.59	17,683,191.42
8	Anar Impex	2,421,470.26	159,399.96	363,220.54	316,210.87
9	Orkishtra Kraft	1,232,967.52	212,117.92	184,945.13	2,045,820.42
10	Nowabia Traders	8,171,444.01	2,057,269.65	1,225,716.60	7,465,153.67
11	Orchi Yarn Project	78,271,277.59	7,898,713.38	68,405,561.50	92,398,916.98
12	Well Tex	229,496,494.06	30,242,000.00	161,574,991.82	238,794,474.90
13	Moulana & Sons	175,759,352.47	6,768,850.75	161,036,478.95	202,910,141.77
14	Orchid Travels and Tours	56,970,535.60	13,097,932.96	40,360,886.79	51,266,055.90
15	A. Zaman & Brothers	46,085,076.29	1,274,608.85	35,810,467.44	62,884,041.70
<b>Sub Total</b>		<b>655,225,316</b>	<b>70,860,800</b>	<b>511,121,061</b>	<b>664,979,042</b>

**Related Party Disclosures**

**Annexure-G**

A. i) Name of the Directors and their interest in the Bank as on 31.12.2017:

SI No	Name of Directors	Designation	% of interest as on 31.12.2017
1	Mr. Reshadur Rahman	Chairman	3.37530
2	Mrs. Rokshana Zaman	Vice-Chairperson	2.44973
3	Mr. Abdul Hai Sarker	Director	2.21927
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	2.00258
15	Mr. Syed Abu Naser Bukhtear Ahmed	Independent Director	Nil
16	Mr. M.A. Yussouf Khan	Independent Director	Nil

i) Name of the Directors and their interest in the Bank as on 31.12.2016:

SI No	Name of Directors	Designation	% of interest as on 31.12.2016
1	Mr. Reshadur Rahman	Chairman	3.37530
2	Mrs. Rokshana Zaman	Vice-Chairperson	2.00201
3	Mr. Abdul Hai Sarker	Director	2.21927
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	2.00258
15	Mr. Syed Abu Naser Bukhtear Ahmed	Independent Director	Nil
16	Mr. M.A. Yussouf Khan	Independent Director	Nil



**Related Party Disclosures**

**Name of Directors and their interest in different entities as on 31.12.2017**

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	Dhaka Bank Securities Ltd. RR Aviation Ltd. 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.	Chairman Chairman Managing Director Proprietor Proprietor Proprietor Proprietor Shareholder Shareholder Shareholder Shareholder Chairman
2.	Mrs. Rokshana Zaman	Vice-Chairperson	Dhaka Enterprise Manehor Fisheries Dhaka Bank Securities Ltd.	Proprietress Proprietress Director
3.	Mr. Abdul Hai Sarker	Director	Shohagpur Textile Mills Limited. Purbani Fabrics Limited. Karim Textiles Limited. Purbani Traders. Purbani Yarn Dyeing Limited. Karim Spinning Mills Limited. Purbani Synthetic Spinning Limited. Purbani Rotor Spinning Limited. Purbani Fisheries. Purbani Fashion Limited. Purbani Agro Processing Limited. Dhaka Bank Securities Limited.	Chairman & CEO Chairman & CEO Chairman & CEO Proprietor Chairman & CEO Chairman & CEO Chairman & CEO Chairman & CEO Chairman & CEO Proprietor Chairman & CEO Chairman & CEO 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 Fashion Wear Ltd. Rahmat Rotors Ltd. Dhaka Bank Securities Ltd.	Managing Director Chairman Chairman Chairman & Managing Director Chairman Managing Director Director Chairman 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

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Sl. No.	Name	Status with the Bank	Name of the firms/Companies in which they have interest	Status in the interested entities
6.	Mr. Md. Amirullah	Director	Dhaka Bank Investment Ltd.	Director
7.	Mr. Abdullah Al-Ahsan	Director	Aroma Poultry Ltd. Aroma Fisheries Ltd.	Director Director
8.	Mr. Khondoker Monir Uddin	Director	Shanta Apparels Ltd. Shanta Medical Centre Ltd. Universal Business Machines Ltd. STS Holdings Ltd. STS Capital 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
9.	Mr. Tahidul Hossain Chowdhury	Director	Riotex Ltd. Jerat Fashion Ltd. Jerat Shirt Ltd. Central Hospital Ltd. HURDCO International School 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 School Ltd. Dhaka Imperial Hospital Ltd.	Chairman Proprietor Director Shareholder
11.	Mr. Khondoker Jamil Uddin	Director	JAAZ Concerns Ltd. Executive Attire Ltd. Green Field Tea Estate Ltd. OK Mobile Ltd. Shanta Garments Ltd. STS Holdings Ltd. Delhi Public School, STS Education Group Ltd. GDS Chemical Bangladesh (pvt.) Ltd. Universal Business Machines Ltd. Citizen Securities Ltd. Apollo Hospitals Dhaka Ltd. International School Dhaka. Dhaka Bank Investment Ltd.	Chairman Chairman Chairman Chairman Chairman Director Sponsor Director Director Director Director Director Director Director Director Sponsor Director Sponsor Director Chairman
12.	Mr. Mirza Yasser Abbas	Director	Mirza Enterprise Dhaka Bank Investment Ltd. Predictable Process Ltd. LOUD Limited	Executive Director Managing Director Chairman
13.	Mr. Amanullah Sarker	Director	Rahmat Textiles Ltd. Rahmat Spinning Mills Ltd. Logos Apparels Ltd Belkuchi Spinning Mills Ltd. China Plastic (BD.) Ltd. Rahmat Sweaters (BD) Ltd.	Director Managing Director Chairman Director Director Director

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Sl. No.	Name	Status with the Bank	Name of the firms/Companies in which they have interest	Status in the interested entities
14.	Mr. M.N.H Bulu	Director	National Chemical Industries Ltd. Nawshin Vinyl Industries Abico Industries Ltd. Rumki Industries Ltd. BNS Chemical Industries Ltd. BNS BOPP Tape & Adhesive Industries Ltd. Shafkat PVC Sole Industries BNS DOP & Chemical Industries Bulu International Oishee International Company 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  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 Chairman
16.	Mr. M.A. Yussouf Khan	Independent Director	-	-

iv) Share issued to Directors & Executives without consideration or exercisable at discount: Nil

v) Related party Transactions: **Tk. 37,66,965.58**

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) During the period 1 January 2017 to 31 December 2017, the Bank concluded business deals with the following directors/organizations in which the directors had interest:

Name	Relationship	Nature of transactions	Balance at 31.12.2017
MD AMIRULLAH	Director	Credit Facility	108,606.00
TAHIDUL HOSSAIN CHOWDHURY	Director	Credit Facility	72,000.00
KHONDOKER JAMIL UDDIN	Director	Credit Facility	296,991.00
MIRZA YASSER ABBAS	Director	Credit Facility	663,580.00
M N H BULU	Director	Credit Facility	346,319.00
ROKEYA KHAN	Sister of Director	Credit Facility	2,279,469.58
<b>TOTAL</b>			<b>37,66,965.58</b>

**SUBSIDIARIES**

Name	Relationship	Nature of transactions	Balance at 31.12.2017
Dhaka Bank Securities Limited	Subsidiary	Deposit	118,878,378.33
Dhaka Bank Investment Limited	Subsidiary	Deposit	186,821,898.65
Dhaka Bank Securities Limited	Subsidiary	Credit Facility	2,237,597,610.24
Dhaka Bank Securities Limited	Subsidiary	Investment	1,499,999,940
Dhaka Bank Investment Limited	Subsidiary	Investment	249,999,940
Dhaka Bank Investment Limited	Subsidiary	Account receivable	1,173,725
Dhaka Bank Securities Limited	Subsidiary	Account receivable	55,787,264.00
Dhaka Bank Securities Limited	Subsidiary	Interest Income	130,022,808.12
Dhaka Bank Securities Limited	Subsidiary	Interest Expense	5,242,588.05
Dhaka Bank Investment Limited	Subsidiary	Interest Expense	8,289,515.30

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:**

1. Lease agreement for Uttara Branch, Data Recovery Center, Consumer Banking Division (Hub) 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.
2. Lease agreement for Shahjahanpur Branch of the Bank was executed with Mr. Mirza Abbas Uddin Ahmed & others, Land Owner who is the father of Mr. Mirza Yasser Abbas, Director 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  
As at 31 December 2017

Sl. No.	Assessment Year	Income Year	Provision for Income Tax as per accounts	Total Tax Paid	Provision Excess/ (Shortage)	Further Claimed by TAX Authority	Tax Paid for Tribunal & High Court	Remaining Tax Liability	Present Status
1	2005-2006	2004	275,000,000	251,338,711	22,264,047	27,944,842	1,397,242	26,547,600	Re-opened U/S:120 Filed Appeal to Honorable High Court
2	2006-2007	2005	305,000,000	287,430,386	15,379,758	43,797,123	2,189,856	41,607,267	Re-opened U/S:120 Filed Appeal to Honorable High Court
3	2007-2008	2006	370,000,000	455,657,668	(86,484,543)	16,537,501	826,875	15,710,626	Re-opened U/S:120 Filed Appeal to Honorable High Court
4	2008-2009	2007	827,127,829	775,887,042	31,105,997	127,430,746	20,134,790	107,295,956	Filed Appeal to Honorable High Court
5	2009-2010	2008	1,025,132,803	948,021,327	62,791,713	99,289,991	14,319,763	84,970,228	Filed Appeal to Honorable High Court
6	2010-2011	2009	1,176,070,227	1,033,362,354	121,007,254	123,759,180	21,700,619	102,058,561	Filed Appeal to Honorable High Court
7	2011-2012	2010	1,238,519,148	1,178,120,075	414,057	160,348,772	59,985,016	100,363,756	Filed Appeal to Honorable High Court
8	2012-2013	2011	1,488,500,000	1,391,529,539	85,511,470	74,218,389	11,458,991	62,759,398	Filed Appeal to Honorable High Court
9	2013-2014	2012	759,226,556	759,226,556	(114,860,509)	114,860,509	114,860,509	-	Case settle after CT Appeal /Tax Clearance Certificate received
10	2014-2015	2013	1,117,341,489	913,596,502	157,487,323	46,257,663	46,257,663	-	Case settle after CT Appeal /Tax Clearance Certificate received
11	2015-2016	2014	1,191,845,133	1,142,636,345	49,208,788	-	1,142,636,340	-	Case settle after DCT Level & Tax Clearance Certificate received
12	2016-2017	2015	938,402,032	934,833,819	3,568,214	157,582,175	-	-	Assessment Completed and file to Appeal
13	2017-2018	2016	1,282,056,770	-	-	-	-	-	Income Tax Return Submitted to the LTU
14	2018-2019	2017	1,343,843,250	-	-	-	-	-	Return to be submitted as required
<b>Total</b>			<b>13,338,065,237</b>	<b>10,071,640,324</b>	<b>347,393,568</b>	<b>992,026,891</b>	<b>1,435,767,664</b>	<b>541,313,392</b>	

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**Distribution of Profit under Islamic Banking Operation**

Dhaka Bank has been 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 2017**

Dhaka Bank Limited has successfully completed the business year 2017 and declared final profit rates on various Mudaraba Deposits Accounts for the year 2017 to the depositors.

The final rates of various Mudaraba Deposits Accounts of Banks as per approved weight age for the year 2017 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 2017 is hereby declared as final rates considering present market position.

