



YEARS OF ENDLESS
POSSIBILITIES

ANNUAL REPORT 2019



ENDLESS POSSIBILITIES

Together, we have come across the ocean of times.

Together, we sail unwavering and determined.

Together, we are stronger.

We shall take our journey towards Endless Possibilities.

LETTER OF TRANSMITTAL

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

Dear Sir(s),

Annual Report of Dhaka Bank Limited for the year ended December 31, 2019

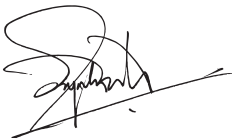
We enclose herewith a copy of Annual Report along with the audited financial statements including consolidated and separate balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement for the year ended December 31, 2019 along with notes thereto of Dhaka Bank Limited (the Bank) and its subsidiaries - Dhaka Bank Securities Limited and Dhaka Bank Investment Limited for your kind information and record. We have also enclosed separate financial statements of Islamic Banking Branches and Off-Shore Banking Unit (OBU) of the Bank.

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

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

With best regards,

Yours sincerely,



Md. Shahjahan Miah
SVP & Company Secretary

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IN YOUR IMMORTAL SPIRIT FOREVER MAY WE RISE

This year, it is the auspicious occasion of the birth centenary of one of the greatest leaders of humankind, 'The Greatest Bengalee of All Time', the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman. Bangabandhu Sheikh Mujibur Rahman is an unparalleled leader who had fought and devoted his life for the freedom of Bangladesh, earned it and immediately set course of the nation to gain economic and financial independence. He started the journey towards building Bangladesh as a Land of Gold, and since then we are moving forward to reach the goal. The worthy daughter of Bangabandhu, Honorable Prime Minister Sheikh Hasina is the leader who is taking the nation to reach the destination with a great pace.

On the Mujib Year, Dhaka Bank pays tribute to the Father of the Nation Bangabandhu Sheikh Mujibur Rahman and pledges promise to fight alongside to help build the Land of Golden Bengal that Bangabandhu had dreamt. This year, we promise to take the banking further and beyond to serve the people and the economy of Bangladesh.

May the spirit of Bangabandhu lives and leads us forever.





YEARS OF ENDLESS
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ENDLESS POSSIBILITIES

Within every story, there lies a perspective and a purpose. The stronger the two essential elements are, the beautiful the story turns out. The story of Dhaka Bank Limited is the story of walking ahead with a perspective and a purpose.

25 years ago, a group of renowned individuals with strong bonds of friendship decided to put their united efforts for the population of the Nation. Since then, the story of Dhaka Bank Limited continued with pride.

Dhaka Bank Limited started its journey with the initial Paid-up-Capital of Tk.10.00 crore sponsored by some prominent entrepreneurs namely - **Mr. Abdul Hai Sarker, Mr. A.T.M. Hayatuzzaman Khan, Mr. Mainul Islam, Mrs. Afroza Abbas, Mr. Altaf Hossain Sarker, Mr. Khandaker Md. Shahjahan, Mr. Aminul Islam, Mr. Md. Amirullah, Mr. Reshadur Rahman, Mr. Abdullah Al Ahsan, Mr. Khondoker Monir Uddin, Mr. M.N.H. Bulu, Mrs. Rakhi Das Gupta, Mr. Tahidul Hossain Chowdhury, Mr. Jashim Uddin, Mrs. Kamala Khatun, Mr. Abdul Wahed, Mr. Mohammed Hanif, Mr. Khondoker Jamil Uddin and Mr. Mohammad Ali Sarker** moving forward with a perspective, Dhaka Bank Limited has been putting positive influence on the national economy through multidimensional interventions. Bangladesh is getting prepared to celebrate 50 years of Independence at a time, when the upsurge of the indomitable nation is disrupted by the global epidemic corona virus. Amid the chaos and confusion, Dhaka Bank is going to celebrate the milestone **Silver Jubilee** of banking services on its 25th Anniversary with pride of being a part of the quest for development of our Nation and with promise to end the harsh times and help the nation go back to the right track of development through strengthening the economy. This year Mujib Borsho has been declared by the government marking the 100th anniversary of the birth of the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman and in its 25th anniversary Dhaka Bank is really feeling proud to be a part with this historical celebration through participating yearlong various programmes.

ENDLESS POSSIBILITIES

From the very year of its landmark journey, Dhaka Bank has truly cherished and brought into focus the heritage and history of Dhaka and Bangladesh from Mughal outpost to modern metropolis and the people living here. The Bank is widely recognized today for its exceptional service, simplicity, proximity and cutting-edge way of delivery. In addition to our priority of operating profitably and successfully, we are acutely aware of our responsibilities to our employees, society and environment.

Dhaka Bank Limited started its journey as a Scheduled Bank with effect from July 5, 1995 with the motto 'Excellence in Banking'. The perspective was to improve living standard and the purpose was to become the best in serving and appreciating life. The Bank is now an admired provider of financial services and an established brand. As a leading private commercial bank in Bangladesh, our eminence is backed by quality products and services, superior technology and highly motivated personnel to realize your dream. For its Excellence in Banking, Dhaka Bank Limited has been accredited various National and International Awards. After 25 Years, now we are recognized for our good governance practices, compliance with regulatory guidelines, flexibility to growing needs and adaptability to the changing world.

Dhaka Bank Limited has earned a key position in the corporate services with efficiency in addressing the sophistication of the corporate lending modalities and introducing tailored services while ensuring the cost efficiency. Being a corporate business focused bank, Dhaka Bank Ltd. (DBL) serves a diverse clientele, ranging from mid to large-sized local businesses to large conglomerates across the country. Almost every big name of all the business sectors are already included in the Dhaka Bank business bracket, which depicts the trustworthiness that DBL earned during its journey of long 25 years. DBL has been able to cater the diverse business requirements of its corporate customers by introducing new products/services containing unique and sophisticated features. Our perspective of appreciating the good turns of life allows us to step forward to help create and strengthen entrepreneurship for the greater good of the country. We are committed to involve in any initiative from its beginning to becoming a successful one. In the coming year DBL will be focusing more on this area and will emphasize on boosting up the emerging corporates.

Over the last 24 years, Dhaka Bank has ascended the height of excellence. Now, as we are going to enter a new economic facet after the corona virus pandemic is over, we are ready to take the challenges with the help of what we have achieved in these past 24 years.

In the 1st Balance Sheet as at 31st December 1995 of Dhaka Bank Limited: Total Deposit was Tk.62.54 crore, Total Loans & Advances was Tk.15.89 crore, Total Reserves was Tk.0.11 crore, Balance Sheet size was Tk. 90.09 crore, Operating Profit was Tk.0.11 crore. And, in the 25th Balance Sheet as at 31st December 2019: Total Deposit stood Tk.20,453.00 crore, Total Loans & Advances stood Tk.19,563.49 crore, Total Reserves raised Tk.867.84 crore, Balance Sheet size raised Tk.28,500.94 crore, Operating Profit stood Tk.609.86 crore.

As a Nation we have Indomitable spirit to challenge any obstacles. We live the legacy of our Freedom Fighting with the vision to rise as a developed nation. In these 25 years of journey we are privileged to invest in people and planet, with the believe on acting together to prevent any obstacle to do better for generations to come. To Celebrate the 25 years of believing and bonding, it is the high time for appreciating life.

2019 PERFORMANCE HIGHLIGHTS - THE BANK

Core Business Growth

Amount in Taka

Operating Profit	2019: 6,098 M 2018: 6,564 M	-7%	Assets	2019: 285,009 M 2018: 273,976 M	4%
Loans & Advances	2019: 195,634 M 2018: 180,626 M	8%	Deposits	2019: 204,530 M 2018: 197,189 M	4%
Shareholders' Equity	2019: 17,210 M 2018: 16,616 M	4%	Paid-up Capital	2019: 8,532 M 2018: 8,125 M	5%
Earnings Per Share stood at	2019: Tk. 1.84 2018: Tk. 1.59	16%	NPL Ratio decreased to	2019: 4.74% 2018: 4.99%	-5%
Import	2019: 151,121 M 2018: 158,344 M	-5%	Export	2019: 130,156 M 2018: 125,167 M	4%
Inward Remittance	2019: 10,385 M 2018: 12,146 M	-15%	Classified Loans	2019: 9,278 M 2018: 9,009 M	3%

All figures are in BDT, unless otherwise stated

Financial Inclusion Growth (direct & indirect)

Amount in Taka unless otherwise stated

Contribution to National Exchequer	2019: 5,053 M 2018: 4,735 M	7%	Total Deposit Accounts	2019: 540,493 2018: 505,286	7%
Transaction Through DBL go app	2019: 273,932 2018: 142,061	93%	SME Financing	2019: 25,679 M 2018: 30,831 M	-17%
Agri-Loan Disbursement	2019: 3,937 M 2018: 2,492 M	58%	Transaction Through Internet Banking	2019: 21,212 2018: 12,162	74%
Transaction Through ATM	2019: 845,038 2018: 670,153	26%	E-statement Delivered	2019: 576,500 2018: 468,823	23%

BANK'S PROFILE



About the Bank

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

Our strategy & achievement

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

Our effort, strategy and action put together have made our footprint stronger in 2019 with 103 Branches, 3 SME Service Centres, 2 Off-shore Banking Units, 2 Sub-Branches along with 62 ATMs and 20 ADMs. Total Assets of DBL is around Tk. 285,009 million, equivalent to USD 3,357 million as at the close of 2019. With a total of 540,493 Customer-base (accounts), Tk. 204,530 million in Deposits and Tk. 195,634 million in Advances, Dhaka Bank turns out to be a change agent to contribute to the stand-out economic growth of Bangladesh.

Capital Adequacy and Economic Capital

The Bank has stepped in the regime of Basel-III compliance since January 2015 as an enhanced regulation for capital and liquidity

strength. The Bank is engaging with Basel III to position itself competi-tively in the new post-crisis global financial risk and Regulatory landscape. To keep up capital adequacy as per Basel-III requirement, the Bank issued Non-Convertible Subordinated Bond to strengthen the capital base in line with the newly introduced Capital Adequacy Guide-lines under BASEL-III Accord. As a result, DBL's Regulatory capital as on December 31, 2019 stood at Tk. 31,171 million, whereas, the Capital to Risk Weighted Assets Ratio (CRAR) was 16.12% under Basel-III, against Central Bank's capital requirement of 12.50%.

The concept of economic capital has come up to act as a safety cushion for the Bank, particularly in the wake of the global credit crisis. Year 2019 still saw the effect of unanticipated losses of banks from credit risks and extent of market volatility. Under such a market it becomes imperative to manage the Banking business in a risk-sensitive economic capital framework. So we are carefully considering the potential unexpected losses and thus, bringing up the concept of economic capital that is associated with each individual activity to minimize the risks of the Balance Sheet and safeguard the interest of the stakeholders.

Our concern for people & environment

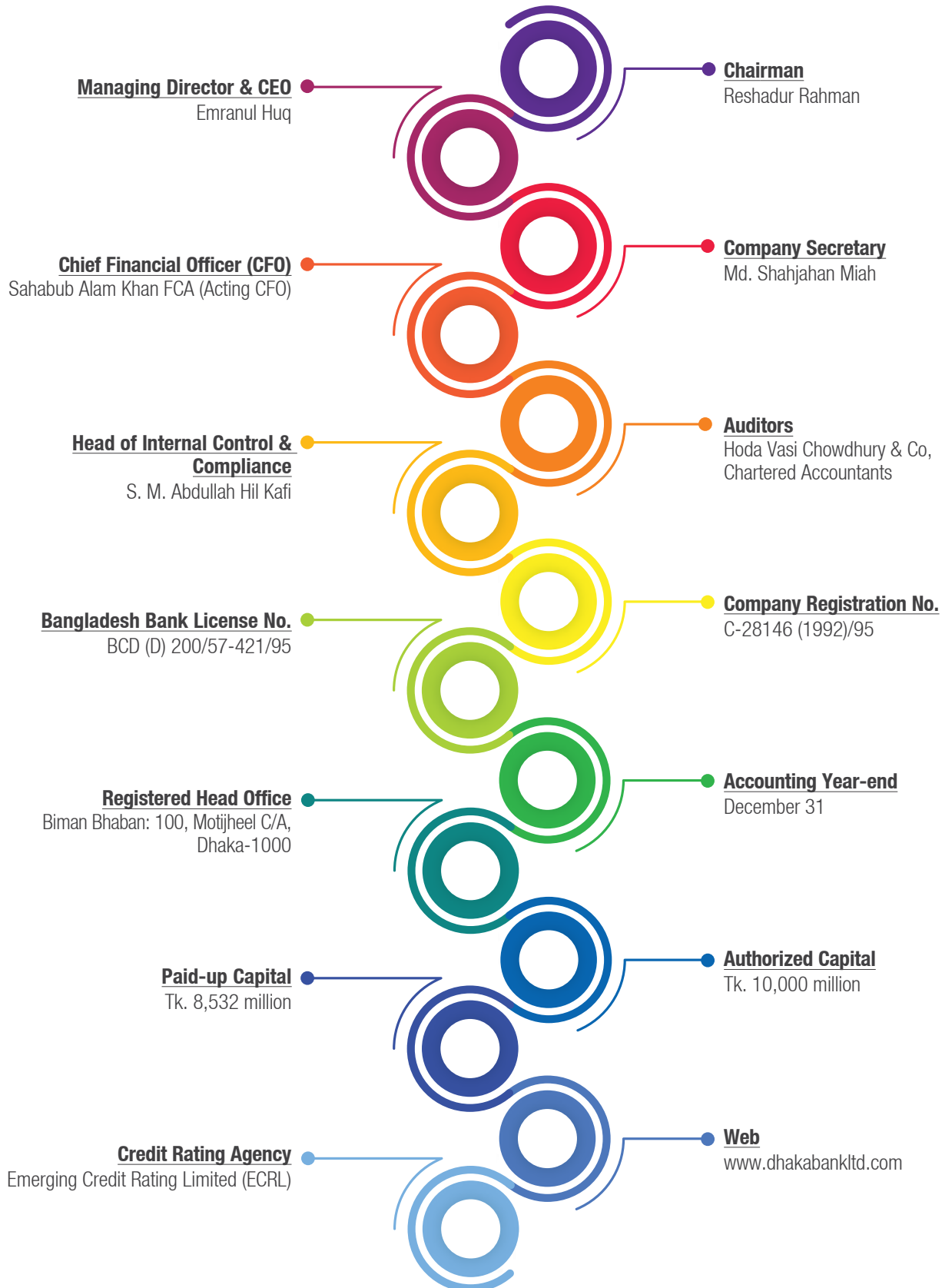
We are committed to making a better society by working and donating in different sectors such as, education, health, disaster management, sports and some other sectors having national priority. Significant CSR involvement alongside our financial integration over long 25 year journey is a true reflection of our concern for people. On the other side, we have incorporated sustainability principles into day-to-day activities of the Bank. Green Banking Cell has been formed with the task of developing policies, products, planning and overseeing the overall green financing activities of the bank. Green Banking considers all the social and environmental factors along with financial priorities with an aim to protect the environment as well as to foster the economic development in a more environment friendly way. In addition, our policy harmonizes green Banking initiatives in its in-house management and participating in environment protecting activities.

Commitment towards wider financial inclusion

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

BANK'S PROFILE

OTHER INFORMATION



BANK'S RATING AND ACHIEVEMENT

2019			2018	2017	
	Long Term	AA	A very strong capacity to meet its financial commitments, and is generally in a position to withstand adverse developments in the economy, and in business and other external conditions. Typically poses a good track record and have no readily apparent weakness.	AA	AA
	Short Term	ST-2	Strong capacity to meet its financial commitments in timely manner. However, it is somewhat susceptible to adverse developments in the economy, and in business and other external conditions.	ST-2	ST-2
	Outlook	Stable	Indicates that a rating is likely to remain unchanged.	Stable	Stable

ACHIEVEMENT

BEST ISSUING BANK IN SOUTH ASIA BY INTERNATIONAL FINANCE CORPORATION (IFC)

Dhaka Bank Limited has been accredited as ‘2019 Best Issuing Bank in South Asia’ in IFC’s 9th Annual Trade Awards. This award is given for the best utilization and performance of IFC’s Global Trade Finance Program (GTFP). IFC has appreciated greatly Dhaka Bank’s partnership in the Global Trade Finance Program. Through this award, IFC has recognized Dhaka Bank’s leadership in providing trade finance in emerging markets and announced as the best issuing bank in the South Asia Region. Dhaka bank conveys the heartiest gratitude to IFC, customers and all the stakeholders.



MILESTONES





2019 RESULTS SUMMARY

Figure in million except number and percentage

Segmented Results of 2019	Dhaka Bank Limited			Subsidiary		Consolidated
	On-shore	Off-shore	Islamic Banking	Dhaka Bank Securities Ltd.	Dhaka Bank Investment Ltd.	
Operating Income	9,815	638	346	154	19	10,972
Operating Profits	5,243	591	265	68	18	6,185
Assets	247,768	20,909	11,813	5,631	316	286,437
Liability	247,768	20,909	11,813	5,631	316	286,437

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

Shareholders' Value	2019	2018	% Change over 2018
Earnings per Share (EPS)	1.84	1.59	16%
Price Earning Ratio (%)	6.52	8.91	-27%
Dividend (%)	5% (Cash)	5% (Cash)	-
	5% (Stock)	5% (Stock)	-
Net Asset Value (NAV) - million	17,211	16,616	4%
NAV per Share	20.17	19.47	4%

Profitability & Performance Ratio – The Bank	2019	2018	% Change over 2018
Return on Assets (ROA) (%)	0.56	0.54	4%
Return on Equity (ROE) (%)	9.29	8.18	13%
Return on Investment (ROI) (%)	7.99	8.66	-8%
Operating Profit per Employee - million	3.11	3.42	-9%
Assets per Employee - million	145.41	142.92	2%

Balance Sheet Focus – The Bank	2019	2018	% Change over 2018
Balance Sheet Size	285,009	273,976	4%
Shareholders' Equity	17,211	16,616	4%
Total Deposits	204,530	197,189	4%
Total Loans & Advances	195,635	180,626	8%
Classified Loans	9,278	9,009	3%

Capital Adequacy – The Bank	2019	2018	% Change over 2018
Tier-I Capital Ratio	8.53	7.33	16%
Capital to Risk Weighted Assets Ratio (CRAR)	16.12	13.84	16%
Total Eligible Capital	31,172	29,095	7%

VISION MISSION & CORE VALUES

VISION

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

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

MISSION

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

CORE VALUES

Customer Focus

Have a strong customer focus and build relationships based on reliability, excellence in Banking service and mutual benefit.

Integrity

Maintain high ethical standard, integrity and transparency in dealings.

Quality

Keep quality of service and serve the customer through attaining excellence in banking operation.

Teamwork

Build teamwork to keep the customer interest and satisfaction as first priority and provide customized banking products and services smoothly.

Respect for the Individual

Value and respect people, and make decisions based on merit.

Responsible Citizenship

Committed to protect the environment and go green.



STRATEGIC OBJECTIVES & ETHICAL PRINCIPLES

STRATEGIC OBJECTIVES

- Our objectives are to conduct transparent and high quality business operation based on market mechanism within the legal and social framework spelt in our mission and reflected in our vision.
- Our greatest concerns are our Customers to provide them continually efficient, innovative and high quality products with excellent delivery system.
- Our motto is to generate profit with qualitative business as a sustainable ever-growing organization and enhance fair returns to our Shareholders.
- We are committed to our community as a corporate citizen and contributing towards the progress of the nation as our corporate social responsibility.
- Our Employees are our backbone. We promote their wellbeing through attractive compensation package, promoting staff morale through training, development and career planning.
- We strive for fulfilment of our responsibility to the government through paying entire range of taxes and duties and abiding by the other rules.
- We are cautious about environment and climatic change and dutiful to make our homeland a green and clean soil.



ETHICAL PRINCIPLES

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

ETHICS AND COMPLIANCE



Business Principle

Dhaka Bank goes beyond minimum legal requirements and reflects the Bank's long term commitment to building a business that is successful, honest and responsible.

Human Worth

Dhaka Bank supports the international human rights as outlined by the UN declaration and convention. No one in the Bank shall in any way cause or contribute to the violation or circumvention of human rights.

Human Capital

Dhaka Bank is devoted to human capital initiative connecting with milestone training, performance coaching & development, key talent management, balancing of work/ life choice and human capital reviews.

Health, Safety and Working Environment

Dhaka Bank is committed to establish effective arrangement to identify and eliminate or control all work related hazards and risks and promote health at work and continuous improvement of health, safety and working environment.

Confidentiality

Clear, honest and open communication is maintained in Dhaka Bank to ensure full accountability but subject to business confidentiality. The use of company confidential information before it is made public for personal gain is strictly prohibited and may constitute a criminal offense.

Protection of Personal Data

Dhaka Bank's processing of personal data shall be subject to care and awareness, which is required according to laws and regulation and relevant for information that might be sensitive, regardless of the data refer to customers, employees or others.

Intellectual Property

Intellectual property such as know-how, methodology, concepts and ideas are important to Dhaka Bank's successes in the market. Unless otherwise specified by law or orders from other public authorities, no employee shall make corporate secret or other information available to unauthorized persons.

Nature and the Environment

Dhaka Bank is very much aware regarding environmental protection, by minimizing environmental damages and by developing, promoting and utilizing environment friendly technology.

Information that may affect the Share Price

As a publicly listed company, Dhaka Bank is subject to strict rules concerning the handling the non-public information that may affect the market price of Dhaka Bank's shares or other financial instruments issued by the Bank.

Accounting

Dhaka Bank has the highest regard for truth, completeness and accuracy in the recording of business transactions in full compliance with applicable Bangladesh laws & regulation, international financial reporting standards, good accounting practices as well as maintaining valid authorization and ensuring complete documentation. The annual accounts and interim accounts shall be in accordance with applicable laws, regulations and standard accounting practices.

Competition

Dhaka Bank is committed to staying over and above the prevailing market competition through constant innovation of technology based products and efficiency enhancement; being responsive to the requirements of our customers and partners.

Corruption and Bribery

Dhaka Bank is firmly opposed to all forms of corruption. Bribery is fundamentally inconsistent with the Bank's values; any direct and indirect promise of payment to gain any perceived personal advantage is totally unacceptable.

Money Laundering

Dhaka Bank is very conscious to protect money laundering and shall take steps to prevent its financial transactions from being used by others to launder money.

Political Activity

Dhaka Bank does not give support to political parties, either in the form of direct financial support or paid working time. Employees may exercise their right to take part in politics as long as there is no conflict of interest situation with Dhaka Bank.

CUSTOMER CHARTER

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

- Our primary concern is to understand and satisfy Customers' needs and expectations. We promise to use all means open to us to establish and understand these needs which are both mutually beneficial and respect the values and principles in all our actions.
- We promise to deal quickly, courteously and accurately with all correspondence between us.
- Should disagreements arise between us, we undertake to seek a speedy and equitable solution, which takes account of the rights and obligations of both parties and is framed in the context of a long-term and enduring relationship.
- We believe in openness, integrity, transparency and accountability and provide high standard of services to our valued Customers.
- We create Customer value, loyalty and equity, which create Customer delight over a lifetime of patronage.



OUR STRENGTH AND OUR CONFIDENCE

OUR STRENGTH

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

OUR CONFIDENCE

- Ability to lead the competition in a changing business environment.
- A solid business growth to create sustainable Shareholder value.
- Spirit to learn, adopt and adapt to the changes around us.
- Right collection of products and services to meet financial needs.
- Enhancement of Customer responsiveness by leveraging financial advice.
- Rigorous teamwork to bring out synergy for optimum benefits.
- Strong compliance of the laws and regulations of the state and Regulatory bodies.
- Trust by the community as a part of their lives.
- A rewarding work environment for our dedicated Employees.

OUR STORY

A JOURNEY TO HISTORY HERITAGE AND BUSINESS

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

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

The Bank has stood out for its financial strength and operational craftsmanship marking its position as the potential market player in all core areas of Banking in the country. It got listed in DSE and CSE in 2000. Alongside a lasting bond with the corporate world, DBL has got hold of a countrywide reach through a larger network of Branches, ATMs, SME channels, agricultural outreach

and mobile Banking. The Bank is now expanding far and wide to higher market share and big surge in assets. A great total of 540,493 Customers' accounts now we serve and seek to make them better-off as best as we can. Strong with 192 delivery centres, the Bank is still going strong with more expansion and inclusive Banking programmes. Opening many gateways for financial freedom and services, DBL has made its vibrant presence at 103 locations (including 2 Islamic Banking Branches), 2 Off-shore Banking Units, 3 SME Service Centers, 2 Sub-Branches, 62 ATMs and 20 ADMs across the country. Catering to the needs of Capital Markets, the Bank has established a subsidiary company named 'Dhaka Bank Securities Ltd.' having 6 countrywide Branches. Another subsidiary in the name of 'Dhaka Bank Investment Limited' is yet to start operation. This has strengthened its capital base to Tk. 31,171 million with a Capital to Risk weighted Assets Ratio (CRAR) of 16.12%. Sailing past all odds and uncertainties in 2019, DBL posted an operating profit of Tk. 6,098 million.

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

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



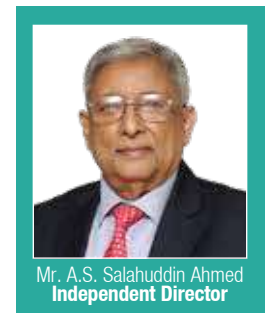
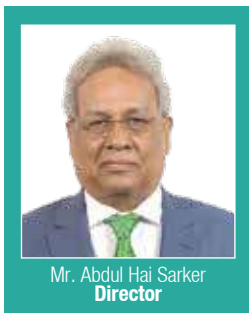
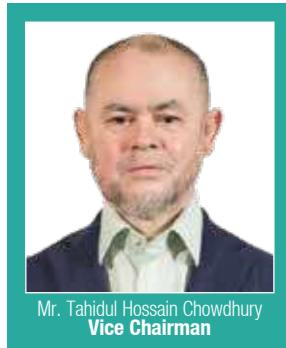
BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD

Within every story, there lies a perspective and a purpose. The stronger the two essential elements are, the beautiful the story turns out. The story of Dhaka Bank Limited is the story of walking ahead with a perspective and a purpose.

25 years ago, a group of renowned individuals with strong bonds of friendship decided to put their united efforts for the population of the Nation. Since then, the story of Dhaka Bank Limited continued with pride.



BOARD OF DIRECTORS



EXECUTIVE COMMITTEE OF THE BOARD



Mr. Abdul Hai Sarker
Chairman



Mr. Altaf Hossain Sarker
Member



Mr. Mohammed Hanif
Member



Mr. Abdullah Al Ahsan
Member



Mr. Jashim Uddin
Member



Mr. Khondoker Jamil Uddin
Member



Mr. Mirza Yasser Abbas
Member

AUDIT COMMITTEE OF THE BOARD



Mr. M. A. Yussouf Khan
Chairman



Mrs. Rokshana Zaman
Member



Mr. Md. Amirullah
Member



Mrs. Manoara Khandaker
Member



Mr. A.S. Salahuddin Ahmed
Member

RISK MANAGEMENT COMMITTEE OF THE BOARD



SHARI'AH SUPERVISORY COMMITTEE



Chairman

M. Azizul Huq

Members

Prof. Mowlana Mohammad Salah Uddin (Absent in the picture)
Md. Fariduddin Ahmed
Dr. Mohd. Haroon Rashid
Hafej Mawlana Abdul Gaffer
Barrister Omar Sadat

Member (Ex-Officio)

Emranul Huq, Managing Director & CEO

Member Secretary

Md. Kamaruzzaman, VP

SPONSOR SHAREHOLDERS

OUR GRATITUDE TO THE ARCHITECTS OF DHAKA BANK

WE OWE A DEBT OF GRATITUDE TO ALL OF OUR SPONSOR DIRECTORS FOR ENVISIONING A GREAT CORPORATE VOYAGE, NOW SO ADMIRERD AND LOVED BY THE COMMUNITY

Mr. Abdul Hai Sarker

Mr. A.T.M. Hayatuzzaman Khan

Mr. Mainul Islam*

Mrs. Afroza Abbas

Mr. Altaf Hossain Sarker

Mr. Khandaker Md. Shahjahan

Mr. Aminul Islam

Mr. Md. Amirullah

Mr. Reshadur Rahman

Mr. Abdullah Al Ahsan

Mr. Khondoker Monir Uddin

Mr. M.N.H. Bulu

Mrs. Rakhi Das Gupta

Mr. Tahidul Hossain Chowdhury

Mr. Jashim Uddin

Mrs. Kamala Khatun*

Mr. Abdul Wahed

Mr. Mohammed Hanif

Mr. Khondoker Jamil Uddin

Mr. Mohammad Ali Sarker

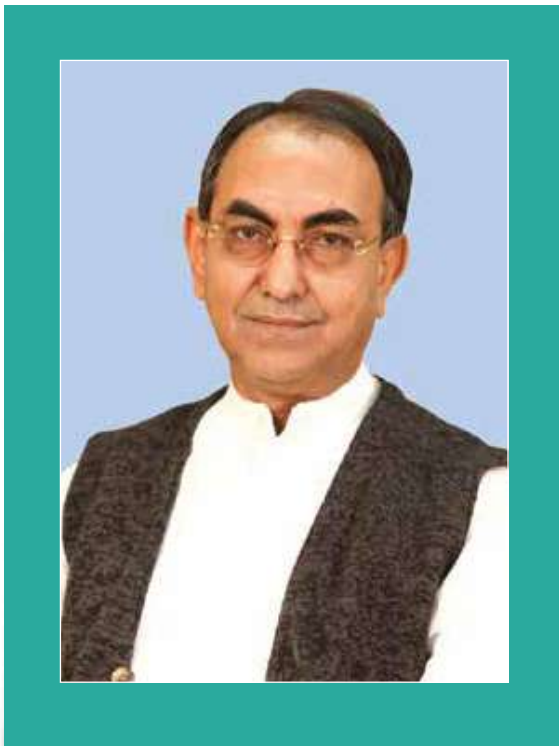
*(Mr. Mainul Islam expired in 2008 & Mrs. Kamala Khatun expired in 2011)

Mr. Mirza Abbas Uddin Ahmed

The Founder



CHRONICLE OF A RARE VISIONARY



“ THE FOUNDER OF DHAKA BANK WAS BORN IN 1951 IN A RESPECTABLE MUSLIM FAMILY IN KISHOREGANJ. HE WAS ALSO THE ADVISOR OF DHAKA BANK LIMITED. MR. ABBAS HAS LEFT BEHIND A SHINING PROFILE OF A SUCCESSFUL MAYOR. ”

Mirza Abbas Uddin Ahmed

The Founder

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

The Founder of Dhaka Bank was born in 1951 in a respectable Muslim family in Kishoreganj. He had his schooling in the local educational institutions and finally obtained B.Com. Degree from Dhaka University. Then he associated himself with his family business named Mirza Enterprize, Dhaka that flourished on his long attachment for 35 years. He was also the Advisor of Dhaka Bank Limited.

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

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

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

DIRECTORS' PROFILE



Reshadur Rahman

Mr. Reshadur Rahman is a prominent industrialist in Bangladesh. As a successful business entrepreneur, he has many achievements to his credit. His able leadership has become more vibrant in Banking where Dhaka Bank is an epitome of his continued success. Mr. Rahman is now leading the Bank as Chairman. He was elected the Chairman of the Board of Directors in the 243rd Meeting of the Board of Directors of Dhaka Bank held on May 13, 2015 and was lastly re-elected Chairman in the 353rd Board Meeting held on June 12, 2019. He was also the Chairman of the Board of Directors during the tenure 2010-2013. Having accomplished his graduation, Mr. Rahman resolved on making a start in the line of business and succeeded in new ventures one after another over more than three decades of his career. His business grew as an enormous group and diversified into numerous worthy areas. He is also the Chairman of RR Aviation Ltd., Trade Hub Bangladesh Ltd. and Dhaka Bank Securities Ltd.; Chairman & Managing Director of RR Holdings Ltd.; Proprietor of RR Trading & Co., RR Shipping Lines, RR Architecture & Engineering Co. and National Traders; and Shareholder of Alliance Deep Sea Fishing Ltd., Alliance Bags Ltd., Quality Breeders Ltd. and Quality Grains Ltd. Mr. Reshadur Rahman has membership in professional organization namely Dhaka Chamber of Commerce & Industry and all elite clubs in Dhaka and Chittagong. He is equally active in many community development and social services programmes. Time and again, he has remained an honourable Donor to BIRDEM Hospital, Cancer Hospital, SEID Trust and a good number of educational institutions. He is the honorary Consul General of the Republic of Poland in Dhaka.

Mr. Tahidul Hossain Chowdhury is a sponsor Director and one of the long serving Members of the Board of Dhaka Bank Limited. He is now holding the position of Director of the Bank. He is also a Member of the Audit Committee of the Board. His first appointment as Director dated April 6, 1995 while his last re-appointment took place on May 11, 2009. Academically, he is a Bachelor of Arts and his professional experience in business extends over more than 40 years.

Mr. Chowdhury has earned a name as a prominent business personality in the country having stakes in diverse fields of business. He is the Chairman of Riotex Ltd. and Jerat Shirt Ltd.; Managing Director of Jerat Fashion Ltd. and Hotel Victory Ltd. and Director of Central Hospital Ltd., HURDCO International School and Dhaka Bank Investment Ltd. Besides, he is well-connected to various social initiatives and has a good travel record around the world on business and personal trip. He was elected the Vice Chairman of the Board of Directors in the 353rd Meeting of the Board of Directors of Dhaka Bank held on June 12, 2019.



Tahidul Hossain Chowdhury



Abdul Hai Sarker

Mr. Abdul Hai Sarker is the Founder Chairman and one of the most experienced Board Members of Dhaka Bank Limited. He was the key architect to set the pace of this great corporate voyage for excellence. Today's Dhaka Bank manifests his crusading zeal for a sound Banking institution that would be a shining example for all and the best choice of the new generation. Most importantly, he is a big name in the domain of business and industry. He led the Bank as a Chairman for several times. He is now the Chairman of Executive Committee of the Board. Born in a respectable Muslim family of Sirajgonj District, Mr. Hai accomplished his Post Graduation Degree (M.Com.) from the University of Dhaka in 1970. Soon he involved himself in international trade & business and became a reputed industrialist in the country. His sincere effort and dynamic leadership culminated in a large business conglomerate in the name of Purbani Group. He is the Chairman & CEO of Shohagpur Textile Mills Ltd. & Purbani Synthetic Spinning Mills Ltd., Purbani Fabrics Ltd., Karim Textile Ltd., Karim Spinning Mills Ltd., Purbani Yarn Dying Ltd., Purbani Agro Processing Ltd., Purbani Rotor Spinning Ltd. and Purbani Fashion Ltd.; Proprietor of Purbani Traders and Purbani Fisheries and Director of Dhaka Bank Securities Ltd. He is also the Chairman of Education, Science, Technology and Cultural Development Trust (ESTCDT) of Independent University, Bangladesh (IUB). Mr. Abdul Hai Sarker is the former Vice Chairman of Bangladesh Association of Banks (BAB), the former President of Bangladesh Textile Mills Association (BTMA) and a former Director of Federation of Bangladesh Chamber of Commerce and Industries (FBCCI). Mr. Hai is the Founder Trustee of Independent University, Bangladesh, Founder Member of the Board of Trustees of Bangladesh Enterprise Institute (BEI) and was an Associate Director of International Cotton Association based in Liverpool, UK. Besides being a leading business personality, he has been playing commendable role in social welfare and community development. Many organizations have awarded him for his outstanding contribution to the society. He has also been accorded Commercially Important Person (CIP) status by the Government.

DIRECTORS' PROFILE

Continued



Rokshana Zaman

Mrs. Rokshana Zaman is an experienced business person and a prominent woman entrepreneur in the country. She has exposure in the line of business for more than 19 years. She is the Proprietress of Dhaka Enterprise, a reputed business firm in Bangladesh and M/s Manehor Fisheries, Maksuda Cargo Vessel, Maksuda 1 Cargo Vessel and Director of Dhaka Bank Securities Ltd. Mrs. Zaman first involved herself in Banking business as an Alternate Director of the Bank back in 1996. Subsequently she was appointed a Director on June 29, 2004. She became the Chairperson of the Board of Directors on June 29, 2004 and continued her tenure till March 28, 2006. She is now a Member of the Audit Committee as well as Risk Management Committee of the Board. Since long, she has been associated with various CSR initiatives.

A seasoned industrialist Mr. Altaf Hossain Sarker is an admired name in the arena of business in Bangladesh. His brilliance and business foresight has added a new dimension to the industrial revolution in Bangladesh. As his brainchild, many enterprises are there to be named, which in turn have become a change maker not only in the heartland of Sirajgonj where he was born but also around the country as a whole. In his mid twenties, he started off as a businessman with an academic accomplishment of Bachelor of Commerce (B.Com.). The following years saw his sparks of business growth in diversified areas of business. Mr. Sarker is the CEO of Rahmat Group, a renowned business conglomerate. He is the Chairman of Rahmat Rotors Ltd., Chairman & Managing Director of China Plastic (BD.) Ltd.; Managing Director of Rahmat Textiles Ltd. and Rahmat Knit Dyeing & Finishing Ltd.; Director of Rahmat Fashion Wear Ltd., and Dhaka Bank Securities Ltd. Most importantly, many of his products have become a part of our everyday life being excellent items for clothing and adornment. Mr. Altaf Hossain is now Director of Dhaka Bank and also a member of Executive Committee of the Board. He is also a sponsor Shareholder of the Bank that began its Banking operation in 1995. Earlier, he led the Bank as Chairman being elected in the 134th Board Meeting held in April 2008. His interest has an extra focus on education and social organizations. He is a Member Trustee of Independent University, Bangladesh (IUB) and Director of Bangladesh Textile Mills Association (BTMA). Mr. Sarker is founder Member of Board of Trustees of Dhaka Bank Foundation. Besides, he is a regular sponsor to different social activities, honourable Donor to BIRDEM Hospital, Cancer Hospital, SEID Trust and a good number of educational institutions.



Altaf Hossain Sarker



Mohammed Hanif

An experienced businessman Mr. Mohammed Hanif is a renowned industrialist in the country. He has made remarkable contribution towards business and Banking in Bangladesh. The seasoned industrialist has a business career that extends over as long as 55 years. He is the Managing Director of Hanif Steels Ltd., Hanif Spinning Mills Ltd. and National Foundry & Engineering Works (Pvt.) Ltd. Mr. Hanif is a Sponsor Director and one of the long serving Board Members of Dhaka Bank Limited. He was elected the Vice Chairman of the Bank in the 134th Board Meeting held in April 2008. He was first appointed a Director of the Board on April 6, 1995. He is also a Founder Member of the Board of Trustees of Dhaka Bank Foundation and an erstwhile member of Audit Committee of the Bank. He is associated with different socio-cultural activities.

DIRECTORS' PROFILE

Continued



Md. Amirullah

Mr. Md. Amirullah is a seasoned businessman in the country. He has considerable experience in business extending over above 50 years. His long attachment and commitment to business is something worth considering in the pace of economic development of the country. He started young in business and ended up with many achievements to be proud of. He is one of the pioneers in Bangladesh to initiate export of Video Cassettes worldwide. There is high recognition to his credit as a large exporter of chemicals in the international market. He is one of the Director of Dhaka Bank Investment Ltd. Mr. Amirullah associated himself with Banking entrepreneurship as a Sponsor Director of Dhaka Bank. He still continues with the Bank as Director and has retained his position for several terms after required intervals. He is now the Member of the Audit Committee of the Board. He has also widened his contribution to education setting through up a university in Dhaka. He has life membership with almost all elite clubs.

Mr. Abdullah Al Ahsan, Director of Dhaka Bank has a prolific business background. For more than 34 years, his contribution to industry and commerce has remained vibrant. Academically he has completed M.Com. He is also a Sponsor Director of Dhaka Bank. His first appointment as a Director took place in April 6, 1995. As a business entrepreneur, he has made worthy contribution to Agro Industry, well-recognized as a thrust sector in Bangladesh. He is the Director of Aroma Poultry and Aroma Fisheries Ltd. He has widely travelled across the globe on business trips. He is associated with Gulshan Club, Chittagong Golf & Country Club and Chittagong Seniors Club Ltd. He was pro-VC of USTC.



Abdullah Al Ahsan



Khondoker Monir Uddin

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

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

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

DIRECTORS' PROFILE

Continued



Jashim Uddin

Mr. Jashim Uddin, Director of Dhaka Bank Limited is a prominent businessman of the country. He is also a Sponsor Director of the Bank. Academically, he is a Bachelor of Arts and by profession. He is an established businessman having more than 35 years of experience. He is involved in myriad fields of business comprising Banking Services, Insurance, Stock Brokerage, HR Development, Trading and others. He is now the Chairman of Impel Shares & Securities Ltd.; Director of HURDCO International School Ltd. and Proprietor of Rafid Enterprise and Shareholder of Dhaka Imperial Hospital Ltd.

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

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

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



Khondoker Jamil Uddin



Mirza Yasser Abbas

Mr. Mirza Yasser Abbas, a youthful entrepreneur, is the Director of Dhaka Bank Limited. He is also a Member of Executive Committee of the Board. Mr. Abbas has an excellent academic records. He has attained his international MBA from Arcadia University, PA, USA and earned worthy expertise on business management affairs. He has been associated with Mirza Enterprise and family business over the last 17 years; and applies his rich experience as the Chairman of LOUD Limited and Managing Director of Predictable Process Limited. He is also the Director of Dhaka Bank Investment Limited.

Mr. Mirza Yasser Abbas was appointed Member of the Board of Directors of Dhaka Bank on May 3, 2012. Since his joining, he has been spearheading many development and restructuring initiatives in the Bank on behalf of the Board.

As an impressive and eloquent Speaker, he advances impactful ideas and meaningfully motivates youths, especially Corporate Freshers, with examples drawn mostly from his own multihued life.

Apart from business, he has admirable social affiliation. He is an Associate Member of Gulshan Club, Dhaka. He has travelled widely across Asia, Europe and North America on business and personal trips. With a convincing compassion for the underprivileged, Mr. Abbas is involved in various philanthropic works in the community.

DIRECTORS' PROFILE

Continued



Amanullah Sarker

Mr. Amanullah Sarker is Director of Dhaka Bank Limited. He was appointed a Member of the Board of the Bank with effect from April 18, 2013. Having an excellent business background for 29 years, he is associated with Rahmat Group, a renowned business group which is one of the leading manufacturers of textiles, spinning, weaving, plastic and accessories in the country.

Mr. Sarker was born on May 18, 1964 and belongs to a respectable Muslim family. He is the son of Alhaji Mohammad Ali Sarker and Mrs. Amina Khatun. Academically he has earned B.A. (Hons) and M.A. degree from the University of Dhaka. Having accomplished his academic feat, he set out as a promising business entrepreneur in the eighties. Over the next two decades, his career grew on his continuous success leading up to the formation of Rahmat Group. He is the Managing Director of Rahmat Spinning Mills Limited, Chairman of Logos Apparels Limited, Belkuchi Spinning Mills Ltd. and Rahmat Sweaters (BD) Limited. He is also the Partner of Shahi Products.

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

Mrs. Manoara Khandaker has been nominated as Director of Dhaka Bank Limited in June 2019. Born in Cumilla, she completed her Bachelors of Arts Degree from Cumilla Government Women's College. Mrs. Khandaker is one of the pioneers in Shopping Bag Industry in the country. She is the Director of Bari and Pack Plast Limited, Rajarbag, Dhaka, since 1998.

She is also a Proprietress of Total Pack and Packaging, a concern of Bari Group of Companies, which came into operations in 2014 as the only manufacturer of Stretch Wrap Film in Bangladesh.



Manoara Khandaker



M. A. Yussouf Khan

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

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

DIRECTORS' PROFILE

Continued



Md. Muzibur Rahman

Mr. Md. Muzibur Rahman was appointed Independent Director of Dhaka Bank Limited on November 28, 2018.

Mr. Md. Muzibur Rahman was an Official of Bangladesh Government where he served for more than three decades. He Joined Directorate of Agricultural Marketing in 1968 as a Research Officer. Then he moved to Ministry of Planning and served other Ministries too. He retired in 2002 as Joint Chief of the Ministry of Planning. Made Economic & Financial Analysis; Monitoring & Evaluation of Projects, Periodical Review of implementation of Projects with Government of Bangladesh and Asian Development Bank. Prepared Annual Development Plan and 5-year Plan of Ministry; Working Paper and Summary of Projects for Executive Committee of the National Economic Council [ECNEC] etc.; and also ones for the Approval of the Minister. Attended a number of Local and Foreign Trainings on advanced Issues e.g. Development Project Management in Indonesia [sponsored by ESCAP]; Structural Adjustment and Poverty [IMF S'pore RTI] etc. Prepared many important Reports e.g. Country Report on Economic & Human Resources Development of Bangladesh for a Seminar at Hankuk University of Foreign Studies, Republic of Korea.

Did his MA in Economics from the University of Dhaka; and MSc in Agricultural Economics at University of London, UK.

Mr. A.S. Salahuddin Ahmed was appointed Independent Director of Dhaka Bank Limited on January 01, 2019.

Mr. Ahmed joined the then East Regional Laboratories of Pakistan Council of Scientific Research as Research Assistant in Dhaka in 1964, worked there till 1967. Then he joined the then East Pakistan Industrial Development Corporation [EPIDC] as Chemist and in course of time became General Manager [Project Head] in 1973. He served as Project Head of Sugar Mills under Bangladesh Sugar and Food Industries Corporation [BSFIC]. Moreover, he was Secretary of BSFIC for 3 years. He was the Member of the Board of Directors of the Corporation and held important positions like Director Marketing, Director Planning & Development and Director Production & Engineering for 8 years. He became Chairman of Bangladesh Sugar and Food Industries Corporation [BSFIC] and retired in February 2000.

From 2001 to 2008, he was Executive Director [Sugar]/Advisor of Nitol Niloy Group.

Mr. A.S. Salahuddin Ahmed completed his M.Sc. in Chemistry from University of Dhaka, Bangladesh. Mr. Ahmed did his Post Graduate Diploma in Management from RVB, Delft, the Netherlands; and received Training on Management both inside and outside the country. He attended Training on Accounting & Management at Institute of Business Administration, University of Dhaka.

Mr. Ahmed is involved in many acclaimed Social Activities. He held many positions like the District Governor, District-315B1, Lions Club International, Vice Chairman & Acting Chairman of Bangladesh Chemical Society, Member, Board of Governors of Bangladesh Institute of Chemists & Chemical Technologists and so on. He is the Chairman of the Lions Magazine, Bangladesh Edition, an International Publication of Lions Clubs International.



A.S. Salahuddin Ahmed



Emranul Huq

Mr. Emranul Huq was appointed as the Managing Director and CEO of Dhaka Bank Limited with effect from February 22, 2020. Prior to this role, he was serving the Bank as the Additional Managing Director and Chief Business Officer.

Mr. Huq has more than three decades of professional banking experience both at home and abroad to his credit. He started his career with Bank of Credit and Commerce International (BCCI) in Dhaka as Management Trainee in 1986. Before joining Dhaka Bank in 1998, he also worked at Eastern Bank Limited and Credit Africa Bank Limited in Zambia in various capacities. During his long tenure with Dhaka Bank, Mr. Huq served in various key positions which includes Deputy Managing Director for Business Banking, Head of Corporate Banking and Branch Manager for various corporate branches of the Bank, etc.

Mr. Huq attended various professional banking training programs at home and abroad namely, USA, Germany, Netherlands, China, Thailand, Malaysia, Hong Kong, Pakistan, etc. He is a "Certified Corporate Banker" and a Fellow of the American Academy of Financial Management. He is also the Member of the Standing Committee on Banking Technique and Practice of International Chamber of Commerce (ICC) Bangladesh.

Mr. Huq obtained his Bachelor of Commerce with Honors in Management from the University of Dhaka and Masters in Business Administration from the American International University-Bangladesh (AIUB).

CHAIRMAN'S STATEMENT



Reshadur Rahman
Chairman, Board of Directors

In the 25-long year journey, the Bank has gone far beyond the periphery of merely financial objectives and has directly contributed to the country's socio-economic development, partnering the growth of individuals, entrepreneurs, businesses and the Government. Leaving behind many traces of financial excellence in the history, we proudly look forward to celebrate our 25th anniversary on July 5, 2020. The sudden outbreak of COVID-19 pandemic since the very outset of 2020 has put the economies under severe stress and pulled in to a near halt.

On the Mujib Year, Dhaka Bank pays tribute to the Father of the Nation Bangabandhu Sheikh Mujibur Rahman and pledges promise to fight alongside to help build the Land of Golden Bengal that Bangabandhu had dreamt. This year, we promise to take the banking further and beyond to serve the people and the economy of Bangladesh.

My appreciation goes to the Ministry of Finance, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Government Authorities, and other Regulatory Agencies on behalf of the Board Members. Our customers are the heart of everything we do and I am deeply grateful for their kind company throughout our journey to 'Excellence in Banking'.

CHAIRMAN'S STATEMENT

Continued

Respected Shareholders and Stakeholders,

It is great to see your esteemed Bank grow as a matured financial institution in Bangladesh with a landmark passage for around 25 years in the industry. Leaving behind many traces of financial excellence in the history, we proudly celebrated our 25th anniversary on July 5, 2020. We value this moment a milestone triumph for a leading private commercial bank in the country.

Dhaka Bank limited has delivered another year of impressive performance, strengthening its market share and leadership and fostering economic activity across the country. Despite challenging operating conditions, the Bank successfully met its financial objectives and remained well disposed to its shareholder commitments. We express our gratefulness to the shareholders and customers for their continued partnership and trust on us. I gladly present to you Dhaka Bank's Annual Report and financial statements on this august event of 25th Annual General Meeting (AGM). The Annual Report displays the significant progress of Dhaka Bank Limited in the core business areas and beyond during the year 2019.

With countrywide presence and web of banking network, Dhaka Bank has emerged as one of the country's most economically and socially impactful organizations in Bangladesh. In the 25-long year journey, the Bank has gone far beyond the periphery of merely financial objectives and has directly contributed to the country's socio-economic development, partnering the growth of individuals, entrepreneurs, businesses and the Government. To the tune of Government's national agenda in 2019, we have placed strategic emphasis on empowering entrepreneurs, supporting SME and agriculture sector, financing large scale national infrastructure projects and promoting financial inclusion across the nation. Besides being enriched with an expanded local network of 192 Banking service points including Branch, Sub-Branch, alternate delivery channels in the country, it's a matter of pride to have tied a strong bond with a global network maintaining more than 475 correspondent relationships and remittance partnership with as many as 20 exchange companies to cater to all financial needs of our nation that extend beyond borders.

During the year, global dynamics accompanied by domestic conditions offered myriad challenges to our operating environment. Global economic growth reflected a general slowdown in growth momentum driven by region and country specific factors. Amidst escalating trade tensions between the US and its main trading partners and tighter financial conditions in several advanced economies, global growth is expected to recover to 2.5 percent in 2020-up slightly from the post-crisis low of 2.4 percent registered last year and to edge up further over the forecast horizon. This projected recovery could have been stronger if recent policy actions-particularly those that have mitigated trade tensions, lead to a sustained reduction in policy uncertainty. However, the sudden outbreak of COVID-19 pandemic since the very outset of 2020 has put the economies under severe stress and pulled in to a near halt. The effect is turning so catastrophic

that there is rising prediction of resurgence of global recession after a long pause. Given such gloomy prospects, growth forecasts for both the developing and the emerging countries apparently looks to slide down to a historical low in the near terms.

On the contrary, decade long economic growth of Bangladesh at a benchmark pace has captured attention of the centre stage of the world and widely commended by global forums. Bangladesh economy is expected to remain strong in the fiscal year 2019-2020 with strong GDP growth rate of 7.8 percent according to the latest ADB report "Asian Development Outlook 2020". The growth is projected at around 8.00 percent in 2020-2021. Bangladesh posted over 8.00 percent growth in GDP during the fiscal 2018-2019 (ended June 2019). Graduating from LDC status to mid-income nation is a sign that a country's per capita gross national income, human assets, and resilience to economic and environmental shocks are robust enough to enable sustainable development.

Now the biggest threat to achieving sustained economic growth has become the banking industry itself facing the challenges of NPL spirals, especially the state-owned banks. The rise in the volume of classified loans led to the incurrence of higher provisioning charges by banks, a major constraint to the retention of net profit at expected level. The banking sector was directed towards complying with regulations, which required a revamping of systems in the context of changing Customer and employee mind-set. The industry also sought to augment capital towards ensuring full implementation of Basel III norms that necessitated banks approaching the equity and debt market to strengthen capital. With a constant effort to improve asset quality and measures to raise capital where necessary, the Bank was able to maintain Capital Adequacy ratio (CAR) at 16.12% in 2019 against regulatory prescription of 12.50%.

Bank's strategy resulted in a consistent performance in 2019. Driving customer centricity was a key area of our focus during the year. We made considerable investments to excite consistent customer experience across all of our touch points. Our digital footprints were enriched further to enable Customers to bank from home and help avoid the hassles of a busy day. Besides focusing on digital proposition, preserving credit quality remained key point in deriving the competitive advantage. From lending perspective, we put forward strategic emphasis on empowering entrepreneurs and supporting the country's SME and agriculture sector, a catalyst for fostering entrepreneurship and self-reliance. Small and Medium Enterprises together with farming and agriculture are identified as the engine of economic growth and we remain committed to partnering the Government's development agenda by channeling funds to this sector.

In the year 2019, Dhaka Bank delivered a commendable set of financial results to create long-term value for all stakeholders. BDT 6.09 billion of Operating Profit was earned by your Bank this year. Under Bank's stringent collection and monitoring frameworks, Non-performing Loans (NPL) ratio was contained below 5 percent, a benchmark limit as per

CHAIRMAN'S STATEMENT

Continued

regulatory standard. Throughout the year, Dhaka Bank introduced some new digital services to serve Customers better. We have launched “i-Khata”, the first-ever automated SME solution in the country, “Bills to Cash”, a supply chain finance window and so forth. To recognize good SME Borrowers, Pay Master Programme was introduced to promote good payment behaviour of Customers. Our new MSME deposit product “DBL Shukti” also drew commendable attention. Moreover, Dhaka Bank always supports disadvantaged business community by devising various schemes and injecting funds in their crucial times. The Bank posted BDT 285.00 billion in assets at end-December 2019, further cementing our position in the industry.

The Board comprehends that best governance practices and guiding rules are key to financial stability and sustainability in the long term. To this end, Bank's corporate governance framework has evolved to embrace emerging industry best practices and is founded on the highest standards of corporate conduct and ethics. During the year under review, 26 Board Meetings were held to deliver decision and approval in various business areas. The Board areas of emphasis included strategy formulation to meet the set goal related to core risk management, HR policy, prevention of money laundering & terrorist financing, cyber security and preserving portfolio quality. Anti Bribery and Anti-Corruption Policy will soon be formulated and introduced.

Our trust is embedded into a belief that every financial engagement has to have a sustainable end for the ultimate benefits of the community and our stakeholders. As an entity infused with both financial and social objectives, our sustainability considerations permeate through all aspects of our operations. Our triple bottom line approach to value creation is reflected in our corporate governance practices time and again. We pursue a goal to be ranked as one of the best corporate citizens with our continued accountability for a rule based banking system.

Another side of our banking endeavour is illuminated with the obligation to the betterment of our society and greater community. Our corporate philosophy is deeply rooted to the belief of a meaningful engagement that sacrifices a share of its gains to the underserved and have-nots. We believe in a culture that enshrines the very purpose of shared value driven towards ultimate development of the nation. In the year 2019 we have contributed CSR fund totaling BDT 56.22 million for various national and social causes including assistance to disabled children, support to education, treatment of fatal diseases, development of games & sports, renovating health infrastructure and so forth. Worth Mentioning, in response to Government effort to manage various national disasters, the Bank came forward with a donation of BDT 10.00 million to “Prime Minister's Relief & Welfare Fund”.

To serve the nation with the heart of a caring bank, there has to be a caring and dedicated pool of human resources. We have deployed a motivated and committed Dhaka Bank Team to facilitate value creation and customer orientation. Throughout the year, we sought to further enhance our Employee value proposition. Through Dhaka Bank Training Institute and a full-fledge training framework, we have ensured to provide opportunities for training and career development in a

conducive and challenging work environment while ensuring competitive remuneration.

Although the country's growth prospects remained extremely encouraging amid continued economic progress of the country, the unfortunate outbreak of COVID-19 has surfaced with a potential economic damage to every region of the globe. The unprecedented event at the post balance sheet period, has unleashed many exceptional limits to slow down country's upward growth trajectory. Under the prevailing shutdown of business and lockdown of social life, ravaged export markets and remittance, the country may have to shed much of its development shines. The leaders and policy makers will have to contemplate significant adjustments, stimulus package, concessions and drastic policy shifts to contain the unforeseen calamity. Country people might undergo unspeakable hardships and survive many sacrifices of the fellow-men, that is hard to bear.

Whatever remains ahead, we pray for the best. The people of Bangladesh together will fight against the misfortune and win back financial vigour at the quickest pace. Dhaka Bank will maintain focus on the objectives of 2020 with an emphasis of customer centricity, supporting the country's CMSME and agriculture sector and embracing digital transformation. On the top, we are ever ready to allow our delivery channels to disburse government stimulus package to the distressed sectors and individuals. Our excellence will continue to meet customer demands and financial needs of the people in general.

Looking forward to the prospects and impacts of 2020, I wish to extend my gratitude to my colleagues on the Board for their wholehearted support in providing strategic direction to the Bank. I would also like to congratulate the Managing Director and CEO Mr. Emranul Huq, the members of the management and the great Dhaka Bank team for their untiring efforts and commitments to meet o our strategic aspirations. Our shareholders have always been a pillar of strength. My appreciation goes to the Ministry of Finance, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Government Authorities, and other Regulatory Agencies on behalf of the Board Members helping us navigate these uncertain times. Our customers are the heart of everything we do and I am deeply grateful for their kind company throughout our journey to 'Excellence in Banking'.

Sincere gratitude to all other stakeholders including suppliers, vendors, business partners and the communities whose trust and partnership have heightened our confidence to contribute towards the country's economic shines.

Stay safe and take care of yourself and your family.



Reshadur Rahman
Chairman, Board of Directors
Dhaka Bank Limited

প্রিয় শেয়ারহোল্ডার ও স্টেইকহোল্ডারবৃন্দ,

এটি অত্যন্ত মর্যাদার যে আপনাদের গৌরবান্বিত ব্যাংক, ব্যাংকিং খাতে প্রায় পঁচিশ বছরের এক যুগান্তকারী পথ অতিক্রম করে বাংলাদেশে একটি পরিপক্ক আর্থিক প্রতিষ্ঠানে পরিণত হয়েছে। ব্যাংকিং ইতিহাসে আর্থিক উৎকর্ষের বহু ছাপ রেখে আমরা গৌরবের সাথে আগামী জুলাই ৫, ২০২০-এ ব্যাংকের ২৫তম বার্ষিকী উৎযাপন করেছি। দেশের একটি প্রধান বাণিজ্যিক বেসরকারি ব্যাংক হিসেবে আমরা এই মুহূর্তকে একটি মাইলফলক বিজয় হিসেবে মূল্যায়ন করি।

ঢাকা ব্যাংক লিমিটেড দেশব্যাপি এর বাজার হিস্যা ও নেতৃত্বকে জোরদার করে এবং দেশে অর্থনৈতিক কর্মকাণ্ডের পৃষ্ঠপোষকতার মাধ্যমে আরও একটি কর্মবহুল আকর্ষণীয় বৎসর নিবেদন করল। পরিচালনাগত প্রতিযোগিতার মাঝেও ব্যাংক এর আর্থিক লক্ষ্য সফল করতে পেরেছে এবং শেয়ারহোল্ডার অঙ্গীকারের প্রতি অবিচল থেকেছে। সকল শেয়ারহোল্ডার এবং গ্রাহকগণের প্রতি আন্তরিক কৃতজ্ঞতা প্রকাশ করছি তাঁদের অব্যাহত অংশীদারিত্ব ও আশ্বাস জন্য। ব্যাংকের ২৫তম বার্ষিক সাধারণ সভার এই মহান অনুষ্ঠানে, আমি আনন্দচিহ্নে আমাদের বার্ষিক প্রতিবেদন এবং আর্থিক বিবরণীসমূহ পেশ করছি।

সারাদেশ জুড়ে সরব উপস্থিতি এবং ব্যাংকিং নেটওয়ার্কের বিন্যাস ঢাকা ব্যাংককে এখন দেশের অন্যতম অর্থনৈতিক ও সামাজিকভাবে প্রভাবশালী প্রতিষ্ঠান হিসেবে পরিচিতি দিয়েছে। শুধুমাত্র আর্থিক কর্মকাণ্ডের গড়ি পেরিয়ে ব্যাংক গত দুই দশকেরও বেশি সময় ধরে ব্যক্তি, উদ্যোক্তা, ব্যবসায় কিংবা জাতীয় উদ্যোগের অংশীদার হয়ে দেশের আর্থসামাজিক উন্নয়নে সরাসরি অবদান রেখে চলেছে। ২০১৯ সালে সরকারের জাতীয় কর্মসূচীর সাথে সঙ্গতি রেখে আমরা কৌশলগত অগ্রাধিকার দিয়েছি উদ্যোক্তার ক্ষমতায়নে, ক্ষুদ্র মাঝারি ও কৃষি শিল্পের বিকাশে, বৃহৎ জাতীয় অবকাঠামোর অর্থায়নে এবং দেশে আর্থিক অন্তর্ভুক্তির প্রসারণে। দেশব্যাপি শাখা, উপ-শাখা, বিকল্প সেবা চ্যানেলসহ ১৯২টি সেবাকেন্দ্রের একটি সমৃদ্ধ নেটওয়ার্ক ছাড়াও আমরা গর্ববোধ করি ৪৭৫ টির বেশি কorespondেন্ট সম্পর্ক এবং ২০ টি একচেঞ্জ কোম্পানির সাথে রেমিট্যান্স অংশীদারিত্ব বজায় রেখে বৈশ্বিক নেটওয়ার্কের সাথে একটি শক্তিশালী বন্ধন রচনা করতে পেরে।

অত্র সালে অভ্যন্তরীণ পরিষ্কৃতির সাথে সাথে বৈশ্বিক পরিবর্তন সূচকগুলি আমাদের কর্ম পরিবেশে বহু চ্যালেঞ্জ ছুঁড়ে দিয়েছিল। আঞ্চলিক ও দেশ-ভিত্তিক বিভিন্ন পালান্দলের প্রভাবে বিশ্ব অর্থনীতির প্রবৃদ্ধির গতিমাত্রায় নিম্নগতি অনুভূত হয়। যুক্তরাষ্ট্র এবং এর প্রধান বাণিজ্যিক অংশীদারদের মাঝে ক্রমবর্ধমান টানা পোড়েন এবং অগ্রসর অর্থনীতির কিছু দেশে কঠোর আর্থিক নিয়ন্ত্রণের দোলাচলে ২০২০ সালে বৈশ্বিক প্রবৃদ্ধির হার ২.৫ শতাংশ অর্জনের প্রত্যাশা ব্যক্ত করা হয় যা গত বছরের সংকট পরবর্তী সর্বনিম্ন ২.৪ শতাংশের একটু উপরে। প্রাক্কলন বলয়ে যার আরও উর্ধ্বগমন আশা করা যায়। অর্থনৈতিক প্রাপ্তির এই পূর্বাভাস আরও মজবুত হতে পারত যদি সাম্প্রতিক গৃহীত কর্মপন্থা, বিশেষ করে যা বাণিজ্য টানা পোড়েনকে প্রশমিত করেছিল তা নীতি অনিশ্চতার যৌক্তিক প্রশমনের দিকে ধাবিত হয়। যাহোক, ২০২০ সালের গোড়া থেকে কোভিড-১৯ মহামারীর আকস্মিক প্রাদুর্ভাব বিশ্ব অর্থনীতিকে কঠিন চাপে ফেলে দিয়েছে এবং তা প্রায় স্ববিরতার রূপ নিয়েছে। এর প্রভাব এতই সর্বনাশা প্রতীয়মান হচ্ছে যে দীর্ঘ বিরতির পর একটি বিশৃঙ্খল প্রত্যাবর্তনের পূর্বাভাস ক্রমেই প্রকট হচ্ছে। এই বিষয় অর্থনৈতিক পক্ষপাত উন্নয়নশীল এবং উদীয়মান উভয় দেশসমূহের প্রবৃদ্ধি আপাতত ঐতিহাসিক তলানিতে ঠেলে দেয়ার ইঙ্গিত দিচ্ছে।

অন্যদিকে বাংলাদেশ অর্থনীতির গত এক দশকের সাড়া জাগানো অগ্রগতি বিশৃঙ্খলার দৃষ্টি আকর্ষণ করেছে যা বৈশ্বিক ফোরামসমূহের ব্যাপক প্রশংসা কুড়িয়েছে। এডিবি'র সাম্প্রতি প্রতিবেদন অনুসারে ২০১৯-২০২০ অর্থবছরে বাংলাদেশ অর্থনীতি ৭.৮ শতাংশের একটি বড় প্রবৃদ্ধি নিয়ে একটি মজবুত অবস্থানে দণ্ডায়মান থাকার পূর্বাভাস ব্যক্ত করা হয়েছে। ২০২০-২১ সালে ৮.০০ প্রবৃদ্ধি অর্জনের আশাবাদ ব্যক্ত করা হয়েছে। বিগত ২০১৮-২০১৯ অর্থবছরে দেশের প্রবৃদ্ধি ৮.০০ শতাংশের বেশি অর্জিত হয়েছে। উন্নয়নশীল দেশ থেকে মধ্যম আয়ের দেশের মর্যাদা অর্জনের পথে বাংলাদেশের অগ্রগমন একথার ইঙ্গিত দেয় যে দেশের মাথাপিছু আয়, মানব সম্পদ এবং অর্থনৈতিক ও পরিবেশগত অভিঘাত থেকে প্রত্যাবর্তনের সক্ষমতা দেশটির টেকসই উন্নয়ন অর্জনে পথকে যথেষ্ট সবল করেছে।

দেশের টেকসই অর্থনৈতিক প্রবৃদ্ধি অর্জনের পথে বড় বাধা এখন ব্যাংকিং খাত যা, বিশেষ করে সরকারি মালিকানাধীন ব্যাংকগুলোর বিবেচনায়, অলস খানের মন্দচক্রে আবদ্ধ হয়ে পড়েছে। শ্রেণিকৃত ঋণপরিধির ব্যাপকতা ব্যাংকগুলোকে অধিকতর ঋণসঞ্চিতি সংরক্ষণে বাধ্য করেছে এবং এটি প্রত্যাশিত নিট মুনাফা বজায় রাখার প্রধান অন্তরায় হয়ে দাঁড়িয়েছে। আলোচ্য সময়ে ব্যাংকিং খাতকে নানাবিধ বিধি-বিধানের অনুবর্তী হতে হয়েছে যেখানে লক্ষণীয় বিষয়ের মধ্যে ছিল গ্রাহক ও কর্মীবাহিনীর মানসিকতার পরিবর্তনের সাথে সঙ্গতি রেখে ব্যাংকের রীতি-পদ্ধতির পুনর্গঠন। ব্যাংকিং খাতে বেসল-৩ মানদণ্ড অনুসারে মূলধন বৃদ্ধির তাড়না এমন ছিল যে ব্যাংকগুলোকে মূলধন সুসংহত করতে পুঁজিবাজার ও ঋণবাজারের শরণাপন্ন হতে হয়। ঢাকা ব্যাংক সম্পদমানের ধারবাহিক উন্নতি সাধন এবং প্রয়োজনে যথাযথ মূলধন আহরণের মাধ্যমে ২০১৯ পঞ্জিকা বছরে মূলধন পর্যাপ্ততার অনুপাত ১৬.১২ শতাংশ বজায় রাখতে সক্ষম হয়। এর বিবিধ আবশ্যিকতা হলো ১২.৫০ শতাংশ।

২০১৯ সালে ব্যাংকের কর্মকৌশল সঙ্গত ফলাফল বয়ে আনতে সক্ষম হয়েছে বলে আমরা মনে করি। এই সালে আমাদের মনোযোগের কেন্দ্রে ছিল গ্রাহক সম্পৃক্ততা। আমাদের সান্নিধ্যের সকল সংস্থানসমূহে গ্রাহক অভিভূতাকে আলোড়িত করতে আমরা উল্লেখযোগ্য বিনিয়োগ করেছি। ব্যস্ত দিনের বামেলা মুক্ত হয়ে গ্রাহকদের ঘরে বসেই লেনদেন পরিচালনা করতে আমাদের ডিজিটাল মাধ্যমগুলো আরও সমৃদ্ধ করা হয়েছে। শুধুমাত্র প্রযুক্তিনির্ভর প্রস্তুত ও প্রতিজ্ঞাই নয় - এর বাইরেও ব্যাংকের দৃষ্টি নিবদ্ধ ছিল প্রতিযোগিতামূলক সুযোগের সদ্ব্যবহার করে প্রত্যাশিত ঋণমান বহাল রাখা। ঋণ কর্মকাণ্ডের দৃষ্টিকোণ থেকে আমাদের নীতিগত অগ্রাধিকার ছিল উদ্যোক্তার ক্ষমতায়ন এবং এসএমই তথা কৃষি খাতের পৃষ্ঠপোষকতা যা ব্যবসায়িক উদ্যোগ ও আত্মনির্ভরতার অনুঘোটক হিসেবে বিবেচিত। ক্ষুদ্র ও মাঝারি শিল্প ও কৃষি খাতকে দেশের অর্থনৈতিক প্রবৃদ্ধির চালক বলা হয় এবং সেই কারণেই সরকারের উন্নয়ন কর্মসূচির অংশীদার হয়ে এই খাতে পুঁজির সরবরাহ নিশ্চিত করতে ব্যাংক ছিল দৃঢ়সংকল্প।

সালজুড়ে সকল অংশীজনের অনুকূলে স্থায়ী উৎকর্ষ সাধনে একগুচ্ছ প্রশংসনীয় আর্থিক ফলাফল উপহার দিতে পেরেছে ঢাকা ব্যাংক। এই সালে প্রায় ৬.০৯ বিলিয়ন টাকা পরিচালন মুনাফা আয় করেছে ব্যাংক। ব্যাংকের কঠোর আদায় এবং তদারকি কাঠামোর কল্যাণে শ্রেণিকৃত ঋণের অনুপাত বিধিবদ্ধ মানদণ্ড অনুযায়ী ৫ শতাংশের নিচে ধারণ করতে সক্ষম হই আমরা। পুরো সাল জুড়ে গ্রাহকদের উন্নত সেবা দিতে আমরা নতুন নতুন ডিজিটাল সেবা প্রবর্তন করি। আমরা চালু করেছি দেশের প্রথম স্বয়ংক্রিয় এসএমই সমাধান “আই-খাতা”, যোগানভিত্তিক আর্থিক সমাধান “বিলস টু ক্যাশ” এবং অন্যান্য। এসএমই ঋণগ্রহীতাদের মধ্যে শুদ্ধ লেনদেন আচার উৎসাহিত করতে “পে মাস্টার প্রোগাম” চালু করা হয়। আমাদের নতুন এসএমই

চেয়ারম্যানের বাণী

ডিপোজিট প্রোডাক্ট “শুক্রি” গ্রাহক সমাজে ব্যাপক সাড়া ফেলেছে। ঢাকা ব্যাংক সবসময়ই অনগ্রসর ব্যবসায় গোষ্ঠীর জন্য নতুন নতুন স্কিম উদ্ভাবন করে তাদের সংকটে যথাযথ তহবিল সরবরাহ করতে সহায়ক থেকেছে। আমাদের ব্যাংক ডিসেম্বর-২০১৯ শেষে প্রায় ২৮৫.০০ বিলিয়ন টাকার সম্পদ লিপিবদ্ধ করে ব্যাংকিং খাতে নিজের অবস্থানকে আরও সুদৃঢ় করেছে।

ব্যাংক একথা স্বীকার করে যে সুশাসনের উত্তম চর্চা এবং দিকনির্দেশনা দীর্ঘমেয়াদে ব্যাংকের আর্থিক স্থিতিশীলতা এবং টেকসই অর্জনের প্রধান শর্ত। এই বিবেচনায় ব্যাংকের সুশাসন কাঠামো কর্পোরেট আচরণ এবং নৈতিকতার উৎকৃষ্ট মানের উপর প্রতিষ্ঠিত এবং তা বিবর্তিত হয়েছে উদীয়মান সর্বোৎকৃষ্ট চর্চাকে ধারণ করে। সমীক্ষাকালীন সময়ে বিভিন্ন গুরুত্বপূর্ণ ব্যাংকিং ও ব্যবসায়িক সিদ্ধান্ত গ্রহণ এবং অনুমোদন করতে পরিচালনা পর্ষদের ২৬টি সভা অনুষ্ঠিত হয়। পরিচালনা পর্ষদের আলোচ্য বিষয় তালিকায় অন্তর্ভুক্ত ছিল, ব্যাংকের সুনির্দিষ্ট লক্ষ্যে পৌঁছানোর জন্য মূল ঝুঁকি ব্যবস্থাপনা, মানবসম্পদ নীতিমালা, মানিলডারিং ও সন্ত্রাসী কার্যে অর্থায়ন প্রতিরোধ, সাইবার নিরাপত্তা, মানসম্মত পোর্টফলিও সংরক্ষণ ইত্যাদি সংশ্লিষ্ট প্রয়োজনীয় কৌশল নির্ধারণ।

আমাদের আস্থা প্রোথিত রয়েছে একটি বিশ্বাসের উপর আর তা হলো আমাদের প্রতিটি আর্থিক অঙ্গীকারের মধ্যে নিহিত থাকতে হয় সমাজ ও স্টেইকহোল্ডারদের সার্বিক কল্যাণের উদ্দেশ্যে। দেশের আর্থিক ও সামাজিক উদ্দেশ্যের প্রতি আমাদের অঙ্গীকার ও টেকসই উন্নয়নের ভাবনা ব্যাংকের সামগ্রিক কার্যক্রমের সকল ক্ষেত্রে সঞ্চালিত হয়। মূল্য সংযোজনে প্রচলিত ত্রিমাত্রিক মূল্যবোধ আমাদের কর্পোরেট সুশাসন অনুশীলনে মধ্যেও বার বার প্রতিফলিত হয়। নিয়মের শৃঙ্খলে আবদ্ধ একটি ব্যাংকিং ব্যবস্থা উপহার দিতে ধারাবাহিক দায়িত্বশীলতার মধ্য দিয়ে দেশের অন্যতম কর্পোরেট সুনামগরিকের সম্মান পেতে আমরা সর্বদা তৎপর রয়েছি।

আমাদের ব্যাংকিং উদ্যোগের অপর প্রান্তটি সমাজ তথা জাতির প্রতি আমাদের কর্তব্যের ধারায় উদ্ভাসিত। আমরা সেই কর্মপ্রেরণার বিশ্বাস ও দর্শনকে লালন করি যা ব্যবসায়িক প্রাপ্তির একটি অংশকে বঞ্চিত আর নিঃস্ব মানুুষের উন্নতিসাধনে উৎসর্গিত হয়। আমরা সেই কৃষ্টিকে উৎসাহিত করি যা জাতির সামগ্রিক উন্নয়নের স্বার্থে একটি বচনযোগ্য উৎকর্ষকে সংরক্ষণ করে। ২০১৯ সালে আমরা বিভিন্ন জাতীয় ও সামাজিক প্রয়োজনে প্রায় ৫৬.২২ মিলিয়ন টাকা CSR fund বিতরণ করি। আমাদের CSR কর্মকাণ্ডের উল্লেখযোগ্য দিক ছিল প্রতিবন্ধী শিশুদের জন্য আর্থিক অনুদান, শিক্ষার প্রসারে সহায়তা, দুরারোগ্য রোগের চিকিৎসা, খেলাধুলার উন্নয়ন, স্বাস্থ্য অবকাঠামোর উন্নয়ন সহ আরো গুরুত্বপূর্ণ কিছু ক্ষেত্র। উল্লেখ্য, ঢাকা ব্যাংক বিভিন্ন জাতীয় দুর্যোগে সরকারি উদ্যোগের সাড়া দিয়ে “প্রধানমন্ত্রীর ত্রাণ ও কল্যাণ তহবিল”-এ প্রায় ১০.০০ মিলিয়ন টাকার অনুদান প্রদান করে।

একটি যত্নশীল ব্যাংকের হৃদয় দিয়ে জাতিকে সেবা দিতে হলে প্রয়োজন একটি যত্নশীল ও নিবেদিত কর্মীবাহিনী। গ্রাহক সম্পৃক্ততা ও উৎকর্ষ বাড়াতে আমরা নিয়োজিত রেখেছি একটি উদ্বুদ্ধ ও প্রতিশ্রুতিবদ্ধ “ঢাকা ব্যাংক টিম”। সারা বছর ধরে আমরা এই কর্মীবাহিনীর সেবার উৎকর্ষ বৃদ্ধির অঙ্গীকারকে আরো বেগবান করতে চেয়েছি। আমরা ঢাকা ব্যাংক ট্রেনিং ইনস্টিটিউট ও একটি পরিপূর্ণ প্রশিক্ষণ কাঠামোর সাহায্যে উপযোগী ও প্রতিদ্বন্দ্বিতাপূর্ণ পরিবেশে ব্যাংক কর্মকর্তাদের প্রশিক্ষণের সুযোগ ও পেশাগত উন্নতি নিশ্চিত করেছি যখন আমাদের প্রতিদান ও পারিতোষিক ছিল আকর্ষণীয়।

ধারাবাহিক অর্থনৈতিক অগ্রগতির মধ্য দিয়ে বাংলাদেশের প্রবৃদ্ধির ভবিষ্যৎ অত্যন্ত উৎসাহব্যঞ্জক। এরই মধ্যে বিশৃঙ্খলে কোভিড-১৯ ভাইরাসের আকস্মিক প্রাদুর্ভাব বিশ্বের প্রতিটি প্রান্তে ব্যাপক অর্থনৈতিক ক্ষতির আশংকা তৈরি করেছে। আমাদের Balance Sheet পরবর্তী সময়ে এই অদ্রুতপূর্ব ও অনাকাঙ্ক্ষিত ঘটনা দেশীয় প্রবৃদ্ধির উর্ধ্বগমনের রাশ টেনে ধরতে পারে। চলমান ব্যবসায়িক স্থবিরতা, থমকে যাওয়া সামাজিক জীবন, বিধ্বস্ত রপ্তানি বাজার ও নিষ্শুগামী রেমিট্যান্সের ধাক্কায় কেড়ে নিতে পারে আমাদের উন্নয়নের বালক। অভাবিত এই বিপর্যয়কে রুখতে দেশের নেতৃত্ব ও নীতিনির্ধারকদের গভীরভাবে ভাবতে হবে অর্থপূর্ণ সমন্বয়, প্রণোদনা প্যাকেজ, ব্যবসায়িক ছাড় আর নীতি-কৌশলের উল্টোমোড় নিয়ে। দেখতে হতে পারে স্বদেশবাসীর বহু আত্মত্যাগ যা মেনে নেয়া কঠিন।

সামনে যাকিছুই থাক, আমরা দৃঢ়চিত্তে ভালোরই প্রত্যাশা করি। আমরা প্রার্থনা করি, বাংলাদেশের মানুষ একসঙ্গে এই দুর্যোগের বিরুদ্ধে লড়াই এবং দ্রুতই দেশের আর্থিক শক্তি ফিরিয়ে আনবে। ঢাকা ব্যাংক ২০২০ সালে এর অভীষ্ট লক্ষ্যের প্রতি অবশ্যই মনোনিবেশ করবে - গ্রাহক আশঙ্কির উপর জোড়ালো সমর্থন রেখে, দেশের ক্ষুদ্র, মাঝারি ও কৃষিখাতের দিকে সহযোগিতার হাত বাড়িয়ে এবং ডিজিটাল পরিবর্তনকে আলিঙ্গন করে। সবকিছুর উর্ধ্ব সরকারের প্রণোদনা প্যাকেজসমূহকে আমাদের সকল সেবা কাঠামোর মাধ্যমে পীড়িত সেক্টর ও গ্রাহকদের কাছে পৌঁছে দিতে আমরা সদা প্রস্তুত থাকব। আমাদের সার্বজনীন অঙ্গীকার অবিরতভাবে গ্রাহক চাহিদা ও মানুষের আর্থিক প্রয়োজন মেটাতে গতিশীল থাকবে।

পরিশেষে ২০২০ সালের প্রত্যাশা আর প্রভাবকে সামনে রেখে, আমি কৃতজ্ঞতা জানাচ্ছি পরিচালনা পর্ষদে আমার সহকর্মীবৃন্দকে, ব্যাংকের পথচলনায় সুকৌশলি পরামর্শ দিয়ে সার্বিক সহযোগিতার জন্য। অভিনন্দন জানাই ব্যাংকের ব্যবস্থাপনা পরিচালক জনাব এমরানুল হককে, ব্যাংক ব্যবস্থাপনার সদস্যবৃন্দকে এবং ঢাকা ব্যাংক টিমকে আমাদের কর্পোরেট আকাঙ্ক্ষার প্রতিফলনে তাঁদের নিরন্তর প্রচেষ্টার জন্য। আমাদের শেয়ারহোল্ডারগণ সবসময়ই আমাদের শক্তির উৎস থেকেছেন। এই অনিশ্চিত সময়কে পাড়ি দিতে আমাদের সার্বিক সহযোগিতার জন্য ধন্যবাদ জানাই অর্থমন্ত্রণালয়, বাংলাদেশ ব্যাংক, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন, সরকারি কর্তৃপক্ষ এবং অন্যান্য নিয়ন্ত্রক সংস্থাগুলোকে। আমাদের সবকিছুর কেন্দ্রেই আছেন আমাদের সম্মানিত গ্রাহক এবং আমি গভীরভাবে কৃতজ্ঞ আমাদের ব্যাংকিং যাত্রায় তাঁদের সদয় সঙ্গ পেয়ে।

আন্তরিক ধন্যবাদ জানাচ্ছি আমাদের সরবরাহকারি, বিক্রেতা, ব্যবসায়িক অংশীদার, সম্প্রদায়সহ অন্যান্য স্টেইকহোল্ডারগণকে। তাঁদের আস্থা ও অংশীদারিত্ব ব্যাংকিং যাত্রায় আমাদের মনোবলে সাহস যুগিয়েছে।

নিরাপদ থাকুন এবং নিজের ও পরিবারের যত্ন নিন।



রেশাদুর রহমান

চেয়ারম্যান, পরিচালনা পর্ষদ
ঢাকা ব্যাংক লিমিটেড

STRATEGIC REVIEW OF THE MANAGING DIRECTOR & CEO



Emranul Huq
Managing Director & CEO

At this august moment of 25 years journey, I would like to recall the resolution of a host of visionary entrepreneurs and Sponsor Directors of the Bank who envisioned a financial journey for their country folk that flows through the heart of our culture with the velocity of technology and an attribute of excellence. The vision rightly speaks of its execution as Dhaka Bank has become a brand name in the financial industry of Bangladesh and a bank by people's choice.

On the Mujib Year, we are committed to our continuous drive towards our economic and social aspirations. Till end 2019, we had our strategic objectives directed towards capitalizing the maximum benefits from our booming economy projected to grow at an amazing pace in 2020 and beyond.

In the year 2019, our operating profit stood at BDT 6.09 billion while the balance sheet size grew to a great total of BDT 285.00 billion, despite array of economic and industry challenges. The worldwide spread of COVID-19 from the beginning of 2020 is feared to weigh heavily upon the country's economic growth and will offer potential hurdles to achieving projected GDP growth of 8.20 percent in 2020.

I, on behalf of the Management Team, express gratitude to the Honorable Chairman and the Board of Directors for their guidance and continued support during this span of 25 years. I express my own gratitude to all the fellow Employees of our Bank for their continuous unstinted support for achieving the goal of the Organization. The Central Bank has provided sterling support in ensuring the creation of a stable and resilient financial sector and I wish to express my appreciation of their efforts.

STRATEGIC REVIEW OF THE MANAGING DIRECTOR & CEO

Continued

Respected Shareholders, Customers & Other Stakeholders,

I am pleased to present an overview of annual performance of our esteemed bank for the year 2019 before you, our trusted partners. Dhaka Bank has established a strong brand value in the fact that we have marched past another successful year braving lots of adversities to achieve our strategic goal. Over the long 25 years, Dhaka Bank has continuously widened its presence with a robust footing and countrywide network to fulfill the dreams of the nation towards building a prosperous economy.

At this august moment, I would like to recall the resolution of a host of visionary entrepreneurs and Sponsor Directors of the Bank who envisioned a financial journey for the nation that flows through the heart of our culture with the velocity of technology and an attribute of excellence. The vision rightly speaks of its execution as Dhaka Bank has become a brand name in the financial industry of Bangladesh and a bank by people's choice. Proudly we celebrate the milestone silver jubilee of banking services on its 25th Anniversary in 2020 amid the smiles of our customers, shareholders and well-wishers.