Sl. No.	Type of Deposit	Weightage	Final Rate For the Year 2017
1.	Mudaraba Savings Deposit	0.75	3
2.	Mudaraba Savings Deposit For Bank	0.70	3
3.	Mudaraba Short Notice Deposit	0.50	3.50
4.	Mudaraba Term Deposit Account		
	36 Months		-
	24 Months		-
	12 Months	0.98	5.16
	6 Months	0.92	4.70
	3 Months	0.90	4.70
	1 Months	0.85	4.00
	Bank	0.80	4.00
5.	Mudaraba Hajj Savings Scheme	1.10	6.00
6.	Mudaraba Special Deposit Scheme	1.00	6.50
7.	Mudaraba Deposit Pension Scheme	1.10	8.00

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Appendix I(i)

## Dhaka Bank Limited (Islamic Banking) Balance Sheet As at 31 December 2017

	Notes	31.12.2017 Taka	31.12.2016 Taka
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>			
Cash in hand (including foreign currencies)	1	451,004,065	448,651,849
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		29,546,878 421,457,187	22,687,052 425,964,798
<b>Balance with other banks and financial institutions</b>			
In Bangladesh	2	-	-
Outside Bangladesh		-	-
<b>Money at call on short notice</b>		-	-
<b>Investment in securities</b>			
<b>Investments</b>		380,000,000	370,000,000
General Investments	3	5,235,965,555	5,035,893,361
Bills Discounted and Purchased	3.1 3.2	5,204,053,137 31,912,419	4,992,829,547 43,063,814
<b>Fixed assets including premises, furniture and fixtures</b>	4	13,686,640	26,069,364
<b>Other Assets</b>	5	2,277,691,051	1,232,894,928
<b>Non-Banking Assets</b>		-	-
<b>Total Assets</b>		<b>8,358,347,312</b>	<b>7,113,509,502</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>LIABILITIES</b>			
<b>Borrowings from other banks / financial Institutions and agents</b>	6	2,019,866,605	188,961,509
<b>Deposits and Other Accounts</b>			
Current Accounts & Other Accounts	7	5,884,845,560	6,472,830,284
Bills Payable		157,374,204	350,467,186
Savings Bank Deposits		29,293,714	30,321,181
Term Deposits		505,835,242	404,397,931
		5,192,342,399	5,687,643,987
<b>Other Liabilities</b>	8	453,635,147	451,717,708
<b>Total Liabilities</b>		<b>8,358,347,312</b>	<b>7,113,509,502</b>

## Hoda Vasi Chowdhury & Co

### Off-balance Sheet Items

#### Contingent Liabilities

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

Notes	31.12.2017 Taka	31.12.2016 Taka
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923,935,833	1,028,174,198
524,569,039	526,498,152
64,185,050	82,443,076
88,720,681	318,714,365
-	-
<b>1,601,410,601</b>	<b>1,955,829,790</b>

#### Other Commitments

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

-	-
-	-
-	-
-	-
-	-
<b>1,601,410,601</b>	<b>1,955,829,790</b>

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

These Financial Statements should be read in conjunction with the annexed notes 1 to 44.



**Dhaka Bank Limited  
(Islamic Banking)  
Profit and Loss Account  
For the year ended 31 December 2017**

	Notes	2017 Taka	2016 Taka
<b>OPERATING INCOME</b>			
Profit Received from Investment	9	578,622,984	545,201,570
Profit Paid on Deposits & Borrowings	10	405,560,702	369,376,997
<b>Net Investment Income</b>		<b>173,062,282</b>	<b>175,824,573</b>
Commission, Exchange Earnings & Brokerage	11	31,632,328	36,048,855
Other Operating Income	12	6,368,738	5,139,489
		<b>38,001,066</b>	<b>41,188,344</b>
<b>Total Operating Income ( A )</b>		<b>211,063,348</b>	<b>217,012,917</b>
<b>Operating Expenses</b>			
Salary & Allowance	13	35,335,491	28,380,055
Rent, Taxes, Insurance, Lighting etc.	14	25,115,302	11,518,615
Legal Expenses		586,880	559,082
Postage, Stamp, Telecommunication etc.	15	880,512	783,691
Stationery, Printing, Advertisement etc.	16	1,089,445	1,230,450
Shariah Council Meeting Expenses		240,075	116,168
Depreciation of Bank's Assets	17	4,621,806	4,033,644
Repair of Bank's Assets	18	1,572,361	1,067,880
Other Expenses	19	7,457,176	6,133,024
<b>TOTAL Operating Expenses ( B )</b>		<b>76,899,049</b>	<b>53,822,609</b>
<b>Operating Profit During the Year ( A - B )</b>		<b>134,164,300</b>	<b>163,190,308</b>

These Financial Statements should be read in conjunction with the annexed notes 1 to 44.

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## Dhaka Bank Limited (Islamic Banking) Notes to the Financial Statements For the year ended 31 December 2017

	31.12.2017 Taka	31.12.2016 Taka
<b>1. Cash</b>		
Cash in hand	(Note: 1.1) 29,546,878	22,687,052
Balance with Bangladesh Bank and its agent bank(s)	(Note: 1.2) 421,457,187	425,964,798
	<b>451,004,065</b>	<b>448,651,849</b>
<b>1.1 Cash in hand</b>		
In Local Currency	29,546,878	22,687,052
In Foreign Currencies	-	-
	<b>29,546,878</b>	<b>22,687,052</b>
<b>1.2 Balance with Bangladesh Bank and its agent bank(s)</b>		
In Local Currency		
Al-Wadiah Current Account	421,457,187	425,964,798
In Foreign Currencies	-	-
	<b>421,457,187</b>	<b>425,964,798</b>
<b>2. Balance with other banks and financial institutions</b>		
<b>In Bangladesh</b>		
Mudaraba Term Deposits		
Social Investment Bank Limited	-	-
Shahjalal Islami Bank Limited	-	-
Al-Arafah Islamic Bank Limited	-	-
Islamic Hajj Finance	-	-
<b>Outside Bangladesh</b>	-	-
	-	-
	-	-
<b>3. Investments</b>		
General Investments	5,204,053,137	4,992,829,547
Bills Purchased & Discounted	31,912,419	43,063,814
	<b>5,235,965,555</b>	<b>5,035,893,361</b>
<b>3.1 General Investments</b>		
<b>In Bangladesh</b>		
Murabaha (Purchase Order)	1,617,308,501	1,554,413,967
Murabaha (Term Financing)	863,130,452	774,443,037
MPI Trust Receipt	500,123,945	441,258,503
Murabaha Import Bill (PAD)	-	1,663,603
Bai Muajjal	1,411,525,857	1,355,363,201
Ijara (Lease Financing) (Note-3.5)	446,765,998	220,613,195
Shirkatul Mulk (Hire Purchase)	306,257,415	424,040,241
Others	58,940,969	221,033,800
<b>Outside Bangladesh</b>	5,204,053,137	4,992,829,547
	-	-
	<b>5,204,053,137</b>	<b>4,992,829,547</b>

## Hoda Vasi Chowdhury & Co

	31.12.2017 Taka	31.12.2016 Taka
<b>3.2 Bills Purchased &amp; Discounted</b>		
<u>Payable in Bangladesh:</u>		
Inland bills purchased	31,912,419	43,063,814
<u>Payable outside Bangladesh:</u>		
Foreign bills purchased & discounted	-	-
	<b>31,912,419</b>	<b>43,063,814</b>
<b>3.3 Residual maturity grouping of investments including bills purchased and discounted</b>		
Repayable on Demand	1,792,072,276	1,977,689,670
Not more than 3 months	1,081,631,916	1,285,235,238
More than 3 months but not more than 6 months	1,077,104,112	728,760,647
More than 6 months but not more than 1 year	689,581,656	271,845,246
More than 1 year but not more than 5 years	499,263,797	750,453,611
More than 5 years	96,311,798	21,908,949
	<b>5,235,965,555</b>	<b>5,035,893,361</b>
<b>3.4 Maturity grouping of bills purchased &amp; discounted</b>		
Payable within 1 month	8,584,952	20,216,972
Over 1 month but less than 3 months	14,881,442	15,718,715
Over 3 months but less than 6 months	8,446,025	7,128,127
6 months or more	-	-
	<b>31,912,419</b>	<b>43,063,814</b>
<b>3.5 Investment in lease / izara finance</b>		
Lease rental receivable within 1 year	340,096,089	188,122,607
Lease rental receivable within more than 1 year	106,669,908	46,952,105
<b>Total lease/ izara rental receivable</b>	<b>446,765,998</b>	<b>235,074,712</b>
Less: unearned interest receivable	-	14,461,517
<b>Net investment in lease/izara finance</b>	<b>446,765,998</b>	<b>220,613,195</b>
<b>3.6 Investments on the basis of significant concentration including bills purchased &amp; discounted</b>		
a. Investments to allied concerns of Directors;		-
b. Investments to Chief Executive		-
c. Investments to Other Senior Executives		1,594,085
d. <u>Investments to Customer's Group:</u>		
Agriculture investments		-
Commercial lending		4,138,031,390
Export financing	28,997,741	182,472,085
Consumer credit scheme	48,204,528	37,976,889
Special Program Loan (SME)	118,817,648	385,324,282
Staff investments	402,676,883	38,561,715
Others	38,528,510	251,932,915
	<b>4,598,740,245</b>	<b>5,235,965,555</b>
	<b>5,235,965,555</b>	<b>5,035,893,361</b>
<b>3.7 Investments under the following broad categories</b>		
Investments		
Bai Murabaha/ Bai Muajjal	1,312,088,326	3,637,466,345
	<b>3,891,964,810</b>	<b>1,355,363,201</b>
Bills Purchased and discounted	5,204,053,137	4,992,829,547
	<b>31,912,419</b>	<b>43,063,814</b>
	<b>5,235,965,555</b>	<b>5,035,893,361</b>

## Hoda Vasi Chowdhury & Co

	31.12.2017 Taka	31.12.2016 Taka
<b>3.8 Industry - wise investments including bills purchased &amp; discounted</b>		
Agricultural Industries	-	-
Pharmaceuticals Industries	-	-
Textile & Garment Industries	1,632,860,634	1,857,158,428
Chemical Industries	815,891,925	12,650,000
Food & allied Industries	205,048,059	205,005,622
Transport & Communication	34,590,826	18,004,266
Electronics & Automobile Industries	-	-
Housing & Construction Industries	280,261,861	199,168,483
Engineering & Metal Industries including Ship Breaking	1,604,691,475	1,622,072,653
Energy & Power Industries	327,625,050	327,625,050
Service Industries	14,955,383	16,721,426
Other Industries	320,040,343	777,487,432
	<b>5,235,965,555</b>	<b>5,035,893,361</b>
<b>3.9 Geographical Location - wise investments</b>		
Dhaka Region	3,249,303,617	2,983,840,452
Chittagong Region	1,986,661,938	2,052,052,909
Sylhet Region	-	-
Other	-	-
	<b>5,235,965,555</b>	<b>5,035,893,361</b>
<b>3.10 Sector - wise investments</b>		
<u>In Bangladesh</u>		
Government & Autonomous bodies	-	-
Financial Institutions (Public & Private)	-	-
Other Public Sector	-	-
Private Sector	5,235,965,555	5,035,893,361
	<b>5,235,965,555</b>	<b>5,035,893,361</b>
Outside Bangladesh	-	-
	<b>5,235,965,555</b>	<b>5,035,893,361</b>
<b>3.11 Classification of investments</b>		
Unclassified (including staff loan)	4,455,485,251	4,781,373,616
Sub-Standard	-	-
Doubtful	-	-
Bad or loss	780,480,304	254,519,745
	<b>5,235,965,555</b>	<b>5,035,893,361</b>
<b>3.12 Provision required for investments</b>		
<u>Status</u>	<b>Rate %</b>	
Unclassified	0.25, 1, 2.5 & 100	5,436,506
Special Mention Account	0.25, 1	226,568
		<b>5,663,074</b>
<u>Classified:</u>		
Sub-Standard	20	-
Doubtful	50	-
Bad or loss	100	348,719,136
		<b>348,719,136</b>
Required provision for investments		<b>127,020,404</b>
Total provision maintained		<b>702,711,030</b>
Excess / short provision as at 31 December		<b>354,382,210</b>
		<b>702,711,030</b>
		-

## Hoda Vasi Chowdhury & Co

### 3.13 Securities against investments including bills purchased & discounted

31.12.2017 Taka	31.12.2016 Taka
--------------------	--------------------

a. **Secured**

Collateral of movable / immovable assets  
Local Banks & Financial Institutions guarantee  
Government Guarantee  
Foreign Banks Guarantee  
Export documents  
**Fixed Deposits Receipts**  
    1 Own FDR  
    2 FDR of Other Banks  
Corporate Guarantee  
Personal Guarantee  
Other Securities

4,747,625,063	3,399,853,865
	43,063,814
	-
	-
3,512,454	-
-	-
146,808,872	-
161,586,079	38,561,715
176,433,087	1,554,413,967
<b>5,235,965,555</b>	<b>5,035,893,361</b>
-	-
<b>5,235,965,555</b>	<b>5,035,893,361</b>

b. **Unsecured**

### 4. Premises and Fixed Assets

Land  
Building  
Furniture and Fixture including Office decoration  
Office Appliances & Equipment  
Computer  
Software  
Bank's Vehicle  
  