Our operating environment was strewn with prospects and challenges in numbers around the year 2019. In the global context, global growth decelerated markedly in 2019, with continued weakness in international trade and investment. This weakness was widespread, affecting both advanced economies - particularly the Euro Area and emerging market and developing economies. On the contrary, robust growth momentum continued in the country's economy amid tepid global growth environment with a remarkable 8.13 percent real GDP growth for the fiscal year 2019. The banking industry moved ahead to reap the benefits, though at the cost of growing Non Performing Loans (NPL) and decreasing income. Looking forward, there are worrying events. The worldwide spread of COVID-19 from the beginning of 2020 is feared to weigh heavily upon the country's economic growth and will offer potential hurdles to achieving projected growth of 8.20 percent in 2020.

Seizing the opportunities and battling against the odds at our financial landscape, Bank's financial performance with a sole objective to enhance value ended up with satisfactory results compared to preceding year. Our operating profit stood at BDT 6.09 billion in 2019 while the balance sheet size grew to a great total of BDT 285.00 billion marking 3.80% growth, despite array of economic and industry challenges. The operating landscape during the year was characterized by global geopolitical tensions, ongoing conflicts among the trade powers and deteriorating assets quality at the country level. Despite the challenges the Bank recorded a loan growth 8.31% supported by growth in corporate, SME and retail banking books. We tried hard to maintain the lending rates to the relief of our customers in line with regulatory directives. Under resultant impacts of loan provisioning and lower interest income scenario, profit after tax stood at BDT 1,571.36 million with a moderate increase of BDT 212.23 million from the year 2018.

The entire industry continued to witness deterioration in portfolio quality during the year reflecting financial stress around. The Bank also faced the impacts from these pressures. Proactive collections and rigorous monitoring enabled DBL to preserve its credit quality to the regulatory standard. The gross NPL ratio decreased to 4.74% from 4.99% the year before reflecting the underlying quality of portfolio and the implementation of provisioning requirement as per Bangladesh Bank guidelines. Impairment charges on loans and advances increased by 8.31% during the year demonstrating a satisfactory level compared to industry escalation. Bank's total operating expenses increased by 8.88% during the year while cost to income ratio recorded 43.56%. The Bank maintained all its regulatory ratios as per required norms and took appropriate measures to comply with Basel III standard. The financial statements have been prepared in line with BFRS-9 specification. Our Credit Ratings for 2019 were assigned **ST-2** for short term and **AA** for long term reflecting financial stability of the Bank.

A holistic planning occupied the centre of our strategic agenda in 2019. Our strategic priorities for the year included customer centricity, network expansion, digitization of processes and services, penetration to underprivileged economy, asset quality and employee capacity building and overall sustainability.

In pursuance of its strategic goal, the Bank tried its best to add value to the economy by helping small, medium and large businesses to grow. With a long and rewarding relationship with the business world, we continued to expand our engagement by arranging funded and non funded credit facilities. The Bank inked deals with a number of renowned business groups towards disbursing Syndicated Loans (Funded and Non-Funded) of BDT 7,200 million in total. Payroll accounts observed a continuous growth of 35% growth YOY since 2015 and flourished with a basket of 45,000 accounts belonging to famous business houses at end-December 2019. There were agreements with educational giants for delivering tuition fee payment solution. In a way, large businesses diverts economic benefits onward through a great deal of value creation initiatives such as generating employment, building remote network and distribution channels, mobilizing supply chains countrywide, providing quality and hygienic products for the mass people and so on.

In line with Government's development agenda of supporting entrepreneurship and strengthening the country's cottage, micro, SME and agriculture sector, the Bank pursued deeper penetration in this segment through various lending programmes and refinance schemes offered by Bangladesh Bank. This has afforded us the opportunity to diversify our portfolio and contribute to country's socio-economic development. During the year, we disbursed BDT 25,679 million to a total of 7,718 Customer-base under CMSME portfolio of the Bank.

As the world stepped in the new age of 21st century, digital transformation has taken place in financial services at a rapid pace, changing the way banks interact with their customers. Echoing the vibe

STRATEGIC REVIEW OF THE MANAGING DIRECTOR & CEO

Continued

of modern age, we continued to enhance our digital platforms and self-banking channels with an aim to enhance customer accessibility and convenience. We blended our foresight with innovation to materialize banking proximity from distance by launching mobile app based transaction procedure in name and style “Dhaka Bank Go”. Away from crowding branch premises, the novel self-banking tool allows Customers to do transactions such as account transfer, remitting fund through EFT, RTGS, payment of bills, transfer to bKash account or other bank accounts and so forth. In 2019, Inter Bank fund Transfer service was revamped to effect fund transfer to other bank account/cards instantly using the bank’s mobile app/ i-Banking. The automated payment portal branded “Dhaka Bank C Solution” has taken Dhaka Bank to a leading height in the industry in terms of providing automated cash management solution for the corporate clients’ bulk transactions.

Our HR forces were made equipped with cutting edge mechanism and know-how to meet the challenge of the day. We recruited a talented pool of youth numbering 154 to our team resulting in a reduction of the average age of our staffs to 40 years. To infuse vibrancy and dynamism to Team Dhaka Bank, we have underscored the importance of strengthening our talent development proposition to the extent that new employees are well aligned with the Bank’s strategy, systems and processes as well as our ever-flowing organizational culture “Excellence in Banking”.

Having immense customer penetration, an extensive geographical reach and a good share of advance and deposit portfolio in the industry, the Bank’s socio-economic impact on the country remains undeniable. As such, the concept of triple bottom line ‘People-Profit-Planet’ is deeply rooted to our ethos which ultimately results in the ethical and responsible creation of shared value. Our people orientation starts with a team of 1,960 dedicated and permanent professionals who brightens customer experience and steer our strategic ambitions every day. We serve a country-wide base of over 540 million Customers offering an array of deposit, advance and transactional products. Our brand attributes of trust and reliability provide us a strong leverage to meaningful customer relationship. Our rural network and region-wise presence has enabled us to embark on a wider financial inclusion covering students, housewives, farmers, women entrepreneurs, SME and micro-finance customers and others. Our continued profitability gave us an opportunity to contribute to government exchequer amounting BDT 5,053.12 million in the form of tax and BDT 56.22 million as CSR aimed at uplifting the community.

Towards building a safer and livable habitat, we have kept ourselves aligned with broad-based environmental and social development framework. Our environmental responses are centred on various green finance initiatives, assessment of environmental impacts in credit proposal, financing to renewable energy and waste management projects and other similar concerns. Our green finance portfolio was BDT 1,178.51 million at the close of year 2019.

Way forward, we are committed to our continuous drive towards our economic and social aspirations. Till end 2019, we had our strategic objectives directed towards capitalizing the maximum benefits from our booming economy projected to grow at an amazing pace in 2020 and beyond. But unprecedented global crises resulting from the spread of deadly coronavirus in the post balance sheet period may advance further with fateful consequence. Besides the shocking loss of valuable lives and human capital, there is prediction of potential challenges on the economy caused mainly by business losses arising from falling public consumption, disruption in RMG sector, worst hit export destination and decelerated remittance.

If the situation persists, the banking industry might find it hard to achieve their profitability target under the retarded business environment and social life. Whatever and however be the twists and turns, we will stand by our Customer in honour of their trust and faith and continue banking services to help them rise and shine. We will work together with the Government to deliver their stimulus package to the sectors and people in distress. With a human face, we serve and believe in the safety of life first. Then we go on to fulfill our dreams to build this world together with love and care.

I, on behalf of the Management Team, express gratitude to the Honourable Chairman and the Board of Directors for their guidance and continued support during the span of last 24 years. Working with, and for, an organization of such extensive inheritance is a matter of esteem as well. I express my own gratitude to all the fellow Employees of our Bank for their continuous support for achieving the goal of the Organization. The Central Bank has provided sterling support in ensuring the creation of a stable and resilient financial sector and I wish to express my appreciation of their efforts. I also wish to thank Bangladesh Securities and Exchange Commission, National Board of Revenue and other regulators for their continued support. My gratitude also goes to the External Auditor for the execution of the audit of Bank’s financial statements enabling the timely publication of this report.

Stay safe and take care.



Emranul Huq
Managing Director & CEO
Dhaka Bank Limited

ব্যবস্থাপনা পরিচালকের পর্যালোচনা

সন্মানিত শেয়ারহোল্ডার, গ্রাহক ও অন্যান্য স্টেইকহোল্ডারবৃন্দ,

আমি অত্যন্ত আনন্দের সাথে আপনাদের সামনে আমাদের প্রিয় ব্যাংকের ২০১৯ সালের আর্থিক কর্মকাণ্ডের পর্যালোচনা পেশ করছি। ঢাকা ব্যাংক দেশে একটি শক্তিশালী ব্র্যান্ড ভ্যালু প্রতিষ্ঠা করেছে, এই সূত্রে যে ব্যাংক এর কোশলগত লক্ষ্যে পৌঁছতে সাহসের সাথে সকল প্রতিকূলতা মোকাবেলা করে আরও একটি সফল বৎসর অতিক্রম করেছে। জাতির একটি সমৃদ্ধ অর্থনীতি গড়ার স্বপ্ন পূরণ করতে ঢাকা ব্যাংক ধারাবাহিকভাবে একটি শক্ত ভিত্তি ও দেশব্যাপি নেটওয়ার্কের মাধ্যমে এর উপস্থিতি বিস্তৃত করেছে।

এই সুমহান মুহুর্তে, আমি একঝাঁক স্বপ্নদ্রষ্টা উদ্যোক্তা এবং ব্যাংকের পরিচালকগণের দৃঢ় সংকল্পের কথা স্মরণ করছি যারা জাতির জন্য একটি আর্থিক যাত্রার স্বপ্ন দেখেছিলেন যা প্রযুক্তির গতিতে ও উৎকর্ষের বৈশিষ্ট্য নিয়ে বাংলা সংস্কৃতির বুক চিড়ে প্রবাহিত হবে। স্বপ্নটি আসলে সত্যি হয়েছে যখন আমরা দেখি ঢাকা ব্যাংক দেশের আর্থিক জগতে একটি অতি পরিচিত নাম এবং মানুষের পছন্দের একটি ব্যাংক হয়ে দাঁড়িয়েছে। গৌরবের সাথে এবং আমাদের গ্রাহক, শেয়ারহোল্ডার ও শুভানুধ্যায়ীদের উচ্ছ্বাসের মাঝে আমরা আমাদের ২৫তম বার্ষিকীতে ব্যাংকিং সেবার মাইলফলক রজত জয়ন্তী পালন করতে যাচ্ছি।

২০১৯ সালে আমাদের ব্যবসায়িক বাতাবরণ ছিল অনেক প্রত্যাশা আর প্রতিদ্বন্দ্বিতায় ভরা। বৈশ্বিক প্রেক্ষাপটে বিশ্ব অর্থনীতির প্রবৃদ্ধি আন্তর্জাতিক বাণিজ্য ও বিনিয়োগের ক্রমাগত দুর্বলতায় অনেকখানি মন্দীভূত হয়। এই দুর্বলতা ছিল সুদূরপ্রসারী যা উন্নত বিশ্ব - বিশেষ করে ইউরোপীয় অঞ্চল এবং উদীয়মান বাজার ও উন্নয়নশীল অর্থনীতিতে নাড়া দিয়েছিল। অপরদিকে, নিম্ন প্রবৃদ্ধির বৈশ্বিক পরিমন্ডলের বিপরীতে ২০১৯ অর্থবছরে বাংলাদেশ অর্থনীতি ৮.১৩% এর একটি চমকপ্রদ প্রবৃদ্ধি অর্জন করে অগ্রগতির প্রবল গতিমাত্রা বজায় রাখে। দেশের ব্যাংকিং খাত এই প্রবৃদ্ধির সুফল নিতে তৎপর ছিল যদিও তাদের গুণতে হয়েছে অলস খণ্ড ও নিষ্ণুগামী আয়ের লোকসান। কিন্তু সামনে রয়েছে উল্লেখ্যের ঘনঘটা। ২০২০ সালের শুরু থেকেই বিশ্বজুড়ে কোভিড-১৯ নামক প্রাণঘাতী রোগের বিস্তার দেশের অর্থনীতিকে ব্যাপকভাবে প্রভাবিত করার আশংকা তৈরি করেছে। এটি ২০২০ সালের জন্য বাংলাদেশের অনুমিত ৮.২০% প্রবৃদ্ধি অর্জনের পথে বড় বাঁধা হয়ে দাঁড়াতে পারে।

আমাদের আর্থিক পারিপার্শ্বিকতার বিদ্যমান সুযোগসমূহ কাজে লাগিয়ে ও সকল প্রতিবন্ধকতা ছাড়িয়ে, ২০১৯ সালে তুলনামূলক বিচারে ব্যাংকের আর্থিক অর্জন ছিল সন্তোষজনক। ২০১৯ সালে আমাদের পরিচালন মুনাফা দাঁড়ায় ৬.০৯ বিলিয়ন টাকায় আর উদ্বৃত্ত পত্রের আকার ৩.৮০% বেড়ে ২৮৫.০০ বিলিয়ন টাকার একটি বৃহৎ রূপ ধারণ করেছে। বৈশ্বিক ভূ-রাজনৈতিক উত্তেজনা, বাণিজ্যদানবন্দের চলমান দ্বন্দ্ব আর দেশীয় পর্যায়ে অবনতিশীল সম্পদমানের ক্রিয়া-প্রতিক্রিয়ায় প্রভাবিত হয়েছিল আমাদের কার্যক্রমের পটভূমি। নানান ঝুঁকি আর বাঁধা-বিপত্তি সত্ত্বেও ব্যাংকের খণ্ড পোর্টফোলিও ৮.৩১% প্রবৃদ্ধি অর্জন করে মূলত কর্পোরেট, এসএমই ও রিটেইল ব্যবসার সৌজন্যে। কেন্দ্রীয় ব্যাংকের নির্দেশনার সাথে সঙ্গতি রেখে খণ্ড বিতরণে মুনাফার হার গ্রাহক পর্যায়ে সহনীয় মাত্রায় রাখতে আমরা যথেষ্ট তৎপর ছিলাম। অলস খণ্ডের বিপরীতে সঞ্চিতির সংরক্ষণ এবং ব্যাংক সুদের নিষ্ণুগামী প্রবনতার পরিণতিস্বরূপ আমাদের করপোরেশন মুনাফা দাঁড়ায় ১,৫৭১.৩৬ বিলিয়ন টাকা যেখানে ২০১৮ সালের উপর ২১২.২৩ বিলিয়ন টাকার পরিমিত বৃদ্ধি লক্ষ্য করা যায়।

সালজুড়ে দেশের সমগ্র ব্যাংকিং খাতে খণ্ডমানের ক্রমবর্ধমান অবনতি চারিদিকে সৃষ্টি করেছিল নানামুখী আর্থিক চাপ। আমাদের ব্যাংককেও এই ধাক্কা সামলাতে হয়। স্বতন্ত্রপ্রণোদিত খণ্ড আদায় ও কঠোর তদারকির মাধ্যমে আমরা খণ্ডমান বিধিবদ্ধ অঙ্কের নিচে বহাল রাখতে সক্ষম হই। সামগ্রিকভাবে শ্রেণীকৃত খণ্ডের অনুপাত ২০১৮ সালের ৪.৯৯% থেকে ২০১৯ সালে ৪.৭৪% এ নেমে আসে। এই ফলাফল ব্যাংকের খণ্ডপোর্টফোলিওর অন্তর্নিহিত গুণমান এবং কেন্দ্রীয় ব্যাংকের নির্দেশনা মোতাবেক আবশ্যিকীয় খণ্ডসঞ্চিতি সংরক্ষণ বিবেচনায় বিশেষ তাৎপর্য বহন করে। অলস খণ্ড ও অগ্রিমের ওপর আরোপিত ভার (খণ্ডসঞ্চিতি) গত সালের তুলনায় ৮.৩১% বৃদ্ধি পায় - দেশে খাতভিত্তিক বিস্তৃতির বিবেচনায় তা ছিল সন্তোষজনক। ব্যাংকের মোট পরিচালন ব্যয় ৮.৮৮% বৃদ্ধিপ্রাপ্ত হয় এবং আয়-ব্যয়ের অনুপাত লিপিবদ্ধ হয় ৪৩.৫৬%। ব্যাংক বিধিবদ্ধ সকল অনুপাত আদর্শমান অনুযায়ী নির্দিষ্ট সীমায় বজায় রাখতে সক্ষম হয় এবং বেসল-৩ মানদণ্ডের পরিপালন নিশ্চিত করতে যথাযথ উদ্যোগ নেয়। উল্লেখ্য ব্যাংকের আর্থিক বিবরণীসমূহ বিএফআরএস-৯ বর্ণনানুযায়ী প্রস্তুত করা হয়েছে। ২০১৯ সালে আমাদের ক্রেডিট রেটিং স্বল্প মেয়াদে ST-2 এবং দীর্ঘমেয়াদে AA নির্ধারিত হয়। এটি ব্যাংকটির আর্থিক স্থিতিশীলতার পরিচায়ক।

২০১৯ সালে আমাদের কোশলগত কর্মসূচির মধ্যমণি ছিল একটি সার্বিক পরিকল্পনা। আমাদের নীতিগত অগ্রাধিকার ছিল গ্রাহক সম্পৃক্ততা, নেটওয়ার্কের বিস্তৃতি, পদ্ধতি ও পণ্যের প্রযুক্তিগত রূপান্তর, অর্থনীতির সুবিধাবঞ্চিত অংশে অনুপ্রবেশ, সম্পদমান ও কর্মীবাহিনীর সক্ষমতা বৃদ্ধি। সবার উপরে ছিল টেকসই উন্নয়ন ও সার্বজনীন উৎকর্ষসাধন।

ব্যাংকের অভীষ্ট লক্ষ্য হুঁতে, আমাদের সর্বোচ্চ প্রচেষ্টা ছিল ক্ষুদ্র, মাঝারি ও বৃহৎ শিল্পের বিকাশে প্রয়োজনীয় সহযোগিতা প্রদান করে অর্থনীতিতে মূল্য সংযোজন করা। এ লক্ষ্যে ব্যবসা জগতের সাথে একটি সুদীর্ঘ ও ফলপ্রসূ সম্পর্কে সঙ্গে নিয়ে ফাডেড ও নন-ফাডেড খণ্ড সুবিধা বিতরণে আমাদের কার্যক্রমের সম্প্রসারণ ঘটিয়েছি। স্বনামধন্য কিছু ব্যবসায়িক গ্রুপের সাথে আমরা মোট ৭,২০০ মিলিয়ন টাকার সিডিক্রেটেড খণ্ড (ফাডেড-নন-ফাডেড) চুক্তি স্বাক্ষর করেছি। বেতনভুক্ত কর্মচারীদের হিসাব (Payroll Account) ২০১৫ সাল থেকে বছরপ্রতি প্রায় ৩৫% বৃদ্ধিপ্রাপ্ত হয়েছে এবং ডিসেম্বর- ২০১৯ সমাপ্তিতে প্রসিদ্ধ ব্যবসা প্রতিষ্ঠানের সাথে Payroll হিসাবের চমৎকার অগ্রগতি ঘটেছে যার মোট সংখ্যা ৪৫,০০০। টিউশন ফি আদায় সহজীকরণ করতে বিশিষ্ট শিক্ষা প্রতিষ্ঠানের সঙ্গে বেশ কিছু চুক্তি স্বাক্ষরিত হয়। একথা অনস্বীকার্য যে প্রত্যক্ষ ও পরোক্ষভাবে, বৃহৎ ব্যবসা প্রতিষ্ঠানগুলি বিভিন্ন মূল্য সৃষ্টির মাধ্যমে অর্থনীতির বিভিন্ন অংশে তাদের সুফল ও অর্জন ছড়িয়ে দিয়ে থাকে। যেমন, কর্মসংস্থান সৃষ্টি, সুদূরপ্রসারী নেটওয়ার্ক ও বিতরণ কেন্দ্র স্থাপন, দেশব্যাপি যোগান শৃঙ্খলের বিস্তার, গণমানুষের জন্য মানসম্পন্ন ও স্বাস্থ্যকর পণ্য উৎপাদন প্রভৃতি।

দেশে ব্যবসায়িক উদ্যোগের পৃষ্ঠপোষকতা এবং কুটির, ক্ষুদ্র, মাঝারি (CMSME) ও কৃষিখাতের উন্নয়নে সরকারের গৃহীত পদক্ষেপের সাথে সঙ্গতি রেখে এই সব খাতে ব্যাংক এর সেবার গভীর অনুপ্রবেশ ঘটিয়েছে বিভিন্ন খণ্ড কর্মসূচি ও বাংলাদেশ ব্যাংকের পুনঃঅর্থায়ন স্কিমের মাধ্যমে। এই উদ্যোগ আমাদের ব্যাংকিং পোর্টফোলিও বৈচিত্র্যকরণে এবং দেশের আর্থ-সামাজিক উন্নয়নে অবদান রাখতে নতুন সুযোগ এনে দিয়েছে। অত্র সালে আমাদের CMSME পোর্টফোলিওর আওতায় মোট ৭,৭১৮ জন উদ্যোক্তার মাঝে প্রায় ২৫,৬৭৯ মিলিয়ন খণ্ড আমরা বিতরণ করেছি।

ব্যবস্থাপনা পরিচালকের পর্যালোচনা

একবিংশ শতকে প্রবেশের সাথে সাথেই, আর্থিক সেবায় প্রযুক্তিগত রূপান্তর ক্ষিপ্ত গতিতে ঘটে চলেছে যা গ্রাহকের সাথে ব্যাংকের আদান-প্রদানের পন্থাই পাল্টে দিয়েছে। আধুনিক যুগের এই স্পন্দনে সাড়া দিয়ে, আমরা আমাদের ডিজিটাল বুনিয়েদ এবং self-banking চ্যানেলগুলো পুনর্গঠন করেছি যাতে ব্যাংকিং সিস্টেমে গ্রাহকদের প্রবেশ ও স্বাচ্ছন্দ্য বাড়ানো যায়। আমাদের দূরদর্শিতাকে সৃজনশীলতার সাথে মিলিয়ে “দূর থেকে ব্যাংকিং নৈকট্য” রূপায়িত করতে মোবাইল অ্যাপ ভিত্তিক লেনদেন পদ্ধতি “Dhaka Bank go” প্রবর্তন করেছি। শাখা প্রাপ্তনের ভীড় এড়িয়ে এই অভিনব self-banking উদ্যোগ গ্রাহককে ঘরে বসেই বিভিন্ন লেনদেন যেমন এক হিসাব থেকে অন্য হিসাবে স্থানান্তর, আন্তঃব্যাংক ফান্ড স্থানান্তর, EFT, RTGS এর মাধ্যমে টাকা প্রেরণ, বিল পরিশোধ, ঋণের কিস্তি পরিশোধ, ব্যাংক হিসাব থেকে বিকাশে বা কার্ডে ফান্ড স্থানান্তর, প্রভৃতি সম্পাদন করার সুযোগ করে দিয়েছে। আমাদের স্বয়ংক্রিয় লেনদেন সমাধান “Dhaka Bank C Solution” কর্পোরেট গ্রাহকদের গুচ্ছ লেনদেন সহজতর করে কর্পোরেট জগতে ব্যাংককে নতুন উচ্চতায় নিয়ে গেছে।

আমাদের মানবসম্পদকে এ যুগের প্রতিযোগিতায় জয়ী হতে সর্বাধুনিক পদ্ধতি ও দক্ষতা দিয়ে সজ্জিত করেছি। ২০১৯ সালে আমরা ১৫৪ জন মেধাবী তরুণের একটি দলকে ঢাকা ব্যাংক টিমে शामिल করেছি, যার ফলে ব্যাংক কর্মকর্তাদের গড় বয়স কমে দাঁড়িয়েছে ৪০ বছর। ঢাকা ব্যাংক টিমে কর্ম তৎপরতা ও গতিশীলতার সঞ্চার করতে, আমরা ব্যাংকের মেধা উন্নয়ন কোর্সে ভীষণ গুরুত্ব আরোপ করেছি যাতে ব্যাংক টিমে নতুন সদস্যগণ ব্যাংকের কোর্স, পদ্ধতি এবং আমাদের চিরপ্রবাহিত প্রাতিষ্ঠানিক বিশ্বাস “Excellence in Banking” অতি সহজেই আত্মস্থ করতে পারেন।

একটি বিশাল গ্রাহক-মণ্ডলে আমাদের অনুপ্রবেশ, সুবিস্তৃত ভৌগোলিক পরিসর এবং ব্যাংকের খাতের ঋণ ও আমানত পোর্টফোলিতে আমাদের চমৎকার অংশগ্রহণ বিবেচনা করলে, দেশের উপর ঢাকা ব্যাংকের আর্থ-সামাজিক প্রভাব স্বীকৃতির দাবী রাখে। সেই কারণে, ব্যাংক সেবার ত্রিমাত্রিক ভিত্তি “People-Profit-Planet” আমাদের বিশ্বাসের মূলে জড়িয়ে আছে যা অবশেষে নৈতিক ও দায়িত্বপূর্ণ মূল্য সংযোজনে পর্যবসিত হয়। মানুষের প্রতি আমাদের সংস্বেবের শুরুটা হয় ১,৯৬০ সংখ্যক পেশাদার কর্মকর্তার একটি নিবেদিত ও দক্ষ বাহিনীকে ঘিরে যারা নিযুক্ত রয়েছেন নিত্যদিনের গ্রাহক অভিজ্ঞতায় উজ্জ্বল আলো ছড়াতে এবং আমাদের কর্পোরেট আকাঙ্ক্ষার পূর্ণতার পথে এগিয়ে নিতে। আমরা দেশ-ব্যাপি ৫৪০ মিলিয়নেরও বেশি গ্রাহককে বিচিত্র ও বিন্যস্ত আমানত, ঋণ ও লেনদেন প্রোডাক্ট এর মাধ্যমে সেবা প্রদান করছি। আস্থা ও নির্ভরযোগ্যতার বৈশিষ্ট্য একটি অর্থপূর্ণ গ্রাহক সম্পর্ক প্রতিষ্ঠা করতে আমাদের শক্তি যোগায়। আমাদের পল্লী শাখা/উপ-শাখার নেটওয়ার্ক ও আঞ্চলিক উপস্থিতি ব্যাপক আর্থিক অন্তর্ভুক্তির পথ সুগম করেছে যার আওতায় থাকছে ছাত্র, গৃহিণী, কৃষক, মহিলা উদ্যোক্তা, এস.এমই ও ক্ষুদ্র-ঋণ প্রকল্পের গ্রাহক ও অন্যান্য। ধারাবাহিক মুনাফা অর্জনের ক্ষমতা আমাদের সরকারি কোষাগারে অবদান রাখার সুযোগ করে দিয়েছে এবং সেই ধারায় ২০১৯ সালে আমরা ৫,০৫৩.১২ মিলিয়ন টাকার কর প্রদান করেছি আর দেশের সামাজিক উন্নয়নে ৫৬.২২ মিলিয়ন টাকা CSR Fund হিসেবে বিতরণ করেছি।

একটি নিরাপদ ও বসবাসযোগ্য ধরনী গড়তে আমরা একটি ব্যাপক-ভিত্তিক পরিবেশ ও সামাজিক উন্নয়ন কাঠামোর মাধ্যমে নিজেদের প্রস্তুত রেখেছি। আমাদের পরিবেশগত সংবেদনশীলতার কেন্দ্রে রয়েছে বিভিন্ন সবুজ অর্থায়ন উদ্যোগ, ঋণ প্রস্তুত পরিবেশগত প্রভাব মূল্যায়ন, নবায়নযোগ্য শক্তিতে

অর্থায়ন, বর্জ্য ব্যবস্থাপনাসহ আরো কিছু উদ্যোগ। ২০১৯ সাল শেষে আমাদের সবুজ অর্থায়ন পোর্টফোলিও দাঁড়িয়েছে ১,১৭৮.৫১ মিলিয়ন টাকা।

আগামী দিনগুলিতে আমাদের অঙ্গীকার নিবন্ধ থাকবে আমাদের আর্থিক ও সামাজিক অগ্রগতির ধারাবাহিকতা বজায় রাখতে। ২০১৯ সমাপ্তি পর্যন্ত, আমাদের কোর্সলগত লক্ষ্য সুনির্দিষ্ট ছিল বাংলাদেশের দ্রুত বিকাশমান অর্থনীতির সর্বোচ্চ সুযোগ কাজে লাগানো দিকে। কিন্তু উদ্বৃত্ত পত্র (Balance Sheet) উত্তর কালে, প্রাণঘাতী করোনা ভাইরাসের প্রাদুর্ভাব থেকে উদ্বৃত্ত অদ্বৃত্তপূর্ব বৈশ্বিক সংকট একটি বিপর্যয়ের দিকে এগিয়ে চলেছে। জীবনহানির মারাত্মক ঝুঁকি একদিকে যেমন বেড়েই চলেছে, তেমনি পূর্বাভাস রয়েছে সম্ভাব্য শক্তিশালী অর্থনৈতিক চ্যালেঞ্জের যেমন, ভোক্তা পর্যায়ে অনীহা আর স্বেবিরতার সূত্রে ব্যাপক ব্যবসায়িক লোকসান, ব্যাহত তৈরি পাসাক খাত, বিধ্বস্ত রপ্তানি বাজার আর মন্দীভূত রেমিট্যান্স। পরিস্থিতি এ রকম থাকলে, থমকে যাওয়া ব্যবসায়িক পরিবেশ ও স্বেবির সামাজিক জীবনের প্রভাবে ব্যাংকিং খাত এর মুনাফার লক্ষ্য অর্জনে কঠিন সমস্যায় পড়বে।

সামনে উত্থান-পতনের মোচর যাই থাক, আমরা গ্রাহকদের পাশে দাঁড়াবো ব্যাংকের উপর তাঁদের আস্থা আর বিশ্বাসের সম্মান রেখে এবং ব্যাংকিং সেবা চালিয়ে যাবো জীবনে এগিয়ে চলার পথে তাঁদের সাহায্য করতে। আমরা সরকারী উদ্যোগের সাথে একসঙ্গে কাজ করবো তাঁদের প্রশোদনা প্যাকেজ বিপদগ্রস্ত খাত ও মানুষের কাছ পৌঁছাতে। মানবিক মূল্যবোধ নিয়ে আমরা গ্রাহক সেবা প্রদান করি এবং জীবনের নিরাপত্তাতেই আমাদের প্রথম বিশ্বাস। এরপর আসে পরম যত্ন আর ভালবাসা দিয়ে একটি সুন্দর পৃথিবী গড়ার স্বপ্ন।

আমি, ব্যাংক ব্যবস্থাপনার পক্ষ থেকে ব্যাংকের সম্মানিত চেয়ারম্যান ও পরিচালনা পর্ষদের প্রতি কৃতজ্ঞতা জানাই। তাঁরা তাঁদের মূল্যবান পরামর্শ ও দিক-নির্দেশনা দিয়ে আমাদের বিগত ২৪ বছরের চলার পথকে মসূন এবং যাত্রাকে সহজ করে দিয়েছেন। অবশ্যই এমন একটি সুবিস্তৃত পরম্পরার ব্যাংকের জন্য কাজ করা অত্যন্ত সম্মানের বলে আমি মনে করি। আমি বিশেষভাবে কৃতজ্ঞ আমার ব্যাংকের সহকর্মীদের কাছে, যাদের অক্লান্ত পরিশ্রম আমাদের লক্ষ্য অর্জনের এগিয়ে নিয়ে গেছে। একটি স্থিতিশীল আর্থিক খাত গড়তে কেন্দ্রীয় ব্যাংক চমৎকার উদ্যোগ ও সহযোগিতা প্রদান আসছে এবং এই বিশেষ মুহূর্তে আমি অভিনন্দন জানাই তাঁদের নিরলস প্রচেষ্টাকে। আমি বাংলাদেশ সিকিউরিটিজ অ্যান্ড একচেঞ্জ কমিশন, জাতীয় রাজস্ব বোর্ড ও অন্যান্য নিয়ন্ত্রকগণকে ধন্যবাদ জানাই তাঁদের সার্বিক সহযোগিতার জন্য। ব্যাংকের বহিঃনিরীক্ষকের প্রতি থাকল আমার কৃতজ্ঞতা যাদের নিরীক্ষা সম্পাদন আমাদের যথাসময়ে বার্ষিক প্রতিবেদন প্রকাশে সমর্থ করেছে।

নিরাপদ থাকবেন এবং নিজের ও পরিবারের যত্ন নিবেন।



এমরানুল হক

ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী কর্মকর্তা
ঢাকা ব্যাংক লিমিটেড

REPORT OF THE AUDIT COMMITTEE OF THE BOARD

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

Composition

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

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

Duties and responsibilities

Internal control

- Evaluate whether the bank management has been able to build a compliance culture with respect to bank's internal control system; whether bank employees/workforce have been clearly advised about their duties and responsibilities in this regard and whether management has established full control on their activities;
- Review all initiatives taken by bank management as regards building a suitable Management Information System (MIS) along with the state of computer application in banking system and uses thereof;
- Consider the oversight of bank's compliance on recommendations made from time to time concerning establishment of an internal control mechanism/ framework by internal as well as external auditors;
- Apprise the board of any fraud-forgery, internal control lapses found by internal or external auditors and inspection team of regulatory authority or identification of such other areas and remedial measures therein.

Disclosure of financial report

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

The Board Audit Committee of Dhaka Bank Limited was lastly reconstituted on June 12, 2019. The particulars of the members of the Audit Committee and their attendance in Meetings in the year 2019 are as under:

Sl. No.	Name	Status with the Bank	Status with the Committee	Educational Qualification	No. of Meetings held in 2019	No. of Meetings Attended	Remarks
01.	Mr. M. A. Yussouf Khan	Independent Director	Chairman	Bachelor of Arts	08	06	The directors, who could not attend any meeting, were granted leave of absence
02.	Mrs. Rokshana Zaman	Director	Member	Intermediate	08	06	
03.	Mrs. Manoara Khandaker	Director	Member	Bachelor of Arts	08	08	
04.	Mr. Tahidul Hossain Chowdhury	Director	Member (Till 11.06.2019)	Bachelor of Arts	08	04	
05.	Mr. A. S. Salahuddin Ahmed	Independent Director	Member (with effect from 13.02.2019)	M.Sc.; PGDIM (RVB, Netherlands)	08	07	
06.	Mr. Md. Amirullah	Director	Member (with effect from 12.06.2019)	Bachelor of Commerce	08	04	

The Company Secretary of the Bank Mr. Md. Shahjahan Miah acts as the Secretary of the Audit Committee.

REPORT OF THE AUDIT COMMITTEE OF THE BOARD

Continued

Internal Audit

- Review if internal control management is able to conduct its operation independent of bank management;
- Review internal audit activities and its organizational structure and ensure that no untoward hurdles or limitations create bottleneck to internal audit activities;
- Verify the skills and effectiveness of internal audit system;
- Examine appropriateness of management consideration about observations/recommendations of the internal auditors regarding banking operation and mitigation of irregularities identified.

External Audit

- Review auditing activities of external auditors and their audit report;
- Examine appropriateness of management consideration about observations/recommendations of the external auditors regarding banking operation and mitigation of irregularities identified;
- Submit recommendations for appointment of external auditors to perform audit activities of the bank.

Adherence to existing laws, rules and regulations

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

Meeting of the committee

According to applicable rules and regulations, 08 (Eight) Meetings of the Committee were held in the year 2019. The committee from time to time invited the Managing Director & CEO, the Head of Internal Control and other responsible officials entrusted with internal control activities or any other personnel to participate in their meeting, as deemed necessary. All the recommendations/ observations of the committee were recorded in minutes form.

Key Activities in 2019

The Audit Committee of the Board, in their 08 (Eight) Meetings held during the year 2019, mainly dealt with the following issues:

- Latest Compliance Status of Audit Reports of Different Branches of Dhaka Bank Limited, Audits Conducted from January to December, 2017.

- Latest Compliance Status of Audit Reports of Different Branches of Dhaka Bank Limited, Audits conducted from January to December, 2018.
- Half Yearly (July-December, 2018) Statement of Self-Assessment of Anti-Fraud Internal Controls under DOS Circular Letter No.10 dated May 09, 2017 of Bangladesh Bank.
- Half Yearly (January-June, 2019) Statement of Self-Assessment of Anti-Fraud Internal Controls under DOS Circular Letter No.10 Dated May 09, 2017 of Bangladesh Bank.
- Special Inspection (Surprise) Report on Dhaka Bank Limited, Murapara Branch carried out by Bangladesh Bank, Dhaka Inspection Team on 21-10-2018.
- Special Inspection (Surprise) Report on Dhaka Bank Limited, Gulshan Circle-2 Branch carried out by Bangladesh Bank, Dhaka Inspection Team on 22-01-2019.
- Special Inspection (Surprise) Report on Cash Management of Dhaka Bank Limited, Faridpur Branch carried out by Bangladesh Bank, Dhaka Inspection Team on 21-03-2019.
- Special Inspection (Surprise) Report on Dhaka Bank Limited, Kamarpara Branch carried out by Bangladesh Bank, Dhaka Inspection Team on 14-06-2019.
- Special Inspection (Surprise) Report on Dhaka Bank Limited, Nandipara Branch carried out by Bangladesh Bank, Dhaka Inspection Team on 24-06-2019.
- Implementation Status of Audit Plan 2018.
- Annual Audit Plan for the Year 2019.
- Discrepancies in the Loan Documentation Checklist (LDCL) for the quarter ended September 2018.
- Delaying in Submission of Quarterly Operations Report for the Quarter ended September, 2018.
- Quarterly Operations Report (QOR) Dispatched after Schedule Date for the Quarter ended December, 2018.
- Deviation in Quarterly Operations Report (QOR) for the Quarter ended June 30, 2019.
- Quarterly Statement of Loan Classification and Provisioning (CL) of the Bank for the period ended December 31, 2018.
- Latest position of pending court cases filed against the Bank
- Update on GL Mismatch/Un-reconciled GL.

REPORT OF THE AUDIT COMMITTEE OF THE BOARD

Continued

- Latest Compliance Status of IS & IT Audit Reports of Different Branches and Divisions of Dhaka Bank Limited, Audits conducted from January to December, 2018.
- Audited Consolidated & Solo Financial Statements of the Bank for the year ended 31 December 2018.
- Un-audited Quarterly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 31st March, 2019.
- Quarterly statement of Loan Classification and Provisioning (CL) of the Bank for the period ended March 31, 2019.
- Un-audited Half-yearly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 30th June, 2019.
- Quarterly statement of loan classification and provisioning (CL) of the Bank for the period ended June 30, 2019.
- Un-audited Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 30th September 2019.
- Quarterly statement of Loan Classification and Provisioning (CL) of the Bank for the period ended September 30, 2019.
- Update Information on defalcation of fund in Feni Branch, Dhaka Bank Limited.
- Information on Fraud at Islami Banking Branch (Motijheel).
- Update on Saimex Leather Products Limited issue, Dhanmondi Model Branch.
- Re-appointment of External Auditors of the Bank for the year, 2019.
- Appointment of Auditors for Corporate Governance Audit of the Bank for the year, 2019.
- Facility allowed under Exception.
- Update on Audit Plan of 2019.
- Annual Health Report of Dhaka Bank Limited for the Year 2018.
- Submission of latest Compliance Status of External Audit (by Hoda Vasi Chowdhury & Co.) on different Branches and Divisions of Dhaka Bank Limited for the year ended 2018.
- Information Memo on Bangladesh Bank Inspection of 2017 and 2018.
- Information Memo on various discrepancies observed at Chandaikona Branch.
- Compliance on Internal Audit of Head Office Divisions/ Units of Dhaka Bank Limited.
- Manpower requisition for Internal Control & Compliance Division.
- Formation of Senior Management Team (SMT).
- Compliance Policy of Internal Control & Compliance Division, Dhaka Bank Limited.
- Discrepancies in the Loan Documentation Checklist (LDCL) for the quarter ended September, 2019.
- Compliance report on 21st Comprehensive Inspection of Bangladesh Bank on Dhaka Bank Limited, Head Office based on 31.12.2018 and also compliance of separate letter on material irregularities/lapses of this comprehensive report.
- Special Audit Report on M/s. Roma Auto Rice Mills Ltd. of Bogura Branch.
- Information memo regarding disputed mortgage land of Bogura Branch.

Recommendation for Approval of Financial Statements

The Audit Committee reviewed and examined the Bank's Annual Financial Statements for the year ended December 31, 2019 prepared by the Management and audited by External Auditors M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants with recommendation to the Board for consideration and approval.

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



M. A. Yussouf Khan
Chairman
Audit Committee of the Board

REPORT OF THE SHARI'AH SUPERVISORY COMMITTEE

All praise be to Almighty Allah the Lord of the Universe and peace and blessing of Allah be upon the Prophet Muhammad (peace be upon him) and upon his all other descendants and companions.

During the year 2019 under review the Shari'ah Supervisory Committee met in 3 Meetings and reviewed various operational issues including those referred by the Board of Directors and the Bank Management. The Committee gave opinion & provided necessary guidelines and suggestions that they considered relevant for smooth functioning of Islamic banking business. As part of their responsibilities the Committee reviewed Islamic Banking activities of the Bank through discussion sessions and sharing opinions of participating members and the Committee provided suggestions & recommendations on Shari'ah related issues of the operations of Islamic Banking business. The responsibilities of the Management of the Bank is to implement those suggestions and recommendations.

The Management has taken initiative to expand Islamic banking business gradually. In the year 2019 they organized several programs which were participated by the Branch Managers, Operation Managers & Front Desk officials. The Shari'ah Supervisory Committee has also approved Quard e-GP investment product Guidelines during the year under review.

Shari'ah Audit/Inspection by the Muraqib of the Shari'ah Supervisory Committee of Islamic Banking Branches on sample and test basis has been completed during the year 2019. The report was discussed in the Shari'ah Supervisory Committee meeting and necessary guidelines were provided to the management.

Opinion of the Shari'ah Supervisory Committee on overall activities:

The opinions and observations of the Shari'ah Supervisory Committee on the activities of Islamic Banking operations are given below:

1. The Bank has observed Shari'ah principles in conducting Islamic Banking business.
2. Awareness about the Compliance of Shari'ah among the employees has increased.
3. Profit has been distributed to the Mudaraba Depositors in accordance with the Shari'ah principles.
4. Management has assured the Committee in respect of non-recurrence of shari'ah lapses.

Recommendations to improve Shari'ah practices.

1. Dissemination of Shari'ah based banking knowledge in all tiers of Bank employees through regular training and development program.
2. Careful implementation of Shari'ah principles in every investment transaction and related business operations.
3. Strict adherence to the procedures of Islamic Banking operation manual.
4. Holding of meetings, seminars, workshops and symposiums for clients and patrons to develop awareness.
5. Proper Implementation of instructions contained in Islamic Banking Guidelines.
6. Expansion of Islamic Banking activities providing Islamic Banking services from all the Branches.

May Allah give us Tawfiq to achieve His satisfaction through implementation of Shari'ah in every sphere of our life.

Ameen,



Md. Kamaruzzaman
Member Secretary



M. Azizul Huq
Chairman

DHAKA BANK MANAGEMENT COMMITTEE



Mr. Emranul Huq
Managing Director & CEO



Mr. Md. Shakir Amin Chowdhury*
Deputy Managing Director (Operations)
*retired on 31.01.2020



Mr. Mohammad Abu Jafar
Deputy Managing Director (International Business)



Mr. A K M Shahnawaj
Deputy Managing Director (Risk Management)



Mr. A M M Moyen Uddin
SEVP & Head of Information Technology Division



Mr. Darashiko Khasru
SEVP & Chief Risk Officer



Mr. Md. Shafquat Hossain
SEVP & Head of Consumer Banking Division



Mr. S M Abdullah Hil Kafi
SEVP & Head of Internal Control Compliance Division



Mr. Md. Abdul Matin
SEVP & Head of Credit Risk Management



Mr. M Rezaur Rahman
SVP & Head of Human Resources Division



Mr. Md. Shahjahan Miah
SVP & Company Secretary



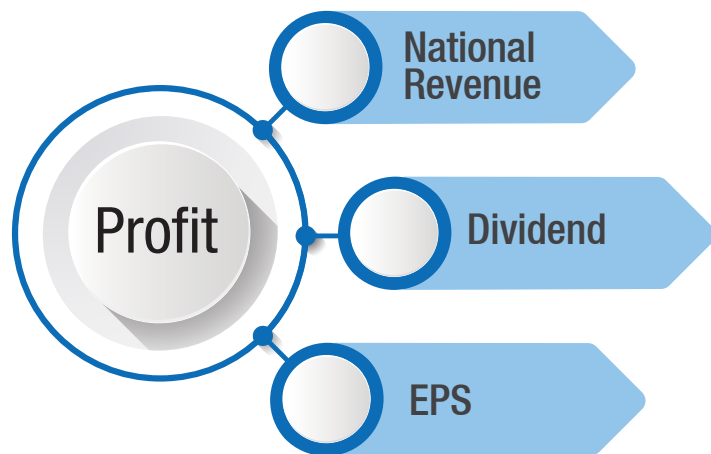
Mr. Sahabub Alam Khan FCA
SVP & Acting CFO



Mr. K M Faisal Faruqui
SVP & Head of Treasury Division

SHAREHOLDERS' INFORMATION

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



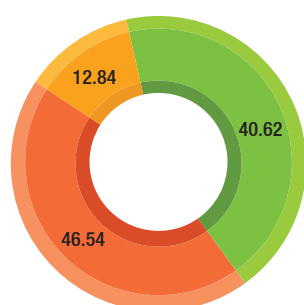
SHAREHOLDERS' INFORMATION

Continued

Distribution of Shareholdings in 2019

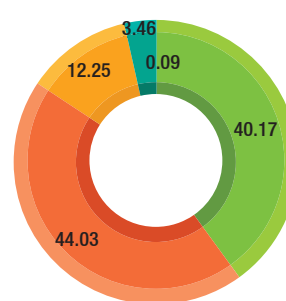
Shareholders' Group	December 31, 2019			December 31, 2018		
	No. of Shares	% of Shareholding	Value of Shares in BDT	No. of Shares	% of Shareholding	Value of Shares in BDT
Sponsors & Directors	346,590,517	40.6219	3,465,905,170	326,427,614	40.1716	3,264,276,140
General Public	397,057,503	46.5368	3,970,575,030	357,774,191	44.0292	3,577,741,910
Financial Institutions	109,558,482	12.8407	1,095,584,820	99,524,340	12.2479	995,243,400
Foreign Investors	5,317	0.0006	53,170	735,100	0.0904	7,351,000
Others	-	-	-	28,121,440	3.4609	281,214,400
Total	853,211,819	100	8,532,118,190	812,582,685	100	8,125,826,850

Shareholding Position 2019



■ Sponsors & Directors
 ■ General Public
 ■ Financial Institute
 ■ Foreign Investors

Shareholding Position 2018



■ Sponsors & Directors
 ■ General Public
 ■ Financial Institute
 ■ Foreign Investors
 ■ Other Investors

Dividends-2018

Particulars	Date	
24 th Annual General Meeting	Notice Date	April 24, 2019
	Record Date	May 05, 2019
Holding of 24 th Annual General Meeting	Held on	May 20, 2019
Stock Dividend (5%)	Date of Disbursement	May 29, 2019
Cash Dividend (5%)	Date of Disbursement	June 16, 2019 to June 18, 2019

Stock Details

Particulars	DSE	CSE
Stock Symbol	DHAKABANK	DHBNK
Company Code	11118	22014
Year of listing	2000	2000
Market Lot	1	1
Market Category	A	A
Electronic Share	Yes	Yes
Face Value	Tk. 10.00	Tk. 10.00
Market Value as on 31.12.2019	Tk. 12.00	Tk. 12.00

SHAREHOLDERS' INFORMATION

Continued

Financial Calendar 2019

Quarterly Results	As of	EPS
Unaudited results for 1 st quarter	31/03/2019	Tk.0.53
Unaudited results for 2 nd quarter	30/06/2019	Tk.0.26
Unaudited results for 3 rd quarter	30/09/2019	Tk.0.47

Information Sensitive to Share Price

Particulars	Disclosure
Corporate Disclosure for approval of Financial Statements for the year 2019, Recommendation of Dividend, Record Date for Dividend entitlement of 25 th AGM of DBL.	Date of AGM: Thursday, August 6, 2020 at 11:30 a.m. 5% Cash & 5% Stock Record Date: Tuesday, July 14, 2020

Accessibility of Annual Report 2019

Dhaka Bank Annual Report 2019 and other information about DBL has been made available on Bank's website www.dhakabankltd.com. The Bank has also dispatched Annual Report 2019 through leading Courier Service Companies to respective addresses of the Shareholders as per Regulatory timeframe. DBL has submitted a required set of copies of Annual Reports to the Securities and Exchange Commission, Bangladesh Bank, Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange(CSE) for their reference. Respectable Shareholders and other Stakeholders may read them at the public reference room or library.

Market Price Information for the year 2019:

Month	DSE High (Tk.)	DSE Low (Tk.)	CSE High (Tk.)	CSE Low (Tk.)	Volume DSE (No. of shares)
Jan-19	19.50	14.30	19.10	14.50	152,744,265
Feb-19	17.40	15.90	17.10	16.00	27,401,603
Mar-19	16.60	14.40	16.30	14.40	19,198,997
Apr-19	14.60	13.20	14.40	13.30	14,463,862
May-19	15.40	13.00	15.30	13.10	23,741,342
Jun-19	15.20	13.20	14.90	13.40	14,891,604
Jul-19	14.00	13.40	14.20	13.40	13,531,150
Aug-19	13.60	12.50	13.60	12.70	6,998,533
Sep-19	12.90	11.60	12.70	11.50	10,660,542
Oct-19	13.00	12.00	12.70	11.90	10,670,686
Nov-19	12.60	11.50	12.60	11.70	9,262,886
Dec-19	12.90	11.60	12.00	12.00	6,931,409

SHAREHOLDERS' INFORMATION

Continued

5-year Financial Highlights

(BDT in million unless mentioned otherwise)

Particulars	2015	2016	2017	2018	2019	% change over 2018
INCOME STATEMENT						
Interest Income	12,135	13,166	13,715	18,985	21,590	14%
Interest Expense	10,116	9,453	10,336	13,409	17,040	27%
Net Interest Income	2,018	3,713	3,379	5,577	4,550	-18%
Investment Income	3,003	3,238	2,884	2,200	2,568	17%
Commission, Exchange and Brokerage	1,316	1,517	2,877	2,900	3,421	18%
Operating Income	6,709	8,739	9,376	10,877	10,800	-1%
Operating Expenses	3,205	3,336	4,171	4,313	4,701	9%
Operating Profit (profit before provision and tax)	3,504	5,404	5,205	6,564	6,099	-7%
Provision for Loans, Investments and other Assets	1,128	2,656	2,365	3,621	2,998	-17%
Profit Before Tax	2,376	2,748	2,839	2,944	3,101	5%
Tax Including Deferred Tax	938	1,282	1,344	1,585	1,529	-4%
Profit After Tax	1,437	1,466	1,395	1,359	1,571	16%
BALANCE SHEET						
Authorized Capital	10,000	10,000	10,000	10,000	10,000	0%
Paid-up Capital	6,254	6,879	7,223	8,126	8,532	5%
Shareholders' Equity	13,389	14,446	15,245	16,616	17,211	4%
Deposits	139,068	157,162	170,035	197,189	204,530	4%
Borrowings	10,635	11,297	21,534	26,680	27,725	4%
Loans & Advances	117,840	134,689	154,017	180,626	195,635	8%
Investments	20,799	21,306	23,182	27,620	36,682	33%
Fixed Assets	4,100	4,194	4,263	4,906	5,080	4%
Earning Assets	144,962	165,096	187,004	223,630	242,137	8%
Total Assets	176,362	202,192	229,453	273,976	285,009	4%
Total Liabilities	162,974	187,746	214,208	257,360	267,799	4%
Total Off-balance Sheet Items	52,255	72,926	98,122	136,871	132,383	-3%
FOREIGN EXCHANGE BUSINESS						
Import Business	76,060	101,909	130,573	158,344	151,121	-5%
Export Business	69,590	88,050	103,043	125,167	130,156	4%
Inward Foreign Remittance	22,486	13,963	10,806	12,176	10,385	-15%
Guarantee Business	15,284	27,466	27,585	37,731	38,640	2%
CAPITAL MEASURES						
Risk Weighted Assets	147,343	159,790	182,954	210,240	193,398	-8%
Core Capital (Tier-I)	12,643	13,770	14,540	15,402	16,503	7%
Supplementary Capital (Tier-II)	2,765	8,072	7,345	13,692	14,669	7%
Total/Regulatory Capital	15,408	21,841	21,884	29,094	31,172	7%
Statutory Capital (paid up capital and statutory reserves)	11,554	12,729	13,641	15,133	16,159	7%
Capital Adequacy Ratio—solo (regulatory capital/RWA)	10.46	13.67	11.96	13.84	16.12	16%
Tier-I Capital Ratio	8.58	8.62	7.95	7.33	8.53	16%
RWA to Total Assets	84%	79%	80%	77%	68%	-12%

SHAREHOLDERS' INFORMATION

Continued

5-year Financial Highlights

(BDT in million unless mentioned otherwise)

Particulars	2015	2016	2017	2018	2019	% change over 2018
CREDIT QUALITY						
Volume of Non-performing Loans	5,491	5,403	9,209	9,009	9,278	3%
NPL to Total Loans and Advances (%)	4.66	4.01	5.98	4.99	4.74	-5%
Provision for Unclassified Loans	2,342	3,832	3,372	4,636	6,936	50%
Provision for Classified Loans	1,903	2,409	4,407	4,252	4,601	8%
SHARE DISTRIBUTION						
Earnings Per Share (Taka)	2.30	2.13	2.07	1.59	1.84	16%
Number of Shares Outstanding	625.36	687.90	722.30	812.58	853.2	5%
Number of Shareholders	32,798	28,388	26,997	26,819	25,083	-6%
Net Assets Value (NAV) Per Share (Taka)	21.41	21.68	20.97	19.47	20.17	4%
Market Price Per Share (Taka)	19.70	17.90	22.00	14.20	12.00	-15%
Price Earnings Ratio	8.57	8.40	10.63	8.91	6.52	-27%
Price Equity Ratio	0.92	0.83	1.05	0.69	0.59	-14%
DIVIDEND PER SHARE						
Cash Dividend (%)	6%	10%	0%	5%	5%	0%
Bonus Share (%)	10%	5%	12.5%	5%	5%	0%
Dividend Cover Ratio	1.44	1.42	1.66	1.67	1.84	10%

PROFITABILITY & PERFORMANCE RATIO	2015	2016	2017	2018	2019	Growth %
Net Interest Margin (NIM)	4.02	4.58	3.90	3.79	3.06	-19%
Credit to Deposit Ratio	84.74	83.87	82.64	82.79	84.97	3%
Gross Profit Ratio	40%	48%	48%	45%	39%	-13%
Return on Capital Employed	15%	13%	13%	10%	10%	-2%
Cost to Income Ratio	47.77	38.17	44.49	39.65	43.56	10%
Cost of Fund	9.57	7.88	7.35	7.85	9.28	18%
Return on Assets (ROA)%	0.86	0.77	0.69	0.54	0.56	4%
Return on Equity (ROE)%	10.74	10.15	9.21	8.18	9.28	13%
Current Ratio	0.94	0.96	0.93	0.83	0.81	-3%
Cash Reserve Ratio (at the close of the year)	6.53	6.57	6.58	5.78	5.57	-4%
Statutory Liquidity Ratio (at the close of the year)	17.14	14.27	13.51	13.6	16.01	18%
Operating Profit Per Employee(mn)	2.3	3.24	2.94	3.42	3.11	-9%
Operating Profit Per Branch	40.28	57.49	52.05	64.99	59.21	-9%
OTHER INFORMATION						
Number of Branches	87	94	100	101	103	2%
Number of Sub-Branches	-	-	-	-	2	200%
Number of ATMs	53	54	56	60	62	3%
Number of ADMs	19	20	20	20	20	0%
Number of Deposit Accounts	419,620	435,152	477,827	505,286	540,493	7%
Number of Loan Accounts	19,924	25,566	29,759	30,081	29,284	-3%
Number of Employees	1,524	1,668	1,771	1,917	1,960	2%
Number of Foreign Correspondents/Banks	563	542	527	523	475	-9%

SHAREHOLDERS' INFORMATION

Continued

Economic Impact Report

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

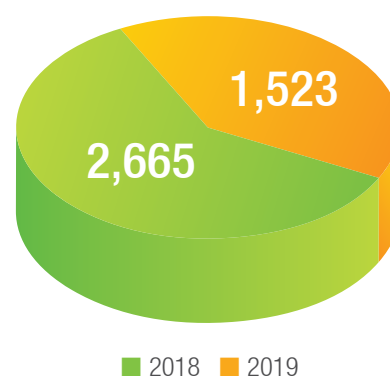
Economic Value Added (EVA) Statement for the year ended December 31, 2019

Amount in Taka

Particulars	2019	2018
Shareholders' Equity	17,210,614,636	16,615,976,094
Add: Provision for Loans and Advances	11,536,689,686	8,887,631,501
	28,747,304,323	25,503,607,594
Average Shareholders' Equity	27,125,455,958	24,264,164,606
Earnings		
Profit after Taxation	1,571,362,018	1,359,130,376
Add: Provision made during the year	2,997,885,043	3,620,508,288
	4,569,247,062	4,979,638,664
Average cost of Equity (based on weighted average rate of 10 years Treasury Bond issued by Bangladesh Government) plus 2% risk premium	11.23%	9.54%
Average cost of Equity (in Taka)	3,046,188,704	2,314,801,303
Economic Value Added	1,523,058,357	2,664,837,361
Economic Value Added (Taka in million)	1,523	2,665

Economic Value Added (EVA)

Taka in million



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

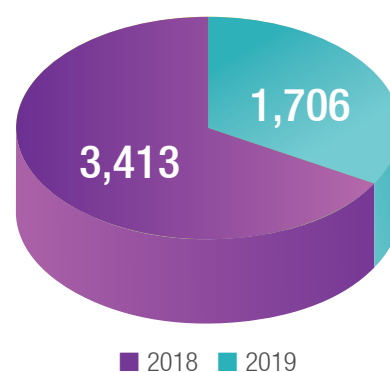
Market Value Added (MVA) Statement for the year ended December 31, 2019

Amount in Taka

Particulars	2019	2018
Face Value per share	10	10
Market Value per share	12	14.2
Number of shares outstanding	853,211,819	812,582,685
Total market capitalization	10,238,541,828	11,538,674,127
Book value of paid up capital	8,532,118,190	8,125,826,850
Market Value Added	1,706,423,638	3,412,847,277
Market Value Added (Taka in million)	1,706	3,413

Market Value Added (MVA)

Taka in million



Contribution to National Exchequer

Dhaka Bank has contributed significantly to the government's effort of revenue collection. As a corporate entity, the bank pays tax and VAT on its own income according to prevailing laws of the country. Besides, the bank deducts income tax, VAT and excise duty at source from customers and suppliers and deposits the same to the national exchequer.

SHAREHOLDERS' INFORMATION

Continued

During the year 2019, the Bank contributed Tk. 5,053.12 million to national exchequer.

Amount in Million Taka

Particulars	2019	2018
Income tax payment on Bank's earnings	1,708.33	1,580.32
Income tax, VAT, and Excise duty deducted at source from various payment and services by the Bank	3,255.51	3,074.11
Income tax payment by the Employees	89.28	80.80
Total Payment	5,053.12	4,735.25

In the Income Tax Fair 2019, National Board of Revenue (NBR) has been arranged a revenue collection program to collect tax directly from the Corporate Taxpayers. On behalf of Dhaka Bank Limited, Mr. Sahabub Alam Khan FCA, CFO (Acting) has been participated in that program and handed over a Pay Order for Tk.150.00 million directly to the NBR Chairman as an advance tax for the Income Year 2019.



Value Added Statement

Value added statement is an informative report which shows a detailed account of total value addition and the disbursement of the value created by the organization. Dhaka Bank adds value by creating wealth through SME, Retail & Wholesale banking. The Bank also contributes positively to socio-economic development through the payment of remuneration towards its staff, through the payment of consistent dividend (stock & cash) its shareholders, through obeying regulatory rules and regulations by paying tax and VAT while ensuring sustainability and growth.

The following Value Added Statement shows the total worth created by Dhaka Bank for the year ended 31 December 2019 and how we distributed value for the socio-economic development.

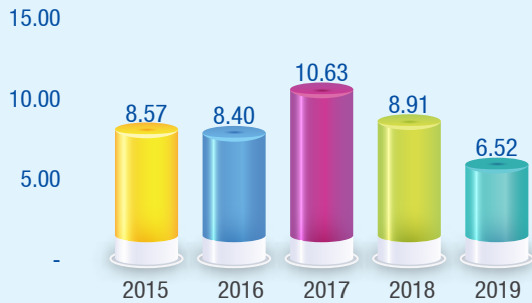
Amount in million Taka except percentage

Particulars	2019		2018	
	Amount	%	Amount	%
Value Added				
Net Interest Income	4,550	51%	5,577	62%
Commission, Exchange & Brokerage	3,421	38%	2,900	32%
Investment Income	2,568	29%	2,200	25%
Other Income	261	3%	200	2%
Management Expenses Excluding Salaries & Allowances, Depreciation	(1873)	-21%	(1795)	-20%
Provision for Doubtful Losses	(32)	0%	(142)	-2%
Total Value Added by the Company	8,896	100%	8,940	100%
Distribution of value addition				
To Employees				
as salary and Allowance	2,285	26%	2,184	24%
To Provider of Capital				
dividend to shareholders (cash & stock)	853	10%	813	9%
To Government:				
as corporate tax	1,529	17%	1,585	18%
To Expansion and Growth				
as retained income	3,685	41%	4,025	45%
as depreciation	544	6%	334	4%
Total Distribution by the Company	8,896	100%	8,940	100%

SHAREHOLDERS' INFORMATION

Continued

5 Year Essential Performance Graphs--Bank

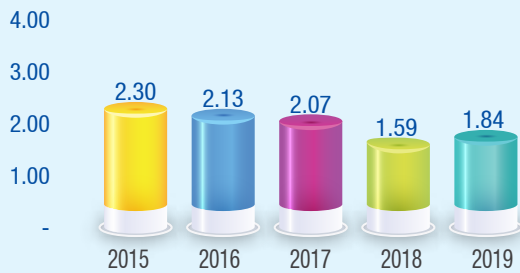
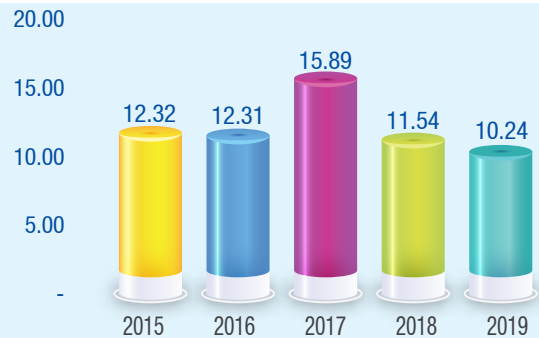


Price Earning Ratio (%)

Despite a steady growth in operating income and profit, reduction in P/E ratio is caused by unfavorable market price and lower EPS. The low Price Earning ratio may indicate that the company is doing exceptionally well relative to its past trends. The price-to-earning ratio can also be seen as a means of standardizing the value of one taka of earnings throughout the stock market.

Market Capitalization (Taka in billion)

A lower market capitalization is due to unfavorable closing market price as at year end 2019. Market capitalization refers to how much a company is worth as determined by the stock market. It is defined as the total market value of all outstanding shares. Using market capitalization to show the size of a company is important because company size is a basic determinant of various characteristics in which investors are interested, including risk.

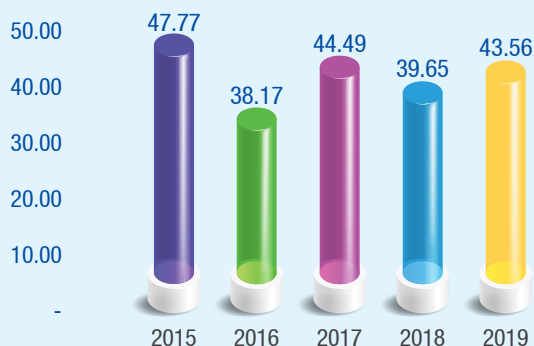
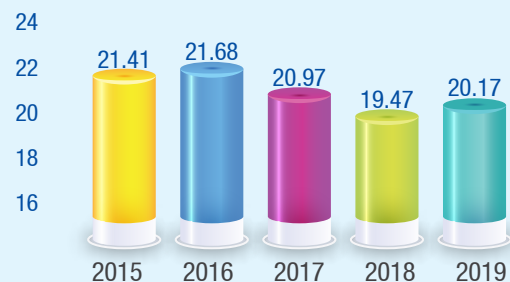


Earning Per Share (Taka)

Incremental loan provisioning caused lower earnings in 2019. The earnings per share metric are one of the most important variables in determining a share's price. By dividing a company's share price by its earnings per share, an investor can see the value of a stock in terms of how much the market is willing to pay for each taka of earnings.

Net Asset Value per share (Taka)

Better operating results and efficient balance sheet management in 2019. Net asset value is commonly used to identify potential investment opportunities. The term NAV has gained popularity in relation to the fund valuation and pricing, which is arrived at by dividing the difference between assets and liabilities by the number of shares/units held by the investors.



Cost To Income Ratios (%)

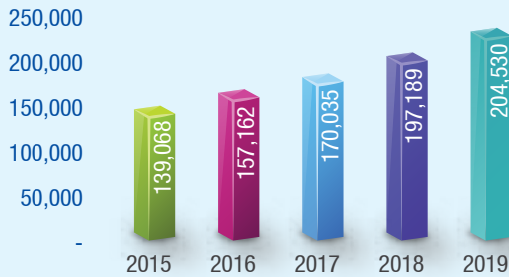
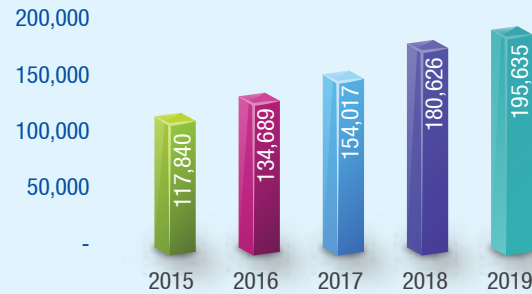
Cost-to-income ratio moderate as the operating income grew keeping operating expense in check. The ratio gives a clear view of how efficiently the bank is being run – the lower the ratio, the more profitable the bank. If the ratio rises from one period to the next, it means that costs are rising at a higher rate than income. There is an inverse relationship between the cost-to-income ratio and the bank's profitability.

SHAREHOLDERS' INFORMATION

Continued

Loans & Advances (Taka in million)

Year on year 8.31% growth in loans and advances emphasizing quality and balance sheet growth. Concentrating on the three main categories i.e. short term, medium term and long term loan, the bank was able to pool up different categories of customers over the year and increase its loans and advance, some of sub categories of loans are fluctuating. The percentage of lending has gradually increased with the growth of the bank.

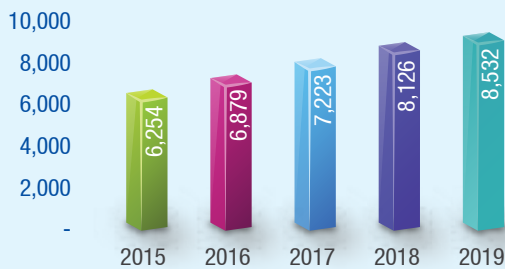
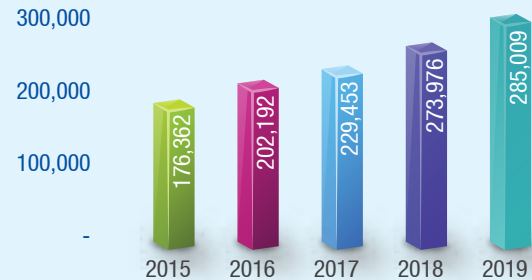


Deposits (Taka in million)

Balance sheet growth is well supported by deposit growth which indicates the confidence on the bank and also ensure the togetherness of stakeholders. Deposits are a crucial and very cheap source of funding for banks, which make money by lending to their customers at higher rates than their cost of funding. So the name of the game is to keep “deposit costs” down while attracting enough deposits to lend out.

Total Assets (Taka in million)

Consistent growth in balance sheet at 10% CAGR since 2015. Assets earn revenue for the bank and includes cash, securities, loans, and property and equipment that allows it to operate. Asset is something of value that is owned and can be used to produce something.

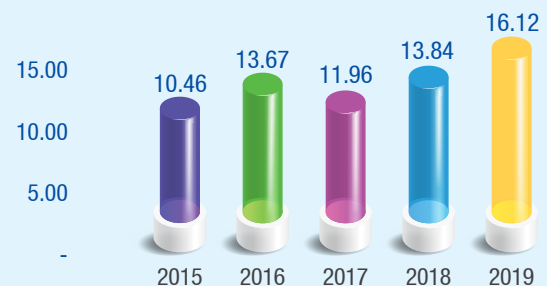


Paid-up Capital (Taka in million)

Consistent Paid-up Capital growth in balance sheet at 6% CAGR since 2015. A bank's paid-up capital figure represents the extent to which it depends on equity financing to fund its operations. This figure can be compared with the bank's level of debt to assess if it has a healthy balance of financing, given its operations, business model, and prevailing industry standards.

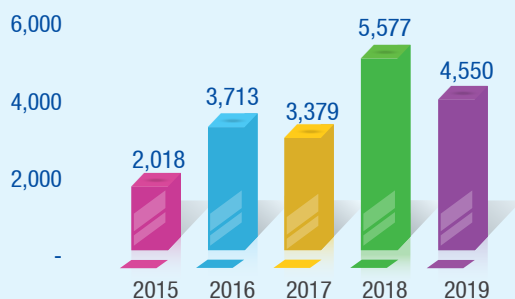
Capital to Risk-weighted Asset Ratio (%)

Well managed capital to support the growth. The higher the bank's capital adequacy ratio, the higher the degree of protection of depositor's assets. A bank with a high capital adequacy ratio is considered safe and likely to meet its financial obligations. The reason minimum Capital to Risk-weighted Asset Ratio (CRAR) are critical is to make sure that banks have enough cushion to absorb a reasonable amount of losses.



SHAREHOLDERS' INFORMATION

Continued

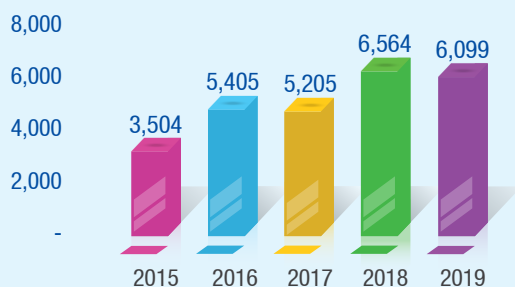
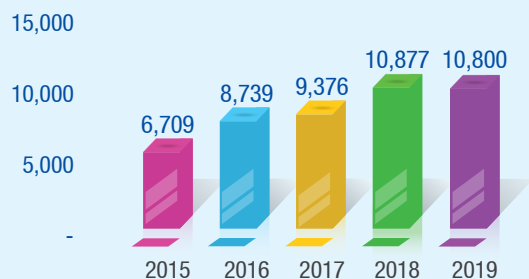


Net Interest Income (Taka in million)

Decreasing of Net Interest Income (NII) shows that income note dependent on Interest Income. Depending on bank's specific assets and liabilities (e.g., fixed or floating rate), NII may be more or less sensitive to changes in interest rates. If the bank's liabilities re-price faster than its assets, then it is said to be "liability-sensitive." Further, the bank is asset-sensitive if its liabilities re-price more slowly than its assets in a changing interest-rate environment.

Operating Income (Taka in million)

A better and efficient management of balance sheet resulted in higher operating income. This is the amount of income a company generates from its core operations, meaning it excludes any income not directly tied to the core business. An increasing amount of operating income is seen as favorable because it means that the bank's management is generating more revenue.

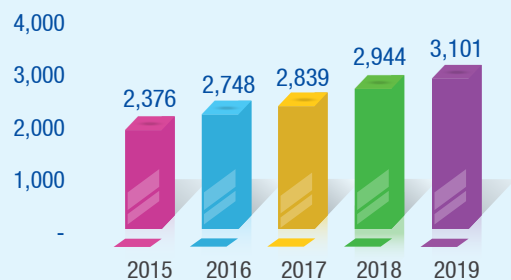


Operating Profit (Taka in million)

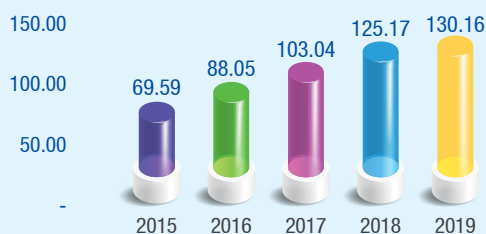
Operating profit is a key number to watch for as it reflects the controllable revenue and expenses. Operating profit serves as a highly accurate indicator of the business's potential profitability because it removes all extraneous factors from the calculation. Analyzing operating profit is helpful to investors since it doesn't include taxes and other one-off items that might skew profit or net profit.

Profit Before Tax (Taka in million)

Despite a larger loan provision, Bank delivered higher profit after tax. Profit before Tax (PBT) holds much value in providing internal management and external users of financial data with a company's operating performance. PBT is a measure of a company's profitability that looks at the profits made before any tax is paid.

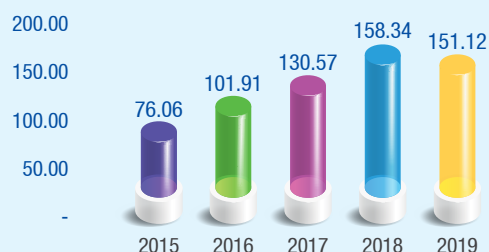


Export (Taka in billion)



Consistent growth in export through-put indicates a higher share of Trade business.

Import (Taka in billion)



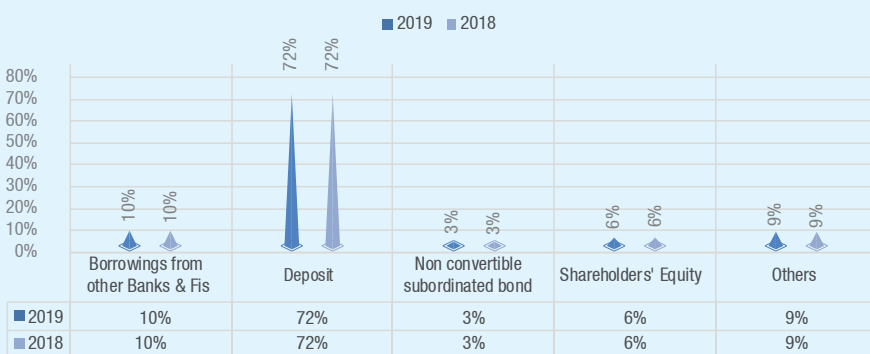
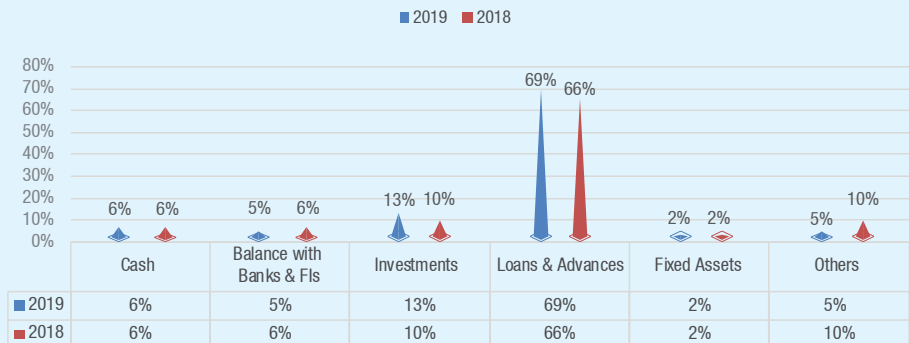
Consistent volume in import through-put indicates a higher share of Trade business.

SHAREHOLDERS' INFORMATION

Continued

ASSETS MIX

Bank is focusing on balanced growth and efficient comparison of Assets. The asset mix of a portfolio is an important consideration for investors. It can be a key determinant of the risk/reward profile of the fund. It can also provide insight into the long-term performance expectations.

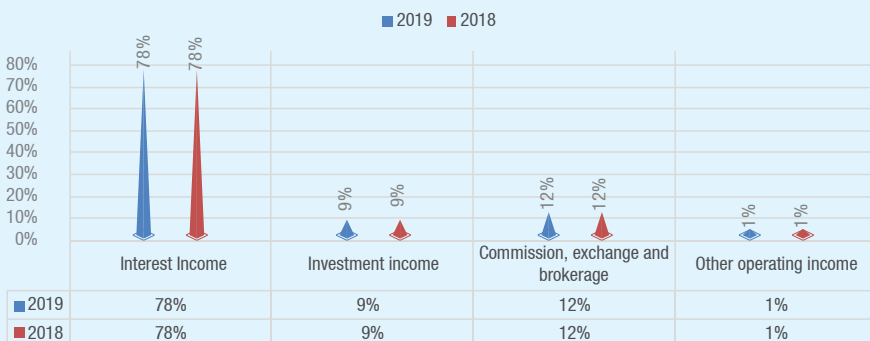
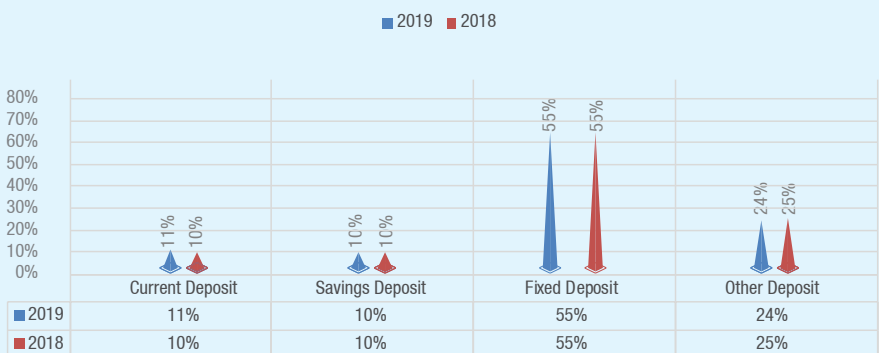


ASSETS FUNDING MIX

Emphasizing steady growth on deposit as the primary funding tool.

DEPOSIT MIX

Heading toward an optimized mix of deposit by reducing reliance on term deposit. Deposit Mix refers to the combination of various types of deposits and their share in total deposits. Bank prefer to increase the share of no cost and low cost funds in total deposits. Deposit Mix play a very important role in deciding the profitability of the bank.



REVENUE MIX

Improving quality of assets and thereby increase funded income and also focusing on a larger share of non-funded income.

SHAREHOLDERS' INFORMATION

Continued

Glimpses of the 24th AGM



DIRECTORS' REPORT

DBL had launched its voyage with a view to attain magnificence in Banking Sector and to provide with state of the art Banking Solutions. The Bank was incorporated as a Public Limited Company on April 6, 1995 under Companies Act, 1994. It commenced Banking operations on July 5, 1995 with a Branch at Motijheel, Dhaka. Islamic Banking window was opened in July of 2003. DBL got listed in DSE and CSE in 2000. Subsequently, we embarked on Capital Market services which amounted to the establishment of a subsidiary 'Dhaka Bank Securities Limited' in 2011. DBL opened up new avenues for foreign investors in the country by setting up Off-shore Banking Unit in 2006.

Dhaka Bank go ahead hand in hand with many others in the Society, putting its emphasis on Sustainable and Inclusive Banking to reach the space, as visualized in its Vision.



DIRECTORS' REPORT 2019

Continued

In the beginning, we the Board of Directors, welcome all of you to the 25th Annual General Meeting of Dhaka Bank Limited [DBL]. We do thank you for your continuous patronage and support in our common journey of 25 years. In presenting our Annual Report for your kind consideration and adoption, we really feel a delight. We acknowledge continuous assistance of thousands of Shareholders, who were always there for us with their trust and support. This Report contains Auditors' Report, Directors' Report, Management Analysis of Business, Audited Financial Statements of the Bank and its Subsidiary Company. Hope it will provide you with the true picture of the Bank's performance, development and Market position of the Bank in this era of stringent competition.

Global Economic Situation

Global growth is expected to recover to 2.5 percent in 2020 up slightly from the post-crisis low of 2.4 percent registered last year amid weakening trade and investment and edge up further over the forecast horizon. This projected recovery could be stronger if recent policy actions particularly those that have mitigated trade tensions lead to a sustained reduction in policy uncertainty.

Global growth decelerated markedly in 2019, with continued weakness in global trade and investment. Nevertheless, downside risks predominate, including the possibility of a re-escalation of global trade tensions, sharp downturns in major economies and financial disruptions in emerging market and developing economies.

Indicators of Economic Activities

Global Trade Growth is set to moderate somewhat in 2018-19, at an average of 4%, in line with the projected deceleration of Capital spending in advanced economies and China.

• Fiscal Policy

One of the positive Growth impulses in 2019 is likely to be Fiscal Policy. The Eurozone as a whole is likely to see only a minor positive impulse at best, but Germany is likely to ease Fiscal Policy quite significantly. In the UK, where structural deficits remain high, efforts to limit them will continue. As for the US, a moderate cut in Corporate Taxes and a temporary rebate on repatriated Profits appeared likely. Overall, US Fiscal Policy could turn somewhat more expansionary in 2019.

• Commodity

In commodity Exporters, Energy and Metals prices recovered in 2018 while Agricultural Product prices remained broadly stable. Metals prices rises partly due to robust demand from China. Agricultural Product prices are projected to remain stable in 2019.

• Inflation

There are clearly a number of structural factors that favour disinflation: These include intense competition for goods and services on a global or national and regional level; the spread of an internet-based services economy, digitalization and robotics.

• Financial Markets

The Fed will be under new leadership, but it might press ahead with shrinking its Balance Sheet and delivering its projected three 0.25% Rate increases in. Markets see short-term Rates in Europe and Japan staying negative through 2019. Monetary Policies are also likely to diverge across major emerging economies. It is anticipated having broadly stable Monetary Policy in China.

• Global Trade

World trade will continue to face strong headwinds in 2019 and 2020 after growing more slowly than expected in 2018 due to rising trade tensions and increased economic uncertainty. WTO economists expect merchandise trade volume growth to fall to 2.6% in 2019 down from 3.0% in 2018. Trade growth could then rebound to 3.0% in 2020; however, this is dependent on an easing of trade tensions.

Developed Economies

US: Growth has decelerated, reflecting slowing investment and exports. While the labor market remains robust, manufacturing activity has been contracting, higher tariffs have increased trade costs and policy uncertainty has continued to weigh on investment. Support from tax cuts and government spending is expected to fade. Amidst the ongoing Policy changes, US Growth is expected to reach 2.5% in 2018, above previous expectations, and then to moderate to an average of 2.1% in 2019-20.

China: Growth was projected to edge down in 2018 to 6.4% as Policies tighten, and average 6.3% in 2019-20. Long-term fundamental drivers of potential Growth point to a further slowdown, as population aging is expected to depress labour supply.

Euro Area: With inflation remaining below target, the ECB was expected to keep Interest Rates unchanged during 2018, but to gradually scale back Asset purchases. GDP Growth is foreseen to average 1.6% in 2019-20.

Japan: Consumption Tax hike in October 2019 is expected to have a negative effect on Growth in 2020, which is projected to slow temporarily to 0.5%. In 2019, Growth is forecast at 0.8%, in line with average potential Growth estimates.

DIRECTORS' REPORT 2019

Continued

Emerging Market and Developing Economies

- Outlook for EMDEs has weakened significantly. As trade and investment firm, EMDE growth is projected to pick up to 4.1 in 2020-0.5 percentage point below previous forecasts and stabilize at 4.4 percent in 2021-22, with the pace of the recovery restrained by soft global demand and structural constraints, including subdued productivity growth. Me near-term rebound in EMDE growth will be mainly driven by a projected pickup in a small number of large countries. Per capita income growth will remain well below long-term averages, making progress toward poverty alleviation and development goals more challenging.
- EMDEs have continued to experience substantial weakness, with industrial production, trade flows and investment decelerating sharply last year. While services activity has been appreciably more resilient than manufacturing, it has also moderated. Growth has been particularly anemic in EMDEs that have experienced the lingering effects of varying degrees of financial pressures or other idiosyncratic factors in the past couple of years.
- Growth in low-income countries is projected to rise to be 5.6% in 2019-20, as commodity prices firm. These Forecasts are lower than in June, and reflect a reassessment of the pace of recovery in oil and Metals-Exporting LICs that experienced sharp slowdowns or recession in 2016-17.

Bangladesh Economy

Robust growth momentum continues in the Bangladesh economy amid tepid global growth environment, with 8.13 percent real GDP growth estimated by BBS for FY19 against global growth projection averaging 4.1 percent for 2019 in emerging market and developing economies. The strong 8.13 percent FY19 real GDP growth was broad based across economic sectors, supported both by strong domestic demand and by external demand reflected in 10.5 percent export growth.