Less: Accumulated depreciation

-	277,000
-	24,323,000
7,026,510	5,030,760
18,676,224	12,128,950
3,368,164	3,196,164
421,959	421,959
2,850,375	2,850,375
<b>32,343,232</b>	<b>48,228,209</b>
18,656,592	22,158,845
<b>13,686,640</b>	<b>26,069,364</b>

### 5. Other Assets

Stationery, stamps, printing materials etc.  
Profit accrued on investment but not collected,  
Advance rent  
Security deposit;  
Preliminary, formation and organization expenses,  
    renovation / development expenses and prepaid expenses  
Branch Adjustments  
Suspense Account  
Others

35,162	74,912
4,233,750	16,935,000
8,770,930	6,744,913
315,000	315,000
779,069	675,894
2,260,453,350	1,205,261,889
190,769	196,408
2,913,021	2,690,912
<b>2,277,691,051</b>	<b>1,232,894,928</b>

### 6. Borrowings From Other Banks, Financial Institutions & Agents

#### Bangladesh Bank refinance

Export development fund  
Mudaraba Refinance

15,937,286	188,961,509
2,003,929,319	-
<b>2,019,866,605</b>	<b>188,961,509</b>



## Hoda Vasi Chowdhury & Co

	31.12.2017 Taka	31.12.2016 Taka
<b>7. Deposits &amp; Other Accounts</b>		
<b>7.1 Current and Other Accounts</b>		
Current Account	130,319,172	102,183,112
Foreign Currency Deposits	3,425,175	2,279,631
Margin under Letter of Credit	6,656,236	12,168,290
Margin under Letter of Guarantee	5,353,238	7,834,178
Deposits Awaiting Disposal	4,241,866	552,331
Sundry Deposit	7,378,518	225,449,644
	<b>157,374,204</b>	<b>350,467,186</b>
<b>7.2 Bills Payable</b>		
Pay Order	29,293,714	30,321,181
Demand Draft	-	-
	<b>29,293,714</b>	<b>30,321,181</b>
<b>7.3 Savings Deposits</b>		
Mudaraba Savings Accounts	<b>505,835,242</b>	<b>404,397,931</b>
<b>7.4 Term Deposits</b>		
Mudaraba Special Notice Deposits	101,595,497	128,707,955
Mudaraba Term Deposits	4,354,815,052	4,928,435,137
Mudaraba Deposit Pension/Hajj Savings Scheme	735,931,851	630,500,895
	<b>5,192,342,399</b>	<b>5,687,643,987</b>
<b>8. Other Liabilities</b>		
Accrued Interest	-	-
Profit Suspense Account	433,738,595	437,193,616
Provision against Expenses	-	-
Finance from OBU for Bill Discounting	38,565	36,840
Tax/VAT deducted at source & payable	6,519,793	4,967,861
Excise Duty Payable	4,845,875	3,784,206
Others	8,492,319	5,735,184
	<b>453,635,147</b>	<b>451,717,708</b>

## Hoda Vasi Chowdhury & Co

	2017 Taka	2016 Taka
<b>9. Profit received from Investment</b>		
Murabaha Term Investment	55,249,928	51,448,227
Investment against Imported Merchandise/Murabaha	384,625	17,696
Investment against MPI Trust Receipt	8,467,052	583,427
Cash Credits / Bai-Murabaha	159,678,684	111,034,163
Murabaha Import Bill (PAD)	-	-
House Building Investment	498,503	398,836
Transport Investment	-	227,703
Hire Purchase/Shirkatul Mulk	66,122,806	44,814,145
<b>Total Profit received from Investment</b>	<b>290,401,597</b>	<b>208,524,197</b>
Fund Placement with banks	-	-
Inter Branch Profit received	288,221,387	336,677,373
	<b>578,622,984</b>	<b>545,201,570</b>
<b>10. Profit Paid On Deposits &amp; Borrowings</b>		
Mudaraba Savings Account	12,380,080	29,405,809
Special Notice Deposits	3,336,748	5,035,590
Term Deposits	286,554,248	267,816,511
Mudaraba Deposit Pension / Hajj Savings Scheme	73,956,443	61,664,484
Inter Branch Profit paid	-	4,322,507
Borrowing & Fund Placement	29,333,184	1,132,096
Profit paid against refinance from Bangladesh Bank	-	-
	<b>405,560,702</b>	<b>369,376,997</b>
<b>11. Commission / Fees, Exchange Earnings &amp; Brokerage</b>		
Commission on L/C	16,968,522	17,041,195
Commission on L/G	872,356	1,457,507
Commission on Remittance / Bills	612,124	293,479
Processing Fee Consumer Loan	152,000	65,500
Other Commission / Fees	13,016,485	4,757,143
Exchange gain including gain from foreign currency dealings	10,842	12,434,032
	<b>31,632,328</b>	<b>36,048,855</b>
<b>12. Other Operating Income</b>		
Profit on Govt. Islamic Bond	930,727	879,375
Postage charge recoveries	424,793	410,932
Incidental charges	1,427,591	1,324,283
Supervision & monitoring charges	15,000	22,325
Management Fees	2,106,302	1,350,449
ATM charges realised	223,700	171,000
Swift charge recoveries	1,240,625	981,125
Recovery from written off investment	-	-
	<b>6,368,738</b>	<b>5,139,489</b>
<b>13. Salary and Allowances</b>		
Basic Salary	11,752,013	10,236,122
Allowances	16,998,225	13,748,985
Bonus & Ex-gratia	3,332,307	1,723,643
Leave Fare Assistance	2,118,200	1,657,473
Gratuity Expense	-	-
Bank's contribution to Provident Fund	1,134,746	1,013,832
	<b>35,335,491</b>	<b>28,380,055</b>

## Hoda Vasi Chowdhury & Co

	2017 Taka	2016 Taka
<b>14. Rent, Taxes, Insurance, Lighting Etc.</b>		
Office Rent	19,462,341	6,956,562
Electricity and Lighting	1,612,702	1,395,998
Regulatory Charges	54,000	170,736
Insurance	3,986,260	2,995,319
	<b>25,115,302</b>	<b>11,518,615</b>
<b>15. Postage, Stamps, Telecommunication Etc.</b>		
Stamps, Postage & Courier	371,092	308,427
Telephone Charges	110,635	179,569
Fax, Internet, Radio Link, & DDN Charges	398,785	295,695
	<b>880,512</b>	<b>783,691</b>
<b>16. Stationery, Printing, Advertisement Etc.</b>		
Table Stationery	248,552	270,281
Printing Stationery	251,600	289,502
Security Stationery	88,718	202,558
Computer Stationery	124,220	106,410
Advertisement	376,355	361,699
	<b>1,089,445</b>	<b>1,230,450</b>
<b>17. Depreciation of Bank's Assets</b>		
Land	-	-
Building	50,673	608,075
Furniture & Fixture	682,918	498,852
Office Appliance & Equipment	3,118,785	2,144,306
Computer	186,471	212,141
Software	12,884	47,702
Motor Vehicle	570,075	522,569
	<b>4,621,806</b>	<b>4,033,644</b>
<b>18. Repair &amp; Maintenance of Bank's Assets</b>		
Office Premises	682,916	234,102
Office Equipment	646,183	326,723
Office Furniture	6,700	23,000
Motor Vehicle	49,062	32,700
Computer & Office Appliances	187,500	451,355
	<b>1,572,361</b>	<b>1,067,880</b>
<b>19. Other Expenses</b>		
Contractual Service Charge	5,702,064	4,062,563
Petrol, Oil and Lubricants	238,800	226,070
Entertainment: canteen & other	415,264	386,828
Donations	-	600,000
Travelling	171,122	140,136
Conveyance	169,654	152,129
Training Expenses	327,799	51,750
Books and Papers	14,809	13,718
WASA Charges	13,520	82,320
Staff Uniform	38,894	31,510
Potted Plants	108,000	81,000
Legal expenses	-	-
ATM Network Service Charges	230,250	275,000
Miscellaneous expenses	27,000	30,000
	<b>7,457,176</b>	<b>6,133,024</b>

**Dhaka Bank Limited (Off-Shore Banking Unit)  
Balance Sheet  
As at 31 December 2017**

Notes	31.12.2017		31.12.2016	
	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>	<b>3,350,234</b>	<b>277,064,344</b>	<b>1,080,001</b>	<b>85,320,047</b>
In Bangladesh	-	-	-	-
Outside Bangladesh	3,350,234	277,064,344	1,080,001	85,320,047
<b>Money at call on short notice</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Investments</b>				
Government	-	-	-	-
Others	-	-	-	-
<b>Loans, advances and lease/investments</b>	<b>40,623,530</b>	<b>3,359,565,907</b>	<b>17,981,726</b>	<b>1,420,556,382</b>
Loans, cash credits, overdrafts, etc./Investments	39,015,614	3,226,591,251	16,886,732	1,334,051,825
Bills purchased and discounted	1,607,916	132,974,656	1,094,994	86,504,557
<b>Fixed assets including premises, furniture and fixtures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other assets</b>	<b>161,960,636</b>	<b>13,394,144,624</b>	<b>70,828,423</b>	<b>5,595,445,423</b>
<b>Non-banking assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>205,934,400</b>	<b>17,030,774,875</b>	<b>89,890,150</b>	<b>7,101,321,852</b>
<b>LIABILITIES AND CAPITAL</b>				
<b>Liabilities</b>				
Borrowings from other banks, financial institutions and agents	77,765,577	6,431,213,181	10,682,770	843,938,814
<b>Deposits and other accounts</b>	<b>8,669,684</b>	<b>716,982,876</b>	<b>12,027,664</b>	<b>950,185,490</b>
Current accounts & other accounts	7,314,895	604,941,825	11,135,025	879,666,969
Bills payable	4,811	397,892	-	-
Other deposits	1,349,978	111,643,158	892,640	70,518,521
<b>Other liabilities</b>	<b>114,843,827</b>	<b>9,497,584,472</b>	<b>64,684,616</b>	<b>5,110,084,677</b>
<b>Total Liabilities</b>	<b>201,279,087</b>	<b>16,645,780,528</b>	<b>87,395,050</b>	<b>6,904,208,981</b>
<b>Capital/Shareholders' Equity</b>				
Paid-up capital	-	-	-	-
Statutory reserve	-	-	-	-
Other reserve	-	-	-	-
Surplus in Profit and Loss Account	4,655,313	384,994,347	2,495,100	197,112,871
<b>Total Shareholders' Equity</b>	<b>4,655,313</b>	<b>384,994,347</b>	<b>2,495,100</b>	<b>197,112,871</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>205,934,400</b>	<b>17,030,774,875</b>	<b>89,890,150</b>	<b>7,101,321,852</b>

## Hoda Vasi Chowdhury & Co

### Off-Balance Sheet Items

Notes	31.12.2017		31.12.2016	
	USD	Taka	USD	Taka
<b>CONTINGENT LIABILITIES</b>				
8				
Acceptances and Endorsements	25,447,490	2,104,507,382	12,037,463	950,959,546
Irrevocable Letters of Credit	14,325,457	1,184,715,281	12,593,801	994,910,240
Letter of Guarantee	-	-	-	-
Bills for Collection	20,149,565	1,666,369,065	6,851,349	541,256,599
Other Contingent Liabilities	-	-	-	-
<b>Sub-total:</b>	<b>59,922,512</b>	<b>4,955,591,727</b>	<b>31,482,612</b>	<b>2,487,126,386</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>59,922,512</b>	<b>4,955,591,727</b>	<b>31,482,612</b>	<b>2,487,126,386</b>

These Financial Statements should be read in conjunction with the annexed notes 1 to 16.

Managing Director & CEO

Director

Director

Chairman

See the annexed report of even date

Dhaka,  
26 April 2018

**Hoda Vasi Chowdhury & Co**  
Chartered Accountants



**Dhaka Bank Limited (Off-Shore Banking Unit)  
Profit and Loss Account  
For the year ended 31 December 2017**

Notes	2017		2016		
	USD	Taka	USD	Taka	
<b>Operating Income</b>					
Interest Income/Profit Received	9	6,352,602	525,360,210	3,276,174	258,817,750
Interest/Profit paid on Deposits & Borrowing	10	2,507,629	207,380,929	1,190,242	94,029,127
<b>Net Interest Income</b>		<b>3,844,973</b>	<b>317,979,282</b>	<b>2,085,932</b>	<b>164,788,623</b>
Income from Investment		-	-	-	-
Commission/Fees & Exchange Earnings	11	903,323	74,704,787	593,773	46,908,045
Other Operating Income	12	102,653	8,489,390	76,962	6,080,026
<b>Total Operating Income (A)</b>		<b>4,850,949</b>	<b>401,173,459</b>	<b>2,756,667</b>	<b>217,776,694</b>
<b>OPERATING EXPENSES</b>					
Salary and allowances		104,011	8,601,672	178,020	14,063,580
Rent, taxes, insurance, electricity, etc.		5,491	454,073	8,970	708,630
Legal expenses		-	-	3,600	284,400
Postage, stamps, telecommunication, etc.		10,377	858,170	6,960	549,840
Stationery, printing, advertisement, etc.		1,204	99,604	21,840	1,725,360
Chief executive's salary and fees		-	-	-	-
Directors' fees		-	-	-	-
Auditors' fees		-	-	-	-
Depreciation and repairs of Bank's assets		64,111	5,302,013	18,930	1,495,470
Other expenses	13	10,442	863,580	23,247	1,836,543
<b>Total operating expenses (b)</b>		<b>195,636</b>	<b>16,179,112</b>	<b>261,567</b>	<b>20,663,823</b>
<b>Profit / (Loss) Before Provision (C) = (A - B)</b>		<b>4,655,313</b>	<b>384,994,347</b>	<b>2,495,100</b>	<b>197,112,871</b>
Less: Provision for Loans (D)		234,463	19,390,095	179,817	14,205,564
<b>Total Profit/(Loss) before Tax (C-D)</b>		<b>4,420,849</b>	<b>365,604,252</b>	<b>2,315,282</b>	<b>182,907,307</b>
Less: Provision for Income Tax		-	-	-	-
<b>Net Profit / (Loss) after Tax :</b>		<b>4,420,849</b>	<b>365,604,252</b>	<b>2,315,282</b>	<b>182,907,307</b>

These Financial Statements should be read in conjunction with the annexed notes 1 to 16.

Managing Director & CEO

Director

Director

Chairman

See the annexed report of even date

Dhaka,  
26 April 2018

**Hoda Vasi Chowdhury & Co**  
Chartered Accountants

# Hoda Vasi Chowdhury & Co

## Dhaka Bank Limited (Off-Shore Banking Unit) Cash Flow Statement For the year ended 31 December 2017

Notes	2017		2016	
	USD	Taka	USD	Taka
<b>Cash Flow from Operating Activities</b>				
Interest receipts	6,352,602	525,360,210	3,276,174	258,817,750
Interest payments	(2,507,629)	(207,380,929)	(1,190,242)	(94,029,127)
Receipts from other operating activities	1,005,976	83,194,177	670,735	52,988,071
Payments for other operating activities	(195,636)	(16,179,112)	(261,567)	(20,663,823)
<b>Operating profit before changes in current assets &amp;</b>	<b>4,655,313</b>	<b>384,994,347</b>	<b>2,495,100</b>	<b>197,112,871</b>
<b>Changes in operating assets and liabilities</b>				
Other banks	(2,318,553)	(191,744,298)	5,534,541	437,228,711
Loans and advances to customers	(23,446,306)	(1,939,009,525)	(8,077,669)	(638,135,864)
Other assets	(94,301,079)	(7,798,699,200)	(48,688,176)	(3,846,365,888)
Deposits & Borrowings from other banks	67,560,754	5,587,274,366	(5,918,249)	(467,541,643)
Deposits from customers	(2,819,862)	(233,202,614)	2,838,446	224,237,198
Other liabilities account of customers	-	-	-	-
Other liabilities	53,053,202	4,387,499,795	53,274,910	4,208,717,867
<b>Net cash flow from operating activities (A)</b>	<b>2,383,469</b>	<b>197,112,871</b>	<b>1,458,902</b>	<b>115,253,252</b>
<b>Cash Flow from Investing Activities</b>				
	-	-	-	-
<b>Cash Flow from Financing Activities</b>				
Profit/Loss remitted to Head Office	(2,383,469)	(197,112,871)	(1,458,902)	(115,253,252)
<b>Net cash in financing activities</b>	<b>(2,383,469)</b>	<b>(197,112,871)</b>	<b>(1,458,902)</b>	<b>(115,253,252)</b>
<b>Net increase / (Decrease) in cash (A+B+C)</b>	-	-	-	-
Opening cash & cash equivalent	-	-	-	-
Closing cash & cash equivalent	-	-	-	-
<b>Closing cash &amp; cash equivalents</b>				
Cash in Hand	-	-	-	-
Balance with Bangladesh Bank & Sonali Bank	-	-	-	-
Balance with other banks & Financial Institutions	-	-	-	-
Money at call & Short Notice	-	-	-	-
Prize Bond	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

These Financial Statements should be read in conjunction with the annexed notes 1 to 16.

Managing Director & CEO

Director

Director

Chairman

See the annexed report of even date

Dhaka,  
26 April 2018

Hoda Vasi Chowdhury & Co  
Chartered Accountants

Dhaka Bank Limited (Off-shore Banking Unit)  
Liquidity Statement  
(Asset and Liability Maturity Analysis)  
As at 31 December 2017

	Upto 01 month		1 - 3 months		3 - 12 months		1 - 5 years		More than 5 years		Total	
	USD	Taka	USD	Taka	USD	Taka	USD	Taka	USD	Taka	USD	Taka
<b>Assets:</b>												
Cash in hand	-	-	-	-	-	-	-	-	-	-	-	-
Balance with other banks and financial institutions	3,350,234	277,064,344	-	-	-	-	-	-	3,350,234	277,064,344	-	-
Money at call on short notice	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-
Loans and Advances	3,498,214	289,302,297	16,450,820	1,360,482,778	11,410,655	943,661,157	9,263,841	766,119,676	40,623,530	3,359,565,907	-	-
Fixed assets including premises, furniture and other assets	-	-	-	-	161,960,636	13,394,144,624	-	-	161,960,636	13,394,144,624	-	-
Non-banking assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>6,848,448</b>	<b>566,366,641</b>	<b>16,450,820</b>	<b>1,360,482,778</b>	<b>173,371,291</b>	<b>14,337,805,781</b>	<b>9,263,841</b>	<b>766,119,676</b>	<b>205,934,400</b>	<b>17,030,774,875</b>		
<b>Liabilities:</b>												
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	-	-	-	-	(77,765,577)	(6,431,213,181)	-	-	-	-	(77,765,577)	(6,431,213,181)
Deposits & Other Accounts	(7,644,923)	(642,159,132)	-	-	(904,761)	(74,823,744)	-	-	(8,669,684)	(716,982,876)	-	-
Other liabilities	(713,047)	(58,968,954)	(111,988,978)	(9,261,488,449)	(2,141,803)	(177,127,069)	-	-	(11,484,382)	(9,497,584,472)	-	-
Capital & Reserve	-	-	-	-	-	-	(4,655,313)	(384,994,347)	(4,655,313)	(384,994,347)	-	-
<b>Total Liabilities</b>	<b>(8,477,970)</b>	<b>(701,128,086)</b>	<b>(111,988,978)</b>	<b>(9,261,488,449)</b>	<b>(80,812,140)</b>	<b>(6,683,163,993)</b>	<b>(4,655,313)</b>	<b>(384,994,347)</b>	<b>(205,934,400)</b>	<b>(17,030,774,875)</b>		
<b>Net Liquidity Gap</b>	<b>(1,629,522)</b>	<b>(134,761,445)</b>	<b>(95,538,158)</b>	<b>(7,901,005,671)</b>	<b>92,559,151</b>	<b>7,654,641,787</b>	<b>4,608,529</b>	<b>381,125,329</b>	<b>(0)</b>	<b>(0)</b>		
<b>Cumulative Liquidity Gap</b>	<b>(1,629,522)</b>	<b>(134,761,445)</b>	<b>(97,167,680)</b>	<b>(8,035,767,116)</b>	<b>(4,608,529)</b>	<b>(381,125,329)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>		

**Dhaka Bank Limited ( Off-shore Banking Unit)**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**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. Currently, the Bank has two OBUs in DEPZ & CEPZ. The Bank obtained DEPZ 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.

The Bank obtained CEPZ Offshore Banking Unit permission vide letter no. BRPD (P-3)744(92)/2017-123 dated January 05, 2017. The Bank commenced the operation of its CEPZ Offshore Banking Unit with effect from February 12, 2017.

**2 Significant Accounting Policy**

**2.1 Basis of accounting**

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

**2.2 Allocation of common expenses**

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

31.12.2017		31.12.2016	
USD	Taka	USD	Taka

**3 Loans and Advances**

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

**In Bangladesh**

Overdraft	6,411,604	530,239,612	2,781,180	219,713,252
Term Loan	11,787,712	974,843,807	6,753,412	533,519,512
Short Term Loan	-	-	-	-
Loan against Accepted Bills	396,385	32,781,040	474,516	37,486,793
Loan against Trust Receipt	-	-	-	-
Payment against Documents	-	-	-	-
Other Loans	20,419,913	1,688,726,793	6,877,624	543,332,267
	<b>39,015,614</b>	<b>3,226,591,251</b>	<b>16,886,732</b>	<b>1,334,051,825</b>

**Outside Bangladesh**

Sub-total **39,015,614** **3,226,591,251** **16,886,732** **1,334,051,825**

**3.2 Bills Purchased & Discounted**

**Payable in Bangladesh:**

Inland bills purchased

**Payable outside Bangladesh:**

Foreign bills purchased & discounted

	1,607,916	132,974,656	1,094,994	86,504,557
	-	-	-	-
Sub-total	<b>1,607,916</b>	<b>132,974,656</b>	<b>1,094,994</b>	<b>86,504,557</b>

**Total** **40,623,530** **3,359,565,907** **17,981,726** **1,420,556,382**

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

Repayable on Demand	3,498,214	289,302,297	3,375,021	266,626,659
Not more than 3 months	16,450,820	1,360,482,778	5,973,379	471,896,909
More than 3 months but not more than 1 year	11,410,655	943,661,157	899,149	71,032,768
More than 1 year but not more than 5 years	9,263,841	766,119,676	1,505,560	118,939,217
More than 5 years	-	-	6,228,618	492,060,830
	<b>40,623,530</b>	<b>3,359,565,907</b>	<b>17,981,726</b>	<b>1,420,556,382</b>

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

Payable within 1 month	922,184	76,264,647	539,663	42,633,367
Over 1 month but less than 3 months	685,732	56,710,009	555,332	43,871,190
Over 3 months but less than 6 months	-	-	-	-
6 months or more	-	-	-	-
	<b>1,607,916</b>	<b>132,974,656</b>	<b>1,094,994</b>	<b>86,504,557</b>

## Hoda Vasi Chowdhury & Co

31.12.2017		31.12.2016	
USD	Taka	USD	Taka

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

a. Advances to allied concerns of Directors	-	-	-	-
b. Advances to Chief Executive	-	-	-	-
c. Advances to Other Senior Executives	-	-	-	-
d. <u>Advances to Customer's Group:</u>				
Agriculture loan	-	-	-	-
Commercial lending	-	-	16,364,796	1,292,818,878
Export financing	1,607,916	132,974,656	1,094,695	86,480,911
Consumer credit scheme	-	-	-	-
Small and Medium Enterprise (SME)	-	-	-	-
Staff Loan	-	-	-	-
Others	-	-	-	-
	<b>39,015,614</b>	<b>3,226,591,251</b>	<b>522,235</b>	<b>41,256,593</b>
	<b>40,623,530</b>	<b>3,359,565,907</b>	<b>17,981,726</b>	<b>1,420,556,382</b>