Monetary Policy July-December 2019

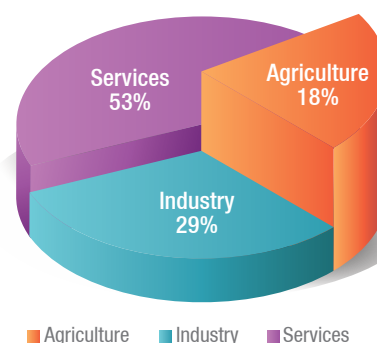
The H2 Monetary Policy stances for FY2018-19 was formulated by Bangladesh Bank with the target of keeping inflation below 6.0% as well as attaining GDP Growth Rate at 8.13%. Government borrowing from the Banking system followed downward trend in the first half of FY2018-19 owing to increase government's earning stemming from soaring revenue Income and a high receipts from net sale of National Savings Certificates.

GDP Growth: GDP Constant Prices in Bangladesh increased to 11,055.14 BDT Billion in 2019 from 10,224.38 BDT Billion in 2018.

The per capita GDP increased to Tk. 1,37,518 in FY2017-18. On the other hand, per capita national Income in FY2017-18 stood at Tk. 1,43,789. In US dollar, per capita GNI and GDP stood at US dollar 1,751 and US dollar 1,675 respectively in FY2017-18 compared to US dollar 1,610 and US dollar 1,544 respectively in FY2016-17. On the basis of Purchasing Power Parity [PPP], calculated by UNDP, the per capita GNI stood at US dollar 4,040.

Production based estimate of GDP encompasses 3 broad Sectors which are Agriculture, Industry and Service.

Figure: Sector-wise GDP Growth [%]



Consumer Price Index and Inflation: Consumer Price Index CPI in Bangladesh averaged 131.82 points from 1993 until 2019, reaching an all time high of 273.60 points in November of 2019 and a record low of 51.99 points in July of 1993. Bangladesh's Consumer Price Index (CPI) growth was measured at 5.7% YoY in Dec 2019, compared with a rate of 6.0% in the previous month. Bangladesh's Consumer Price Index growth data is updated monthly, available from Jul 1994 to Dec 2019, with an averaged number of 6.2% YoY.

The inflation rate for consumer prices in Bangladesh moved over the past 31 years between 2.0% and 11.4%. For 2018, an inflation rate of 5.5% was calculated. During the observation period from 1987 to 2018, the average inflation rate was 6.5% per year. Overall, the price increase was 600.84 %.

Export and Import Performance: Export earnings increased due mainly to increases of Export of agricultural Product, ceramic Products, handicraft, cotton and cotton Products, knitwear, home textile, jute goods, chemical Products, woven garments etc.

Exports in Bangladesh decreased to 255.98 BDT Billion in October from 260.20 BDT Billion in September of 2019. Bangladesh is world's second-biggest apparel exporter after China. Garments including knit wear and hosiery account for 80% of exports revenue; others include: jute goods, home textile, footwear and frozen shrimps and fish.

Imports in Bangladesh increased to 425.90 BDT Billion in October from 356.82 BDT Billion in September of 2019.

DIRECTORS' REPORT 2019

Continued

Exchange Rate

Bangladesh Bank remains vigilant in its role in the foreign exchange Market by closely monitoring the exchange Rate movement and the buying and selling of Foreign Exchanges for stabilising Market. The USD-BDT increased 0.2900 or 0.34% to 84.8900 on Thursday January 30 from 84.6000 in the previous trading session. The USD-BDT spot exchange rate specifies how much one currency, the USD, is currently worth in terms of the other, the BDT. While the USD-BDT spot exchange rate is quoted and exchanged in the same day, the USD-BDT forward rate is quoted today but for delivery and payment on a specific future date.

Dhaka Bank: Thriving for Success

DBL had launched its voyage with a view to attain magnificence in Banking Sector and to provide with state of the art Banking Solutions. The Bank was incorporated as a Public Limited Company on April 6, 1995 under Companies Act, 1994. It commenced Banking operations on July 5, 1995 with a Branch at Motijheel, Dhaka. Islamic Banking window was opened in July of 2003. DBL got listed in DSE and CSE in 2000. Subsequently, we embarked on Capital Market services which amounted to the establishment of a subsidiary 'Dhaka Bank Securities Limited' in 2011. DBL opened up new avenues for foreign investors in the country by setting up Off-shore Banking Unit in 2006.

DBL is widely recognized today for its exceptional service, simplicity, proximity and cutting-edge way of delivery and operational craftsmanship marking its position as the potential Market player in all core areas of Banking in the country. Alongside a lasting bond with the Corporate world, we got hold of a countrywide reach through a larger network of Branches, ATMs, ADMs, SME channels and SMS Banking. As on December 31, 2019, we made our vibrant presence at 103 Branches including 2 Islamic Banking Branches, 3 SME Service Centres, 2 Sub-Branches, 62 ATMs, 20 ADMs and 2 Off-shore Banking Unit across the country.

Our Balance Sheet size as on December 31, 2019, was Tk. 285,009 million, Deposits of Tk. 204,530 million and Advances of Tk. 195,635 million and Operating Profit Tk. 6,098 million. Our Board and our Colleagues together want to make a strong positive impact in the economy of Bangladesh with superior quality Banking Services.

Rooms for Business

We had started 2019 with usual zeal; and did splendidly in some areas. In other areas, achievement was mixed, with meagre to moderate. Our overall numbers have been reasonably well. The mode of our Banking operations includes both conventional and Islamic

Banking based on Shari'ah Principles. Our Base Deposit grew 4% in 2019, which was same as the previous years progress of 4%. DBL runs its business with a country-wide reach through state-of-the-art delivery system supported by real-time online Banking. The Bank has established its own subsidiary named 'Dhaka Bank Securities Limited.' on February 13, 2011 to provide brokerage services and margin Loans in the Capital Market. DBL has Off-shore Banking Unit to provide Banking Services in Non-Resident Foreign Currency denominated Assets and Liabilities. We must put our all-out energy in having a much better outcome in 2020 in all areas.

Core areas of DBL business and Banking

- Act as secured custodian of Customers' Deposit
- Honour Cash withdrawal by Depositors on demand
- Facilitate large Corporate business by providing Credit
- Encourage and render SME financing
- Arrange Syndicated Deals and Structured Finance
- Perform Retail Business
- Finance Import and Export Business [Trade Finance]
- Conduct Project Financing
- Undertake Lease and Hire Purchase Financing
- Issue Local and International Credit Cards
- Provide Islamic Banking Services based on Shari'ah Principles
- Channel Remittance from abroad
- Render Off-shore Banking service

Financial Performance

Performance & Profitability: We recorded Profit after Tax of Tk. 1,571.36 million in 2019 in comparison with Tk. 1,359.13 million in 2018 as a result of critical Market condition. Bank focused on protection of Shareholders' equity through building up remarkably higher Provision against Loans & Advances. Bank's performance was accomplished mainly from downsizing of Loan loss, sticking to core Banking business, consolidation of business mix with expanded pie on SMEs, efficient Cost Management as well as appropriate strategic choice.

Overall business performance for the year 2019 suggests that our achievement particularly revenue basket was more viable than we have expected especially in the category of investment Income and fees & commission Income. We have every reason to explain our position under most difficult circumstances that Banking Sector got through in 2019. Bank's net Interest Income has been decreased by 18.41%.

DIRECTORS' REPORT 2019

Continued

The Bank secured an amount of Tk. 10,799.81 million in Operating Income. On the Balance Sheet side, the Bank shaped an amazing Balance in Assets of Tk. 285,009 million showing up an increase of Tk. 11,033 million from Tk. 273,976 million of 2018. The Growth was achieved on the wings of 8.31% Growth in Loans and Advances. Deposits also showed a Growth of 3.72%. The Bank continued to have notable Capital Adequacy at 16.12% in accordance with Basel-III requirement. Total Shareholders' Equity increased to Tk. 17,210 million in 2019 from Tk. 16,616 million in 2018. Liquidity maintained a comfortable position with liquid Assets [Cash, Balance with other Banks and financial institutions, money at call, treasury bonds and tradable securities] forming 24.00% of Total Assets. The Bank successfully improved its portfolio of Loans & Advances through increasing Loan to Deposit Ratio at 84.97% at the year-end 2019 which was 82.79% in 2018.

Appropriation of Profit : Profit after Tax [PAT] stood at Tk. 1,571.36 million. Profit available for distribution among Shareholders is Tk. 2,407.10 million after a mandatory transfer of Statutory Reserve of Tk. 620.13 million [@20% on PBT]. Directors have recommended by Cash Dividend @5% and stock Dividend @5% for the year 2019 subject to Approval in the AGM.

Payment of Dividend: Optimizing Shareholders' value is our all-time priority. During the period of more than a decade, Bank's Dividend Rate was as minimum as 1 share for 20 shares each [5% in stock] and as maximum as 3 shares for 8.55 shares each [35% in stock] in addition to Cash Dividend. Last five years, total Cash Dividend was paid by Tk.277.95 crore and on the other hand, total Stock Dividend was issued by Tk.271.14 crore as well. Bank's Dividend was mostly paid in large stocks with a marginal proportion in Cash, enhancing Bank's solvency through Capital Adequacy.

Capital Adequacy: Dhaka Bank is a firm follower of Guidelines of the Bangladesh Bank regarding Capital Adequacy and its Policy is to maintain Regulatory Capital at a level which is higher than the minimum required Capital. Bank's strength in Capital base is also significant in the fact that the Ratio of eligible Capital to Risk Weighted Assets [RWA], 16.12% as of Dec 31, 2019. The Bank has already entered the Basel III regime since January 2015 as an enhanced Regulation for Capital Adequacy, liquidity and stability and remains committed to compliance of the requirement in phases till 2020.

Amount in Million Tk.

Particulars	Year 2019	Year 2018
PAT	1,571.36	1,359.13
Retained Earnings brought forward	835.75	953.47
To be appropriated:		
Transfer to Statutory Reserve	620.13	588.73
Transfer to General Reserve	-	-
Dividend for the year 2019 [recommended]		
Stock Dividend	5%	5%
Cash Dividend	5%	5%
Retained Earnings to be carried forward	974.38	820.99
Dividend	812.58	902.87

Credit Rating vis-à-vis Capital Adequacy: We kept up efforts to pursue its Corporate and SME-mid Customers to get Credit Rated by eligible External Credit Assessment Institutions [ECAI]. As per Bangladesh Bank BRPD Circular No. 05 of April 29, 2009 and BRPD Circular No. 31 of October 25, 2010, we nominated 8 [Eight] recognized these ECAs: Credit Rating Information & Services Limited [CRISL], Credit Rating Agency of Bangladesh [CRAB], National Credit Rating Limited., Emerging Credit Rating Limited., ARGUS Credit Rating Services Limited, WASO Credit Rating Co. [BD] Limited, Alpha Credit Rating Limited & Bangladesh Rating Agencies Limited [for SME Clients only].

Since external rating of most of our Rated Corporate Customers falls in the range of A to AAA [BB rating grade 1 & 2] bearing risk weight of 50% or below, the more our Customers do their entity rating, the less will be our Capital Requirement.

Raising Capital: Starting on July 5, 1995 with Authorized Capital of Tk. 1,000 million and Paid-up Capital of Tk. 100 million, DBL strengthened its Authorized Capital base in 2005 by raising the same from Tk. 1,000 million to Tk. 2,650 million and Tk. 6,000 million in 2007. Authorized Capital was further enhanced to Tk. 10,000 million by passing a Special Resolution in the Bank's 4th Extra-ordinary General Meeting [EGM] held on July 4, 2010. Out of the total issued, subscribed and Paid-up Capital, 1,320,000 Ordinary Shares of Tk. 100 each amounting to Tk. 132,000,000 was raised through Initial Public Offering [IPO] of shares held in February 24, 2000. The Bank increased its Paid-up Capital twice issuing 2:1 Right Share at par on April 15, 2003 and November 30, 2005 respectively. As on December 31, 2019, equity of the Bank including Retained Earnings reflected a Balance of Tk. 17,210.61 million. Equity as a percentage of Total Assets was 6.04%. Bank's Paid-up Capital increased by Tk. 406.29 million at the year ended 2018. The Statutory Reserve also increased by Tk. 620.14 million due to transfer of 20% of pre-Tax Profit under Regulatory Compliance.

Special Assets Management: In a year span, Classified Loans amounted to Tk. 927.78 crore from Tk. 900.90 crore of 2018. The amount of Non-Performing Loan [NPL] increased to Tk. 26.88 crore in 2019. In 2019, NPL to Total Loans Ratio reached to 4.74% compared to 4.99% of the year 2018.

Non-Performing Assets by Segments:

Amount in Million Tk.

Particulars	As on 31.12.2019	As on 31.12.2018	Change in %
Unclassified Loans	186,357	171,616	8.58%
Standard [Including Staff Loan]	178,294	164,507	8.38%
Special Mention Accounts [SMA]	8,062	7,109	13.40%
Classified Loans	9,277	9,009	2.97%
Sub-standard [SS]	1,247	1,185	5.23%
Doubtful [DF]	198	517	-61.70%
Bad/Loss [BL]	7,832	7,305	7.21%
Total Loans	195,634	180,625	8.31%
Non-Performing Loans (%)	4.74	4.99	-5.01%

DIRECTORS' REPORT 2019

Continued

Corporate Banking Division

Corporate Banking Division maintains corporate customer relationship which assists branch to generate revenue in a significant way. Presently, this division is managing a total portfolio with limit of Tk. 55,180.00 million. In 2018-2019, within this portfolio overall limit utilization increased from 55% to 65% which resulted a positive growth of 6.24% YoY in non-funded business and 37% growth in gross income.

Cash Management Unit

Since the introduction in 2017, our Cash Management Unit [CMU] is doing a commendable job by introducing new services in the market. The number of booked Clients under Cash Management Services at the end of 2019 was 50 with an average daily fund retention of Tk. 103.00 crore.

Syndication and Structured Finance Unit

The performance of Bank's Syndications & Structured Finance Unit was noteworthy in 2019. Since its inception in 2004, the Unit is catering to the Corporate Banking needs of the clients and offers a wide range of products and services viz. Term Loan, both in Local and Foreign Currency, ECA backed financing for capital machineries, IPFF financing for infrastructure projects, Working Capital financing, financing in derivatives like Commercial Paper, Preference Shares, Project Bonds, etc. through syndication/bi-lateral arrangement.

The notable and key achievements of the Unit in 2019 are as under:

1. Financial closure of BDT 1,300.00 million Syndicated Term Loan for KSRM Power Plant Limited – a concern of Kabir Group, a prominent business group of the country.
2. Financial closure of the Bank's 1st ever preference share deal of BDT 800.00 million for Zodiac Power Chittagong Limited - a 54 MW HFO fired Power Plant of Confidence and Energypac Group.
3. Successful arrangement of BDT 5,100.00 million Syndicated L/C facility for Chandpur Power Generations Ltd - a 115 MW HFO fired Power Plant of Doreen Group.
4. Arrangement of Country's 1st IPFF backed Project Bond of USD 47.50 million for United Jamalpur Power Limited - a 115 MW HFO fired Power Plant of United Group (Placed for World Bank Review).

Retail Banking Division

Dhaka Bank's Retail Banking Division started its operation in the year 2002. Since then the bank has acquired a sizeable number of retail client base of appx. 350,000 at PE2019 and approved total retail loans amounting to appx. Tk. 1,470 crore. Over the year 2019, the Bank has continued its momentum on acquiring new retail clients and growing retail business in the area of deposit accounts, cards and retail loans. In line with the previous year significant steps have been taken on the digital space to cater to the needs of the tech-savvy retail customers. Notable features include the launching of Inter Bank Fund Transfer (IBFT)

which enables our customers to transfer fund and pay credit card bills to 23 other banks through our mobile app **Dhaka Bank GO** instantly. Moreover the re-launch of Direct Banking Plus (internet banking) with a new look and feel to conduct real time transactions of up to Tk. Five lac also bolstered the bank's digital offering.

In the year 2019, the Bank has increased extending retail loans by 10% compared to 2018. 87% retail lending was extended as secured loans such as Car, Home and security covered loans and only 13% was extended as unsecured loans. The focus has always been to do sourcing of loans from credit-safe salaried segment. On the retail deposit side, the Bank has witnessed straightway 5% growth in FY2019, with 36,000 new retail CASA accounts. With this growth, retail deposits now constitutes 48% of the total client deposit of the bank.

The Bank has continued to strengthen its Card Business eco-system and has observed an ascent in business parameters. This year the Bank has introduced another premium card product in the market from a different card service provider – Master Card Titanium, with EMV Contactless Technology. It needs to be mentioned here Dhaka Bank was the 2nd Bank in the country to have introduced the EMV Contactless Card technology and the first bank to have introduced the Lounge Key proposition under which the card holders can access 1000+ airport lounges across the world without having to carry an additional plastic. Besides these My Wage Prepaid Card for Payroll customers and Card Cheque for Credit Card Users were introduced in 2019. In terms of debit-credit card spending volume, the Bank's card holders (Debit & Credit) have used their cards 26% more in comparison to 2018. With these, the card operating revenue increased by 22% over the year of 2018. Now, with 350 discount merchant partners and 209 Swipe-it (installment purchase) merchant partners, Dhaka Bank Card proposition is considered as one of the most prospering cards in the industry.

The Bank will continue to investment and grow the Retail Banking and Cards Business with special focus to new technology, product capability, security and client value proposition. With the highest level of technological capacity and revamped proposition of the Cards and Digital Banking, Retail Banking business of the Bank looks forward to grow aggressively over 2020.

SME Financing

In accordance to broaden SME portfolio, DBL SME has emphasized in promoting lending to new borrowers. Generally, FIs are mainly keen to invest to borrowers whose credibility has already been assessed by obtaining formal loan facility(s) from other FIs. Therefore a new entrepreneur finds it very difficult to penetrate the loan acquisition barriers and the pre-requisites imposed by formal lenders. Resultantly, a huge portion of business entrepreneurs is struggling to expand his/her SME business. Dhaka Bank SME has increased its focus on this segment of business by introducing DBL Shuchona Loan. Under the loan parameter, new business entrepreneurs are encouraged to avail business loans that help to increase employment, strengthened respective business viability and resultant profitability, enabling greater contribution to our overall national economy in general.

DIRECTORS' REPORT 2019

Continued

Another remarkable product of DBL “House Building SME loan (HBSM)” catered a huge market of the house building in the outskirts of Dhaka City. It has created stable source of income for the local habitant & also ensured proper utilization of idle land which increase economic vibration in the area. Local people are building well-furnished houses & improving sanitation for garments workers by availing this product. Thus garments workers of Savar, Ashulia areas are provided with more healthy places of living which ultimately improving their living standards & sanitation as well.

SME Unit launched House Building SME loan (HBSM) in the market to cater house building for commercial purpose in the outskirts of Dhaka. So far 159 clients are enjoying the loan & outstanding in this typical product was for Tk. 503.19 million as on December 31, 2019.

Presently, DBL SME has about 58% of its borrowers in this segment. As it is, Dhaka Bank has increased its total SME loan exposure to 25.11% in 2019 from that of 20.32% from last year, 2018. DBL has concentration of 65.13% in 2019 in Cottage, Micro & Small Enterprises exceeding regulatory requirement like that of previous year.

CRM Division

- **Large Loan Portfolio Analysis:** We have started comprehensive analysis of Credit portfolio under different segments to identify any potential future threat. Credit Facilities are allowed in a manner so that Growth can be maintained ensuring optimum Asset quality and without compromising Bank’s standard of excellence.
- **Industry Analysis:** In-depth analysis on Major Industries to which Credit portfolio is concentrated; Major 14 Industries including Power, Edible oil, Telco, Pharma, Ceramic, Beverage, LPG & Cable have already been analyzed and updated regularly.
- **Establishment of Import Product Price Verification Database:** A Database has been developed wherein price of Import Product is recorded, which will help to check Import Product prices in conjunction with other verification techniques.
- **Capacity Building/Training:** Considering continuous skill and knowledge development and awareness of Credit Norms & Principle, CRM Division has arranged several Training Sessions [including Internal Credit Risk Rating System] and Workshops for Credit Officers of different Branches and Head Office during 2019.
- **Revised Credit Risk Management Policy:** Credit Risk Management Policy has been revised and updated complying recent Bangladesh Bank’s CRM Policy and to ensure adequate control over Credit risk.

Human Resources

Human Resource Development

In 2019 we have put more stress than ever in HR Development, stimulating our Training efforts. Apart from HRD utilizing External Trainings, ensuring better support of IT & DBTI, we initiated e-learning Programme with Trainings on AML-CFT, Credit & Trade. Appraisers’ TNA-based Training, OMEGA Performance Certification License for Credit Skill Assessment, Managers’ Training on Relationship, Corporate Sales, Professional Customer Service etc were arranged with Sessions taken by country’s top Session Leaders. Moreover, we introduced Refresher Training for some Employees who have successfully moved from Cash to GB. HRD has also initiated different Employee Engagement Programmes like celebrating Pahela Boishakh, Eid, and Womens’ Day etc. Health Awareness Programmes with renowned Physicians were also taken. Accelerated Leadership Programme for future Leaders will begin in 2020.

Human Resources Accounting

It involves tracking all the costs associated with employees of the banks. A more comprehensive human resource accounting system goes beyond the simple tracking of employee-related costs, and addresses the following two additional areas: a) Budgeting and b) Employee Evaluation.

Health and Safety

In the area of health, wellbeing and safety, the Bank has a comprehensive benefits plans. Bank offers multiple health related options for employees including hospitalization benefit, extraordinary benefits from the Board of Directors in emergency and critical situations.

Apart of these benefits, we conduct fire safety drill on regular basis to aware our employees. Moreover, proper First Aid box is stored to our premises in case of emergency need.

Human Capital

Businesses around the world proclaim their employees as being the most valuable resource of organization. Dhaka Bank also believes such notion. Broadly, a cluster of competences, diversity, engagement, values of employees, knowledge of employees considered as Human Capital in the banking industry. Human Capital has the potential to enhance overall productivity and efficiency, assist adherence to compliance requirements, ensure banks’ survival, achieve sustainable success and enhance business performance. Intangible assets such as human capital have the potential rather than other assets to achieve sustainable competitive advantage. Service sector organizations (like banks) are more highly contingent on Human Capital than manufacturing organizations. In banks the fuel and energy that drive the business come from people.

DIRECTORS' REPORT 2019

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International Division

International Division works for ensuring smooth foreign trade business, foreign exchange transactions and channelizing wage earners remittance. This division is mainly divided into - i. Financial Institutions (FI) Unit & ii. Remittance Unit

Financial Institutions Unit arranges correspondent banking network, credit lines and other facilities required for 18 Authorized Dealer (AD) branches, 2 Central Processing Centers (CPCs) with 2 Service Hubs and 2 Offshore Banking Units (OBU) of DBL.

In the year of 2019, International Division's FI Unit was engaged in strengthening its correspondent networks to facilitate the Bank's trade finance business. Dhaka Bank has routed 29,310 LCs through its correspondent banks with total value USD 1.79 billion in 2019. The total number of export bills processed by Dhaka Bank in 2019 is 40,081 with total value USD 1.54 billion. Clients were offered multiple options in routing their LCs with confirmation and discounting facilities without any major hurdle. Moreover, geographical coverage with correspondent banks is continuously being increased ensuring smooth LC issuance service for our import clients.

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

At present, DBL has agency arrangements with total 20 exchange houses located in USA, UAE, UK, Oman, Italy, Kuwait, France and so on to facilitate remittance of expatriate Bangladeshis working abroad. Outlets of DBL's NGO partners (PAGE and Padakhep Manabik Unnayan Kendra that have more than 329 branches) have been used significantly to facilitate remittance recipients locating across the country. Arrangement with mobile financial services like bKash enables Dhaka Bank to reach to the remittance to beneficiaries living in the remotest areas.

Islamic Banking Division

Since inception, Islamic banking business of Dhaka Bank marked steady growth in all areas - deposit, investment and profit. With only 2 branches, around 4 - 5% of Dhaka Bank's business (in terms of deposit & investment) is being conducted under Islamic banking modes. At the end of the year 2019, the deposit and investment of Islamic Banking operations of Dhaka Bank Ltd. stand at Tk.11,253.70 Million & Tk.5,927.86 Million at the same time Assets of DBL Islamic Banking Operations stand at Tk.12,067.89 Million.

Off-Shore Banking Unit

We have come a long way since we launched our Off-shore Banking operations in Dhaka Export Processing Zone 13 years ago. We are one of the pioneers among local banks in Bangladesh to set up Off-shore Banking Unit, which started its operation in the year of 2006 at Dhaka Export Processing Zone, Savar, Dhaka.

Though the country's offshore banking market is dominated by the foreign banks, Dhaka Bank has been able to make its strong and delightful presence by attracting a good number of customers in a short period of time through effective marketing, competitive pricing and ensuring highest levels of professionalism along with excellent customer services backed by quality human and technological supports. OBU has invested around USD 240. million in offshore market in the year of 2019 to support Type-A industries, local entrepreneurs as well as to strengthen its asset portfolios.

Subsidiary: Dhaka Bank Securities Limited

Our capital market witnessed a falling trend round the year. The benchmark index of the Dhaka Stock Exchange (DSE) registered 17.32% Negative Growth and ended to 4,452.93 points in 2019 from 5,385.64 points in 2018. The Daily Average Trade Volume in the Market fell down to Tk. 5,077.59 Million in 2019 from Tk. 5,867.75 Million in 2018. Although the reverse state of the Capital Market, DBSL booked profit after tax in 2019 backed by the persistent effort of all the employees of the company. DBSL faced tremendous competitive pressures and increasing regulatory compliances last year. But with prudent managerial capacities, DBSL has done satisfactorily well to remain in profitability. Company's total operating profit is BDT 68.12 million in 2019 which was BDT 91.58 million in the previous year.

In response to the market movement, DBSL was able to earn Income from brokerage commission of Tk. 75.36 Million. Capital gain and dividend income from dealer operation was Tk. 137.81 million in 2019 compared to Tk. 127.06 million in the year 2018. Company's Net profit stood at Tk. 40.02 million in 2019, which had been Tk. 46.96 million in the previous year.

Dhaka Bank Securities Limited continues to achieve its business growth with sensible execution of business development strategies. The loan facilities are restricted only to selection of credit customer with few fundamentally sound instruments in accordance with the instructions of the Regulatory Bodies. DBSL has 710 margin clients. The interest income from margin loan dropped due to falling trend in the Market Index.

As on 31 December 2019, outstanding Margin Loan provided to the clients stood at Tk.2,149.98 million whereas it was Tk.2,063.07 million in 2018 and Gross interest earned from the margin loan during year 2019 is BDT 175.33 million and Interest Expenses were Tk.225.70 Million.

DIRECTORS' REPORT 2019

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Business & Operational Highlights

Information Technology (IT)

Banking has become highly competitive in Bangladesh today. To be able to strive among the scheduled banks and grow in the rapid changing market environment, Dhaka Bank Limited (DBL) has always opted for latest technologies, which is being perceived as an 'enabling resource' that can help in developing a more flexible structure in order to respond quickly to the dynamics of a fast changing market scenario. DBL is also using Information Technology (IT) as an instrument of "cost reduction" and effective communication between customers and other institutions.

Some of the important initiatives are given below:

A. IT Infrastructure & Application

Upgraded Core Banking System (CBS)

Flexcube UBS 12.0.3, a product of Oracle Financial Services Software Ltd (OFSS), has numerous features to confront the ongoing market demand. It is one of the best CBS in the world using by the countless banks. It has Conventional & Islamic banking modules required by the bank and supports multi country operations. Bank is using this solution for its OBU operations also. It has interface with Debit Cards, ATM, POS, SWIFT, Internet banking, Mobile Apps. etc. It can be used as Centralized or De-centralized model with full redundancy. It has multilayer security option.

Upgraded Cards Management System

TranzWare cards management system is a product of Compass Plus, Russia and PA DSS certified solution. It has all the issuing and acquiring modules and supports most of the networks like VISA, MasterCard etc.

Identity and Access Management System

Identity and Access Management System is for ensuring security by single sign on options. Bank procured Oracle Identity and Access Management for identity governance, access management and directory services.

Data Center

The bank setup new Data Center for its Production and DR operations. Production Data Center has been designed as per EPI recommendations. Bank selected Cisco SDN based solution for its Network infrastructure considering its security and flexibility. All types of redundancy and security option maintained for it as per EPI recommendation.

Server and Storage

The bank implemented Oracle Sun SuperCluster M7 for its Core Banking and Cards system. SuperCluster has high-performance Architecture which is engineered for performance, security & efficiency. It has Silicon Secured Memory and Transparent Data & Network Encryption without impacting Performance. Both Production and DR site have the same hardware. In addition to the above, bank is using EMC storage and IBM/HP/DEL servers both in Production & DR site for other banking systems.

Booth Banking

Dhaka Bank has inaugurated two Banking Booths in 2019 as per Bangladesh Bank guideline to facilitate banking services at the door-step of customer. Booths are operated under the umbrella of a main branch where customer will get almost all regular services like account opening, cash deposit-withdrawal etc. from the booth of Dhaka Bank Limited without getting to the main branch.

B. Process Automaton

Robotic Process Automation (RPA)

Robotic Process Automation (RPA) is a solution to tackle rule based, repetitive tasks and processes. RPA uses Artificial Intelligence (AI) and Machine Learning capabilities to handle high-volume, repeatable tasks that previously required humans to perform. These tasks can include queries, data collection, calculations and maintenance of records and transactions, etc. RPA technology, sometimes called a software robot or bot, mimics a human worker, logging into core applications, entering data, calculating and completing tasks, and logging out.

BACH-2

Dhaka Bank Limited has successfully implemented BACH-2 which enables foreign currency (other than BDT) cheque clearing and foreign currency (other than BDT) electronic fund transfer through Bangladesh Bank. In BEFTN additional sessions are introduced to facilitate fund transfer facility.

C Solution

C Solution to automate Cash Management activities where customers can digitally send bulk payment requests to the bank to credit it to their beneficiaries (within or across the bank). It has maker/checker concept, 2FA option like OTP and notification system.

Trade Cloud

Trade Cloud is a web based solution for the Trade Customers which allows them to send their LC Issue/Amendment request along with supporting documents digitally, see the current status and receive the related advice from the bank after completion. It has maker/checker concept, 2FA option like OTP and notification system.

Bills-to-Cash

Bills-to-Cash to automate Invoice and Distributor financing. It is end to end solution where Buyer, Seller and Bank can digitally send request and approve. It has maker/checker concept, 2FA option like OTP and notification system.

bKash

bKash Limited is the largest mobile financial services (MFS) provider in Bangladesh. bKash currently boasting an account base of 30 million along with Dhaka Bank's network of 103 branches, 3 SME service centers and 2 Sub-Branches make a perfect example of financial inclusion. Under this arrangement, DBL customers can enjoy fund transfer facility from personal accounts to bKash. This can be done through both "Direct Banking" (DBL's internet banking) and "GO" (DBL's mobile application).

DIRECTORS' REPORT 2019

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C. Digital Banking

WhatsApp Banking

In the era of technology, banking services are getting diversified with the progress of artificial intelligence, machine learning and chatbot in banking. Many banks and other financial organizations all over the world are testing chatbots to offer the best effective support to their clients. Dhaka Bank has introduced Banking through WhatsApp for their valued clients. This system will help the clients to do almost all the banking activities through WhatsApp messenger. Clients will be able to check account balance, recent transactions, do fund transfer, and pay different bills along with many other facilities through WhatsApp messengers. The embedded artificial intelligence included in the system will simply do the reply to the messages of the client through WhatsApp. Through the message, clients will communicate with the system and will get their desired services from Dhaka bank. This system will be very popular in recent days as people today are very much connected with the messaging applications and they prefer to perform banking transactions without visiting banks.

Internet Banking

Dhaka Bank Direct Banking avails EFT and NPSB fund transfer, top up facility, Credit card & utility bills payment, bKash fund transfer, etc. Also customer can see their Account/Card information, view & download statement, Limit view. Customer must use OTP for other account transfer and getting notification after each transaction.

Mobile Apps-Dhaka Bank GO

Customer can see their Account/Card information, view statement, Fund Transfer within/across the bank, Bill payment, Airtime top up etc. At time of registration, Customer's Mobile IME number is tagged with his/her User ID and system validate it at the time of login. Customer must use OTP for other account transfer and getting notification after each transaction.

Call Center & IVR

The solution has Inward & Outward Voice Call option, Predictive Dialer, Tele-banking and Web Chat option. Registered customers can do banking through IVR using their TPIN in secured way.

Cards and ATM

The bank has full pledged Cards Management system, currently offering Debit, Prepaid and Credit cards in the issuing site and ATM at the acquiring site. Customers are doing ATM, POS and e-commerce transaction using VISA/NPSB network. Currently bank is working to launch QR code based payment service.

Sustainable Finance & Green Banking:

Financing green projects and initiatives is one of the important tasks of green banking. The central bank directed all banks to allocate at least 5% of their lending to green projects to encourage investment in environmental-friendly business model. During 2019 too, Dhaka Bank has been relentlessly putting their effort in Green Banking activities, mainly through financing in green initiatives of Entrepreneurs in different concerns of the country. Our green financing portfolio comprises of the following:

Renewable Energy	Energy Efficiency	Liquid Waste Management	Green Brick Manufacturing
25.60%	34.10%	0.42%	39.88%

Corporate Social Responsibility

Dhaka Bank's Corporate Social Responsibility (CSR) in Bangladesh runs with the aforementioned philosophies which are framed by the Board of Directors of our Bank.

At Dhaka Bank, employees work with a greater mission. They are motivated to contribute to the bank's social initiatives like warm clothes distribution to cold hit peoples all over Bangladesh, Scholarship to meritorious students. Dhaka Bank also contributed in sports like Bangladesh Football Federation for development of Women's Football team. During 2019, Dhaka Bank has spent an amount of BDT 111.32 million for the overall betterment of the nation.

Dhaka Bank donated for mental and physical development of Autistic Children and Underprivileged people with Autism and Neuro-Development Disability. The Bank also donated to purchase Books and Air Conditioner for Library. In the year 2019, Dhaka Bank spent around BDT 4.19 million for direct scholarship and educational infrastructural development purpose.

Dhaka Bank is committed to the welfare of the community at large. The Bank responds promptly to support the affected humanity. In 2019, the Bank distributed warm cloths among cold-hit people in different parts of the country during severe cold spell of winter to carry out its humanitarian activities and also financial assistance towards the victims of fireworks at Churihatta, Chawkbazar. For this purpose the Bank donated BDT 30.00 million in 2019.

During 2019 Dhaka Bank contributed BDT 12.50 million to Bangladesh Football Federation for development of Women's Football Team.

Meeting & Business Review

Meeting of Shari'ah Supervisory Committee: During the year 2019 Shari'ah Supervisory Committee met in 3 meetings.

Quarterly Business Review: Board Members and Bank Management at sat at quarterly intervals to evaluate Bank's position on yearly business target and discussed immediate issues that affected Banking business.

AGM: The 25th Annual General Meeting of the Bank will be held on Thursday, August 6, 2020 through Digital Platform as per Order of Bangladesh Securities and Exchange Commission.

Dividend: The Board of Directors has recommended 5% Cash and 5% stock Dividend for the year ended on December 31, 2019 subject to approval of Shareholders in the 25th Annual General Meeting.

DIRECTORS' REPORT 2019

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Election of Directors

As per the Company Act 1994 and the Articles of Association of the Bank, 1/3 [one third] of the Directors of the Bank will retire in the 25th Annual General Meeting and they are eligible for re-election, subject to approval of Bangladesh Bank.

Appointment of Auditors

The Shareholders of Dhaka Bank Limited in their 24th AGM held on Monday, May 20, 2019 re-appointed M/s Hoda Vasi Chowdhury & Co., Chartered Accountants as the Statutory Auditor of the Bank for the year 2019. Their term of 3 years will expire after conclusion of 25th AGM. A new External Auditor shall be appointed for the year 2020 with the approval of the Shareholders in the 25th AGM.

Way forward 2020

Challenges:

- Finding the way out of prevailing liquidity crisis with Market competitive Deposit Rate.
- Ensuring sophisticated IT system towards safe and lawful Transactions.
- Fighting uncertainty still prevailing in the political frontier. Economic stability is less feasible there.
- Addressing NPL issue, the top challenge for Banks, bringing more hurdles in recovering Loans.
- Maintaining Asset quality with decreasing Industrial Production.
- Ensuring Lending Rate which is competitive in the Market.

Opportunities

- Prudential Policies taken by Bangladesh Bank to strengthen the quality of Banks' Assets will continue in 2019 and beyond so that the progressive trend in the financial Sector can be retained, in accordance with the needs for sustained Growth and expansion.
- Although the country witnessed a declining Growth Rate in Export last year, the achievement in Export proves our resilience against domestic challenges. RMG Sector registered a Growth Rate of 10.55% which is our most well-known Export Sector. Besides Export Growth in leather and pharmaceutical also seem promising for the country. Banks have high exposure in these Sectors and it can be expected that Banks will continue to earn Profit through their association with these Sectors.
- Banks will have ample scopes ahead to capture earnings from Trade Finance and channeling Remittance from abroad.
- Infrastructural development like the construction of Padma Bridge definitely will make a up the investment situation in coming days.
- There is also ample scope to earn Profit from Non Funded Incomes to boost by focusing more onto tuition fees, ticket revenue etc.

Goals set for 2020

- Controlling the cost of fund by healthy Deposit mix enhancing share of low cost Deposit and refinancing from Bangladesh Bank.
- Controlling the operating expenses by boosting HR Productivity, competitive bidding with the suppliers and Rational promotion of Banking business.
- Controlling provisions against bad Loans by accelerating recovery mechanism both on-going and alternative.

Asset Quality

Our main focus in the year is to reduce the NPL. We are developing in-built capacity in the Bank to help expedite Loan Recovery process. We are considering appointment of more Loan Recovery Agents and new mechanism to avoid lengthy, expensive and cumbersome procedures and excessive dependence on the Court for recovering Loans.

Sound business mix: Our Base Deposit grew 3.72% in 2019, while the previous year the progress here was only 16.00%. Overall Deposit Mobilisation was far from commendable, forcing us to go for Short Term Borrowing. We have to look for more CASA. So we have to make strategies for raising Core Deposit, i.e., Customers' Deposit. CASA share of 20-21% of Total Deposit should be taken up to 25% at the minimum, in 2020. Advance upped 8.31% as against 19% last year. The Guarantee business saw a rise of 2%. The increase in Inward Remittance: from -15% in the preceding year, it rose by 23%.

Internal Control & Risk Management: We will ensure stable well-integrated operating process, new equipment to support work volume as well as strong Customer Complaint Resolution Process and Anti-money Laundering & Combating Financing of Terrorism mechanism. To control Credit losses, we will ensure appropriate Debt Rating models, rigorous monitoring of Portfolio Performance and timely and effective response to changes.

HR Productivity & efficiency: We are committed to give every try to achieve the target by a combination of Talent Management, including expert Bankers and brilliant chunk of business graduates, sharpening job efficiency, increasing learning curve and motivating through more reward and retribution.

Business Ethics: This year we will focus on building loyalty to the organization, training on ethical practices, recognizing ethical precedence in performance appraisal and transparency in all Banking operation.

Shareholders' Value: With our tireless endeavour, we will lead to an ultimate goal-maximization of Shareholders' value for what we exist and excel.

On behalf of the Board of Directors,



Reshadur Rahman
Chairman, Dhaka Bank Limited

পরিচালকগণের প্রতিবেদন ২০১৯

ঢাকা ব্যাংকের ২৫তম বার্ষিক সাধারণ সভায় আপনাদের স্বাগতম। আপনাদের জন্য তৈরি এই ‘বার্ষিক প্রতিবেদন ২০১৯’ ঢাকা ব্যাংকের সকল অর্জন এবং কর্মকাণ্ড-সম্পর্কিত বিবরণী।

বিশ্ব অর্থনীতি ২০১৯

২০১৯-’২০ অর্থবছরে বিশ্ব অর্থনীতিতে মাঝারি মাত্রার উন্নতি পরিলক্ষিত হয়েছে। অনেক মিশ্র পরিস্থিতির মাঝেও নিম্ন আয়ের দেশগুলোর অর্থনীতি ছিল উর্ধ্বমুখী। ২০১৯ সালেও বিশ্ব অর্থনীতি বাংলাদেশ অর্থনীতির গতিপথ নির্ধারণে স্বভাবতই যথেষ্ট ভূমিকা রাখে।

বাংলাদেশ অর্থনীতি ২০১৯

২০১৮-’১৯ অর্থবছরে বাংলাদেশ অর্থনীতি টেকসই মানের প্রবৃদ্ধি অর্জন করে। বিগত দশকে বাংলাদেশের অর্থনীতি গড়ে ৬.০০ শতাংশের বেশি প্রবৃদ্ধি অর্জন করে আসছে। ২০১৯ সালে বাংলাদেশের জিডিপি’র হার নির্ধারণ করা হয়েছে ৮.৯৩ শতাংশ। ২০১৮-’১৯ অর্থবছরে বাংলাদেশ ব্যাংক মুদ্রাস্ফীতি ৬.০০ শতাংশের নিচে রাখার পরিকল্পনা করে। আমদানি এবং রপ্তানি আশাব্যঞ্জক চিত্র দেখা গেছে। ২০১৮-’১৯ অর্থবছরে বাংলাদেশের রপ্তানি আয় ২৫৫.৯৮ বিলিয়ন টাকায় দাঁড়িয়েছে। রপ্তানি আয়ের ৮০ শতাংশই এসেছে তৈরি পোশাক খাত থেকে। বিগত অর্থবছরে আমদানি ব্যয় ছিল ৪২৫.৯০ বিলিয়ন টাকা। ২০১৮-’১৯ অর্থবছরে মাথাপিছু আয় ১,৯০৯ মার্কিন ডলারে দাঁড়ায়, যা ২০১৭-’১৮ অর্থবছরে ছিল ১,৭৫১ মার্কিন ডলার।

ঢাকা ব্যাংকঃ সমৃদ্ধিই সাফল্যের সোপান

জুলাই ৫, ১৯৯৫ তারিখে আপনাদের প্রিয় এই প্রতিষ্ঠানটি এর ব্যাংকিং কার্যক্রম শুরু করে। এরপর থেকে ঢাকা ব্যাংক নানান অঙ্গনে একের পর এক সাফল্য অর্জন করেছে।

এই সাফল্যের পেছনে রয়েছে অনেক কঠিন পরিস্থিতিতেও আমাদের ওপর সম্মানিত শেয়ারহোল্ডারবৃন্দ এবং গ্রাহকগণের অবিচল আস্থা আর অটল বিশ্বাস। তাঁরা আমাদের সামনে এগিয়ে যেতে অনুপ্রেরণা ও সাহস যুগিয়েছেন। এরই সাথে দেশজুড়ে ১০৩টি শাখা, [২টি ইসলামী শাখাসহ] ৬২টি এটিএম, ২০টি এডিএম, ৩টি এসএমই সেবা কেন্দ্র, ২টি অফশোর ব্যাংকিং কেন্দ্র, ২টি উপশাখা, ১টি কিয়স্ক ও ঢাকা ব্যাংক সিকিউরিটিজের অধীন ৬টি ব্রোকারেজ শাখার মাধ্যমে আমরা আমাদের কার্যক্রম চালিয়ে যাচ্ছি। নতুন নতুন গ্রাহককে আমাদের বহুমুখী আর্থিক সেবার আওতায় নিয়ে আসতে আমরা সর্বদাই সচেষ্ট।

প্রতিবেদন ২০১৯ এর সারসংক্ষেপ

সকল প্রকার কর পরিশোধের পর ২০১৯ সালে ঢাকা ব্যাংকের আয় ১,৫৭১ বিলিয়ন টাকায় দাঁড়ায়, যা ২০১৮ সালে অর্জিত আয় থেকে ১৫.৫৯ শতাংশ বেশি। বিগত বছরে ঢাকা ব্যাংকের সুদবাবদ আয় ১৮.৪২ শতাংশ কমে গিয়েছে। অনেক কঠিন পরিস্থিতির মধ্যেও আমাদের পরিচালনা মূনাফা ছিল ৬,০৯৮.৫৭ বিলিয়ন টাকা। বিগত অর্থবছরে

লোন ও অ্যাডভান্সের ক্ষেত্রে ৮.৩১ শতাংশ প্রবৃদ্ধি অর্জিত হয়েছে। পরিচালকগণ ২০১৯ সালের জন্য ৫% নগদ এবং ৫% স্টক লভ্যাংশ সুপারিশ করেছেন।

সিডিকেশন এবং স্ট্রাকচার্ড ফাইন্যান্স ইউনিটের জন্য ২০১৯ সালটি ছিল বড় রকম সাফল্যের সময়। ঢাকা ব্যাংক কেএসআরএম পাওয়ার প্লান্ট লিমিটেডকে ১,৩০০ মিলিয়ন টাকা সিডিকেট টার্ম লোন প্রদান করে। এছাড়াও চাঁদপুর পাওয়ার জেনারেশন লিমিটেডকে ৫,১০০ মিলিয়ন টাকার সিডিকেট এলসি সুবিধা প্রদান করে। বাংলাদেশে প্রথমবারের মত আইপিএফএফ প্রজেক্ট বন্ড আয়োজন করে। “ইউনাইটেড জামালপুর পাওয়ার লিমিটেডকে” ৪৭.৫০ মিলিয়ন মার্কিন ডলার বন্ড সুবিধা দেওয়া হয়। ২০১৮ সালের তুলনায় ২০১৯ সালে আমাদের এসএমই পোর্টফোলিও বৃদ্ধি পায় ২৫.১১ শতাংশ।

ডিসেম্বর ৩১, ২০১৯ পর্যন্ত ঢাকা ব্যাংক ২৪০.০০ মিলিয়ন মার্কিন ডলার অফশোর মার্কেটে বিনিয়োগ করেছে। ২০১৯ সালে ইসলামী ব্যাংকিং-এর আমানত এবং বিনিয়োগ যথাক্রমে ৭,৭৫৯.০০ মিলিয়ন এবং ৫,৯২৭.০০ মিলিয়ন টাকায় দাঁড়ায়।

আমাদের অগ্রযাত্রা

২০২০ সালটি নিশ্চয়ই আমাদের সামনে তুলে ধরবে নানান সম্ভাবনা; এবং স্বভাবতই একইসাথে থাকবে অনেক চ্যালেঞ্জও। সেই বাস্তবতার মধ্যেই, আমরা সবসময় আমাদের পোর্টফোলিও নানান বিন্যাসে সাজাতে সচেষ্ট থাকি। একটা টেকসই ব্যাংক হিসেবে পরিচিতি পাওয়াটা আমাদের কাছে সবসময়ই গুরুত্বপূর্ণ। উদ্যমী ও সৃষ্টিশীল কর্মীদের সঙ্গে নিয়ে একটি অত্যাধুনিক, লাভজনক ও স্থিতিশীল ব্যবসায় আমরা আমাদের অবিচল অগ্রযাত্রা নিশ্চিত করব।

আমাদের সকল গ্রাহক, শেয়ারহোল্ডারবৃন্দ, পরিচালনা পর্ষদের সহকর্মী, ব্যাংক ব্যবস্থাপনা ও কর্মীবৃন্দ, নিয়ন্ত্রক প্রতিষ্ঠানসমূহ, সরকারি-বেসরকারি প্রতিষ্ঠান, সংগঠন ও ব্যক্তিবর্গ; এবং অন্যান্য শুভানুধ্যায়ীদের আবারও জানাই আন্তরিক শুভেচ্ছা ও অভিনন্দন।

পরিচালনা পর্ষদের পক্ষে



রেশাদুর রহমান

চেয়ারম্যান, ঢাকা ব্যাংক লিমিটেড

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

The Financial Statements of Dhaka Bank Limited for the year ended on 31 December 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed.



COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Annexure-“A”

The Bangladesh Securities and Exchange Commission (BSEC) has made it mandatory for all listed companies to report on the compliance of the conditions described in BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 on 'comply' basis.

The Notification requires that the company shall obtain a certificate from a practicing professional Accountant or Secretary (Chartered Accountant/Cost and Management Accountant / Chartered Secretary) regarding compliance of conditions of corporate governance guidelines of the Commission. The issuer company should not engage its' External/Statutory Auditors to perform Audit/Certification Services on compliance of corporate governance as required under condition number 7. In compliance with the Notification and with the approval of the shareholders of the Bank in their 24th AGM held on 20.05.2019, Dhaka Bank Limited has appointed M/s. ACNABIN, Chartered Accountants as Corporate Governance Auditor for the year 2019 for certification in this regard.

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

Annexure-I

26 (Twenty Six) Meetings of the Board of Directors were held from January 01, 2019 to December 31, 2019. Attendance of the Directors in these Meetings is given below:

Name of Directors	Position	Number of Meetings Held	Meetings Attended
Mr. Reshadur Rahman	Chairman	26	26
Mr. Tahidul Hossain Chowdhury	Vice-Chairman	26	23
Mr. Abdul Hai Sarker	Director	26	19
Mr. Altaf Hossain Sarker	Director	26	24
Mrs. Rokshana Zaman	Director	26	22
Mr. Abdullah Al Ahsan	Director	26	26
Mr. Khondoker Monir Uddin	Director	26	13
Mr. Md. Amirullah	Director	26	24
Mr. Mohammed Hanif	Director	26	23
Mr. Khondoker Jamil Uddin	Director	26	23
Mr. Jashim Uddin	Director	26	23
Mr. Mirza Yasser Abbas	Director	26	22
Mr. Amanullah Sarker	Director	26	21
Mrs. Manoara Khandaker	Director	26	23
Mr. M. A. Yussouf Khan	Independent Director	26	12
Mr. Md. Muzibur Rahman	Independent Director	26	26
Mr. A.S. Salahuddin Ahmed	Independent Director	26	26
Mr. Syed Mahbubur Rahman	Managing Director & CEO (Till 21.11.2019)	23	22
Mr. Emranul Huq	Managing Director (Current Charge) [From 22.11.2019]	03	03

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

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

Annexure-II

The pattern of shareholding of Dhaka Bank Limited as on 31.12.2019 as per BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 is as under:

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

b) Shareholding by:

1. Directors and their Spouses and minor Children:

Sl. No.	Name of Director	No. of Shares held	Name of spouse	No. of shares held	Name of minor children	No. of shares held
01.	Mr. Reshadur Rahman (Chairman)	28,798,481	Mrs. Shamsi Rahman	2,773,703	N/A	Nil
02.	Mr. Tahidul Hossain Chowdhury (Vice-Chairman)	17,135,780	Mrs. Jesmin Sultana Chowdhury	81,301	N/A	Nil
03.	Mrs. Rokshana Zaman	20,901,342	Mr. A.T.M. Hayatuzzaman	2,009,727	N/A	Nil
04.	Mr. Altaf Hossain Sarker	23,794,761	Mrs. Nilufar Hossain	1,417,500	N/A	Nil
05.	Mr. Abdul Hai Sarker	19,460,044	Mrs. Selina Hai	1,061,794	N/A	Nil
06.	Mr. Abdullah Al Ahsan	17,067,728	Mrs. Amena Begum	1,045,583	N/A	Nil
07.	Mr. Md. Amirullah	17,066,262	Mrs. Ayesha Amir	4,057	N/A	Nil
08.	Mr. Jashim Uddin	17,066,417	Mrs. Mamtaj Begum	1,434,834	N/A	Nil
09.	Mr. Mohammed Hanif	25,989,356	Mrs. Rowshan Ara Hanif	707,528	N/A	Nil
10.	Mr. Khondoker Monir Uddin	24,503,094	Mrs. Jasmin Sultana	5,763,253	N/A	Nil
11.	Mr. Khondoker Jamil Uddin	17,066,182	Mrs. Afroza Begum	Nil	N/A	Nil
12.	Mr. Amanullah Sarker	17,066,266	Mrs. Nasrin Aman	Nil	i) Annila Aman ii) Master Ahnaf Aman	Nil
13.	Mr. Mirza Yasser Abbas	31,424,207	Mrs. Yakut Binte Sadek	Nil	i) Aaiza Taharat Mirza ii) Mirza Anas Abbas	Nil
14.	Mrs. Manoara Khandaker	17,096,448	Mr. Khandaker Mohammad Shahjahan	11,940		
15.	Mr. M.A. Yussouf Khan	Nil	Mrs. Syeda Rowsan Ara Begum	Nil		
16.	Mr. Md. Muzibur Rahman	Nil	Mrs. Rowsan Ara Begum	Nil		
17.	Mr. A.S. Salahuddin Ahmed	Nil	Mrs. Syeda Salahuddin	Nil		

- | | |
|--|-----|
| 2. Chief Executive Officer: | Nil |
| 3. Company Secretary: | Nil |
| 4. Chief Financial Officer: | Nil |
| 5. Head of Internal Control and Compliance: | Nil |
| 6. Spouses and minor children of above Executives: | Nil |

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

- | | |
|---|-----|
| 1. Mr. Mohammad Abu Jafar, Deputy Managing Director: | Nil |
| 2. Mr. A K M Shahnawaj, Deputy Managing Director: | Nil |
| 3. Mr. Md. Shafquat Hossain, Senior Executive Vice President: | Nil |
| 4. Mr. A M M Moyen Uddin, Senior Executive Vice President: | Nil |
| 5. Mr. Md. Ziaur Rahman, Senior Executive Vice President: | Nil |

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

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

Statement of Status of Compliance of Corporate Governance Guideline:

ANNEXURE-A

Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No (SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors (BoD)			
1(1)	Size of the Board of Directors (BoD) The total number of members of the Company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty).	√		
1(2)	Independent Directors			
1(2)(a)	At least one fifth (1/5) of the total number of Directors in the Company's Board shall be Independent Directors;	√		According to the provision of 1(1) of the Corporate Governance guidelines of BSEC, the Board of Dhaka Bank Limited has been constituted as per section 15(9) of Bank Company Act 1991 (Amended upto 2018)
1(2)(b)	Independent Director means a Director			
1(2)(b)(i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	√		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	√		
1(2)(b)(v)	who is not a member or TREC holder, director or officer of any stock exchange;	√		
1(2)(b)(vi)	who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	who is not a partner or executive or was not a partner or an executive during the preceding 3 (three) years of the company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this code;	√		
1(2)(b)(viii)	who shall not be an independent director in more than 5 (five) listed companies;	√		

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);			N/A
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude ;			N/A
1(2)(c)	Independent Director(s) shall be appointed by BoD approved by the shareholders in the Annual General Meeting (AGM);	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;	√		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	√		
1(3)	Qualification of Independent Director			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business;	√		
1(3)(b)(i)	Independent Director should be a Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	√		
1(3)(b)(ii)	Independent Director should be a Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	√		
1(3)(b)(iii)	Independent Director should be a Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	√		
1(3)(b)(iv)	Independent Director should be a University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			N/A

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)(b)(v)	Independent Director should be a Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			N/A
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3)(d)	In special cases the above qualifications may be relaxed subject to prior approval of Commission.			N/A
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non- executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1(5)	The Directors' Report to Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry;	√		
1(5)(ii)	The Segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin;	√		As per law(s) details are discussed in the financial statements

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

Condition No.	Title	Compliance Status (“√” has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(v)	A Discussion on continuity of any Extra-Ordinary gain or loss;	N/A		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or through any other instrument;	N/A		
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO)(Rights Share Offer, Direct Listing, etc.;	N/A		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance;	N/A		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the financial statements prepared by Management of the issuer Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A statement of Proper books of account have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS)/International Financial Reporting Standard (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of Internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement the minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer Company's ability to continue as going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	Highlight and explain significant deviations from the last year's operating results;	√		
1(5)(xix)	Key operating and financial data of at least preceding 5(five) years shall be summarized;	√		
1(5)(xx)	Reason for non-declaration of Dividend;	N/A		

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares(along with name-wise details where stated below) held by			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties;	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children;	√		
1(5)(xxiii)(c)	Executives;	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details); Explanation: For the purpose of this clause, the expression "Executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance;	√		Nil
1(5) (xxiv)	The appointment or reappointment of a director, a disclosure on the following information to the Shareholders			
1(5)(xxiv)(a)	A brief resume of the director;	√		
1(5) (xxiv)(b)	Nature of his or her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5) (xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on			
1(5) (xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5) (xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5) (xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

Condition No.	Title	Compliance Status (“√” has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) disclosed as per Annexure-A ; and	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 disclosed as per Annexure-B and Annexure-C .	√		
1(16)	The company conducted its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board laid down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;		√	Clause # 5 of BRPD Circular no. 11 dated 27 October 2013 issued by Bangladesh Bank, does not permit any bank in Bangladesh form any other committees except three committees namely, Executive Committee, Audit Committee and Risk Management Committee. Accordingly, the Bank has not formed NRC and as such it could not comply with these conditions.
1(7)(b)	The code of conduct as determined by the NRC posted on the website of the company including, among others, prudent conduct and behavior, confidentiality, conflict of interest, compliance with laws, rules and regulations, prohibition of insider trading, relationship with environment, employees, customers and suppliers and independency;		√	
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company made applicable to the composition of the Board of the subsidiary company;	√		

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;		√	Dhaka Bank Limited has two subsidiaries namely (1) Dhaka Bank Securities Ltd. & (2) Dhaka Bank Investments Ltd. However permission for the operations of Dhaka Bank Investments Ltd. has not been given by BSEC. It has been found that none of the independent directors of the Bank is a director of Dhaka Bank Securities Ltd.
2(c)	The minutes of the Board meeting of the subsidiary company placed for review at the following Board meeting of the holding company;	√		
2(d)	The minutes of the respective Board meeting of the holding company stated that they have reviewed the affairs of the subsidiary company also;	√		
2(e)	The Audit Committee of the holding company also reviewed the financial statements, in particular the investments made by the subsidiary company.	√		
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	The Board appointed a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company did not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board clearly defined respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC not removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s);	√		
3(2)	The MD or CEO, CS, CFO and HIAC of the company attended the meetings of the Board;	√		

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)(i)	The MD or CEO and CFO certified to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
3(3) (a)(ii)	These statements together presented a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO also certified that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3) (c)	The certification of the MD or CEO and CFO disclosed in the Annual Report.	√		
4	Board of Directors Committee			
4(i)	Audit Committee;	√		
4(ii)	Nomination and Remuneration Committee.		√	Clause # 5 of BRPD Circular no. 11 dated 27 October 2013 issued by Bangladesh Bank, does not permit any bank in Bangladesh form any other committees except three committees namely, Executive Committee, Audit Committee and Risk Management Committee. Accordingly, the Bank has not formed NRC and as such it could not comply with this condition.
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The Audit Committee is the sub-committee of the BoD;	√		
5(1)(b)	The Audit Committee assisted the BoD in ensuring that the financial statements reflected true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee is responsible to the BoD; The duties of the Audit Committee is clearly set forth in writing.	√		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee is composed of at least 3 members;	√		

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(2)(b)	The BoD appointed members of the Audit Committee who is the directors of the company and included at least 1 (one) Independent Director;	√		
5(2)(c)	All members of the audit committee is "financially literate" and at least 1 (one) member has accounting or related financial management experience;	√		
5(2)(d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5(2)(e)	The Company Secretary acted as the secretary of the Audit Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting is not constituted without at least 1(one) independent director.	√		
5(3)	Chairman of the Audit Committee			
5(3)(a)	The BoD selected the Chairman of the Audit Committee, who is an Independent Director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
5(3)(c)	Chairman of the audit committee remained present in the AGM.	√		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee conducted at least its four meetings in a financial year;	√		
5(4)(b)	The quorum of the meeting of the Audit Committee is constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	Monitor Internal Control Risk Management process;	√		
5(5)(d)	Oversee hiring and performance of external auditors;	√		
5(5)(e)	Hold meeting with the external or statutory auditors;	√		
5(5)(f)	Review the annual financial statements before submission to the board for approval;	√		
5(5)(g)	Review the quarterly and half yearly financial statements before submission to the board for approval;	√		
5(5)(h)	Review the adequacy of internal audit function;	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	Review statement of significant related party transactions submitted by the management;	√		
5(5)(k)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√		
5(5)(m)	Disclosure to the Audit Committee about the uses/applications of IPO funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results(Further, on an annual basis, shall prepare a statement of funds utilized for the purposes other than those stated in the prospectus.		N/A	
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	Reporting to BoD on the activities of the Audit Committee;	√		
5(6)(a)(ii)(a)	Reporting to BoD on conflicts of interests;	√		
5(6)(a)(ii)(b)	Reporting to BoD on any fraud or irregularity or material defect in the internal control system;	√		
5(6)(a)(ii)(c)	Reporting to BoD on suspected infringement of laws;	√		
5(6)(a)(ii)(d)	Reporting to BoD on any other matter;	√		
5(6)(b)	Reporting to BSEC (if any material impact on the financial condition & results of operation, unreasonably ignored by the management);	√		

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(7)	Reporting to the Shareholders of Audit Committee activities, which shall be signed by the Chairman and disclosed in the Annual Report.	√		
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company has a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;		√	Clause # 5 of BRPD Circular no. 11 dated 27 October 2013 issued by Bangladesh Bank, does not permit any bank in Bangladesh form any other committees except three committees namely, Executive Committee, Audit Committee and Risk Management Committee. Accordingly, the Bank has not formed NRC and as such it could not comply with these conditions.
6(1)(b)	The NRC assisted the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;		√	
6(1)(c)	The Terms of Reference (ToR) of the NRC is clearly set forth in writing covering the areas stated at the condition No(6(5)(b);		√	
6(2)	Constitution of the NRC			
6(2)(a)	The Committee is comprised of at least three members including an independent director;		√	Clause # 5 of BRPD Circular no. 11 dated 27 October 2013 issued by Bangladesh Bank, does not permit any bank in Bangladesh form any other committees except three committees namely, Executive Committee, Audit Committee and Risk Management Committee. Accordingly, the Bank has not formed NRC and as such it could not comply with these conditions.
6(2)(b)	All members of the Committee is non-executive directors;		√	
6(2)(c)	Members of the Committee is nominated and appointed by the Board;		√	
6(2)(d)	The Board has authority to remove and appoint any member of the Committee;		√	
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board has filled the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;		√	
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;		√	
6(2)(g)	The company secretary acted as the secretary of the Committee;		√	
6(2)(h)	The quorum of the NRC meeting is not constituted without attendance of at least an independent director;		√	
6(2)(i)	No member of the NRC has received, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.		√	

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(3)	Chairperson of the NRC			
6(3)(a)	The Board has selected 1 (one) member of the NRC to be Chairperson of the Committee, who is an independent director;		√	Clause # 5 of BRPD Circular no. 11 dated 27 October 2013 issued by Bangladesh Bank, does not permit any bank in Bangladesh form any other committees except three committees namely, Executive Committee, Audit Committee and Risk Management Committee. Accordingly, the Bank has not formed NRC and as such it could not comply with these conditions.
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members elected one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson is duly recorded in the minutes;		√	
6(3)(c)	The Chairperson of the NRC attended the annual general meeting (AGM) to answer the queries of the shareholders.		√	
6(4)	Meeting of the NRC			
6(4)(a)	The NRC has conducted at least one meeting in a financial year;		√	Clause # 5 of BRPD Circular no. 11 dated 27 October 2013 issued by Bangladesh Bank, does not permit any bank in Bangladesh form any other committees except three committees namely, Executive Committee, Audit Committee and Risk Management Committee. Accordingly, the Bank has not formed NRC and as such it could not comply with these conditions.
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;		√	
6(4)(c)	The quorum of the meeting of the NRC is constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No(6(2)(h);		√	
6(4)(d)	The proceedings of each meeting of the NRC is duly recorded in the minutes and such minutes is confirmed in the next meeting of the NRC.		√	
6(5)	Role of the NRC			
6(5)(a)	NRC is independent and responsible or accountable to the Board and to the shareholders.		√	Clause # 5 of BRPD Circular no. 11 dated 27 October 2013 issued by Bangladesh Bank, does not permit any bank in Bangladesh form any other committees except three committees namely, Executive Committee, Audit Committee and Risk Management Committee. Accordingly, The Bank has not formed NRC and as such it could not comply with this condition.

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)(b)	NRC oversees, among others, the following matters and make report with recommendation to the Board			
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following;		√	Clause # 5 of BRPD Circular no. 11 dated 27 October 2013 issued by Bangladesh Bank, does not permit any bank in Bangladesh form any other committees except three committees namely, Executive Committee, Audit Committee and Risk Management Committee. Accordingly, the Bank has not formed NRC and as such it could not comply with these conditions
6(5)(b)(i) (a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;		√	
6(5)(b)(i) (b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;		√	
6(5)(b)(i) (c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;		√	
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;		√	
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;		√	
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;		√	
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;		√	
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;		√	
6(5)(c)	The company has disclosed the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.		√	
7	External / Statutory Auditors			
6(5)(b)	The issuer company shall not engage its external or statutory auditors to perform the following services of the Company, namely:			
7(1)(i)	Appraisal or valuation services or fairness opinions;	√		

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7(1)(ii)	Financial Information Systems design and implementation;	√		
7(1)(iii)	Book Keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	Broker-dealer services;	√		
7(1)(v)	Actuarial services;	√		
7(1)(vi)	Internal audit services or special audit services;	√		
7(1)(vii)	Any services that the Audit Committee determines;	√		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	Any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their assignment of that Company; his or her family members also shall not hold any shares in the said Company.	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall kept the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	The Company shall Obtain a Certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The Directors of the company shall state, in accordance with the Annexure-C attached, in the Director's report whether the Company has complied with these conditions or not.	√		

ACNABIN

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ACNABIN

Chartered Accountants

Certificate on Compliance on the Corporate Governance Code

[Issued under condition #1(5) (xxvii) of Corporate Governance Code of BSEC vide Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018]

We have examined the compliance status to the Corporate Governance Code by Dhaka Bank Limited (“the Company”) for the year ended 31 December 2019. This Code relates to the notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission; except condition no.1(7), 2(b), 4(ii) and 6 as stated in ANNEXURE-A;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory.

Dhaka,
18 March 2020



M. Moniruzzaman, FCA

Partner
ACNABIN, Chartered Accountants

DHAKA BANK LIMITED

DECLARATION BY CEO AND CFO

Continued

Annexure-“B”

Date: 23 June 2020

To
The Board of Directors
Dhaka Bank Limited

Certification of Financial Statements by the CEO & CFO

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006/158/207/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Dhaka Bank Limited for the year ended on 31 December 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

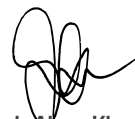
In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 31 December 2019 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Emrandi Huq
Chief Executive Officer (CEO)



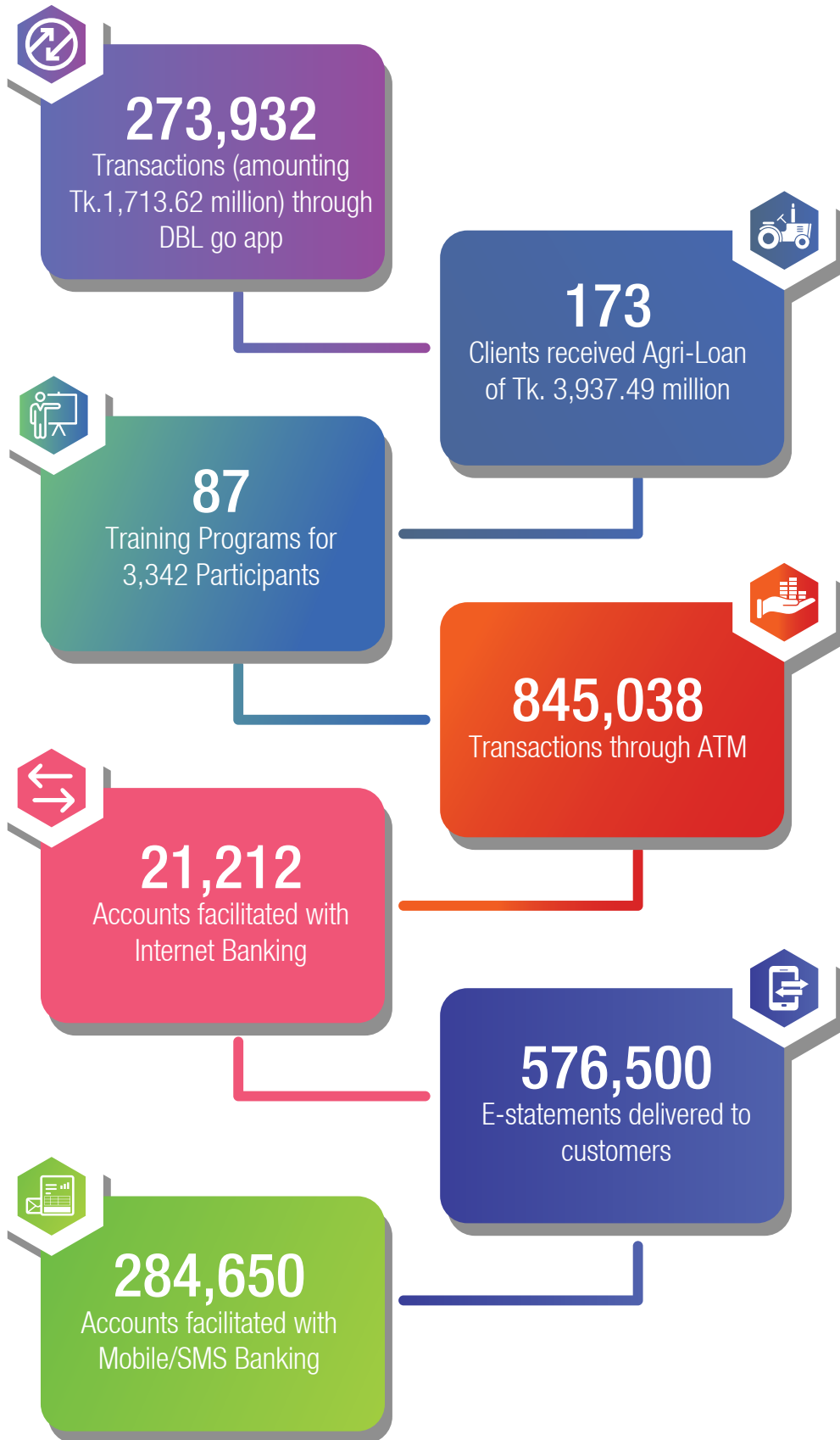
Sahabub Alam Khan FCA
Acting Chief Financial Officer (CFO)

SUSTAINABILITY OF BANKING

Steering the wheel for 25 years Dhaka Bank always values heritage, upholds tradition and looks forward to brighter future. Keeping stakeholder's interest intact we are eager to perform our social responsibility and love to build a strong economic platform for Generation next. We focus on stable approach, solid ground and steady growth.



SUSTAINABILITY OF BANKING



SUSTAINABILITY OF BANKING

Continued

SME Business of Dhaka Bank Limited

Dhaka Bank Limited (DBL) is diligent in adhering to the rules and regulations, implemented periodically by regulatory body, and thrives to pioneer in SME business sector.

In accordance to broaden SME portfolio, DBL SME has emphasized in promoting lending to new borrowers. Generally, Fls are mainly keen to invest to borrowers whose credibility has already been assessed by obtaining formal loan facility(s) from other Fls. Therefore a new entrepreneur finds it very difficult to penetrate the loan acquisition barriers and the pre-requisites imposed by formal lenders. Resultantly, a huge portion of business entrepreneurs is struggling to expand his/her SME business. Dhaka Bank SME has increased its focus on this segment of business by introducing **DBL Shuchona Loan**. Under the loan parameter, new business entrepreneurs are encouraged to avail business loans that help to increase employment, strengthened respective business viability and resultant profitability, enabling greater contribution to our overall national economy in general.

Another remarkable product of DBL "**House Building SME loan (HBSM)**" catered a huge market of the house building in the outskirts of Dhaka City. It has created stable source of income for the local habitant & also ensured proper utilization of idle land which increase economic vibration in the area. Local people are building well-furnished houses & improving sanitation for garments workers by availing this product. Thus garments workers of Savar, Ashulia areas are provided with more healthy places of living which ultimately improving their living standards & sanitation as well.

SME Unit launched House Building SME loan (HBSM) in the market to cater house building for commercial purpose in the outskirts of Dhaka. So far 159 clients are enjoying the loan & outstanding in this typical product was for Tk.503.19 million as on December 31, 2019.

Presently, DBL SME has about 58% of its borrowers in this segment. As it is, Dhaka Bank has increased its total SME loan exposure to **25.11%** in 2019 from that of **20.32%** from last year, 2018. DBL has concentration of **65.13%** in 2019 in Cottage, Micro & Small Enterprises exceeding regulatory requirement like that of previous year.

Apart from that DBL SME has extended loan to less fortunate marginal entrepreneurs and farmers (Tk. 10.00 Account Holders) in Sonaimuri, Noakhali region for expansion of their farming and/or improving petty business activities. Likewise, shoe manufacturers of Kaluhati, Rajshahi have been facilitated in form of cluster financing. Only recently, a loan distribution program has been organized for the marginal medicinal plant cultivators at Palashbari, Gaibandha region.

The other mentionable milestones of success of DBL SME include:

"**Same Day Decision**" that allows the DBL branches to get instant verdict on credit proposition on individual customer's behalf and thus this process flow expedites overall approval procedure.

"**i-samadhan**", an internet based online application form on DBL official webpage (www.dhakabankltd.com.bd) accessible by any interested SME customer for verifying their eligibility for availing SME loan.

"**MSME Bazar**" is another remarkable inclusion on DBL webpage which serves as a virtual market place of various products of DBL SME customers, enhancing their parameter of digital footprint.

"**Bills to Cash**" is a supply chain business mechanism where DBL has booked a number of Corporate Anchors under the scheme in 2019. This enables the small suppliers to get early finance for their sale to large corporate.

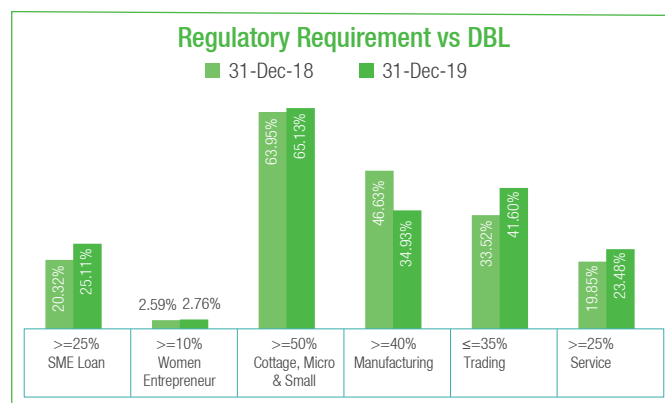
"**CMSME Incubator**" facility for future reference will offer the proposition not only for providing mentorship but also to serve SME customers by assisting them in incorporating innovation to their business activities.

"**Value Chain**" mechanism is value addition proposition to have better control over various sorts of finance among DBL SME customers and to nurture related business activities in general. It will be a value added proposition on Bank's part and give integrated financing opportunity to SME customers of different segment comprising indigenous community of our country.

New insight in 2019:

A. Compliance with Regulatory requirement:

Particular	BB Requirement	DBL Position	
		December 31, 2018	December 31, 2019
SME exposure of the total loan	>=25%	20.32%	25.11%
Women Entrepreneur loan of total SME loan	>=15%	2.59%	2.76%
Small, Micro and Cottage enterprise exposure	>=50%	63.95%	65.13%
Manufacturing segment exposure	>=40%	46.63%	34.93%
Trading segment exposure	≤=35%	33.52%	41.60%
Service segment exposure	>=25%	19.85%	23.48%



SUSTAINABILITY OF BANKING

Continued

B. Digitization & Innovation:

- **i-samadhan**

“i-samadhan” offers a digital loan application facility for SME customers interested to avail loan facility. The respective link to “i-samadhan” is made available on Dhaka Bank Web portal that any interested SME customer may access. Willing customers may fill the form online and submit it for DBL approving authority to verify their eligibility for SME loan. This tool helps to screen and filter prospective customers who upon obtaining positive notional consent, visit any of Dhaka Bank Branches for further formal processing of his/her credit requirement with certainty.

- **Same Day Decision**

“Same Day Decision” is an intranet tool used for correspondence between various Dhaka Bank branches and Head Office approving authority to facilitate potential SME customers better. The mechanism has been incorporated to obtain instant verdict on credit proposition on individual customer’s behalf and thus expediting overall approval process following due diligence.

- **MSME Bazar**

“MSME Bazar” is invariably a notable inclusion on DBL webpage that serves as a virtual market place of various products of Dhaka Bank SME customers. All SME Customers of DBL have access to showcase their products and increase their marketability, affecting overall sales, resulting in eventual profitability. Dhaka Bank “MSME Bazar” provides its SME customers with the opportunity to increase parameter of their digital foot print, giving them better business exposure.

C. Market visibility:

- **Meeting with Women Entrepreneurs**

Contemporary women have potentiality to equally contribute to different financial and business activities with commendable success. However, only a small percent of formal small and medium enterprises (SMEs) are owned and run by women. As per Bangladesh Bank’s latest directives, credit facility extended to WE (Women Entrepreneurs) should be 15% of total SME book balance by the end of 2024. Accordingly, disbursement to women Entrepreneurs increased from 2.59% to 2.76% in the last year. Currently 132 women clients are enjoying credit facilities from Dhaka Bank SME Division.

To address the issue, Dhaka Bank MSME and Agricultural Business Division undertook a good number of initiatives i.e.

a) identifying clusters and increase focused financing where particularly women entrepreneurs are involved, b) follow up, monitor and provide guidance to branches for procuring more viable business involving women entrepreneurs, c) arranging meetings/seminars in collaboration with different Women Entrepreneur Associations to exchange business ideas and skill based knowledge. As part of such initiatives, Dhaka Bank MSME and Agricultural Business Division arranged a formal meeting session with Women Entrepreneurs’ Association (WEA) for empowering women entrepreneurs involved in various business activities. WEA is the first ever formal institution in Bangladesh, having 100 plus distinguished and renowned entrepreneur members presently. During the session, DBL SME anchored presentation on its asset and liability products and services, upheld its digital offers and their proper utilization and discuss on various business scopes for the members of the association. Presently providing financial support to the members of the WEA is under process.

- **Fair on Women’s Day**

Women Entrepreneur Unit of SME & Special Programs Department of the Central Bank had organized a Fair, titled ‘Banker-SME Women Entrepreneur Meet and Product Display Fair-2019’ from March 08, 2019 to March 10, 2019 at the Bangladesh Shishu Academy, Dhaka to uphold the virtue, merit and the importance of International Women’s Day, 2019.

Dhaka Bank was one of the leading participants at the mentioned Fair to reap its benefits. Dhaka Bank former Managing Director, Mr. Syed Mahbubur Rahman was honored as the Special Guest at the fair. As a part of the loan distribution program a cheque of Tk. 15.00 million was handed over to Ms. Tanjima Jesmin, proprietor of M/s. Tanjima International and a client of KDA Avenue Branch, Khulna. Apart from that, Ms. Mahmuda Sultana, Partner of BTME Foods showcased and displayed their products at the stall Dhaka Bank Limited’s stall.

D. Financial inclusion and focus on special sector:

- **Medicinal Plant Cluster**

Medicinal plants are an emerging agriculture sector in Bangladesh. Currently it has been declared as the thrust sector of the country. Dhaka Bank is always enthusiastic in financial inclusion that involves low income generating group,

SUSTAINABILITY OF BANKING

Continued

disabled women, third gender, poor farmers etc. under financing scheme of Tk.10.00 account holders. In line with this, in 2019, Dhaka Bank financed 52 marginal farmers of a medicinal plant cluster of Palashbari Upazila under Gaibandha District in its 1st phase. The farmers are engaged in cultivating medicinal plants like Holy Basil (Tulshi), Winter Cherry (Ashwagandha), Vasaka (Bashak) & Creat (Kalomegh) etc.

- **Kaluhati Shoe Manufacturing Cluster**

In 2019, DBL financed 13 new shoe manufacturers of Kaluhati Shoe Manufacturing Cluster, Rajshahi. Total clients in this cluster are now at 39 with outstanding of Tk.9.61 million.

- **Open loan Disbursement Program at Sonaimuri**

Access to finance of the marginal sector of the society is a prioritized initiative of the Central Bank and 10 Taka Account is a specific designated product for them. DBL has financed 102 marginal people who are 10 taka account holders in an open loan disbursement program with the assistance of an MFI, Aso Gori Unnyan Songstha at Sonaimuri, Noakhali. Representatives from the Central Bank & Dhaka Bank Head Office distributed cheques among the clients.

E. Products & Services:

Bills to Cash is a form of Supply Chain Finance mechanism also known as Reverse Factoring where DBL SME have booked business with 4 (Four) Corporate Anchors to facilitate 14 (Fourteen) suppliers. In 2019, we disbursed Tk.45.30 million under the product. On the other hand, facilities like, Same Day Decision, i-samadhan, i-khata etc. have also increased customer convenience.

F. Non-Performing loan Management:

In 2019, like previous year, DBL has arranged NPL Management Campaign. Head Office SME team members, along with Branch colleagues, jointly arranged to further visit stressed clients for additional recovery success, across the country. Their collaborative effort also addressed documentary follow up, with compliance, against the clients. This campaign has enabled DBL to contain NPL to some extent.

G. Other key notes of SME in 2019:

- 326 new SME Clients were booked under SME. 58.78% SME clients are the new borrowers from DBL.

- Recovery from classified SME clients were Tk.704.57 million in 2019.
- Cottage, Micro & Small exposure was 65.13% (BB Requirement 50.00%).

H. Financial Summary:

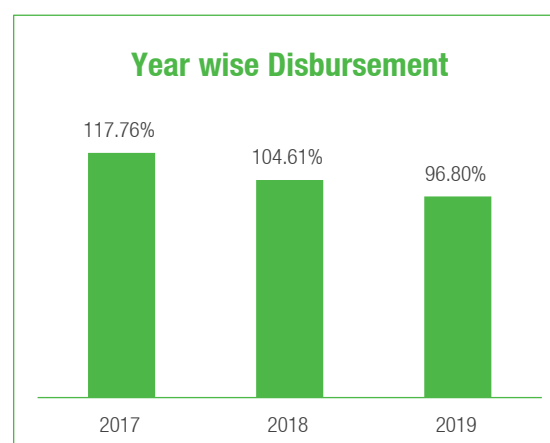
Portfolio: (BDT in Million)

Item	December 31, 2017	December 31, 2018	December 31, 2019
Asset	26,793.53	30,831.55	25,679.31



Disbursement & Achievement:

Year	Disbursement Target	Achievement
2017	25,000.00	117.76%
2018	33,000.00	104.61%
2019	40,000.00	96.80%



SUSTAINABILITY OF BANKING

Continued

PESTEL Analysis

Macroeconomic Dimensions	Impact on the industry	Dhaka Bank Scenario	Evident in
Political			
<ul style="list-style-type: none"> Political stability is important for Banking sector. As this is election year, there may be some regulations and policies in order to maintain stability. Level of corruption - especially levels of regulation in financial sector. Bureaucracy and interference in Banking industry by government. Legal framework for contract enforcement Trade regulations & tariffs related to Financial Favored trading partners Pricing regulations Taxation - tax rates and incentives Wage legislation - minimum wage and overtime Work week Banks Mandatory Employee benefits 	<ul style="list-style-type: none"> Government laws affect the state of the Banking sector. The government can intervene in the matters of Banking whenever, leaving the industry susceptible to political influence. Due to national election, investors will have a conservative approach. Loans and Advances will show a static growth. In addition there may be liquidity crisis. More compliance issues will be required. As the government invested in many mega projects, we may see less such investments in near future. This may slow down the GDP growth. 	<ul style="list-style-type: none"> Dhaka Bank management is assessing the stability of political environment and its effect in bank. Strategic steps are taken to mitigate political risk. The bank has special identification and treatment towards PEPs. The bank focuses on SME in addition to corporate focus. It will help reduce sudden shock. Dhaka Bank strictly follow trade and tariff related regulations. The bank follows all taxation policies. 	<ul style="list-style-type: none"> Message from Chairman, Managing Director & CEO and Directors' Report
Economic			
<ul style="list-style-type: none"> Type of economic system in countries of operation – what type of economic system there is and how stable it is. Government intervention in the free market and related Financial Exchange rates & stability of host country currency. Efficiency of financial markets Infrastructure quality in Banks. Skill level of workforce in Banks. Education level in the economy Labor costs and productivity in the economy Economic growth rate Unemployment rate Inflation rate Interest rates 	<ul style="list-style-type: none"> The Banking industry and the economy are tied. How income flows, whether the economy is prospering or barely surviving during times of recession, affects how much capital Banks can access. Spending habits, and the reasons behind them, affect when Customers borrow or spend funds at Banks. Additionally, when inflation skyrockets, the bank experiences the backlash. Inflation affects currency and its value and causes instability. Foreign investors think twice before providing their funds when a particular country's currency value is high. 	<ul style="list-style-type: none"> Dhaka Bank has the insight to grasp any opportunity ahead. In case of financial inclusion, the bank is playing significant role. To mobilize deposit the bank has strong interconnected network. Non funded facility focus will let us to depend less on interest income only. Well-designed strategies will help to mitigate FX risk. The bank has a strong risk management team to absorb any unanticipated risk. In case of client selection the bank follows good borrower selection criteria. 	<ul style="list-style-type: none"> Message from Chairman, Managing Director & CEO and Directors' Report.

SUSTAINABILITY OF BANKING

Continued

PESTEL Analysis

Macroeconomic Dimensions	Impact on the industry	Dhaka Bank Scenario	Evident in
Economic			
	<ul style="list-style-type: none"> Exchange rates also affect Banks globally stable currencies such as the US dollar impact other currencies, spending habits, and inflation rates in other countries. The advance portfolio may face a stagnant condition Interest rate may rise and result in increased inflation. In foreign currency account management there may be some difficulties. 	<ul style="list-style-type: none"> The bank has a skilled asset management and recovery team. 	
Social			
<ul style="list-style-type: none"> Demographics and skill level of the population Class structure, hierarchy and power structure in the society. Entrepreneurial spirit and broader nature of the society. Some societies encourage entrepreneurship while some don't. 	<ul style="list-style-type: none"> Cultural influences, such as buying behaviors and necessities, affect how people see and use Banking options. People turn to Banks for advice and assistance for loans related to business, home, and academics. Consumers seek knowledge from bank tellers regarding saving accounts, bank related credit cards, investments, and more. Consumers desire a seamless Banking experience. And technology is developing to allow consumers to buy products easier, without requiring assistance directly from Banks. 	<ul style="list-style-type: none"> Dhaka Bank always facilitate in improving the living standard of the society by encouraging SME and major sectorial lending, generating employment ect. This stimulate GDP growth and per capita income. Keeping in mind the needs of Customer, the bank always focuses on developing products as per Customer preference. Ex. Sukti account. 	<ul style="list-style-type: none"> Message from Chairman, Managing Director & CEO and Directors' Report.
Technological			
<ul style="list-style-type: none"> Technology's impact on product offering Impact on cost structure in Banking industry Impact on value chain structure in Financial sector Rate of technological diffusion 	<ul style="list-style-type: none"> Technology is changing how consumers handle their funds. Many Banks offer a mobile app to witness accounts, transfer funds, and pay bills on smartphones. 	<ul style="list-style-type: none"> Dhaka Bank always focuses on coping with advanced technology. Process automation, UBS software installation are the relevant activities. Mobile Banking app go is like a one stop solution. 	<ul style="list-style-type: none"> IT Division

SUSTAINABILITY OF BANKING

Continued

PESTEL Analysis

Macroeconomic Dimensions	Impact on the industry	Dhaka Bank Scenario	Evident in
Technological			
	<ul style="list-style-type: none"> Debit cards are also changing. Chips have been implemented, machines rather than swiping them. Even Banks themselves are utilizing technology within the workplace. Telecommunicating through virtual meetings is being embraced. It replaces the need for in-person meetings. 	<p>DBL go app is the first in the country to introduce fund transfer to countries largest mobile financial service provider bkash.</p> <ul style="list-style-type: none"> C-Solution, Trade Cloud are introduced to ease Customers' cash management and LC processing in a more secured way. Chip based cards are used to maintain security. Contactless card is introduced to save time of Customers. 	
Environmental			
<ul style="list-style-type: none"> Weather and climate change Laws regulating environment pollution Air and water pollution regulations Recycling policy Waste management in financial sector Attitudes toward "green" or ecological products Attitudes toward and support for renewable energy 	<ul style="list-style-type: none"> With the use of technology particularly with mobile Banking apps the use for paper is being reduced. The need to drive directly to a Branch to handle affairs is minimized as well. Many issues are taken care of through mobile apps and online Banking services. Consumers can apply for credit cards online and have many of their Banking questions answered online or by phone. Thus, reducing individual environmental footprints. 	<ul style="list-style-type: none"> Dhaka Bank is committed to sustainable development initiatives. For these green Banking, SME financing are focused more nowadays. 	<ul style="list-style-type: none"> Green Banking.
Legal			
<ul style="list-style-type: none"> Anti-trust law in Banking industry and overall in the country. Discrimination law Copyright, patents / Intellectual property law Consumer protection and e-commerce Employment law Data Protection 	<ul style="list-style-type: none"> The Banking industry follows strict laws regarding privacy, consumer laws, and trade structures to confirm frameworks within the industry. Such structures are required for Customers in the allocated country and for international users. 	<ul style="list-style-type: none"> Dhaka Bank follows all the legal policies and regulations related to Banking ethics. In this era of fraud and financial crime the bank acts more cautiously to prevent cyber-crime and maintain ethical Banking practices. 	<ul style="list-style-type: none"> Message from Chairman, Managing Director & CEO and Directors' Report

SUSTAINABILITY OF BANKING

Continued

Market Forces and Competitive Landscape

Competitive Rivalry: The Banking Industry is considered as one of the most competitive industry in Bangladesh. There are around 59 Banks and 34 NBFIs currently operating in Bangladesh. Major challenge for the Banks is to attract Clients. To attract more Clients than the competitors, Banks are offering new services to the Customers. The banking competition is often a race to determine which Bank can offer both the best and fastest services. The following competition faced by Dhaka Bank Limited in the year 2019:

- **Switching Cost:** The switching cost is low due to high competition among the service providers.
- **Increase Investment in Technology:** To provide better Financial Services there is no alternative to investing in the technology sector including all security measures for Clients and for the Bank itself.
- **Number of Competitors:** Currently in Bangladesh there are 59 scheduled Banks, 6 non-scheduled Banks and 34 NBFIs are operating. So competition is very high.
- **Customer Loyalty:** From the very beginning Dhaka Bank Limited's customers have been loyal. However, competition from 59 banks in the industry, along with the intense price war had led to a decline in the number of loyal customers making the banking industry extremely competitive.

Power of Customer: A single Customer doesn't pose much of a threat to the Banking Industry, but switching costs can affect the power of buyers. Due to the excess liquidity in the Banks, switching cost is lower nowadays. So, it's being tough for the Banks to hold the Clients. If a Client get lower rate in others Banks or Financial Institutions he/she wants to switch the Bank. As a result the bargaining power of the buyers in terms of loan in very high. The status of buyer's power for Dhaka Bank is as follows:

- As there are so many Banks present in the industry, Clients hold a higher bargaining power because of a relatively low switching cost.
- As so many Financial Institutions are now growing rapidly and providing different services as substitutes for the Banking facilities which giving Customers greater access and increasing their switching options.
- Due to easy access to other Banks and NBFIs some of our Corporate Clients have become more price sensitive compared to the past.
- As it needs a high amount of fixed cost to enter into the Banking Industry, it creates extra pressure to capture more Customers.
- Source of funds, including Customer deposits and borrowings from other Financial Institutions, is largely based on the market and the depositors. Therefore, power of Depositors is often considered to fluctuate between medium to high.
- The resources are not equally distributed in the country. So, a few Depositors hold the lion's share of deposits, which results in giving them excess bargaining power.
- However, in recent years the Banking Industry is facing a liquidity crisis. Due to this, Depositors possess significant powers as different Banks are approaching them for deposit offering higher interest rates.

Power of Supplier: For Banking Industry, depositors are the main resource. To run the industry, huge amount of capital is needed. Depositors are the main suppliers for the Banks. As a result power of depositors is high in the Banking Industry. Different Financial Institutions are offering different rates to the depositors to attract them. Usually depositors want to invest in the Banks or FIs where they can get higher interest rate. It increases the power of the depositors in the Banking Industry in Bangladesh. In addition there are some more reasons for the customers to trust in a particular bank. Dhaka Bank possesses some of the strong points like:

- Upward Growth
- Brand Value
- Corporate Governance
- HR Competence; i.e. e-learning Program with Trainings on AML-CFT, Credit- & Trade, Appraisers' TNA-based Training, OMEGA Performance Certification
- Banking Innovation; i.e. i-khata, Bills to Cash, DBL Shukti, Pay Master
- Technological Advancement; i.e. UBS, DBL go, C-solution, Trade Cloud, EMV Chip based Contactless Credit Card, 2FA/OTP
- Strong Management
- Prudent Risk Management

Threat of New Entrants: Banking Industry is such an Industry where the threat of new entrants is very high in Bangladesh. New entrants in the Banking Industry decreases the profit of the existing institutions. With so many new Banks entering the market each year the threat of new entrants should be extremely high. If the authority don't take proper initiatives, competition will further increase. Which will have a negative impact in the portfolio of the Banking Industry. The threat of new entrants in Bangladesh is very high due to the following reasons:

- The Government is giving approval for new Banks and Financial Institutions every year. In the past few years, a number of new Banks and NBFIs have entered into the market, which is very competitive. Few other Banks are also in pipeline for getting approval.
- Nowadays different Foreign Institutions are providing funding facilities to the local Companies at lower interest rate. Also they are imposing easy terms and conditions. In future, many more foreign Banks and Financial Institutions may get entry to this market which may further enhance the competition.

Threat of Substitute Products: Products from different Banks are not the threats of the Banking Industry. But different products from NBFIs can be a threat for the Banks. NBFIs are offering specialized financial services those were previously provided by the scheduled Banks. The industry does not suffer any real threat of substitutes as far as deposits or withdrawals. However insurances, mutual funds, and fixed income securities are some of the many banking services that are also offered by non-banking financial institutions. There is also the threat of payment method substitutes and loans are relatively high for the industry.

SUSTAINABILITY REPORTING

Dhaka Bank Limited as one of the leading commercial banks in the country always conducts in house banking activities with a view to use its resources avoiding waste and reducing energy consumption at maximum level.

To help our clients reaching the highest environmental and social standards Dhaka Bank Limited already formulated Environmental & Social Risk Management (ESRM) Policy. Under this policy we carefully assess the extent of Environmental and Social impacts before making any financing decision and selecting any project.



SUSTAINABILITY REPORTING

ENVIRONMENT RELATED INITIATIVES

Continued

Sustainable Finance & Green Banking:

Climate Change is considered as one of the major threats in today's world. The rapid change in climate will be too great to allow many eco-systems to suitably adapt, since the change have direct impact on biodiversity, agriculture, forestry, dry land, water resources and human health. Due to unusual weather pattern, rising greenhouse gas, declining air quality etc. society demands that business also take responsibility in safeguarding the planet.

Banking system occupies an important place in a nation's economy. It plays a pivotal role in economic development of a country and forms the core of the money market. It is one of the challenges for commercial banks to concentrate their finance in the environment friendly industry and avoiding waste and giving priority to society. It is not an easy task as banks also have to concentrate about profit. Banks have a responsibility to balance sustainable economic development with environmental protection. So, they have to earn profit in such a way where they can be able to give the priority of society also. And the only solution is-Green Banking.

Green banking can be defined as the financial services to support the activities that are not hazardous to environment and help conserve environment or banks that have given support for carrying out eco-sustainability to their management or of bank institute that invest money for discouraging of Carbon dioxide emission quotas. A green bank is called an ethical bank, a socially responsible bank, or a sustainable bank. The exact meaning of all these titles may not be same however they cover a lot of common activities and perceptions. All these banks-in various ways and at different times-have engaged themselves in making a better future. So the broad objectives of green banks are to use their resources with responsibility avoiding waste and giving priority to environment and society.

Bangladesh Bank (BB) has been supporting the government in achieving environmental objectives through banks and financial institutions and from time to time it has been undertaking many initiatives like forming policies, providing refinancing facilities etc. BB has already issued circulars to the banks to have their own Green Banking Policy, Environmental & Social Risk Management Policy and other relevant policies. And now it is we who need to collaborate to make these initiatives a success. It is a demand of future that needs to be fulfilled today.

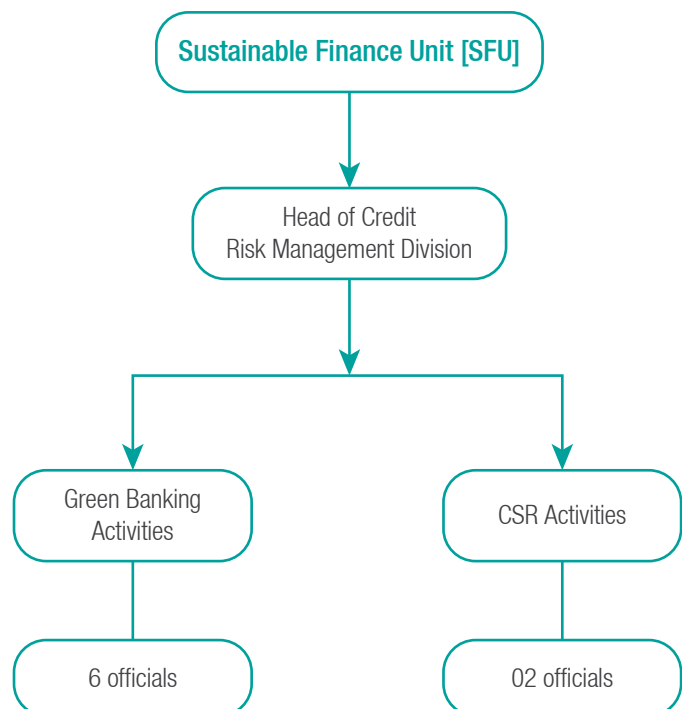
Dhaka Bank & its Sustainability Framework

Sustainable Finance Department of Bangladesh Bank had issued a circular on December 02, 2016 whereby they had instructed the Bank and Financial Institutions of the country to establish a Sustainable Finance Unit, which will be headed by Head of Credit Risk Management Division of the Bank.

In compliance with Bangladesh Bank's circulars and guidelines, Risk Management Committee of the Board of Directors of Dhaka Bank Limited approved formation of Sustainable Finance Unit (SFU) headed by Head of Credit Risk Management Division of the Bank. Risk Management Committee of the Board also formed Sustainable Finance Committee comprises of high-ranked management officials, chaired by a Deputy Managing Director. It guides the SFU, adhering to the terms of reference laid out by Bangladesh Bank.

Risk Management Committee of the Board of Director of the Bank serves as the apex authority, supervising all the bank's sustainability activities.

Organogram of Sustainable Finance Unit



SUSTAINABILITY REPORTING

ENVIRONMENTAL & SOCIAL OBLIGATIONS

Continued

Environmental & Social Obligations:

Commercial banks and other financial institutions act as intermediaries between fund providers and fund users. They may affect the environment directly through their in-house use of energy and resources, and indirectly through the financial products and services they offer to enable their clients (industrial and commercial borrowers or projects) to conduct activities having a range of E&S impacts.

Dhaka Bank Limited as one of the leading commercial banks in the country always conducts in house banking activities with a view to use its resources avoiding waste and reducing energy consumption at maximum level. Dhaka Bank has been doing the same from its environmental and social obligation.

On the other hand, to help our clients reaching the highest environmental and social standards Dhaka Bank Limited already formulated Environmental & Social Risk Management (ESRM) Policy on 2018. Under this policy we carefully assess the extent of Environmental and Social impacts before making any financing decision and selecting any project. We work with our clients to apply a clearly defined set of environmentally and socially responsible international standards and good practice to mitigate and manage E&S risks and impacts. Dhaka Bank always believes that we must responsibly manage environmental and social risks to achieve long term sustainable development of the country.

Green Finance Portfolio:

Financing green projects and initiatives is one of the important tasks of green banking. The central bank directed all banks to allocate at least 5% of their lending to green projects to encourage investment in environmental-friendly business model. During 2019 too, Dhaka Bank has been relentlessly putting their effort in Green Banking activities, mainly through financing in green initiatives of Entrepreneurs in different concerns of the country. Our green financing portfolio comprises of the following:

Renewable Energy	Energy Efficiency	Liquid Waste Management	Green Brick Manufacturing
25.60%	34.10%	0.42%	39.88%

Incorporation of Environmental & Social Risk in Core Risk Management(CRM)

Particulars	Total
Number of Projects applicable for Environmental & Social Due Diligence (ESDD)	378
No. of Projects Rated (Environmental & Social Risk Rating)	378
Low	341
Medium	37
High	-

Environmental & Social Risk Management status:

ESRR Rating	December-2019	
	No of Accounts	Outstanding [In million BDT]
High	-	-
Medium	37	6,842.00
Low	341	87,146.00
Total no. of branches	103	
No of Branches Reported under Environmental & Social Risk Rating (ESRR)	31	

In-house Green Initiatives of Dhaka Bank Ltd.

SL	Particulars
01	Using Day lights and reducing electricity consumption at Corporate Office
02	Increased Use of LED Lights at Corporate Office and branches
03	Planning for Rainwater Harvesting at Dhaka Bank branches and Head Office
04	Decreased paper use by initiating both side printing of official memos, increased use of electronic mails, corporate portal instead of paper works
05	Increased use in mobile banking and introducing Mobile App named DBL Go.
06	Encouraging executives to purchase fuel efficient vehicles.
07	Increased use of Lap Top Computers
08	Introducing loan processing electronically through retail banking division.

SUSTAINABILITY REPORTING

SOCIAL RESPONSIBILITY INITIATIVES

Continued

Meeting Corporate Social Responsibility

In our year-long countrywide activities engage us in looking at social needs and problems. Corporate Social Responsibility or CSR does have a strategic importance. We intend to see it as the concept of corporate social responsibility to a new integrated design known as corporate sustainability and responsibility. Social sustainability is the main point of CSR in the context of concerns for companies to develop strong and sustainable relationships with Customers, Employees, Suppliers, Stakeholders and last but not least, community at large especially the distressed part.

Corporate Social Responsibility (CSR)

'Excellence in Banking' is our motto and to become the best performing bank in the country is our mission. As a leading private commercial bank in Bangladesh, our eminence is backed by quality products and services, superior technology and highly motivated personnel to realize your dream. Dhaka Bank Limited is the brainchild of a host of committed entrepreneurs and farsighted dreamers of banking excellence. Established in July 5, 1995, the Bank is now an admired provider of financial services and has positioned itself as a strong brand in the mind of customers.

Corporate Social Responsibility (CSR) refers to self-regulatory mechanism whereby a bank ensures its active compliance with the spirit of the law, ethical standards and national or international norms. Bangladesh Bank CSR Guideline is the guiding principle in designing our CSR roadmap. Dhaka Bank prioritizes on long term programs rather than the short-term ones that have sustainable and lasting impact on the people and society of the country.

Dhaka Bank's Corporate Social Responsibility (CSR) in Bangladesh runs with the aforementioned philosophies which are framed by the Board of Directors of our Bank.

At Dhaka Bank, employees work with a greater mission. They are motivated to contribute to the bank's social initiatives like warm clothes distribution to cold hit peoples all over Bangladesh, Scholarship to meritorious students. Dhaka Bank also contributed in sports like Bangladesh Football Federation for development of Women's Football team. During 2019, Dhaka Bank has spent an amount of BDT 111.32 million for the overall betterment of the nation.

Donation for Social Improvement by CSR in matrix:

BDT in Million

Initiatives	Donation	Percentage %
Education	4.19	7.14
Health	11.67	19.90
Disaster Management	30.00	51.16
Sports, Art & Culture	12.50	21.32
Others	0.28	0.48
Total	58.64	100.00

Education

Dhaka Bank donated for mental and physical development of Autistic Children and Underprivileged people with Autism and Neuro-Development Disability. The Bank also donated to purchase Books and Air Conditioner for Library. In the year 2019, Dhaka Bank spent around BDT 4.19 million for direct scholarship and educational infrastructural development purpose.

Initiatives	BDT in Million
To Purchase Air Conditioner for the members of the library	0.22
Purchase 10 sets Book from Aloghar Prokashana	0.05
Monthly Scholarship for 5 students of Department of Banking & Insurance, University of Dhaka	0.12
Underprivileged People with Autism and Neuro-Development Disability	2.40
Mental and Physical Development for Autistic Children	1.40
Total	4.19

Health

Dhaka Bank is providing treatment support to poor and needy patients. BIRDEM Hospital is a partner in this great social work through a sophisticated treatment and nursing.

Initiatives	BDT in Million
Financial support for poor women and children	4.80
Thyroid Cancer patient	0.50
Financial support for poor and needy patients	2.40
Cardiovascular patient	0.10
Orthopedic Patient	0.15
Kidney Transplant	0.05
Development and Maintenance of "Software and Website for Blood Bank Management"	0.05
Holy Family Red Crescent Medical College Hospital has been donated for the renovation & development of the hospital building	2.38
Brain Tumor patient, Cancer Treatment and Physiotherapy patient	0.80
Total	11.67

Disaster Management & Infrastructure Improvement

Dhaka Bank is committed to the welfare of the community at large. The Bank responds promptly to support the affected humanity. In 2019, the Bank distributed warm cloths among cold-hit people in different parts of the country during severe cold spell of winter to carry out its humanitarian activities and also financial assistance towards the victims of fireworks at Churhatta, Chawkbazar. For this purpose, Dhaka Bank donated BDT 30.00 million in 2019.

SUSTAINABILITY REPORTING

SOCIAL RESPONSIBILITY INITIATIVES

Continued

Initiatives	BDT in Million
Financial assistance towards the victims of fireworks at Churihatta, Chawkbazar	10.00
Financial assistance towards Clod affected under privileged people	20.00
Total	30.00

Sports, Arts and Culture

During 2019 Dhaka Bank contributed BDT 12.50 million to Bangladesh Football Federation for the development of Women's Football Team.

Initiatives	BDT in Million
To Patronize Women's Football Teams	12.50
Total	12.50

Other Social Projects

In 2019, Dhaka Bank donated/ sponsored/ spent BDT 0.28 million on the occasion of social project including financial assistance to underprivileged Freedom Fighter.

Initiatives	BDT in Million
Underprivileged Freedom Fighter	0.05
Installing CCTV Camera at Sirajganj Police Super Office	0.10
Advertisement on newspaper on quarterly basis for awareness of people	0.13
Total	0.28

Dhaka Bank Donated Tk.1.00 Crore to Prime Minister's Relief & Welfare Fund

Mr. Reshadur Rahman, Chairman of Dhaka Bank Limited donates Tk.1.00 Crore to Prime Minister's Relief & Welfare Fund as assistance for the people who were affected by the recent fire in Churihatta in Old Dhaka's Chawkbazar. The cheque was ceremoniously handed over to the Hon'ble Prime Minister Sheikh Hasina at Gonobhaban on April 2, 2019.



Mr. Reshadur Rahman, Chairman of Dhaka Bank Limited donates Tk.1.00 Crore to Prime Minister's Relief & Welfare Fund on behalf of Dhaka Bank Limited

SUSTAINABILITY REPORTING

SOCIAL RESPONSIBILITY INITIATIVES

Continued

PFDA – Vocational Training Center and SEID

Dhaka Bank handed-over cheques to PFDA – Vocational Training Center Trust (Tk.24 Lac) and SEID (Tk.12 Lac) as a part of Corporate Social Responsibility.

Bangladesh Football Federation

The Bank also handed-over cheques of Tk.12.50 Million towards Bangladesh Football Federation as Sponsorship amount for an international tournament in Dhaka.

Donation of Tk.5 Lac to Sandhani

The Bank formally launching 'Blood Bank Management Software and Supporting Website'. It is mentionable that the Bank donated Tk.5 Lac to Sandhani for developing this website.



MANAGEMENT DISCUSSION & ANALYSIS

Being a corporate business focused bank, Dhaka Bank Ltd. (DBL) serves a diverse clientele, ranging from mid- to large-sized local businesses to large conglomerates across the country. Almost every big name of all the business sectors are already included in the Dhaka Bank business bracket, which depicts the trustworthiness that DBL earned during its journey of long 25 years. This is also a mark of efficiency and recognition to the sophistication in the relevant line of business.



MANAGEMENT DISCUSSION & ANALYSIS

Continued

Our major focus in 2019 was ensuring more Customer satisfaction, Employee engagement, process re-engineering and maintaining Regulatory compliance keeping in mind the long-term sustainability.

The world economy continued the same stagnant pace of the previous year in 2019 again. Continuance of declining crude oil price, Brexit issue, slow growth in major developed economies, refugee issue and violence in some regions summed up the year 2019. After a lacklustre outturn in 2018, economic activity is projected to pick up pace in 2019 and 2020, especially in emerging markets and developing economies, the IMF stated. Here in Bangladesh, the economy was on the right track to grow with relatively stable GDP growth (8.00% in FY'18) amid the global economic stagnancy.

Banking in 2019 was mixed bag again. Banks were perplexed with all its idle money finding safe baskets nowhere to invest. Deposit and Advance were in a good position; saw around 4% and 8% growth respectively. The private sector credit growth was moderately fine than the previous year. Though the industry was relatively stable, but the reserve heist and ATM scam were two major indicatives urging us to be more cautious about the use of information technology. Dhaka Bank was on the go in ensuring its market share under the challenging market setting in 2019. Amid the challenging scenario, Dhaka Bank so far covered those negatives and sustained its voyage to the prosperity using its manifold potentials; competitive pricing of the products and services and definitely highly skilled and trained human resources and a state of the art IT infrastructure to remain vibrant in the race.

Corporate Banking

Being a corporate business focused bank, Dhaka Bank Ltd. (DBL) serves a diverse clientele, ranging from mid- to large-sized local businesses to large conglomerates across the country. Almost every big name of all the business sectors are already included in the Dhaka Bank business bracket, which depicts the trustworthiness that DBL earned during its journey of long 25 years. This is also a mark of efficiency and recognition to the sophistication in the relevant line of business. DBL has been able to cater the diverse business requirements of its corporate customers by introducing new products/services containing unique and sophisticated features.

Dhaka Bank recognizes that corporate customers' needs vary from one to another and customized solutions are critical for the success of their business. Its product basket ranges from short term financing for day to day business operations to long term loans for expansion of business along with other numerous facilities to support their various business activities.

Project Finance:

Dhaka Bank has been engaged in financing a number of large projects including various infrastructural projects all over the country since its inception. The bank continued project financing in support of entrepreneurship, innovative schemes and ventures profitable in terms of commercial, economic and environmental outlook. It includes understanding the rationale of the project, assessing the project viability, preparing the financial plan, assessing the risks, designing the financing structures, etc. Besides, it follows up the projects to ensure compliance and provides advisory service for successful outcome.



Trade Finance:

Foreign trade is the key to success in the banking industry now a days. The exporters earn the necessary foreign currencies that is used to fulfil the payment obligations against the imports. A significant part of Dhaka Bank's portfolio consists of trade finances in different modalities, which is conducted through its countrywide network of 19 nos of authorized dealer (AD) branches including 01 central AD license for all the Non-AD branches. That basically means that all the eligible customers can avail trade finances from whichever branch they choose to bank with.

Commercial Loans:

Commercial loans of Dhaka Bank are granted to a variety of business entities, usually to assist with short-term funding needs for operational costs or for the purchase of equipment to facilitate the operating process. It carries the prime portion of corporate lending comprising a complete range of banking products namely working capital finance, trade finance and other loans intended to serve commercial purpose. This segment of financing extends supports to large and thriving business entities in Bangladesh including commodity trading, financing in infrastructures like roads, bridges, transportations, etc. and lots of industrial undertakings.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Working Capital Finance:

Dhaka Bank Ltd encourages working capital finance. Working Capital is the life blood for any business. Dhaka Bank's working capital financing includes all sorts of facilities for every sector of businesses and industries with respect to their nature of operation. Both funded and non-funded facilities are allowed under the working capital financing. Short Term Loan, Overdraft, Cash Credit, LTR, Time Loan are some of the funded facilities where as Letter of credit and Bank Guarantee are non-funded facilities offered by Dhaka Bank.

Tailored Service and products:

Providing a tailored solution is the essence of DBL's Corporate Banking services depending on the demand of corporate clients. Dhaka Bank offers a full range of advisory, financing and operational services to its corporate client groups combining trade, treasury, investment and transactional banking activities in one package. Whether it is a Project Finance, Term Loan, Import or Export Deal, Working Capital Requirement or Forward Cover for a Foreign Currency Transaction, Dhaka Bank Corporate Banking offers our esteemed corporate customer the right solution.

Cash Management Service:

Dhaka Bank Ltd has the finest cash management team in town which offers unique cash management service for the corporate customers. Some of the solutions provided by Cash Management Service are as follows –

- Payment & collection solution
- Bulk cheque Processing
- Utility Bill collection
- Vendor/Salary Payment
- Cash pickup & Delivery
- Hajj Remittance Processing
- Managing IPOs as Lead Bank
- Act as Banker to the issue of IPOs
- E-Passport and MRP Passport Bill Collection.

Syndications & Structured Finance

The performance of Bank's Syndications & Structured Finance Unit was noteworthy in 2019. Since its inception in 2004, the Unit is catering to the Corporate Banking needs of the clients and offers a wide range of products and services viz. Term Loan, both in Local and Foreign Currency, ECA backed financing for capital machineries, IPFF financing for infrastructure projects, Working Capital financing, financing in derivatives like Commercial Paper, Preference Shares, Project Bonds, etc. through syndication/bi-lateral arrangement.

The Bank is playing an active role through financing the infrastructure/PPP projects to promote infrastructure development of the country. The Bank always encourage and support project financing in support of entrepreneurship, innovative schemes and venture profitable in terms of commercial, economic and environmental outlook. With this motto, the Bank has always been selective to maintain a diversified and quality asset portfolio and has seen a noticeable growth in its portfolio to strengthen its position in the market.

The notable and key achievements of the Unit in 2019 are as under:

1. Financial closure of BDT 1,300.00 million Syndicated Term Loan for KSRM Power Plant Limited – a concern of Kabir Group, a prominent business group of the country.
2. Financial closure of the Bank's 1st ever preference share deal of BDT 800.00 million for Zodiac Power Chittagong Limited - a 54 MW HFO fired Power Plant of Confidence and Energypac Group.
3. Successful arrangement of BDT 5,100.00 million Syndicated L/C facility for Chandpur Power Generations Ltd - a 115 MW HFO fired Power Plant of Doreen Group.
4. Arrangement of Country's 1st IPFF backed Project Bond of USD 47.50 million for United Jamalpur Power Limited - a 115 MW HFO fired Power Plant of United Group (Placed for World Bank Review).

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Project Pictures



BSRM Wires Limited - a Wire Manufacturing Project [Under Implementation]



Manikganj Power Generations Limited - a 162 MW HFO fired IPP Power Plant [Under Implementation]



Bashundhara Industrial Complex Limited - A cement manufacturing mill at Mongla, Bagerhat



BBS Cables (Unit-2) Limited - A Cables Manufacturing Plant [Under Implementation]



Zodiac Power Chittagong Limited - a 54.363 MW HFO fired IPP Power Plant



Butterfly Manufacturing Company Limited - A Refrigerator Manufacturing Plant [Under Implementation]

MANAGEMENT DISCUSSION & ANALYSIS

Continued

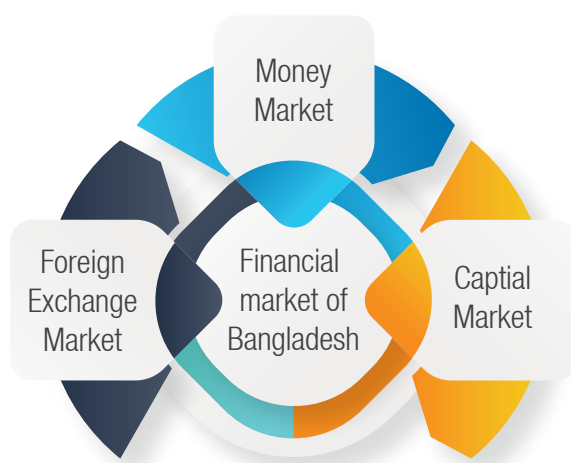
Business Operations

Operations Division's firm commitment to excellent customer service delivery has resulted to remarkable progress in its areas of operation during 2019. A number of service delivery wings are working under Operations Division. The Division's key responsibilities include Settlement of Foreign Remittance, Settlement of Treasury Function, FI Operations, assessment and managing of Treasury Risk, Local funding Operation, Bond Market Operations, RTGS and BEFTN operations, etc. With a view to facilitating its customers, Operations Division adopted various payments and transaction products for smooth payments and transactions for the customers backed by modern technology. Under Central processing environment, Operations Division is always aware of appropriate settlement of various payments and transactions as well as compliance related issues. Following wings are working under Operations Division:

- Money Market Operations
- Forex Back Office Operations
- Cash Management Operations
- FI Operations
- NRB Remittance Operations
- Inward & Outward Remittance Operations
- SWIFT Operations
- Branch Operations etc.

Money Market Operations

Financial instruments with high liquidity and very short maturities are traded in money market. In Bangladesh, banks and non-bank financial institutions are the main participants of Money Market where they usually borrow and lend wholesale amounts for short term. Treasury Bills and Bonds and Bangladesh Bank Bills are also traded under money market operations. To meet the short term requirement and investment opportunity in the financial market, REPO and Reverse REPO transactions with treasury bills and bonds are carried out under money market operations.



Cash Management Operations

In order to maintain sufficient liquidity of Clients and maximizing their returns, Dhaka Bank Ltd has introduced a range of Cash Management Solutions that has enabled Corporate group to manage their cash flows efficiently and effectively by optimizing liquidity, reducing default risk and lowering operating cost. Our Cash Management products and services provide transactional value by automating collection and payments of our customers that creates a win-win situation. In line with this, a number of worthy initiatives have been made during the year-2019 as follows:

- 1) Collection arrangement has been made with DESCO/DPDC/ Dhaka WASA/PDB Titas Gas and one of the largest enterprises in the Power Sector viz. Rural Electrification Board.
- 2) Central Software developed (DBL- C Solution) with a view to settling Cash dividend/ payables of various Insurance Companies and Corporate clients.
- 3) DBL successfully initiated a number of depository relationship with Bangladesh Rural Electrification Board (BREB), Titas Gas, Dhaka WASA, Chattogram WASA, Power Development Board, Karnaphuli Gas, Banglalink, RobiAxiata, bKash, etc.

In addition to that, DBL signed a number of agreements with a corporate group, Garments Industries and Institutional Clients to disburse monthly salary under Cash Management Operations.

Remittance Operations

In order to facilitate its customers, Operations Division is settling various Inward & Outward Remittance centrally that ensures not only better and robust service but also fulfills regulatory compliance. Inward Remittance of USD 240.97 Million and Outward remittance of USD 45.50 million were settled in 2019. In addition, NRB Remittance wing successfully settled USD 33.21 million centrally across the country and a good number of outward Remittance processed against Student file opened at various AD branches.

SWIFT Operations

SWIFT (Society for Worldwide Interbank Financial Tele communication) is a global member-owned cooperative and the world's leading provider of secure financial messaging services.

The SWIFT operates a messaging service for financial messages, such as letters of credit, payments, and securities transactions, between member banks worldwide. SWIFT's essential function is to deliver these messages quickly and securely - both of which are prime considerations for financial matters. Member organizations create formatted messages that are then forwarded to SWIFT for delivery to the recipient member organization. SWIFT operates out of its Brussels headquarters and processes data at centers in Belgium and the United States.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Major Advantages for using of SWIFT network

- Customers Fund Transfer across the world
- Inter Bank fund transfer across the world
- Outward & Inward Remittance Settlement
- Treasury payments across the world
- Trade base payment settlement
- Transmission of Letter of Credit
- Transmission of Foreign Bank Guarantee
- Own Bank Fund transfer
- Transmission of Bank Confirmation regarding lending & Borrowing
- Transmission of Confirmation against Treasury Dealing activities

Swift Code/BIC Code of Dhaka Bank Ltd: DHBLBDDHXXX

Characters	Abbreviations
First -4 Characters-DHBL	Dhaka Bank Ltd
Next -2 Characters- BD	Bangladesh
Next-2 Characters-DH	Dhaka
Last -3 Characters-XXX	Branch Code-XXX (Optional)

In order to facilitate the Foreign Trade activities as well as to settle other Trade & Treasury Payments across the world, Dhaka Bank Ltd entered into SWIFT system in 2002. At present, all Authorized Dealer branches, Treasury Operations, Central Processing Centre (CPC) – Trade Operations Dhaka & Chattogram are linked with Central SWIFT Operations system.

Prevention of Money Laundering, Terrorist Financing & Proliferation Financing

Present Perspectives Considering country context and the rise of ML & TF occurrences around the world, ensuring AML/CFT compliance in our banking business is more relevant at our times than before. The Bank is well aware of the consequence of money laundering and terrorist financing offence and the significance of necessary compliance for a balanced business and sustainable growth. The Senior Management and the Board of Directors have also been made aware of their role and responsibility in this regard. In management strategies, whether it's deciding, accepting or approving business, inherent ML & TF risks are measured and mitigated across the Bank. With the rise of geo-political conflicts around the world and growing state-sponsored terrorism, banking institutions have to keep focus on the prevention of proliferation financing too. Banks are required to develop mechanism for the prevention of proliferation financing.

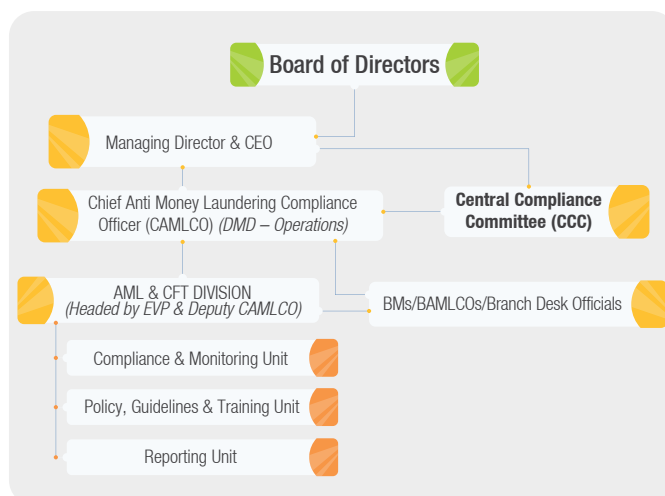
Organizational set-up for AML compliance

Anti Money Laundering activities of the Bank is run by a separate AML & CFT Division at Head Office. In line with BFIU directives, the Bank has formed Central Compliance Committee (CCC) comprising Heads from core business units to set out AML & CFT strategies of the Bank and follow up their progress of implementation from time to time. The DMD (Operations) was assigned as Chief Anti Money Laundering Compliance Officer (CAMLCO) to supervise overall AML & CFT compliance activities. The EVP & Deputy CAMLCO looks after the day-to-day AML functions as the Head of AML & CFT Division and assists the CAMLCO in devising AML goals, policies and programmes. As many as 106 Manager-Operations perform the role of BAMLCO at Branch level (one for each Branch/ SME Service Centres) to carry out AML & CFT compliance programme of the Bank. The BAMLCOs are mainly responsible for ensuring KYC of Customers, risk categorization of business, transaction monitoring, screening of sanction list, arranging AML training for all Branch personnel, record keeping as well as identifying and reporting of suspicious transaction/activity (STR/SAR). The Central Compliance Committee seeks decision and kind guidance from the Managing Director and CEO and the Board of Directors regarding ML & TF issues as and when required. The CCC also provides AML update/progress report to Senior Management/Board at periodic rest.

For smooth operations of AML & CFT function, the Division is divided into the following Units:

- I. Compliance & Monitoring Unit
- II. Policy, Guidelines & Training Unit
- III. Reporting Unit

Functional Organogram of AML & CFT Division



MANAGEMENT DISCUSSION & ANALYSIS

Continued

AML/CFT Initiatives 2019



Speakers and Participants at AML Outreach Training for Branches under Bogura Region at Bogura

MD's Letter of Declaration to fight ML, TF & PF

At the beginning of 2019, the Managing Director & CEO set out a declaration on Bank's commitment to fight money laundering, terrorist financing and proliferation financing, which has been conveyed to all Employees on February 12, 2019 vide AML Memo No. 02/2019/1672 with the following highlights:

- Strong commitment to AML & CFT compliance
- Maintaining balance between business and compliance for a sustainable growth
- Adherence to Money Laundering Prevention Act 2012 & Anti Terrorism Act 2009 with all amendments
- Employees' attention to the provisions of penalty/punishment due to his/her AML lapses or ignorance
- Strong and effective KYC system
- Applying monitoring tools and procedures for reporting STR/SAR
- High attention on Trade Based Money Laundering (TBML)
- Dissemination about central point of contact and AML/CFT authorities
- Focus on continuous learning & training
- Respect for regulatory guidance and their audit/inspection from time to time
- Commitment to implement Bank's AML & CFT compliance programme successfully to make our banking journey safe and sustainable one

Risk Based Approach

- During the year 2019, database for high risk customers including PEPs/ Influential Persons have been updated & scrutinized based on nature of business, size of business/income, source of fund and KYC Risk Grading as well as high profile of customers;

- 100 Plus Domestic PEP accounts were approved by CAMLCO, Head Office after necessary review;
- Daily newspapers were checked to find whether any account of criminals found in DBL. If positive match found, branches reported that as suspicious activity;
- Branches under high risk geographies were brought under enhanced monitoring;
- During 2019, all existing RMAs have been checked and reviewed by our International Divisions and relationship with suspicious institutions has been cancelled;
- Branches poorly rated under Independent Testing Procedures (ITP) were brought under close monitoring and advised to improve their AML rating;
- UN/ International Sanction Lists were checked against Bank's Customer Database through nScreening software and positive hits have been cleared by Branches.

Training workshop on AML, CFT, Prevention of TBML & Cyber Crime

AML & CFT Division arranged 20 no. of day-long training sessions for 923 bank officials while 10 no. of AML & CFT training sessions were held for 502 Employees of the Bank in 2019 covering Management Trainees & Trainee Officers. AML training focused on KYC lapses, maintenance of high risk accounts, PEP/ IP account, etc, transaction monitoring and reporting of STR as well as overall compliance on the instructions of BFIU Master Circular 19 for the prevention of money laundering, terrorist financing and proliferation financing. Focus was also added to prevention of credit & trade related money laundering and cyber crime. An Easy Guide to AML & CFT & TBML was updated covering common AML/CFT terms and terminologies for all Employees and Bank Management. An AML training calendar approved by Management is being pursued since the beginning of 2019.

CAMLCO Conference 2019

CAMLCO Conference 2019 was organized by BFIU during 29-31 March, 2019 in Hobiganj in collaboration with The Association of Anti Money Laundering Compliance Officers of Banks in Bangladesh (AAACOB). The 03-day Conference with an aim to fight money laundering and terrorist financing focused this year on a nation-wide strategy to prevent corruption induced money laundering and other prevailing AML issues in the country. Mr. Syed Mahbubur Rahman, former Managing Director & CEO of the Bank & also erstwhile Chairman of ABB was a key panel discussant in the conference. Besides, the CAMLCO, Deputy CAMLCO & the Head of Trade Operations of the Bank joined various sessions of different AML/CFT issues highlighted by BFIU and shared their views.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Employee Screening

HR Division implemented Know Your Employee (KYE) Procedure as per recommendation of BFIU. HR Division developed employee information form known as Know Your Employee (KYE) form incorporating Police Verification, CIB Checking and NID verification as screening measure for recruitment in any position. The screening measure will help the Bank to prevent undesirable hiring. Besides, during hiring/ recruitment process, the Bank takes an undertaking from Employee regarding his/ her having no association with any criminal activities and involvement in any money laundering and terrorist financing offence and related acts.

Customer Screening & Prevention of TBML

The Bank has an automated screening process named 'nScreening' for inbound and outbound SWIFT message. Our Trade Officials check the detail route of the vessel and the ownership of the vessel used for importation of goods with the help of "Lloyd's List Intelligence", world reputed accurate maritime data provider. To avoid over invoicing and under invoicing, our trade operations have taken steps to verify the price from available sources like internet, Bank's own database on similar products/exporter/importer home and abroad, peer bank's feedback, etc. The Bank analyzes credit reports of suppliers/ buyers for verifying creditworthiness. We also ensure KYC and KYCC in any trade relationship. There is a standard process flow to screen Shell Banks/ Shell Companies prior to lien of export order. International Division (ID) has reviewed all existing RMAs and ensured that the Bank has no relationship with Shell Bank. CPC-Trade Operations has assigned Department Anti Money Laundering Compliance Officers (DAMLCO) to ensure compliance related trade based money laundering.

Role of Board and Senior Management

In the revised Money Laundering and Terrorist Financing Risk Management Guidelines 2019, the Bank has clearly spelt out the responsibilities of the Board of Directors and Senior Management to prevent ML & TF. According to the guidelines, the Board of Directors has the responsibility to oversee the effectiveness of the Bank's AML/CFT framework and guide the Senior Management to deploy adequate measures to prevent money laundering and terrorist financing attempts at different level of banking business. Senior management is responsible for the development of sound risk management programmes regarding AML & CFT and for keeping the Board of Directors adequately informed about these programmes and their effectiveness.

The Bank regularly escalates the role & awareness of Senior Management on important AML/CFT issues through issuing circulars, disseminating resource materials & holding quarterly meeting with CCC members. AML&CFT Division as per BFIU advice, submits half yearly activities along with self assessment report to the Managing director of the Bank followed by presenting the same in Board. The Central Compliance Committee (CCC) consists of all senior members of the Bank (mostly from heads of core banking segments) for guiding and mentoring

the AML&CFT Division in accordance with existing laws and regulations. The committee holds a meeting on quarterly basis wherein the members discuss the action plan for new three months. The committee also reviews the Bank's quarterly activities, development, problems and recommendations related to AML/CFT compliance.

Towards making the Bank a leading compliant bank in Bangladesh

The success of AML/CFT compliance results from a binding obligation and the strong commitment at all levels of the Bank. First of all, we all need to have a compliance mindset and to build congenial culture. Banking practices have to revolve around a compliance framework every day. In the ultimate commitment on AML/CFT compliance, the Bank stands firm against all sorts of money laundering and terrorist financing attempts and other financial crimes. The Bank is always guided by local and international standard to make the Bank "a leading compliant bank" in Bangladesh.

Customer Services and Compliant Management System

The Bank has established Central Customer Services and Compliant Management Cell (CCS&CMC) at Head Office to supervise overall complaint management activities of the Bank. During the year 2019, the Bank took steps to implement 'Guidelines for Customer Services & Complaint Management' issued by FICSD of Bangladesh Bank. The key focus was to establish complaint management system at Branch-level and Zonal Offices, enhance complaint lodgment procedures through various means and expedite complaint resolution process.

Asset Liability Management

Asset and liability management (ALM) is the practice of managing financial risks that arise due to mismatches between the assets and liabilities as part of an investment strategy. ALM comprises between risk management and strategic planning. It is focused on a long-term perspective rather than mitigating immediate risks and is a process of maximizing assets to meet complex liabilities that may increase profitability.

ALM is a systematic approach that attempts to provide a degree of protection to the risk arising out of the Asset/Liability mismatch. ALM consists of a framework to define, measure, monitor, modify and manage liquidity and interest rate risk. It is not always possible for financial institutions to restructure the asset and liability mix directly to manage asset/liability GAPs. Hence, off-balance sheet strategies such as interest rate swaps, options, futures, caps, floors, forward rate agreements, and so on, can be used to create synthetic hedges to manage Asset/ Liability GAPs.

The Dhaka Bank has an Asset Liability Committee (ALCO) comprised with senior management. This committee should meet at least once every month to Analyze, Review and Formulate strategy to manage the Asset and Liability of the Bank. Asset Liability Committee (ALCO)

MANAGEMENT DISCUSSION & ANALYSIS

Continued

evaluates liquidity requirement and the pricing strategy of the bank. One of the most important objectives of the ALCO is to maintain a contingency plan to equivocate significant market volatility like Interest Rate Risk and Liquidity Risk. It also emphasizes on maximizing return and minimizing risk by acquiring assets that have a low rate of default risk and by diversifying asset holding.

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



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

- The Managing Director
- The Additional Managing Director
- The Deputy Managing Director - Risk Management
- The Deputy Managing Director- Operations
- The Deputy Managing Director- International Business
- The Deputy Managing Director- Credit Risk Management
- The Chief Financial Officer
- The Head of Retail Banking,
- The Head of Credit Risk Management,
- The Head of Chief Risk Officer,
- The Head of Treasury.
- The Head of OBU

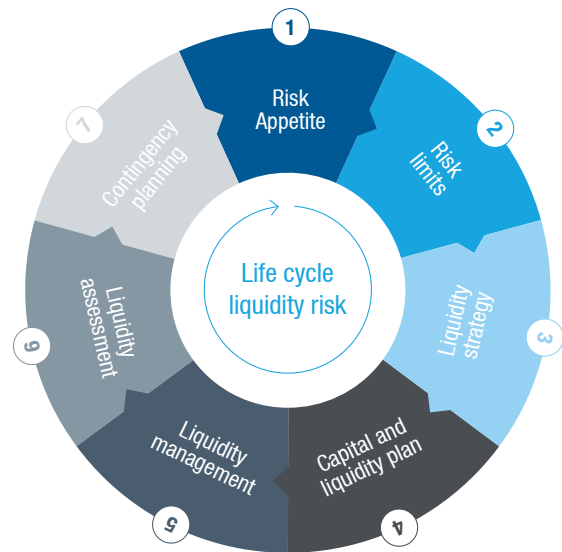
ALM Process

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

Liquidity Risk Management

Liquidity is a bank's capacity to fund increase in assets and meet both expected and unexpected cash and collateral obligations at reasonable cost and without incurring unacceptable losses. Liquidity risk is the inability of a bank to meet such obligations as they become due, without adversely affecting the bank's financial condition. Effective liquidity risk management helps ensure a bank's ability to meet its obligations as they fall due and reduces the probability of an adverse situation developing.

The main objective of Dhaka Bank liquidity management is to ensure to generate sufficient funds to meet all of its financial commitments in a timely and cost effective manner. The liquidity risk management framework is designed to identify, measure, monitor, and control the liquidity position. Dhaka Bank's liquidity risk management process has been maintaining adequate liquidity and a healthy funding profile.



Dhaka Bank has established a robust liquidity risk management framework that ensures that it maintains sufficient liquidity, including a cushion of unencumbered, high quality liquid assets, to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. Liquidity management is the constant ability to accommodate liability maturities and deposit withdrawals, funded asset growth and business operations, and to meet contractual obligations. Liquidity management involves forecasting funding requirements and maintaining sufficient capacity to meet the financial needs and accommodating fluctuations in asset and liability levels due to changes in our business operations or unanticipated events.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Human Resource

To fortify the HR philosophy, HR has laid down its vision, mission and values, as inclusive, enabling, and encouraging. It will help our employees to realize their full potential professionally and personally. Our ultimate goal is to providing the best employment experience.

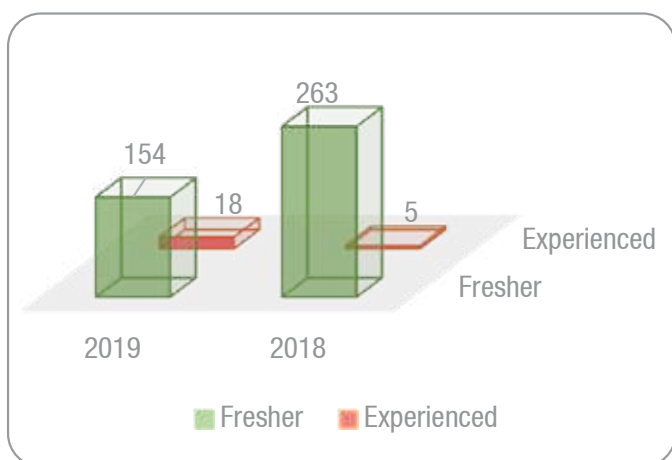
The Bank continued the innovation in the philosophy, methodology, system and mechanism of the human resources management towards the goal of stimulating operating vitality, enhancing market competitiveness and strengthening risk control. Efforts were made to deepen the official system reform, improve the organizational structure management, promote the organizational model innovation, optimize the personnel structure, strengthen the building of talents teams, and expand the career growth platforms of employees for the purpose of providing a strong organizational guarantee and talents support for the whole bank's reform and development.

Dhaka Bank's people practices are designed to cater to the rapidly evolving business environment. Aligning organization structure to emerging ecosystems, re-engineering processes, building capabilities and innovation are at the center of the Bank's people strategy. Ensuring that every employee upholds the values of being 'Customer Focus, Respect for the Individual' underpins the ethos of the Bank.

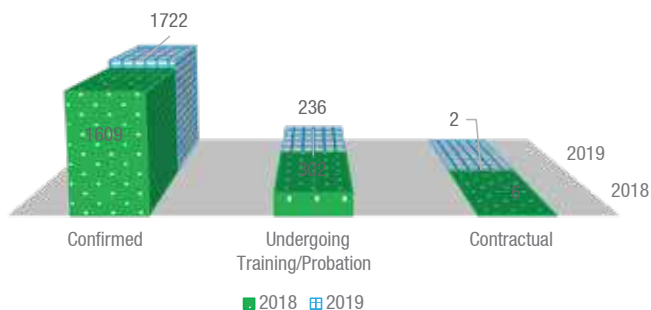
Talent Acquisition

Recruiting top talent in the financial services arena is a highly competitive and complex arena and one that is filled with immense challenges. To compete for scarce skills, we understand that we need to keep up with other sectors. As a result we are bolstering our brand as an employer and talent acquisition efforts through various investments, including more diversity training and recruitment, spending on technology to enable our workforce and increasing budgets on learning and development.

Recruitment Trend



Classification of Employees



Age Group	2018		2019	
	Male	Female	Male	Female
Above 60 years	4	0	2	0
51-60 years	103	18	93	16
41-50 years	355	89	338	90
31-40 years	725	212	693	205
21-30 years	298	113	392	131
Total	1485	432	1518	442

Service Length	2018		2019	
	Male	Female	Male	Female
16 years and above	244	58	232	54
11 – 15 years	198	66	191	67
6 – 10 years	394	131	366	125
3 – 5 years	190	45	288	66
Below 3 years	459	132	441	130
Total	1485	432	1518	442

Division wise Employee Distribution-2019

Division	No. of Branches	No. of Employees	
		Male	Female
Dhaka (Including Head Office)	53	1015	386
Chattogram	27	243	25
Sylhet	6	61	5
Khulna	4	32	9
Rajshahi	10	95	6
Barisal	1	9	1
Rangpur	3	27	7
Mymensingh	3	36	3
Total	107	1518	442

*Including 3 SME Service Centers and 1 OBU

MANAGEMENT DISCUSSION & ANALYSIS

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Human Resources Accounting

It involves tracking all the costs associated with employees of the banks. A more comprehensive human resource accounting system goes beyond the simple tracking of employee-related costs, and addresses the following two additional areas: a) Budgeting and b) Employee Evaluation.

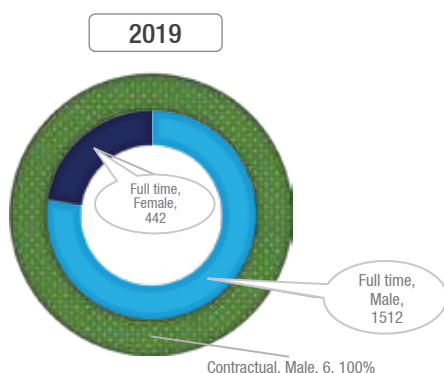
The main objective of HR Accounting is to depict the potential of the employees in monetary terms. It can be viewed from two different ways: 1) Cost of Human Resources 2) Value of Human Resources.

Items	2018	2019
Total Number of Employees	1917	1960
Total Number of Branches	105	107*
Employee per Branch	18	18
Deposit per Employee	102.86 M	104.35 M
Loans & Advances per Employee	94.22 M	99.81 M
Operating Profit per Employee	3.42 M	3.11 M
Salaries & Allowances per Employee	1.14 M	1.17 M
Salaries & Allowances as % of Operating Profit	33.28%	37.44%

*Including 3 SME Service Centers and 1 OBU

Diversity of Employees

The diversity of our employees - in thought, style, sexual orientation, gender identity, race, ethnicity, culture, and experience - makes us stronger, and is essential to our ability to serve our clients, fulfill our purpose, and drive responsible growth.



Code of Conduct

The Bank expects all its employees to act in accordance with the highest professional and ethical standards upholding the principles of integrity and compliance at all times. The Bank's Code of Conduct lays down the values and principles and the standards of professional conduct and desired behavior from its employees. The Bank expectations around compliance are communicated to its employees through multiple channels.

Equal Opportunity and Sexual Harassment

The Bank is an equal opportunity employer and seeks to ensure that the workplace is free of any kind of harassment or inappropriate behavior. Comprehensive policies and procedures have been laid down to create an environment where there is respect and dignity in every engagement. Sexual harassment cases are handled as per the guidelines set under the Sexual Harassment Policy at Workplace. The Bank has a mechanism for dealing with complaints of harassment or discrimination. The policy ensures that all such complaints are handled promptly and effectively with utmost sensitivity and confidentiality, and are resolved within defined timelines.

Key Account Manager for Female Employees

We have a designated Key Account Manager in the Human Resources Division. The female Key Account Manager is the primary contact point for our all female colleagues for any advice related to their career development, harassment issues, or any kind of job related issues.

Health and Safety

In the area of health, wellbeing and safety, the Bank has a comprehensive benefits plans. Bank offers multiple health related options for employees including hospitalization benefit, extraordinary benefits from the Board of Directors in emergency and critical situations.

Apart of these benefits, we conduct fire safety drill on regular basis to aware our employees. Moreover, proper First Aid box is stored to our premises in case of emergency need.

Human Capital

Businesses around the world proclaim their employees as being the most valuable resource of organization. Dhaka Bank also believes such notion. Broadly, a cluster of competences, diversity, engagement, values of employees, knowledge of employees considered as Human Capital in the banking industry. Human Capital has the potential to enhance overall productivity and efficiency, assist adherence to compliance requirements, ensure banks' survival, achieve sustainable success and enhance business performance. Intangible assets such as human capital have the potential rather than other assets to achieve sustainable competitive advantage. Service sector organizations (like banks) are more highly contingent on Human Capital than manufacturing organizations. In banks the fuel and energy that drive the business come from people.

Human capital is possibly the most vital, yet overlooked, means of establishing competitive advantage for companies today. Traditionally, organizations put emphasize on the factors, such as products, process, technology, and other resources. But current market characterized by globalized market and intensification of competition, the rapidly changing technology do not provide sustainable competitive edge over competitors.

Building human capital has become much emphasized in today's world. To become successful in the banking industry, we will be increasingly dependent on intangible assets such as talent. As competition intensifies, the need to attract and retain the best skills and talents will

MANAGEMENT DISCUSSION & ANALYSIS

Continued

become more urgent. Going forward, the availability of talents will become the pivotal factor determining the capacity for the industry to reinvent and transform. To align with this requirement, we have transformed our strategy and more focused on developing our resources, attract and retain the best talents from the market through better compensation package.

Developing our Talents

Training is a tool to equip the human resources with adequate job knowledge and skill besides shaping their behavior and attitude. Training need is being assessed and accordingly all the employees are imparted with training at both external Institutes and Bank's training institute.

The Bank has built a learning infrastructure that facilitates the learning process across all levels through a blended learning approach of classroom programs, external programs, certification programs as well as e-learning options.

Our Development effort in last two years

Year	Local			Foreign		
	Total Participants	Total Hours	Amount (BDT)	Total Participants	Total Hours	Amount (BDT)
2018	4649	7,812	9,030,807	27	582	5,367,859
2019	4682	7,950	11,875,462	20	306	3,939,643

Information Technology

Banking has become highly competitive in Bangladesh today. To be able to strive among the scheduled banks and grow in the rapid changing market environment, Dhaka Bank Limited (DBL) has always opted for latest technologies, which is being perceived as an 'enabling resource' that can help in developing a more flexible structure in order to respond quickly to the dynamics of a fast changing market scenario. DBL is also using Information Technology (IT) as an instrument of "cost reduction" and effective communication between customers and other institutions.

In DBL, IT has enabled sophisticated product development, better infrastructure, implementation of reliable techniques for control of risks and helped to reach geographically distant and diversified markets. DBL also use the Internet prudently which has influenced delivery channels of the banks. Internet has emerged as an important medium for delivery of banking products and services.

Now the customer of Dhaka Bank can view the accounts; get account statements, transfer funds and pay utility bills by just punching a few keys. The smart card's i.e., cards with micro-processor chip have added new dimension to the scenario. Collection of Electricity bills and telephone bills has become easy. No doubt banking services have undergone drastic changes and so also the expectation of customers from the banks is at a high than ever.

Some of the important initiatives are given below:

A. IT Infrastructure & Application

New Core Banking System (CBS)

Flexcube UBS 12.0.3, a product of Oracle Financial Services Software Ltd (OFSS), has numerous features to confront the ongoing market demand. It is one of the best CBS in the world using by the countless banks. It has Conventional & Islamic banking modules required by the bank and supports multi country operations. Bank is using this solution for its OBU operations also. It has interface with Debit Cards, ATM, POS, SWIFT, Internet banking, Mobile Apps. etc. It can be used as Centralized or De-centralized model with full redundancy. It has multilayer security option.

New Cards Management System

TranzWare cards management system is a product of Compass Plus, Russia and PA DSS certified solution. It has all the issuing and acquiring modules and supports most of the networks like VISA, MasterCard etc.

Identity and Access Management System

Identity and Access Management System is for ensuring security by single sign on options. Bank procured Oracle Identity and Access Management for identity governance, access management and directory services.

Data Center

The bank setup new Data Center for its Production and DR operations. Production Data Center has been designed as per EPI recommendations. Bank selected Cisco SDN based solution for its Network infrastructure considering its security and flexibility. All types of redundancy and security option maintained for it as per EPI recommendation.

Server and Storage

The bank implemented Oracle Sun SuperCluster M7 for its Core Banking and Cards system. SuperCluser has high-performance Architecture which is engineered for performance, security & efficiency. It has Silicon Secured Memory and Transparent Data & Network Encryption without impacting Performance. Both Production and DR site have the same hardware. In addition to the above, bank is using EMC storage and IBM/HP/DEL servers both in Production & DR site for other banking systems.

Data Backup

Bank is using EMC Data Domain system for its Server level data backup solution which has data encryption, compression & de-duplication capability and is instantly replicating data to DR site.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

For End-user data backup, bank is using EMC Avamar backup and recovery system which has also data encryption, compression, de-duplication and single step data recovery capability.

Booth Banking

Dhaka Bank has inaugurated two Banking Booths in 2019 as per Bangladesh Bank guideline to facilitate banking services at the door-step of customer. Booths are operated under the umbrella of a main branch where customer will get almost all regular services like account opening, cash deposit-withdrawal etc. from the booth of Dhaka Bank Limited without getting to the main branch.

B. Process Automaton

Robotic Process Automation (RPA)

Robotic Process Automation (RPA) is a solution to tackle rule based, repetitive tasks and processes. RPA uses Artificial Intelligence (AI) and Machine Learning capabilities to handle high-volume, repeatable tasks that previously required humans to perform. These tasks can include queries, data collection, calculations and maintenance of records and transactions, etc. RPA technology, sometimes called a software robot or bot, mimics a human worker, logging into core applications, entering data, calculating and completing tasks, and logging out.

BACH-2

Dhaka Bank Limited has successfully implemented BACH-2 which enables foreign currency (other than BDT) cheque clearing and foreign currency (other than BDT) electronic fund transfer through Bangladesh Bank. In BEFTN additional sessions are introduced to facilitate fund transfer facility.

C Solution

C Solution to automate Cash Management activities where customers can digitally send bulk payment requests to the bank to credit it to their beneficiaries (within or across the bank). It has maker/checker concept, 2FA option like OTP and notification system.

Trade Cloud

Trade Cloud is a web based solution for the Trade Customers which allows them to send their LC Issue/Amendment request along with supporting documents digitally, see the current status and receive the related advice from the bank after completion. It has maker/checker concept, 2FA option like OTP and notification system.

Bills-to-Cash

Bills-to-Cash to automate Invoice and Distributor financing. It is end to end solution where Buyer, Seller and Bank can digitally send request and approve. It has maker/checker concept, 2FA option like OTP and notification system.

bKash

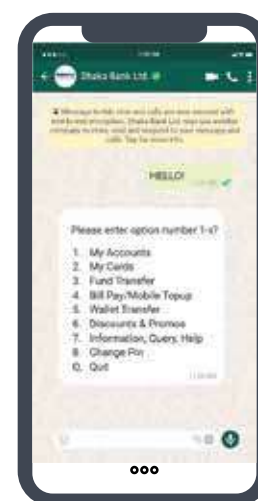
bKash Limited is the largest mobile financial services (MFS) provider in Bangladesh. bKash currently boasting an account base of 30 million along with Dhaka Bank's network of 103 Branches and 3 SME service centers and 2 Sub-Branches make a perfect example of financial inclusion. Under this arrangement, DBL customers can enjoy fund transfer facility from personal accounts to bKash. This can be done through both "Direct Banking" (DBL's internet banking) and "GO" (DBL's mobile application).

C. Digital Banking

WhatsApp Banking

Dhaka Bank has introduced Banking through WhatsApp for their valued clients. This system will help the clients to do almost all the banking activities through WhatsApp messenger. Clients will be able to check account balance, recent transactions, do fund transfer, and pay different bills along with many other facilities through WhatsApp messengers. The embedded artificial intelligence included in the system will simply do the reply to the messages of the client through WhatsApp. Through the message, clients will communicate with the system and will get their desired services from Dhaka Bank. This system will be very popular in recent days as people today are very much connected with the messaging applications and they prefer to perform banking transactions without visiting banks.

DHAKA BANK WHATSAPP BANKING



Internet Banking

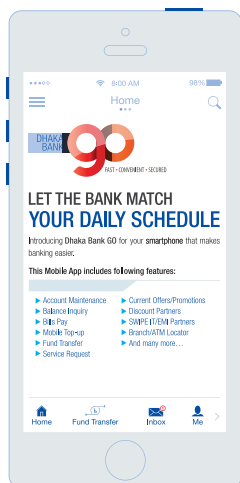
Dhaka Bank Direct Banking avails EFT and NPSB fund transfer, top up facility, Credit card & utility bills payment, bKash fund transfer, etc. Also customer can see their Account/Card information, view & download statement, Limit view. Customer must use OTP for other account transfer and getting notification after each transaction.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Mobile Apps- Dhaka Bank GO

Customer can see their Account/-Card information, view statement, Fund Transfer within/across the bank, Bill payment, Airtime top up etc. At time of registration, Customer's Mobile IME number is tagged with his/her User ID and system validate it at the time of login. Customer must use OTP for other account transfer and getting notification after each transaction.



Call Center & IVR

The solution has Inward & Outward Voice Call option, Predictive Dialer, Tele-banking and Web Chat option. Registered customers can do banking through IVR using their TPIN in secured way.

Cards and ATM

The bank has full pledged Cards Management system, currently offering Debit, Prepaid and Credit cards in the issuing site and ATM at the acquiring site. Customers are doing ATM, POS and e-commerce transaction using VISA/NPSB network. Currently bank is working to launch QR code based payment service.

D. Green Banking

Green Banking is an umbrella term referring to practices and guidelines that make banks sustainable in economic, environment, and social dimensions. It aims to make banking processes and the use of IT and physical infrastructure as efficient and effective as possible with zero or minimal impact on the environment. Considering the nature of banking processes and infrastructures, Dhaka Bank Limited is using workflow based Document Management System for the following request handling and document digitization:

- LC Origination and Amendment
- Bill Purchase/Discounting
- Loan Origination
- Debit Cards issuing
- Credit Cards approval
- Storing Digital copy of all Forms, Supporting Documents and Reports

As a part of Green Banking initiative, the Bank is also sending e-statement and e-advice to the customers in addition to the SMS notification.

Internal Control & Compliance

Internal Control System to minimize risk

Controls at the Bank are integrated directly into operating processes, either technically or manually (i.e. by organizational means). Technical controls are used in the IT systems. Employed Technical controls are often complemented by manual controls such as screen approvals carried out by the responsible employees. Data quality on initial entry into systems is ensured by organizational measures such as the dual-control principle, delegation of powers of approval, the separation of functions and by technical measures when issuing IT approval authorities. Additional controls during further processing guarantee that the data entered and used is complete and accurate.

Effectiveness of internal controls

The Board of Directors, through the Senior Management Team (SMT) and the Audit Committee of the Board, conducts annual review of the effectiveness of our system of risk management and internal control. The Management of the Bank ensures the Audit Committee of the Board regarding necessary actions to mitigate any failings or weaknesses identified through the operation of our framework of controls.

Structure of Internal Control & Compliance Division

In order to establish the efficient, effective and compliant internal control system in the Bank, Internal Control & Compliance Division segregated its functions into 03 (Three) separate units:

- Audit & Inspection Unit;
- Compliance Unit and
- Monitoring Unit.

Audit & Inspection Unit

Internal Audit provides auditing services for the Audit Committee of the Board independently, objectively and in a risk-oriented manner so as to evaluate the compliance, security and cost-effectiveness of Dhaka Bank Limited's business processes and flag potential for optimization. Internal Audit provides assurance by evaluating the appropriateness and effectiveness of risk management, the internal control system and business processes in a systematic and targeted manner, providing support on key issues in an internal auditing universe and issuing recommendations. In doing so, it contributes to the security of business processes and assets.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Compliance Unit

Compliance unit is entrusted to ensure that bank complies with all regulatory requirements while conducting its business. The unit ensures adequate and effective oversight on evolving changes in business climate and increased requirement of regulators. They maintain and manage a better relationship with the regulators and notify the other units/ departments and Branches regarding any regulatory changes. Compliance unit ensures the tracking, monitoring and validation of implementation of external audit, internal audit and regulatory audit and inspections.

Bangladesh Bank Inspection and Compliance

Dhaka Bank Ltd. received 121 reports and letters from Bangladesh Bank during the year 2019 and successfully submitted compliance of all reports and letters within stipulated timeline. Bangladesh Bank inspection team conducted a total number of 48 inspections that includes 43 Branches/Divisions during 2019.

Monitoring Unit

The Monitoring Unit of the division monitors effectiveness of the Bank's internal control system on an ongoing basis through follow-up of compliances and regularization of deficiencies that are obtained through different reports like QOR, LDCL, DCFCL, Risk Grading of the branches, transactions monitoring, semi-annual self-assessment etc. This unit also contributes towards improvement of Banks overall health viz. Financial Health, Internal Control and Compliance Heal and Image & Reputation Health.

Value addition by ICCD in 2019

- Timely escalation of material issues to the appropriate authority
- Optimum Coverage of Audit Universe with limited resources
- Reduced recurring type of irregularities at branch level
- Provoked to review Guidelines/ Polices and Manuals
- Regularized audit issues within a short possible time
- Strengthen offsite supervision through monitoring
- Emphasized on checking of vouchers
- Awareness buildup on whistle blowing

Islamic Banking Operations

Dhaka Bank Limited has been providing Islamic Banking services through its 2 (two) branches with adhere to the Islamic values & Integrity. One is Islamic Banking Branch, Motijheel, Dhaka inaugurated on July 02, 2003 and second one is Islamic Banking branch Muradpur, Chottogram was opened in May 22, 2004. Besides these, all conventional branches also providing Islamic Banking liabilities products Services from 2 Islamic Banking branches using online facilities.

Islamic Banking Division in Head Office

As per Guideline on Islamic Banking issued by Bangladesh Bank BRPD Circular No.15 dated 09.11.2009, a full pledged separate division namely "Islamic Banking Division" established in Head Office. Since established, the division has been taking up the duties & responsibilities of all works & day to day activities related to business, marketing, Product Development, Training of Islamic Banking & Finance, Islamic Treasury, regulatory, Shariah Supervisory Committee, Inter divisional, IBCF, CSBIB, AAOIFI, IFSB, Internal & External activities.

Islamic Banking Business

Since inception, Islamic banking business of Dhaka Bank marked steady growth in all areas - deposit, investment and profit. With only 2 branches, around 4 - 5% of Dhaka Bank's business (in terms of deposit & investment) is being conducted under Islamic banking modes. At the end of the year 2019, the deposit and investment of Islamic Banking operations of Dhaka Bank Ltd. stand at Tk.11,253.70 Million & Tk.5,927.86 Million at the same time Assets of DBL Islamic Banking Operations stand at Tk.12,067.89 Million.

Islamic Banking Products and services

At present Dhaka Bank offers almost all the deposit & investment products those are available in the country under its Islamic banking operations for collecting & sourcing and utilization of funds or in other words, pooling resources and deployment of the said resources. The following products are available now:

Dhaka Bank Ltd. has been maintaining following products under Islamic Banking Operations:

1. Al-Wadeeah Current Account, 2. Mudaraba Savings Account, 3. Mudaraba Term Deposit Account, 4. Mudaraba Special Notice Deposit Account, 5. Mudaraba Hajj Savings Account, 6. Mudaraba Pension Scheme Account, 7. Mudaraba Special Deposit Scheme Account, 8. Mudaraba Foreign Currency Deposit Account, 9. Tawfeer Mudaraba Deposit Pension Scheme – T- MDPS, 10. Tawfeer Mudaraba Savings Bond Account – T- MSBA, 11. Tawfeer Mudaraba Foreign Remittance Account – T- MFRA, 12. Mudaraba Gold Deposit Account, 13. Mudaraba Platinum Deposit Account, 14. Mudaraba Silver Deposit Account, 15. Mudaraba Residence Foreign Currency Deposit Account, 16. Mudaraba Ratib (Salary) Account, 17. Mudaraba Deposit Double Scheme, 18. Fixed Deposit Plus (Islamic) 19. Special Fixed Deposit Rates (Islamic), 20. Mudaraba Gift Cheque 21. Special Deposit Scheme Plus (Islamic).

UAT test & Application form of charity product Mudaraba Waqf Cash Deposit Account is finalized & the product will be launched very soon.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Dhaka Bank Limited Islamic Banking Branches offer to the customers the following investment products:

1. Murabaha Purchase Order, 2. Bai-Muazzal Industrial, 3. Bai-Muazzal Others, 4. Murabaha Post Import Trust Receipt, 5. Murabaha Term Finance Industrial, 6. Murabaha Term Finance Others, 7. Hire Purchase Shirkatul Meelk, 8. Ijarah Transport, 9. Ijarah Machinery & Equipment, 10. Quard against MTDR.

Others Products

Besides these Selling of Payment Order, Demand Draft, Issuance of Bank Guarantee, Performance Guarantee, Bid bond, Certificates and other necessary banking services are also available in the 2 (two) Islamic Banking Branches under Islamic Banking Operation of Dhaka Bank Ltd.

Activities – Year 2019

During the year 2019 a comprehensive policy guideline of Islamic Banking is to be updated & will be submitted for necessary approval to the concern authority. Reprint of Book named “Ibadat & Muamalat in Daily Life” is almost completed after necessary addition and correction & ready to final Print. The Book has been updated with various important Shariah issues & its number of Pages reached from 80 to at 132 & ready to print. Mudaraba Deposit Pension Scheme (MDPS) Application Form has since been updated & reprinted.

Retail Business

Dhaka Bank’s Retail Banking Division started its operation in the year 2002. Since then the bank has acquired a sizeable number of retail client base of appx. 350,000 at PE2019, and approved total retail loans amounting to appx. Tk.1,470 crore. Over the year 2019, the Bank has

continued its momentum on acquiring new retail clients and growing retail business in the area of deposit accounts, cards and retail loans. In line with the previous year significant steps have been taken on the digital space to cater to the needs of the tech-savvy retail customers. Notable features include the launching of Inter Bank Fund Transfer (IBFT) which enables our customers to transfer fund and pay credit card bills to 23 other banks through our mobile app Dhaka Bank GO instantly. Moreover the re-launch of Direct Banking Plus (internet banking) with a new look and feel to conduct real time transactions of up to Tk. Five lac also bolstered the bank’s digital offering.

In the year 2019, the Bank has increased extending retail loans by 10% compared to 2018. 87% retail lending was extended as secured loans such as Car, Home and security covered loans and only 13% was extended as unsecured loans. The focus has always been to do sourcing of loans from credit-safe salaried segment. On the retail deposit side, the Bank has witnessed straightway 5% growth in FY2019, with 36,000 new retail CASA accounts. With this growth, retail deposits now constitutes 48% of the total client deposit of the bank.

The Bank has continued to strengthen its Card Business eco-system and has observed an ascent in business parameters. This year the Bank has introduced another premium card product in the market from a different card service provider – Master Card Titanium, with EMV Contactless Technology. It needs to be mentioned here Dhaka Bank was the 2nd Bank in the country to have introduced the EMV Contactless Card technology and the first bank to have introduced the Lounge Key proposition under which the card holders can access 1000+ airport lounges across the world without having to carry an additional plastic. Besides these My Wage Prepaid Card for Payroll customers and Card Cheque for Credit Card Users were introduced in 2019. In terms of debit-credit card spending volume, the Bank’s card holders



Mr. Emranul Huq, Managing Director & CEO of Dhaka Bank Limited and Mr. Khondaker Sabbir Mohd. Kabir, Director, Accounts and Audit of American International University-Bangladesh (AIUB) are seen exchanging documents at a signing ceremony between two organizations which took place at AIUB Campus, Kuratuli, Dhaka on Thursday, April 18, 2019.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

(Debit & Credit) have used their cards 26% more in comparison to 2018. With these, the card operating revenue increased by 22% over the year of 2018. Now, with 350 discount merchant partners and 209 Swipe-it (installment purchase) merchant partners, Dhaka Bank Card proposition is considered as one of the most prospering cards in the industry.

Major Retail Banking Initiatives / Campaign in 2019

- The Bank has signed agreement with 3 prestigious universities and 1 English Medium School under its Tuition Fee Payment Solution and the Institutions are IUB, AIUB, BRAC and Sir John Wilson International School. With this addition the total partner Universities now stands at 6. The students / guardians of the partner universities can pay tuition fees at any Dhaka Bank branches across the country and the universities get automated reconciliation & reporting of the whole collection services instantly. Under this Tuition Fee Payment Solution the Bank has collected appx. Tk.1,265 m deposits from the partner universities in 2019.
- Payroll accounts observed a continuous growth of 35% YOY since 2015 and stood at appx. 45,000 accounts at PE 2019. ACI Salt, Energypac Power Generation, Nafa Apparels, Purbani group, Giant Group, Health care Diagnostic deserve special mention which have chosen Dhaka Bank as payroll account partner during 2019.
- Collection & recovery effort of retail loans have observed a marked growth in 2019. Classified loans have constituted appx. only 1.5% of total retail loan outstanding at the end of 2019. A total of appx. Tk. 21m including legal expenses was recovered from written-off retail loans and credit cards.
- The Bank has brought in IBFT (Inter Bank Fund Transfer) service for transferring of fund to other bank account / cards instantaneously using the bank's mobile app / i-Banking.
- Alliance with Car Vendors and Real Estate Vendors contributed a good sourcing of retail loans.

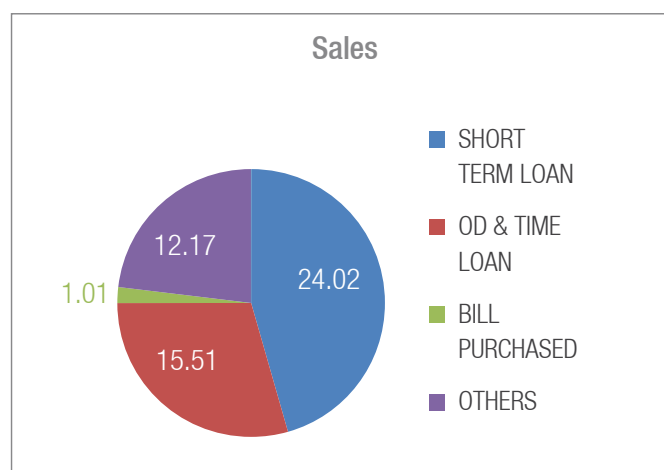
Off-Shore Banking

We have come a long way since we launched our Off-shore Banking operations in Dhaka Export Processing Zone 13 years ago. We are one of the pioneers among local banks in Bangladesh to set up Off-shore Banking Unit, which started its operation in the year of 2006 at Dhaka Export Processing Zone, Savar, Dhaka.

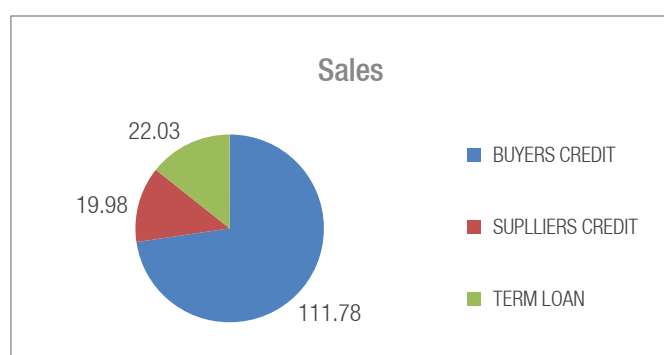
Though the country's offshore banking market is dominated by the foreign banks, Dhaka Bank has been able to make its strong and

delightful presence by attracting a good number of customers in a short period of time through effective marketing, competitive pricing and ensuring highest levels of professionalism along with excellent customer services backed by quality human and technological supports. OBU has invested around USD 240. million in offshore market in the year of 2019 to support Type-A industries, local entrepreneurs as well as to strengthen its asset portfolios. Portfolio of the unit during December, 2019 is shown in the following info graph:

OBU Business Portfolio	
A-type Industries	USD million
Short Term Loan	24.02
OD & Time Loan	15.51
Bills Purchased	1.01
Others	12.17



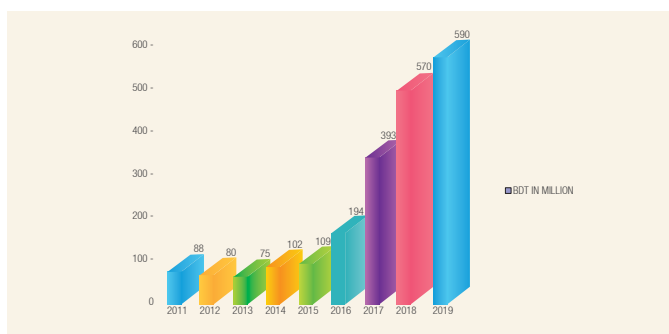
To Local Industries	
	USD million
Buyers	111.78
Suppliers credit	19.98
Term Loan	22.03



MANAGEMENT DISCUSSION & ANALYSIS

Continued

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



Nature of OBU facilities extended to the enterprises Dhaka Bank OBU extends the funded, non-funded and working capital facilities to the Type “A” industries of EPZ - EXP Certifying, LC Advising, Export Bill Negotiation, Export Bill Discounting, LC Opening, LTR creation, Short Term Loan, OD for working capital, Guarantee, NCFD Deposit, Current FC Account Deposit, FC Term Deposit and also extend the other facilities to the bonafide local entrepreneurs for their business growth as well as employment generation: UPAS LC Financing, Suppliers Credit facilities, Exporters Financing etc.

International Business

International Division works for ensuring smooth foreign trade business, foreign exchange transactions and channelizing wage earners remittance. This division is mainly divided into - i. Financial Institutions (FI) Unit & ii. Remittance Unit

Financial Institutions Unit arranges correspondent banking network, credit lines and other facilities required for 18 Authorized Dealer (AD) branches, 2 Central Processing Centers (CPCs) with 2 Service Hubs and 2 Offshore Banking Units (OBU) of DBL.

In the year of 2019, International Division’s FI Unit was engaged in strengthening its correspondent networks to facilitate the Bank’s trade finance business. Dhaka Bank has routed 29,310 LCs through its correspondent banks with total value USD 1.79 billion in 2019. The total number of export bills processed by Dhaka Bank in 2019 is 40,081 with total value USD 1.54 billion. Clients were offered multiple options in routing their LCs with confirmation and discounting facilities without any major hurdle. Moreover, geographical coverage with correspondent banks is continuously being increased ensuring smooth LC issuance service for our import clients.

At present, DBL has agency arrangements with total 20 exchange houses located in USA, UAE, UK, Oman, Italy and so on to facilitate remittance of expatriate Bangladeshis working abroad. Outlets of DBL’s NGO partners (PAGE and Padakhep Manabik Unnayan Kendra that have more than 329 branches) have been used significantly to facilitate remittance recipients locating across the country. Arrangement with mobile financial services like bKash enables Dhaka Bank to reach to the remittance to beneficiaries living in the remotest areas.

Dhaka Bank Training

Our Centre for Excellence

The need for professional excellence at Dhaka Bank was duly recognized by its Board of Directors leading to the creation of Dhaka Bank Training Institute (DBTI) in 2000.



Foundation Training for newly recruited MTO of Dhaka Bank Limited was inaugurated at the Dhaka Bank Training Institute (DBTI) on 23 December, 2019. Mr. Emranul Huq, Managing Director & CEO formally inaugurated the Program and other high Officials of Head Office & Training Institute also took part in the Program.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

DBTI is committed to develop the human resources, the driving force of the Bank through structured modular training programs. With a view to achieving professional excellence in Banking, DBTI conducts various courses, workshops, executive development programs mainly for Officers and Executives of the Bank. In the year of 2019 DBTI conducted 87 training programs covering 48 diverse courses for 3,342 Officers and Executives.

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

Communications & Branding

Communications and Branding Division was formed to uphold the face of the Bank. This division is considered as the face of Bank since it deals with all external communications which include customers, shareholders, regulatory bodies, etc. Since the inception of this division, it has been contributing towards corporate image building through various marketing tools and techniques. The core functions of this division include brand management, advertising, public relations, event management, media planning and buying, activation, social media marketing, etc.