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

Agricultural	-	-	-	-
Pharmaceuticals	-	-	-	-
Textile & Garment	-	-	-	-
Chemical	32,794,605	2,712,113,795	13,047,237	1,030,731,690
Food & allied	-	-	-	-
Transport & Communication	-	-	-	-
Electronics & Automobile	-	-	524,793	41,458,682
Housing & Construction	-	-	-	-
Engineering & Metal Industries including Ship	-	-	-	-
Breaking	-	-	-	-
Energy & Power	-	-	-	-
Service	-	-	-	-
Others	-	-	-	-
	<b>7,828,925</b>	<b>647,452,112</b>	<b>4,409,696</b>	<b>348,366,009</b>
	<b>40,623,530</b>	<b>3,359,565,907</b>	<b>17,981,726</b>	<b>1,420,556,382</b>

### 3.7 Geographical Location - wise Loans and Advances

Dhaka Region	40,469,932	3,346,863,389	17,981,726	1,420,556,382
Chittagong Region	153,598	12,702,518	-	-
South Region	-	-	-	-
North Region	-	-	-	-
Sylhet Region	-	-	-	-
Other	-	-	-	-
	<b>40,623,530</b>	<b>3,359,565,907</b>	<b>17,981,726</b>	<b>1,420,556,382</b>

### 3.8 Sector wise loans

In Bangladesh				
Government & Autonomous bodies	-	-	524,793	41,458,682
Financial Institutions (Public & Private)	-	-	-	-
Other Public Sector	-	-	-	-
Private Sector	-	-	-	-
	<b>40,623,530</b>	<b>3,359,565,907</b>	<b>17,456,933</b>	<b>1,379,097,700</b>
Outside Bangladesh	-	-	-	-
	<b>40,623,530</b>	<b>3,359,565,907</b>	<b>17,981,726</b>	<b>1,420,556,382</b>

### 3.9 Classification of loans & advances

Unclassified (including staff loan)	40,623,530	3,359,565,907	17,981,726	1,420,556,382
Sub-Standard	-	-	-	-
Doubtful	-	-	-	-
Bad or loss	-	-	-	-
	<b>40,623,530</b>	<b>3,359,565,907</b>	<b>17,981,726</b>	<b>1,420,556,382</b>



## Hoda Vasi Chowdhury & Co

31.12.2017		31.12.2016	
USD	Taka	USD	Taka

### 3.10 Provision required for loans and advances

Status	Rate%
Unclassified	0.25,1,2 & 5
Special Mention Account	0.25,1,2 & 5

#### Classified:

Sub-Standard	20
Doubtful	50
Bad or loss	100

Required provision for loans & advances

Total provision maintained

Excess / short provision as at 31 December

406,235	33,595,659	179,817	14,205,564
-	-	-	-
<b>406,235</b>	<b>33,595,659</b>	<b>179,817</b>	<b>14,205,564</b>
-	-	-	-
-	-	-	-
-	-	-	-
<b>406,235</b>	<b>33,595,659</b>	<b>179,817</b>	<b>14,205,564</b>
<b>406,235</b>	<b>33,595,659</b>	<b>179,817</b>	<b>14,205,564</b>
-	-	-	-

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

#### a. Secured

Collateral of movable / immovable assets	-	16,886,732	1,334,051,825
Local Banks & Financial Institutions guarantee	-	1,094,994	86,504,557
Government Guarantee	-	-	-
Foreign Banks Guarantee	-	-	-
Export documents	-	-	-
<b>Fixed Deposits Receipts</b>	-	-	-
1 Own FDR	-	-	-
2 FDR of Other Banks	-	-	-
Personal Guarantee	2,851,431	235,813,369	-
Corporate Guarantee	31,359,688	2,593,446,232	-
Other Securities	6,412,410	530,306,307	-

#### b. Unsecured

-	-	-	-
<b>40,623,530</b>	<b>3,359,565,907</b>	<b>17,981,726</b>	<b>1,420,556,382</b>

### 3.12 Particulars of Loans and Advances

(i) Loans considered good in respect of which the bank company is fully secured;	37,772,098	3,123,752,539	16,886,732	1,334,051,825
(ii) Loans considered good against which the banking company holds no security other than the debtor's personal guarantee;	2,900,533	235,813,369	-	-
(iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors;	-	-	1,094,994	86,504,557
(iv) Loans adversely classified; provision not maintained there against;	-	-	-	-
(v) Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons;	-	-	-	-
(vi) Loans due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members;	-	-	-	-

## Hoda Vasi Chowdhury & Co

	31.12.2017		31.12.2016	
	USD	Taka	USD	Taka
(vii) Maximum total amount of advances including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person;	-	-	-	-
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members;	-	-	-	-
(ix) Due from banking companies;	-	-	-	-
(x) Amount of classified loan on which interest has not been charged, should be mentioned as follows:	-	-	-	-
a) Decrease / increase in provision;	-	-	-	-
b) Amount realized against loan previously written off;	-	-	-	-
c) Amount of provision kept against loan classified as "bad/loss" on the date of preparing the balance sheet;	-	-	-	-
d) Interest creditable to the Interest Suspense A/c;	-	-	-	-
(xi) Cumulative amount of the written off loan;	2,893,053	239,255,443	3,028,550	239,255,443

#### 4 Other Assets

Accrued Interest	-	-	-	-
Advance Payment against Deferred LC	-	-	-	-
Prepaid Expenses	-	-	-	-
Finance to AD Branches for IBP (See Note-9.6.2.a)	26,580,366	2,198,196,309	25,625,350	2,024,402,632
Finance to AD Branches for Import Bill Discounting (See Note-9.6.2.b)	135,380,270	11,195,948,315	45,203,073	3,571,042,791
Branch Adjustment	-	-	-	-
	<b>161,960,636</b>	<b>13,394,144,624</b>	<b>70,828,423</b>	<b>5,595,445,423</b>

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

	<b>77,765,577</b>	<b>6,431,213,181</b>	<b>10,682,770</b>	<b>843,938,814</b>
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#### 5.1 Maturity grouping of Borrowings

	31.12.2017		31.12.2016	
	USD	Taka	USD	Taka
Repayable on demand	-	-	-	-
Repayable within 1 month	-	-	-	-
Over 1 month but within 6 months	-	-	-	-
Over 6 months but within 1 year	77,765,577	6,431,213,181	10,682,770	843,938,814
Over 1 year but within 5 years	-	-	-	-
	<b>77,765,577</b>	<b>6,431,213,181</b>	<b>10,682,770</b>	<b>843,938,814</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.

## Hoda Vasi Chowdhury & Co

	31.12.2017		31.12.2016	
	USD	Taka	USD	Taka
<b>6 Deposits and Other Accounts</b>				
<b>6.1 Current and Other Accounts</b>				
Foreign Currency Deposits	7,314,895	604,941,825	11,135,025	879,666,969
<b>6.2 Bills Payable</b>	4,811	397,892	-	-
<b>6.3 Other deposit</b>				
Margin under L/C	97,585	8,070,310	81,638	6,449,411
Term Deposit	904,761	74,823,744	402,678	31,811,545
Deposits Awaiting Disposal	347,631	28,749,104	408,324	32,257,566
Sundry Deposit	-	-	-	-
	<b>1,349,978</b>	<b>111,643,158</b>	<b>892,640</b>	<b>70,518,521</b>
	<b>8,669,684</b>	<b>716,982,876</b>	<b>12,027,664</b>	<b>950,185,490</b>
<b>6.4 Maturity grouping of deposits and other accounts</b>				
Repayable on demand	7,764,923	642,159,132	11,624,987	918,373,946
Repayable within 1 month	-	-	-	-
Over 1 month but within 6 months	-	-	-	-
Over 6 months but within 1 year	904,761	74,823,744	402,678	31,811,545
Over 1 year but within 5 years	-	-	-	-
Over 5 years but within 10 years	-	-	-	-
	<b>8,669,684</b>	<b>716,982,876</b>	<b>12,027,664</b>	<b>950,185,490</b>
<b>7 Other Liabilities</b>				
Accrued Interest	-	-	-	-
Finance from Bill Discounting	2,141,803	177,127,069	891,696	70,443,948
Refinance by SWAP Woori Bank	-	-	-	-
Import Payment Suspense	143,862	11,897,392	-	-
Export proceeds suspense	520,194	43,020,044	1,003,596	79,284,078
Interest Suspense Account	-	-	16,678	1,317,569
Tax deducted at source & payable	48,991	4,051,519	27,481	2,170,988
Provision against Expenses	-	-	-	-
Branch Adjustment	111,988,978	9,261,488,449	62,745,166	4,956,868,094
	<b>114,843,827</b>	<b>9,497,584,472</b>	<b>64,684,616</b>	<b>5,110,084,677</b>
<b>8 Contingent Liabilities</b>				
Acceptance & Endorsement	25,447,490	2,104,507,382	12,037,463	950,959,546
Letters of Credit	14,325,457	1,184,715,281	12,593,801	994,910,240
Letters of Guarantee	-	-	-	-
Bills for Collection	20,149,565	1,666,369,065	6,851,349	541,256,599
Other Contingent Liabilities	-	-	-	-
	<b>59,922,512</b>	<b>4,955,591,727</b>	<b>31,482,612</b>	<b>2,487,126,386</b>
	<b>01-Jan-2017 to 31-Dec-2017</b>	<b>01-Jan-2016 to 31-Dec-2016</b>	<b>USD</b>	<b>Taka</b>
<b>9 Interest Income</b>				
Interest on Advances	6,352,602	525,360,210	3,276,174	258,817,750
Interest on Money at call and short Notice	-	-	-	-
Call Lending and Fund Placement with banks	-	-	-	-
Accounts with Foreign Banks	-	-	-	-
	<b>6,352,602</b>	<b>525,360,210</b>	<b>3,276,174</b>	<b>258,817,750</b>
<b>10 Interest / Profit Paid On Deposits &amp; Borrowings</b>				
Term Deposits	6,047	500,051	4,042	319,316
Fund Borrowings	1,874,957	155,058,983	391,333	30,915,328
Inter Branch Interest paid	626,625	51,821,894	794,867	62,794,483
	<b>2,507,629</b>	<b>207,380,929</b>	<b>1,190,242</b>	<b>94,029,127</b>

## Hoda Vasi Chowdhury & Co

	01-Jan-2017 to 31-Dec-2017		01-Jan-2016 to 31-Dec-2016	
	USD	Taka	USD	Taka
<b>11 Commission / Fees and Exchange Earnings</b>				
Commission/ Fees Income	880,041	72,779,367	552,903	43,679,331
Exchange gain including gain form foreign currency dealings	23,282	1,925,420	40,869.80	3,228,714
	<b>903,323</b>	<b>74,704,787</b>	<b>593,773</b>	<b>46,908,045</b>
<b>12 Other Operating Income</b>				
Postage Charge Recoveries	24,505	2,026,548	24,113	1,904,906
Swift Charge Recoveries	77,235	6,387,370	52,850	4,175,120
Other Fees	913	75,472	-	-
	<b>102,653</b>	<b>8,489,390</b>	<b>76,962</b>	<b>6,080,026</b>
<b>13 Other expenses</b>				
Contractual service charge	3,272	270,615	7,992	631,398
Petrol, oil and lubricants (vehicle & generator)	2,764	228,585	3,900	308,100
Entertainment (canteen & other)	2,033	168,100	3,690	291,510
Travelling	-	-	-	-
Conveyance	503	41,568	1,095	86,505
Training expenses	-	-	4,000	316,000
Books and papers	-	-	285	22,515
Staff uniform	-	-	-	-
Potted plants	-	-	1,110	87,690
Business development & promotion	1,270	105,001	-	-
Other Charges	601	49,711	1,175	92,825
	<b>10,442</b>	<b>863,580</b>	<b>23,247</b>	<b>1,836,543</b>
<b>14 Cash Received from Other Operating Activities</b>				
Commission & Exchange	903,323	74,704,787	593,773	46,908,045
Other Operating Income	102,653	8,489,390	76,962	6,080,026
	<b>1,005,976</b>	<b>83,194,177</b>	<b>670,735</b>	<b>52,988,071</b>
<b>15 Cash Paid for Other Operating Activities</b>				
Office Operating Expenses	<b>(195,636)</b>	<b>(16,179,112)</b>	<b>(261,567)</b>	<b>(20,663,823)</b>
<b>16 General</b>				
16 Fixed Assets of this unit are appearing in the books of the main operation of the bank and depreciation is also charged to Profit & Loss Account of the main operation of the bank.				
16 Assets and liabilities have been converted into Taka Currency @ US\$ 1 = Tk. 82.70, GBP=95.4143, Euro = 108.8207 (2016 : Us \$ 1 = Tk 79.00) which represents the period end mid rate of exchange as at 31 December 2017.				
16 Previous year's figures have been rearranged, where considered necessary, to conform to current year's presentation.				