Key Highlights of Communications & Branding Division is as follows:

Major Sponsorship Events

- 4th Dhaka International Folk Fest 2019
- Bangabmata U-19 Women's Gold Cup 2019
- Sheikh Kamal International Club Cup 2019
- 5th Dhaka Bank Golf Tournament at AGC 2019
- Sponsoring Rajshahi Kings in BPL 2019
- Sponsoring FIBA Asia U-16 Championship 2019 SABA Zone Qualifier
- Baridhara Pitha Utshab

Major Internal Events:

- 24th Annual General Meeting
- Regional Managers' Conference [Dhaka & Narayanganj]
- Regional Managers' Conference [Chottogram Region]
- Regional Managers' Conference [North North]
- Celebrating International Woman's Day

Major Celebration with Clients

- 24th Anniversary of the Bank
- Giveaways on the occasion of Celebration of Bengali New Year
- Giveaways on the occasion of Eid-UI-Fitre 2019
- New Year Calendar 2019

Major Campaigns

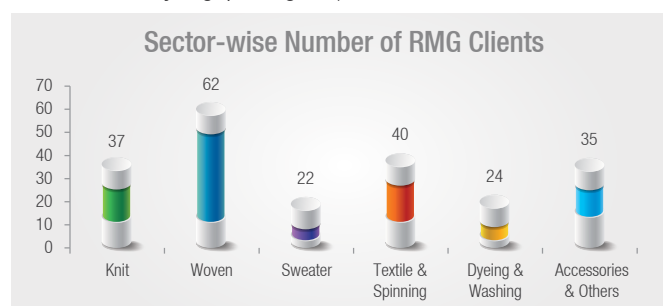
- Launching of Mastercard Titanium Credit Card
- Eid ul Fitr Credit Card Campaign 2019
- Eid ul Adha Credit Card Campaign 2019
- Generated 1800 plus PR mentions (press coverage) in the year 2019
- Third most popular Facebook Page in Bank and NBF industry.

RMG Financing

Bangladesh is one of the largest apparel exporters in the world. In the 1980s, about 50 factories were involved in manufacturing of ready-made garments, while the number is now estimated to hover around 4,365 (Source: BGMEA). The RMG Industry is now the lifeline to Bangladesh economy. In FY2018-19, overall national export was USD 40.53 billion and RMG export was USD 34.13 billion (Source: EPB). Around 84.20 per cent (Source: EPB) of the country's export earnings come from RMG. Production of Ready Made Garment is also crucial to our economy, as the sector is creating largest job opportunities for women, and the largest source of foreign currency. International brands appreciate Bangladesh as a sourcing location because of reliable production quality, fast times and low costs. In banking, RMG clients are major source of fee based income.

In Dhaka Bank, we are engaged in financing RMG clients since the inception of the bank. In 2013, separate RMG & Allied Unit was formed to serve the RMG concerns. In 2017, the unit was converted into RMG Division to ensure better service to the RMG clients as well as to ensure proper monitoring and control.

Total number of clients of Dhaka Bank Ltd. involved in direct & deemed export of RMG were 223 by the end of December 2019, of which, 10 new clients have been included in RMG portfolio during 2019. Clients involved in direct export were 121 (Knit: 37, Woven: 62 & Sweater: 22) & deemed exported 102 (consists of accessories, spinning, interlining, fabrics, textile, dyeing, printing etc.)

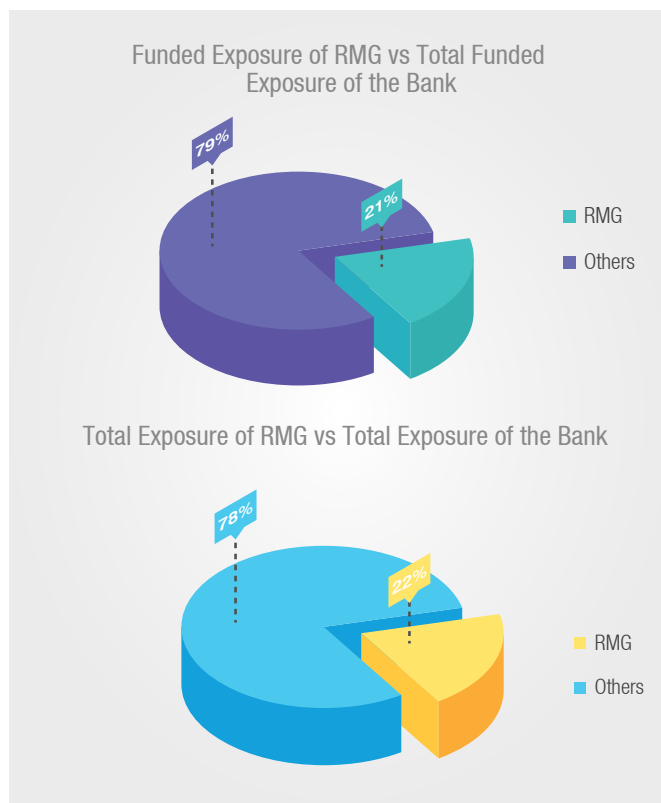
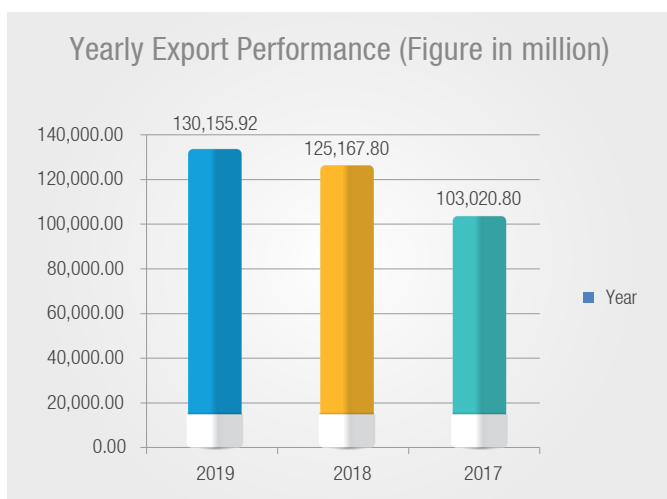


Total export reflected by RMG concerns of Dhaka Bank Ltd. was USD 1,549.47 million (Tk.130,155.92 million) in 2019 that was 86.77% of yearly export target of 2019 & showing 3.98% growth from total export of previous year.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Total funded exposure of RMG concerns as on 31.12.2019 was Tk.41,225.60 million, representing 21.07% of the Bank's total funded exposure (Showing -5.19% growth from last year). Total non funded exposure as on 31.12.2019 was Tk. 27,236.00 million, representing 22.55% of the Bank's total non-funded exposure (showing -16.82% growth from last year). Total funded & non funded exposure as on 31.12.2019 was Tk. 68,461.60 million, representing 21.64% of the Bank's total exposure (showing -10.19% growth from last year).



Cash Management

Since the introduction in 2017, our Cash Management Unit [CMU] is doing a commendable job by introducing new services in the market. The number of booked Clients under Cash Management Services at the end of 2019 was 50 with an average daily fund retention of Tk. 103.00 crore.

Other highlights for 2019:

- First ever Bank to do system integration with bKash Ltd. for bKash's distributor payments.

- Introduced Fund Pulling Service to process the Clients' bulk collections.
- Taking Dhaka Bank Automated Payment & Collection Portal 'Dhaka Bank C Solution' to a leading height in the Industry in terms of providing automated Cash Management Solution for the Corporate Clients' bulk transactions
- Monthly average transaction volume through Dhaka Bank C Solution was around Tk. 750.00 crore



Dhaka Bank Limited has signed an agreement on January 02, 2020 for providing online cash management services to National Housing Finance and Investments Limited. at Dhaka Bank Limited Corporate Office. Mr. Emranul Haq, Managing Director & CEO of Dhaka Bank Ltd. and Mr. Md. Khalilur Rahman, Managing Director of National Housing Finance and Investments Limited have signed and exchanged the agreement on behalf of their respective organizations.

RISK MANAGEMENT & CONTROL ENVIRONMENT

Risk is an inevitable part of business. Banking business, however, is not excluded from risk. Risk being a fundamental part of financial intermediation and banking business, adequate assessment and management of risks is vital to ensure the soundness of individual financial institutions and stability of the overall financial system.



RISK MANAGEMENT & CONTROL ENVIRONMENT

Continued

Risk Management of Dhaka Bank

Dhaka Bank Limited has established Risk Management Division (RMD) integrating the Existing 'Risk Management Unit' and 'Basel Implementation Unit' for strengthening risk management activities of the bank with effect from February 26, 2013. Previously, RMD was known as "Risk Management Unit" (RMU) and before that it was "Basel II Implementation Unit". RMD looks after effectiveness of the Core Risks Management of the Bank and also ensure the capital management of the Bank under Basel Accords together with the directives of Bangladesh Bank from time to time.

Risk Management Framework

Risk Management is an integrated, bird's eye view approach for consolidating all individual risk management functions. It adopts/ formulates contemporary risk management methods to identify, measure, monitor and control risks throughout the banking organization. The objectives of Risk Management are to ensure:

- The individuals who take and manage the risks clearly understand the same.
- Risk taking decisions are explicit and clear.
- The organization's risk exposure is within the respective limits.
- Decisions relating to risk are in line with the business strategy and objectives.
- The expected payoffs compensate for the risks taken and
- Adequate capital to support the Risk.



Figure: Risk management Framework

Risk Management Guidelines

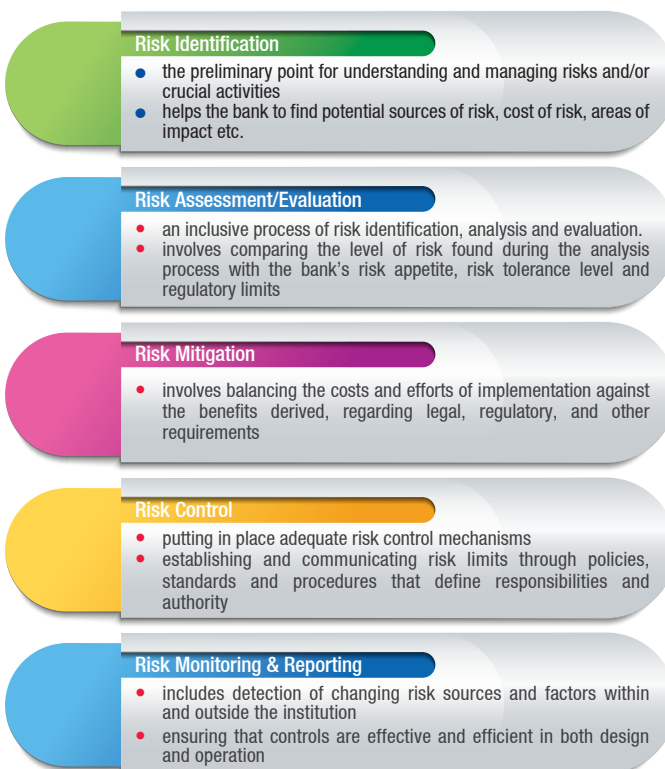
Dhaka Bank introduced comprehensive Risk Management Guidelines in June 2019 in alignment with its nature, size and complexity of business activities. The guidelines in details depicts how to assess and treat risks faced by the bank given its structure and how risk management should be a top-down approach at every organization.

As per the guideline, the Chief Risk Officer (CRO) shall undertake certain responsibilities to ensure accurate risk management across the bank:

- Actively engage with the management in the process of setting risk appetite and limits for the various business lines with a view to achieve bank's overall strategic planning and monitoring their performance relative to risk-taking and limit adherence.
- Contributing and participating in key decision-making processes (i.e. strategic planning, capital and liquidity planning, new products and services, compensation design and operation).
- Providing opinion regarding extent of risk in case of credit proposal for large loan before submission to EC/board for sanctioning.
- Ensuring proper disclosure of key performance indicators of the bank via Pillar III of Basel III accords
- Building risk culture throughout the bank through Risk Register.

Risk Mitigation Methodology

Banking is about managing risk and return. The most optimum management of risk ultimately brings success for a bank. Risk Management is one of the most fundamental functions of a banking institution. Having uncertainty directly related with regular banking operations, a sound risk management framework is a must to bring prime return to all its stakeholders.



RISK MANAGEMENT & CONTROL ENVIRONMENT

Continued

a. Credit Risk and its mitigation

Credit risk refers to the risk that a borrower may not repay a loan and that the bank may lose the principal of the loan or the interest associated with it. Credit risk also refers to the risk of negative effects on the financial result and capital of the bank caused by borrower's default on its obligations to the bank.

Generally credits are the largest and most obvious source of credit risk. However, credit risk could stream from both on-balance sheet and off-balance sheet activities. It may arise from either an inability or an unwillingness to perform in the pre-committed contracted manner. Credit risk comes from a bank's dealing with individuals, corporate, banks and financial institutions or a sovereign.

The assessment of credit risk involves evaluating both the probability of default by the borrower and the exposure or financial impact on the bank in event of default.

The Credit Risk Management (CRM) division of the bank should be responsible for:

- Application of credit risk policy/ strategy approved by the Board
- Ensure compliance with limits approved by the Board
- Placing at the Board with recommendation for approval of credit proposal and ensuring that proposal contains standard presentation and accurate financials.

Principles of the bank's credit risk management:

Bank's credit risk management is mostly addressed based on the following principles:

A. Establishing an appropriate credit risk environment

Principle 1: The board is responsible for approving and periodical reviewing the credit risk strategy and significant credit risk policies of the bank. The strategy should reflect the bank's risk appetite and the level of profitability the bank expects to achieve for incurring various credit risks.

Principle 2: Senior management is responsible for implementing the credit risk strategy approved by the board and for developing policies and procedures for identifying, measuring, monitoring and controlling credit risk.

Principle 3: The Bank should identify and manage credit risk inherent in all products and activities.

B. Operating under a sound credit granting process

Principle 4: The Bank must operate under sound, well-defined credit-granting criteria. These criteria should include a thorough understanding of the borrower or counter party, as well as the purpose and structure of the credit, and its source of repayment.

Principle 5: The Bank should establish overall credit limits at the level of individual borrowers, and group of connected counter parties that aggregate different types of exposures, both in the banking and trading book and on and off balance sheet.

Principle 6: The Bank should have a clearly established process in place for approving new credits as well as the extension of existing credits.

Principle 7: All extensions of credit must be made on an arm's-length basis. In particular, credits to related companies and individuals must be monitored with particular care and other appropriate steps taken to control or mitigate the risks of connected lending.

C. Maintaining an appropriate credit administration, measurement and monitoring process

Principle 8: The Bank should have in place a system for the ongoing administration of their various credit risk-bearing portfolios.

Principle 9: The Bank must have in place a system for monitoring the condition of individual credits, including determining the adequacy of provisions and reserves.

Principle 10: The Bank should develop and utilize internal risk rating systems in managing credit risk. The rating system should be in line with the regulatory instructions and consistent with the nature, size and complexity of a bank's activities.

Principle 11: The Bank must have information systems and analytical techniques that enable management to measure the credit risk inherent in all on balance sheet and off-balance sheet activities. The management information system should provide adequate information on the composition of the credit portfolio, including identification of any concentrations of risk.

Principle 12: The Bank must have in place a system for monitoring the overall composition and quality of the credit portfolio.

Principle 13: The Bank should take into consideration potential future changes in economic conditions when assessing individual credits and their credit portfolios, and should assess their credit risk exposures under stressful conditions.

D. Ensuring adequate controls over credit risk

Principle 14: The Bank should establish a system of independent, ongoing credit review and the results of such reviews should be communicated directly to the board and senior management.

Principle 15: The Bank must ensure that the credit-granting function is being properly managed and that credit exposures are within levels consistent with prudential standards and internal limits. The Bank should establish and enforce internal controls and other practices to ensure that exceptions to policies, procedures and limits are reported in a timely manner to the appropriate level of management.

Principle 16: The Bank must have a system in place for managing problem credits and various other workout situations.

RISK MANAGEMENT & CONTROL ENVIRONMENT

Continued

b. Market Risk and its mitigation

The market risk is the risk of valuation loss or reduction in the expected earnings stemming from adverse fluctuations in foreign exchange rates, interest rates, equity prices, credit spreads and cross currency basis spreads.

Market risks predominantly arise from the Bank's core business activities and the liquidity portfolio needed to support these activities. The Bank's strategy is to obtain cost-efficient funding from diversified sources and provide lending that is tailored to the needs of its customers. This gives rise to foreign exchange risk and structural interest rate risk due to mismatches in the Bank's assets and liabilities in terms of currency composition, maturity profile and interest rate characteristics.

Market risk exposure-

- may be explicit in portfolios of securities/equities and instruments that are actively traded;
- may be implicit such as interest rate risk due to mismatch of assets and liabilities; and
- may arise from activities categorized as off-balance sheet items

The risk arising from market risk factors such as interest rates, foreign exchange rates, and equity prices have been noted below:

i. Interest rate risk and its mitigation

Interest rate risk is the potential impact on the bank's earnings and net asset values due to changes in market interest rates. Interest rate risk arises when a bank's principal and interest cash flows (including final maturities), both on and off balance sheet, have mismatched re-pricing dates. The amount of risk is a function of the magnitude and direction of interest rate changes and the size and maturity structure of the mismatch position. Bank's lending, funding, and investment activities give rise to interest rate risk.

Interest rate risk management must be conducted within the context of a comprehensive business plan.

The bank has developed and implemented effective and comprehensive procedures and information systems to manage and control interest rate risk in accordance with its interest rate risk policies. These procedures are in accordance to the size and complexity of the bank's interest rate risk-taking activities.

The Bank manages interest rate risk by using derivatives to convert fixed rate funding into floating rate liabilities. Fixed rate lending that is not match-funded, is converted to floating rate receivables. This portfolio hedging approach ensures that interest rate risk between lending and funding in each currency remains low. The majority of the Bank's interest rate risk, therefore, stems from the portfolio of liquid assets.

ii. Foreign Exchange Risk and its mitigation

Foreign exchange risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates.

The foreign exchange positions arise from the following activities:

- Trading in foreign currencies through spot, forward and option transactions as a market maker or position taker, including the unheeded positions arising from customer driven foreign exchange transactions.
- Holding foreign currency positions in the banking book (e.g. in the form of loan, bonds, deposits or cross border investments); or
- Engaging in derivative transactions that are denominated in foreign currency for trading or hedging purposes.
- In the foreign exchange business, bank also faces the risk of default of the counter parties or settlement risk. Thus bank may incur replacement cost, which depends upon the currency rate movements.

The bank also face another risk called time-zone risk, which arises out of time lags in settlement of one currency in one center and the settlement of another currency in another time zone.

The foreign exchange transactions with counter parties situated outside Bangladesh also involve sovereign or country risk.

The followings few of the methods that are followed to mitigate foreign exchange risk:

Limits: Each dealer is allocated individual limit by the Head of Treasury who is usually delegated by the CEO. Dealing limits are set according to the bank's size and complexity of business, market conditions, and counterparty.

Stop-loss Limit: This is another mechanism of mitigating foreign exchange risk. Every dealer is assigned a stop-loss limit to restrict intuition-driven trades by the Head of Treasury based on the organization's portfolio and risk appetite. Limits are also set for individual deals and dealer portfolio positions.

Valuation: The Treasury back-office evaluates all outstanding positions at current market rates (mark-to-market) to determine their market value on a daily basis. This practice provides information regarding the profitability or loss of outstanding contracts.

iii. Equity Price Risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in the levels of equity indices and the value of individual stocks. These losses could arise because of changes in the value of listed shares held directly by the bank; changes in the value of listed shares held by a bank subsidiary; changes in the value of listed shares used as collateral for loans from a bank or a bank subsidiary, whether or not the loan was made for the purpose of buying the shares; and changes in the value of unlisted shares.

RISK MANAGEMENT & CONTROL ENVIRONMENT

Continued

Equity price risk associated with equities could be systematic or unsystematic. The former refers to sensitivity of portfolio's value to changes in overall level of equity prices, while the latter is associated with price volatility that is determined by firm specific characteristics.

Diversification is one of the ways to mitigate equity price risk. Diversifying among various equity asset classes is of the utmost importance in mitigating equity risk.

iv. Commodity risk

Commodity risk is the threat of changes to a commodity price that may have a negative effect on future market value and income.

c. Operational Risk Management and its mitigation

Operational risk is the prospect of loss resulting from inadequate or failed procedures, systems or policies, employee errors, systems failures, fraud, other criminal activities, internal process errors or unforeseeable external events.

It is clear that operational risk differs from other risks in that it is typically not directly taken in return for an expected reward, but exists in the natural course of corporate activity, and that this affects the risk management process. At the same time, failure to properly manage operational risk can result in a misstatement of a bank's risk profile and expose the bank to significant losses.

Operational risk is a type of risk that has huge scope of occurrence in everyday banking activities. As per regulator, there are 6 fundamental principles that the bank should address in its approach to operational risk management. Dhaka Bank has applied this principle throughout the bank to its best capacity to mitigate operational risk. The principles are:

- Ultimate accountability for operational risk management rests with the board, and the level of risk that the organization accepts, together with the basis for managing those risks, is driven from the top down by those charged with overall responsibility for running the business.
- The board and senior management shall ensure that there is an effective, integrated operational risk management framework. This shall incorporate a clearly defined organizational structure, with defined roles and responsibilities for all aspects of operational risk management/monitoring and appropriate tools that support the identification, assessment, control and reporting of key risks.
- The board and senior management shall recognize, understand and have defined all categories of operational risk applicable to the bank. Furthermore, they shall ensure that their operational risk management framework adequately covers all of these categories of

operational risk, including those that do not readily lend themselves to measurement.

- Operational risk policies and procedures that clearly define the way in which all aspects of operational risk are managed shall be documented and communicated. These operational risk management policies and procedures should be aligned to the overall business strategy and should support the continuous improvement of risk management.
- All business and support functions shall be an integral part of the overall operational risk management framework in order to enable the institution to manage effectively the key operational risks facing the bank.
- Line management shall establish processes for the identification, assessment, mitigation, monitoring and reporting of operational risks that are appropriate to the needs of the bank, easy to implement, operate consistently over time and support an organizational view of operational risks and material failures.

Apart from such compliance, Dhaka Bank also issues circulars time to time to different business/operational units regarding operational risk related issues that the Bank may face.

d. Asset-liability Risk Management and its mitigation

Asset Liability Management (ALM) can be defined as a mechanism to address the risk faced by a bank due to a mismatch between assets and liabilities either due to liquidity or changes in interest rates. Liquidity is an institution's ability to meet its liabilities either by borrowing or converting assets. Apart from liquidity, a bank may also have a mismatch due to changes in interest rates as banks typically tend to borrow short term and lend long term. An insightful view of ALM is that it simply combines portfolio management techniques (that is, asset, liability and spread management) into a coordinated process. Thus, the central theme of ALM is the coordinated – and not piecemeal – management of a bank's entire balance sheet.

The management of the bank sets different limits in managing risk and exposures. The current limit of all indicators along with recent utilization is included for management review. Also trend for last few months are also included for better understanding of the behavior of the indicators.

Some key mitigating factors for ALM risk are mentioned below:

Structural Liquidity Profile (SLP): SLP is a statement that contains the net gap between assets and liabilities at different maturity bucket. If the net gap shows that there is more cash outflow than cash inflow under particular maturity buckets, then it indicates that the Bank has to take precautionary measures or keep provision to cater for the cash outflow. Thus, this helps the Bank to projects its cash inflow/ outflow at different time period.

RISK MANAGEMENT & CONTROL ENVIRONMENT

Continued

Liquidity Coverage Ratio (LCR): LCR or Liquidity Coverage Ratio is a new liquidity standard introduced by the BCBS. This standard is built on the methodologies of traditional liquidity coverage ratio used by banks to assess exposure to contingent liquidity events. The minimum acceptable value of this ratio is 100 percent.

Net Stable Funding Ratio (NSFR): The NSFR aims to limit over-reliance on short-term wholesale funding during times of abundant market liquidity and encourage better assessment of liquidity risk across all on and off-balance sheet items. The minimum acceptable value of this ratio is 100 percent, indicating that available stable funding (ASF) should be at least equal to required stable funding (RSF).

Wholesale Borrowing Guidelines (WBG): The aim of wholesale borrowing (WB) guidelines is to set a limit for borrowed fund. The limit should be set in absolute amount based on bank's regulatory capital (Tier-1 plus Tier-2) and considering liquidity needs due to maturity mismatch, borrowing capacity of the bank and historic market liquidity. WB covers call borrowing, Short Notice Deposit from banks and financial institutions, placement received with maturity less than 12 months, commercial papers/similar instruments and overdrawn Nostro-accounts.

Commitments Limit: Total Commitments include undrawn portions of continuous loan including interest thereon and undrawn portions of term loans, outstanding irrevocable letters of credit and similar instruments, letters of guarantee, acceptances and similar instruments. The commitment limit should be fixed considering three important ratios. These are: i) Total commitments to total Assets, ii) Total commitments to Total Eligible Capital and iii) Total commitments to total High Quality Liquid Assets (HQLA). The highest acceptable limits of these ratios are less than 50%, less than 500% and less than 250% respectively. The commitment limit should be the lowest amount of the three ratios mentioned above.

Advance to Deposit Ratio (ADR): Advance to Deposit Ratio, actually the ratio is determined by putting Advance in numerator and Liabilities (excluding capital) in denominator. Considering the regulatory liquidity requirements (CRR and SLR), the maximum value of the ratio shall be derived using the formula $[100\% - CRR * SLR]$. However, excessive lending may expose the bank in serious liquidity and interest rate risk as the market liquidity may tighten any time.

e. Internal Control & Compliance Risk Management and its mitigation

Internal control as defined in accounting and auditing, is a process for assuring achievement of an organization's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies. However, in broader concept, internal control involves everything that controls risks to an organization.

Internal control can be defined with the help of five following components:

- **Control Environment** - sets the tone for the organization, influencing the control consciousness of its people. It is the foundation for all other components of internal control.
- **Risk Assessment** - the identification and analysis of relevant risks to the achievement of objectives, forming a basis for how the risks should be managed
- **Information and Communication** - systems or processes that support the identification, capture, and exchange of information in a form and time frame that enable people to carry out their responsibilities
- **Control Activities** - the policies and procedures that help ensure management directives are carried out.
- **Monitoring** - processes used to assess the quality of internal control performance over time.

Dhaka Bank has a vigorous organizational structure in place that ensures transparency, accountability and authenticity. The definition of internal control implies that everyone in the bank has responsibility for internal control to some extent. Virtually all employees produce information used in the internal control system or take other actions needed to affect control. Also, all personnel should be responsible for communicating upward problems in operations, non-compliance with the code of conduct, or other policy violations or illegal actions.

Roles and responsibilities of management, board of directors and employees of the Bank are noted below:

• Management:

The CEO & Managing Director of the Bank has overall responsibility for designing and implementing effective internal control in Bank. More than any other individual, the chief executive sets the "tone at the top" that affects integrity and ethics and other factors of a positive control environment.

The senior management of the Bank will assign responsibility for establishment of more specific internal control policies and procedures to personnel responsible for the functions of the individual units/divisions.

• Board of Directors:

The management of the Bank is accountable to the Board of Directors, which provides governance, guidance and oversight in achieving the business goals of the bank. The Board will set effective upward communications channels and capable financial, legal and internal audit functions, is often best able to identify and correct problems relating to internal control of the Bank.

RISK MANAGEMENT & CONTROL ENVIRONMENT

Continued

Auditors:

The internal auditors and external auditors of the Bank also measure the effectiveness of internal control through their regular course of activities. They will assess whether the controls are properly designed, implemented and working effectively, and make recommendations on how to improve internal control. They may also review Information technology controls, which relate to the IT systems of the bank.

f. Money Laundering & Combating Financing of Terrorism (CFT) Risk Management and its mitigation

Money laundering is a financial crime which includes concealment, misrepresentation and disguise of illegal income sources; it often involves taking advantage of vulnerable financial institutions, especially in developing economies. Money Laundering is happened by launderers worldwide.

Money laundering has a major impact on a country's economy as a whole, impeding the social, economic, political, and cultural development of a society. Both money laundering and terrorist financing can weaken individual financial institution, and they are also threats to a country's overall financial sector reputation. Combating money laundering and terrorist financing is, therefore, a key element in promoting a strong, sound and stable financial sector.

Terrorist financing can simply be defined as financial support, in any form, of terrorism or of those who encourage, plan, or engage in terrorism.

Dhaka Bank has its own mechanism in place to combat money laundering & CFT. The Bank has Chief Anti-money Laundering Compliance Officer (CAMLCO) and Deputy CAMLCO. For proper reviewing of account transactions and fostering anti-money laundering culture throughout the branch, every branch has a Branch Anti-money Laundering Compliance Officer (BAMLCO). Training is conducted regularly for all officers to ensure KYC compliance, to identify suspicious activities or transactions and to disseminate knowledge regarding existing anti-money laundering act and punishment.

Monitoring is one of the crucial aspects of managing Money Laundering Risk. Generally, inconsistencies are investigated against stated purpose of the account such as- transaction profile (TP), source of fund etc. Some common mitigation tools for anti-money laundering are-

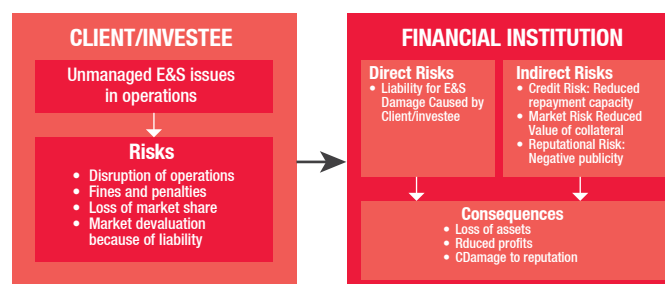
CTR (Cash Transaction Report): Cash transactions (deposits or withdrawals) that breach certain limits set by Bangladesh Bank are reported to the Central Bank.

STR (Suspicious Transaction Report): Any unusual transaction by the customer in any account is reported to the central bank.

SAR (Suspicious Activities Report): Any unusual behavior or activity by customer is reported to the central bank.

g. Environmental and Social Risk Management and its Mitigation

Environmental and social risk to a financial institution (FI) stems from the environmental and social issues that are related to a client's/investee's operations.



Environmental and social risks can be mitigated through compliance with environmental and social regulations and international environmental and social standards. These risks are not static, but rather are dynamic over time and subject to change.

Dhaka Bank formulated its Environmental and Social Risk Management (ESRM) Policy in September, 2018 that depicts the Bank's commitment towards Environmental and Social Risk Management. The ESRM policy of the Bank is applied in considering loan categories of the following: agriculture, retail, trade, microfinance, SME, corporate finance and project finance.

Internal Capital Adequacy Assessment Process (ICAAP)

As part of Basel III accords, Bank has to prepare and submit a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) on yearly basis as stipulated by the Bangladesh Bank. ICAAP is aimed at ensuring that the Bank maintains an amount of capital for additional risk that was not covered in Pillar I of Basel III.

Stress Testing

This tool is used to measure the bank's exposure to unexpected but presumable change in various related factors (e.g. increase in NPL, change in interest rate, fall of security value etc.). The effect of this model is expressed through change in overall CRAR of the bank. It is performed on quarterly basis.

Comprehensive Risk Management Report (CRMR)

Bangladesh Bank also determines the status of risk management of the bank on the basis of RMP and half yearly Comprehensive Risk Management Report provides Risk Management rating semiannually which is ultimately considered for the CAMELS rating of the Bank.

The credit risk management approach used is to be sufficient for the lending activities and sufficient risk-return discipline is to be instilled in credit risk management process.

Large Loan Concentration

Particulars	2019	2018
Total Large Loan %	53.52%	52.39%
Top-20 Borrowers' Concentration %	19.45%	21.34%

RISK MANAGEMENT & CONTROL ENVIRONMENT

Continued

Executive Risk Management Committee (ERMC)

Sl.	Functional Designation	Designation	Position in the Committee
1.	CRO, the Chairman of ERMC	SEVP and Chief Risk Officer	Chairman
2.	Head of ICT	SEVP & Head of ICT	Member
3.	Head of ICC	SEVP & Head of ICC Division	Member
4.	Head of CRM	SEVP & Head, CRM Division	Member
5.	Head of Operations	EVP & Head of Operations	Member
6.	Head of AML	EVP & Head, AML & CFT Division	Member
7.	Head of Recovery (SAMD)	SVP & Head of SAMD	Member
8.	Head of CAD (CPC)	SVP & Head of CPC Credit	Member
9.	Head of Business (Corporate)	SVP, Corporate Division	Member
10.	Head of Finance	SVP & CFO (Acting)	Member
11.	Head of Treasury	SVP & Head, Treasury Division and FX	Member
12.	Head of ID	VP & In-charge, International Division	Member
Secretariat of ERMC			
13.	Member Secretary of ERMC	EVP & Deputy CRO and Member Secretary of ERMC	Member Secretary
14.	Risk Manager	AVP & Risk Manager, RMD	Member

Disclosure of Risk Reporting

Risk Management Reporting is an integral part of Dhaka Bank. It has two broad aspects. The first one would be the Risk Reporting and the second one is Risk Analysis.

Risk Reporting allows the bank to identify and measure the level of risk the bank is exposed to and take corrective measures accordingly. Risk analysis is the analysis of significant risk indicators that which plays an important role in judging the bank's overall risk appetite.

Risk Reporting

Name	Description
Risk Management Report	<ul style="list-style-type: none"> prepared in accordance with the guidelines and supervision of Bangladesh Bank provides a comprehensive overview of the bank's risk profile across all key risk dimensions.
Capital-to-Risk-Weighted Asset Ratio (CRAR)	<ul style="list-style-type: none"> represents an assessment to measure the adequacy of the bank's capital against its risk exposure calculated and reported in accordance with the risk based capital adequacy guidelines of Bangladesh Bank.
ICAAP Reporting	<ul style="list-style-type: none"> provides a measure of the bank's capital requirement adequacy against the organization's entire risk profile.
Stress testing	<ul style="list-style-type: none"> presents the effects of several assumptions applied to measure the capital base level in stressed scenarios.

Risk Management Report

Risk Management Report consisting of various data related to Credit Risk, Market Risk, Liquidity Risk and Operational Risk from all related divisions are presented in the monthly meeting of Executive Risk Management Committee and Sub-risk Committee conducted under the supervision of Risk Management Division.

Basel III: Dhaka Bank Perspective

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

Accordingly, Dhaka Bank has taken the issue of Risk Based Capital Adequacy for Banks under Basel III accord, as one of its topmost priorities.

Dhaka Bank has established an independent Basel Unit (BU) at Head Office on January 10, 2016 for effective implementation of the new capital accord and ensuring Board & Senior Management oversight. The BU, is exclusively responsible for planning & reviewing the implementation of Basel III accord as per Bangladesh Bank's Road Map, for liaison about issues of Basel III with top management of DBL, for capacity building of concerned Bank personnel and for planning & developing process for assessing overall capital adequacy.

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

AUDITOR'S REPORT & AUDITED FINANCIAL STATEMENTS

The Financial Statements of Dhaka Bank Limited for the year ended on 31 December 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed.

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



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

Continued

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the 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 2019 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 notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and 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 2019, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters	Our response to key audit matters
Measurement of provision for loans, advances and leases	
<p>The process for estimating the provision for loans, advances and leases portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provisions calculation consider the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates.</p> <p>At year end the Group reported total gross loans and advances of BDT 195,487 million (2018: BDT 180,499 million) and provision for loans and advances of BDT 11,537 million (2018: BDT 8,887 million).</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. • Finally, compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained, and relevant disclosures.
See note no 7 and 15 to the financial statements	

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

Continued

Valuation of treasury bill and treasury bond	
<p>The classification and measurement of T-Bill and T-Bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note no 6 to the financial statements	

Impairment assessment of unquoted investments	
<p>In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment.</p>	<p>We have assessed the processes and controls put in place by the Company to ensure all major investment decisions are undertaken through a proper due diligence process</p> <p>We tested a sample of investments valuation as at 31 December 2019 and compared our results to the recorded value.</p> <p>Finally we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See note no 6 to the financial statements	

IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively.</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>

Legal and Regulatory matters	
<p>We focused on this area because the Bank and its subsidiaries (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p>

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

Continued

Legal and Regulatory matters

These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.

Overall, the legal provision represents the Group's and the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.

We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.

We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.

We also assessed the Bank's provisions and contingent liabilities disclosure.

Carrying value of investments in subsidiaries by the Bank

The Bank has invested in equity shares of its two subsidiaries, namely Dhaka Bank Investment Limited and Dhaka Bank Securities Limited. As at 31 December 2019 the carrying value of this investment is BDT 1,750 million.

At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in all the above subsidiaries stated at cost.

Management has conducted impairment assessment and calculated recoverable value of its individual subsidiaries in accordance with IAS 36.

We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36.

In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.

We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.

Revaluation of Property, Plant and Equipment

The Bank in prior year has undertaken revaluation of its land and as a result of that revaluation exercise, an amount of BDT 648 million was recognised as the fair value gain in revaluation reserve and BDT 26 million as resultant deferred tax liability. However, during the year ended 31 December 2019 the Bank has changed its accounting policy and reverted back to cost model under IAS 16 reversing the revaluation gain and related deferred tax.

We discussed the basis for this change in accounting policy with management and obtained their representation.

We assessed the process taken by the Bank to reverse earlier entries and agreed those amounts with previous records.

We checked related accounting treatments as recognized by the Bank.

We note that instead of retrospective application of this change as per IAS 8 which would require restating the prior year balance sheet, management has provided related disclosures in note 2.1 reflecting all line items of prior year balance sheet which should have been changed due to reverting back to cost model.

Based on materiality of the amount and nature of item we have taken into consideration difference with IAS 8 requirement for retrospective application of this change.

Note 2.41 and 18.2

Implementation of IFRS 16 Leases

IFRS 16 modifies the accounting treatment of operating leases at inception, with the recognition of a right of use (ROU) on the leased asset and of a liability for the lease payments over the lease contract term. With respect to operating leases of premises used by the Bank, at inception of the lease, the lessor receives a right of using the premises, in exchange of a lease debt, using an implicit discount rate

Our key audit matter was focused on all leasing arrangements within the scope of IFRS 16 are identified and appropriately included in the calculation of the transitional impact and specific assumptions applied to determine the discount rates for lease are inappropriate.

In responding to the identified key audit matter, we completed the following audit procedures:

Assessed the design and implementation of key controls pertaining to the determination of the IFRS 16 Leases impact on the financial statements of the Bank;
Assessed the appropriateness of the discount rates applied in determining lease liabilities;

Verified the accuracy of the underlying lease data by agreeing to original contract and checked the accuracy of the IFRS 16 calculations through recalculation of the expected IFRS 16 adjustment; and

Assessed whether the disclosures within the financial statements are appropriate in light of the requirements of IFRS.

See notes no 9, 28 and 36 to the financial statements

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

Continued

Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 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.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Continued

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

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

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) 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 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:
 - (a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
 - (b) 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 Group and its related entities {other than matters disclosed in these financial statements};
- (iii) Consolidated financial statements of the Bank include two subsidiaries, namely Dhaka Bank Investment Limited and Dhaka Bank Securities Limited reflect total assets of BDT 286,437 million as at 31 December 2019 and total revenue of BDT 28,007 for the year ended 31 December 2019. The results of these subsidiaries have been properly reflected in the Group's consolidated financial statements;
- (iv) 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;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) As disclosed in notes 7.11 minimum required provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 5,000 person hours; and
- (xii) As disclosed in note 16.9, Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained during the year.

The engagement partner on the audit resulting in this independent auditor's report are Sabbir Ahmed, FCA.

Dhaka, 23 June 2020


Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka Bank Limited and its Subsidiaries

Consolidated Balance Sheet

For the year ended 31 December 2019

	Notes	31.12.2019 Taka	31.12.2018 Taka
PROPERTY AND ASSETS			
Cash	03(a)	17,638,558,211	15,451,545,066
Cash in Hand (including foreign currencies)	3.1(a)	2,950,364,964	2,422,377,323
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	14,688,193,247	13,029,167,743
Balance With Other Banks & Financial Institutions	04(a)	13,997,425,517	17,643,847,041
In Bangladesh	4.1(a)	10,036,263,655	15,929,923,232
Outside Bangladesh	4.2(a)	3,961,161,862	1,713,923,809
Money at call and on short notice	05(a)	11,300,000	11,300,000
Investments	06(a)	39,732,544,794	30,641,895,095
Government	6.1(a)	30,443,129,119	22,009,920,154
Others	6.2(a)	9,289,415,675	8,631,974,941
Loans, advances and lease/investments	07(a)	195,486,867,990	180,499,370,364
Loans, cash credits, overdrafts, etc./Investments	7.1(a)	192,862,459,437	177,541,944,177
Bills purchased and discounted	08(a)	2,624,408,554	2,957,426,187
Fixed assets including premises, furniture and fixtures	09(a)	5,087,739,886	4,915,963,776
Other Assets	10(a)	14,482,589,531	26,209,937,949
Non-Banking Assets	11(a)	-	23,166,033
Total Property and Assets		286,437,025,931	275,397,025,325
LIABILITIES & CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	12(a)	27,845,215,972	26,793,730,174
Deposits and Other Accounts	13(a)	204,164,912,265	196,873,848,389
Current Accounts & Other Accounts		22,081,167,690	20,619,616,485
Bills Payable		2,101,736,305	2,845,247,938
Savings Bank Deposits		20,887,404,358	20,091,972,393
Term Deposits	13.4(a)	159,094,603,912	153,317,011,573
Non Convertible Subordinated Bond	14	7,400,000,000	8,000,000,000
Other Liabilities	15(a)	29,130,942,124	26,480,337,082
Total Liabilities		268,541,070,361	258,147,915,645
Capital / Shareholders' Equity			
Equity attributable to equity holders of the parent company		17,895,887,970	17,249,047,301
Paid-up Capital	16.2	8,532,118,190	8,125,826,851
Statutory Reserve	17	7,627,051,380	7,006,913,590
Other reserve	18(a)	118,156,010	698,939,680
Surplus in profit and loss account	19(a)	1,618,562,389	1,417,367,181
Non-controlling interest	19.1 (a)	67,600	62,379
Total Shareholders' Equity		17,895,955,570	17,249,109,680
Total Liabilities & Shareholders' Equity		286,437,025,931	275,397,025,325

	Notes	31.12.2019 Taka	31.12.2018 Taka
Off-Balance Sheet Items			
Contingent liabilities			
	21	132,382,780,922	136,871,421,513
Acceptances and endorsements		46,595,967,020	47,488,743,492
Irrevocable Letters of Credit		24,421,413,575	31,118,725,956
Letter of guarantee		41,841,413,769	39,514,079,521
Bills for collection		11,630,577,299	12,416,814,820
Other contingent liabilities		7,893,409,257	6,333,057,725
Other Commitments			
Documentary credit and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		132,382,780,922	136,871,421,513

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



Emranul Haq
Managing Director & CEO



Md. Amirullah
Director



Abdullah Al Ahsan
Director



Reshadur Rahman
Chairman

See the annexed report of even date

Dhaka,
23 June 2020



Hoda Vasi
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka Bank Limited and its Subsidiaries

Consolidated Profit and Loss Account

For the year ended 31 December 2019

	Notes	2019 Taka	2018 Taka
Interest income/profit on investments	22(a)	21,539,337,422	18,973,652,799
Interest paid/profit on deposits and borrowings, etc.	23(a)	(17,034,273,799)	(13,413,830,494)
Net Interest Income		4,505,063,622	5,559,822,305
Investment income	24(a)	2,705,658,785	2,327,054,545
Commission & exchange earnings	25(a)	3,485,489,651	2,966,946,606
Other operating income	26(a)	276,173,352	202,639,673
Total operating income (a)		6,467,321,788	5,496,640,824
Total operating income (a)		10,972,385,411	11,056,463,128
Salary and allowances	27(a)	2,329,156,038	2,227,838,262
Rent, taxes, insurance, electricity, etc.	28(a)	513,750,142	674,272,290
Legal expenses	29(a)	149,644,656	68,915,370
Postage, stamps, telecommunication, etc.	30(a)	46,196,127	44,234,410
Stationery, printing, advertisement, etc.	31(a)	167,894,724	177,885,044
Chief executive's salary and fees	32(a)	16,485,097	15,603,817
Directors' fees	33(a)	5,431,950	4,484,370
Auditors' fees	34(a)	1,851,500	1,797,500
Depreciation and repairs of Bank's assets	35(a)	712,993,292	447,197,280
Other expenses	36(a)	843,540,474	733,038,598
Total operating expenses (b)		4,786,944,001	4,395,266,939
Profit before provision & taxes (c = (a-b))		6,185,441,410	6,661,196,190
Provision against loans and advances	37(a)	3,029,481,611	3,159,661,160
Provision against good borrower	15.2	12,000,000	10,000,000
Provision for diminution in value of investments	38(a)	12,283,557	-
Other Provisions	39(a)	(50,880,125)	460,847,128
Total provision (d)		3,002,885,043	3,630,508,288
Total profit before taxes (c-d)		3,182,556,367	3,030,687,902
Provision for taxation		1,558,987,001	1,621,059,461
Current Tax		1,584,695,773	1,615,965,222
Deferred Tax		(25,708,771)	5,094,239
Net profit after taxation		1,623,569,365	1,409,628,441
Net profit after tax attributable to:			
Equity holders of DBL		1,623,564,144	1,409,623,391
Non-controlling interest		5,221	5,050
		1,623,569,365	1,409,628,441
Profit available for distribution			
Surplus in profit and loss account from previous year	19(a)	1,432,118,714	1,502,345,228
Net profit for the period		1,623,564,144	1,409,623,391
		3,055,682,859	2,911,968,620
Appropriations			
Statutory reserve		620,137,790	588,731,789
General reserve		-	-
Investment Fluctuation Fund		4,400,000	3,000,000
Dividends etc.		812,582,680	902,869,650
Surplus in profit and loss account		1,618,562,389	1,417,367,181
		3,055,682,859	2,911,968,620
Consolidated Earning per Share (EPS) [Restated]		1.90	1.65

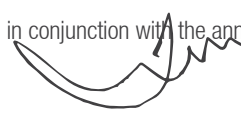
These Financial Statements should be read in conjunction with the annexed Notes 1 to 44.



Emranul Haq
Managing Director & CEO



Md. Amirullah
Director



Abdullah Al Ahsan
Director



Reshadur Rahman
Chairman

Dhaka,
23 June 2020

See the annexed report of even date



Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka Bank Limited and its Subsidiaries
Consolidated Cash Flow Statement
For the period ended 31 December 2019


	Notes	2019 Taka	2018 Taka
Cash Flows from Operating Activities			
Interest / Profit receipts in cash		22,886,982,717	19,781,778,363
Interest / Profit payments		(17,039,207,925)	(13,003,049,369)
Dividend receipts		42,325,962	70,756,392
Recovery of loans previously written off		76,886,200	2,159,913,809
Fee and commission receipts in cash		2,302,349,522	41,105,402
Cash payments to employees		(2,372,559,170)	(2,243,442,079)
Cash payments to suppliers		(365,587,007)	(315,140,011)
Income taxes paid		(1,959,184,916)	(1,656,332,869)
Receipts from other operating activities	41(a)	294,202,244	195,918,769
Payments for other operating activities	42(a)	(1,481,234,345)	(1,471,114,070)
(i) Operating profit before changes in operating assets & liabilities		2,384,973,283	3,560,394,337
Increase/Decrease in operating assets and liabilities			
Purchase/Sale of trading securities		(327,440,734)	(267,145,718)
Loans and advances to customers		(14,987,497,626)	(26,631,405,658)
Other assets	43(a)	13,812,479,104	(2,855,290,141)
Deposits from other banks		(6,213,067,899)	1,977,314,823
Deposits from customers		13,504,131,775	25,166,812,917
Other liabilities account of customers		130,337,269	62,857,184
Other liabilities	44(a)	(2,077,405,097)	193,061,910
(ii) Cash flow from operating assets and liabilities		3,841,536,792	(2,353,794,683)
Net cash flows from operating activities (a)= (i+ii)		6,226,510,074	1,206,599,654
Cash Flows from Investing Activities			
Proceeds from sale of securities		1,236,724,257	1,181,727,570
Payment for purchase of securities		(8,726,558,134)	(4,322,534,334)
Purchase of property, plant & equipment		(1,368,103,938)	(985,554,977)
Sale of property, plant & equipment		8,958,680	11,567,769
Proceeds from non-banking assets		23,166,033	-
Purchase / sale of subsidiary		-	-
Net cash flow from investing activities (b)		(8,825,813,102)	(4,114,793,972)
Cash Flows from Financing Activities			
Borrowing from other banks		1,051,485,798	5,160,181,808
Receipts from issuance of Non Convertible Subordinated Bond		-	5,000,000,000
Payments for redemption of Non Convertible Subordinated Bond		(600,000,000)	-
Dividends paid		(406,291,340)	-
Net cash flow from financing activities (c)		45,194,458	10,160,181,808
Net increase/ (decrease) in cash and cash equivalents (a+b+c)		(2,554,108,570)	7,251,987,490
Add: Effects of exchange rate changes on cash & cash equivalent		1,094,017,891	764,305,752
Add: Cash and cash equivalents at 01 January, 2019		33,110,700,407	25,094,407,165
Closing Cash and cash equivalents at end of period (*)		31,650,609,728	33,110,700,407
(*) Cash and cash equivalents			
Cash in Hand		2,950,364,964	2,422,377,323
Balance with Bangladesh Bank & Sonali Bank		14,688,193,247	13,029,167,743
Balance with other banks & Financial Institutions		13,997,425,517	17,643,847,041
Money at call & Short Notice		11,300,000	11,300,000
Prize Bond		3,326,000	4,008,300
Total		31,650,609,728	33,110,700,407
Net Operating Cash Flow per Share (NOCFPS)		7.30	1.41

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


Emranul Huq
Managing Director & CEO


Md. Amirullah
Director


Abdullah Al Ahsan
Director


Reshadur Rahman
Chairman

See the annexed report of even date

Dhaka Bank Limited and its Subsidiaries

Consolidated Statement of Changes in Equity

For the year ended 31 December 2019

Particulars	(Amount in Taka)							Total	
	Paid up capital	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment revaluation reserve	Investment Fluctuation Fund	Non-controlling interest		Surplus in profit and loss account
Balance as at 1 January 2019	8,125,826,850	7,006,913,590	6,560,631	622,516,800	33,162,249	36,700,000	62,379	1,417,367,181	17,249,109,680
Changes in accounting policy	-	-	-	-	-	-	-	14,751,534	14,751,534
Prior year Adjustment	-	-	-	-	-	-	-	-	-
Restated balance	8,125,826,850	7,006,913,590	6,560,631	622,516,800	33,162,249	36,700,000	62,379	1,432,118,714	17,263,861,214
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	(622,516,800)	37,333,130	-	-	-	(585,183,670)
Currency transaction differences	-	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	8,125,826,850	7,006,913,590	6,560,631	-	70,495,379	36,700,000	62,379	1,432,118,714	16,678,677,544
Share Capital of subsidiary company	-	-	-	-	-	-	-	-	-
Net Profit for the period	-	-	-	-	-	-	-	1,623,569,365	1,623,569,365
Stock dividend paid by Subsidiary Company	-	-	-	-	-	-	-	(4,400,000)	-
Transfer to reserve	-	-	-	-	-	4,400,000	-	-	-
Dividend:	-	-	-	-	-	-	-	-	-
Stock dividend	406,291,340	-	-	-	-	-	-	(406,291,340)	-
Cash dividend	-	-	-	-	-	-	-	(406,291,340)	(406,291,340)
Changes in reserve	-	620,137,790	-	-	-	-	-	(620,137,790)	-
Non-controlling interest	-	-	-	-	-	-	5,221	(5,221)	-
Balance as at 31 December 2019	8,532,118,190	7,627,051,380	6,560,631	-	70,495,379	41,100,000	67,599	1,618,562,389	17,895,955,569

Dhaka,

23 June 2020


Emranul Haq
Managing Director & CEO


Md. Amirullah
Director


Abdullah Al Ahsan
Director


Reshadur Rahman
Chairman



Dhaka Bank Limited and its Subsidiaries
Consolidated Statement of Changes in Equity
For the Year ended 31 December 2018

Particulars	(Amount in Taka)							Total Equity	
	Paid up capital	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment revaluation reserve	Investment Fluctuation Fund	Non-controlling interest		Surplus in profit and loss account
Balance as at 01 January 2018	7,222,957,200	6,418,181,801	6,560,631	622,516,800	21,562,316	33,700,000	57,329	1,502,345,228	15,827,881,305
Changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance	7,222,957,200	6,418,181,801	6,560,631	622,516,800	21,562,316	33,700,000	57,329	1,502,345,228	15,827,881,305
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	11,599,933	-	-	-	11,599,933
Currency transaction differences	-	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	33,162,249	-	-	-	-
Net Profit for the period	-	-	-	-	-	-	-	1,409,628,441	1,409,628,441
Stock dividend paid by Subsidiary Company	-	-	-	-	-	-	-	-	-
Transfer to reserve	-	-	-	-	-	-	-	-	-
Dividend:	-	-	-	-	-	-	-	-	-
Stock dividend	902,869,650	-	-	-	-	-	-	(902,869,650)	-
Cash dividend	-	-	-	-	-	-	-	-	-
Changes in reserve	-	588,731,789	-	-	-	3,000,000	-	(591,731,789)	-
Non-controlling interest	-	-	-	-	-	-	5,050	(5,050)	-
Balance as at 31 December 2018	8,125,826,850	7,006,913,590	6,560,631	622,516,800	33,162,249	36,700,000	62,379	1,417,367,181	17,249,109,680

Dhaka Bank Limited

Balance Sheet

As at 31 December 2019


	Notes	31.12.2019 Taka	31.12.2018 Taka
PROPERTY AND ASSETS			
Cash	3	17,638,446,211	15,451,445,066
Cash in hand (including foreign currencies)	3.1	2,950,252,964	2,422,277,323
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	14,688,193,247	13,029,167,743
Balance with other banks and financial institutions	4	13,929,095,184	17,494,371,384
In Bangladesh	4.1	9,967,933,323	15,780,447,575
Outside Bangladesh	4.2	3,961,161,862	1,713,923,809
Money at call on short notice	5	11,300,000	11,300,000
Investments	6	36,681,756,574	27,619,995,345
Government	6.1	30,443,129,119	22,009,920,154
Others	6.2	6,238,627,455	5,610,075,190
Loans, advances and lease/investments	7	195,634,907,019	180,625,703,598
Loans, cash credits, overdrafts, etc./Investments	7.1	193,010,498,465	177,668,277,411
Bills purchased and discounted	8	2,624,408,554	2,957,426,187
Fixed assets including premises, furniture and fixtures	9	5,079,659,629	4,906,381,165
Other assets	10	16,034,227,081	27,843,754,754
Non-banking assets	11	-	23,166,033
Total Assets		285,009,391,699	273,976,117,345
LIABILITIES & CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	12	27,725,127,384	26,680,184,769
Deposits and other accounts	13	204,530,024,228	197,189,479,856
Current accounts & other accounts		22,081,167,690	20,619,616,485
Bills payable		2,101,736,305	2,845,247,938
Savings bank deposits		20,887,404,358	20,091,972,393
Term deposits		159,459,715,875	153,632,643,040
Non Convertible Subordinated Bond	14	7,400,000,000	8,000,000,000
Other liabilities	15	28,143,625,450	25,490,476,626
Total Liabilities		267,798,777,062	257,360,141,251
Capital/Shareholders' Equity			
Total Shareholders' Equity		17,210,614,636	16,615,976,094
Paid-up capital	16.2	8,532,118,190	8,125,826,850
Statutory reserve	17	7,627,051,380	7,006,913,590
Other reserve	18	77,056,010	662,239,680
Surplus in profit and loss account	19	974,389,056	820,995,974
Total Liabilities & Shareholders' Equity		285,009,391,698	273,976,117,345

	Notes	31.12.2019 Taka	31.12.2018 Taka
Off-Balance Sheet Items			
Contingent liabilities			
	21	132,382,780,922	136,871,421,513
Acceptances and endorsements		46,595,967,020	47,488,743,492
Irrevocable Letters of Credit		24,421,413,575	31,118,725,956
Letter of guarantee		41,841,413,769	39,514,079,521
Bills for collection		11,630,577,299	12,416,814,820
Other contingent liabilities		7,893,409,257	6,333,057,725
Other commitments			
Documentary credit and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		132,382,780,922	136,871,421,513

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



Emranul Huq
Managing Director & CEO



Md. Amirullah
Director




Abdullah Al Ahsan
Director



Reshadur Rahman
Chairman

See the annexed report of even date

Dhaka,
23 June 2020



Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka Bank Limited

Profit & Loss Account

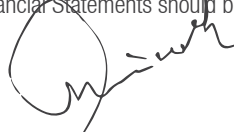
For the year ended 31 December 2019

	Notes	2019 Taka	2018 Taka
Interest income/profit on investments	22	21,590,108,042	18,985,328,720
Interest paid/profit on deposits and borrowings, etc.	23	(17,040,147,154)	(13,408,588,881)
Net Interest Income		4,549,960,887	5,576,739,839
Income from Investment	24	2,567,844,476	2,199,992,049
Commission & exchange earnings	25	3,421,193,673	2,899,970,297
Other Operating Income	26	260,813,792	200,486,493
		6,249,851,942	5,300,448,839
Total operating income (a)		10,799,812,829	10,877,188,678
Salary and allowances	27	2,285,147,426	2,184,302,360
Rent, taxes, insurance, electricity, etc.	28	495,701,987	657,701,212
Legal expenses	29	149,415,231	68,803,993
Postage, stamps, telecommunication, etc.	30	45,628,207	43,451,615
Stationery, printing, advertisement, etc.	31	165,093,921	175,812,104
Chief executive's salary and fees	32	16,485,097	15,603,817
Directors' fees	33	4,223,397	3,578,530
Auditors' fees	34	1,449,000	1,395,000
Depreciation and repairs of Bank's assets	35	704,067,852	439,303,604
Other expenses	36	834,026,719	723,069,210
Total operating expenses (b)		4,701,238,837	4,313,021,444
Profit before provision & taxes (c = (a-b))		6,098,573,992	6,564,167,234
Provision against loans and advances	37	3,026,981,611	3,159,661,160
Provision against good borrower	15.2	12,000,000	10,000,000
Provision for diminution in value of investments	38	9,783,557	-
Other Provisions	39	(50,880,125)	450,847,128
Total provision (d)		2,997,885,043	3,620,508,288
Total profit before taxes (c-d)		3,100,688,948	2,943,658,946
Provision for taxation		1,529,326,930	1,584,528,570
Current Tax		1,554,121,597	1,580,324,396
Deferred Tax		(24,794,667)	4,204,174
Net profit after taxation		1,571,362,018	1,359,130,376
Profit available for distribution			
Surplus in profit and loss account from previous year	19	835,747,508	953,467,037
Net profit for the period		1,571,362,018	1,359,130,376
		2,407,109,526	2,312,597,413
Appropriations			
Statutory reserve		620,137,790	588,731,789
General reserve		-	-
Dividends etc.		812,582,680	902,869,650
Surplus in profit and loss account		974,389,056	820,995,974
		2,407,109,526	2,312,597,413
Earning per Share (EPS) [Restated]	40	1.84	1.59

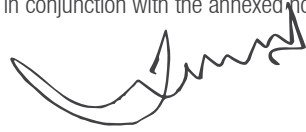
These Financial Statements should be read in conjunction with the annexed notes 1 to 44.



Emranul Huq
Managing Director & CEO



Md. Amirullah
Director



Abdullah Al Ahsan
Director



Reshadur Rahman
Chairman

Dhaka,
23 June 2020

See the annexed report of even date



Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka Bank Limited
Cash Flow Statement
For the period ended 31 December 2019

	Notes	2019 Taka	2018 Taka
Cash Flow From Operating Activities			
Interest / Profit receipts in cash		22,799,939,028	19,731,575,577
Interest / Profit payments		(17,045,081,281)	(12,997,807,755)
Dividend receipts		42,325,962	5,572,603
Recovery of loans previously written off		76,886,200	2,092,937,501
Fee and commission receipts in cash		2,238,053,544	41,105,402
Cash payments to employees		(2,328,550,558)	(2,199,906,177)
Cash payments to suppliers		(361,586,359)	(289,462,711)
Income taxes paid		(1,918,639,178)	(1,613,974,996)
Receipts from other operating activities	41	278,842,684	193,765,589
Payments for other operating activities	42	(1,446,694,094)	(1,460,238,843)
(i) Operating profit before changes in operating assets & liabilities		2,335,495,949	3,503,566,189
Increase / Decrease in operating assets and liabilities:			
Purchase / Sale of trading securities		(298,552,265)	(103,953,330)
Loans and advances to customers		(15,009,203,421)	(26,608,674,331)
Other assets	43	13,803,198,517	(2,920,381,121)
Deposits from other banks		(6,213,067,899)	1,977,314,823
Deposits from customers		13,553,612,271	25,176,744,106
Other liabilities account of customers		130,337,269	62,857,184
Other liabilities	44	(1,989,287,140)	147,548,015
(ii) Cash flow from operating assets and liabilities		3,977,037,332	(2,268,544,655)
Net cash flows from/(used in) operating activities (a)=(i+ii)		6,312,533,281	1,235,021,534
Cash Flow From Investing Activities			
Proceeds from sale of securities		1,236,724,257	1,181,727,570
Payment for purchase of securities		(8,726,558,134)	(4,322,534,334)
Purchase of property, plant & equipment		(1,366,450,638)	(980,303,540)
Sale of property, plant & equipment		8,958,680	11,567,769
Proceeds from non-banking assets		23,166,033	-
Purchase / sale of subsidiary		-	-
Net cash flows from investing activities (b)		(8,824,159,802)	(4,109,542,535)
Cash Flow From Financing Activities			
Borrowing from other banks		1,044,942,615	5,146,631,343
Receipts from Issuance of Non Convertible Subordinated Bond		-	5,000,000,000
Payments for redemption of Non Convertible Subordinated Bond		(600,000,000)	-
Dividends paid		(406,291,340)	-
Net cash flows from financing activities (c)		38,651,275	10,146,631,343
Net increase/ (decrease) in cash and cash equivalents (a+b+c)		(2,472,975,246)	7,272,110,342
Effects of exchange rate changes on cash & cash equivalent		1,094,017,891	764,305,752
Opening cash & cash equivalent as at 1 January, 2019		32,961,124,750	24,924,708,656
Closing Cash and cash equivalents at end of period (*)		31,582,167,396	32,961,124,750
Closing cash & cash equivalents			
Cash in Hand		2,950,252,964	2,422,277,323
Balance with Bangladesh Bank & Sonali Bank		14,688,193,247	13,029,167,743
Balance with other banks & Financial Institutions		13,929,095,184	17,494,371,384
Money at call & Short Notice		11,300,000	11,300,000
Prize Bond		3,326,000	4,008,300
Total		31,582,167,396	32,961,124,750
Net Operating Cash Flow per Share (NOCFPS)		7.40	1.45

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


Emranul Haq
Managing Director & CEO


Md. Amirullah
Director


Abdullah Al Ahsan
Director


Reshadur Rahman
Chairman

See the annexed report of even date

Dhaka Bank Limited
Liquidity Statement
(Asset and Liability Maturity Analysis)
As at 31 December 2019

(Amount in Taka)

Particulars	Upto 01 month	1 - 3 months	3 - 12 months	1 - 5 years	more than 5 years	Total
Assets:						
Cash in hand (including Balance with BB & its agents)	17,638,446,211	-	-	-	-	17,638,446,211
Balance with other Banks and financial institutions	8,494,154,259	4,415,340,329	1,019,600,596	-	-	13,929,095,184
Money at call on short notice	-	-	-	11,300,000	-	11,300,000
Investment	3,326,000	1,122,583,500	9,692,618,100	19,289,642,712	6,573,586,261	36,681,756,574
Loans and Advances	47,294,632,399	27,659,604,660	50,658,096,866	49,348,280,392	20,674,292,702	195,634,907,019
Fixed assets including premises, furniture and fixtures	-	-	-	2,096,871,374	2,982,788,254	5,079,659,629
Other assets	2,761,959,188	-	5,017,228,208	6,482,627,190	1,772,412,496	16,034,227,082
Non-Banking assets	-	-	-	-	-	-
Total Assets	76,192,518,057	33,197,528,490	66,387,543,770	77,228,721,668	32,003,079,713	285,009,391,699
Liabilities:						
Borrowing from Bangladesh Bank, Other Banks, financial institutions and agents	-	-	(25,272,180,401)	(2,452,946,983)	-	(27,725,127,384)
Deposits & Other Accounts	(62,781,822,116)	(53,830,313,946)	(47,545,152,708)	(24,223,641,276)	(16,149,094,184)	(204,530,024,228)
Non Convertible Subordinated Bond	-	-	-	(6,400,000,000)	(1,000,000,000)	(7,400,000,000)
Other liabilities	(5,488,053,183)	-	(22,655,572,267)	-	-	(28,143,625,450)
Total Liabilities	(68,269,875,299)	(53,830,313,946)	(95,472,905,376)	(33,076,588,258)	(17,149,094,184)	(267,798,777,062)
Net Liquidity Gap	7,922,642,758	(20,632,785,456)	(29,085,361,605)	44,152,133,410	14,853,985,529	17,210,614,636
Cumulative Liquidity Gap	7,922,642,758	(12,710,142,698)	(41,795,504,304)	2,356,629,106	17,210,614,636	-

Dhaka Bank Limited
Statement of Changes in Equity
For the year ended 31 December 2019

Particulars	(Amount in Taka)						Total Equity
	Paid up capital	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment Revaluation Reserve	Surplus in profit and loss account	
Balance as at 1 January 2019	8,125,826,850	7,006,913,590	6,560,631	622,516,800	33,162,249	820,995,974	16,615,976,094
Changes in accounting policy	-	-	-	-	-	14,751,534	14,751,534
Prior year Adjustment	-	-	-	-	-	-	-
Restated balance	8,125,826,850	7,006,913,590	6,560,631	622,516,800	33,162,249	835,747,508	16,630,727,628
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	(622,516,800)	37,333,130	-	(585,183,670)
Currency transaction differences	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	8,125,826,850	7,006,913,590	6,560,631	-	70,495,379	835,747,508	16,045,543,958
Net Profit for the period	-	-	-	-	-	1,571,362,018	1,571,362,018
Adjustment for deferred tax	-	-	-	-	-	-	-
Transfer to reserve	-	-	-	-	-	-	-
Dividend:	-	-	-	-	-	-	-
Stock dividend	-	-	-	-	-	(406,291,340)	(406,291,340)
Cash dividend	406,291,340	-	-	-	-	(406,291,340)	-
Changes in reserve	-	620,137,790	-	-	-	(620,137,790)	-
Balance as at 31 December 2019	8,532,118,190	7,627,051,380	6,560,631	-	70,495,379	974,389,056	17,210,614,636

Dhaka,
23 June 2020

Emranul Huq
Managing Director & CEO


Md. Amirullah
Director


Abdullah Al Ahsan
Director


Reshadur Rahman
Chairman

Dhaka Bank Limited
Statement of Changes in Equity
For the year ended 31 December 2018

(Amount in Taka)

Particulars	Paid up capital	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment Revaluation Reserve	Surplus in profit and loss account	Total Equity
Balance as at 01 January 2018	7,222,957,200	6,418,181,801	6,560,631	622,516,800	21,562,316	953,467,037	15,245,245,785
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	7,222,957,200	6,418,181,801	6,560,631	622,516,800	21,562,316	953,467,037	15,245,245,785
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	11,599,933	-	11,599,933
Currency transaction differences	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	33,162,249	-	-
Net Profit for the year	-	-	-	-	-	1,359,130,376	1,359,130,376
Adjustment made during the year	-	-	-	-	-	-	-
Transfer to reserve	-	-	-	-	-	-	-
Dividend:	-	-	-	-	-	-	-
Stock dividend	902,869,650	-	-	-	-	(902,869,650)	-
Cash dividend	-	-	-	-	-	-	-
Changes in reserve	-	588,731,789	-	-	-	(588,731,789)	-
Balance as at 31 December 2018	8,125,826,850	7,006,913,590	6,560,631	622,516,800	33,162,249	820,995,974	16,615,976,094

Dhaka Bank Limited and its Subsidiaries

Notes to the Consolidated & Separate Financial Statements

As at and for the year ended 31 December 2019

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 103 branches all over Bangladesh which includes 65 urban and 38 rural branches, two offshore Banking units at EPZ, Dhaka & EPZ, Chattogram, 03 SME Service Centers and 6 sub branches. Out of the above, 2 branches of the Bank are run under Islamic Shariah, the method of working 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 (6 branches in Dhaka, Chattogram and Sylhet) and Dhaka Bank Investment Limited. Moreover the Bank has a dedicated philanthropic unit named Dhaka Bank Foundation which has been incorporated since 28 July 2004.

The registered office of the Bank is 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 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 and guidelines of Bangladesh Bank. Currently, the Bank has two OBUs in DEPZ and 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 and credit operations. The center maintains its accounting records in the general ledger of the respective branches. The import/export related processing and credit operations are centrally controlled and monitored by the CPC for efficient and effective decision-making and reduction of cost.

1.2.6 Subsidiaries of the Bank

1.2.6.1 Dhaka Bank Securities Limited (Former DBL Securities Limited)

As per decision of the 153rd meeting of the Board of Directors of Dhaka Bank Limited, a separate subsidiary Company in the name of DBL Securities Limited was formed to carry out the stock broker and stock dealer activities of Capital Market Services Division of the Bank. The Board of Directors of Dhaka Bank Limited in its 208th meeting renamed the subsidiary Company as “Dhaka Bank Securities Limited” instead of “DBL Securities Limited”. Dhaka Bank subscribed Tk.149,999,990 divided into 14,999,999 shares @Tk.10 each with 99.99% of contribution to Equity participation. Further, Tk.1,350,000,000 were injected by Dhaka Bank Limited as Fresh Capital during the year 2011. 05 (five) new Directors were inducted in the Board of Dhaka Bank Securities Limited by transferring 05 (five) share certificates @Tk.10.00 each of Dhaka Bank Securities Limited held by Dhaka Bank Limited. 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 and 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 190th meeting, a separate subsidiary Company in the name and style of “Dhaka Bank Investment Limited” was formed with Authorized Capital of Tk. 2,000,000,000 and Paid-up Capital of Tk. 250,000,000, amongst other, to conduct Merchant Banking Activities, to act as Issue 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) was constituted in 2017. But the Financial Reporting standards (FRS) under the council are yet to be issued for public interest entities such as Banks. The Bank Company Act, 1991 has been amended to require Banks to prepare their financial statements under such financial reporting standards.

As FRS is yet to be issued by FRC the financial statements of the Bank and its subsidiaries (the “Group”) continue to be prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and the requirements of the Bank Company 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 (AAOIFI) for which a separate set of books and records are being maintained.

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

Material departures from the requirement of IFRS

Material deviations from the requirements of IFRS are as follows:

i) Investment in shares and securities

IFRS: As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity’s business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under “at fair value through profit or loss account” or under “at fair value through other comprehensive income” where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

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

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

IFRS: As per requirement of IFRS 9 where securities will fall under the category of fair value through profit or loss account, any change in the fair value of assets is recognised through the profit and loss account. Securities designated as amortised cost are measured at effective interest rate 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. 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 year end and gains or losses on amortisation are recognised in other reserve as part of equity.

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

IFRS: As per IFRS 9 an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD circular No.15 (27 September 2017), BRPD circular No.16 (18 November 2014), BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012), BRPD circular No. 05 (29 May 2013) and BRPD circular No.1 (20 February 2018) 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 specific provision for sub-standard loans, doubtful loans and bad losses has to be provided at 5%, 20%, 50% and 100% respectively for loans and advances depending on time past due. Again as per BRPD circular no. 10 dated 18 September 2007 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 IFRS 9.

iv) **Recognition of interest in suspense**

IFRS: Loans and advances to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified as impaired, 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 a liability in the balance sheet.

v) **Other comprehensive income**

IFRS: As per IAS 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 neither 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 statement 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 IFRS 9. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

vii) **Repo and reverse repo transactions**

IFRS: As per IFRS 9 when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo), the arrangement is treated as a loan and the underlying asset continues to be recognised at amortised cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).

Bangladesh Bank: As per Department of Off-Site Supervision (DOS) Circular letter no. 06 dated 15 July 2010 and subsequent clarification in DOS circular no. 02 dated 23 January 2013, when a Bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transaction and the financial asset is derecognised in the seller's book and recognised in the buyer's book.

vii) **Financial guarantees**

IFRS: As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtors fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD 14, financial guarantees such as letter of credit and letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin. As per BRPD Circular No.01 dated 03 January 2018 and BRPD Circular No.14 dated 23 September 2012, the Bank is required to maintain provision at 1% against gross off-balance sheet exposures (which includes undrawn loan commitments).

viii) **Cash and cash equivalents**

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

Bangladesh Bank: Some cash and cash equivalents items such as money at call on short notice, treasury bills with maturity of more than three months and prize bond are not shown as cash and cash equivalents. Money at call on short notice is shown separately in the balance sheet. Treasury bills with maturity of more than three months and prize bond are shown under investment in the balance sheet.

(ix) **Non-Banking assets**

IFRS: No indication of Non-Banking assets is found in any IFRS.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, there is a separate balance sheet item named Non-Banking assets existed in the standard format.

x) **Cash flow statement**

IFRS: 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.

Reconciliation of net profit with cash flows from operating activities as per BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018 presented after note no. 44

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 Ratio - CRR)

IFRS: CRR maintained with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7.

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

xii) Presentation of intangible asset

IFRS: An intangible asset must be identified and recognised, and the disclosure must be given as per IAS 38.

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

xiii) Off-balance sheet items

IFRS: There is no concept of off-balance sheet items in any IFRS; 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. Letters of credit, Letters of guarantee etc.) must be disclosed separately on the face of the balance sheet.

xiv) Loans and advances/Investments net of provision

IFRS: 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 Functional and presentation currency

Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements of the Bank are presented in Bangladeshi Taka (BDT) which is the Bank's both functional and presentation currency.

2.1.4 Use of estimates and judgments

The preparation of the financial statements in conformity with IAS and IFRS 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 IFRS-10 based on a common period ended 31 December 2019.

A Banking software system UBS produces consolidated Balance Sheet and Profit and 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's management for its short-term commitments.

For the purpose of the cash flow statement, cash and cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and normally those with less than three months maturity from the date of acquisition and include cash and balances at central Banks, treasury bills and other eligible bills and balances with other Banks and financial institutions.

2.4 Loans and advances and provision thereon

For the purpose of the cash flow statement, cash and cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and normally those with less than three months maturity from the date of acquisition and include cash and balances at central Banks, treasury bills and other eligible bills and balances with other Banks and financial institutions.

General provision on:	2019	2018
Unclassified general loans and advances/investments	1.00%	1.00%
Unclassified small and medium enterprise financing	0.25%	0.25%
Unclassified loans/investment for housing finance and on loans for professionals	1.00%	2.00%
Unclassified consumer financing other than housing finance and loans for professionals	5.00%	5.00%
Unclassified agricultural loans	1.00%	2.50%

Specific provision on:	2019	2018
Substandard loans and advances/investments other than agricultural loans	20%	20%
Doubtful loans and advances/investment other than agricultural loans	50%	50%
Substandard and doubtful agricultural loans	5%	5%
Bad/loss and advances/investments	100%	100%

BRPD circular No.14 (23 September 2012) as amended by BRPD circular No. 19 (27 December 2012) also provides scope for further provisioning based on qualitative judgments. In these circumstances impairment losses are calculated on individual loans considered individually significant based on which specific provisions are raised. If the specific provisions assessed under the qualitative methodology are higher than the specific provisions assessed under the formulaic approach, the higher of the two is recognised in liabilities under "Provision for loans and advances" with any movement in the provision charged/released in the profit and loss account. Classified loans are categorised into sub-standard, doubtful and bad/loss based on the criteria stipulated by Bangladesh Bank guideline.

2.5 Loan write-off

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.

2.6 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

The Bank's investments in shares (unquoted) are recorded at cost and income thereon is accounted for when the right to receive payment is established. Provisions are made for any loss arising from diminution in value of investments. **(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 International Accounting Standard (IAS). Accordingly, investments in subsidiaries are stated in the Bank's Balance Sheet at cost, less impairment losses if any.

Value of investment is enumerated as follows :

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

2.6 Property, plant and equipment and depreciation

Property, plant and 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. Right-of-use assets are measured at cost less any accumulated depreciation and adjusted for any re-measurement of lease liability (Note 2.40).

- i) All fixed assets are stated at cost less accumulated depreciation as per IAS-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 2018.

Category of Assets	Rate of Depreciation
Land	Nil
Building	2.5%
Furniture and Fixtures	10%
Office Appliances & Equipment	20%
Computer Equipment	20%
Vehicles	20%

As per IFRS 16, Right-of-use assets are depreciated on a straight-line basis over the lease term (Note 2.40).

2.7 Intangible assets

Intangible assets include purchased computer software which is stated at cost less any impairment losses and amortisation calculated on a straight-line basis. In accordance with the provisions of IAS 38 the cost of purchased software which is not an integral part of the related hardware is booked under intangible assets. Intangible assets with finite useful life are amortised, generally on straight-line basis, over their useful lives as follows:

Computer Software	10.00%
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Intangible assets are subject to an impairment review if there are events or changes in circumstances which indicate that the carrying amount may be impaired. Modification, up-gradation and maintenance costs are charged to the profit and loss account as incurred.

2.8 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].**

2.9 Asset revaluation reserve

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).

2.10 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.

2.11 Receivables

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

2.12 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.

2.13 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 Company 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 1st tranche Redeemable Non Convertible Subordinated Bond of Taka 2,000,000,000 and the redemption of the Bond 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. The redemption has started from 15 March 2019.
- iii) The Bank issued 3rd tranche of Non-Convertible Subordinated Bond of Tk. 5,000,000,000 with consent of 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. Redemption will start 12 August 2021.

2.17 Deposits and other accounts

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

2.18 Borrowings from other Banks, financial institutions and agents

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

2.19 Interest suspense account

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

2.20 Retirement benefits to the employees

a) Provident fund

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

b) Superannuation fund

The Bank operates a Superannuation Fund Trust by a Board of Trustees consisting of seven members at present. The death-cum survival benefits are given to the employees as per the eligibility narrated in the Trust Rules. The fund got recognition from the National Board of Revenue (NBR) with effect from 1st January 2001 under section 3 & 4 of part- A of first schedule of Income Tax Ordinance, 1984. During the year 2017, Dhaka Bank Limited had appointed an actuary and 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 are maintained 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 is made as per actuary report.

2.21 **Revenue recognition**

The interest income is recognized complying with the conditions of interest income recognition as provided in **IFRS 9 — “Financial Instruments”**.

- 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 2019. Monthly bill of Credit Card is issued on 28th day of each month.

- b) **Investment income** - Interest income on investments is recognized on accrual basis.
- c) **Fees and commission income** - Fees and commission income arises on services provided by the Bank and recognized on a cash receipt basis. Commission charged to customers on letter of credit and letter of guarantee are credited to income at the time effecting the transactions.
- d) **Dividend income** - Dividend income from shares is recognized at the time 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 IAS-21 “The Effects of Changes in Foreign Exchange Rates”.
- iii) 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 IAS 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 37.50% as prescribed in the Finance Act, 2019 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 International Accounting Standard (IAS)-12. (See Note: 15.8).

2.24 Earnings per shares (EPS)

Earnings per share (EPS) have been calculated in accordance with IAS 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 IAS 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

The cash flow statement has been prepared in accordance with IAS 7, Cash Flow Statements considering the requirements specified in BRPD circular No. 14 dated 25 June 2003 issued by the Banking Regulation and Policy Department of Bangladesh Bank. 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

The statement of changes in equity reflects information about the increase or decrease in net assets or wealth during the year. Statement of Changes in Equity is prepared principally in accordance with IAS-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 2019 and under the guidelines of Bangladesh Bank BRPD Circular No.14 dated 25 June 2003.

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

2.30 Reconciliation of inter-Bank/books of accounts

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

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

2.31 Offsetting

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

2.32 Reporting period

These financial statements cover one calendar year from 01 January 2019 to 31 December 2019.

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 2019 in its 375th meeting on June 23, 2020.

2.34 General

- a) Wherever considered necessary figures of previous year have been rearranged to conform to current year's presentation;
- b) The expenses, irrespective of capital or revenue nature, accrued/due but not paid have been provided for in the books of the Bank; and
- c) 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 1,960 (Male- 1518 & Female-442). The Bank recruited 172 numbers of staff during the year. Attrition rate is 6.63% in 2019 compared to 6.31% in 2018.

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 clients.

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 103 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 6 (six) members of the Board:

Sl. No.	Name	Status with the Bank	Status with the Committee	Educational Qualification
01.	Mr. M.A. Yussouf Khan	Independent Director	Chairman (with effect from 09.10.2018)	Bachelor of Arts
02.	Mrs. Rokshana Zaman	Director	Member	Intermediate
03.	Mrs. Manoara Khandaker	Director	Member (With effect from 28.06.2018)	Bachelor of Arts
04.	Mr. Tahidul Hossain Chowdhury	Director	Member (Till 11.06.2019)	Bachelor of Arts
05.	Mr. A. S. Salahuddin Ahmed	Independent Director	Member (with effect from 13.02.2019)	M.Sc.; PGDIM (RVB, Netherlands)
06	Mr. Md. Amirullah	Director	Member (with effect from 12.06.2019)	Bachelor of Commerce

ii) Meeting held with audit committee

During the period up to December 2019, 08 (Eight) 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:

- Latest Compliance Status of Audit Reports of Different Branches of Dhaka Bank Limited, Audits Conducted from January to December, 2017 and 2018; and special inspection reports in different time;
- Half Yearly (July-December, 2018 and January-June, 2019) Statement of Self-Assessment of Anti-Fraud Internal Controls under DOS Circular Letter No.10 dated May 09, 2017 of Bangladesh Bank;
- Implementation Status of Audit Plan 2018 and Annual Audit Plan for the Year 2019;
- Discrepancies in the Loan Documentation Checklist (LDCL) for the quarter ended September 2018;
- Deviation in Quarterly Operations Report (QOR);
- Quarterly Statement of Loan Classification and Provisioning (CL) of the Bank;
- Latest position of pending court cases filed against the Bank;
- Update on GL Mismatch/Un-reconciled GL;
- Latest Compliance Status of IS & IT Audit Reports of Different Branches and Divisions of Dhaka Bank Limited, Audits conducted from January to December, 2018;
- Audited Consolidated & Solo Financial Statements of the Bank for the year ended 31 December 2018;
- Quarterly Statement of Loan Classification and Provisioning (CL) of the Bank;
- Un-audited Quarterly Consolidated Financial Statements of the Company and Financial Statements of the Bank;
- Update Information on inspection of different branches;

- Re-appointment of External Auditors of the Bank for the year, 2019;
- Appointment of Auditors for Corporate Governance Audit of the Bank for the year, 2019;
- Update on Audit Plan of 2019;
- Annual Health Report of Dhaka Bank Limited for the Year 2018;
- Submission of latest Compliance Status of External Audit (by Hoda Vasi Chowdhury & Co.) on different Branches and Divisions of Dhaka Bank Limited for the year ended 2018;
- Information Memo on Bangladesh Bank Inspection of 2017 and 2018;
- Information Memo on various discrepancies observed in Branches;
- Compliance on Internal Audit of Head Office Divisions/ Units of Dhaka Bank Limited;
- Formation of Senior Management Team (SMT);
- Compliance Policy of Internal Control & Compliance Division, Dhaka Bank Limited;
- Discrepancies in the Loan Documentation Checklist (LDCL) for the quarter ended September, 2019;
- Compliance report on 21st Comprehensive Inspection of Bangladesh Bank on Dhaka Bank Limited, Head Office based on 31.12.2018 and also compliance of separate letter on material irregularities/lapses of this comprehensive report;

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

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

2.38 Shariah supervisory committee

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

Sl. No.	Name	Designation	Status	Date of Birth	Education Qualification
1	M. Azizul Huq	Chairman	1 st CEO of IBBL	16.10.1935	MA (Economics)
2	Dr. Abu Noman Md. Rafiqur Rahman	Member (Faqih)	Vice-Chairman, Board of Trustees, Bangladesh Islamic University	01.03.1953	Kamil, MA, Phd
3	Dr. Mohd. Haroon Rashid	Member (Faqih)	Member Secretary, Shariah Supervisory Committee, AB, Bank Ltd	11.06.1969	Fazil, MA, Phd
4	Hafej Mawlana Abdul Gaffar	Member (Faqih)	Imam & Khatib, Shahidbagh Jame Mosque & Vice Principal, Madrasa Jamiatul Uloomil Islamia, Tejgoan, Dhaka	05.11.1960	Takmil, Darul Ulum Dewband, UP, India
5	Md. Fariduddin Ahmed	Member (Expert in Islamic Banking)	Ex Managing Director, IBBL Ex. Managing Director & Advisor, Exim Bank Ltd.	25.07.1947	BA, DAIBB
6	Barrister Sabel Nawaz	Member (Lawyer)	Advocate, supreme Court of Bangladesh Senior Associate, Sadat-Sarwat & Associates, Dhaka, Bangladesh	02.02.1987	Bar-at-law, L.L.M, L.LB (Hons)
7	Emranul Huq	Member (Ex officio)	Managing Director Dhaka Bank Ltd.	12.04.1963	B.Com(Hon's), MBA
8	Md. Kamaruzzaman	Member Secretary	Vice President Islamic Banking Division Dhaka Bank Limited	01.03.1976	B.A (Hons) M.A, MBA(HRM), MM, L.L.B

During the period up to December 2019, the following issues were discussed in the meetings:

- Discussion & recommendations for introducing Mudaraba Waqf Cash Deposit product
- Reprint of Book “In daily life : Ibadat & Muamalat”
- Discussion on Shariah Inspection Report of Islamic Banking Branches (IBBs) as on dated 31.12.2018
- Discussion on Asset product Quard-e-GP product
- Approval of Shariah Supervisory Committee Opinion for publication in Bank’s Annual Report, 2018
- Approval of final rates on various Mudaraba Deposits on the basis of weight age for the Year 2019
- Opinion on Reformation of Rules of BGIB-Bangladesh Govt. Islamic Investment Bond fund.
- Discussion on Expansion of Islamic Banking of DBL.
- Quarterly Islamic Banking Business Position.
- Providing Islamic Banking Service from all the branches.
- Risk grading format for Branch Shariah Audit & Inspection.
- Dissemination of Islamic Banking Knowledge among the employees through providing training, workshop, seminar etc.

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	9,816,364	345,862	637,587	153,613	18,960	10,972,385
Allocated Expenses	4,577,223	80,537	46,856	85,488	217	4,790,321
Operating Profit (Before Tax & Provision)	5,239,141	265,325	590,731	68,124	18,743	6,182,064
Total Provision (Loans/Advances & Others)	2,821,328	-	176,557	5,000	-	3,002,885
Profit Before Tax	2,417,812	265,325	414,174	63,124	18,743	3,179,179
Provision for Income Tax	1,529,327	-	-	23,100	6,560	1,558,987
Net Profit	888,485	265,325	414,174	40,024	12,183	1,620,192
Segment Assets	247,766,765	11,813,066	20,909,471	5,631,278	316,446	286,437,026
Segment Liabilities	247,766,765	11,813,066	20,909,471	5,631,278	316,446	286,437,026

The operations of these segments are specifically identified by Income, expenses, assets and Liabilities. Based on such allocation, balance sheet as at 31 December 2019 and profit and loss account for the year ended 31 December 2019 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 Company Act, 1991 has been amended to require Banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRS) as 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 International Financial Reporting Standards (IFRS) and the requirements of the Bank Company 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 Company Act, 1991, and provisions and circulars issued by Bangladesh Bank differ with those of IFRS and AAOIFI standards, the requirements of the Bank Company 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 IAS and IFRS as adopted by ICAB. Details are given below:

Sl. No.	IAS No.	IAS 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.	IAS No.	IAS 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
9	9	Financial Instrument	Complied
10	10	Consolidated Financial Statements	Complied
11	11	Joint Arrangements	Not Applicable
12	12	Disclosure of Interest in other Entities	Complied
13	13	Fair Value Measurement	Complied
14	14	Regulatory Deferral Accounts	Not Applicable
15	15	Revenue from contracts with customers	Not Applicable
16	16	Lease	Complied

* Subject to departure disclosed in note no. 2.1.1

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

IFRS 16 Leases:

IFRS 16 "Leases" has come into force on 1 January 2019, as adopted by the Institute of Chartered Accountants Bangladesh (ICAB), Dhaka Bank applied IFRS 16 using modified retrospective approach where the bank measured the lease liability at the present value of the remaining lease payments, discounted it using the bank's incremental borrowing rate (considered Bangladesh Bank Call Money rate @ 5%) at the date of initial application and recognized a right-of-use asset at the date of the initial application on a lease by lease basis.

Right-of-use assets

The Bank recognizes right-of-use assets at the date of initial application of IFRS 16. Right-of-use assets are measured at cost less any accumulated depreciation and adjusted for any re-measurement of lease liability. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are presented under property, plant and equipment.

Lease liability

At the commencement date of the lease, the bank recognizes lease liability measured at the present value of lease payments to be made over the lease term using incremental borrowing rate (considered Bangladesh Bank Call Money rate @ 5%) at the date of initial application. Lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments and re-measuring the carrying amount to reflect any reassessment or lease modifications.

Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest (considered Bangladesh Bank Call Money rate @ 5%) on the remaining balance of the lease liability.

Short-term leases and leases of low value assets

The Bank has elected not to recognize right-of-use assets and lease liabilities for leases of low value assets and short-term leases, i.e. for which the lease term ends within 12 months of the date of initial application. The Bank recognizes lease payments associated with these leases as an expense.

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 2019.

IFRS 17 Insurance contract:

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Bank has not yet assessed in potential impact of IFRS 17 on its financial statements.

The Bank is assessing the potential impact on its financial statements resulting from the application of IFRS 17.

2.41 Revaluation of property plant and Equipment

In 2011, the Bank changed the subsequent measurement basis of its land portfolio, and adopted 'revaluation model' replacing the 'cost model' as allowed by IAS 16. Accordingly, the Bank has appointed professional valuer for conducting fair value the Bank's land property of 71 Purana Paltan Lane of around 16.5 decimal which was purchased at cost of Tk. 5.2 crore. As per revaluation done by M/S Unique Survey Services Bureau, a professional valuation firm, the land was reported at revalued amount of Tk. 70.0 crore and corresponding revaluation reserve of Tk. 64.8 crore was first time reported in the financial statements of 2011. Since then the Bank has been stated land value at fair value with resultant revaluation surplus taken to as a component of equity. The Bank has also used this revaluation surplus as 'tier 2' capital for calculating capital adequacy ratio.

As per IAS 16, if the revaluation model is adopted, such revaluations shall be carried out regularly, so that the carrying amount of an asset does not differ materially from its fair value at the balance sheet date. The Bank determines fair value of its land and building based on valuation undertaken by external valuers.

However, since the adoption of IFRS 13: Fair Values, which emphasizes on the observable Level 1 and Level 2 inputs to determine the fair value for an asset, the Bank and its valuers are facing challenges to determine fair value of land and buildings as per IAS 16/BFRS 13. Because of many limiting factors fair value is being determined mostly on the basis of Level 3 inputs or unobservable data.

Furthermore, BSEC has also adopted the International Valuation Standards ("IVS") as issued by the International Valuation Standards Council ("IVSC") to ensure that such valuations are undertaken properly and results in a fair approximation of market price. Both IFRS 13 and IVS prescribe the use of three commonly accepted valuation methodology namely:

- Market approach- using prices and other relevant information generated by market transactions involving identical or comparable assets
- Cost approach – reflecting the amount that would be required currently to replace service capacity of an asset
- Income approach – converting future amounts (cash flow/income) to a current (discounted) amount, reflecting current market expectations about these future amounts.

The determination of fair value of land & buildings has a range of limitations including unavailability of reliable information under the above approaches, which are generally faced by both the management and external valuers, such as:

- Unavailability of readily available information especially to support Level 1 and 2 inputs;
- Registry of land is done at below the market rate;
- Minimum value fixed by Government for land registration are not in line with market rate;
- Varied level of judgments applied by different valuers resulting different fair value of same property;
- Level of subjectivity in determining the income potential of property; and
- Slowdown in actual buy-sale transactions in real estate sector

Furthermore, due to inclusion of revalued amounts, the Bank's fixed assets base would breach the regulatory limits of holding immovable assets up to 30% of capital and reserves as prescribed by BRPD Circular and hence may create challenges for further business expansion.

Considering all the above factors, management has decided to change the subsequent measurement basis of its land and building, and decided to revert back from "fair value" model to "cost" model under IAS 16. Management has also assessed this change in accounting policy in line with 'IAS 8: Accounting policies, changes in accounting estimates and errors', and concluded that this change in accounting policy results in the financial statements providing reliable and more relevant information due to elimination of subjectivity and judgment associated with determining fair value of land and building which are not relevant to cost model.

Management has also concluded that since judgment and estimates are not used in cost model and also other constraints of revaluation model as stated above, it would provide reliable measurement basis, better information about the nature and amounts of the Bank's economic resources as well as ensure faithful representation and verifiability as outlined in IFRS Conceptual Framework for Financial Reporting.

Finally, management has assessed materiality in terms of IFRS Framework and considered that the proposed voluntary change is not material in terms of the Materiality definition provided in IFRS Framework and IAS 1, as it has no impact on previous or future earnings or cash flow, and only limited impact on certain amounts disclosed in prior year. Since the prior year financials are submitted to various regulatory authorities, changes in prior year reported amounts may create confusion especially with tax authority. Accordingly, as the retrospective effect required by IAS 8 for this change is limited to disclosure only, all related disclosures of prior year reported amounts due to this change is provided below for any comparison by the user of the financial statements.

Items	Reported amount	Revised amount	Difference
Fixed assets including premises, furniture & fixtures	4,906,381,165	4,257,926,165	(648,455,000)
Other assets (deferred tax)	27,843,754,754	27,869,692,954	25,938,200
Other reserve (revaluation reserve)	(662,239,680)	(39,722,880)	622,516,800

Note: mentioned here that, considering revised amount of assets, NAV of 2018 will revised to Tk. 19.68.

2.41a Net Asset Value (NAV) per share 2019: Tk. 20.17 (Solo basis)

2.42 Approval of Audited Financial Statements

These financial statements were reviewed by the Audit Committee of the Board of the Bank in its 97th meeting held on June 18, 2020 and was subsequently approved by the Board of Directors of the Bank in its 375 meeting held on June 23, 2020.

		31.12.2019 Taka	31.12.2018 Taka
3. Cash			
Cash in hand	(Note: 3.1)	2,950,252,964	2,422,277,323
Balance with Bangladesh Bank and its agent bank(s)	(Note: 3.2)	14,688,193,247	13,029,167,743
		17,638,446,211	15,451,445,066
3(a) Consolidated Cash			
Dhaka Bank Limited	(Note: 3)	17,638,446,211	15,451,445,066
Dhaka Bank Securities Limited		112,000	100,000
Dhaka Bank Investment Limited		-	-
		17,638,558,211	15,451,545,066
3.1 Cash in hand			
In local currency		2,879,598,542	2,319,241,771
In foreign currencies		70,654,422	103,035,552
		2,950,252,964	2,422,277,323
Cash in hand (local currency) includes balance of cash held at Automated Teller Machine (ATM)			
3.1(a) Consolidated Cash in hand			
Dhaka Bank Limited	(Note: 3.1)	2,950,252,964	2,422,277,323
Dhaka Bank Securities Limited		112,000	100,000
Dhaka Bank Investment Limited		-	-
		2,950,364,964	2,422,377,323
3.2 Balance with Bangladesh Bank and its agent bank(s)			
Balance with Bangladesh Bank			
In local currency		11,707,168,247	11,659,607,293
Conventional		11,270,970,265	11,234,960,230
Al-Wadiah current account		436,197,982	424,647,064
In foreign currencies		2,634,543,815	1,092,935,344
		14,341,712,062	12,752,542,637
Balance with Sonali Bank as agent of Bangladesh Bank		346,481,185	276,625,106
		14,688,193,247	13,029,167,743
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.			
3.2(a) Consolidated Balance with Bangladesh Bank and its agent bank(s)			
Dhaka Bank Limited	(Note: 3.2)	14,688,193,247	13,029,167,743
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		14,688,193,247	13,029,167,743
3.3 Statutory deposits			
Cash Reserve Ratio and Statutory Liquidity Ratio have been calculated and maintained as per Section 33 of the Bank Companies Act 1991 (amended up to 2013) and MPD Circular No. 04, dated 01.12.2010, MPD Circular No.05 dated 01.12.2010, MPD Circular No.01 dated 23.06.2014 and MPD Circular No.01 dated 03.04.2018 and DOS circular no.26 dated 19.08.2019			
3.3.1 Cash Reserve Ratio (CRR)			
Conventional Banking			
Bi-weekly Requirement			
(5.50% of Average Demand and Time Liabilities)			
Required Reserve		11,415,672,026	10,212,321,543
Actual reserve maintained		11,561,976,285	10,736,217,350
Surplus		146,304,259	523,895,808
Required		5.50%	5.50%
Maintained		5.57%	5.78%

	31.12.2019 Taka	31.12.2018 Taka
Daily Requirement (5.00% of Average Demand and Time Liabilities)		
Required Reserve	10,377,883,660	9,283,928,675
Actual reserve maintained	11,349,699,348	11,224,745,662
Surplus	971,815,688	1,940,816,987
Required	5.00%	5.00%
Maintained	5.47%	6.05%
Islamic Banking Bi-weekly Requirement (5.50% of Average Demand and Time Liabilities)		
Required Reserve	384,130,461	387,725,003
Actual reserve maintained	436,197,982	424,647,064
Surplus	52,067,521	36,922,061
Required	5.50%	5.50%
Maintained	6.25%	6.02%
Daily Requirement (5.00% of Average Demand and Time Liabilities)		
Required Reserve	349,209,510	352,477,275
Actual reserve maintained	436,197,982	424,647,064
Surplus	86,988,472	72,169,789
Required	5.00%	5.00%
Maintained	6.25%	6.02%
3.3.2 Statutory Liquidity Ratio (SLR) Conventional Banking (13% of Average Demand & Time Liabilities)		
Required Reserve	26,982,497,516	24,138,214,555
Actual reserve maintained	33,221,497,729	25,248,623,276
Surplus	6,239,000,213	1,110,408,721
Required	13.00%	13.00%
Maintained	16.01%	13.60%
Islamic Banking (5.50% of Average Demand and Time Liabilities)		
Required Reserve	384,130,461	387,725,003
Actual reserve maintained	561,259,712	506,939,138
Surplus	177,129,251	119,214,136
Required	5.50%	5.50%
Maintained	8.04%	7.19%
Held for Statutory Liquidity Ratio (Conventional)		
Cash in Hand	2,871,060,774	2,383,911,746
Balance with Bangladesh Bank and its agent Bank(s) over CRR	340,633,837	1,012,424,119
Government Securities (excluding Assured Liquidity Support)	30,009,803,119	21,575,911,854
	33,221,497,729	24,972,247,719
Held for Statutory Liquidity Ratio (Islamic)		
Cash in Hand	79,192,191	40,017,077
Balance with Bangladesh Bank and its agent Bank(s) over CRR	52,067,521	36,922,061
Government Securities (excluding Assured Liquidity Support)	430,000,000	430,000,000
	561,259,712	506,939,138

Dhaka Bank Limited has maintained the above SLR and CRR requirement based on weekly average total demand and time liabilities (ATDTL) of the base month which is two months back of the reporting month.

As per DOS Circular No. 05 dated 26 May 2008, all the Government treasury bond and bill will be open for SLR requirement and Dhaka Bank Limited has maintained the minimum SLR as per said circular.

		31.12.2019 Taka	31.12.2018 Taka
3.4 Maturity grouping of cash			
On Demand		17,638,446,211	15,451,445,066
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		-	
		17,638,446,211	15,451,445,066
4. Balance with other banks and financial institutions			
In Bangladesh	(Note: 4.1)	9,967,933,323	15,780,447,575
Outside Bangladesh	(Note: 4.2)	3,961,161,862	1,713,923,809
		13,929,095,184	17,494,371,384
4(a) Consolidated Balance with other banks and financial institutions			
In Bangladesh	(Note: 4.1(a))	10,036,263,655	15,929,923,232
Outside Bangladesh	(Note: 4.2(a))	3,961,161,862	1,713,923,809
		13,997,425,517	17,643,847,041
4.1 In Bangladesh			
Current Deposits			
Sonali Bank Limited		85,595,913	57,604,168
Janata Bank Limited		4,672,447	299,471,961
Southeast Bank Limited			
Standard Chartered Bank (Visa Settlement)		19,600,596	15,374,804
Brac Bank Limited			
Agrani Bank Limited		23,198,595	18,181,418
Dutch Bangla Bank Limited		-	
Islami Bank Bangladesh Limited		20,378,645	10,190,295
United Commercial Bank Limited		1,629,622	2,906,404
		155,075,818	403,729,050
Special Notice Deposits (SND)			
Janata Bank Limited		270,547	93,623
Dutch Bangla Bank Limited		6,259,960	10,519,776
Sonali Bank Limited		72,055	69,808
AB Bank Limited		680,955	648,243
Agrani Bank Limited		9,411,978	2,298,694
National Bank Limited		162,009	838,381
		16,857,505	14,468,526
Fixed Deposits			
Commercial Banks			
Social Islami Bank Limited		-	
Islami Bank Bangladesh Ltd		-	1,251,750,000
Eastern Bank Limited		-	2,503,500,000
The City Bank Limited		3,396,000,000	5,007,000,000
Placement with OBU		5,804,312,637	-
		9,200,312,637	8,762,250,000
Less : Inter Unit (OBU)		5,804,312,637	-
		3,396,000,000	8,762,250,000
Financial Institutions			
Phoenix Finance and Investment Limited		100,000,000	100,000,000
Prime Finance		300,000,000	-
International Leasing and Financial Services Limited		-	
Bay Leasing			500,000,000
National Housing		2,000,000,000	4,000,000,000
IDLC Finance Limited		2,000,000,000	2,000,000,000
IPDC Finance Limited		2,000,000,000	-
		6,400,000,000	6,600,000,000
		9,967,933,323	15,780,447,575

		31.12.2019 Taka	31.12.2018 Taka
4.1(a) Consolidated In Bangladesh			
Dhaka Bank Limited	(Note: 4.1)	9,967,933,323	15,780,447,575
Dhaka Bank Securities Limited		125,331,297	172,997,289
Dhaka Bank Investment Limited		308,110,999	292,109,835
		10,401,375,619	16,245,554,699
Less: Intercompany transaction		365,111,963	315,631,467
		10,036,263,655	15,929,923,232
4.2 Outside Bangladesh (Nostro Accounts)			
Current Deposits			
Standard Chartered Bank, New York		1,155,426,700	460,991,613
Mashreq Bank, New York		50,232,308	49,946,621
Habib American Bank, OBU		1,585,216,534	617,461,786
Commerz Bank, Frankfurt (USD)		10,582,943	4,027,322
Habib American Bank		398,665,138	12,054,821
Wells Fargo Bank N.A.		58,268,325	38,432,239
JP Morgan Chase Bank NA		297,476,899	36,020,362
Standard Chartered Bank, Mumbai		4,181,457	9,225,786
Sonali Bank		39,304,387	5,264,354
AB Bank		36,270,772	5,336,528
Nepal Bangladesh Bank		16,874,917	4,627,325
Sampath Bank		3,367,381	3,406,253
Bhutan National Bank		7,638,552	15,665,332
Bank of Bhutan		6,772,744	796,492
Habib Metropolitan Bank Ltd.		75,977,131	22,571,705
Dhaka Bank OBU Nostro		-	208,625,000
ICICI Bank Limited		(13,431,683)	28,889,850
Mashreq Bank, Mumbai		59,025,255	34,812,677
United Bank Of India, Kolkata (ACUD)		26,517,166	11,009,823
Axis Bank Ltd, India		56,540,247	39,051,529
Union Bank of Switzerland		16,278,044	10,935,242
Commerz Bank, Frankfurt (EURO)		927,314	(4,722,058)
Standard Chartered Bank		21,043,219	39,635,017
Unicredit S.P.A.		6,862,248	1,530,387
UNITED BANK OF INDIA, KOLKATA (EURO)		397,558	1,349,567
Commerz Bank, Frankfurt (AUD)		13,523,483	2,724,597
Standard Chartered Bank, Japan		8,395,341	42,460,324
Standard Chartered Bank, London		9,508,161	5,372,065
Commerz Bank, Frankfurt (CAD)		9,222,532	4,797,121
Al-Rajhi Bank		96,789	1,624,128
		3,961,161,862	1,713,923,809
(Details are given in Annexure - A)			
In order to meet up the foreign currency liabilities of the bank, the cover fund against the liabilities has been kept and booked in Nostro Bank Accounts as well as Bangladesh Bank Foreign Currency Clearing account. All balances of Nostro Accounts have been reconciled.			
4.2(a) Consolidated Outside Bangladesh (Nostro Accounts)			
Dhaka Bank Limited	(Note: 4.2)	3,961,161,862	1,713,923,809
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		3,961,161,862	1,713,923,809

		31.12.2019 Taka	31.12.2018 Taka
4.3	Account-wise/grouping of balance with other banks and financial institutions		
	Current Deposits	4,116,237,680	2,117,652,859
	Short-Notice Deposits	16,857,505	14,468,526
	Fixed Deposits	9,796,000,000	15,362,250,000
		13,929,095,184	17,494,371,384
4.4	Maturity grouping of balances with other banks and financial institutions		
	On demand	2,240,859,968	2,132,121,384
	Upto 1 month	6,253,294,291	7,007,000,000
	Over 1 month but not more than 3 months	4,415,340,329	6,755,250,000
	Over 3 months but not more than 6 months	1,019,600,596	1,600,000,000
	Over 6 months but not more than 1 year		-
	Over 1 year but not more than 5 years		-
	Over 5 years		-
		13,929,095,184	17,494,371,384
5.	Money at call on short notice		
	With banking companies (Note: 5.1)	11,300,000	11,300,000
	With non-banking financial institutions (Note: 5.2)	-	-
		11,300,000	11,300,000
5(a)	Consolidated Money at call on short notice		
	Dhaka Bank Limited (Note: 5)	11,300,000	11,300,000
	Dhaka Bank Securities Limited	-	-
	Dhaka Bank Investment Limited	-	-
		11,300,000	11,300,000
5.1	With banking companies		
	Midland Bank Ltd		
	The City Bank Ltd		
	Mercantile Bank Ltd		
	ICB Islamic Bank Limited	11,300,000	11,300,000
		11,300,000	11,300,000
	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.		
5.2	With non-banking financial institutions		
	International Leasing & Financial Service Limited	-	-
	Lanka Bangla Finance Ltd.		
	Prime Finance		
		-	-
5.3	Maturity grouping of money at call & short notice		
	On demand	-	-
	Upto 1 month	-	-
	Over 1 month but not more than 3 months	-	-
	Over 3 months but not more than 6 months	-	-
	More than 6 months but less than 1 year	-	-
	More than 1 year but less than 5 years	11,300,000	11,300,000
	More than 5 years	-	-
		11,300,000	11,300,000
6.	Investments		
	Government securities (Note: 6.1)	30,443,129,119	22,009,920,154
	Other investments (Note: 6.2)	6,238,627,455	5,610,075,190
		36,681,756,574	27,619,995,345

		31.12.2019 Taka	31.12.2018 Taka
6(a) Consolidated Investments			
Dhaka Bank Limited	(Note: 6)	36,681,756,574	27,619,995,345
Dhaka Bank Securities Limited		3,050,788,220	3,021,899,751
Dhaka Bank Investment Limited		-	-
		39,732,544,794	30,641,895,095
6.1 Government securities			
Bangladesh Bank bills	(Note: 6.1.1)	3,305,723,544	492,964,054
Treasury bonds	(Note: 6.1.2)	26,704,079,575	21,082,947,801
Government islamic bond		430,000,000	430,000,000
Prize bond		3,326,000	4,008,300
		30,443,129,119	22,009,920,154
6.1(a) Consolidated Government securities			
Dhaka Bank Limited	(Note: 6.1)	30,443,129,119	22,009,920,154
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		30,443,129,119	22,009,920,154
6.1.1 Bangladesh Bank bills			
7 days Bangladesh Bank Bills		-	492,964,054
91 days Treasury Bills		692,583,500	-
364 days Treasury Bills		2,613,140,044	-
		3,305,723,544	492,964,054
6.1.2 Treasury Bonds			
2 years Bangladesh Government Treasury Bond		7,599,709,171	5,728,288,569
5 years Bangladesh Government Treasury Bond		5,524,991,247	4,535,625,544
10 years Bangladesh Government Treasury Bond		9,430,255,311	8,542,753,594
15 years Bangladesh Government Treasury Bond		3,269,352,545	2,049,674,096
20 years Bangladesh Government Treasury Bond		879,771,301	226,605,998
		26,704,079,575	21,082,947,801
6.2 Other investments			
Investment in shares	(Note: 6.2.1)	628,627,455	330,075,190
Investment in subordinated bonds	(Note: 6.2.2)	5,610,000,000	5,280,000,000
"Investment in Commercial Paper"	(Note: 6.2.3)	-	-
		6,238,627,455	5,610,075,190
6.2(a) Consolidated Other investments			
Dhaka Bank Limited	(Note: 6.2)	6,238,627,455	5,610,075,190
Dhaka Bank Securities Limited		3,050,788,220	3,021,899,751
Dhaka Bank Investment Limited		-	-
		9,289,415,675	8,631,974,941
6.2.1 Shares			
Quoted (Publicly Traded)		28,627,455	30,075,190
Unquoted		600,000,000	300,000,000
		628,627,455	330,075,190
(Details are given in Annexure - B)			
6.2.2 Investment in subordinated bonds			
MTBL Subordinated Bond		900,000,000	900,000,000
Mercantile Bank Subordinated Bond		120,000,000	180,000,000
The City Bank Subordinated Bond		500,000,000	100,000,000
One Bank Limited		540,000,000	600,000,000
Bank Asia Limited		750,000,000	750,000,000
Shajalal islami Bank Ltd.		500,000,000	500,000,000
Trust Bank Ltd.		500,000,000	500,000,000
Dutch Bangla Bank		500,000,000	500,000,000
Islami Bank Bangladesh Ltd.		500,000,000	500,000,000
Southeast Bank Limited		600,000,000	750,000,000
Eastern Bank Limited		200,000,000	-
		5,610,000,000	5,280,000,000

31.12.2019
Taka

31.12.2018
Taka

MTBL Subordinated Bond - date of purchase was 16.02.2017 and redemption will be started on 16.02.2020; Mercantile Bank Subordinated Bond - date of purchase was on 29.06.2014 and redemption started from 30.06.2017; The City Bank Limited Subordinated Bond - date of purchase was on 12.12.2018 and redemption will start on 21.12.2021; One Bank Limited Subordinated Bond - date of purchase was on 27.10.2016 and redemption started from 27.10.2019 (30 Crore); One Bank Limited Subordinated Bond - date of purchase was on 12.12.2018 and redemption will start on 12.06.2023 (30 Crore); Bank Asia Limited Subordinated Bond - date of purchase was on 23.04.2017 and redemption will start on 23.04.2020; Shajalal Islami Bank Limited Subordinated Bond - date of purchase was on 19.12.2018 and redemption will start on 19.12.2021; Trust Bank Limited Subordinated Bond - date of purchase was on 19.12.2018 and redemption will start on 19.12.2021; Dutch Bangla Bank Limited Subordinated Bond - date of purchase was on 24.12.2018 and redemption will start on 24.12.2021; Islami Bank Bangladesh Limited Subordinated Bond - date of purchase was on 24.12.2018 and redemption will start on 24.12.2021; Southeast Bank Limited Subordinated Bond - date of purchase was on 27.10.2016 and redemption will start on 27.10.2019.

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 surplus in profit and loss account of the Bank. In compliance with the guidelines of the Bangladesh Bank, the portfolio exposure of Dhaka Bank Limited is 3.48% as of December 31, 2019.

6.2.3 Investment in Commercial Paper

Hashem Food Limited
KSRM Billete Industries Limited
Partex Leminates Ltd

-	-
-	-
-	-
-	-

6.3 Investment in Securities are classified as per Bangladesh Bank Circular

Held for Trading (HFT)

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
5 years Bangladesh Government Treasury Bond
10 years Bangladesh Government Treasury Bond
15 years Bangladesh Government Treasury Bond
20 years Bangladesh Government Treasury Bond

-	-
-	-
692,583,500	-
-	-
-	-
203,565,810	-
-	-
-	-
1,264,656,000	-
653,152,338	-
2,813,957,648	-

Held to Maturity (HTM)

7 days Bangladesh Bank Bills
91 days Treasury Bills
182 days Treasury Bills
364 days Treasury Bills
2 years Bangladesh Government Treasury Bond
5 years Bangladesh Government Treasury Bond
10 years Bangladesh Government Treasury Bond
15 years Bangladesh Government Treasury Bond
20 years Bangladesh Government Treasury Bond

-	-
-	-
-	-
2,613,140,044	492,964,054
7,396,143,361	5,728,288,569
5,524,991,247	4,535,625,544
9,430,255,311	8,542,753,594
2,004,696,545	2,049,674,096
226,618,964	226,605,998
27,195,845,472	21,575,911,854
30,009,803,119	21,575,911,854

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.

6.4 Assets pledged as security

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

Liabilities to bank
Liabilities to customers

-	-
-	-
-	-

Following assets were pledged as security for the above mentioned liabilities

Claim on banks
Claim on customers

-	-
-	-
-	-

		31.12.2019 Taka	31.12.2018 Taka
6.5	Maturity Grouping of Investments		
	On demand	3,326,000	-
	Over 2 Days but not more than 3 Months	1,122,583,500	1,426,627,133
	Over 3 months but not more than 6 months	1,630,315,423	702,964,054
	More than 6 months but less than 1 year	8,062,302,678	1,417,485,312
	Over 1 year but not more than 5 years	19,289,642,712	17,994,298,827
	Over 5 years	6,573,586,261	6,078,620,019
		36,681,756,574	27,619,995,345
7.	Loans, advances and lease/investments including Bills purchased and discounted		
	Loans, cash credits, overdrafts, etc./Investments	(Note: 7.1) 193,010,498,465	177,668,277,411
	Bills purchased and discounted	(Note: 8) 2,624,408,554	2,957,426,187
		195,634,907,019	180,625,703,598
7(a)	Consolidated Loans, advances and lease/investments including Bills purchased and discounted		
	Dhaka Bank Limited	(Note: 7) 195,634,907,019	180,625,703,598
	Dhaka Bank Securities Limited	2,149,978,522	2,063,073,447
	Dhaka Bank Investment Limited	-	-
		197,784,885,541	182,688,777,045
	Less: Inter company transaction	2,298,017,550	2,189,406,680
		195,486,867,990	180,499,370,364
7.1	Loans, cash credits, overdrafts, etc./Investments Broad category-wise breakup		
	In Bangladesh		
	Secured Overdraft/Quard	36,111,670,071	40,730,950,135
	Cash Credit/Murabaha	16,280,464,195	7,318,714,679
	House Building Loan	2,583,329,668	1,117,941,923
	Transport Loan	3,148,295,786	2,027,356,659
	Term Loan	67,478,549,206	63,684,032,228
	Loan Against Trust Receipt	9,088,431,520	8,723,422,579
	Payment Against Documents	348,917,723	126,824,442
	Loan Against Imported Merchandize	-	-
	Packing Credit	554,773,446	750,249,713
	Lease Finance / Izara	4,558,376,496	4,603,501,584
	Credit Card	523,696,386	422,932,090
	Retail Loan	1,579,794,097	3,119,623,478
	Other Loans	50,754,199,873	45,042,727,899
		193,010,498,465	177,668,277,411
	Outside Bangladesh	-	-
		193,010,498,465	177,668,277,411
7.1(a)	Consolidated Loans, cash credits, overdrafts, etc./Investments		
	Dhaka Bank Limited	(Note: 7.1) 193,010,498,465	177,668,277,411
	Dhaka Bank Securities Limited	2,149,978,522	2,063,073,447
	Dhaka Bank Investment Limited	-	-
		195,160,476,987	179,731,350,858
	Less: Inter company transaction	2,298,017,550	2,189,406,680
		192,862,459,437	177,541,944,177

	31.12.2019 Taka	31.12.2018 Taka
7.2 Residual maturity grouping of loans including bills purchased and discounted		
Repayable on Demand	29,551,763,328	27,371,875,459
Upto 1 month	17,742,869,070	15,988,974,760
Not more than 3 months	27,659,604,660	25,300,754,755
More than 3 months but not more than 6 months	28,481,036,351	29,694,941,002
More than 6 months but not more than 1 year	22,177,060,515	19,077,724,199
More than 1 year but not more than 5 years	49,348,280,392	46,512,997,596
More than 5 years	20,674,292,702	16,678,435,825
	195,634,907,019	180,625,703,598
7.3 Investment in lease/ izara finance		
Lease rental receivable within 1 year	1,690,853,854	288,322,679
Lease rental receivable more than 1 year	3,495,898,015	4,315,178,906
Total lease/ izara rental receivable	5,186,751,869	4,603,501,584
Less: unearned interest/profit receivable	628,375,374	-
Net investment in lease/izara finance	4,558,376,496	4,603,501,584
7.4 Product wise loans and advances		
Loans	140,618,364,200	130,288,712,065
Cash Credits	16,280,464,195	7,362,547,015
Overdrafts	36,111,670,071	40,017,018,331
Bills purchased and discounted (Note: 8)	2,624,408,554	2,957,426,187
	195,634,907,019	180,625,703,598
7.5 Loans on the basis of significant concentration including bills purchased & discounted		
a. Advances to allied concerns of Directors (Note: 7.5.1)	35,659,537	34,136,130
b. Advances to Chief Executive		
c. Advances to Other Senior Executives		
d. <u>Advances to Customer's Group:</u>		
Agriculture loan	2,129,678,512	1,884,073,314
Commercial lending	14,156,527,968	12,652,462,131
Export financing	18,074,941,084	21,290,307,859
Consumer credit scheme	4,636,999,444	2,132,021,508
Small and Medium Enterprise (SME)	25,653,771,212	30,831,549,754
Staff Loan	1,404,111,958	1,366,355,649
Others	129,543,217,305	110,434,797,252
	195,634,907,019	180,625,703,598
7.5.1 The amount represents loan in the name of existing directors & related parties of the bank. Details are provided in Annexure-G .		
7.6 Advances to customers for more than 10% of Bank's total capital		
Total capital of the Bank		
Number of Customers	17	26
Amount of outstanding loans and advances*	73,662,703,454	94,104,714,017
Amount of classified loans and advances	-	57,308,887
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 2019. (Details are given in Annexure - C)		

	31.12.2019 Taka	31.12.2018 Taka
7.7 Industry-wise loans, advances and lease/investments		
Agricultural	1,092,288,440	1,884,073,314
Pharmaceuticals	2,858,788,977	2,841,039,426
Textile & Garment	47,915,972,466	49,907,032,558
Chemical	8,826,446,742	7,458,706,555
Food & allied	10,786,401,163	11,466,412,948
Transport & Communication	5,086,449,975	5,533,644,367
Electronics & Automobile	8,535,845,495	422,437,655
Housing & Construction	19,609,884,343	17,609,016,187
Engineering & Metal Industries including Ship Breaking	16,769,981,006	15,897,004,723
Energy & Power	7,247,300,817	8,332,741,260
Service	12,190,245,423	8,374,990,683
Others	54,715,302,171	50,898,603,921
	195,634,907,019	180,625,703,598
7.8 Geographical location-wise (division) distribution		
Urban		
Dhaka Region	150,513,932,027	128,878,194,815
Chittagong Region	26,298,080,693	29,537,777,059
South Region	2,554,360,404	3,927,623,091
North Region	3,465,401,027	3,614,942,492
Sylhet Region	1,025,905,495	2,525,723,845
Other		933,637,071
	183,857,679,646	169,417,898,373
Rural		
Dhaka Region	8,863,812,163	8,034,541,138
Chittagong Region	1,141,589,430	1,190,838,812
South Region	-	-
North Region	1,696,628,521	1,887,467,481
Sylhet Region	75,197,258	94,957,794
Other	-	-
	11,777,227,373	11,207,805,225
	195,634,907,019	180,625,703,598
7.9 Sector-wise loans, advances and lease/investments		
Government & Autonomous bodies	-	-
Financial Institutions (Public & Private)	15,974,608,831	2,511,762,985
Private Sector	179,660,298,188	178,113,940,612
	195,634,907,019	180,625,703,598
7.10 Classification of loans, advances and lease/investments		
Unclassified		
Standard	178,294,482,729	164,507,006,583
Special Mention Account*	8,062,548,019	7,109,688,925
	186,357,030,747	171,616,695,508
Classified		
Sub-Standard	1,247,982,467	1,185,224,408
Doubtful	198,164,454	517,804,239
Bad or loss	7,831,729,351	7,305,979,443
	9,277,876,272	9,009,008,090
	195,634,907,019	180,625,703,598

*Unclassified Loans and Advances includes Loans under stay orders from the Honourable High Court Division of the Supreme Court of Bangladesh.

7.11 A) **Provision required for loans and advances**

			31.12.2019 Taka	31.12.2018 Taka
Status	Base for Provision	Rate %		
Unclassified:				
Unclassified		0%	-	-
Unclassified	19,508,862,932	0.25	48,772,157	61,973,538
Unclassified	142,746,480,438	1	1,427,464,804	1,240,399,459
Unclassified	3,009,665,936	2	60,193,319	50,973,957
Unclassified		2.5	-	-
Unclassified	874,696,728	5	43,734,836	48,751,098
Unclassified		20	-	44,049,173
Unclassified			-	-
Unclassified	2,145,390,499	50	1,072,695,250	1,057,957,070
Unclassified	5,456,769,499	100	5,456,769,499	5,612,034,270
Unclassified		Special	-	-
Special Mention account	884,908,489	0.25	2,212,271	2,372,847
Special Mention account	3,388,484,845	1	33,884,848	57,824,596
Special Mention account	12,304,692	2	246,094	299,878
Special Mention account	3,152,944	5	157,647	659,816
Special Mention account		50	-	-
Special Mention account	2,806,566,994	100	2,806,566,994	52,485,043
			10,952,697,720	8,229,780,744
Classified:				
Sub-Standard	3,143,329	5	157,166	8,081
Sub-Standard	721,408,642	20	144,281,728	172,457,057
Doubtful	1,723,730	5	86,187	61,717
Doubtful	63,129,442	50	31,564,721	141,878,324
Bad or loss		Special	-	-
Bad or loss	4,425,088,066	100	4,425,088,066	3,937,125,332
			4,601,177,868	4,251,530,511
Required provision for loans & advances			15,553,875,588	12,481,311,255
Total provision maintained			11,536,689,686	8,887,631,501
Provision will be maintained in future*			4,017,185,901	3,593,679,754
Excess / short provision as at 31 December			-	-
			34,523,697	22,523,697
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	46,595,967,020	1	465,959,670	474,887,435
Letter of Credit	24,421,413,575	1	244,214,136	311,187,260
Letter of Guarantee	41,841,413,769	1	418,414,138	395,140,795
Required provision			1,128,587,944	1,181,215,490
Total Provision Maintained			1,128,587,944	1,181,215,490
Excess / (Short) Provision as at 31 December			-	-

*As per DBI letter ref no: DBI-1/92/2020/1505 dated 03 June 2020, provision shortfall of Tk. 401 Crore shall be maintained during the next three years (i.e. 2020, 2021 and 2022) at the rate of 30%, 30% and 40% respectively. It is also worthwhile to note that subsequent to the year-end, Bangladesh Bank has issued BRPD circular ref no: 07 dated 19 March modifying some clauses of the earlier BRPD Circular No 5 dated 16 May 2019 reducing provision requirements for certain types of rescheduled and one off exit loans. If the revised basis of provision as per BRPD Circular no 7 is applied then provision requirement will be reduced by Tk. 139 Crore and hence the total provision shortfall required to be maintained during the next three years will be reduced to Tk. 262 Crore.

7.12 Securities against loans including bills purchased & discounted

a. Secured

Collateral of movable / immovable assets
Local Banks & Financial Institutions guarantee
Foreign Banks Guarantee
Export documents
Government Guarantee

Fixed Deposits Receipts

Own FDR
FDR of Other Banks
Personal Guarantee
Corporate Guarantee
Other Securities
Government bonds

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;
- (ii) Loans considered good against which the banking company holds no security other than the debtor's personal guarantee;
- (iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors;
- (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;
- (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;***

	31.12.2019 Taka	31.12.2018 Taka
	120,727,777,615	96,716,284,507
	-	-
	-	-
	2,721,277,164	10,377,473,777
	-	-
	4,141,535,033	1,778,953,585
	109,163,024	109,849,893
	23,485,424,732	1,250,939,066
	43,963,816,529	44,363,479,615
	-	-
	195,148,994,097	180,625,703,598
	485,912,922	
	195,634,907,019	180,625,703,598
	120,727,777,615	96,716,284,507
	23,485,424,732	1,250,939,066
	4,250,698,057	1,888,803,478
	-	-
	1,439,771,495	1,400,491,779
	35,659,537	34,136,130
	1,439,771,495	1,400,491,779
	35,659,537	34,136,130
	-	-
	2,649,058,186	1,108,155,668
	82,879,861	41,105,402
	4,425,088,066	3,937,125,332
	-	-
	6,641,793,877	6,539,692,416

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

**The detail of Recovery up to December 31, 2019 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, 2019 may be seen in the [Annexure - F](#)

		31.12.2019 Taka	31.12.2018 Taka
8.	Bills purchased and discounted		
	In Bangladesh	2,381,387,601	2,696,766,182
	Outside Bangladesh	243,020,952	260,660,005
		2,624,408,554	2,957,426,187
8(a)	Consolidated Bills purchased and discounted		
	Dhaka Bank Limited (Note: 8)	2,624,408,554	2,957,426,187
	Dhaka Bank Securities Limited	-	-
	Dhaka Bank Investment Limited	-	-
		2,624,408,554	2,957,426,187
8.1	Maturity grouping of bills purchased & discounted		
	Payable within 1 month	1,174,616,055	1,569,132,672
	Over 1 month but less than 3 months	1,237,381,042	1,188,770,850
	Over 3 months but less than 6 months	212,411,457	199,522,665
	6 months or more	-	-
		2,624,408,554	2,957,426,187
9.	Fixed assets including premises, furniture and fixtures		
	Cost/ Revaluation		
	Land	2,301,877,536	2,950,332,536
	Building	680,910,718	622,721,217
	Furniture and fixture including office decoration	550,522,878	465,832,187
	Office appliances and equipment	1,447,967,787	1,315,360,663
	Computer	239,726,134	256,561,870
	Software	738,440,514	663,180,606
	Bank's vehicle	312,597,872	288,604,723
	Right of use assets (ROU) as per IFRS 16	941,198,103	-
		7,213,241,543	6,562,593,802
	Less: Accumulated depreciation	2,133,581,914	1,656,212,636
		5,079,659,629	4,906,381,165
	(Details are given in Annexure - D)		
	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.		
9(a)	Consolidated Fixed assets including premises, furniture and fixtures		
	Dhaka Bank Limited (Note: 9)	5,079,659,629	4,906,381,165
	Dhaka Bank Securities Limited	8,080,258	9,582,611
	Dhaka Bank Investment Limited	-	-
		5,087,739,886	4,915,963,776
10.	Other Assets		
	Investment in Shares of subsidiary companies (Note: 10.1)	1,749,999,880	1,749,999,880
	Stationery, stamps, printing materials etc.	37,332,721	34,417,989
	Advance rent (Note: 10.1.a)	160,714,980	334,233,100
	Prepaid expenses against advertisement	18,345,474	32,157,920
	Interest/Profit accrued and other receivable (Note: 10.2)	837,152,358	758,189,088
	Security deposit	22,412,616	22,423,766
	Preliminary, formation, Work in progress, renovation expenses and prepaid expenses (Note: 10.3)	3,898,597,443	3,971,398,900
	Branch adjustments (Note: 10.4)	65,085,231	2,245,217,929
	Suspense account (Note: 10.5)	154,099,194	83,728,215
	Others (Note: 10.6)	9,090,487,183	18,611,987,967
		16,034,227,081	27,843,754,754
10(a)	Consolidated Other assets		
	Dhaka Bank Limited (Note: 10)	16,034,227,081	27,843,754,754
	Dhaka Bank Securities Limited	296,987,856	267,665,363
	Dhaka Bank Investment Limited	8,335,463	5,478,701
		16,339,550,400	28,116,898,818

	31.12.2019 Taka	31.12.2018 Taka
10.6.2.a In accordance with the FE Circular No.03 dated 04 February 2013 of Bangladesh Bank, the amount represents bills discounted 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.		
10.7 Income generation grouping of Other assets Income generating		
Investment in Shares of subsidiary companies	1,749,999,880	1,749,999,880
Account receivable others		
Finance to AD branches for Local Documentary Bill Purchased	1,708,314,074	2,235,173,720
Finance to AD branches for Import Bill Discounting	109,641,877	11,089,105,476
	3,567,955,831	15,074,279,076
Non-income generating		
Stationery, stamps, printing materials etc.	37,332,721	34,417,989
Advance rent	160,714,980	334,233,100
Prepaid expenses against advertisement	18,345,474	32,157,920
Interest/Profit accrued and other receivable	837,152,358	758,189,088
Security deposit	22,412,616	22,423,766
Preliminary, formation, work in progress, renovation expenses and prepaid expenses	3,898,597,443	3,971,398,900
Branch adjustments	65,085,231	2,245,217,929
Suspense account	154,099,194	83,728,215
Advance tax paid	6,414,335,515	4,495,696,337
Deferred Tax Assets	68,291,675	17,558,808
Account receivable others		
Receivable against Bangladesh / Paribar Sanchaya Patra	326,767,895	308,262,312
Protestation account	3,012,677	1,766,805
Receivable from exchange houses	2,141,341	2,491,062
Receivable from Dhaka Bank Investment Limited	1,173,725	1,173,725
Receivable from Dhaka Bank Securities Limited	105,787,264	155,787,264
Fees receivable	63,124,915	43,583,355
Excise Duty Receivable	88,659,162	-
Dividend Receivable	4,517,808	-
Receivable from share sale proceeds	-	572,603
ATM settlement account	194,719,255	260,816,500
	12,466,271,250	12,769,475,678
	16,034,227,081	27,843,754,754
11. Non-banking assets		
Land and Building (already sold out and adjusted)	-	23,166,033
11(a) Consolidated Non-banking assets		
Dhaka Bank Limited (Note: 11)	-	23,166,033
Dhaka Bank Securities Limited	-	-
Dhaka Bank Investment Limited	-	-
	-	23,166,033
12. Borrowings from other banks, financial institutions and agents		
In Bangladesh (Note: 12.1)	14,471,193,503	15,138,004,801
Outside Bangladesh	13,253,933,881	11,542,179,968
	27,725,127,384	26,680,184,769
12.1 In Bangladesh		
Call Borrowing		
Southeast Bank	-	300,000,000
Rupali Bank	-	350,000,000
	-	650,000,000

	31.12.2019 Taka	31.12.2018 Taka
Term Borrowing		
Term Borrowing	5,804,312,637	-
Janata Bank		
Mutual Trust Bank Limited		
	5,804,312,637	-
Less : Inter Unit (OBU)	5,804,312,637	-
	-	-
Bangladesh Bank refinance		
Small and Medium Enterprise	114,537,917	87,143,145
Syndication	2,452,946,983	2,584,745,274
Green Banking	-	12,500
Export Development Fund	8,836,870,826	9,758,788,399
FSSP Fund	66,837,778	57,315,484
Mudaraba Refinance	3,000,000,000	2,000,000,000
	14,471,193,503	14,488,004,801
Total	14,471,193,503	15,138,004,801
Outside Bangladesh		
Bank Muscat, Oman	1,443,300,000	417,250,000
Nabil Bank, Nepal	721,650,000	709,325,000
IFC	4,656,765,000	5,841,500,000
Caixa Bank	2,674,350,000	1,524,680,485
RAKBank	594,300,000	417,250,000
MUFG Bank		834,500,000
NMB Bank	849,000,000	417,250,000
United Bank		441,308,828
Standard Chartered	552,893,881	417,250,000
Credit Europe Bank		292,075,000
IDCOL, Bangladesh		229,790,655
Noor Bank	1,124,925,000	-
DBS Bank	636,750,000	-
	13,253,933,881	11,542,179,968
	27,725,127,384	26,680,184,769

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.

12.2 Disclosure regarding Outstanding Repo on 31 December 2019

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

12.3 Disclosure regarding Outstanding Reverse Repo on 31 December 2019

Sl. No.	Counterparty Name	Agreement date	Reversal date	Amount in Taka
1	JAMUNABK	29-Dec-19	2-Jan-20	47,481,333
2	JAMUNABK	29-Dec-19	2-Jan-20	608,293,795
3	JAMUNABK	30-Dec-19	1-Jan-20	1,315,174,692
4	NBL	30-Dec-19	1-Jan-20	207,148,502
-	-	-	-	2,178,098,323

12.4 Disclosure regarding Overall transaction of Repo and Reverse Repo during 2019

Sl. No.	Counterparty Name	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year
Securities sold under Repo				
1	With Bangladesh Bank	246,446,663	704,433,000	447,264,182
2	With other Banks & FIs	102,059,733	516,132,295	285,344,595
Securities purchased under Reverse Repo				
1	From Bangladesh Bank	-	-	-
2	From other Banks & FIs	195,315,274	2,089,974,050	440,060,300

		31.12.2019 Taka	31.12.2018 Taka
12.5	Analysis by security		
	Secured (assets pledge as security for liabilities)	-	-
	Unsecured	27,725,127,384	26,680,184,769
		27,725,127,384	26,680,184,769
12.6	Repayment pattern		
	Repayable on demand	-	650,000,000
	Repayable on maturity	27,725,127,384	26,030,184,769
		27,725,127,384	26,680,184,769
12.7	Maturity grouping		
	Repayable on demand	-	650,000,000
	Repayable within 1 month	-	-
	Over 1 month but within 3 months	-	-
	Over 3 month but within 6 months	66,837,778	57,315,484
	Over 6 months but within 1 year	25,205,342,623	23,388,124,012
	Over 1 year but within 5 years	2,452,946,983	2,584,745,274
	Over 5 years	-	-
		27,725,127,384	26,680,184,769
12(a)	Consolidated Borrowings from other banks, financial institutions and agents		
	Dhaka Bank Limited	(Note: 12) 27,725,127,384	26,680,184,769
	Dhaka Bank Securities Limited	2,418,106,138	2,302,952,085
	Dhaka Bank Investment Limited	-	-
		30,143,233,522	28,983,136,854
	Less: Inter company transaction	2,298,017,550	2,189,406,680
		27,845,215,972	26,793,730,174
13.	Deposits and other accounts		
	Current and other accounts	(Note: 13.1) 22,081,167,690	20,619,616,485
	Bills payable	(Note: 13.2) 2,101,736,305	2,845,247,938
	Savings deposits	(Note: 13.3) 20,887,404,358	20,091,972,393
	Term deposits	(Note: 13.4) 159,459,715,875	153,632,643,040
		204,530,024,228	197,189,479,856
	Non-interest bearing accounts		
13.1	Current and other accounts		
	Current account	12,552,107,484	11,646,516,690
	Foreign currency deposits	181,114,154	184,946,326
	Margin under Letter of Credit	1,875,046,797	1,670,565,822
	Margin under Letter of Guarantee	1,602,196,152	1,484,246,679
	Deposits awaiting disposal	7,601,151	147,412,625
	Sundry deposit	(Note: 13.1.1) 5,863,101,952	5,485,928,343
		22,081,167,690	20,619,616,485
13.1.1	Sundry deposit		
	F.C held against Back to Back L/C	5,259,026,507	4,776,923,791
	Sundry creditors	533,464,426	570,243,772
	Unclaimed deposits	55,531,241	61,437,786
	Risk fund	-	8,464,166
	Security deposits	15,079,779	8,451,715
	Advance lease rent	-	60,407,112
		5,863,101,952	5,485,928,343

	31.12.2019 Taka	31.12.2018 Taka
13.2 Bills payable		
Pay order	1,970,711,068	2,035,996,865
Demand draft	131,025,237	809,251,074
	2,101,736,305	2,845,247,938
Total Non-interest bearing accounts	24,182,903,996	23,464,864,423
Interest bearing Account		
13.3 Savings deposits		
Savings account	20,313,726,438	19,534,306,958
Mudaraba savings accounts	573,677,920	557,665,434
	20,887,404,358	20,091,972,393
13.4 Term deposits		
Special Notice Deposits	17,484,731,744	18,035,517,604
Fixed Deposits	113,432,299,684	108,214,234,679
Deposit Pension Scheme	28,315,902,428	27,167,601,350
Gift Cheque	36,874,274	34,523,149
Marriage Deposit Scheme	-	-
Non Resident Foreign Currency Deposit (NFCD)	189,907,744	180,766,258
	159,459,715,875	153,632,643,040
13.4 (a) Consolidated Term deposits		
Dhaka Bank Limited	159,459,715,875	153,632,643,040
Dhaka Bank Securities Limited	-	-
Dhaka Bank Investment Limited	-	-
	159,459,715,875	153,632,643,040
Less: Inter company transaction	365,111,963	315,631,467
	159,094,603,912	153,317,011,573
Total Interest bearing Account	180,347,120,233	173,724,615,433
Total Deposits and other accounts	204,530,024,228	197,189,479,856
13.5 Deposits and Other Accounts		
Deposits from Banks	7,219,944,518	13,433,012,417
Deposits from Customers	197,310,079,710	183,756,467,439
	204,530,024,228	197,189,479,856
Deposits from Banks		
Current Deposits and Other Accounts	-	-
Savings Bank/Mudaraba	45,077,070	20,214,906
Special Notice Deposits	2,450,200	3,195,881
Fixed Deposits	7,172,417,248	13,409,601,630
	7,219,944,518	13,433,012,417
Deposits from Customers		
i) Current Deposits and Other Accounts		
Current Account	12,552,107,484	11,646,516,690
Foreign Currency Deposits	181,114,154	184,946,326
Margin under Letter of Credit	1,875,046,797	1,670,565,822
Margin under Letter of Guarantee	1,602,196,152	1,484,246,679
Deposits Awaiting Disposal	7,601,151	147,412,625
Sundry Deposit	5,863,101,952	5,485,928,343
	22,081,167,690	20,619,616,485

	31.12.2019 Taka	31.12.2018 Taka
ii) Bills Payable		
Pay Order	1,970,711,068	2,035,996,865
Demand Draft	131,025,237	809,251,074
	2,101,736,305	2,845,247,938
iii) Savings Deposits		
Savings Account	20,313,726,438	19,534,306,958
Mudaraba Savings Accounts	528,600,850	537,450,528
	20,842,327,288	20,071,757,486
iv) Term Deposits		
Special Notice Deposits	17,482,281,544	18,032,321,724
Fixed Deposits	106,259,882,436	94,804,633,049
Deposit Pension Scheme	28,315,902,428	27,167,601,350
Gift Cheque	36,874,274	34,523,149
Marriage Deposit Scheme	-	-
Non Resident Foreign Currency Deposit (NFC D)	189,907,744	180,766,258
	152,284,848,426	140,219,845,530
	197,310,079,710	183,756,467,439
13.6 Payable on Demand and Time Deposits		
a) Demand Deposits		
Current Account	12,552,107,484	11,646,516,690
Savings Deposits (10%)	2,088,740,436	2,009,197,239
Foreign Currency Deposits	181,114,154	184,946,326
Margin under Letter of Credit	1,875,046,797	1,670,565,822
Margin under Letter of Guarantee	1,602,196,152	1,484,246,679
Deposits Awaiting Disposal	7,601,151	147,412,625
Sundry Deposit	5,863,101,952	5,485,928,343
Bills Payable	2,101,736,305	2,845,247,938
	26,271,644,431	25,474,061,662
b) Time Deposits		
Savings Deposits (90%)	18,798,663,922	18,082,775,153
Special Notice Deposits	17,484,731,744	18,035,517,604
Fixed Deposits	113,432,299,684	108,214,234,679
Deposit Pension Scheme	28,315,902,428	27,167,601,350
Gift Cheque	36,874,274	34,523,149
Marriage Deposit Scheme	-	-
Non Resident Foreign Currency Deposit (NFC D)	189,907,744	180,766,258
	178,258,379,797	171,715,418,194
	204,530,024,228	197,189,479,856
13.7 Maturity grouping of deposits and other accounts		
Other than Bank Deposits		
Repayable on demand	24,219,778,270	23,499,387,572
Repayable within 1 month	38,514,516,576	38,284,845,468
Over 1 month but within 3 months	53,830,313,946	48,788,893,760
Over 3 months but within 6 months	13,457,578,486	12,197,223,440
Over 6 months but within 1 year	26,915,156,973	24,394,446,880
Over 1 year but within 5 years	24,223,641,276	21,955,002,192
Over 5 years but within 10 years	16,149,094,184	14,636,668,128
	197,310,079,710	183,756,467,439

		31.12.2019 Taka	31.12.2018 Taka
Inter-bank deposits			
Repayable on demand		-	-
Repayable within 1 month		47,527,270	23,410,787
Over 1 month but within 3 months		-	-
Over 3 months but within 6 months		7,172,417,248	13,409,601,630
Over 6 months but within 1 year		-	-
Over 1 year but within 5 years		-	-
Over 5 years but within 10 years		-	-
		7,219,944,518	13,433,012,417
		204,530,024,228	197,189,479,856
13.8 Sector wise Deposits			
Government		2,512,970,102	359,154,650
Public Sector		11,826,279,633	7,786,879,933
Private sector		190,190,774,493	189,043,445,273
		204,530,024,228	197,189,479,856
13 (a) Consolidated Deposits and other accounts			
Dhaka Bank Limited	(Note: 13)	204,530,024,228	197,189,479,856
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		204,530,024,228	197,189,479,856
Less: Inter company transaction		365,111,963	315,631,467
		204,164,912,265	196,873,848,389
		7,400,000,000	8,000,000,000
14. Non Convertible Subordinated Bond			
<p>The Bank issued 1st tranche Redeemable Non Convertible Subordinated Bond of Taka 2,000,000,000 and the redemption of the Bond has been fully redeemed in December 2017. The Bank issued 2nd 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. The redemption of the Bond has been started from the year 2019 (total outstanding is Tk 240 Crore as of 31 December 2019). The Bond will be fully redeemed in the year 2023.</p> <p>Moreover, the Bank issued 3rd tranche of Non-Convertible Subordinated Bond of Tk. 5,000,000,000 with consent of 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. The redemption of the Bond will start from 2021 and will fully redeemed in the year 2025.</p>			
15. Other Liabilities			
Accrued Interest		454,048,671	458,982,797
Provision on loans and advances	(Note: 15.1)	11,536,689,686	8,887,631,501
Provision for Good Borrower	(Note: 15.2)	34,523,697	22,523,697
Provision for Off Balance Sheet Exposure	(Note: 15.3)	1,128,587,944	1,181,215,490
Interest Suspense Account	(Note: 15.4)	2,630,075,425	2,306,715,100
Provision against Expenses	(Note: 15.5)	188,976,991	403,144,418
Provision for decrease in value of investments	(Note: 38)	9,783,557	-
Provision for Other Assets	(Note: 15.6)	13,765,000	12,151,156
Fund for Dhaka Bank Foundation	(Note: 36.1)	31,320,090	29,823,259
Provision for Current Tax	(Note: 15.7)	7,302,146,957	5,748,025,360
Deferred tax liability		-	-
Tax deducted at source & payable		365,402,526	340,703,072
Excise Duty Payable		196,071,659	90,433,845
Other Account Payable	(Note: 15.9)	4,252,233,246	6,009,126,932
		28,143,625,450	25,490,476,626

		31.12.2019 Taka	31.12.2018 Taka
15(a) Consolidated Other liabilities			
Dhaka Bank Limited	(Note: 15)	28,143,625,450	25,490,476,626
Dhaka Bank Securities Limited		1,069,653,230	1,128,872,036
Dhaka Bank Investment Limited		24,624,432	17,949,408
		29,237,903,113	26,637,298,070
Less: Inter-company transactions			
Dhaka Bank Securities Limited		105,787,264	155,787,264
Dhaka Bank Investment Limited		1,173,725	1,173,725
		106,960,989	156,960,989
		29,130,942,124	26,480,337,082
15.1 Provision for loans and advances			
i) The Movement in specific provision for Bad and Doubtful Debts:			
Provision held at the beginning of the year		4,251,530,511	4,407,201,865
Specific provision	(+)	727,533,764	1,895,834,137
Recoveries from written off loans	(+)	-	-
Fully provided debt written off	(-)	(67,795,075)	(236,366,229)
Provision no longer required	(-)	(310,091,332)	(1,815,139,263)
Provision held at the end of the year		4,601,177,868	4,251,530,511
ii) The movement in general provision on unclassified loans:			
Provision held at the beginning of the year		4,636,100,990	3,372,273,967
Provision no longer required		(37,018)	-
Additional provision for the year		2,299,447,847	1,263,827,022
Provision held at the end of the year		6,935,511,818	4,636,100,990
		11,536,689,686	8,887,631,501
15.2 Provision for Good Borrower			
Opening Balance		22,523,697	12,523,697
Add: Addition during the year		12,000,000	10,000,000
Less: Disbursement during the year		-	-
		34,523,697	22,523,697
15.3 Provision for Off Balance Sheet Exposures			
Opening balance		1,181,215,490	830,368,362
Add: Addition during the year		(52,627,546)	350,847,128
		1,128,587,944	1,181,215,490
Bank has made provision @ 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.			
15.4 Interest Suspense Account			
Balance at the beginning of the year		2,306,715,100	1,874,880,813
Amount transferred to "Interest Suspense" A/c during the year	(+)	2,252,998,113	3,312,506,214
Amount recovered from "Interest Suspense" A/c during the year	(-)	(1,895,962,122)	(2,803,812,941)
Amount written off during the year	(-)	(33,675,666)	(76,858,987)
Balance at the end of the year		2,630,075,425	2,306,715,100
15.5 Provision against Expenses			
Provision for Audit Fees		1,449,000	1,395,000
Provision for House Rent, Telephone, Utility, Risk Premium etc.		7,052,065	213,408,447
Provision for Promotional Expenses for Exchange Houses		519,079	435,019
Provision for Superannuation Fund		29,933,760	13,500,000
Provision for gratuity fund		150,023,087	27,912,000
Provision for Travel Passage		-	146,493,953
		188,976,991	403,144,418

	31.12.2019 Taka	31.12.2018 Taka
15.6 Provision for Other Assets		
Balance at the beginning of the year	12,151,156	12,151,156
Less: Adjustment during the year	(133,577)	-
Add : Addition during the year	1,747,421	-
	13,765,000	12,151,156
15.7 Provision for Current Tax		
Opening Balance	5,748,025,360	4,167,700,964
Add: Provision made during the year	1,554,121,597	1,580,324,396
	7,302,146,957	5,748,025,360
Less: Adjustment during the year	-	-
	7,302,146,957	5,748,025,360
<p>Provision for taxation has been made on accounting profit considering taxable allowances / disallowances as per Income Tax Ordinance 1984.</p> <p>Income Tax Assessment for the years from 1995 to 2006 have since been completed and Bank got Tax Clearance Certificate up to 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 to the Honorable High Court. The Bank received Tax Clearance Certificate for the year 2012, 2013 and 2014. But under section 120 of income Tax Ordinance 1984, the assessment for the year 2014 had been re-opened at 07.01.2019 and the Bank will filed appeal. The income Tax Return for the year 2015 (Assessment year 2016-2017) assessment and Appeal has been completed and apply for revise order as per jurisdiction of Appeal order. For the year 2016 (Assessment year 2017-2018) assessment has completed and paid in full tax and Received Tax Clearance Certificate. And year 2017 (Assessment Year 2018-2019) assessment has completed recently and due tax will be paid within stipulated time. 2018 tax return had been submitted. For 2019 tax return will be submitted within 15 Sep 2020.</p>		
15.7(a) Consolidated Provision for Current Tax		
Dhaka Bank Limited	(Note: 15.7) 7,302,146,957	5,748,025,360
Dhaka Bank Securities Limited	238,641,471	214,628,090
Dhaka Bank Investment Limited	22,875,707	16,315,683
	7,563,664,136	5,978,969,133

15.8 Deferred tax liabilities/(Asset)

31 December 2019	Carrying amount	Tax base	(Taxable)/ deductible temporary difference
Fixed Asset excluding land	2,006,142,918	2,088,169,793	(82,026,875)
Less: Non adjusting difference for Vehicle exceeding Tk 2,500,000	-	-	-
	2,006,142,918	2,088,169,793	(82,026,875)
Provision for gratuity	981,965	-	(981,965)
Provision for Supper annuation fund	29,933,760	-	(29,933,760)
Deductible temporary difference			(112,942,600)
Applicable tax rate			37.5%
Deferred Tax Asset			(42,353,475)
Revaluation reserve of land at carrying amount	-	-	-
Applicable Tax Rate	4%		4%
Deferred Tax Liability			-
Net Deferred Tax (Asset)/ Liability as on 31 December 2019			(42,353,475)

			31.12.2019 Taka	31.12.2018 Taka
31 December 2018	Carrying amount	Tax base	(Taxable)/ deductible temporary difference	
Fixed Asset excluding land	1,956,048,629	1,964,611,246		(8,562,617)
Less: Non adjusting difference for Vehicle exceeding Tk 2,500,000	(66,029,404)	-		(66,029,404)
	1,890,019,225	1,964,611,246		(74,592,021)
Provision for gratuity	27,900,000	-		(27,900,000)
Provision for Supper annuation fund	13,500,000	-		(13,500,000)
Taxable temporary difference				(115,992,021)
Applicable tax rate				37.5%
Deferred Tax Liability				(43,497,008)
Revaluation reserve of land at carrying amount	648,455,000	-		648,455,000
Applicable Tax Rate	4%			4%
Deferred Tax Liability				25,938,200
Net Deferred Tax (Asset)/ Liability as on 31 December 2018				(17,558,808)
Deferred Tax expense / (income)				
Closing Deferred tax (Asset)/Liability excluding liability for revaluation reserve for land			(42,353,475)	(17,558,808)
Opening Deferred tax liability excluding liability for revaluation reserve for land			(17,558,808)	(21,762,982)
			(24,794,667)	4,204,174
Deferred tax (asset)/liability has been recognised and measured as per BAS 12 'Income taxes' and BRPD circular no. 11.				
15.8(a) Consolidated Deferred tax liabilities				
Dhaka Bank Limited			(24,794,667)	4,204,174
Dhaka Bank Securities Limited			(914,104)	890,065
Dhaka Bank Investment Limited			-	-
			(25,708,772)	5,094,239
15.9 Other Account Payable				
3 month and 5 years Bangladesh/Sanchay Patra & BB Foreign Invest. Bond			15,260,976	141,351,663
Application, Processing, Membership & Utilisation Fee			14,382,793	17,550,367
Adjusting Account Credit			324,435,163	(163,757,735)
Export Proceeds Suspense			795,518,571	771,920,851
Finance from Bill Discounting OBU		(Note: 15.9.1)	2,001,308,360	2,410,905,733
Compensation Income of Islamic Banking operations		(Note: 15.9.2)	49,173,697	33,896,329
ATM settlement account			234,705,581	278,375,073
Import Payment Suspense			201,387,994	2,498,884,651
Baina against Non-Banking Assets		(Note: 15.9.3)	-	20,000,000
Leased liabilities as per IFRS 16		(Note: 15.9.4)	616,060,110	
			4,252,233,246	6,009,126,932
15.9.1 Authorised Dealer Branches maintained cover fund 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 represents profits on various overdue Investments of Islamic Banking operations, which has been maintained as per Shariah Principle.				
15.9.3 Already sold out and adjusted.				
15.9.4 Refer to Note 2.40 implementation of IFRS 16 and its relevant assumptions and disclosures for the relevant accounting policy.				

16 Share capital

16.1 Authorised Capital

1,000,000,000 ordinary shares of Tk.10 each

The Bank increased its authorized capital from Tk 6,000 million to Tk 10,000 million by passing a special resolution in the Bank's 4th Extra Ordinary General Meeting (EGM) held on 04 July 2010.

16.2 Issued, Subscribed and Paid-up Capital

812,582,685 ordinary shares (2018:812,582,685 ordinary shares of Tk. 10.00 each) of Tk.10.00 each

40,629,134 ordinary shares * of Tk.10.00 each

*The Bank increased its paid up capital through issuance of 5% Bonus shares i.e 40,629,134 ordinary shares of Tk. 10.00 each on 29/05/2019.

The denomination of the face value of share was fixed at Tk. 10.00 per share instead of Tk. 100.00 per share by passing a special resolution in the 4th EGM of the Bank held on July 04, 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 & IPO	118,800	11,880,000	275,880,000
1999	25% Cash	-	-	275,880,000
2000	25% Cash & 10% Stock Dividend	275,880	27,588,000	303,468,000
2001	25% Cash & 25% Stock Dividend	758,670	75,867,000	379,335,000
2002	20% Cash & (15,17,340 nos. right shares)	1,517,340	151,734,000	531,069,000
2003	15% Cash & 25% stock Dividend	1,327,672	132,767,200	663,836,200
2004	35% Stock & 1R:2	5,642,608	564,260,800	1,228,097,000
2005	5% Stock Dividend	614,048	61,404,800	1,289,501,900
2006	10% Cash & 20% Stock Dividend	2,579,003	257,900,300	1,547,402,300
2007	25% Stock Dividend	3,868,505	386,850,500	1,934,252,875
2008	15% Cash & 10% Stock Dividend	1,934,252	193,425,200	2,127,678,200
2009	25% Stock Dividend	5,319,195	531,919,500	2,659,597,800
2010	35% Stock Dividend	9,308,592	93,085,920	3,590,457,030
2011	5% Cash & 30% Stock Dividend	107,713,710	1,077,137,100	4,667,594,130
2012	16% Stock Dividend	74,681,506	746,815,060	5,414,409,190
2013	17% Cash & 5% stock Dividend	27,072,045	270,720,450	5,685,129,640
2014	14% Cash & 10% Stock Dividend	56,851,296	568,512,960	6,253,642,600
2015	6% Cash & 10% Stock Dividend	62,536,426	687,900,686	6,879,006,860
2016	10% Cash & 5% Stock Dividend	34,395,033	722,295,720	7,222,957,200
2017	12.5% Stock Dividend	90,286,965	812,582,685	8,125,826,850
2018	5% Cash & 5% Stock Dividend	40,629,134	853,211,819	8,532,118,190

31.12.2019 Taka	31.12.2018 Taka
10,000,000,000	10,000,000,000
8,125,826,850	7,222,957,200
406,291,340	902,869,650
8,532,118,190	8,125,826,850

16.6 Percentage of shareholding

Particulars	31.12.2019		31.12.2018	
	% of holdings	Value of Shares (Tk.)	% of holdings	Value of Shares (Tk.)
1. Local Ownership				
Bank / Financial Institutions	12.8407	1,095,584,820	12.2479	995,243,400
Sponsors	40.6219	3,465,905,170	40.1716	3,264,276,140
General Public	43.0367	3,671,941,760	44.0292	3,577,741,910
Mutual Fund	0.7463	63,672,950	0.9342	75,914,870
Unit Funds	1.4703	125,448,330	1.1010	89,462,400
ICB Account Holders	0.0821	7,006,450	0.0884	7,186,340
ICB Head office (Investors A/c)	0.0474	4,040,680	0.0483	3,927,940
ICB Mutual Fund	0.0239	2,040,000	0.0205	1,665,000
ICB Unit Fund	0.0835	7,123,300	0.1335	10,850,000
ICB AMCL Unit Fund	0.0308	2,625,000	0.0308	2,500,000
Non-Resident Bangladeshi (NRB)	0.2525	21,543,290	0.2526	20,521,900
ICB Asset Management Company Ltd.	0.1699	14,500,000	0.1490	12,106,250
ICB Investors A/C, Local Office	0.1127	9,616,040	0.1152	9,360,000
ICB Capital Management Limited	0.2913	24,854,360	0.3042	24,719,700
ICB AMCL First Mutual Fund	0.1894	16,162,870	0.2830	23,000,000
Sub-Total	99.9994	8,532,065,020	99.9094	8,118,475,850
2. Foreign Ownership				
Financial Company	0.0006	53,170	0.0904	7,351,000
Individual Investors	-	-	-	-
Sub-Total	0.0006	53,170	0.0904	7,351,000
Total	100.00	8,532,118,190	100.00	8,125,826,850

16.7 Classification of shareholders by holding

Holdings	31.12.2019		31.12.2018	
	No. of share holders	Number of Shares	No. of share holders	Number of Shares
1 to 500 shares	10,330	1,667,867	11,223	1,786,730
501 to 5,000 shares	10,366	19,191,035	11,120	20,364,000
5,001 to 10,000 shares	1,765	12,350,505	1,797	12,798,351
10,001 to 20,000 shares	1,113	15,520,194	1,136	16,163,876
20,001 to 30,000 shares	402	9,841,534	434	10,741,514
30,001 to 40,000 shares	200	6,859,799	230	8,035,686
40,001 to 50,000 shares	147	6,648,921	141	6,507,448
50,001 to 100,000 shares	298	20,800,894	267	18,972,326
100,001 to 1,000,000 shares	354	99,114,549	367	104,422,544
1000001 & above shares	108	661,216,521	104	612,790,210
Total	25,083	853,211,819	26,819	812,582,685

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

Sl. No.	Name of Directors	2019		2018	
		No. of shares	Value of share (Tk.)	No. of shares	Value of share (Tk.)
1	Mr. Reshadur Rahman (Chairman)	28,798,481	287,984,810	27,427,125	274,271,250
2	Mr. Tahidul Hossain Chowdhury (Vice-Chairman)	17,135,780	171,357,800	16,319,791	163,197,910
3	Mr. Altaf Hossain Sarker	23,794,761	237,947,610	22,661,678	226,616,780
4	Mr. Abdul Hai Sarker	19,460,044	194,600,440	18,533,376	185,333,760
5	Mrs. Rokshana Zaman	20,901,342	209,013,420	19,906,041	199,060,410
6	Mr. Abdullah Al Ahsan	17,067,728	170,677,280	16,254,980	162,549,800
7	Mr. Md. Amirullah	17,066,262	170,662,620	16,253,583	162,535,830
8	Mr. Jashim Uddin	17,066,417	170,664,170	16,253,732	162,537,320
9	Mr. Mohammed Hanif	25,989,356	259,893,560	24,751,768	247,517,680
10	Mr. Khondoker Monir Uddin	24,503,094	245,030,940	23,336,282	233,362,820
11	Mr. Khondoker Jamil Uddin	17,066,182	170,661,820	16,253,507	162,535,070
12	Mr. Amanullah Sarker	17,066,266	170,662,660	16,253,587	162,535,870
13	Mr. Mirza Yasser Abbas	31,424,207	314,242,070	29,927,817	299,278,170
14	Mrs. Manoara Khandaker	17,096,448	170,964,480	16,282,332	162,823,320
15	Mr. M.A. Yussouf Khan	nil	nil	nil	nil
16	Mr. Md. Muzibur Rahman	nil	nil	nil	nil
17	Mr. A.S. Salahuddin Ahmed	nil	nil	nil	nil
	Total	294,436,368	2,944,363,680	280,415,599	2,804,155,990

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

Tier - I Capital (going - concern capital)

Common Equity Tier 1 Capital (CET 1)

Paid up Capital

Statutory Reserve

General Reserve

Surplus in Profit and Loss Account

Less: Regulatory Adjustment:

Deferred Tax Assets (DTA)

Book value of Goodwill and value of all other Intangible Assets**

(Written down value of Software which is treated as Intangible Assets)

Additional Tier 1 Capital (AT 1)

Total Tier - I Capital

Tier - II Capital (gone concern capital)

General Provision

Asset Revaluation Reserve (50%)

Revaluation Reserve for HTM & HFT Securities (50%)

Non-convertible Subordinated Bond

Less: Regulatory Adjustment

Total Tier - II Capital

A. Total Eligible Capital

	31.12.2019 Taka	31.12.2018 Taka
	8,532,118,190	8,125,826,850
	7,627,051,380	7,006,913,590
	6,560,631	6,560,631
	974,389,056	820,995,974
	17,140,119,257	15,960,297,045
	68,291,675	17,558,808
	569,154,096	539,820,091
	16,502,673,486	15,402,918,146
	-	-
	16,502,673,486	15,402,918,146
	8,064,099,762	5,817,316,479
		64,845,500
		6,168,164
	6,605,126,699	7,803,323,797
	14,669,226,461	13,691,653,940
	-	-
	14,669,226,461	13,691,653,940
	31,171,899,947	29,094,572,086

	31.12.2019 Taka	31.12.2018 Taka
B. Risk Weighted Assets		
Credit Risk		
Balance sheet business	146,575,017,791	162,510,849,693
Off- Balance sheet business	30,862,177,695	32,542,690,924
	177,437,195,487	195,053,540,617
Market Risk	277,289,448	889,772,440
Operational Risk	15,683,739,348	14,297,084,251
Total Risk-weighted Assets	193,398,224,283	210,240,397,308
C. Required Capital on Risk Weighted Assets	24,174,778,035	24,966,047,180
D. Capital Surplus / (Shortfall) [A-C]	6,997,121,912	4,128,524,906
Total Capital Ratio (%)*	16.12%	13.84%

Capital Requirement	2019		2018	
	Required (%)	Held (%)	Required (%)	Held (%)
Tier - I Capital (going concern capital)	-	8.53%	6.375%	7.33%
Tier - II Capital (gone concern capital)	-	7.59%	-	6.51%
Total	12.50%	16.12%	11.875%	13.84%

* CRAR has been calculated as per the return submitted to Bangladesh Bank. However, as per Bangladesh Bank letter DBI-1/92/2020/1505 dated 3 June 2020, if considered shortfall in specific provision of Tk 46.17 crore as adjustment for capital adequacy, then CRAR will reduced from 16.12% to 15.67% and Tier - I Capital from 8.53% to 8.29%. Moreover, CRAR has been calculated considering revised CL as per subsequent BRPD circular no 07 dated 19 March 2020.

- 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. 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 has 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.

	31.12.2019 Taka	31.12.2018 Taka
16.9(a) Consolidated Capital to Risk Weighted Assets Ratio (CRAR) - as per BASEL III		
<u>Tier - I Capital (going - concern capital)</u>		
<u>Common Equity Tier 1 Capital (CET 1)</u>		
Paid up Capital	8,532,118,190	8,125,826,850
Minority Interest	67,600	62,379
Statutory Reserve	7,627,051,380	7,006,913,590
General Reserve	6,560,631	6,560,631
Surplus in Profit and Loss Account	1,618,562,389	1,417,367,181
	17,784,360,190	16,556,730,631

	31.12.2019 Taka	31.12.2018 Taka
Less : Regulatory Adjustment:		
Book value of Goodwill and value of all other Intangible Assets**	569,154,096	539,820,091
(**Written down value of Software which is treated as Intangible Assets)		
Deferred Tax Assets (DTA)	70,454,097	18,807,125
	17,144,751,997	15,998,103,415
Additional Tier 1 Capital (AT 1)	-	-
Total Tier - I Capital	17,144,751,997	15,998,103,415
Tier - II Capital (gone concern capital)		
General Provision	8,064,099,762	5,817,316,479
Asset Revaluation Reserve (50%) (Note-18.2)	-	64,845,500
Revaluation Reserve for HTM & HFT Securities (50%) [Note-2.5(a) & (b) and 18.3]	-	6,168,164
Non-convertible Subordinated Bond (Note-16.9.1)	7,175,870,288	8,000,000,000
	15,239,970,050	13,888,330,143
Less: Regulatory Adjustment:	-	-
Total Tier - II Capital	15,239,970,050	13,888,330,143
A. Total Eligible Capital	32,384,722,048	29,886,433,558
B. Risk Weighted Assets		
Credit Risk		
Balance sheet business	148,360,727,465	164,420,909,007
Off- Balance sheet business	30,862,177,695	32,542,690,924
	179,222,905,160	196,963,599,931
Market Risk	3,016,251,556	3,878,414,822
Operational Risk	16,100,219,544	14,680,344,905
Total Risk-weighted Assets	198,339,376,261	215,522,359,658
C. Required Capital on Risk Weighted Assets	24,792,422,033	25,593,280,209
D. Capital Surplus / (Shortfall) [A-C]	7,592,300,015	4,293,153,348
Total Capital Ratio (%)	16.33%	13.87%

Capital Requirement	2019		2018	
	Required (%)	Held (%)	Required (%)	Held (%)
Tier - I Capital (going concern capital)	7.00%	8.64%	6.375%	7.42%
Tier - II Capital (gone concern capital)	-	7.68%	-	6.44%
Total	12.50%	16.33%	11.875%	13.87%

* CRAR has been calculated as per the return submitted to Bangladesh Bank. However, as per Bangladesh Bank letter DBI-1/92/2020/1505 dated 3 June 2020, if considered shortfall in specific provision of Tk 46.17 crore as adjustment for capital adequacy, then CRAR will reduced from 16.33% to 15.89% and Tier - I Capital from 8.64% to 8.41%. Moreover, CRAR has been calculated considering revised CL as per subsequent BRPD circular no 07 dated 19 March 2020.

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

17. Statutory Reserve

Opening balance	7,006,913,590	6,418,181,801
Add: Addition during the year	620,137,790	588,731,789
	7,627,051,380	7,006,913,590

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.

		31.12.2019 Taka	31.12.2018 Taka
18. Other Reserve			
General reserve	(Note 18.1)	6,560,631	6,560,631
Assets revaluation reserve	(Note 18.2)	-	622,516,800
Investment revaluation reserve	(Note 18.3)	70,495,379	33,162,249
		77,056,010	662,239,680
18(a) Consolidated other Reserve			
Dhaka Bank Limited		77,056,010	662,239,680
Dhaka Bank Securities Limited		41,100,000	36,700,000
Dhaka Bank Investment Limited		-	-
		118,156,010	698,939,680
18.1 General Reserve			
Opening balance		6,560,631	6,560,631
Add: Addition during the year		-	-
		6,560,631	6,560,631
Less: Transfer to Capital Account for issue of Bonus Shares		-	-
		6,560,631	6,560,631
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.			
18.2 Assets Revaluation Reserve			
Opening balance		622,516,800	622,516,800
Less : Adjustment for reversal		622,516,800	-
		-	622,516,800
<p>In the year 2011, Dhaka Bank Limited had revalued its Land of 71 Purana Paltan Lane of around 16.5 decimal which was purchased at cost of Tk. 5.2 crore and then revalued by Unique Survey Services Bureau a professional valuation firm. As per the report of the said valuation firm that particular land was reported at revalued amount of Tk. 70.0 crore and corresponding revaluation reserve of Tk. 64.8 crore was first time reported in the Financial Statements of 2011.</p> <p>Since the revaluation of aforementioned land does not serve any purpose in terms of accounting and presentation; moreover this is the only piece of land that was revalued while Revaluation Model (IAS 16.36) requires that "If an item is revalued, the entire class of assets to which that asset belongs should be revalued".</p> <p>Therefore now the reversal of the said the revaluation reserve of Tk. 64.8 crore is being given to comply and back to Cost Model (IAS 16.30) "The asset is carried at cost less accumulated depreciation and impairment".</p>			
18.3 Investment Revaluation Reserve			
Revaluation Reserve for HTM Securities			
Opening balance		33,162,249	21,562,316
Add: Addition during the year		37,333,130	33,803,404
Less: Adjustment during the year		-	(22,203,471)
Closing balance		70,495,379	33,162,249
Revaluation Reserve for HFT Securities			
Opening balance		-	-
Add: Addition during the year		-	-
Less: Adjustment during the year		-	-
Closing balance		-	-
		70,495,379	33,162,249
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.			