**DHAKA BANK SECURITIES LIMITED**

Statement of Financial Position  
As on December 31, 2017

	Notes	31.12.2017 Taka	31.12.2016 Taka
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant & equipments	04	985,704,391	986,972,659
Intangible asset	05	6,488,239	7,724,270
Investment in un-quoted shares	06	-	-
Deferred tax asset	13	977,077,770	977,077,770
		2,138,382	2,170,618
<b>Current assets</b>			
Cash and bank balances	07	4,448,167,614	3,958,009,281
Investment in quoted shares	08	188,576,888	184,381,826
Margin loan	09	1,881,629,593	1,500,440,363
Accounts receivable	10	2,088,210,237	2,057,523,809
Advance income tax	11	93,335,781	46,405,391
Advance, prepayments & other receivables	12	161,326,341	112,325,964
		35,088,774	56,931,927
<b>Total assets</b>		<b>5,433,872,005</b>	<b>4,944,981,940</b>
<b>EQUITY AND LIABILITES</b>			
<b>Equity</b>			
Paid up capital	14	2,056,539,337	1,948,466,042
Investment fluctuation fund	15	1,801,800,000	1,716,000,000
Retained earnings	16	33,700,000	25,900,000
		221,039,337	206,566,042
<b>Liabilities</b>			
<b>Current liabilities</b>			
Short-term loans from bank and NBFI	17	3,377,332,668	2,996,515,898
Accounts payable	18	2,337,592,550	2,113,441,442
Provision for income tax	19	218,730,867	175,470,262
Provision for unrealized losses	20	180,895,067	129,878,773
Other liabilities	21	583,760,904	503,173,973
		56,353,280	74,551,448
<b>Total liabilities</b>		<b>3,377,332,668</b>	<b>2,996,515,898</b>
<b>Total equity and liabilities</b>		<b>5,433,872,005</b>	<b>4,944,981,940</b>

The annexed notes from 1 to 39 form an integral part of these financial statements.

See annexed report of even date



**DHAKA BANK SECURITIES LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income**  
For the year ended on 31 December 2017

Particulars	Note	2017 Taka	2016 Taka
<b>Operating income</b>			
Net brokerage commission income	22	120,269,514	69,763,477
Gain on investments in shares	23	156,364,428	114,293,649
Dividend on shares	23	54,064,332	52,455,591
Net interest income	24	707,154	828,490
Fees & other income	25	1,059,799	874,258
<b>Total operating income (A)</b>		<b>332,465,228</b>	<b>238,215,466</b>
<b>Operating expenses</b>			
Salary & allowances	26	42,148,640	32,834,624
Rent, taxes, insurance, electricity etc.	27	14,984,035	18,567,982
Legal & professional expenses	28	1,429,750	397,000
Postage, stamp, telecommunication etc.	29	811,443	610,064
Stationery, printing, advertisement etc.	30	1,912,203	1,192,067
Directors' fee & meeting expenses	31	1,173,306	938,814
Audit fees	32	287,500	287,500
Repair & maintenance of assets	33	5,865,340	6,371,664
Other expenses	34	9,690,378	8,404,428
Depreciation and amortization	35	2,113,740	3,633,135
<b>Total operating expenses (B)</b>		<b>80,416,335</b>	<b>73,237,278</b>
<b>Profit/(Loss) before provision (C)= (A-B)</b>		<b>252,048,893</b>	<b>164,978,188</b>
<b>Less: Provisions for unrealized losses (D)</b>			
Provision against unrealized loss in portfolio		50,000,000	25,000,000
Provision against unrealized loss in margin loan accounts		30,000,000	25,000,000
		80,000,000	50,000,000
<b>Profit/(Loss) before tax (E)= (C-D)</b>		<b>172,048,893</b>	<b>114,978,188</b>
<b>Less: Provision for income tax</b>			
Current tax:			
Current year		51,016,293	34,341,920
Prior year		12,927,069	-
Deferred tax		63,943,362	34,341,920
		32,236	(414,295)
<b>Net Profit/(Loss) after tax :</b>		<b>108,073,295</b>	<b>81,050,564</b>

The annexed notes from 1 to 39 form an integral part of these financial statements.

See annexed report of even date

**DHAKA BANK SECURITIES LIMITED**

Statement of Cash Flows  
For the Period ended on December 31, 2017

	2017 Taka	2016 Taka
<b>a. Cash flows from operating activities</b>		
Net income	172,048,893	114,978,188
Adjustment for:		
Depreciation and amortization expenses	2,113,740	3,633,135
<b>Cash generated from operating activities before changes in operating assets and liabilities:</b>	<b>174,162,633</b>	<b>118,611,323</b>
<b>Increase/(Decrease) in operating liabilities:</b>		
Accounts payable	43,260,605	(73,075,681)
Accrued expenses & other liabilities	(18,198,168)	(38,246,310)
Provision for unrealized losses	80,586,931	50,657,251
<b>(Increase)/Decrease in operating assets:</b>		
Accounts receivable	(46,930,390)	(28,381,037)
Income Tax Paid	(61,927,446)	(46,857,164)
Advances & prepayments	21,843,153	(30,881,901)
<b>Net cash flow from operating activities</b>	<b>18,634,685</b>	<b>(166,784,842)</b>
	<b>192,797,318</b>	<b>(48,173,518)</b>
<b>b. Cash flows from investing activities</b>		
Purchase of property, plant & equipment	(877,708)	(1,487,036)
Encashment of/(Investment) in shares/securities	(381,189,229)	(203,681,983)
(Increase)/Decrease in margin loan	(30,686,428)	345,262,263
<b>Net cash flow from investing activities</b>	<b>(412,753,365)</b>	<b>140,093,244</b>
<b>c. Cash flow from financing activities</b>		
Enhancement/(repayment) of loan from DBL	324,151,108	(145,656,257)
Enhancement/(repayment) of loan from UFL	(100,000,000)	-
<b>Net cash flows from financing activities</b>	<b>224,151,108</b>	<b>(145,656,257)</b>
<b>Net surplus/(use) in cash &amp; bank balances for the period (a+b+c)</b>	<b>4,195,061</b>	<b>(53,736,532)</b>
<b>Cash &amp; bank balance at beginning of the period</b>	184,381,826	238,118,358
<b>Cash &amp; bank balance at the end of the period</b>	<b>188,576,887</b>	<b>184,381,826</b>

The annexed notes from 1 to 39 form an integral part of these financial statements.

See annexed report of even date

**DHAKA BANK SECURITIES LIMITED**  
Statement of Changes in Equity  
For the period ended December 31, 2017

Particulars	Figure in Taka			
	Share capital	Investment fluctuation fund	Retained earnings	Total equity
Balance as on January 01, 2017	1,716,000,000	25,900,000	206,566,042	1,948,466,042
Net profit/(loss) For the Period	-	-	108,073,295	108,073,295
Transfer to investment fluctuation fund	-	7,800,000	7,800,000	-
Bonus shares issued	85,800,000	-	(85,800,000)	-
<b>Balance as on December 31, 2017</b>	<b>1,801,800,000</b>	<b>33,700,000</b>	<b>221,039,337</b>	<b>2,056,539,337</b>
Balance as on January 01, 2016	1,560,000,000	20,200,000	287,215,479	1,867,415,479
Net profit/(loss) For the Period	-	-	81,050,564	81,050,564
Transfer to investment fluctuation fund	-	5,700,000	5,700,000	-
Bonus shares issued	156,000,000	-	156,000,000	-
<b>Balance as on December 31, 2016</b>	<b>1,716,000,000</b>	<b>25,900,000</b>	<b>206,566,042</b>	<b>1,948,466,042</b>

The annexed notes from 1 to 39 form an integral part of these financial statements.

See annexed report of even date

**Dhaka Bank Securities Limited**  
**Notes to the Financial Statements**  
**For the year ended on 31 December 2017**

**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 which was converted as a Public Company Limited by Shares in May 2016. The company is the Trading Right Entitlement Certificate (TREC) holder of both of the stock exchanges of the country (TREC No. 193 in DSE and TREC No. 081 in CSE). The Company commenced its business operations from 13 February 2011 as a wholly owned subsidiary of Dhaka Bank Limited.

**1.2 Principal Activities of the Company**

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

<b>Name of Authority</b>	<b>License/Registration No.</b>	<b>Purpose</b>
Bangladesh Securities and	3.1/DSE-193/2011/453	Stock Broker Business
Bangladesh Securities and	3.1/DSE-193/2011/454	Stock Dealer Business
Bangladesh Securities and	3.2/CSE-081/2011/260	Stock Broker Business
Bangladesh Securities and	3.2/CSE -081/2011/261	Stock Dealer Business
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 Regulatory compliance**

In preparation of the Financial Statements, Dhaka Bank Securities Limited complies with the applicable provisions of the following major laws/ statutes:

- The Companies Act, 1994
- The Income Tax Ordinance, 1984
- The Income Tax Rules, 1984
- Negotiable Instruments Act, 1881
- Securities and Exchange Rules, 1987
- Securities and Exchange Commission Act, 1993
- Securities and Exchange Commission (Stock-Dealer, Stock-Broker and Authorized Representatives) Rules, 2000; and
- Other applicable laws and regulations

## **2.4 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.

## **2.5 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.

## **2.6 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

## **2.7 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.



## **2.8 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.

## **2.9 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 Property, Plant and Equipment**

### **.10.1 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.

### **.10.2 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:

<b><u>Name of the Assets</u></b>	<b><u>Rate</u></b>
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

### **2.11 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.

## **2.12 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":

### **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. In case of negative equity margin loan account, interest is credited to suspense account instead of income account where the negative equity fall below 80%.

### **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.

## **2.14 Investment fluctuation**

As per the decision of the Board of Directors, 5% of capital gain during a year is transferred to Investment fluctuation fund account to manage the Company's future own portfolio risk.

## **2.15 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.

**2.16 Provision against Unrealized Loss in Margin Loan**

As Per Bangladesh Securities and Exchange Commission (BSEC) Circular No. SEC/CMRRCD/2009-193/181 dated 28 December 2017, the company may keep 20% Provision against Unrealized Loss in the Portfolio accounts of Margin Loan Clients as on 31 December 2017.

**2.17 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.

**2.18 Branch Accounting**

The Company has 6 (six) Branch Offices (excluding Head Office), with no overseas branch as on 31 December 2017. Accounts of the branches are maintained at the head office which are included in the accompanying financial statements.

**2.19 Reporting Period**

The company's reporting period is January to December.

**3. Application of Bangladesh Accounting Standards (BASs)**

Name of the BAS	BAS No.	Status
Presentation of Financial Statements	1	Applied
Statements of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Balance Sheet Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Revenue	18	Applied
Employee Benefits	19	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Financial Instruments: Presentation	32	Applied
Earnings per share	33	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied

**DHAKA BANK SECURITIES LIMITED**

	31.12.2017 Taka	31.12.2016 Taka
<b>04. Property, plant and equipment</b>		
A) <b>Cost :</b>		
Opening balance	33,376,753	31,889,717
Add: Purchased during the year	877,708	1,487,036
Closing balance (A)	<b>34,254,461</b>	<b>33,376,753</b>
B) <b>Accumulated depreciation:</b>		
Opening balance	25,652,482	22,063,553
Add: Charged during the year	2,113,740	3,588,929
Closing balance (B)	<b>27,766,222</b>	<b>25,652,482</b>
<b>Written down value (A-B)</b>	<b>6,488,239</b>	<b>7,724,271</b>
Details are given on Annexure - A		
<b>05. Intangible assets</b>		
A) <b>Cost :</b>		
Opening Balance	4,831,461	4,831,461
Add: Purchased during the year	-	-
Closing balance (A)	<b>4,831,461</b>	<b>4,831,461</b>
B) <b>Accumulated amortization:</b>		
Opening balance	4,831,461	4,787,255
Add: Charged during the year	-	44,206
Closing balance (B)	<b>4,831,461</b>	<b>4,831,461</b>
<b>Written down value (A-B)</b>	-	-
Details are given on Annexure - A		
<b>06. Investment in Un-quoted shares</b>		
Investment in shares of DSE	700,000,000	700,000,000
Investment in shares of CSE	250,000,000	250,000,000
Investment in shares of CDBL	18,277,770	18,277,770
Energypac Power Gen. Company Ltd.	8,800,000	8,800,000
<b>Total</b>	<b>977,077,770</b>	<b>977,077,770</b>
<b>07. Cash &amp; bank balances</b>		
<b>Cash in hand</b>	<b>100,000</b>	<b>109,500</b>
<b>Balance with bank</b>		
<b>SND/Current deposit account:</b>		
Bal. in SND A/C with DBL ( 201.150.2960)	4,135,030	4,887,121
Bal. in Dealer A/C with IFIC (1090-358447-001)	8,595,002	2,650,955
Bal. in UCB Dealer A/C ( 72-111-16472)	1,315,119	2,542,725
DBL Sec. Trading A/C (SND A/C # 201.150.2972)	117,147,279	77,279,728
Bal. in C/A with IFIC( No. 1090-358002)-Broker	47,685,021	43,736,225
Bal. in C/A with UCBL (72-111-16443)	8,189,934	5,956,069
Bal. with SCB A/C ( No. 01-1183892-01)	553,434	546,515
Bal. in IPO Application A/C ( 201.150.3444)	6,070	46,472,989
Cheque in hand	850,000	200,000
<b>Total</b>	<b>188,476,888</b>	<b>184,272,326</b>
<b>Total</b>	<b>188,576,888</b>	<b>184,381,826</b>
<b>08. Investment in marketable securities</b>		
Investment in own portfolio/dealer account	1,881,629,593	1,500,440,363
<b>Total</b>	<b>1,881,629,593</b>	<b>1,500,440,363</b>

## Hoda Vasi Chowdhury & Co

	31.12.2017 Taka	31.12.2016 Taka
<b>09. Margin loans</b>		
Margin loans -General clients	2,446,217,072	2,752,429,241
Rescheduled margin loans to affected clients	-	5,982,024
<b>Total margin loans</b>	<b>2,446,217,072</b>	<b>2,758,411,265</b>
Less: Closing balance of interest suspense A/C	358,006,835	700,887,456
<b>Net margin loan outstanding</b>	<b>2,088,210,237</b>	<b>2,057,523,809</b>
<b>10. Accounts receivable</b>		
Receivable from non-margin clients	2,937,451	2,559,079
Receivable from DSE	90,397,892	43,640,553
Receivable from CSE	438	205,759
	<b>93,335,781</b>	<b>46,405,391</b>
<b>11. Advance income tax</b>		
Opening balance	112,325,964	65,468,800
Add: Addition during the year (Note 11.1)	49,000,377	46,857,164
	<b>161,326,341</b>	<b>112,325,964</b>
<b>11.1 Advance income tax (Addition)</b>		
AIT/TDS on brokerage commission - DSE	21,780,847	10,738,968
AIT/TDS on brokerage commission - CSE	66,665	50,656
Advance income tax paid	14,650,606	25,963,455
TDS/AIT (Interest income, dividend income etc)	12,502,259	10,104,086
	<b>49,000,377</b>	<b>46,857,164</b>
<b>12. Advance, prepayments &amp; other receivables</b>		
Non-interest bearing block A/C (small investors scheme)	-	586,932
Prepaid rent -premises	13,545,000	-
Prepaid insurance - fire & burglary	24,386	25,503
Prepaid non-judicial stamp	1,000	5,200
Advance - purchase of floor space @ DSE Tower	850,000	850,000
Receivable against cash dividend	20,657,761	25,350,048
Advance-IPO application for dealer A/C	-	30,000,000
Suspense account (Adj)	10,626	114,245
<b>Total</b>	<b>35,088,774</b>	<b>56,931,927</b>
<b>13. Deferred Tax liability/(asset)</b>		
Opening balance	(2,170,618)	(1,756,323)
Add: Addition during the year	32,236	(414,295)
	<b>(2,138,382)</b>	<b>(2,170,618)</b>
<b>14. Share capital</b>		
<b>Authorized capital</b>		
500,000,000 ordinary shares @ Tk. 10 each	<b>5,000,000,000</b>	<b>5,000,000,000</b>
<b>Paid up capital</b>		
Opening balance	1,716,000,000	1,560,000,000
Add: Stock dividend	85,800,000	156,000,000
	<b>1,801,800,000</b>	<b>1,716,000,000</b>
<b>15. Investment fluctuation fund</b>		
Opening balance	25,900,000	20,200,000
Add: Addition during the year	7,800,000	5,700,000
	<b>33,700,000</b>	<b>25,900,000</b>
<b>16. Retained earnings</b>		
Opening balance	206,566,042	287,215,479
Add: Net profit for the period	108,073,295	81,050,563
	<b>314,639,337</b>	<b>368,266,042</b>
Less: Bonus shares issued	85,800,000	156,000,000
Transfer to Investment fluctuation fund	7,800,000	5,700,000
	93,600,000	161,700,000
	<b>221,039,337</b>	<b>206,566,042</b>



## Hoda Vasi Chowdhury & Co

	31.12.2017 Taka	31.12.2016 Taka
<b>17. Short-term Loan from bank and NBFi</b>		
Loan from Dhaka Bank Ltd.	2,237,592,550	1,913,441,442
Loan from United Finance Ltd.	100,000,000	200,000,000
<b>Total</b>	<b>2,337,592,550</b>	<b>2,113,441,442</b>
<b>18. Accounts Payable</b>		
Payable to clients	190,769,559	109,401,738
IPO application money	-	46,330,000
Payable to DSE	27,716,262	19,519,135
Payable to CSE	-	307
Payable to CDBL	245,046	219,081
	<b>218,730,867</b>	<b>175,470,262</b>
<b>19. Provision for income tax</b>		
Opening balance	129,878,773	95,536,853
Add: Provision made during the period	51,016,293	34,341,920
<b>Closing balance as on date</b>	<b>180,895,067</b>	<b>129,878,773</b>
<b>20. Provision for unrealized losses</b>		
Provision for unrealized loss in portfolio	200,000,000	150,000,000
Provision for unrealized loss in margin loan A/C	375,000,000	345,000,000
Provision for small affected margin clients	8,760,904	8,173,972
<b>Total</b>	<b>583,760,904</b>	<b>503,173,972</b>
<b>20.1 Provision against unrealized loss in portfolio</b>		
Opening balance	150,000,000	125,000,000
Add: Addition during the year	50,000,000	25,000,000
	<b>200,000,000</b>	<b>150,000,000</b>
<b>20.2 Provision against unrealized loss in margin loan accounts</b>		
Opening balance	345,000,000	320,000,000
Add: Addition during the year	30,000,000	25,000,000
	<b>375,000,000</b>	<b>345,000,000</b>
<b>20.3 Provision for small affected margin clients</b>		
Opening balance	8,173,972	7,516,721
Add: Adjustment during the year	586,932	657,251
	<b>8,760,904</b>	<b>8,173,972</b>
<b>21. Liabilities for other accrued expenses</b>		
Accrued interest expenses - Loan from Banks & NBFIs	55,444,623	72,861,233
Audit fees	287,500	287,500
Accrued expenses-Others	193,500	714,862
VAT current A/C	273,453	498,398
Withholding tax liabilities	154,205	189,455
<b>Total</b>	<b>56,353,280</b>	<b>74,551,448</b>

## Hoda Vasi Chowdhury & Co

	2017 Taka	2016 Taka
<b>22. Brokerage commission income</b>		
Brokerage - DSE	136,998,666	77,574,067
Brokerage - CSE	407,283	374,115
	<b>137,405,949</b>	<b>77,948,181</b>
<b>Less: Direct expenses</b>		
Laga charges	(11,322,488)	(5,370,335)
Howla charges	(2,522)	(5,924)
CDBL Exp.-Daily settlement (Pay in/Pay out)	(5,811,425)	(2,808,445)
	<b>(17,136,435)</b>	<b>(8,184,704)</b>
	<b>120,269,514</b>	<b>69,763,477</b>
<b>23. Income from own portfolio</b>		
Gain/(Loss) on sale of shares	156,364,428.27	114,293,649
Dividend on shares	54,064,332	52,455,591
	<b>210,428,761</b>	<b>166,749,241</b>
<b>24. Net interest income</b>		
Interest income charged on margin loan	139,770,626	154,569,293
Interest income on bank deposit A/C	7,769,919	4,662,325
	<b>147,540,545</b>	<b>159,231,618</b>
<b>Less: Interest expenses on borrowed funds</b>	(146,833,391)	(158,403,128)
<b>Net interest income</b>	<b>707,154</b>	<b>828,490</b>
<b>25. Fees &amp; other income</b>		
Account opening fees	70,703	45,639
BO renewal fees	480,700	484,000
IPO processing fees	7,810	9,310
Other income	195,906	125,406
Central Depository Bangladesh Limited (CDBL) Income (Note: 25.1)	304,681	209,903
	<b>1,059,799</b>	<b>874,258</b>
<b>25.1 Central Depository Bangladesh Limited (CDBL) income</b>		
<b>CDBL income (A)</b>		
CDBL income-Transfer In/Out	246,592	50,034
CDBL income-Bonus/Right/IPO/Split/Demat	102,298	307,340
CDBL Income-Pledge/Unpledge	310,653	102,400
	<b>659,542</b>	<b>459,774</b>
<b>Less: CDBL expenses (B)</b>		
CDBL exp.-Transfer In/Out	137,373	29,981
CDBL exp.-Bonus/Right/IPO/Split/Demat	36,858	159,808
CDBL exp.-Pledge/Unpledge	174,630	54,083
CDBL exp.-Monthly connection fees	6,000	6,000
	<b>354,861</b>	<b>249,872</b>
	<b>304,681</b>	<b>209,903</b>
<b>26. Salary and allowances</b>		
Basic salaries	15,052,941	12,196,022
Allowances	18,717,362	13,701,378
Leave fare assistances	2,738,901	2,149,426
Employer's contribution to Provident Fund	1,485,860	1,221,700
Bonus	4,153,576	3,566,098
	<b>42,148,640</b>	<b>32,834,624</b>

## Hoda Vasi Chowdhury & Co

	2017 Taka	2016 Taka
<b>27. Rent, rates ,taxes, insurance, lighting etc</b>		
Rent expenses - Adamjee Court (1st Flr)	10,721,072	14,950,390
Insurance expense	74,988	80,592
Electricity bill-Adamjee Court	1,945,516	2,315,455
Fuel exp. - Generator/Pool car	1,303,533	1,221,545
Renewal of registration certificates, trade license etc	938,926	1,024,683
<b>Total</b>	<b>14,984,035</b>	<b>19,592,665</b>
<b>28. Legal &amp; professional fees expenses</b>		
Professional fees & Legal Expenses	1,429,750	397,000
<b>Total</b>	<b>1,429,750</b>	<b>397,000</b>
<b>29. Postage, stamp, telecom etc</b>		
Postage & courier	41,297	25,853
Stamps-Judicial/Non-Judicial	35,140	28,385
Telephone/Fax/PABX expenses	195,316	162,440
Mobile/Internet/Cable TV bills	539,690	393,386
<b>Total</b>	<b>811,443</b>	<b>610,064</b>
<b>30. Stationary, printing, advertisement etc</b>		
Stationeries exp.- (Printed Materials)	808,824	464,915
Stationeries - General (Table/Petty stationeries)	163,879	242,882
Stationeries- Computer consumable (Paper & Accessories)	624,475	466,090
Publicity expenses (Leaflet, Banner, Bill board etc)	315,025	18,180
<b>Total</b>	<b>1,912,203</b>	<b>1,192,067</b>
<b>31. Directors' fee &amp; meeting expenses</b>		
Director's fees	478,400	524,400
Meeting, seminar & conference expenses	694,906	414,414
<b>Total</b>	<b>1,173,306</b>	<b>938,814</b>
<b>32. Statutory audit fee</b>		
Audit fee for the year	287,500	287,500
<b>Total</b>	<b>287,500</b>	<b>287,500</b>
<b>33. Repair &amp; maintenance of assets</b>		
Network connectivity expense	1,734,200	1,896,000
Repair, replacement & maintenance - Office premises	792,932	793,945
Repair, replacement & maintenance - Furnitures & fixtures	255,020	105,375
Repair, replacement & maintenance - Office & electric appliances	823,853	724,026
Rep., replacement & maint.- Computer, software, printer, UPS etc	831,452	674,392
Repair, replacement & maintenance - Vehicles	590,469	449,880
Water and sewerage	795,518	679,651
Contribution to investors' protection fund	41,896	23,713
<b>Total</b>	<b>5,865,340</b>	<b>6,371,664</b>