	31.12.2019 Taka	31.12.2018 Taka
19. Surplus in profit and loss account		
Opening balance	820,995,974	953,467,037
Add: Post-tax profit for the year	1,571,362,018	1,359,130,376
Transferred from general reserve	-	-
Prior year Adjustment made during the year	14,751,534	-
	2,407,109,526	2,312,597,413
Less: Transfer to statutory reserve	620,137,790	588,731,789
Stock dividend	406,291,340	902,869,650
Cash dividend	406,291,340	-
	1,432,720,470	1,491,601,439
	974,389,056	820,995,974
19(a) Consolidated Surplus in profit and loss account (attributable to equity holders of DBL)		
Opening balance	1,417,367,181	1,502,345,228
Add: Post-tax profit for the period	1,623,564,144	1,409,623,391
Transferred from general reserve	-	-
Adjustment made during the period	14,751,534	-
	3,055,682,859	2,911,968,620
Less: Transfer to statutory reserve	620,137,790	588,731,789
Transfer to investment fluctuation fund	4,400,000	3,000,000
Stock dividend	406,291,340	902,869,650
Cash dividend	406,291,340	-
Stock dividend paid by subsidiary	-	-
	1,437,120,470	1,494,601,439
	1,618,562,389	1,417,367,181
19.1 (a) Non-controlling interest		
Opening balance	62,379	57,329
Add: Addition for the year from Dhaka Bank Securities Limited	4,003	4,696
Addition for the year from Dhaka Bank Investment Limited	1,218	354
Dhaka Bank Investment Limited	-	-
	67,600	62,379
20. Profit & Loss Account		
Income		
Interest, discount and similar income	21,590,108,042	18,985,328,720
Dividend Income	42,325,962	5,572,603
Fee, Commission and Brokerage	2,238,053,544	2,092,937,501
Gains less Losses arising from dealing securities	-	-
Gains less Losses arising from investment securities	2,526,352,319	2,197,866,255
Gains less Losses arising from dealing in foreign currencies	1,183,140,129	807,032,797
Income from non-banking assets	-	-
Other operating income	259,979,988	197,039,684
Profit less Losses on interest rate changes	-	-
	27,839,959,983	24,285,777,559
Expenses		
Interest, fee and commission	17,040,147,154	13,408,588,881
Administrative expenses	3,163,144,267	3,150,648,630
Other operating expenses	834,026,719	723,069,210
Depreciation and repairs of Bank's assets	704,067,852	439,303,604
	21,741,385,992	17,721,610,325
	6,098,573,992	6,564,167,234

		31.12.2019 Taka	31.12.2018 Taka
21	Contingent Liabilities		
	Acceptance & Endorsement		
	Letters of Credit		
	Usance/Defer Letter of Credit	46,595,967,020	47,488,743,492
	Sight Letter of Credit	24,421,413,575	31,118,725,956
	Back to Back Letter of Credit	11,336,822,634	14,649,873,029
	BD-Sight (EDF)	5,639,458,423	6,950,364,922
	Back to Back - Local	3,028,196,812	4,724,029,221
		798,595,778	720,938,044
		3,618,339,928	4,073,520,739
	Letters of Guarantee	41,841,413,769	39,514,079,521
	Bid Bond	2,823,060,584	1,699,205,195
	Performance Bond	20,945,694,100	19,587,919,437
	Counter Guarantee	518,074,044	2,654,413,047
	Other Guarantee	15,834,397,423	14,841,046,998
	Shipping Guarantee	1,720,187,618	731,494,844
	Bills for Collection	11,630,577,299	12,416,814,820
	Local Bills for Collection	6,826,002,781	8,086,296,988
	Foreign Bills for Collection	4,804,574,518	4,330,517,832
	Other contingent liabilities	7,893,409,257	6,333,057,725
	Bangladesh/Pratirakhkha/Paribar Sanchay Patra	1,967,540,000	1,481,685,000
	ICB Unit Certificate	51,340,900	51,340,900
	Forward Exchange Position	764,595,272	837,484,272
	US Investment & Premium Bond	366,709,100	411,931,050
	Contingent Interest Suspense	4,743,223,985	3,550,616,503
		132,382,780,922	136,871,421,513
21.1	The amount represents the forward position of foreign currencies at the end of the period December 31, 2019 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	30,406,416,922	28,621,334,169
	Bank and other financial institutions	150,344,889	720,145,573
	Others	11,284,651,958	10,172,599,779
		41,841,413,769	39,514,079,521
22.	Interest income/profit on investments		
	Term Loan	10,788,099,480	9,514,733,330
	Overdrafts	5,918,743,943	5,143,962,162
	Loan against Imported Merchandise/Murabaha	-	89,618
	Loan against Trust Receipt	1,148,228,915	883,467,304
	Packing Credits	61,427,293	60,177,894
	Cash Credits / Bai-Muajjal	852,898,951	969,146,350
	Payment against Documents	24,298,629	65,633,981
	House Building Loan	247,662,602	219,489,601
	Transport Loan	262,526,629	181,148,127
	Syndicate Loan	561,691,302	466,963,751
	Lease Rental/Izara	640,572,995	499,659,859
	Credit Card	70,226,594	57,336,462
	Total Interest / profit & Rental Income on loans & advances	20,576,377,332	18,094,684,618
	Call Lending and Fund Placement with banks	925,599,556	845,436,744
	Accounts with Foreign Banks	88,131,154	45,207,358
		21,590,108,042	18,985,328,720

		2019 Taka	2018 Taka
22(a) Consolidated Interest income/profit on investments			
Dhaka Bank Limited	(Note: 22)	21,590,108,042	18,985,328,720
Dhaka Bank Securities Limited		175,334,765	199,987,425
Dhaka Bank Investment Limited		-	-
		21,765,442,807	19,185,316,145
Less: Inter company transaction		226,105,385	211,663,346
		21,539,337,422	18,973,652,799
23. Interest paid/profit on deposits and borrowings, etc.			
Savings Account including Mudaraba		489,594,426	479,454,490
Special Notice Deposit		863,088,199	615,790,732
Term Deposits		10,055,593,302	6,886,554,181
Deposits under Scheme		2,766,387,803	2,676,873,632
Call Borrowing & Fund Placement		137,909,583	732,346,111
Non-convertible Subordinate Bond		796,769,864	460,068,493
Repurchase Agreement (REPO)		33,441,063	8,329,431
Overseas Accounts charges		1,536,345	430,151
Leased assets		75,597	6,440,067
HTM / HFT Securities		633,367,513	515,743,838
Others	(Note: 23.1)	1,262,383,458	1,026,557,755
		17,040,147,154	13,408,588,881
23.1 Others			
Interest paid on NFCD		6,133,141	3,605,374
Interest/profit paid against Refinance from Bangladesh Bank		580,188,827	515,482,892
Interest paid on Gift Cheque		693,663	763,064
Interest paid on Excel Account		461,624	511,159
Interest on Finance Bill Rediscounting		72,495,854	98,899,482
Interest on Fund Borrowing-OBU		602,410,350	356,426,885
Treasury Bond Premium	(Note: 23.1.a)	-	50,868,899
		1,262,383,458	1,026,557,755
23.1.a 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.			
23(a) Consolidated Interest / Profit Paid On Deposits & Borrowings, etc.			
Dhaka Bank Limited	(Note: 23)	17,040,147,154	13,408,588,881
Dhaka Bank Securities Limited		225,701,486	222,547,125
Dhaka Bank Investment Limited		-	-
		17,265,848,640	13,631,136,006
Less: Inter company transaction		231,574,841	217,305,511
		17,034,273,799	13,413,830,494
24. Income from Investment			
Interest on Treasury bills / bonds		733,856,846	700,279,927
Profit on Govt. Islamic Bond		13,009,188	4,421,428
Capital Gain on Government Securities		1,236,724,257	1,181,727,570
Interest on Commercial Papers		-	4,505,634
Interest on Subordinated Bond		541,928,223	303,484,887
Dividend on Shares		42,325,962	5,572,603
		2,567,844,476	2,199,992,049

		2019 Taka	2018 Taka
24(a) Consolidated Income from Investment			
Dhaka Bank Limited	(Note: 24)	2,567,844,476	2,199,992,049
Dhaka Bank Securities Limited		137,814,309	127,062,496
Dhaka Bank Investment Limited		-	-
		2,705,658,785	2,327,054,545
25. Commission / Fees and Exchange Earnings			
Commission on Letter of Credit		809,926,864	792,008,831
Commission on Letter of Guarantee		262,947,471	303,203,786
Commission on Remittance / Bills		105,635,457	106,367,799
Processing Fee Consumer Loan		11,002,636	25,448,774
Other Comm/ Fees (Clearing, cash tr., risk prem., utilisation fee etc.)		967,971,306	789,494,864
Rebate from Foreign Bank outside Bangladesh		19,452,414	26,534,239
Commission & Fee on Credit Card		61,117,397	49,879,209
Exchange gain including gain from foreign currency dealings		1,183,140,129	807,032,797
		3,421,193,673	2,899,970,297
25(a) Consolidated Commission / Fees, Exchange Earnings & Brokerage			
Dhaka Bank Limited	(Note: 25)	3,421,193,673	2,899,970,297
Dhaka Bank Securities Limited		64,295,978	66,976,308
Dhaka Bank Investment Limited		-	-
		3,485,489,651	2,966,946,606
26. Other Operating Income			
Other Income on Credit Card and ATM		24,739,900	27,914,845
Incidental charges		118,986,060	89,792,795
Swift charge recoveries		18,939,490	18,706,889
Locker rent		11,469,658	11,177,206
Capital gain on sale of Shares	(Note: 26.1)	833,805	3,446,809
Profit from sale of fixed assets		8,958,680	8,342,547
Recovery from written off loans		76,886,200	41,105,402
		260,813,792	200,486,493
26.1 Capital gain on sale of Shares			
Sale proceeds of Shares		2,512,380	4,685,289
Less: Cost of Shares		1,678,575	1,238,480
		833,805	3,446,809
26(a) Consolidated Other Operating Income			
Dhaka Bank Limited	(Note: 26)	260,813,792	200,486,493
Dhaka Bank Securities Limited		1,869,364	2,153,180
Dhaka Bank Investment Limited		18,959,652	5,642,166
		281,642,808	208,281,839
Less: Inter company transaction		5,469,456	5,642,166
		276,173,352	202,639,673
27. Salary and allowances			
Basic salary		822,813,336	780,110,151
Allowances		1,097,285,611	1,055,734,886
Bonus & ex-gratia		138,940,869	103,417,364
Leave fare assistance		144,492,954	141,950,873
Bank contribution to gratuity fund		981,965	27,900,000
Bank's contribution to provident fund		80,632,691	75,189,087
		2,285,147,426	2,184,302,360

		2019 Taka	2018 Taka
27(a) Consolidated Salary and allowances			
Dhaka Bank Limited	(Note: 27)	2,285,147,426	2,184,302,360
Dhaka Bank Securities Limited		44,008,612	43,535,902
Dhaka Bank Investment Limited		-	-
		2,329,156,038	2,227,838,262
28. Rent, taxes, insurance, electricity, etc.			
Office rent	(Note: 28.1)	271,689,345	460,264,612
Electricity and lighting		77,352,186	76,624,573
Regulatory charges		22,919,798	8,008,717
Insurance		123,740,658	112,803,311
		495,701,987	657,701,212
28.1 Office rent		469,536,594	460,264,612
Reversal of rent expenses due to depreciation and interest expenses under IFRS 16 "Leases"		197,847,249	-
		271,689,345	460,264,612
28(a) Consolidated Rent, taxes, insurance, lighting etc.			
Dhaka Bank Limited	(Note: 28)	495,701,987	657,701,212
Dhaka Bank Securities Limited		18,048,154	16,571,077
Dhaka Bank Investment Limited		-	-
		513,750,142	674,272,290
29. Legal expenses			
Legal expenses		84,364,161	15,295,521
Other professional fees		65,051,070	53,508,471
		149,415,231	68,803,993
29(a) Consolidated Legal expenses			
Dhaka Bank Limited	(Note: 29)	149,415,231	68,803,993
Dhaka Bank Securities Limited		229,425	111,377
Dhaka Bank Investment Limited		-	-
		149,644,656	68,915,370
30. Postage, stamps, telecommunication, etc.			
Stamps, postage & courier		3,845,301	5,502,590
Telephone charges		8,318,644	9,090,282
Fax, internet & radio link charges		33,464,262	28,858,743
		45,628,207	43,451,615
30(a) Consolidated Postage, stamps, telecommunication, etc.			
Dhaka Bank Limited	(Note: 30)	45,628,207	43,451,615
Dhaka Bank Securities Limited		567,920	782,795
Dhaka Bank Investment Limited		-	-
		46,196,127	44,234,410
31. Stationery, printing, advertisement, etc.			
Table stationery		14,513,511	13,198,593
Printing stationery		55,475,137	52,570,747
Security stationery		6,700,890	12,052,040
Computer stationery		25,962,697	22,757,415
Advertisement		62,441,685	75,233,309
		165,093,921	175,812,104

		2019 Taka	2018 Taka
31(a) Consolidated Stationery, printing, advertisement, etc.			
Dhaka Bank Limited	(Note: 31)	165,093,921	175,812,104
Dhaka Bank Securities Limited		2,800,803	2,072,940
Dhaka Bank Investment Limited		-	-
		167,894,724	177,885,044
32. Chief executive's salary and fees			
Basic salary		13,261,430	12,706,817
House rent allowances		269,167	300,000
Entertainment allowances		-	102,333
House maintenance allowances		-	317,667
Living allowances		376,833	-
Medical Allowances		107,667	120,000
Bonus		2,470,000	2,057,000
		16,485,097	15,603,817
32(a) Consolidated Chief executive's salary and fees			
Dhaka Bank Limited	(Note: 32)	16,485,097	15,603,817
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		16,485,097	15,603,817
33. Directors' fees			
Directors fees		4,027,280	3,422,400
Fees related to Shariah Council Meeting		160,800	110,400
Board/Executive Committee / Shariah Council Meeting Expenses		35,317	45,730
		4,223,397	3,578,530
33(a) Consolidated Directors' fees			
Dhaka Bank Limited	(Note: 33)	4,223,397	3,578,530
Dhaka Bank Securities Limited		1,208,553	905,840
Dhaka Bank Investment Limited		-	-
		5,431,950	4,484,370
34. Auditor's fees			
34(a) Consolidated Auditor's fees			
Dhaka Bank Limited	(Note: 34)	1,449,000	1,395,000
Dhaka Bank Securities Limited		287,500	287,500
Dhaka Bank Investment Limited		115,000	115,000
		1,851,500	1,797,500
35. Depreciation and repairs of Bank's assets			
Depreciation & Amortization			
Building		16,780,312	15,568,030
Furniture & Fixture		38,792,348	40,056,159
Office Appliance & Equipment		177,796,687	161,997,451
Computer		16,890,493	16,508,177
Software		69,909,400	55,537,189
Motor Vehicle		53,843,842	43,923,450
Right of use assets (ROU) as per IFRS 16		169,558,928	-
		543,572,010	333,590,455
Repair & Maintenance:			
Office Premises		39,228,857	34,169,781
Office Equipment		32,329,817	38,568,460
Office Furniture		3,079,383	2,943,728
Motor Vehicle		11,944,372	12,761,933
Computer and accessories		3,818,647	2,976,786
Software (AMC)		70,094,765	14,292,461
		160,495,841	105,713,149
		704,067,852	439,303,604

		2019 Taka	2018 Taka
35(a) Consolidated Depreciation and repairs of Bank's assets			
Dhaka Bank Limited	(Note: 35)	704,067,852	439,303,604
Dhaka Bank Securities Limited		8,925,441	7,893,676
Dhaka Bank Investment Limited		-	-
		712,993,292	447,197,280
36. Other Expenses			
Contractual service charge (own & third party)		343,192,931	323,702,781
Fuel Costs		24,946,259	24,153,088
Entertainment (canteen & other)		32,730,918	34,156,100
AGM & Conference Expense		6,825,577	3,086,605
Donation		56,221,192	80,618,092
Subscription		4,932,951	4,105,434
Travelling Expenses		21,713,463	19,851,777
Conveyance		17,132,765	14,489,583
Branch opening expenses		1,031,791	2,688,329
Godown expenses		4,225,676	1,946,861
Training expenses		18,326,339	16,633,564
Bond issue expenses		23,645,000	21,333,000
Books and papers		1,947,913	2,029,753
WASA charges		4,779,076	4,949,593
Staff uniform		3,359,665	3,455,020
Potted plants		2,624,020	2,416,076
Business development & promotion		102,039,739	80,386,462
Reuters charges		2,312,668	2,031,475
Fees and expenses for credit card		40,848,982	29,761,335
ATM network service charges		23,536,647	7,951,023
Contribution to superannuation fund		29,933,760	13,500,000
Dhaka Bank Foundation	(Note: 36.1)	31,320,090	29,823,259
Interest expense for leased liability as per IFRS 16		36,399,299	-
		834,026,719	723,069,210
36.1 Fund for Dhaka Bank Foundation			
Opening balance		29,823,259	27,432,031
Add: Addition during the year		31,320,090	29,823,259
Less: Transferred to DBL Foundation Trustee Account		(29,823,259)	(27,432,031)
Closing balance		31,320,090	29,823,259
Dhaka Bank Limited has been contributing towards Dhaka Bank Foundation since 2003, @1% on pre tax profit (i.e. profit after provision for loans and other provisions) as per the decision of the Executive Committee of the Board of Directors.			
36(a) Consolidated Other Expenses			
Dhaka Bank Limited	(Note: 36)	834,026,719	723,069,210
Dhaka Bank Securities Limited		9,412,030	9,893,088
Dhaka Bank Investment Limited		101,725	76,300
		843,540,474	733,038,598
37. Provision against loans & advances			
On classified loans & advances*		727,533,764	1,895,834,137
On unclassified loans & advances		2,299,447,847	1,263,827,022
		3,026,981,611	3,159,661,160
* Provision for classified loans & advances of December 2019 consists Tk. 537,737,075.92 for specific loans & advances and Tk. 189,796,688.05 for written off and settlement cases.			

		2019 Taka	2018 Taka
37(a) Consolidated Provision against loans & advances			
Dhaka Bank Limited		3,026,981,611	3,159,661,160
Dhaka Bank Securities Limited		2,500,000	-
Dhaka Bank Investment Limited		-	-
		3,029,481,611	3,159,661,160
38. Provision for diminution in value of investments			
In quoted shares			
Opening balance		-	-
Less: Adjustment during the year		-	-
Add: Addition during the year		9,783,557	-
Closing balance		9,783,557	-
Unquoted		-	-
		9,783,557	-
38(a) Consolidated Provision for diminution in value of investments			
Dhaka Bank Limited		9,783,557	-
Dhaka Bank Securities Limited		2,500,000	-
Dhaka Bank Investment Limited		-	-
		12,283,557	-
39. Other provisions			
Provision for off balance sheet items	(Note: 39.1)	(52,627,546)	350,847,128
Provision for other assets	(Note: 15.6)	1,747,421	-
Provision for Incentive bonus		-	100,000,000
		(50,880,125)	450,847,128
39.1 Provision against off balance sheet exposures			
On off balance sheet exposures		(52,627,546)	350,847,128
Bank has made provision @ 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.			
39(a) Consolidated Other provisions			
Dhaka Bank Limited	(Note: 39)	(50,880,125)	450,847,128
Dhaka Bank Securities Limited		-	10,000,000
Dhaka Bank Investment Limited		-	-
		(50,880,125)	460,847,128
40. Earnings Per Share (EPS)			
Net profit after taxation		1,571,362,018	1,359,130,376
Number of ordinary shares outstanding		853,211,819	853,211,819
Earnings Per Share (EPS) -Restated		1.84	1.59
Earnings Per Share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2019 as per Bangladesh accounting Standard (BAS)-33. According to BAS-33, EPS for the period ended 31 December 2018 was restated for the issues of bonus shares (for 2018) in 2019.			
40(a) Consolidated Earnings Per Share (CEPS)			
Net profit after taxation		1,623,569,365	1,409,628,441
Less: Non-controlling interest		5,221	5,050
Net profit attributable to the shareholders of parent company		1,623,564,144	1,409,623,391
Number of ordinary shares outstanding		853,211,819	853,211,819
Consolidated Earnings per share (CEPS)- Restated		1.90	1.65

		2019 Taka	2018 Taka
41. Receipts from other operating activities			
Exchange earnings		89,122,238	42,727,045
Other operating income		189,720,446	151,038,545
		278,842,684	193,765,589
Non Operating Income		-	-
		278,842,684	193,765,589
41(a) Consolidated Receipts from other operating activities			
Dhaka Bank Limited	(Note: 41)	278,842,684	193,765,589
Dhaka Bank Securities Limited		1,869,364	2,153,180
Dhaka Bank Investment Limited		18,959,652	5,642,166
		299,671,699	201,560,935
Less: Intercompany Transactions		5,469,456	5,642,166
		294,202,244	195,918,769
42. Payments for other operating activities			
Rent, Taxes, Insurance, Lighting etc.		495,701,987	657,701,212
Directors' fees & Meeting expenses		4,223,397	3,578,530
Repair of bank's assets		160,495,841	105,713,149
Other expenses		817,592,959	723,069,210
		1,478,014,185	1,490,062,101
Dhaka Bank Foundation		(31,320,090)	(29,823,259)
		1,446,694,094	1,460,238,843
42(a) Consolidated Payments for other operating activities			
Dhaka Bank Limited	(Note: 42)	1,446,694,094	1,460,238,843
Dhaka Bank Securities Limited		34,438,525	10,798,928
Dhaka Bank Investment Limited		101,725	76,300
		1,481,234,345	1,471,114,070
43. Other Assets			
Stationery, stamps, printing materials etc.		37,332,721	34,417,989
Advance rent and advertisement		179,060,454	366,391,020
Security deposit		22,412,616	22,423,766
Preliminary, formation, work in progress and organization expenses, renovation / development expenses and prepaid expenses		3,898,597,443	3,971,398,900
Branch adjustments		65,085,231	2,245,217,929
Suspense account		154,099,194	83,728,215
Other assets		2,662,524,464	14,098,732,822
		7,019,112,124	20,822,310,641
(Increase) / decrease during the year		13,803,198,517	(2,920,381,121)
43(a) Consolidated Other Assets			
Dhaka Bank Limited	(Note: 43)	13,803,198,517	(2,920,381,121)
Dhaka Bank Securities Limited		9,280,587	65,090,980
Dhaka Bank Investment Limited		-	-
		13,812,479,104	(2,855,290,141)
44. Other Liabilities			
Provision against Expenses		155,217,266	303,144,418
Provision for Other Assets		13,765,000	12,151,156
Interest Suspense Account		2,630,075,425	2,306,715,100
Other Account Payable		4,250,502,441	6,009,126,932
		7,049,560,132	8,631,137,607

	2019 Taka	2018 Taka
Amount transferred to DBL Foundation Trustee Account	(29,823,259)	(27,432,031)
Adjustment of Loss on shares from Provision for decrease in value of Investment		
Rebate disbursed to Good Borrowers		
Adjustment of Classified Loan from Provision	(377,886,407)	(2,051,505,492)
Increase / (decrease) during the year	(1,989,287,140)	147,548,015
44(a) Consolidated Other Liabilities		
Dhaka Bank Limited (Note: 44)	(1,989,287,140)	147,548,015
Dhaka Bank Securities Limited	(88,232,957)	45,398,895
Dhaka Bank Investment Limited	115,000	115,000
	(2,077,405,097)	193,061,910
"Reconciliation of net profit with cash flows from operating activities :"		
Net profit after taxation	1,571,362,018	1,359,130,376
Addition of :		
Depreciation	543,572,010	333,590,455
Provision (Tax)	1,529,326,930	1,584,528,570
Provision (loans and others)	3,018,720,859	3,650,331,547
Increase in interest payable	-	410,781,125
Decrease in interest receivable	(4,934,126)	-
Prior year Adjustment made during the year	14,751,534	
Deduction:		
Effects of exchange rate changes on cash & cash equivalent	(1,094,017,891)	(764,305,752)
Proceeds from sale of fixed assets	(8,958,680)	(8,342,547)
Proceeds from sale of securities	(1,236,724,257)	(1,181,727,570)
Increase in interest receivable	(78,963,270)	(266,445,019)
Income taxes paid	(1,918,639,178)	(1,613,974,996)
Operating profit before changes in operating assets and liabilities	2,335,495,949	3,503,566,189

Dhaka Bank Limited

Highlights on the overall activities of the Bank

Amount in Tk. unless mentioned otherwise

SL No.	Particulars	31.12.2019	31.12.2018
1	Paid up Capital	8,532,118,190	8,125,826,850
2	Total Capital (as per Basel III)	31,171,899,947	29,094,572,086
3	Capital surplus / (deficit) (Note - 16.9)	6,997,121,912	4,128,524,906
4	Total Assets	285,009,391,699	273,976,117,345
5	Total Deposits	204,530,024,228	197,189,479,856
6	Total Loans and Advances	195,634,907,019	180,625,703,598
7	Total Contingent Liabilities and Commitments	132,382,780,922	136,871,421,513
8	Credit Deposit Ratio (%)	84.97	82.79
9	Percentage of classified loans against total loans and advances (%)	4.74	4.99
10	Profit after tax and provision	1,571,362,018	1,359,130,376
11	Amount of classified loans during the year	9,277,876,272	9,009,008,090
12	Provisions kept against classified loans	4,601,177,868	4,251,530,511
13	Provision surplus / (deficit)	-	-
14	Cost of fund [deposit cost & overhead cost] (%)	9.28	7.85
15	Interest earning Assets	242,137,495,098	223,629,709,168
16	Non-interest earning Assets	42,871,896,601	50,346,408,177
17	Return on Investment (ROI) [%]	7.99	8.66
18	Return on Assets (ROA) [%]	0.56	0.54
19	Income from Investments	2,567,844,476	2,199,992,049
20	Earning per Share (Taka)	1.84	1.59
21	Price Earning Ratio (Times)	6.52	8.91

Dhaka Bank Limited
Currency wise Balances
As at 31 December 2019

Annexure-A

Name of the bank	Location	Name of currency	2019			2018		
			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	13,609,266.19	84.90	1,155,426,699.53	5,524,166	83.45	460,991,613
Mashreq Bank	New York	USD	591,664.41	84.90	50,232,308.41	598,522	83.45	49,946,621
Habib American Bank, OBU	New York	USD	18,671,572.84	84.90	1,585,216,534.12	7,399,183	83.45	617,461,786
Commerz Bank	Frankfurt	USD	124,651.86	84.90	10,582,942.91	48,260	83.45	4,027,322
Habib American Bank	USA	USD	4,695,702.45	84.90	398,665,138.01	144,456	83.45	12,054,821
Wells Fargo Bank N.A.	New York	USD	686,317.14	84.90	58,268,325.19	460,542	83.45	38,432,239
JP Morgan Chase Bank NA	USA	USD	3,503,850.40	84.90	297,476,898.96	431,640	83.45	36,020,362
Standard Chartered Bank	Mumbai	ACUD	49,251.55	84.90	4,181,456.60	110,555	83.45	9,225,786
Sonali Bank	Kolkata	ACUD	462,949.20	84.90	39,304,387.08	63,084	83.45	5,264,354
AB Bank	Mumbai	ACUD	427,217.57	84.90	36,270,771.69	63,949	83.45	5,336,528
Nepal Bangladesh Bank	Nepal	ACUD	198,762.27	84.90	16,874,916.72	55,450	83.45	4,627,325
Sampath Bank	Srilanka	ACUD	39,662.91	84.90	3,367,381.06	40,818	83.45	3,406,253
Bhutan National Bank	Bhutan	ACUD	89,971.17	84.90	7,638,552.33	187,721	83.45	15,665,332
Bank of Bhutan	Bhutan	ACUD	79,773.19	84.90	6,772,743.83	9,545	83.45	796,492
Habib Metropolitan Bank Ltd.	Pakistan	ACUD	894,901.42	84.90	75,977,130.56	270,482	83.45	22,571,705
Dhaka Bank OBU Nostro	OBU	USD	-	84.90	-	2,500,000	83.45	208,625,000
ICICI Bank Limited	India	ACUD	(158,205.93)	84.90	(13,431,683.46)	346,194	83.45	28,889,850
Mashreq Bank	Mumbai	ACUD	695,232.68	84.90	59,025,254.53	417,168	83.45	34,812,677
United Bank Of India	Kolkata	ACUD	312,334.11	84.90	26,517,165.94	131,933	83.45	11,009,823
Axis Bank Ltd, India	Mumbai	ACUD	665,962.86	84.90	56,540,246.81	467,963	83.45	39,051,529
Union Bank of Switzerland	Switzerland	CHF	187,160.32	86.97	16,278,044.24	129,906	84.18	10,935,242
Commerz Bank	Frankfurt	EURO	9,770.80	94.91	927,314.38	(49,715)	94.98	(4,722,058)
Standard Chartered Bank	Frankfurt	EURO	221,725.33	94.91	21,043,219.38	417,284	94.98	39,635,017
Unicredit S.P.A.	Milano	EURO	72,305.20	94.91	6,862,247.92	16,112	94.98	1,530,387
UNITED BANK OF INDIA	KOLKATA	EURO	4,188.94	94.91	397,558.47	14,208	94.98	1,349,567
Commerz Bank	Frankfurt	AUD	228,955.85	59.07	13,523,483.34	46,284	58.87	2,724,597
Standard Chartered Bank	Japan	JPY	10,864,943.00	0.77	8,395,341.46	56,560,975	0.75	42,460,324
Standard Chartered Bank	London	GBP	85,808.15	110.81	9,508,160.84	50,861	105.62	5,372,065
Commerz Bank	Frankfurt	CAD	142,751.94	64.61	9,222,531.91	78,180	61.36	4,797,121
Al-Rajhi Bank	Saudi Arabia	SAR	4,303.75	22.49	96,789.19	73,075	22.23	1,624,128
Total					3,961,161,862			1,713,923,809

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 2019

Annexure-B

(Amount in Taka)

Name of the Company	Face Value	No. of Shares	Average Cost Price	Total Cost Price	Market price per Share	Total Market Value
Quoted						
ACMELAB	10	500,000	52.00	26,000,000	60.9	30,450,000
NAHEEACP	10	285	-	-	36.6	10,431
QUEENSOUTH	10	537	-	-	25.2	13,532
ADVENT	10	691	-	-	22.4	15,478
INTRACO	10	533	-	-	13.6	7,249
SKTRIMS	10	6,050	10.00	50,420	47	284,350
VFSTDL	10	4,222	10.00	35,190	20	84,440
MLDL	10	4,229	10.00	30,210	32.9	139,134
SILVAPHL	10	9,652	10.00	91,930	16.8	162,154
IBP	10	320	-	-	18.4	5,888
EKCL	45	21,719	45.00	977,355	28.3	614,648
New Line Clothing	10	7,513	10.00	75,130	14.8	111,192
KTL	10	11,070	10.00	100,640	11.3	125,091
Runner Automobiles	75	7,566	75.00	540,450	59.5	450,177
Sea Pearl Beach Restaurant	10	3,730	10.00	37,300	41.3	154,049
SSSTEEL	10	6,746	10.00	67,460	22.5	151,785
GENEXIL	10	5,233	10.00	52,330	67.4	352,704
AND Telecom Limited	10	18,968	30.00	569,040	27.00	512,136
Unquoted						
Shanta First Income Unit Fund	10	18,936,550	10.56	200,000,000	9.78	185,199,459
Ace Alliance Power Ltd.				100,000,000		100,000,000
Zodiac Power Chittagong Limited				300,000,000		300,000,000
Total				628,627,455		618,843,898

The cost price of investment in shares represents the book value as on 31.12.2019 being ordinary shares of different companies purchased from primary and secondary markets.

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

(Based on Capital 3,117.19 Crore)

(Taka in Thousand)

Sl. No.	Name of the Client	Outstanding as on 31.12.2019		Total
		Funded	Non funded	
1	KARNAFULY GROUP	1,504,738	4,576,823	6,081,561
2	BANGLA TRAC	3,289,278	2,670,365	5,959,643
3	RANCON GROUP	1,912,231	3,987,457	5,899,689
4	BSRM GROUP	1,125,984	4,599,024	5,725,009
5	DOREEN GROUP	231,233	5,094,378	5,325,611
6	E ENGINEERING GROUP	2,233,339	2,909,439	5,142,777
7	ARMANA GROUP	2,212,730	2,060,253	4,272,983
8	T.K. GROUP	3,303,997	862,913	4,166,910
9	PRAN-RFL GROUP	2,650,847	1,481,408	4,132,254
10	SPECTRA GROUP	1,048,837	2,634,418	3,683,255
11	NEW ASIA GROUP	3,150,727	420,812	3,571,539
12	RING SHINE GROUP	2,749,924	817,320	3,567,244
13	KABIR GROUP	1,255,264	2,164,510	3,419,774
14	MIR GROUP	1,885,109	1,359,859	3,244,968
15	BASHUNDHARA GROUP	2,305,690	888,039	3,193,728
16	MEGHNA GROUP	252	3,147,072	3,147,324
17	CONFIDENCE GROUP	900,027	2,228,408	3,128,435
Total		31,760,208	41,902,496	73,662,703

Dhaka Bank Limited
Schedule of Fixed Assets including premises, furniture & fixtures
As at 31 December 2019

Asset Group	Cost (Tk)				Rate of Depreciation	Depreciation (Tk)				Book Value (Tk)
	Opening Balance of cost as on 01/01/2019	Additions during the period	Adjustment (Sale/Discard)	Closing Balance of cost as on 31/12/2019		Accumulated depreciation as on 01/01/2019	Charge during the period	Adjustment (Sale/Discard)	Closing Balance as on 31/12/2019	
Land	2,950,332,536	-	648,455,000	2,301,877,536		-	-	-	-	2,301,877,536
Building & Renovation	622,721,217	58,189,501	-	680,910,718	2.5	16,780,312	-	115,348,997	-	565,561,721
Furniture & Fixtures	465,832,187	84,690,691	-	550,522,878	10	38,792,348	-	341,069,931	-	209,452,947
Office Appliances & Equipment	1,315,360,663	136,364,602	3,757,477	1,447,967,787	20	177,796,687	3,757,421	985,834,707	3,757,421	462,133,080
Computer	256,561,870	17,487,750	34,323,486	299,726,134	20	16,890,493	34,323,128	196,196,495	34,323,128	43,529,640
Software	663,180,606	99,243,408	23,983,500	738,440,514	10	69,909,400	23,983,497	169,286,418	23,983,497	569,154,096
Motor Vehicle	288,604,723	29,276,583	5,283,434	312,597,872	20	53,843,842	4,138,687	156,286,438	4,138,687	156,311,434
Right of use assets (ROU)		941,198,103		941,198,103		169,558,928		169,558,928		771,639,175
Total 2019	6,562,593,802	1,366,450,638	715,802,897	7,213,241,543		543,572,010	66,202,733	2,133,581,914	66,202,733	5,079,659,629
Total 2018	5,609,168,810	980,303,540	26,878,548	6,562,593,802		333,590,455	23,653,326	1,656,212,636	23,653,326	4,906,381,165

Dhaka Bank Limited

Recovery of loans previously written-off during the period January-December 2019

(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
Corporate Loan					
1	Ahnaf & Co.	17,855,447	15,742,193	20,850,000	2,200,000
2	Anudip Autos Limited	43,767,825	32,747,739	40,250,000	2,250,000
3	Fairway Trading	93,230,198	13,984,530	124,800,000	1,000,000
4	Gonoshasthaya Antibiotic Ltd.	71,628,580	60,192,640	75,990,000	4,500,000
5	Iqbal Construction Firm	11,527,521	7,758,309	15,320,000	30,000
6	Bhuiyan Enterprise	6,594,471	3,497,942	12,360,000	6,594,471
7	Liza Rice Agency	4,504,049	2,828,337		4,504,049
8	Rafique Traders	36,192,872	25,193,206	40,020,000	8,320,000
9	Sunflower Electric	179,295	132,829	410,000	179,295
10	Mohammad Didarul Islam	4,601,234	1,248,071	5,080,000	4,601,234
11	Orkishtra Kraft	1,232,968	184,945	2,040,000	80,000
12	Parisha Trade System Ltd.	70,247,889	56,126,471	66,570,000	9,870,000
13	Shameem Construction	6,473,430	6,050,974	7,860,000	1,000,000
14	Siddique Traders	176,337,598	51,321,139	150,290,000	6,000,000
15	Unique Steel	51,296,586	36,183,094	55,740,000	12,500,000
Sub-Total		595,669,962	313,192,419	617,580,000	63,629,048
Retail Loan					
1	Various Client	69,237,662	41,548,568	102,360,000	19,250,812
Sub-Total		69,237,662	41,548,568	102,360,000	19,250,812
Grand Total		664,907,625	354,740,987	719,940,000	82,879,861

Dhaka Bank Limited

Details of Borrowers for written-off loan during the period Jan-Dec 2019

Annexure- F

(Amount In Taka)

Sl. No.	Name of Borrowers	Amount written-off	Amount of Interest Suspense kept at the time of written-off	Amount of Provision kept at the time of written-off	Suit Value
Corporate & SME Loan					
1	N.N. Enterprise	9,325,763	3,247,016	6,078,747	10,500,000
2	Siam Electronics	812,048	103,628	708,420	930,000
3	Aapon Corporation	552,856	50,848	502,008	740,000
4	Chaya Hardware Store	3,296,798	1,645,068	1,651,729	2,020,000
5	S.M.Trading	1,259,952	625,750	634,202	1,510,000
	Sub-Total	15,247,417	5,672,310	9,575,107	15,700,000
Retail Loan					
(Amount In Taka)					
Sl. No.	Type of Loans	Amount written-off	Amount of Interest Suspense kept at the time of written-off	Amount of Provision kept at the time of written-off	Suit Value
1	144 Number of Personal Loan	35,030,133	14,969,538	20,060,594	66,530,000
2	26 Number of Car Loan	24,973,247	9,340,853	15,001,675	44,560,000
3	322 Number of Credit Card	26,850,664	3,692,965	23,157,699	24,280,000
	Sub-Total	86,854,044	28,003,356	58,219,968	135,380,000
	Grand Total	102,101,460	33,675,666	67,795,075	151,080,000

Related Party Disclosures

i) Name of the Directors and their interest in the Bank as on 31.12.2019:

SI No	Name of Directors	Designation	% of interest as on 31.12.2019
1	Mr. Reshadur Rahman	Chairman	3.37530
2	Mr. Tahidul Hossain Chowdhury	Vice-Chairman	2.00839
3	Mrs. Rokshana Zaman	Director	2.44973
4	Mr. Abdul Hai Sarker	Director	2.28080
5	Mr. Altaf Hossain Sarker	Director	2.78885
6	Mr. Abdullah Al Ahsan	Director	2.00041
7	Mr. Khondoker Monir Uddin	Director	2.87187
8	Mr. Md. Amirullah	Director	2.00024
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	Mrs. Manoara Khandaker	Director	2.00377
15	Mr. M. A. Yussouf Khan	Independent Director	Nil
16	Mr. Md. Muzibur Rahman	Independent Director	Nil
17	Mr. A. S. Salahuddin Ahmed	Independent Director	Nil

ii) Name of the Directors and their interest in the Bank as on 31.12.2018:

SI No	Name of Directors	Designation	% of interest as on 31.12.2018
1	Mr. Reshadur Rahman	Chairman	3.37530
2	Mr. Md. Amirullah	Vice-Chairman	2.00024
3	Mrs. Rokshana Zaman	Director	2.44973
4	Mr. Abdul Hai Sarker	Director	2.28080
5	Mr. Altaf Hossain Sarker	Director	2.78885
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	Mrs. Manoara Khandaker	Director	2.00377
15	Mr. M. A. Yussouf Khan	Independent Director	Nil
16	Mr. Md. Muzibur Rahman	Independent Director	Nil

Related Party Disclosures

iii) Name of Directors and their interest in different entities as on 31.12.2019:

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. Trade Hub Bangladesh 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.	Chairman Chairman Chairman Chairman & Managing Director Proprietor Proprietor Proprietor Proprietor Shareholder Shareholder Shareholder Shareholder
2	Mr. Tahidul Hossain Chowdhury	Vice Chairman	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
3	Mr. Abdul Hai Sarker	Director	Shohagpur Textile Mills Ltd. Purbani Fabrics Ltd. Karim Textiles Ltd. Purbani Traders. Purbani Yarn Dyeing Ltd. Karim Spinning Mills Ltd. Purbani Synthetic Spinning Ltd. Purbani Rotor Spinning Ltd. Purbani Fisheries Purbani Fashion Ltd. Purbani Agro Processing Ltd. Dhaka Bank Securities Ltd.	Chairman & CEO Chairman & CEO Chairman & CEO Proprietor Chairman & CEO Chairman & CEO Chairman & CEO Chairman & CEO Proprietor Chairman & CEO Chairman & CEO Director
4	Mr. Altaf Hossain Sarker	Director	Rahmat Textiles Ltd. Rahmat Knit Dyeing & Finishing Ltd. China Plastic (BD) Ltd. Rahmat Fashion Wear Ltd. Rahmat Rotors Ltd. Dhaka Bank Securities Ltd.	Managing Director Managing Director Chairman & Managing Director Director Chairman Director
5	Mrs. Rokshana Zaman	Director	Dhaka Enterprise M/s. Manehor Fisheries Maksuda Cargo Vessel, Maksuda 1 Cargo Vessel, Dhaka Bank Securities Limited	Proprietress Proprietress Proprietress Proprietress Director
6	Mr. Md. Amirullah	Director	Dhaka Bank Investment Ltd.	Director
7	Mr. Mohammed Hanif	Director	Hanif Steels Ltd. Hanif Spinning Mills Ltd. National Foundry & Engineering Works (Pvt.) Ltd.	Managing Director Managing Director Managing Director

Related Party Disclosures

Sl. No.	Name	Status with the Bank	Name of the firms/Companies in which they have interest	Status in the interested entities
8	Mr. Abdullah Al Ahsan	Director	Aroma Poultry Ltd. Aroma Fisheries Ltd.	Director Director
9	Mr. Khondoker Monir Uddin	Director	Shanta Holdings Limited STS Holdings Limited STS Capital Ltd. United Business Machines Limited GDS Chemical Bangladesh Private Limited Shanta Securities Ltd. Shanta Washing Plant Ltd. Apollo Hospital Dhaka. (Now Evercare Hospital Ltd., Dhaka.)	Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing 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. 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 Hospital Dhaka. (Now Evercare Hospital Ltd., Dhaka.) International School Dhaka Dhaka Bank Investment Ltd.	Chairman Chairman Chairman Chairman Director Sponsor 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	Mrs. Manoara Khandaker	Director	Total Pack & Packaging Bari & Pack Plastic Ltd.	Proprietress Director
14	Mr. Amanullah Sarker	Director	Rahmat Spinning Mills Ltd. Logos Apparels Ltd Belkuchi Spinning Mills Ltd. Rahmat Sweaters (BD) Ltd. Shahi Products	Managing Director Chairman Chairman Chairman Partner
15	Mr. M. A. Yussouf Khan	Independent Director	-	-
16	Mr. Md. Muzibur Rahman	Independent Director	-	-
17	Mr. A. S. Salahuddin Ahmed	Independent Director	-	-

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

v) Related party Transactions: **Tk. 35,659,537.21**

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 2019 to 31 December 2019, the Bank concluded business deals with the following directors/organizations in which the directors had interest:

(Amount In Taka)

Name	Relationship	Nature of transactions	Balance at 31.12.2019
Manoara Khandaker	Proprietor	Credit Facility	25,533,917.98
Khondoker Jamil Uddin	Director	Credit Facility	2,482,631.21
Abdullah Al Ahsan	Director	Credit Facility	1,952,755.71
Jashim Uddin	Director	Credit Facility	1,771.13
Jashim Uddin	Guarantor	Credit Facility	1,950,973.39
Khondoker Jamil Uddin	Director	Credit Facility	1,902,628.83
Abdullah Al Ahsan	Director	Credit Facility	952,160.88
Mirza Yasser Abbas	Director	Credit Facility	790,296.19
M N H Bulu	Director	Credit Facility	73,369.88
Md. Amirullah	Director	Credit Facility	19,032.01
Any Other Related Parties			35,659,537.21

SUBSIDIARIES

(Amount In Taka)

Name	Relationship	Nature of transactions	Balance at 31.12.2019
Dhaka Bank Securities Limited	Subsidiary	Deposit	57,000,963.83
Dhaka Bank Investment Limited	Subsidiary	Deposit	308,110,999.28
Dhaka Bank Securities Limited	Subsidiary	Credit Facility	2,298,017,550.48
Dhaka Bank Securities Limited	Subsidiary	Investment	1,499,999,940.00
Dhaka Bank Investment Limited	Subsidiary	Investment	249,999,940.00
Dhaka Bank Investment Limited	Subsidiary	Account receivable	1,173,725.00
Dhaka Bank Securities Limited	Subsidiary	Account receivable	105,787,264.00
Dhaka Bank Securities Limited	Subsidiary	Interest Income	222,264,620.39
Dhaka Bank Securities Limited	Subsidiary	Interest Expense	3,840,764.72
Dhaka Bank Investment Limited	Subsidiary	Interest Expense	5,469,455.56

- 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, Retail Business Center-Uttara of the Bank was executed with Mrs. Rokshana Zaman who is the Director 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 and Mr. Hasanuzzaman is Director in its board who is the son of Mrs. Rokshana Zaman, Director 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 2019

Annexure-H

Sl. No.	Assessment Year	Income Year	Provision for Income Tax as per accounts (Tk.)	Total Tax Paid (Tk.)	Provision Excess/ (Shortage) (Tk.) F=D-(E+H)	Further Claimed by TAX Authority (Tk.)	Tax Paid for Tribunal & High Court (Tk.)	Remaining Tax Liability (Tk.)	Present Status
A	B	C	D	E	F=D-(E+H)	G	H	I	J
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	369,920,451	455,657,668	(86,564,092)	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 Case no 28 of 2015
9	2013-2014	2012	738,415,500	759,226,556	(135,671,565)	114,860,509	114,860,509	-	Case settle after CT Appeal /Tax Clearance Certificate received
10	2014-2015	2013	1,096,530,432	913,596,502	136,676,267	46,257,663	46,257,663	-	Case settle after CT Appeal /Tax Clearance Certificate received
11	2015-2016	2014	1,176,134,507	1,142,636,340	33,498,167	-	-	-	Case settle after DCT Level & Tax Clearance Certificate received but file Re-open u/s 120 date 07.01.2019 by showing Additional Income Tk. 65,416,887/- and apply for Appeal.
12	2016-2017	2015	934,833,819	934,833,819	-	159,921,838	-	-	1st Appeal completed and wait for revise order as per Appeal order and apply for correction u/s 173 for tax credit Tk. 2,339,663/-
13	2017-2018	2016	1,314,967,979	1,314,967,979	(148,105,078)	148,105,078	148,105,078	-	Assessment Completed & due tax paid & Tax clearance certificate received in time
14	2018-2019	2017	1,372,864,467	1,272,333,711	100,530,756	225,321,006	-	225,321,006	Income Tax Return Submitted to the LTU and assessment Completed
15	2019-2020	2018	1,580,324,396	1,582,892,785	(2,568,389)	-	-	-	Income Tax Return Submitted to the LTU
16	2020-2021	2019	1,554,121,597	1,070,700,000	481,546,597	-	-	-	Quarterly Advance Tax paid u/s 64
Total			16,473,463,155	15,312,534,795	717,816,958	1,367,792,638	441,236,402	766,634,398	

ISLAMIC BANKING

Dhaka Bank Ltd. has been providing Islamic Banking Services through two of its Branches to adhere to the Islamic values & integrity. Now a days DBL has been providing Islamic Banking Services to the interested Customers from all the conventional Branches through online from Islamic Banking Branches. DBL is the pioneer in establishing Shari’ah-based Banking Operations through Islamic Banking Branches in the country.



Final Rates on Mudaraba Deposit Products of Islamic Banking for the Year 2019.

Dhaka Bank Limited has successfully completed the business year 2019 and declared final profit rates on various Mudaraba Deposits Accounts for the year 2019 to the Mudaraba depositors.

The final rates of various Mudaraba Deposits Accounts of Banks as per approved weight age for the year 2019 have come up lower than declared provisional profit rates of Mudaraba Deposits Accounts.

According to Management decision and subsequent recommendation of the Shariah Supervisory Committee, as the final rates of various Mudaraba Savings Deposit Accounts as per approved weight age have come out lower to declared provisional profit rates of Mudaraba Deposit Accounts for the year 2019, so on the ground of “Ihsan” under principle of Islamic Shariah the provisional profit rates of various Mudaraba Deposit Accounts of the bank for the year-2019 is hereby declared as final rates considering the market position.

Sl. No.	Type of Deposit	Weightage	Final Rate For year 2019
1.	Mudaraba Savings Deposit	0.75	2.37
2.	Mudaraba Savings Deposit For Bank	0.70	3.00
3.	Mudaraba Short Notice Deposit	0.50	3.50
4.	Mudaraba Term Deposit Account		
	36 Months	1.00	-
	24 Months	0.98	6.00
	12 Months	0.98	7.35
	6 Months	0.92	6.96
	3 Months	0.90	5.58
	1 Months	0.85	4.00
	Bank	0.98	6.00
5.	Mudaraba Hajj Savings Scheme	1.10	8.50
6.	Mudaraba Special Deposit Scheme	0.82	6.50
7.	Mudaraba Deposit Pension Scheme	1.1	8.00

Dhaka Bank Limited (Islamic Banking)

Balance Sheet

As at 31 December 2019

	Notes	31.12.2019 Taka	31.12.2018 Taka
PROPERTY AND ASSETS			
Cash	1	515,390,173	464,613,141
Cash in hand (including foreign currencies)		79,192,191	39,966,077
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		436,197,982	424,647,064
Balance with other banks and financial institutions	2	-	-
In Bangladesh		-	-
Outside Bangladesh		-	-
Money at call on short notice		-	-
Investment in securities		430,000,000	430,000,000
Investments	3	5,927,869,783	5,474,842,139
General Investments	3.1	5,922,313,853	5,468,857,069
Bills Discounted and Purchased	3.2	5,555,929	5,985,071
Fixed assets including premises, furniture and fixtures	4	7,744,853	10,204,871
Other Assets	5	4,932,060,837	3,193,249,559
Non-Banking Assets		-	-
Total Assets		11,813,065,645	9,572,909,710
LIABILITIES AND CAPITAL			
LIABILITIES			
Borrowings from other banks /financial Institutions and agents	6	3,545,231,904	2,075,314,921
Deposits and Other Accounts	7	7,749,856,849	7,000,649,906
Current Accounts & Other Accounts		133,568,004	160,304,492
Bills Payable		14,202,835	13,408,721
Savings Bank Deposits		573,677,920	557,761,434
Term Deposits		7,028,408,090	6,269,175,259
Other Liabilities	8	517,976,892	496,944,883
Total Liabilities		11,813,065,645	9,572,909,710

Off-balance Sheet Items**Contingent Liabilities**

Acceptances and Endorsements

Irrevocable Letters of Credit

Letter of Guarantee

Bills for Collection

Other Contingent Liabilities

Other Commitments

Documentary credit and short term trade-related transactions

Forward assets purchased and forward deposits placed

Undrawn note issuance and revolving underwriting facilities

Undrawn formal standby facilities, credit lines and other commitments

Total off-balance sheet items including contingent liabilities

Notes	31.12.2019 Taka	31.12.2018 Taka
	1,185,371,280	1,550,527,329
	414,388,735	551,238,793
	103,494,865	93,497,273
	154,383,404	41,803,441
	1,642,420,552	1,356,412,325
	3,500,058,835	3,593,479,161
	-	-
	-	-
	-	-
	-	-
	-	-
	3,500,058,835	3,593,479,161

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 2019

Appendix I(ii)

	Notes	2019 Taka	2018 Taka
OPERATING INCOME			
Profit Received from Investment	9	1,244,643,542	915,853,832
Profit Paid on Deposits & Borrowings	10	956,750,855	629,479,717
Net Investment Income		287,892,688	286,374,115
Commission, Exchange Earnings & Brokerage	11	41,946,291	53,621,845
Other Operating Income	12	16,022,843	11,361,706
		57,969,134	64,983,551
Total Operating Income (A)		345,861,822	351,357,666
Operating Expenses			
Salary & Allowance	13	33,902,031	35,022,232
Rent, Taxes, Insurance, Lighting etc.	14	31,324,818	31,239,189
Legal Expenses		393,040	1,336,487
Postage, Stamp, Telecommunication etc.	15	531,323	748,698
Stationery, Printing, Advertisement etc.	16	1,408,408	798,650
Shari'ah Council Meeting Expenses		196,117	156,130
Depreciation of Bank's Assets	17	3,407,294	3,960,691
Repair of Bank's Assets	18	1,014,816	1,253,325
Other Expenses	19	8,359,047	9,424,742
TOTAL Operating Expenses (B)		80,536,894	83,940,144
Operating Profit During the Year (A - B)		265,324,928	267,417,522

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

Dhaka Bank Limited (Islamic Banking)

Notes to the Financial Statements

For the year ended 31 December 2019

		31.12.2019 Taka	31.12.2018 Taka
1. Cash			
Cash in hand	(Note: 1.1)	79,192,191	39,966,077
Balance with Bangladesh Bank and its agent bank(s)	(Note: 1.2)	436,197,982	424,647,064
		515,390,173	464,613,141
1.1 Cash in hand			
In Local Currency		76,907,956	39,966,077
In Foreign Currencies		2,284,235	-
		79,192,191	39,966,077
1.2 Balance with Bangladesh Bank and its agent bank(s)			
In Local Currency			
Al-Wadiah Current Account		436,197,982	424,647,064
In Foreign Currencies		-	-
		436,197,982	424,647,064
2. Balance with other banks and financial institutions			
In Bangladesh			
Mudaraba Term Deposits			
Social Investment Bank Limited		-	-
Shahjalal Islami Bank Limited		-	-
Al-Arafah Islamic Bank Limited		-	-
Islamic Hajj Finance		-	-
Outside Bangladesh		-	-
		-	-
3. Investments			
General Investments		5,922,313,853	5,468,857,069
Bills Purchased & Discounted		5,555,929	5,985,071
		5,927,869,783	5,474,842,139
3.1 General Investments			
In Bangladesh			
Murabaha (Purchase Order)		1,352,812,513	1,682,890,713
Murabaha (Term Financing)		962,799,239	951,179,818
MPI Trust Receipt		499,151,775	605,900,134
Murabaha Import Bill (PAD)		805,507	-
Bai Muajjal		1,509,819,626	1,400,838,199
Ijara (Lease Financing) (Note-3.5)		738,351,584	444,112,718
Shirkatul Mulk (Hire Purchase)		285,894,196	274,682,737
Others		572,679,413	109,252,749
		5,922,313,853	5,468,857,069
Outside Bangladesh		-	-
		5,922,313,853	5,468,857,069

	31.12.2019 Taka	31.12.2018 Taka
3.2 Bills Purchased & Discounted		
<u>Payable in Bangladesh:</u>		
Inland bills purchased	5,555,929	5,985,071
<u>Payable outside Bangladesh:</u>		
Foreign bills purchased & discounted	-	-
	5,555,929	5,985,071
3.3 Residual maturity grouping of investments including bills purchased and discounted		
Repayable on Demand	2,334,998,740	2,032,850,115
Not more than 3 months	1,651,944,182	1,271,713,820
More than 3 months but not more than 6 months	848,915,027	1,080,009,055
More than 6 months but not more than 1 year	113,528,373	268,246,459
More than 1 year but not more than 5 years	819,739,126	702,644,210
More than 5 years	158,744,335	119,378,480
	5,927,869,783	5,474,842,139
3.4 Maturity grouping of bills purchased & discounted		
Payable within 1 month	2,931,098	4,002,243
Over 1 month but less than 3 months	385,369	1,085,040
Over 3 months but less than 6 months	2,239,462	897,788
6 months or more	-	-
	5,555,929	5,985,071
3.5 Investment in lease / izara finance		
Lease rental receivable within 1 year	516,135,516	204,324,431
Lease rental receivable within more than 1 year	285,774,685	239,788,286
Total lease/ izara rental receivable	801,910,202	444,112,718
Less: unearned interest receivable	63,558,618	-
Net investment in lease/izara finance	738,351,584	444,112,718
3.6 Investments on the basis of significant concentration including bills purchased & discounted		
a. Investments to allied concerns of Directors;		
b. Investments to Chief Executive		
c. Investments to Other Senior Executives		
d. <u>Investments to Customer's Group:</u>		
Agriculture investments		
Commercial lending		
Export financing	561,406,555	
Consumer credit scheme	64,696,857	29,447,254
Special Program Loan (SME)	473,957,282	467,812,470
Staff investments	34,866,210	40,501,348
Others	4,792,942,878	4,937,081,068
	5,927,869,783	5,474,842,139
3.7 Investments under the following broad categories		
Investments	3,913,342,453	1,433,948,338
Bai Murabaha/Bai Muajjal	2,008,971,401	4,034,908,731
	5,922,313,853	5,468,857,069
Bills Purchased and discounted	5,555,929	5,985,071
	5,927,869,783	5,474,842,139

3.8 Industry - wise investments including bills purchased & discounted

	31.12.2019 Taka	31.12.2018 Taka
Agricultural Industries	-	-
Pharmaceuticals Industries	-	-
Textile & Garment Industries	2,672,738,748	1,907,628,504
Chemical Industries	560,132,498	906,149,135
Food & allied Industries	231,691,884	233,363,510
Transport & Communication	15,036,137	26,032,711
Electronics & Automobile Industries	501,563	-
Housing & Construction Industries	391,722,663	273,123,196
Engineering & Metal Industries including Ship Breaking	1,569,058,885	1,615,029,646
Energy & Power Industries	327,625,050	327,625,050
Service Industries	874,826	351,965
Other Industries	158,487,529	185,538,422
	5,927,869,783	5,474,842,139

3.9 Geographical Location - wise investments

Dhaka Region	1,830,093,530	3,634,786,196
Chittagong Region	4,097,776,252	1,840,055,943
Sylhet Region	-	-
Other	-	-
	5,927,869,783	5,474,842,139

3.10 Sector - wise investments

In Bangladesh		
Government & Autonomous bodies	-	-
Financial Institutions (Public & Private)	-	-
Other Public Sector	-	-
Private Sector	5,927,869,783	5,474,842,139
	5,927,869,783	5,474,842,139
Outside Bangladesh	-	-
	5,927,869,783	5,474,842,139

3.11 Classification of investments

Unclassified (including staff loan)	4,874,875,828	4,714,690,734
Sub-Standard	-	-
Doubtful	-	-
Bad or loss	1,052,993,954	760,151,405
	5,927,869,783	5,474,842,139

3.12 Provision required for investments

Status	Rate %		
Unclassified	0.25,1,2,5&100	292,175,283	230,105,306
Special Mention Account	0.25, 1	75,404	518,521
		292,250,687	230,623,827
Classified:			
Sub-Standard	20	-	-
Doubtful	50	-	-
Bad or loss	100	590,081,803	374,456,364
		590,081,803	374,456,364
Required provision for investments		882,332,490	605,080,191
Total provision maintained		882,332,490	605,080,191
Excess / short provision as at 31 December		-	-

	31.12.2019 Taka	31.12.2018 Taka
3.13 Securities against investments including bills purchased & discounted		
a. <u>Secured</u>		
Collateral of movable / immovable assets	5,046,300,890	4,938,887,556
Local Banks & Financial Institutions guarantee		
Government Guarantee		
Foreign Banks Guarantee		
Export documents	5,555,929	50,447,813
Fixed Deposits Receipts		
1 Own FDR	61,903,282	
2 FDR of other Banks		
Corporate Guarantee		
Personal Guarantee	61,233,894	72,355,343
other Securities	752,875,787	413,151,427
	5,927,869,783	5,474,842,139
b. Unsecured		-
	5,927,869,783	5,474,842,139
4. Premises and Fixed Assets		
Land	-	-
Building	-	-
Furniture and Fixture including Office decoration	7,034,510	7,034,510
Office Appliances & Equipment	19,545,699	18,882,124
Computer	3,871,887	3,633,187
Software	421,959	421,959
Bank's Vehicle	2,850,375	2,850,375
	33,724,430	32,822,155
Less: Accumulated depreciation	25,979,577	22,617,283
	7,744,853	10,204,871
5. Other Assets		
Stationery, stamps, printing materials etc.	32,632	65,032
Profit accrued on investment but not collected	3,383,750	3,383,750
Advance rent	2,697,965	4,046,948
Security deposit;	315,000	315,000
Preliminary, formation and organization expenses renovation / development expenses and prepaid expenses	961,908	905,563
Branch Adjustments	4,900,125,934	3,180,322,645
Suspense Account	160,942	160,942
Others	24,382,706	4,049,680
	4,932,060,837	3,193,249,559
6. Borrowings From Other Banks, Financial Institutions & Agents Bangladesh Bank refinance		
Export development fund	516,112,992	33,045,325
Mudaraba Refinance	3,029,118,912	2,042,269,597
	3,545,231,904	2,075,314,921
7. Deposits & Other Accounts		
7.1 Current and Other Accounts		
Current Account	93,357,423	134,696,676
Foreign Currency Deposits	349,970	2,980,540
Margin under Letter of Credit	7,594,163	6,168,975
Margin under Letter of Guarantee	4,752,091	8,788,102
Deposits Awaiting Disposal	-	1,148,322
Sundry Deposit	27,514,357	6,521,875
	133,568,004	160,304,492

	31.12.2019 Taka	31.12.2018 Taka
7.2 Bills Payable		
Pay Order	14,202,835	13,408,721
Demand Draft	-	-
	14,202,835	13,408,721
7.3 Savings Deposits		
Mudaraba Savings Accounts	573,933,420	557,761,434
7.4 Term Deposits		
Mudaraba Special Notice Deposits	291,596,851	181,468,376
Mudaraba Term Deposits	5,891,373,518	5,268,691,575
Mudaraba Deposit Pension/Hajj Savings Scheme	845,182,222	819,015,308
	7,028,152,590	6,269,175,259
8. Other Liabilities		
Accrued Interest	-	-
Profit Suspense Account	471,385,461	469,879,217
Provision against Expenses	-	-
Finance from OBU for Bill Discounting	-	38,915
Tax/VAT deducted at source & payable	7,547,559	4,274,640
Excise Duty Payable	5,882,680	6,091,550
Others	33,161,192	16,660,560
	517,976,892	496,944,883
9. Profit received from Investment		
Murabaha Term Investment	79,609,718	65,300,014
Investment against Imported Merchandise/Murabaha	-	-
Investment against MPI Trust Receipt	22,651,584	13,650,158
Cash Credits / Bai-Murabaha	263,670,637	219,512,287
Murabaha Import Bill (PAD)	38,361	65,401
House Building Investment	636,412	518,327
Transport Investment	-	-
Hire Purchase/Shirkatul Mulk	61,666,441	82,017,677
Total Profit received from Investment	428,273,153	381,063,864
Fund Placement with banks	-	-
Inter Branch Profit received	816,370,390	534,789,968
	1,244,643,542	915,853,832
10. Profit Paid On Deposits & Borrowings		
Mudaraba Savings Account	12,143,061	14,102,858
Special Notice Deposits	8,071,958	3,932,779
Term Deposits	719,117,014	400,207,866
Mudaraba Deposit Pension / Hajj Savings Scheme	82,968,125	80,388,363
Inter Branch Profit paid	-	-
Borrowing & Fund Placement	134,450,697	130,847,852
Profit paid against refinance from Bangladesh Bank	-	-
	956,750,855	629,479,717

	2019 Taka	2018 Taka
11. Commission / Fees, Exchange Earnings & Brokerage		
Commission on L/C	27,152,403	23,978,383
Commission on L/G	2,237,239	2,429,612
Commission on Remittance / Bills	996,859	205,457
Processing Fee Consumer Loan	24,625	84,750
Other Commission / Fees	13,033,886	29,894,447
Exchange gain including gain from foreign currency dealings	(1,498,720)	(2,970,803)
	41,946,291	53,621,845
12. Other Operating Income		
Profit on Govt. Islamic Bond	13,009,188	4,421,428
Postage charge recoveries	16,701	112,899
Incidental charges	1,317,704	635,079
Supervision & monitoring charges	-	-
Management Fees	-	-
ATM charges realised	467,500	249,800
Swift charge recoveries	984,750	942,500
Recovery from written off investment	227,000	5,000,000
	16,022,843	11,361,706
13. Salary and Allowances		
Basic Salary	11,767,454	12,141,666
Allowances	16,859,864	17,821,726
Bonus & Ex-gratia	2,111,857	1,714,211
Leave Fare Assistance	2,019,084	2,150,950
Gratuity Expense	-	-
Bank's contribution to Provident Fund	1,143,773	1,193,679
	33,902,031	35,022,232
14. Rent, Taxes, Insurance, Lighting Etc.		
Office Rent	25,332,384	25,326,384
Electricity and Lighting	1,539,723	1,494,710
Regulatory Charges	61,676	56,076
Insurance	4,391,035	4,362,018
	31,324,818	31,239,189
15. Postage, Stamps, Telecommunication Etc.		
Stamps, Postage & Courier	149,074	392,249
Telephone Charges	124,999	35,388
Fax, Internet, Radio Link, & DDN Charges	257,250	321,060
	531,323	748,698
16. Stationery, Printing, Advertisement Etc.		
Table Stationery	272,043	295,779
Printing Stationery	267,642	122,659
Security Stationery	85,842	89,425
Computer Stationery	266,161	136,695
Advertisement	516,720	154,092
	1,408,408	798,650

17. Depreciation of Bank's Assets

	2019 Taka	2018 Taka
Land	-	-
Building	-	-
Furniture & Fixture	699,465	699,568
Office Appliance & Equipment	1,948,934	2,521,880
Computer	188,820	169,169
Software	-	-
Motor Vehicle	570,075	570,075
	3,407,294	3,960,691

18. Repair & Maintenance of Bank's Assets

Office Premises	412,145	357,276
Office Equipment	261,206	501,052
Office Furniture	115,565	113,069
Motor Vehicle	90,737	74,099
Computer & Office Appliances	135,163	207,829
	1,014,816	1,253,325

19. Other Expenses

Contractual Service Charge	6,482,626	6,000,940
Petrol, Oil and Lubricants	205,790	218,455
Entertainment: canteen & other	352,138	405,627
Donations	-	-
Travelling	214,158	192,910
Conveyance	185,228	155,100
Training Expenses	73,975	58,350
Books and Papers	21,985	17,402
WASA Charges	-	-
Staff Uniform	36,161	64,860
Potted Plants	96,000	114,029
Legal expenses	-	-
ATM Network Service Charges	226,170	225,000
Godown expenses	38,500	42,000
Miscellaneous expenses	426,316	1,930,070
	8,359,047	9,424,742

OFF-SHORE BANKING

Though the country's offshore banking market is dominated by the foreign banks, Dhaka Bank has been able to make its strong and delightful presence by attracting a good number of customers in a short period of time through effective marketing, competitive pricing and ensuring highest levels of professionalism along with excellent customer services backed by quality human and technological supports.



Dhaka Bank Limited (Off-Shore Banking Unit)

Annexure-J

Balance Sheet As at 31 December 2019

Notes	31.12.2019		31.12.2018	
	USD	Taka	USD	Taka
PROPERTY AND ASSETS				
Cash	18,143,720	1,540,401,843	4,929,656	411,379,752
Cash in Hand (including foreign currencies)	-	-	-	-
Balance with Bangladesh Bank & Sonali Bank (including foreign currencies)	18,143,720	1,540,401,843	4,929,656	411,379,752
Balance with other banks and financial institutions	18,671,573	1,585,216,534	7,399,183	617,461,786
In Bangladesh	-	-	-	-
Outside Bangladesh	18,671,573	1,585,216,534	7,399,183	617,461,786
Money at call on short notice	-	-	-	-
Investments	-	-	-	-
Government	-	-	-	-
Others	-	-	-	-
Loans, advances and lease/investments	187,707,373	15,936,355,932	72,922,407	6,085,374,857
Loans, cash credits, overdrafts, etc./Investments	186,695,226	15,850,424,659	71,265,229	5,947,083,365
Bills purchased and discounted	1,012,147	85,931,273	1,657,178	138,291,492
Fixed assets including premises, furniture and fixtures	-	-	-	-
Other assets	21,760,852	1,847,496,366	160,204,046	13,369,027,648
Non-banking assets	-	-	-	-
Total Assets	246,283,518	20,909,470,676	245,455,291	20,483,244,044
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other banks, financial institutions and agents	224,478,758	19,058,246,518	136,697,057	11,407,369,406
Deposits and other accounts	7,118,074	604,324,483	7,519,558	627,507,143
Current accounts & other accounts	4,823,704	409,532,432	6,017,182	502,133,830
Bills payable	-	-	47,549	3,967,942
Other deposits	2,294,370	194,792,051	1,454,828	121,405,371
Other liabilities	9,808,309	832,725,417	94,928,030	7,921,744,092
Total Liabilities	241,405,140	20,495,296,419	239,144,645	19,956,620,641
Capital/Shareholders' Equity				
Paid-up capital	-	-	-	-
Statutory reserve	-	-	-	-
Other reserve	-	-	-	-
Surplus in Profit and Loss Account	4,878,378	414,174,257	6,310,646	526,623,403
Total Shareholders' Equity	4,878,378	414,174,257	6,310,646	526,623,403
Total Liabilities & Shareholders' Equity	246,283,518	20,909,470,676	245,455,291	20,483,244,044

	Notes	31.12.2019		31.12.2018	
		USD	Taka	USD	Taka
Off-Balance Sheet Items					
CONTINGENT LIABILITIES					
	8				
Acceptances and Endorsements		22,924,663	1,946,303,902	34,338,340	2,865,534,470
Irrevocable Letters of Credit		9,820,638	833,772,145	23,542,006	1,964,580,424
Letter of Guarantee		-	-	2,605,917	217,463,741
Bills for Collection		21,519,716	1,827,023,903	28,694,981	2,394,596,166
Other Contingent Liabilities		-	-	-	-
Sub-total:		54,265,017	4,607,099,950	89,181,244	7,442,174,801
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		-	-	-	-
Sub-total:		-	-	-	-
Total off-balance sheet items including contingent liabilities		54,265,017	4,607,099,950	89,181,244	7,442,174,801

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

Dhaka Bank Limited (Off-Shore Banking Unit)
Profit and Loss Account
For the year ended 31 December 2019

	Notes	2019		2018	
		USD	Taka	USD	Taka
Operating Income					
Interest Income/Profit Received	9	13,057,670	1,108,596,178	10,045,683	838,312,258
Interest/Profit paid on Deposits & Borrowings	10	7,063,114	599,658,370	4,198,669	350,378,923
Net Interest Income		5,994,556	508,937,808	5,847,014	487,933,335
Income from Investment		-	-	-	-
Commission/Fees & Exchange Earnings	11	1,419,247	120,494,035	1,596,780	133,251,309
Other Operating Income	12	96,055	8,155,070	103,788	8,661,067
Total Operating Income (A)		7,509,858	637,586,912	7,547,582	629,845,711
OPERATING EXPENSES					
Salary and allowances		-	-	89,435	7,463,383
Rent, taxes, insurance, electricity, etc.		10,216	867,306	9,788	816,825
Legal expenses		501,742	42,597,855	501,703	41,867,110
Postage, stamps, telecommunication, etc.		21,221	1,801,622	20,209	1,686,444
Stationery, printing, advertisement, etc.		2,226	189,024	1,974	164,707
Chief executive's salary and fees		-	-	-	-
Directors' fees		-	-	-	-
Auditors' fees		-	-	-	-
Depreciation and repairs of Bank's assets		2,877	244,283	48,433	4,041,755
Other expenses	13	13,613	1,155,722	132,575	11,063,380
Total operating expenses (b)		551,894	46,855,812	804,117	67,103,605
Profit / (Loss) Before Provision					
(C) = (A - B)		6,957,963	590,731,100	6,743,464	562,742,106
Less: Provision for Loans (D)		2,079,586	176,556,843	432,818	36,118,703
Total Profit/(Loss) before Tax (C-D)		4,878,378	414,174,257	6,310,646	526,623,403
Less: Provision for Income Tax		-	-	-	-
Net Profit / (Loss) after Tax :		4,878,378	414,174,257	6,310,646	526,623,403

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

Dhaka Bank Limited (Off-Shore Banking Unit)

Cash Flow Statement

For the year ended 31 December 2019

	Notes	2019		2018	
		USD	Taka	USD	Taka
Cash Flow from Operating Activities					
Interest receipts		13,057,670	1,108,596,178	10,045,683	838,312,258
Interest payments		(7,063,114)	(599,658,370)	(4,198,669)	(350,378,923)
Receipts from other operating activities	14	1,515,302	128,649,104	1,700,568	141,912,376
Payments for other operating activities	15	(551,894)	(46,855,812)	(804,117)	(67,103,605)
Operating profit before changes in current assets & liabilities		6,957,963	590,731,100	6,743,464	562,742,106
Changes in operating assets and liabilities					
Other banks		(24,697,018)	(2,096,776,839)	(9,008,714)	(751,777,194)
Loans and advances to customers		(116,030,401)	(9,850,981,075)	(32,663,978)	(2,725,808,950)
Other assets		135,707,082	11,521,531,282	300,982	25,116,976
Deposits & Borrowings from other banks		90,116,338	7,650,877,112	59,630,392	4,976,156,225
Deposits from customers		(273,058)	(23,182,660)	(1,072,208)	(89,475,732)
Other liabilities account of customers		-	-	-	-
Other liabilities		(85,578,039)	(7,265,575,518)	(19,548,822)	(1,631,349,178)
Net cash flow from operating activities (A)		6,202,867	526,623,403	4,381,117	365,604,252
Cash Flow from Investing Activities					
		-	-	-	-
Cash Flow from Financing Activities					
Profit/Loss remitted to Head Office		(6,202,867)	(526,623,403)	(4,381,117)	(365,604,252)
Net cash in financing activities		(6,202,867)	(526,623,403)	(4,381,117)	(365,604,252)
Net increase / (Decrease) in cash (A+B+C)		-	-	-	-
Opening cash & cash equivalent		-	-	-	-
Closing cash & cash equivalent		-	-	-	-
Closing cash & cash equivalents					
Cash in Hand		-	-	-	-
Balance with Bangladesh Bank & Sonali Bank		-	-	-	-
Balance with other banks & Financial Institutions		-	-	-	-
Money at call & Short Notice		-	-	-	-
Prize Bond		-	-	-	-
Total		-	-	-	-

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

Dhaka Bank Limited (Off-Shore Banking Unit)

Liquidity Statement

(Asset and Liability Maturity Analysis)

As at 31 December 2019

	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
Assets:												
Cash in hand	-	-	-	-	-	-	-	-	-	-	-	-
Balance with Bangladesh Bank & Sonali Bank (including foreign currencies)	18,143,720	1,540,401,843	-	-	-	-	-	-	-	-	18,143,720	1,540,401,843
Balance with other banks and financial institutions	18,671,573	1,585,216,534	-	-	-	-	-	-	-	-	18,671,573	1,585,216,534
Money at call on short notice	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-
Loans and Advances	32,456,716	2,755,575,191	61,525,782	5,223,538,858	71,513,908	6,071,530,754	21,152,910	1,795,882,051	1,058,057	89,829,078	187,707,373	15,936,355,932
Fixed assets including premises, furniture and	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	21,760,852	1,847,496,366	-	-	-	-	21,760,852	1,847,496,366
Non-banking assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	69,272,009	5,881,193,568	61,525,782	5,223,538,858	93,274,760	7,919,027,120	21,152,910	1,795,882,051	1,058,057	89,829,078	246,283,518	20,909,470,676
Liabilities:												
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	-	-	-	-	(224,478,758)	(19,058,246,518)	-	-	-	-	(224,478,758)	(19,058,246,518)
Deposits & Other Accounts	(4,823,704)	(409,532,432)	(1,147,185)	(97,396,026)	(458,874)	(38,958,410)	(412,987)	(35,062,569)	(275,324)	(23,375,046)	(7,118,074)	(604,324,483)
Other liabilities	(1,470,819)	(124,872,493)	-	-	(4,908,059)	(416,694,225)	(1,349,845)	(114,601,856)	(2,079,586)	(176,556,843)	(9,808,309)	(832,725,417)
Capital & Reserve	-	-	-	-	-	-	(4,878,378)	(414,174,257)	-	-	(4,878,378)	(414,174,257)
Total Liabilities	(6,294,522)	(534,404,925)	(1,147,185)	(97,396,026)	(229,845,691)	(19,513,899,153)	(6,641,209)	(563,838,682)	(2,354,910)	(199,931,889)	(246,283,518)	(20,909,470,676)
Net Liquidity Gap	62,977,487	5,346,788,643	60,378,596	5,126,142,832	(136,570,931)	(11,594,872,033)	14,511,700	1,232,043,369	(1,296,853)	(110,102,811)	-	-
Cumulative Liquidity Gap	62,977,487	5,346,788,643	123,356,083	10,472,931,475	(13,214,848)	(1,121,940,558)	1,296,853	110,102,811	(0)	0	-	-

Dhaka Bank Limited (Off-Shore Banking Unit)

Notes to the Financial Statements

As at and for the year ended 31 December 2019

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 units 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.

3 Loans and Advances

3.1 Loans, Cash Credits & Overdrafts etc:

In Bangladesh

	31.12.2019		31.12.2018	
	USD	Taka	USD	Taka
Overdraft	12,011,123	1,019,744,360	15,753,358	1,314,617,727
Term Loan	22,210,967	1,885,711,130	16,683,825	1,392,265,213
Short Term Loan	-	-	-	-
Loan against Accepted Bills	-	-	5,238,449	437,148,549
Loan against Trust Receipt	-	-	-	-
Payment against Documents	-	-	-	-
Other Loans	152,473,135	12,944,969,170	33,589,597	2,803,051,876
	186,695,226	15,850,424,659	71,265,229	5,947,083,365

Outside Bangladesh

	-	-	-	-
Sub-total	186,695,226	15,850,424,659	71,265,229	5,947,083,365

3.2 Bills Purchased & Discounted

Payable in Bangladesh:

Inland bills purchased	1,012,147	85,931,273	1,657,178	138,291,492
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Payable outside Bangladesh:

Foreign bills purchased & discounted	-	-	-	-
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Sub-total	1,012,147	85,931,273	1,657,178	138,291,492
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Total	187,707,373	15,936,355,932	72,922,407	6,085,374,857
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3.3 Residual maturity grouping of loans including bills purchased and discounted

Repayable on Demand	32,456,716	2,755,575,191	20,944,087	1,747,784,065
Not more than 3 months	61,525,782	5,223,538,858	19,428,467	1,621,305,585
More than 3 months but not more than 1 year	71,513,908	6,071,530,754	15,866,028	1,324,019,995
More than 1 year but not more than 5 years	21,152,910	1,795,882,051	9,200,522	767,783,568
More than 5 years	1,058,057	89,829,078	7,483,303	624,481,645
	187,707,373	15,936,355,932	72,922,407	6,085,374,857

	31.12.2019		31.12.2018	
	USD	Taka	USD	Taka
3.4 Maturity grouping of bills purchased & discounted				
Payable within 1 month	618,170	52,482,617	907,747	75,751,458
Over 1 month but less than 3 months	393,977	33,448,656	749,431	62,540,034
Over 3 months but less than 6 months	-	-	-	-
6 months or more	-	-	-	-
	1,012,147	85,931,273	1,657,178	138,291,492
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	-	-	-	-
Export financing	21,613,833	1,835,014,436	56,637,162	4,726,371,182
Consumer credit scheme	-	-	-	-
Small and Medium Enterprise (SME)	241,008	20,461,561	288,995	24,116,611
Staff Loan	-	-	-	-
Others	165,852,532	14,080,879,935	15,996,250	1,334,887,064
	187,707,373	15,936,355,932	72,922,407	6,085,374,857
3.6 Industry - wise loans including bills purchased & discounted				
Agricultural	-	-	-	-
Pharmaceuticals	-	-	-	-
Textile & Garment	62,042,150	5,267,378,577	60,348,916	5,036,117,031
Chemical	-	-	-	-
Food & allied	-	-	-	-
Transport & Communication	-	-	-	-
Electronics & Automobile	5,010,293	425,373,841	-	-
Housing & Construction	-	-	-	-
Engineering & Metal Industries including Ship Breaking	-	-	-	-
Energy & Power	7,314,109	620,967,834	3,750,641	312,990,953
Service	-	-	-	-
Others	113,340,821	9,622,635,681	8,822,850	736,266,873
	187,707,373	15,936,355,932	72,922,407	6,085,374,857
3.7 Geographical Location - wise Loans and Advances				
Dhaka Region	154,858,007	13,147,444,793	72,722,545	6,068,696,339
Chittagong Region	32,849,366	2,788,911,139	199,862	16,678,518
South Region	-	-	-	-
North Region	-	-	-	-
Sylhet Region	-	-	-	-
Other	-	-	-	-
	187,707,373	15,936,355,932	72,922,407	6,085,374,857
3.8 Sector wise loans				
In Bangladesh				
Government & Autonomous bodies	-	-	-	-
Financial Institutions (Public & Private)	-	-	-	-
Other Public Sector	-	-	-	-
Private Sector	187,707,373	15,936,355,932	72,922,407	6,085,374,857
	187,707,373	15,936,355,932	72,922,407	6,085,374,857
Outside Bangladesh				
	187,707,373	15,936,355,932	72,922,407	6,085,374,857

	31.12.2019		31.12.2018	
	USD	Taka	USD	Taka
3.9 Classification of loans & advances				
Unclassified (including staff loan)	186,632,006	15,845,057,271	72,352,164	6,037,788,076
Sub-Standard	1,075,367	91,298,661	570,243	47,586,782
Doubtful	-	-	-	-
Bad or loss	-	-	-	-
	187,707,373	15,936,355,932	72,922,407	6,085,374,857
3.10 Provision required for loans and advances				
Status		Rate%		
Unclassified	1,774,212	0.25,1,2 & 5	686,270	57,269,246
Special Mention Account	90,301	0.25,1,2 & 5	35,084	2,927,760
	1,864,512		721,354	60,197,006
Classified:				
Sub-Standard	215,073	20	114,049	9,517,356
Doubtful	-	50	-	-
Bad or loss	-	100	-	-
	215,073		114,049	9,517,356
Required provision for loans & advances	2,079,586	176,556,843	835,403	69,714,363
Total provision maintained	2,079,586	176,556,843	835,403	69,714,363
Excess / short provision as at 31 December	-	-	-	-
3.11 Securities against loans including bills purchased & discounted				
a. Secured				
Collateral of movable / immovable assets	23,803,445	2,020,912,458	-	-
Local Banks & Financial Institutions guarantee -		-		
Government Guarantee	-	-	-	-
Foreign Banks Guarantee	-	-	-	-
Export documents			1,657,178	138,291,492
Fixed Deposits Receipts	-	-	-	-
1 Own FDR	-	-	-	-
2 FDR of Other Banks	-	-	-	-
Personal Guarantee	10,490,569	890,649,300	11,995,323	1,001,009,709
Corporate Guarantee			-	-
Other Securities	153,413,359	13,024,794,174	59,269,906	4,946,073,656
b. Unsecured	-	-	-	-
	187,707,373	15,936,355,932	72,922,407	6,085,374,857
3.12 Particulars of Loans and Advances				
(i) Loans considered good in respect of which the bank company is fully secured;	177,216,804	15,045,706,632	60,927,084	5,084,365,148
(ii) Loans considered good against which the banking company holds no security other than the debtor's personal guarantee;	10,490,569	890,649,300	11,995,323	1,001,009,709
(iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors;	-	-	-	-
(iv) Loans adversely classified; provision not maintained there against;	-	-	-	-
(v) Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons;	-	-	-	-

	31.12.2019		31.12.2018	
	USD	Taka	USD	Taka
(vi) Loans due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members;	-	-	-	-
(vii) Maximum total amount of advances including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person;	-	-	-	-
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members;	-	-	-	-
(ix) Due from banking companies;	-	-	-	-
(x) Amount of classified loan on which interest has not been charged, should be mentioned as follows:	-	-	-	-
a) Decrease / increase in provision;	-	-	-	-
b) Amount realized against loan previously written off;	-	-	-	-
c) Amount of provision kept against loan classified as 'bad/loss' on the date of preparing the balance sheet;	-	-	-	-
d) Interest creditable to the Interest Suspense A/c;	-	-	-	-
(xi) Cumulative amount of the written off loan;	-	-	-	-
4 Other Assets				
Accrued Interest	-	-	-	-
Advance Payment against Deferred LC	-	-	-	-
Prepaid Expenses	347,944	29,540,415	536,231	44,748,452
Finance to AD Branches for IBP	20,121,485	1,708,314,074	26,784,586	2,235,173,720
Finance to AD Branches for Import Bill Discounting	1,291,424	109,641,877	132,883,229	11,089,105,476
Branch Adjustment	-	-	-	-
	21,760,852	1,847,496,366	160,204,046	13,369,027,648
5 Borrowing from Other Banks/Financial Institutions	224,478,758	19,058,246,518	136,697,057	11,407,369,406
5.1 Maturity grouping of Borrowings				
Repayable on demand	-	-	-	-
Repayable within 1 month	-	-	-	-
Over 1 month but within 6 months	-	-	-	-
Over 6 months but within 1 year	156,112,295	13,253,933,881	136,697,057	11,407,369,406
Over 1 year but within 5 years	68,366,462	5,804,312,637	-	-
	224,478,758	19,058,246,518	136,697,057	11,407,369,406

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

	31.12.2019		31.12.2018	
	USD	Taka	USD	Taka
6 Deposits and Other Accounts				
6.1 Current and Other Accounts				
Foreign Currency Deposits	4,453,240	378,080,046	6,017,182	502,133,830
6.2 Bills Payable	-	-	47,549	3,967,942
6.3 Other deposit				
Margin under L/C	370,464	31,452,386	227,291	18,967,401
Term Deposit	2,294,370	194,792,051	1,007,111	84,043,422
Deposits Awaiting Disposal			220,426	18,394,547
Sundry Deposit	-	-	-	-
	2,664,834	226,244,437	1,454,828	121,405,371
	7,118,074	604,324,483	7,519,558	627,507,143
6.4 Maturity grouping of deposits and other accounts				
Repayable on demand	4,823,704	409,532,432	6,512,447	543,463,721
Repayable within 1 month	-	-	-	-
Over 1 month but within 6 months	1,147,185	97,396,026	-	-
Over 6 months but within 1 year	458,874	38,958,410	1,007,111	84,043,422
Over 1 year but within 5 years	412,987	35,062,569	-	-
Over 5 years but within 10 years	275,324	23,375,046	-	-
	7,118,074	604,324,483	7,519,558	627,507,143
7 Other Liabilities				
Accrued Interest	1,349,845	114,601,856	-	-
Provision on loans and advances	2,079,586	176,556,843	432,818	36,118,703
Finance from Bill Discounting	4,908,059	416,694,225	6,897,192	575,570,655
Refinance by SWAP Woori Bank	-	-	-	-
Import Payment Suspense	73,981	6,281,025	73,981	6,173,752
Export proceeds suspense	1,349,111	114,539,513	1,519,447	126,797,893
Interest Suspense Account	-	-	-	-
Tax deducted at source & payable	47,726	4,051,955	48,693	4,063,439
Provision against Expenses	-	-	-	-
Branch Adjustment	-	-	85,955,898	7,173,019,649
	9,808,309	832,725,417	94,928,030	7,921,744,092
8 Contingent Liabilities				
Acceptance & Endorsement	22,924,663	1,946,303,902	34,338,340	2,865,534,470
Letters of Credit	9,820,638	833,772,145	23,542,006	1,964,580,424
Letters of Guarantee	-	-	2,605,917	217,463,741
Bills for Collection	21,519,716	1,827,023,903	28,694,981	2,394,596,166
Other Contingent Liabilities	-	-	-	-
	54,265,017	4,607,099,950	89,181,244	7,442,174,801

	2019		2018	
	USD	Taka	USD	Taka
9 Interest Income				
Interest on Advances	13,057,670	1,108,596,178	10,045,683	838,312,258
Interest on Money at call and short Notice	-	-	-	-
Call Lending and Fund Placement with banks	-	-	-	-
Accounts with Foreign Banks	-	-	-	-
	13,057,670	1,108,596,178	10,045,683	838,312,258
10 Interest / Profit Paid On Deposits & Borrowings				
Term Deposits	41,259	3,502,918	16,350	1,364,408
Fund Borrowings	7,021,855	596,155,452	4,182,319	349,014,516
Inter Branch Interest paid	-	-	-	-
	7,063,114	599,658,370	4,198,669	350,378,923
11 Commission / Fees and Exchange Earnings				
Commission/ Fees Income	1,411,387	119,826,770	1,479,092	123,430,268
Exchange gain including gain form foreign currency dealings	7,859	667,265	117,688	9,821,041
	1,419,247	120,494,035	1,596,780	133,251,309
12 Other Operating Income				
Postage Charge Recoveries	35,435	3,008,432	33,283	2,777,425
Swift Charge Recoveries	60,350	5,123,715	70,505	5,883,642
Other Fees	270	22,923	-	-
	96,055	8,155,070	103,788	8,661,067
13 Other expenses				
Contractual service charge	6,015	510,662	4,562	380,665
Petrol, oil and lubricants (vehicle & generator)	1,796	152,512	2,128	177,600
Entertainment (canteen & other)	4,845	411,335	2,808	234,338
Travelling	-	-	-	-
Conveyance	957	81,214	599	49,970
Training expenses	-	-	-	-
Books and papers	-	-	-	-
Staff uniform	-	-	-	-
Potted plants	-	-	-	-
Business development & promotion	-	-	-	-
Other Charges	-	-	-	-
Revaluation loss	-	-	122,478	10,220,807
	13,613	1,155,722	132,575	11,063,380
14 Cash Received from Other Operating Activities				
Commission & Exchange	1,419,247	120,494,035	1,596,780	133,251,309
Other Operating Income	96,055	8,155,070	103,788	8,661,067
	1,515,302	128,649,104	1,700,568	141,912,376
15 Cash Paid for Other Operating Activities				
Office Operating Expenses	(551,894)	(46,855,812)	(804,117)	(67,103,605)
16 General				

16.1 Fixed Assets of this unit are appearing in the books of the main operation of the bank and depreciation is also charged to Profit & Loss Account of the main operation of the bank.