## Hoda Vasi Chowdhury & Co

	2017 Taka	2016 Taka
<b>34. Other expenses</b>		
Bank charges	36,105	25,419
Excise duty expense	97,000	85,500
Commission expenses- Bank guarantees	921,100	575,400
Cleaning & maintenance services	1,287,100	1,039,129
Contractual service charges	442,871	795,433
Staff uniform expenses	56,724	110,859
Support staff expense	1,893,806	1,378,195
Security guard expenses	2,305,152	2,135,174
Training & development Executives	47,667	18,333
Conveyance expense-Local	279,254	344,049
Regular Canteen expense	1,704,463	1,516,921
Entertainment Expense	70,940	165,975
Business promotion expenses	445,554	120,576
Newspapers	80,130	80,360
Miscellaneous - ( Others )	22,512	13,105
	<b>9,690,378</b>	<b>8,404,428</b>
<b>35. Depreciation and amortization expenses</b>		
Depreciation-Furniture and fixtures	1,275,716	1,226,665
Depreciation-Office appliances & equipments	297,920	593,474
Depreciation-Computer	540,104	1,170,692
Depreciation-Motor vehicles	-	598,098
Amortization expense-Software	-	44,206
	<b>2,113,740</b>	<b>3,633,135</b>
<b>36. Earning Per Share (EPS)</b>		
a) Net profit after tax	108,073,295	81,050,564
b) Total number of ordinary shares outstanding	180,180,000	171,600,000
Earning Per Share (EPS) (a ÷ b)	<b>0.60</b>	<b>0.47</b>
Earning Per Share (EPS) - Restated		<b>0.45</b>

**37. Related party transaction**

Name of the related party	Relationship	Nature of transaction	Transacton during year	Balance as at 31.12.17	Balance as at 31.12.16
Dhaka Bank Limited	Parent Company	Loan	324,151,108	2,237,592,550	1,913,441,442
Mr. A. T. M. Hayatuzzaman Khan	Spouse of Director	Advance Rent for Leased Premises	2,241,000	11,205,000	-

**38. Issuance of Bonus Share**

To be declared in next Board Meeting and AGM

**39. Date of authorisation**

The Board of director has authorised these financial statements for issue on



**DHAKA BANK SECURITIES LIMITED**

Fixed assets schedule

For the Period ended on December 31, 2017

Annexure-A

**A. Properties, plant & equipment**

Particulars	Cost			Rate %	Balance as on 31.12.2017	Depreciation		Written down value as on 31.12.2017
	Balance as on 01.01.2017	Addition during the Period	Balance as on 31.12.2017			Charges/ Addition during the period	Balance as on 31.12.2017	
Furnitures & fixtures	12,757,154		12,757,154	10%	6,920,113	1,275,716	8,195,829	4,561,325
Office appliances & equipments	6,996,020	153,208	7,149,228	20%	6,198,722	297,920	6,496,642	652,585
Computer	10,633,074	724,500	11,357,574	20%	9,543,141	540,104	10,083,245	1,274,329
Motor vehicles	2,990,505	-	2,990,505	20%	2,990,505	-	2,990,505	-
<b>Total</b>	<b>33,376,753</b>	<b>877,708</b>	<b>34,254,461</b>		<b>25,652,482</b>	<b>2,113,740</b>	<b>27,766,222</b>	<b>6,488,239</b>
<b>As on 31 December 2016</b>	<b>31,889,717</b>	<b>1,487,036</b>	<b>33,376,753</b>		<b>22,063,553</b>	<b>3,588,929</b>	<b>25,652,482</b>	<b>7,724,271</b>

**B. Intangible assets**

**DHAKA BANK SECURITIES LIMITED**

Fixed assets schedule

For the Period ended on December 31, 2017

Particulars	Cost			Rate %	Balance as on 31.12.2017	Amortization		Written down value as on 31.12.2017
	Balance as on 01.01.2017	Addition during the period	Balance as on 31.12.2017			Charges/ Addition during the period	Balance as on 31.12.2017	
Software	4,831,461		4,831,461	20%	4,831,461	-	4,831,461	-
<b>Total</b>	<b>4,831,461</b>	<b>-</b>	<b>4,831,461</b>		<b>4,831,461</b>	<b>-</b>	<b>4,831,461</b>	<b>-</b>
<b>As on 31 December 2016</b>	<b>4,831,461</b>	<b>-</b>	<b>4,831,461</b>		<b>4,787,255</b>	<b>44,206</b>	<b>4,831,461</b>	<b>-</b>

**Hoda Vasi  
Chowdhury & Co**

**Dhaka Bank Investment Limited  
Statement of Financial Position  
As at 31 December 2017**

	Notes	31.12.2017 Taka	31.12.2016 Taka
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Preliminary Expenditure	4	1,107,825	1,107,825
<b>Current Assets</b>			
Cash and Bank Balance	5	286,821,899	279,366,635
Advance Income Tax	6	4,092,946	3,263,995
<b>Total Assets</b>		<b>292,022,670</b>	<b>283,738,455</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Paid up Capital	7	250,000,000	250,000,000
Retained Earnings	8	26,096,065	20,786,075
<b>Total Equity</b>		<b>276,096,065</b>	<b>270,786,075</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Current Liabilities</b>			
Provision for Income Tax	9	14,407,880	11,548,655
Other Liabilities	10	1,518,725	1,403,725
<b>Total Liabilities</b>		<b>15,926,605</b>	<b>12,952,380</b>
<b>Total Equity and Liabilities</b>		<b>292,022,670</b>	<b>283,738,455</b>

These Financial Statements should be read in conjunction with the annexed notes 1 to 12.

This is the Statement of Financial Position referred to in our separate report of event date.

**Dhaka Bank Investment Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 31 December 2017**

	Notes	2017 Taka	2016 Taka
<b>Operating Income</b>			
Interest income		-	-
Other Income	11	8,289,515	8,276,649
		<b>8,289,515</b>	<b>8,276,649</b>
<b>Operating Expense</b>			
General & administrative expenses	12	(120,300)	(120,300)
<b>Profit Before Tax</b>		<b>8,169,215</b>	<b>8,156,349</b>
<b>Provision for Income Tax (Current Tax)</b>		<b>(2,859,225)</b>	<b>(2,854,722)</b>
<b>Net Profit after Tax</b>		<b>5,309,990</b>	<b>5,301,627</b>
Other comprehensive Income		-	-
<b>Net Profit for the period</b>		<b>5,309,990</b>	<b>5,301,627</b>

These Financial Statements should be read in conjunction with the annexed notes 1 to 12.

This is the Statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of event date.

**Dhaka Bank Investment Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2017**

	2017 Taka	2016 Taka
<b>a. Cash Flows from Operating Activities</b>		
Other Income	8,289,515	8,276,649
Operating Expenses	(120,300)	(120,300)
Cash generated from operating activities before changes in operating assets and liabilities	8,169,215	8,156,349
<b>Changes in Operating Assets and Liabilities</b>		
Advance Income Tax	(828,952)	(827,665)
Provision for Audit Fees	115,000	115,000
<b>Net Cash Flow from Operating Activities</b>	<b>7,455,264</b>	<b>7,443,684</b>
<b>b. Cash Flows from Investing Activities</b>		
	-	-
<b>c. Cash Flow from Financing Activities</b>		
Proceeds from Issue of Share	-	-
<b>Net Cash Flow from Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net cash surplus for the period (a+b+c)</b>	<b>7,455,264</b>	<b>7,443,684</b>
Cash & Bank Balance at Beginning of the period	279,366,635	271,922,951
<b>Cash &amp; Bank Balance at the end of the period*</b>	<b>286,821,899</b>	<b>279,366,635</b>
<b>*Cash &amp; Bank Balance</b>		
Cash in Hand	-	-
Cash at Bank	286,821,899	279,366,635
	<b>286,821,899</b>	<b>279,366,635</b>

These Financial Statements should be read in conjunction with the annexed notes 1 to 12.

**Dhaka Bank Investment Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2017**

Particulars	(Amount in Taka)		
	Share Capital	Retained Earnings	Total Equity
Opening Balance	-	-	-
Paid up Share Capital	250,000,000	20,786,075	270,786,075
Add: Adjustment for prior year*	-	-	-
Net profit for the period	-	5,309,990	5,309,990
<b>Balance as on 31 December 2017</b>	<b>250,000,000</b>	<b>26,096,065</b>	<b>276,096,065</b>

These Financial Statements should be read in conjunction with the annexed notes 1 to 12.



**Dhaka Bank Investment Limited**  
**Notes to the Financial Statements**  
**For the period from 01 January 2017 to 31 December 2017**

**1. Company and its Activities**

**1.1 Legal Status of the Company**

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

**1.2 Principal Activities of the Company**

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

**2. Significant Accounting Policies**

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

**3. Directors' Responsibility Statement**

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

		31.12.2017 Taka	31.12.2016 Taka
<b>4. Preliminary Expenditure</b>			
Preliminary Expenditure		1,107,825	1,107,825
Less: Amortization for the year		-	-
		<u>1,107,825</u>	<u>1,107,825</u>
<b>5. Cash &amp; Bank Balance</b>			
Cash in Hand		-	-
Cash at Bank	(Note: 5.1)	286,821,899	279,366,635
		<u>286,821,899</u>	<u>279,366,635</u>
<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	
Dhaka Bank Limited	Gulshan Circle-2	102.150.0018	
LankaBangla Finance Limited		0005 22800000571	
		68,027,817	114,971,897
		118,794,082	164,394,738
		100,000,000	-
		<u>286,821,899</u>	<u>279,366,635</u>
<b>6. Advance Income Tax</b>			
Opening Balance		3,263,995	2,436,330
Add: Addition during the period	(Note: 6.1)	828,952	827,665
		<u>4,092,946</u>	<u>3,263,995</u>

# Hoda Vasi Chowdhury & Co

	31.12.2017 Taka	31.12.2016 Taka
<b>6.1 Addition during the period</b>		
Tax deducted at source	828,952	827,665
<b>7. Share Capital</b>		
<b>7.1 Authorized Capital</b>		
200,000,000 ordinary shares @ Tk. 10 each	2,000,000,000	2,000,000,000
<b>7.2 Paid up Capital</b>		

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:

Sl #	Name of Shareholders	Number of Shares held	% Of Shareholding	31.12.2017	31.12.2016
				Amount in Taka	Amount in Taka
1.	Dhaka Bank Limited, Represented By Mr. Khondoker Jamil Uddin Mr. Md. Amirullah Ms. Tahidul Hossain Chowdhury Mr. Mirza Yasser Abbas	24,999,994	99.999976	249,999,940	249,999,940
2.	Mr. Shafiqul Islam Sarker	1	0.000001	10	10
3.	Mr. Mohammad Ashiqur Rahman	1	0.000001	10	10
4.	Mr. Hasanuzzaman	1	0.000001	10	10
5.	Mr. Asif Hanif	1	0.000001	10	10
6.	Mr. Latiful Bari	1	0.000001	10	10
7.	Ms. Nabila Mirza	1	0.000001	10	10
		<b>25,000,000</b>	<b>100</b>	<b>250,000,000</b>	<b>250,000,000</b>

## 8. Retained Earnings

Opening Balance	20,786,075	15,484,448
Add: Net Profit for the Period	5,309,990	5,301,627
Add: Adjustment for prior year*	-	-
	<b>26,096,065</b>	<b>20,786,075</b>

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

## 9. Provision for Income Tax

Opening Balance	11,548,655	8,693,933
Add: Addition during the year	2,859,225	2,854,722
	<b>14,407,880</b>	<b>11,548,655</b>

## 10. Other Liabilities

Payable to Dhaka Bank Limited	1,173,725	1,173,725
Provision for Audit Fees	345,000	230,000
	<b>1,518,725</b>	<b>1,403,725</b>

2017 Taka	2016 Taka
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## 11. Other Income

Interest on SND A/C	8,289,515	8,276,649
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## 12. General & administrative expenses

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