16.2 Assets and liabilities have been converted into Taka Currency @ US\$ 1 = Tk. 84.90 (2018 : Us \$ 1 = Tk 83.45) which represents the period end mid rate of exchange as at 31 December 2019.

16.3 Previous year's figures have been rearranged, where considered necessary, to conform to current year's presentation.

DHAKA BANK SECURITIES LIMITED

Dhaka Bank Securities Limited continues to achieve its business growth with sensible execution of business development strategies. The loan facilities are restricted only to selection of credit customer with few fundamentally sound instruments in accordance with the instructions of the Regulatory Bodies. DBSL has 710 margin clients. The interest income from margin loan dropped due to falling trend in the Market Index.



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

Opinion

We have audited the financial statements of Dhaka Bank Securities Limited (the "Company") which comprise the statement of financial position as at 31 December 2019 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statement including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Company present fairly, in all material respect, of the financial position of the Company as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 3 of the financial statements, which describes matters related to implementation of 'IFRS 16 Leases' including preliminary assessment of its impact as assessed by management and notes 19.01 and 19.02 which describes the basis of maintain provision on unrealized losses in own portfolio investment and margin loan to customers. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules 1987, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by the Company's so far as it appeared from our examination of those books;
- (iii) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- (iv) the expenditures incurred were for the purpose of the Company's business for the year.

Dhaka,
30 April 2020


Hoda Vasi, CM
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka Bank Securities Limited
Statement of Financial Position
As at 31 December 2019

Annexure-K

	Notes	31.12.2019 Taka	31.12.2018 Taka
Assets			
Non current assets			
Property, plant and equipment	04	8,080,258	9,582,611
Investments in un-quoted shares	05	939,198,453	939,198,453
Deferred tax assets	12	2,162,422	1,248,317
		4,681,837,020	4,585,289,079
Current assets			
Investments in quoted shares	06	2,111,589,767	2,082,701,298
Margin loans	08	2,149,978,522	2,063,073,447
Accounts and other receivable	09	44,438,675	50,401,963
Advance income tax	10	241,095,261	203,406,285
Advances, deposits and prepayments	11	9,291,499	12,608,797
Cash and cash equivalents	07	125,443,297	173,097,289
		5,631,278,152	5,535,318,460
Total assets			
Equity and liabilities			
Equity			
Paid up capital	13	2,046,079,040	1,891,890,000
Investment fluctuation fund	14	41,100,000	36,700,000
Retained earnings	15	56,339,743	174,904,339
		2,143,518,783	2,103,494,339
Liabilities			
Current liabilities			
Short-term loans from bank and NBF	16	2,418,106,138	2,302,952,085
Accounts payable	17	175,311,608	263,035,081
Provision for income tax	18	238,642,241	214,628,090
Provision for unrealized losses	19	598,760,904	593,760,904
Other liabilities	20	56,938,478	57,447,961
		3,487,759,369	3,431,824,121
		3,487,759,369	3,431,824,121
		5,631,278,152	5,535,318,460
		5,631,278,152	5,535,318,460

The annexed notes from 1 to 42 form an integral part of these financial statements.


Mohammad Ali, FCA
Chief Executive Officer


Altaf Hossain Sarker
Director


Reshadur Rahman
Chairman

See the annexed report of even date



Hoda Vasir, CA
Chartered Accountants

Dhaka,
30 April 2020

Dhaka Bank Securities Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2019

	Notes	2019 Taka	2018 Taka
Operating income			
Brokerage commission income	21	75,358,827	76,152,353
Direct expenses	22	(11,062,849)	(9,176,045)
Net brokerage commission income (a)		64,295,978	66,976,308
Interest income	23	175,334,764	199,987,425
Interest expense	24	(225,701,486)	(222,547,125)
Net interest income (b)		(50,366,722)	(22,559,700)
Net investment income (c)	25	137,814,309	127,062,496
Fees and other income (d)	26	1,869,364	2,153,180
Total operating income (A=a+b+c+d)		153,612,929	173,632,284
Operating expenses			
Salary and allowances	27	44,008,612	43,535,902
Rent, taxes, insurance, electricity etc.	28	18,048,154	16,571,077
Legal expenses	29	229,425	111,377
Postage, stamp, telecommunication etc.	30	567,920	782,795
Stationery, printing, advertisements etc.	31	2,800,803	2,072,940
Directors' fee and meeting expenses	32	1,208,553	905,840
Audit fee	33	287,500	287,500
Repairs and maintenance	34	5,769,788	5,736,611
Other expenses	35	9,412,030	9,893,087
Depreciation and amortization	36	3,155,653	2,157,065
Total operating expenses (B)		85,488,438	82,054,194
Profit before provision and tax (A - B)		68,124,491	91,578,090
Less: Provision for unrealized losses		5,000,000	10,000,000
Provision for unrealized loss in portfolio		2,500,000	5,000,000
Provision for unrealized loss in margin loan accounts		2,500,000	5,000,000
Profit before provision for income tax		63,124,491	81,578,090
Less: Provision for income tax	37		
Current Year Tax		24,014,151	33,733,023
Deferred tax expenses/(income)	38	(914,104)	890,065
		23,100,047	34,623,088
Net profit after tax		40,024,444	46,955,002
Other comprehensive income		-	-
Total comprehensive income		40,024,444	46,955,002
Earning per share (EPS)	39	0.20	0.25

The annexed notes from 1 to 42 form an integral part of these financial statements.


Mohammad Ali, FCA
Chief Executive Officer


Altaf Hossain Sarker
Director


Reshadur Rahman
Chairman

See the annexed report of even date


Hoda Vasir, CA
Chartered Accountants

Dhaka,
30 April 2020

Dhaka Bank Securities Limited
Statement of Cash Flows
For the year ended 31 December 2019

	2019 Taka	2018 Taka
a. Cash flows from operating activities		
Net profit for the year	40,024,444	46,955,002
Adjustment for:		
Depreciation and amortization expenses	3,155,653	2,157,065
Cash generated from operating activities before changes in working capital:	43,180,097	49,112,067
Changes in working capital:		
(Increase)/decrease in accounts receivable	5,963,289	63,591,579
Decrease/(increase) in margin loans to clients	(86,905,075)	25,136,790
Decrease/(increase) in advance income tax	(37,688,976)	(42,079,944)
Increase in provision for unrealized losses	5,000,000	10,000,000
Increase in advances, deposits and prepayments	3,317,299	1,822,215
(Decrease)/increase in accounts payable	(87,723,474)	44,304,214
Decrease in other liabilities	(509,483)	1,094,681
Increase in provision for income tax	23,100,047	34,623,088
	(175,446,373)	138,492,623
Net cash flow from operating activities	(132,266,276)	187,604,690
b. Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,653,300)	(5,251,437)
Encashment of/(investment) in un-quoted shares/securities	-	37,879,317
Encashment of/(investment) in quoted shares/securities	(28,888,470)	(201,071,705)
Net cash flow from investing activities	(30,541,770)	(168,443,824)
c. Cash flow from financing activities		
(Repayment for)/receipt of loan from Dhaka Bank Limited	108,610,870	(48,185,870)
Enhancement/(repayment) of loan from UFL	(70,000,000)	-
Loan from ICB stimulus fund	76,543,183	13,545,405
Net cash (used in)/flows from financing activities	115,154,053	(34,640,465)
Net surplus/(use) in cash and cash equivalents for the year (a+b+c)	(47,653,992)	(15,479,599)
Cash and cash equivalents at beginning of the year	173,097,289	188,576,888
Cash and cash equivalents at the end of the year	125,443,297	173,097,289


Mohammad Ali, FCA
Chief Executive Officer


Altaf Hossain Sarker
Director


Reshadur Rahman
Chairman

Dhaka Bank Securities Limited

Statement of Changes in Equity

For the year ended 31 December 2019

Figure in Taka

Particulars	Share capital	Investment fluctuation fund	Retained earnings	Total equity
Balance as on 01 January 2019	1,891,890,000	36,700,000	174,904,339	2,103,494,339
Net profit/(loss) for the year	-	-	40,024,444	40,024,444
Transfer to investment fluctuation fund	-	4,400,000	(4,400,000)	-
Bonus shares issued	154,189,040	-	(154,189,040)	-
Balance as on 31 December 2019	2,046,079,040	41,100,000	56,339,743	2,143,518,783
Balance as on 01 January 2018	1,801,800,000	33,700,000	221,039,337	2,056,539,337
Net profit/(loss) for the year	-	-	46,955,002	46,955,002
Transfer to investment fluctuation fund	-	3,000,000	(3,000,000)	-
Bonus shares issued	90,090,000	-	(90,090,000)	-
Balance as on 31 December 2018	1,891,890,000	36,700,000	174,904,339	2,103,494,339

The annexed notes from 1 to 42 form an integral part of these financial statements.


Mohammad Ali, FCA
Chief Executive Officer


Altaf Hossain Sarker
Director


Reshadur Rahman
Chairman

Dhaka Bank Securities Limited

Notes to the Financial Statements

As at and for the year ended 31 December 2019

1. Company and its activities

1.1 Legal status of the Company

Dhaka Bank Securities Limited (the "Company") (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 company of Dhaka Bank Limited.

1.2 Principal activities of the Company

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

Name of authority	License/Registration No.	Purpose
Bangladesh Securities and Exchange Commission (BSEC)	3.1/DSE-193/2011/453	Stock Broker Business with DSE
Bangladesh Securities and Exchange Commission (BSEC)	3.1/DSE-193/2011/454	Stock Dealer Business with DSE
Bangladesh Securities and Exchange Commission (BSEC)	3.2/CSE-081/2011/260	Stock Broker Business with CSE
Bangladesh Securities and Exchange Commission (BSEC)	3.2/CSE -081/2011/261	Stock Dealer Business with CSE
Bangladesh Securities and Exchange Commission (BSEC)	CDBL- DP 17	Depository Functions with Central Depository Bangladesh Limited (CDBL)
Dhaka Stock Exchange Limited (DSE)	TREC NO. 193	Trading with DSE
Dhaka Stock Exchange Limited (DSE)	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 International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) 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), 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 International Accounting Standard (IAS) 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 of its existing businesses and operations.

2.7 Statement of cash flows

Statement of Cash Flows is prepared in accordance with International Accounting Standard (IAS) 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 enlisted securities 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

2.10.1 Recognition and measurement

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

2.10.2 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 IAS 16. Depreciation for full month is charged on additions irrespective of date when the related assets are put into use and no depreciation is charged for the month of disposal. The rates of depreciation used to write off the amount of assets are as follows:

<u>Name of the assets</u>	<u>Rate</u>	
Furniture and fixtures	10%	p.a
Office appliance and equipment	20%	p.a
Computer equipments	20%	p.a
Software	20%	p.a
Motor vehicles	20%	p.a

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 IAS 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 income tax

2.12.1 Current tax

Provision for current tax is made on the basis of the profit for the year as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and Finance Act 2019.

2.12.2 Deferred tax

Deferred tax arises due to temporary difference deductible or taxable for the events or transaction recognized in the income statement. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax is measured using tax rates and tax laws that have been enacted or substantially 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 International Financial Reporting Standards 9.

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 60%.

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 Earnings per share

The Company calculates earning per share in accordance with International Accounting Standard (IAS)-33 "Earning per share" which has been shown in the face of the statement of profit or loss and other comprehensive income.

2.15 Provision against unrealized loss in margin loan

As per Bangladesh Securities and Exchange Commission (BSEC) Circular No. BSEC/SRI/Policy/3/2020/68 dated 12 January 2020, the Company has the option to keep 20% provision against unrealized loss in own portfolio investment as well as margin loans to customers as at 31 December 2019. The validity of this circular has been extended up to 31 December 2022. If a company take this option it can not distribute cash dividend until provision shortfall is fully provided.

2.16 Investment fluctuation fund

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.

2.17 Related party disclosure

As per International Accounting Standards (IAS)-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 2019. 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 01 January 2019 to 31 December 2019.

2.20 Events after the balance sheet date

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

3. Application of international accounting standards (IASs):

Name of the IAS	IAS No.	Status
Presentation of financial statements	1	Applied
Statements of cash flows	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
Employee benefits	19	Applied
Borrowing costs	23	Applied
Related party disclosures	24	Applied
Financial instruments: presentation	32	Applied
Provisions, contingent liabilities and contingent assets	37	Applied
Intangible assets	38	Applied

Name of the IFRS	IFRS No	Status
Financial instruments: disclosures	7	Applied
Financial instruments	9	Applied
Fair value measurement	13	Applied
Revenue	15	Applied

New accounting standard

IFRS 16 Leases has become applicable effective from 1 January 2019 replacing the earlier lease standard IAS 17. IFRS 16 defines that a contract is (or contains) a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16 significantly changes how a lessee accounts for operating leases. Under previous IAS 17, an entity would rent an office building or a branch premises for several years with such a rental agreement being classified as operating lease would have been considered as an off balance sheet item. However, IFRS 16 does not require a lease classification test and hence all leases shall be accounted for as on balance sheet item (except some limited exception i.e. short-term lease, leases for low value items).

Under IFRS 16, an entity shall be recognizing a right-of-use (ROU) asset (i.e. the right to use the office building, branches, service center, call center, warehouse, etc.) and a corresponding lease liability. The asset and the liability are initially measured at the present value of unavoidable lease payments. The depreciation of the lease asset (ROU) and the interest on the lease liability is recognized in the profit or loss account over the lease term replacing the previous heading 'lease rent expenses'.

While implementation IFRS 16, the Company observed that there are no direction from National Board of Revenue (NBR) regarding treatment of lease rent, depreciation on ROU assets and interest on lease liability for income tax purposes and applicability of VAT on such items. Finally, paragraph 5 of IFRS 16 provide the recognition exemptions to short-term leases and leases for which the underlying asset is of low value. Although, paragraphs B3 to B8 of the Application Guidance (Appendix B) of IFRS 16 provide some qualitative guidance on low value asset, but these guidance is focused towards moveable asset. Immoveable asset like rental of premises (i.e. real estate) is not covered on those guidance, nor any benchmark on quantification guidance on low value items have been agreed locally in Bangladesh.

As per the preliminary assessment of leases for 'office premises', the Company has concluded that the potential impact of these lease items in the Balance Sheet and Profit and Loss Account of the Company for the year 2019 is not considered to be material. Therefore, considering the above implementation issues the Company has not taken IFRS 16 adjustments on the basis of overall materiality as specified in the materiality guidance in the 'Conceptual Framework for Financial Reporting' and in 'International Accounting Standard 1 'Presentation of Financial Statements'. However, the Company would continue to liaison with regulators and related stakeholders and observe the market practice for uniformity and comparability, and take necessary actions in line with regulatory guidelines and market practice.

	Notes	31.12.2019 Taka	31.12.2018 Taka
04. Property, plant and equipment			
A) Cost :			
Opening balance		39,505,898	34,254,461
Add: Purchased during the year		1,653,300	5,251,437
Less: Disposals		-	-
Closing balance (A)		41,159,198	39,505,898
B) Accumulated depreciation:			
Opening balance		29,923,287	27,766,222
Add: Charged during the year		3,155,653	2,157,065
Less: Disposals		-	-
Closing balance (B)		33,078,940	29,923,287
Written down value (A-B)		8,080,258	9,582,611
A schedule of property, plant and equipment is given in Annexure-A			
Intangible assets			
A) Cost :			
Opening balance		4,831,461	4,831,461
Add: Purchased during the year		-	-
Less: Disposals		-	-
Closing balance (A)		4,831,461	4,831,461
B) Accumulated amortization:			
Opening balance		4,831,461	4,831,461
Add: Charged during the year		-	-
Less: Disposals		-	-
Closing balance (B)		4,831,461	4,831,461
Written down value (A-B)		-	-
A schedule of property, plant and equipment is given in Annexure-A			
05. Investment in un-quoted shares			
Investment in shares of DSE	5.01	662,120,683	662,120,683
Investment in shares of CSE	5.02	250,000,000	250,000,000
Central depository Bangladesh limited (CDBL)		18,277,770	18,277,770
Energypac power generation company limited		8,800,000	8,800,000
		939,198,453	939,198,453

As per the provision of the Exchange Demutualization Act-2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange Ltd. (DSE) allotted total 72,15,106 ordinary Shares (including 25% shares for sale to strategic partner) at face value of Tk.10.00 each and Chittagong Stock Exchange Ltd. (CSE) allotted total 42,87,330 ordinary Shares (including 25% shares for sale to strategic partner) at face value of Tk.10.00 each against the membership of DSE and CSE respectively.

There is no active market for shares in DSE and CSE and the sale price to of DSE shares to the strategic investor, has been determined through negotiation. This was not a transaction in active market. Moreover, as member of DSE and CSE, the Company has received TREC which also has significant intrinsic value. Accordingly, the investment in DSE and CSE shares are reflected at cost.

5.01	Stock exchange	Allotment status	Number of shares	Number of shares
	Dhaka Stock Exchange Limited (DSE)	Alloted (53%; 40%) Blocked (47%; 60%)	2,886,042 2,525,287	2,886,042 2,525,287
			5,411,329	5,411,329

As stated above, out of total 72,15,106 shares of DSE, 25% allotted shares amounting to 18,03,777 has been sold to the strategic investor and the remaining 75% or 54,11,329 shares is owned by the Company (which includes 2,525,287 blocked shares).

5.02	Stock exchange	Allotment Status	Number of shares	Number of shares
	Chittagong Stock Exchange Limited (CSE)	Alloted (40%; 40%) Blocked (60%; 60%)	1,714,932 2,572,398	1,714,932 2,572,398
			4,287,330	4,287,330

	Notes	31.12.2019 Taka	31.12.2018 Taka
06. Investment in marketable securities			
Investment in own portfolio/dealer account		2,111,589,767	2,082,701,298
Total		2,111,589,767	2,082,701,298

6.01 The investments in shares are categorized as at fair value through profit or loss as per IFRS 9 : Financial Instruments. The details of the investments are as follows:

Business segments	No. of shares	Total cost of shares in 2019	Market value of shares 2019	Total cost of shares in 2018
Banks / Finance	19,399,354	467,810,638	329,149,280	468,303,097
Insurance	2,064,926	155,173,802	109,224,124	126,781,154
Mutual fund	613,382	3,406,257	3,595,552	3,420,363
Fuel and power	4,255,357	389,158,178	238,356,281	507,664,552
Cement	2,724,497	267,255,327	91,543,099	267,255,327
Pharmaceuticals and chemicals	6,319,650	493,975,284	373,052,493	437,204,320
Engineering / travel and leisure	3,662,978	281,834,299	201,641,246	186,733,443
Textile	1,540,236	28,692,182	16,376,226	25,606,146
Food, tannery and miscellaneous	153,633	15,362,400	10,138,304	43,020,307
		2,102,668,367	1,373,076,605	2,065,988,708
Ledger balance in BO A/C		8,921,400		16,712,590
Total investment amount		2,111,589,767		2,082,701,298

7. Cash and bank balances

Cash in hand		112,000	100,000
Cash at bank	7.01	125,331,297	172,997,289
		125,443,297	173,097,289

7.01 Cash at bank

Bank name	Branch name	A/C Type	A/C No.		
Dhaka Bank Limited	Local	SND A/C	201.150.2960	4,931,252	5,406,388
IFIC Bank Limited	Stock Ex.	CD A/C	1090-358447-001	569,106	1,792,137
UCB Limited	Forex.	CD A/C	0721101000000515	1,337,711	682,093
Dhaka Bank Limited	Local	SND A/C	201.150.2972	51,314,653	120,315,210
IFIC Bank Limited	Stock Ex.	SND A/C	1090-358002 -001	59,601,417	40,498,103
UCB Limited	Forex.	CD A/C	0721101000000049	3,300,322	2,351,212
Standard Chartered	Motijheel	SND A/C	32-1183892-01	202,434	201,150
Standard Chartered	Motijheel	SND A/C	32-1183892-02	363,137	360,036
Dhaka Bank Limited	Local	SND A/C	201.150.3444	35,837	1,390,960
Dhaka Bank Sec. Ltd	Gulshan	SND A/C	215.150.2242	3,675,428	-
				125,331,297	172,997,289

8. Margin loans

Opening balance		2,565,625,968	2,446,217,072
Disbursed during the year		283,845,399	274,748,643
		2,849,471,367	2,720,965,714
Realized during the year		(228,850,348)	(253,139,747)
Gross margin loan outstanding		2,620,621,019	2,467,825,968
Closing balance of interest suspense account		(470,642,497)	(404,752,521)
		2,149,978,522	2,063,073,447

9. Accounts and other receivable

Receivable from non-margin clients		3,175,249	2,918,974
Receivable from DSE		10,557,194	12,073,123
Receivable from CSE		446	6,554
Other receivables	9.01	30,705,786	35,403,313
		44,438,675	50,401,963

9.01 Other receivables

Cash dividend receivable		30,705,786	35,403,313
		30,705,786	35,403,313

	Notes	31.12.2019 Taka	31.12.2018 Taka
10. Advance income tax			
Opening balance		203,406,285	161,326,341
Add: Addition during the year	10.01	37,688,976	42,079,944
		241,095,261	203,406,285
10.01 Advance income tax (Addition)			
AIT/TDS on brokerage commission - DSE		12,607,044	11,959,168
AIT/TDS on brokerage commission - CSE		29,968	27,807
Advance income tax paid		12,592,368	19,108,773
TDS/AIT (Interest income, dividend income etc.)		12,459,596	10,984,195
		37,688,976	42,079,944
11. Advances, deposits and prepayments			
Advances	11.01	1,215,921	1,720,921
Prepayments	11.02	8,075,578	10,887,876
		9,291,499	12,608,797
11.01 Advances			
Advance for purchase of floor space at DSE tower, Nikunja		850,000	1,450,000
Advance - IPO Application for dealer A/C		237,295	237,295
Advance against expenses / suspense account (Adj)		128,626	33,626
		1,215,921	1,720,921
11.02 Prepayments			
Prepaid rent - premises		7,983,000	10,764,000
Prepaid insurance - vehicles and premises		92,378	120,976
Prepaid non-judicial stamp		200	2,900
		8,075,578	10,887,876
12. Deferred tax liabilities / (assets)			
	Carrying amount	Tax base	Taxable temporary difference
	Taka	Taka	Taka
As on 31 December 2019			
Property, plant and equipment	8,080,257	14,258,605	6,178,347
Applicable tax rate			35%
Deferred tax asset as on 31 December 2019			2,162,422
As on 31 December 2018			
Property, plant and equipment	10,928,864	14,495,484	3,566,620
Applicable tax rate			35%
Deferred tax asset as on 31 December 2018			1,248,316
13. Share capital			
Authorized capital			
500,000,000 ordinary shares @ Tk. 10 each		5,000,000,000	5,000,000,000
Paid up capital			
Opening balance		1,891,890,000	1,801,800,000
Add: Stock dividend	For Yr 2016	-	90,090,000
	For Yr 2017	94,594,500	-
	For Yr 2018	59,594,540	-
		2,046,079,040	1,891,890,000

	Notes	31.12.2019 Taka	31.12.2018 Taka
Name of Shareholders	% of Shareholding	Number of Shares held*	Amount (Taka)
1. Dhaka Bank Limited, Represented By, Mr. Reshadur Rahman Mr. Abdul Hai Sarker Mrs. Rokshana Zaman Mr. Altaf Hossain Sarker Mr. Khondoker Monir Uddin Mr. Emranul Huq	99.999997%	204,607,898	2,046,078,980
2. Mr. Dilawar Hossain	0.000001%	1	10
3. Mr. Choudhury Md. Humayun Kabir	0.000001%	1	10
4. Mr. Md. Mahbubur Rahman	0.000001%	1	10
5. Mr. Mahfuzur Rahman	0.000001%	1	10
6. Mr. Suez Islam	0.000001%	1	10
7. Mrs. Shahnaz Naznin	0.000001%	1	10
	100%	204,607,904	2,046,079,040
			1,891,889,940

*In its 43th meeting of Board of Directors of the Company held on 04 April 2018, the Board recommended for raising paid-up capital of the Company through issuance of ordinary shares to the existing shareholders of the Company by way of 5 (Five) Bonus shares for every 100 (one hundred) shares for the year 2017. Subsequently, the shareholders of the Company approved the resolution of the Board regarding issuance of Bonus shares in its 8th Annual General Meeting held on 22 May 2018. Bangladesh Securities and Exchange Commission (BSEC) approved the proceeds vide approval letter no. BSEC/CI/CPLC (pvt.)-267/2010/173 dated 06 March 2019. RJSC Approve the Return of Allotment on 08 May 2019.

*In its 48th meeting of Board of Directors of the Company held on 12 March 2019, the Board recommended for raising paid-up capital of the Company through issuance of ordinary shares to the existing shareholders of the Company by way of 3 (Three) Bonus shares for every 100 (one hundred) shares for the year 2018. Subsequently, the shareholders of the Company approved the resolution of the Board regarding issuance of Bonus shares in its 9th Annual General Meeting held on 02 April 2019. RJSC Approve the Return of Allotment on 04 December 2019.

14. Investment fluctuation fund			
Opening balance		36,700,000	33,700,000
Add: Addition during the year		4,400,000	3,000,000
		41,100,000	36,700,000
15. Retained earnings			
Opening balance		174,904,339	221,039,337
Net profit for the period		40,024,444	46,955,002
		214,928,782	267,994,339
Bonus shares issued		(154,189,040)	(90,090,000)
Transfer to Investment fluctuation fund		(4,400,000)	(3,000,000)
		56,339,742	174,904,339
16. Short-term loan from bank and NBFIs			
Loan from Dhaka Bank Limited	16.01	2,298,017,550	2,189,406,680
Loan from United Finance Limited	16.02	30,000,000	100,000,000
Loan from ICB Stimulus Fund	16.03	90,088,588	13,545,405
Total		2,418,106,138	2,302,952,085

16.01 Loan from Dhaka Bank Limited

Dhaka Bank Limited, vide their Sanction Letter No. DBL/LO/CR/2018/5970 dated 27 December 2018, renewed the overdraft facility of Taka 2,250.00 million at interest rate of 9.50% p.a. rest quarterly in favor of Dhaka Bank Securities Limited upto 30-12-2019. As on 31 December 2019, the facility was utilized to the tune of Taka 2,298,017,550.48.

16.02 Loan from United Finance Limited

Dhaka Bank Securities Limited entered into a loan agreement No. 01061404248 dated 21 May 2014 with United Finance Limited for one year revolving loan which was renewed on 31 May 2019 for a period till 30 May 2020 with an interest rate of 14.00% p.a. and subject to be revised in every three months.

	Notes	31.12.2019 Taka	31.12.2018 Taka
16.03 Loan from ICB Stimulus Fund			
Investment Corporation of Bangladesh (ICB) vide their Sanction Advice No. ICB/51/509 Dated July 08, 2019 offered Dhaka Bank Securities Limited loan amounting Tk. 9.78 Crore from the Stimulus Fund for affected small investors. The loan will be repaid through 12 equal quarterly installments at an interest rate of 4% p.a from September 12, 2019 to September 12, 2022.			
17. Accounts payable			
Payable to clients		122,731,595	160,858,300
IPO application money		-	47,250
Payable to DSE		407,603	1,821,608
Payable to CSE		323	5,062
Payable to CDBL		2,172,087	302,861
Payable to Dhaka Bank Limited		50,000,000	100,000,000
		175,311,608	263,035,081
18. Provision for income tax			
Opening balance		214,628,090	180,895,067
Add: Provision made during the current period		24,014,151	33,733,023
Closing balance as on date		238,642,241	214,628,090
19. Provision for unrealized losses			
Provision for unrealized loss in portfolio	19.01	207,500,000	205,000,000
Provision for unrealized loss in margin loan A/C	19.02	382,500,000	380,000,000
Provision for stipulation fund for affected investors	19.03	8,760,904	8,760,904
Total		598,760,904	593,760,904
19.01 Provision for unrealized loss in portfolio			
Opening balance		205,000,000	200,000,000
Addition during the year		2,500,000	5,000,000
		207,500,000	205,000,000
As per Bangladesh Securities and Exchange Commission (BSEC) Circular No. BSEC/SRI/Policy/3/2020/68 dated 12 January 2020, the Company may take the option to keep 20% provision against unrealized loss in the own portfolio investment account of the Company as on 31 December 2019. The validity of this circular has been extended up to 31 December 2022. DBSL has net Unrealized Loss in Own Portfolio of Tk. 688.49 Million (after adjusting investment fluctuation fund of Tk 41.10 million) and maintained provision of Tk. 207.50 Million which represent 30.14% of net unrealized loss as at 31 December 2019. As per BSEC directive no cash dividend can be paid to the shareholders of the Company as long as DBSL has taken this option to defer full provision.			
19.02 Provision for unrealized loss in margin loan A/C			
Opening balance		380,000,000	375,000,000
Addition during the year		2,500,000	5,000,000
		382,500,000	380,000,000
As per Bangladesh Securities and Exchange Commission (BSEC) Circular No. BSEC/SRI/Policy/3/2020/68 dated 12 January 2020, the Company may take the option to keep 20% provision against Negative Equity in the Margin Loan of the Company as at 31 December 2019. The validity of this circular has been extended up to 31 December 2022. DBSL has net Negative Equity in Margin Loan Tk. 994.99 Million and kept Provision of Tk. 382.50 Million which represent 38.44% of net Negative Equity as at 31 December 2019. As per BSEC directive no cash dividend can be paid to the shareholders of the Company as long as DBSL has taken this option to defer full provision.			
19.03 Provision for stipulation fund for affected investors			
Opening balance		8,760,904	8,760,904
Adjustment during the year		-	-
		8,760,904	8,760,904
20. Liabilities for other accrued expenses			
Accrued interest expenses - Loan from Banks and NBFIs		55,161,845	55,516,845
Audit fees		287,500	287,500
Accrued expenses-Others		800,099	1,425,583
VAT current A/C		492,971	102,504
Withholding tax liabilities		196,063	115,529
Total		56,938,478	57,447,961

	Notes	2019 Taka	2018 Taka
21 Brokerage commission income			
Brokerage - DSE		75,167,215	75,995,487
Brokerage - CSE		191,612	156,866
		75,358,827	76,152,353
22 Direct expenses			
Laga charges	22.01	(7,905,894)	(6,052,970)
Howla charges		-	(148)
CDBL Exp.-Daily settlement (Pay in/Pay out)		(3,156,956)	(3,122,927)
		(11,062,849)	(9,176,045)
22.01 Laga charges			
Laga charges-Dhaka Stock Exchange Limited (DSE)		7,307,747	6,040,411
Laga charges-Chittagong Stock Exchange Limited (CSE)		598,146	12,559
		7,905,894	6,052,970
23 Interest income			
Interest on margin loan		168,505,788	192,783,370
Interest income on bank deposit A/C		6,828,976	7,204,055
		175,334,764	199,987,425
24 Interest expense			
On loan from Dhaka Bank Limited		221,829,913	207,448,514
On loan from United Finance Limited		3,871,572	15,098,611
		225,701,486	222,547,125
25 Net investment income			
Gain / (loss) on sale of shares	25.01	88,586,864	61,878,707
Dividend on shares		49,227,445	65,183,789
		137,814,309	127,062,496
25.01 Gain / (loss) on sale of shares			
Sale price of shares		1,885,113,548	1,638,124,814
Cost price of shares		(1,796,526,684)	(1,576,246,107)
		88,586,864	61,878,707
26 Fees and other income			
Account opening and closing fees		71,012	74,109
BO renewal fees		532,100	504,200
IPO processing fees		10,900	13,875
Central depository Bangladesh limited (CDBL) Income	26.01	1,156,100	1,396,600
Other income		99,252	164,396
		1,869,364	2,153,180
26.01 Central Depository Bangladesh Limited (CDBL) Income			
A. Central depository Bangladesh limited (CDBL) income			
CDBL Income-transfer in / out		621,836	2,143,689
CDBL income-bonus/ Right /IPO / split / demat		17,471	5,600
CDBL Income-Pledge/unpledge		1,965,617	995,969
		2,604,924	3,145,258
B. Central depository Bangladesh limited (CDBL) expenses			
CDBL expense-Transfer in/out		345,464	1,189,172
CDBL income-bonus/ Right /IPO / split / demat		5,350	170
CDBL Income-Pledge/unpledge		1,092,010	553,316
CDBL expense-monthly connection fees		6,000	6,000
		1,448,824	1,748,658
Net CDBL income (A-B)		1,156,100	1,396,600

	Notes	2019 Taka	2018 Taka
27 Salary and allowances			
Basic salaries		15,617,467	15,861,774
Allowances		19,550,920	20,665,458
Leave fare assistance		2,675,084	2,788,600
Employer's contribution to provident fund		1,561,433	1,595,508
Bonus		4,603,708	2,624,562
		44,008,612	43,535,902
28 Rent, rates, taxes, insurance, lighting etc.			
Rent expenses		13,493,561	11,584,822
Insurance expense		182,048	98,986
Electricity Expenses		1,755,130	1,850,342
Fuel expense - generator / pool car		1,213,813	1,224,760
Water and sewerage		838,220	833,493
Renewal of registration certificates, trade license etc.		565,384	978,675
		18,048,154	16,571,077
29 Legal and professional fees expenses			
Professional fees and service charges		229,425	111,377
		229,425	111,377
30 Postage, stamp, telecom etc.			
Postage and courier		20,051	40,178
Stamps-Judicial/Non-Judicial		21,480	37,600
Telephone/Fax/PABX expenses		125,936	162,949
Mobile/Internet /Cable TV bills		400,453	542,068
		567,920	782,795
31 Stationery, printing, advertisement etc.			
Stationeries exp.- (printed materials)		2,235,145	1,245,859
Stationeries - general (table/petty stationeries)		147,118	176,934
Stationeries- computer consumable (paper & accessories)		394,610	494,640
Publicity expenses (leaflet, banner, bill board etc)		23,930	155,507
		2,800,803	2,072,940
32 Directors' fee and meeting expenses			
Director's fees		522,000	368,000
Meeting, seminar and conference expenses		686,553	537,840
		1,208,553	905,840
33 Audit fee			
Audit fee for the year		287,500	287,500
		287,500	287,500
34 Repairs and maintenance Exp.			
Repairs and maintenance of :			
- Office premises		746,062	1,256,515
- Furnitures and fixtures		383,407	270,450
- Office and electric appliances		1,058,629	1,085,347
- Computer, software, printer, UPS etc.		974,410	1,060,050
- Vehicles		934,616	467,609
Network connectivity expense		1,672,664	1,596,640
		5,769,788	5,736,611

	Notes	2019 Taka	2018 Taka
35 Other expenses			
Bank charges		38,480	43,772
Excise duty expense		154,150	199,500
Commission expenses- bank guarantees		-	460,300
Regular canteen expense		1,524,448	1,494,769
Entertainment Expense		10,000	52,240
Contractual service charges		648,869	438,473
Cleaning and maintenance services		1,539,586	1,536,006
Staff uniform expenses		109,900	155,675
Support staff expense		2,511,423	1,986,334
Security guard expenses		2,255,040	2,305,152
Training and Development Expenses		21,250	165,825
Conveyance expense		224,371	360,341
Business promotion expenses		241,528	589,999
Newspapers		79,460	73,688
Contribution to investors' protection fund		38,135	17,632
Miscellaneous - (others)		15,391	13,381
		9,412,030	9,893,087
36 Depreciation and amortization expenses			
Depreciation-furniture and fixtures		1,359,032	1,275,720
Depreciation-Office appliances and equipments		304,903	235,491
Depreciation-computer		572,962	492,728
Depreciation-motor vehicles		918,756	153,126
		3,155,653	2,157,065
37 Provision for income tax:			
For current year		24,014,151	33,733,023
		24,014,151	33,733,023
38 Deferred tax expenses/(income)			
Closing balance of deferred tax assets		(2,162,422)	(1,248,317)
Opening balance of deferred tax assets		(1,248,317)	(2,138,382)
Deferred tax expenses/(income)		(914,104)	890,065
39 Earning per share (EPS)			
a) Net profit after tax		40,024,444	46,955,002
b) Total number of ordinary shares outstanding		204,607,904	189,189,000
Earning per share (EPS) (a ÷ b)		0.20	0.25

40 Related party transaction

Name of the related party	Relationship	Nature of transaction	Transactons during year	Closing balance as at 31.12.2019 (Tk.)	Closing balance as at 31.12.2018 (Tk.)
Dhaka Bank Limited	Parent company	Loan	108,610,870	2,298,017,550	2,189,406,680
Mrs. Rokshana Zaman and Ms. Tanveen Zaman	Director and Her Daugther	Advance Rent for Leased Premises	981,000	7,983,000	8,964,000

41 Date of authorization

The Board of director has authorized these financial statements for issue on 30 April 2020

42 Event after reporting period

"On 30 January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread worldwide. In response to the outbreak, the Government of Bangladesh and stock exchanges of Bangladesh declared general holiday from 26 March 2020. During this time the Company temporarily closed its office and branches stopping all of its operations due to health concerns associated with COVID-19. While the disruption is currently expected to be temporary, there is uncertainty around the duration as well as the recovery timeline. Therefore, while the Company expects this matter to negatively impact its business but no impact analysis is possible at this stage.

Dhaka Bank Securities Limited

Fixed assets schedule

For the year ended 31 December 2019

Annexure-A

A. Property, plant and equipment

Particulars	Cost (Tk.)			Rate %	Depreciation (Tk.)			Written Down Value as on 31.12.2019 (Tk.)
	Balance as on 01.01.2019	Addition during the Period	Balance as on 31.12.2019		Balance as on 01.01.2019	Charges during the year	Balance as on 31.12.2019	
Furnitures and fixtures	12,757,154	997,500	13,754,654	10%	9,471,549	10,830,581	2,924,073	
Office appliances and equipment	7,219,015	596,000	7,815,015	20%	6,732,134	7,037,036	777,978	
Computer	11,945,474	59,800	12,005,274	20%	10,575,973	11,148,935	856,339	
Motor vehicles	7,584,255	-	7,584,255	20%	3,143,631	4,062,387	3,521,868	
Total	39,505,898	1,653,300	41,159,198		29,923,287	33,078,940	8,080,258	
As on 31 December 2018	34,254,461	5,251,437	39,505,898		27,766,222	29,923,287	9,582,611	

B. Intangible assets

Particulars	Cost (Tk.)			Rate %	Amortization (Tk.)			Written Down Value as on 31.12.2019 (Tk.)
	Balance as on 01.01.2019	Addition during the period	Balance as on 31.12.2019		Balance as on 01.01.2019	Charges/Addition during the period	Balance as on 31.12.2019	
Software	4,831,461	-	4,831,461	20%	4,831,461	4,831,461	-	
Total	4,831,461	-	4,831,461		4,831,461	4,831,461	-	
As on 31 December 2018	4,831,461	-	4,831,461		4,831,461	4,831,461	-	

DHAKA BANK INVESTMENT LIMITED

This year we will focus on building loyalty to the organization, training on ethical practices, recognizing ethical precedence in performance appraisal and transparency in all Banking operation.



Dhaka Bank Investment Limited

Statement of Financial Position

As at 31 December 2019

Annexure L

	Notes	31.12.2019 Taka	31.12.2018 Taka
ASSETS			
Non Current Assets			
Preliminary Expenditure	4	1,107,825	1,107,825
Current Assets			
Cash and Bank Balance	5	308,110,999	292,109,835
Advance Income Tax	6	7,227,638	4,370,876
		315,338,637	296,480,711
Total Assets		316,446,462	297,588,536
EQUITY AND LIABILITIES			
Equity			
Paid up Capital	7	250,000,000	250,000,000
Retained Earnings	8	41,822,030	29,639,128
Total Equity		291,822,030	279,639,128
Liabilities			
Non-Current Liabilities			
		-	-
Current Liabilities			
Provision for Income Tax	9	22,875,707	16,315,683
Other Liabilities	10	1,748,725	1,633,725
		24,624,432	17,949,408
Total Liabilities		24,624,432	17,949,408
Total Equity and Liabilities		316,446,462	297,588,536

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 even date.

Dhaka Bank Investment Limited
Statement of Profit and Loss and Other Comprehensive Income
For the year ended 31 December 2019

	Notes	2019 Taka	2018 Taka
Operating Income			
Interest income		-	-
Other Income	11	18,959,652	5,642,166
		18,959,652	5,642,166
Operating Expense			
General & administrative expenses	12	(216,725)	(191,300)
		18,742,927	5,450,866
Profit Before Tax		18,742,927	5,450,866
Provision for Income Tax (Current Tax)		(6,560,024)	(1,907,803)
Net Profit after Tax		12,182,902	3,543,063
Other comprehensive Income		-	-
Net Profit for the period		12,182,902	3,543,063

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 2019

	2019 Taka	2018 Taka
a. Cash Flows from Operating Activities		
Other Income	18,959,652	5,642,166
Operating Expenses	(216,725)	(191,300)
Cash generated from operating activities before changes in operating assets and liabilities	18,742,927	5,450,866
Changes in Operating Assets and Liabilities		
Advance Income Tax	(2,856,762)	(277,930)
Provision for Audit Fees	115,000	115,000
Net Changes in Operating Assets & Liabilities	(2,741,762)	(162,930)
Net Cash Flow from Operating Activities	16,001,165	5,287,936
b. Cash Flows from Investing Activities	-	-
c. Cash Flow from Financing Activities		
Proceeds from Issue of Share	-	-
Net Cash Flow from Financing Activities	-	-
Net cash surplus for the period (a+b+c)	16,001,165	5,287,936
Cash & Bank Balance at Beginning of the period	292,109,835	286,821,899
Cash & Bank Balance at the end of the period*	308,110,999	292,109,835
*Cash & Bank Balance		
Cash in Hand	-	-
Cash at Bank	308,110,999	292,109,835
	308,110,999	292,109,835

Dhaka Bank Investment Limited
Statement of Changes in Equity
For the year ended 31 December 2019

(Amount in Taka)

Particulars	Share Capital	Retained Earnings	Total Equity
Opening Balance	-	-	-
Paid up Share Capital	250,000,000	29,639,128	279,639,128
Add: Adjustment for prior year*	-	-	-
Net profit for the period	-	12,182,902	12,182,902
Balance as on 31 December 2019	250,000,000	41,822,030	291,822,030

Dhaka Bank Investment Limited

Notes to the Financial Statements

For the period from 01 January 2019 to 31 December 2019

1. Company and its Activities

1.1 Legal Status of the Company

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

1.2 Principal Activities of the Company

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

2. Significant Accounting Policies

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

3. Directors' Responsibility Statement

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

4. Preliminary Expenditure

Preliminary Expenditure
Less: Amortization for the year

5. Cash & Bank Balance

Cash in Hand
Cash at Bank (Note: 5.1)

5.1 Cash at Bank

Name of Bank	Branch	A/C #
Dhaka Bank Limited	Local Office	201.150.3401
Dhaka Bank Limited	Local Office	201.341.351
Dhaka Bank Limited	Gulshan Circle-2	102.150.0018
Dhaka Bank Limited	Gulshan Circle-2	102.341.1174
Dhaka Bank Limited	Kakrail	106.343.0126

6. Advance Income Tax

Opening Balance
Add: Addition during the period (Note: 6.1)

6.1 Addition during the period

Tax deducted at source

	31.12.2019 Taka	31.12.2018 Taka
	1,107,825	1,107,825
	-	-
	1,107,825	1,107,825
	-	-
	308,110,999	292,109,835
	308,110,999	292,109,835
	21,629,523	69,942,914
	50,000,000	-
	1,472,235	122,166,921
	123,617,575	-
	111,391,667	100,000,000
	308,110,999	292,109,835
	4,370,876	4,092,946
	2,856,762	277,930
	7,227,638	4,370,876
	2,856,762	277,930

7. Share Capital**7.1 Authorized Capital**

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

**31.12.2019
Taka****31.12.2018
Taka**

2,000,000,000

2,000,000,000

7.2 Paid up Capital

The Issued, Subscribed and Paid-up Capital is Tk. 250,000,000 divided into 25,000,000 ordinary shares of Taka 10 each fully paid. The Shareholding position of the company as on 31 December 2019 is as follows:

SI #	Name of Shareholders	Number of Shares held	% Of Shareholding	31.12.2019 Amount in Taka	31.12.2018 Amount in Taka
1.	Dhaka Bank Limited, Represented By Mr. Md. Amirullah Mr. Tahidul Hossain Chowdhury Mr. Khondoker Jamil Uddin 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
		25,000,000	100	250,000,000	250,000,000

8. Retained Earnings

Opening Balance

29,639,128

26,096,065

Add: Net Profit for the Period

12,182,902

3,543,063

41,822,030**29,639,128****9. Provision for Income Tax**

Opening Balance

16,315,683

14,407,880

Add: Addition during the year

6,560,024

1,907,803

22,875,707**16,315,683****10. Other Liabilities**

Payable to Dhaka Bank Limited

1,173,725

1,173,725

Provision for Audit Fees

575,000

460,000

1,748,725**1,633,725****11. Other Income**

Interest on SND A/C

18,959,652

5,642,166

12. General & administrative expenses

Amortization of Preliminary Expenditure

-

-

Audit Fees

115,000

115,000

Stationery, Printing, Advertisement etc.

-

-

Bank Charges & Other

101,725

76,300

216,725**191,300****Jan'19-Dec'19
Taka****Jan'18-Dec'18
Taka**

Disclosures on Risk Based Capital (Under Pillar-3 of Basel-III Framework) For the year ended 31 December 2019

Annexure-M

BACKGROUND:

The Disclosure on Risk Based Capital (under pillar 3 of Basel III framework) has been prepared in accordance with the Guidelines on 'Risk Based Capital Adequacy' published by Bangladesh Bank on December 2014. These disclosures are purported to affirm the information on Minimum Capital Requirement (MCR) under Pillar 1 and Supervisory Review Process (SRP) under Pillar 2 and ensure transparency about the capital adequacy of the Bank, capital adequacy framework, risk assessment and mitigation methodologies, risk exposure in various spectrum so that the stakeholders of the industry can examine the risk related compliance of the Bank.

1. SCOPE OF APPLICATION:

1.1 Qualitative Disclosure:

- a) The Risk Based Capital Adequacy and related disclosures are applicable for **Dhaka Bank Limited** which is the top corporate entity of the group having 2 (two) subsidiaries-viz. 1) Dhaka Bank Securities Limited and 2) Dhaka Bank Investment Limited.

b) Brief Description of the Subsidiaries:

1. Dhaka Bank Securities Limited:

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

2. Dhaka Bank Investment Limited:

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

Basis for Consolidation:

The quantitative disclosures are made on the basis of audited financial statements of the bank and its subsidiaries as at and for the year ended December 31, 2019. The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standard-27 "Consolidated and Separate Financial Statements". The consolidated financial statements are prepared to a common financial year ended 31 December 2019.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profit and loss resulting from transaction between Groups is also eliminated on consolidation.

- c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group: **Not applicable.**

1.2 Quantitative Disclosure:

- d) The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group: **Not applicable.**

2. CAPITAL STRUCTURE

2.1 Qualitative Disclosure

Under Basel-III Accord regulatory capital of a bank will be categorized into three tiers: (a) Tier – 1 Capital/Core Capital, (b) Tier-2 Capital/Supplementary Capital, and (c) Tier-3 Capital/Additional Supplementary Capital.

Total eligible regulatory capital of Dhaka Bank Limited consists of partly Tier-1 Capital and partly Tier-2 Capital. Almost **52.94%** (Solo basis) of total eligible capital is Tier-1 or core capital, which comprises of Paid-up Capital, Statutory Reserve, Retained Earnings, General Reserve, etc. On the other hand, Tier-2 or supplementary capital (comprises of General Provision and Non-convertible Subordinated Bond) is **47.06%** of total eligible capital and almost **88.89%** of Tier-1 capital.

Non-convertible Subordinated Bond

Dhaka Bank Limited issued Redeemable Non-Convertible 3rd Subordinated Bond of **BDT 5,000,000,000** for a term of 7 years to strengthen the capital base of the bank on the consent of SEC vide letter no. BSEC/CI/CPLC/DS-210/2009/210 dated 28.03.2018. As per BRPD Circular No. 10/2002 and BRPD Circular No. 13/2009 issued by Bangladesh Bank, the total **BDT 5,000,000,000** of 3rd Subordinated Bond has been considered as a component of Supplementary Capital (Tier-2) of the Bank. Dhaka Bank Limited previously issued Redeemable Non-Convertible 2nd Subordinated Bond of **BDT 3,000,000,000** for a term of 7 years to strengthen the capital base of the bank, repayment of principal of which will start from May 2019 @ Tk. 60.00 crore. Now 2nd Subordinated Bond outstanding is **BDT 2,400,000,000.00**.

2.2 Quantitative Disclosure

Sl.No.	Particulars	Amount (in Crore BDT)	
		Consolidated	Solo
A.	Tier-1 Capital (Going-Concern Capital):		
	Common Equity Tire- 1 Capital (CET- 1)		
	Fully Paid-up Capital	853.21	853.21
	Statutory Reserve	762.71	762.71
	General Reserve	0.66	0.66
	Retained Earnings	161.86	97.44
	Minority Interest in Subsidiaries	0.01	0.00
	Sub-Total:	1,778.44	1,714.01
	Less : Regulatory Adjustment:		
	Book value of Goodwill and value of all other Intangible** Assets**	56.92	56.92
	Deferred Tax Assets (DTA)	7.05	6.83
	Sub-Total:	63.96	63.74
	Total Common Equity Tire- 1 Capital (CET 1)	1,714.48	1,650.27
	Additional Tire- 1 Capital (AT- 1)	0.00	0.00
	Total Tier-1 Capital (A):	1,714.48	1,650.27
B.	Tier-2 Capital (Gone Concern Capital):		
	General Provision (including provision for Off-Balance Sheet Exposure)	806.41	806.41
	Assets Revaluation Reserves up to 80%	0.00	0.00
	Revaluation Reserve for HTM & HFT Securities (up to 80%)	0.00	0.00
	Non-convertible Subordinated Bond	717.59	660.51
	Sub Total:	1,524.00	1,466.92
	Less : Regulatory Adjustment	0	0
	Total Tier-2 Capital (B):	1,523.85	1,466.92
C.	Total Eligible Regulatory Capital (A+B):	3,238.47	3,117.19

**Written down value of Software which is treated as Intangible Assets

3. CAPITAL ADEQUACY

3.1 Qualitative Disclosure

As per the Guidelines on Risk Based Capital Adequacy (RBCA) for Banks under Basel-III Accord each banks have to maintain Capital to Risk-weighted Asset Ratio (CRAR) on solo basis and consolidated basis as per instructions given by Bangladesh Bank from time to time. The requirement for minimum CRAR for the year ended December, 2019 was 12.50% of total Risk Weighted Assets.

Dhaka Bank Limited strictly follows the guidelines of Bangladesh Bank regarding capital adequacy and its policy is to maintain regulatory capital at a level higher than the minimum required capital.

3.2 Quantitative Disclosure:

Sl.No.	Particulars	Amount (in Crore BDT)	
		Consolidated	Solo
1.	Risk Weighted Assets:		
	For Credit Risk:		
	On-Balance Sheet	14,836.07	14,657.50
	Off-Balance Sheet	3,086.22	3,086.22
	For Market Risk	301.63	27.73
	For Operational Risk	1,610.02	1,568.37
	Total:	19,833.94	19,339.82
2.	Minimum Capital Required:		
	For Credit Risk	1,792.23	1,774.37
	For Market Risk	30.16	2.77
	For Operational Risk	161.00	156.84
	Total:	1,983.39	1,933.98
3.	Total Eligible Regulatory Capital:		
	Tier-1 Capital/Core Capital	1,714.48	1,650.10
	Total Tier-2 Capital/Supplementary Capital	1,524.00	1,466.59
		3,238.47	3,116.86
4.	Capital Adequacy Ratio:		
	Tier-1 Capital to RWA	8.64%	8.53%
	Tier-2 Capital to RWA	7.68%	7.58%
	Total:	16.33%	16.12%

4. CREDIT RISK

4.1 Qualitative Disclosure Exposure to Credit Risk

Credit risk is the risk of financial loss resulting from failure by a client or counterparty to meet its contractual obligations to the Bank. Bank is exposed to credit risk from its dealing with or lending to corporate, individuals, and other banks or financial institutions.

Past due Claims

Special mention: These assets have potential weaknesses thus deserve management's close attention. If left uncorrected, these weaknesses may result in a deterioration of the repayment prospects of the borrower.

Sub-standard: These are the loans where bank has reason to doubt about the repayment of the loan although recovery prospect is encouraging.

Doubtful: Full repayment of principal and interest is unlikely and the possibility of loss is extremely high.

Bad /Loss: These are the loans that have a bleak recovery possibility.

Capital Requirement for Credit Risk

The capital requirement for credit risk is based on the risk assessment made by external credit assessment institutions (ECAIs) recognized by BB for capital adequacy purposes. Banks are required to assign a risk weight to both on-balance sheet and off-balance sheet exposures based on external credit rating (solicited) which mapped with the BB rating grade or a fixed weight specified by BB.

Minimum regulatory capital for credit risk is calculated by multiplying the Risk Weighted Assets (RWA) for both on balance sheet and off-balance sheet exposure with a certain percentage (12.50% for 2019).

Credit Risk Management System

Dhaka Bank is managing Credit Risk through a robust process that enables the bank to proactively manage loan portfolios in order to minimize losses and earn an acceptable level of return for shareholders.

Credit risk is controlled and monitored by establishing appropriate limits and operational controls to constrain credit exposure to individual counter parties and counterparty groups. There are specific policies and procedures applicable to different business segments.

Credit Risk Mitigation

Banks use a number of techniques to reduce their credit risk to which they are exposed. Guidelines on Risk Based Capital Adequacy (RBCA) consider two aspects of credit risk mitigation:

a) Collateral for Credit Risk Mitigation

Taking collateral is the most common way to mitigate credit risk. The Bank generally takes collaterals in the form of pledges of sufficient eligible marketable securities or cash, mortgages over the property etc. All of the collaterals taken do not necessarily qualify for availing capital relief under the Basel-III Accord on capital adequacy.

Where a transaction is secured by eligible financial collateral and meets the eligibility criteria and minimum requirements, banks are allowed to reduce their credit exposure or potential credit exposure by taking into account the risk mitigating effect of the collateral for the calculation of capital charge.

To ensure with a high degree of certainty that the collateral value will cover the exposure, discounts ("haircuts") are generally applied to the current market value. These reflect the quality, liquidity, volatility and, in some cases, the complexity of the individual instruments. Exposures and collateral values are continuously monitored, and margin calls or close-out procedures are enforced, when the market value of collateral falls below a predefined trigger level. Concentrations within individual collateral portfolios and across clients are also monitored where relevant and may affect the discount applied to a specific collateral pool.

Dhaka Bank has developed stringent process on collateral management. The collaterals considered by Dhaka Bank for credit risk mitigation (for capital calculation under standardized approach) comprise of financial collaterals (Bank deposits (FDR & DPS), Gold, Debt securities, equities, units of mutual funds etc.).

Majority of financial collaterals held by Dhaka Bank are in the form of own deposits (FDR & DPS), and thus are not exposed to any uncertainty in realization in case of default by counterparty. As such, there is no risk concentration on account of nature of collaterals.

b) Guarantee for Credit Risk Mitigation

To reduce credit risk transaction may be secured by guarantees. Where guarantees are direct, explicit, irrevocable and unconditional banks may consider such credit protections in calculating capital requirements through a substitution approach. Only guarantees issued by entities with a lower risk weight than the counterparty will lead to reduced capital charge, whereas the uncovered portion retains the risk weight of the underlying counterparty.

In Dhaka Bank only those guarantees that are direct, explicit, irrevocable and unconditional, are taken into consideration for calculating capital requirement. Use of such guarantees for capital calculation purpose is strictly as per Bangladesh Bank Guidelines on Risk Based Capital Adequacy.

4.2 Quantitative Disclosure:

4.2.1 Total gross credit risk exposures broken down by major types of credit exposure

(Amount in Crore BDT)

Particulars	Consolidated	Solo
Cash and Cash equivalents	295.04	295.03
Claims on Bangladesh Government and Bangladesh Bank	4,513.13	4,513.13
Claims on Banks & NBFI	1,663.37	1,656.48
Claims on Corporate	13,173.18	13,188.00
Claims under Credit Risk Mitigation	887.08	887.08
Claims included in retail portfolio & Small Enterprise	2,021.73	2,021.73
Claims on Consumer Loan	129.41	129.41
Claims fully secured by residential property	79.77	79.77
Claims fully secured by commercial real estate	195.84	195.84
Past due claims	1,212.31	1,212.31
Capital market exposure	239.46	253.35
Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book	949.92	796.00
Investments in premises, plant and equipment and all other fixed assets	508.77	507.97
All other assets:		
i) Claims on GOB & BB	674.11	674.11
ii) Staff Loan / Investment	140.41	140.41
iii) Other Assets	603.35	583.48
Total:	27,286.90	27,134.11

4.2.2 Types of Credit exposures

(Amount in Crore BDT)

Types of Loan	December, 2019	December, 2018
Secured Overdraft/Quard	3,611.17	4,073.10
Cash Credit/Murabaha	1,628.05	731.87
House Building Loan	258.33	111.79
Transport Loan	314.83	202.74
Term Loan	6,747.85	6,368.40
Loan Against Trust Receipt	908.84	872.34
Payment Against Documents	34.89	12.68
Loan Against Imported Merchandize	-	-
Loan Against Accepted Bills	-	-
Packing Credit	55.48	75.02
Lease Finance / Izara	455.84	460.35
Credit Card	52.37	42.29
Retail Loan	157.98	311.96
Bills Purchased and discounted	262.44	295.74
Other Loans (Including Bai-Muajjal)	5,075.42	4,504.27
Grand Total	19,563.49	18,062.57

4.2.3 Geographical Distribution of Exposure (Region Based):

(Amount in Crore BDT)

Urban	December, 2019	December, 2018
Dhaka Region	14,150.01	12,887.82
Chittagong Region	3,092.82	2,953.78
South Region	439.79	392.76
North Region	452.40	361.49
Sylhet Region	238.92	252.57
Other	11.83	93.36
Sub. Total	18,385.77	16,941.79
Rural		
Dhaka Region	886.38	803.45
Chittagong Region	114.16	119.08
South Region	-	-
North Region	169.66	188.75
Sylhet Region	7.52	9.50
Other	-	-
Sub. Total	1,177.72	1,120.78
Grand Total	19,563.49	18,062.57

4.2.4 Industry or counterparty type distribution of exposures:

(Amount in Crore BDT)

Industry	December, 2019	December, 2018
AGRICULTURE	212.97	103.57
RMG	2,445.35	2,997.26
TEXTILE	2,086.12	1,566.71
SHIP BUILDING	283.16	231.69
SHIP BREAKING	173.76	167.03
OTHER MANUFACTURING	5,137.92	4,208.92
SME LOANS	2,567.93	2,870.11
CONSTRUCTION	1,243.86	354.42
POWER, GAS	771.47	799.52
TRANSPORT, STORAGE & COMMUNICATION	391.00	385.07
TRADE SERVICE	1,544.55	1,533.78
COMMERCIAL REAL ESTATE FINANCE	558.94	1,162.57
RESIDENTIAL REAL ESTATE FINANCING	29.89	53.98
CONSUMER CREDIT	593.83	570.92
CAPITAL MARKET	-	-
OTHERS	1,012.35	601.08
NON-BANK FINANCIAL INSTITUTIONS	510.41	455.95
GRAND TOTAL	19,563.49	18,062.57

4.2.5 Residual contractual maturity of credit exposure:
(Amount in Crore BDT)

Particulars	December, 2019	December, 2018
On demand	2,955.18	2,737.19
Upto one month	1,774.29	1,598.90
Not more than three months	2765.96	2,530.08
More than three months but not more than six months	2,848.10	2,969.49
More than six months but not more than one year	2,217.71	1,907.77
More than one year but not more than five years	4,934.83	4,651.30
More than five years	2067.42	1,667.84
TOTAL	19,563.49	18,062.57

4.2.6 Major Industry type amount of impaired loans (As of December 2019):
(Amount in Crore BDT)

Industry Name	SS	DF	BL	Total
Agriculture	1.13	1.33	1.02	3.48
Rmg	61.46	-	34.67	96.13
Textile	0.32	-	62.81	63.13
Ship Building	-	-	-	-
Ship Breaking	-	-	-	-
Other Manufacturing	13.46	-	87.90	101.36
Sme Loans	40.68	16.66	368.13	425.46
Construction	-	-	61.69	61.69
Power, Gas	-	-	3.08	3.08
Transport, Storage & Communication	1.25	-	23.64	24.89
Trade Service	0.58	-	49.91	50.49
Commercial Real Estate Finance	-	-	78.15	78.15
Residential Real Estate Financing	0.41	-	0.85	1.26
Consumer Credit	2.91	0.30	4.82	8.03
Capital Market	-	-	-	-
Others	2.60	1.53	-	4.13
Non-bank Financial Institutions	-	-	6.49	6.49
Grand Total	124.80	19.82	783.17	927.79

4.2.7 Gross Non Performing Assets (NPAs)
(Amount in Crore BDT)

	December, 2019	December, 2018
Gross Non-Performing Assets (NPAs)	927.79	900.90
Non-Performing Assets (NPAs) to Outstanding Loans & Advances	4.74%	4.99%
Movement of Non-Performing Assets (NPAs):		
Opening Balance	900.90	920.89
Additions	284.72	409.81
Reductions	257.83	429.80
Closing Balance	927.79	900.90
Movement of specific provisions for NPAs:		
Provision held at the beginning of the year	425.15	440.72
Specific provision	72.75	189.58
Recoveries from written off loans	-	-
Fully provided debt written off	(6.78)	(23.63)
Provision no longer required	(31.01)	(181.51)
Provision held at the end of the year	460.12	425.15

5. EQUITIES: DISCLOSURES FOR BANKING BOOK POSITIONS

5.1 Qualitative Disclosures

Dhaka Bank has considerable investment in equity shares of various companies and mutual funds and has active participation in the secondary market through Dhaka Bank Securities Ltd. The bank also participates in the primary market by the purchase of shares and securities from IPOs. In the investment process Dhaka Bank Ltd. strictly follow the internal policies and procedures put into place in this respect.

Valuation of Equity Securities

Shares and securities are valued as per the prescribed guideline of Bangladesh Bank and adequate provision is maintained accordingly for unrealized losses (if any).

Capital Charge for Equity Position Risk

Capital charge for equities are calculated on the basis of their current market value in the bank's trading book. This capital charge is calculated taking into account both the specific risk and the general market risk factor by applying the same rate of minimum capital adequacy ratio (12.50% for 2019).

5.2 Quantitative Disclosure

5.2.1 Equity Position

Sl. No.	Particulars	Amount (in Crore BDT)	
		Consolidated	Solo
1.	Investment in Equity Securities:		
	Cost price	213.05	2.86
	Market Price	140.67	3.36
	Difference	(72.38)	0.50
2.	The cumulative realized gains (losses) arising from sales and liquidation	8.86	0.083
3.	Total unrealized gains (losses)	(72.38)	0.50
4.	Total latest revaluation gains (losses)	-	-
5.	Any amount of the above included in Tier 2 capital	-	-
6.	Capital requirements broken down by appropriate equity grouping, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding Regulatory capital requirements (10% on market value).	-	-
	• Specific Market Risk	14.03	0.34
	• General Market Risk	14.03	0.34

6. Interest Rate Risk in the Banking Book (IRRBB)

6.1 Qualitative Disclosures

Interest rate risk is the risk where changes in the market interest rates might adversely affect a bank's financial condition. The immediate impact of changes in interest rates is on the Net Interest Income (NII). A long term impact of changing interest rates is on the bank's net worth since the economic value of banks' assets, liabilities and off-balance sheet positions get affected due to variation in market interest rates.

In Dhaka Bank the responsibility of interest rate risk management rests with the bank's Assets Liability Management Committee (ALCO). The Bank periodically computes the interest rate risks in the banking book that arises due to re-pricing mismatches in interest rate sensitive assets and liabilities. For the purpose of monitoring such interest rate risk, the bank has in place a system that tracks the re-pricing mismatches in interest bearing assets and liabilities. For the computation of the interest rate mismatch the guidelines of the Bangladesh Bank are followed.

6.2 Quantitative Disclosures (for 1% change in interest rate for both asset and liability portfolio of the bank)

The Increase (decline) in earning or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB broken down by currency (as relevant):

Particulars	3 months	6 months	1 year	Above 1 year	Total
Rate Sensitive Assets	7,337.48	2,034.85	4,069.69	10,708.87	24,150.89
Rate Sensitive Liabilities	8,221.07	2,449.20	4,898.40	4,646.55	20,215.22
GAP	(883.59)	(414.35)	(828.71)	6,062.32	3,935.67
Cumulative GAP	(883.59)	(1,297.94)	(2,126.65)	3,935.67	-
Adjusted Interest Rate Changes	1.00%	1.00%	1.00%	1.00%	1.00%
Quarterly Earnings Impact	-8.8359	-4.1435	-8.2871	60.6232	39.3567
Accumulated Earnings Impact	-8.8359	-12.9794	-21.2665	39.3567	-3.7251

7. Market Risk

7.1 Qualitative Disclosure

Views of Board of Directors (BODs) on trading/investment activities:

Market risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate due to changes in different market variables, namely:

- Interest Rate Risk
- Equity Position Risk
- Foreign Exchange Risk
- Commodity Risk

All these risks are monitored by the Treasury. The foreign exchange risk is managed by setting limits on open foreign exchange position.

Methods Used to Measure Market Risk

To measure of market risk the Bank uses Value-at-Risk (VaR).

Market Risk & Liquidity Risk Management Policies and System

The objective of investment policy covering various facts of Market Risk is to assess and minimize risks associated with treasury operations by extensive use of risk management tools. Broadly it encompasses policy prescriptions for managing systematic risk, credit risk, market risk, operational risk and liquidity risk in treasury operations.

For market risks arising out of various products in trading book of the Bank and its business activities, the bank sets regulatory internal and ensure adherence thereto. Limits for exposure to counter-parties, industries and countries are monitored and the risks are controlled through Stop Loss limits, Overnight limit, Daylight limit, Aggregate Gap limit, Value at Risk (VAR) limit for forum, inter-bank dealing and investment limit etc.

For the Market Risk Management of the bank, it has a mid-office with separate Desks for Treasury & Asset Liability Management (ALM). Asset Liability Management Committee (ALCO) is primarily responsible for establishing the market risk management, asset liability management of the bank, procedures thereof, implementing core risk management framework issued by regulator, best risk management practices followed globally and ensuring that internal parameters, procedures, practices/policies and risk management prudential limits are adhered to.

Liquidity risk of the bank is assessed through Gap analysis for maturity mismatch based on residual maturity in different time buckets as well as various liquidity ratios and management of the same is done within the prudential limit fixed thereon. Further bank is also monitoring the liquidity position through various stock ratios. The bank is proactively using duration gap and interest rate forecasting to minimize the impact of interest rate changes.

Interest Rate Risk in the Trading Book

Dhaka Bank uses maturity method in measuring interest rate risk in respect of securities in the trading book. However, the capital charge for entire market risk exposure is calculated under the standardized approach using the maturity method and guideline of Bangladesh Bank in this respect.

7.2 Quantitative Disclosure: Capital Requirement for Market Risk

Particulars	Amount (in Crore BDT)	
	Consolidated	Solo
The capital requirements for:		
Interest Rate Risk	0.00	0.00
Equity position risk	28.06	0.67
Foreign exchange risk	2.10	2.10
Commodity risk	-	-
Total	30.16	2.77

8. OPERATIONAL RISK

8.1 Qualitative Disclosure

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems (for example failed IT systems, or fraud perpetrated by a DBL employee), or from external causes, whether deliberate, accidental or natural. It is inherent in all of the Bank's activities.

Views of Board of Directors (BODs) to Operational Risk

Dhaka Bank's approach to operational risk is not designed to eliminate risk altogether but rather, to contain risks within levels deemed acceptable by senior management. Operational risks are monitored and, to the extent possible, controlled and mitigated.

All functions, whether business, control or logistics functions, must manage the operational risks that arise from their activities. Operational risks are pervasive, as a failure in one area may have a potential impact on several other areas. The Bank has therefore established a cross-functional body to actively manage operational risk as part of its governance structure.

The foundation of the operational risk framework is that all functions have adequately defined their roles and responsibilities. The functions can then collectively ensure that there is adequate segregation of duties, complete coverage of risks and clear accountability. All the functions use their controls to monitor compliance and assess their operating effectiveness in several ways, including self-certification by staff, tracking of a wide range of metrics (for example, the number and characteristics of client complaints, deal cancellations and corrections, un-reconciled items on cash and customer accounts, and systems failures), and the analysis of internal and external audit findings.

Performance Gap of Executives and Staffs

Dhaka Bank always tries to be the best pay master in the sector and ensure best workplace safety for its employees to avoid inconsistent employment practices and unsound workplace safety caused by way of discrimination regarding employee's compensation, health and safety.

Potential External Events

Dhaka Bank has invested heavily in IT infrastructure for better automation and online transaction environment. The bank also has huge investment on alternative power supply (both UPS & generators) and network links to avoid business disruption and system failure. Its IT system does not allow any kind of external access to avoid external fraud by way of theft/ hacking of information assets, forgery etc. Dhaka Bank has also invests considerable on security from terrorism and vandalism to avoid damage to physical assets.

Approach for Calculating Capital Charges for Operational Risk

For calculating eligible regulatory capital under Basel-II Capital Accord, Dhaka Bank follows the Basic Indicator Approach.

8.2 Quantitative Disclosure

Capital requirement for Operational Risk exposure of Dhaka Bank is as below:

Particulars	Amount (in Crore BDT)	
	Consolidated	Solo
The capital requirements for Operational Risk	161.00	156.84

9. LIQUIDITY RATIO

9.1 Qualitative Disclosure

Qualitative Disclosures	<p>(a) Views of Board of Directors on system to reduce liquidity Risk:</p> <p>The Board reviews and approves the Assets Liability Management Policies and ensures that senior management manages liquidity risk effectively in the context of the Bank's business plan, long term funding plan and economic and financial position. DBL uses liquidity ratios and stressed liquidity gaps as key metrics to establish its liquidity risk tolerance levels. These metrics measures the Bank's ability to fulfill all its payment obligations stemming from ongoing business operations under various stress scenarios. The tolerance levels are defined either in the form of limits or management action triggers (MAT) and are part of the Bank's overall liquidity management framework which is approved and reviewed by the Board on an annual basis.</p> <p>Methods used to measure Liquidity risk:</p> <p>There are different tools prescribed by Bangladesh Bank to measure and monitor liquidity risks. Following ratios are used by DBL as indicators for liquidity risks:</p> <ol style="list-style-type: none"> i. Statutory Liquidity Requirement (SLR); ii. Cash Reserve Ratio (CRR); iii. Asset to Deposit Ratio (ADR); iv. Structural Liquidity Profile (SLP); v. Maximum Cumulative Outflow (MCO); vi. Medium Term Funding Ratio (MTF); vii. Liquidity Coverage Ratio (LCR); viii. Net Stable Funding Ratio (NSFR); ix. Liquid Asset to Total Deposit Ratio; x. Liquid Asset to Short Term Liabilities; <p>In addition to the above, DBL uses Stress Testing report and Liquidity mismatch profile as the methods to measure Liquidity risk.</p> <p>Liquidity risk management system:</p> <p>Asset Liability Management Committee (ALCO) of DBL sets the direction for the Bank's liquidity management. ALCO meets at least once in every month and more as and when required. ALM desk of the Treasury Division closely monitors and controls liquidity requirements on regular basis by proper coordination of funding activities. It also monitors market developments, understanding their implications for the Bank's liquidity risk exposure and recommends appropriate risk management measures to ALCO. Another strategy of liquidity risk management is to develop a diversified funding base. It aims to align sources of funding with their use.</p> <p>Policies and processes for mitigating liquidity risk:</p> <p>Dhaka Bank Ltd. has Contingency Funding Plan and Treasury Policy as a policy support to mitigate liquidity risk. The Board and the management of DBL put into operation the following check points and mechanisms for superior liquidity risk management:</p>
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	<ul style="list-style-type: none"> • Liquidity risk tolerance: Bank set liquidity risk tolerance like Maximum Cumulative Outflow at 19%; • Maintaining adequate levels of liquidity considering the average daily withdrawal by the customers; • Identification and measurement of contingent liquidity risks arising from unseen scenarios. • Contingency funding plan: Contingency funding plans incorporate events that could rapidly affect the bank's liquidity arising from sudden inability to call back long-term loans and advances, or the loss of a large depositor or counterparties. • Public disclosure in promoting market discipline under Pillar 3 of Basel III. • Maturity ladder of cash inflows and outflows are effective tool to determine banks cash position; that estimates cash inflows and outflows with net deficit or surplus (GAP) both on a day to day basis and over a series of specified time periods. • A bucket wise (e.g. call, 2-7 days, 1 month, 1-3 months, 3-12 months, 1-5 years, over 5 years) maturity profile of the assets and liabilities is prepared to understand mismatch in every bucket.
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9.2 Quantitative Disclosure:

Particulars	Unit	Position
Liquidity Coverage Ratio (LCR)	%	148.44%
Net Stable Funding Ratio (NSFR)	%	107.10%
Stock of High Quality Liquid Assets	(in Crore BDT)	4,902.66
Total net cash outflows over the next 30 calendar days	(in Crore BDT)	3,302.79
Available amount of stable funding	(in Crore BDT)	21,611.75
Required amount of stable funding	(in Crore BDT)	20,178.75

10. LEVERAGE RATIO

10.1 Qualitative Disclosure

Qualitative Disclosures	<p>(a) Views of Board of Directors on system to reduce liquidity Risk:</p> <p>An underlying cause of the global financial crisis was the build-up of excessive on- and off-balance sheet leverage in the banking system. At the height of the crisis, financial markets forced the banking sector to reduce its leverage in a manner that amplified downward pressures on asset prices. This deleveraging process exacerbated the feedback loop between losses, falling bank capital and shrinking credit availability. To defuse the crisis, the Basel III framework introduced a non-risk-based capital measure, the leverage ratio, as an additional prudential tool to complement minimum capital adequacy requirements. Leverage ratio is the relative amount of Tier 1 capital to total exposure of the Bank (not risk-weighted) which has been set at minimum 3%.</p> <p>Under Basel III, a simple, transparent, non-risk based regulatory leverage ratio has been introduced to achieve the following objectives:</p> <ul style="list-style-type: none"> ■ Restrict the leverage in the banking sector, thus helping to mitigate the risk of the destabilizing deleveraging processes which can damage the financial system and the economy ■ Reinforce the risk-based requirements with a simple, transparent, independent measure of risk <p>The Board of Risk Management Committee regularly reviews the leverage ratios and advises the management to strictly monitor the ratio in addition to the Pillar- 1 Minimum Capital Requirement.</p>
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	<p>Policies and processes for managing excessive on and off-balance sheet leverage:</p> <p>The bank reviews its leverage position as per the Guidelines on Risk Based Capital Adequacy (revised regulatory capital framework for banks in line with Basel III). In addition, the bank has Risk Appetite as per Credit Risk Management Policy. Bank also employs Annual Budget Plan and Capital Growth Plan for managing excessive on and off-balance sheet leverage.</p>
	<p>Approach for calculating exposure:</p> <p>The bank calculates the exposure under standardized approach as per the Guidelines on Risk Based Capital Adequacy (revised regulatory capital framework for banks in line with Basel III).</p>

10.2 Quantitative Disclosure:

Particulars	(in Crore BDT)	
	Amount (Consolidated)	Amount (Solo)
Leverage Ratio	4.81%	4.64 %
On balance sheet exposure	28,183.58	28,040.82
Off balance sheet exposure	7,552.97	7,552.97
Total exposure	35,672.59	35,530.05

*Leverage ratio come into effect from March 31, 2015 as per RBCA Guidelines.

11. REMUNERATION

11.1 Qualitative Disclosure

Qualitative Disclosures	<p>(a) The remuneration committee provides assistance to the Board in relation to the remuneration arrangements of the Bank. The Board makes all final decisions in relation to those arrangements. The current members of the Committee are as follows:</p> <ol style="list-style-type: none"> 1. Emranul Huq, Managing Director & CEO 2. Sahabub Alam Khan, SVP & Acting CFO 3. M Rezaur Rahman, SVP & Head, Human Resources Division <p>The committee is responsible to give input into the total risk framework in relation to remuneration risk, in particular, recommending to the Board the remuneration arrangements.</p> <p>The Committee's remuneration responsibilities include conducting reviews of, and making recommendations to the Board on, the remuneration policy taking into account the Bank's strategy, objectives, risk profile, shareholder interests, regulatory requirements, corporate governance practices and employee interests.</p> <p>The Committee may consult a professional adviser or expert, at the cost of the Bank, if the committee considers it necessary to carry out its duties and responsibilities. No remuneration recommendations were obtained from external consultants during the reporting period.</p> <p>The Board has approved a remuneration policy which applies to the Bank. The policy does not apply to service contracts with third parties. The policy deals with base remuneration and performance based remuneration including the deferral of short-term incentive payments. As on 31 December 2019, we have 103 branches, 3 SME service centers and 2 Offshore Banking Unit in different areas of Bangladesh. The Bank has no foreign subsidiaries and branches.</p> <p>For the purposes of the accompanying remuneration disclosures, the "senior managers" of the bank comprise of Managing Director, the heads of appropriate big branches, the heads of operation, corporate, and credit risk functions and the company secretary.</p> <p>There were 47 senior managers as at the end of the reporting period.</p>
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	<p>(b) The policy establishes a remuneration framework designed to attract, retain, and motivate employees to achieve the objectives of the bank. The framework is structured to provide the desired flexibility and reward arrangements to support the Bank's strategy.</p> <p>The main features of the remuneration framework are: simplicity, fairness, alignment with values, appropriate risk behavior and transparency. Salary & benefits structure implemented with effect from 1 July 2016. The major objectives of the remuneration policy includes:</p> <ol style="list-style-type: none"> 1. To ensure market driven pay and benefits, 2. To retain bright professionals of the bank; 3. To take the advantage over other banks in terms of attracting prospective employees due to less advantageous pay and benefits compared to the competitors. <p>Dhaka Bank reviewed its overall employee remuneration during 2016. In July 2019, salary grade of Senior Officer, Officer and Assistant Officer has been reviewed. Accordingly, changes were made.</p> <p>Technical allowance has given to IT employee for highly technical professional. Managers to manage the branch and employees to handle the cash are remunerated by charge allowance and risk allowance respectively. Risk and control personnel are still eligible to receive an annual bonus payment under the performance bonus plan.</p>
	<p>(c) The remuneration framework includes the following arrangements and processes designed to ensure that remuneration outcomes appropriately take into account the impact of business risk. The Board has discretion, having regard to the recommendation of the Committee, to provide variable remuneration to reflect the following:</p> <ol style="list-style-type: none"> i. The outcomes of business activities; ii. The risk related to the business activities taking into account, where relevant. iii. Unexpected or unintended consequences that are not foreseen by the Board. <p>On recommendation of the Management, the Board at its discretion may approve the performance/incentive bonus for the employees of the bank as a financial measure to minimize the risk.</p> <p>Risk and Compliance requirements represent a gateway to whether a bonus payment is made and the size of the payment. Notwithstanding financial performance and an individual's contribution and performance, if the individual does not meet, or only partially meets, risk and compliance requirements, no award or a reduced award may be made.</p> <p>There were no changes to the nature and type of measures used during the reporting period.</p>
	<p>(d) The remuneration framework includes the following arrangements designed to ensure that remuneration outcomes are linked to performance:</p> <p>Fixed base: There is an annual review for all eligible employees. Performance ratings for the performance period are taking into consideration as well as individual circumstances for annual increment.</p> <p>Performance base: Performance bonus or incentive bonus are given to all eligible employees as per performance ratings for a performance period.</p> <p>Amounts of individual remuneration are linked to individual performance as per their performance ratings for the performance period. In addition, amounts of individual remuneration also linked to bank's growth.</p> <p>In determining the payment of a bonus to individuals, the factors taken into account include:</p> <ol style="list-style-type: none"> 1. Team financial and strategic performance; 2. Individual contribution to team performance; 3. Individual performance including alignment with corporate values and meeting performance objectives. <p>Long term incentives are designed to link a component of remuneration with key performance measures that underpin sustainable longer term growth in shareholder value.</p>
	<p>(e) The remuneration framework describes short term and long term benefits. Short term benefits include salary, festival bonus, Travel Passage, and performance bonus as variable payments. Long term benefits include Gratuity, Provident Fund, Superannuation Fund and Leave encashment.</p>
	<p>(f) Dhaka Bank Limited has no variable remuneration like cash, shares and share-linked instruments and other forms.</p>

11.2 Quantitative Disclosure:

<p>Number of meeting held by the main body overseeing remuneration during the financial year and remuneration paid to its member.</p>	(g)	<p>The Committee met twice during the financial year. No additional fees are paid for serving on board committees.</p>
<p>Number of employees having received a variable remuneration award during the financial year.</p> <p>Number and total amount of guaranteed bonuses awards made during the financial year.</p> <p>Number and total amount of sign-on awards made during the financial year.</p> <p>Number and total amount of severance payments made during the financial year.</p>	(h)	<p>Performance bonuses/Incentives: 1536 employees</p> <p>Number of total guaranteed bonus (festival bonus): 2</p> <p>Total amount of guaranteed bonus (festival bonus): BDT 141,330,887.00</p> <p>Number of severance payments: 65 employees</p> <p>Total amount of severance payments: BDT. 121,814,247.00 includes Provident Fund, Gratuity Fund, and Superannuation Fund.</p> <p>PF : BDT. 59,938,716.00 to 65 employees</p> <p>GF: BDT. 53,348,784.00 to 50 employees</p> <p>SF : BDT. 8,526,747.00 to 50 employees</p> <p>Total : BDT. 121,814,247.00 to 65 employees</p>
<p>Total amount of outstanding deferred remuneration, spilt into cash, shares and share-linked instruments and other forms.</p> <p>Total amount of deferred remuneration paid out in the financial year</p>	(i)	<p>Not applicable for Dhaka Bank Limited</p>
<p>Breakdown of amount of remuneration awards for the financial year to show:</p> <ul style="list-style-type: none"> - Fixed and variable. - Deferred and non-deferred. - Different forms used (cash, shares, and share linked instruments, other forms). 	(j)	<p>Fixed: BDT 2,329,532,523.26</p> <ul style="list-style-type: none"> • Variable: BDT. 100,000,000.00 • Deferred: BDT 100,000,000.00 • Non-deferred: Nil • Different forms used: Nil
<p>Quantitative information about employees' exposure to implicit (e.g. fluctuations in the value of share or performance units) and explicit adjustments (e.g. claw backs or similar reversals or downward revaluations of awards) of deferred remuneration:</p> <p>Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.</p> <p>Total amount of reductions during the financial year due to ex post implicit adjustments.</p>	(k)	<p>Not applicable for Dhaka Bank Limited</p>

BRANCH NETWORK

Branch Code	Branch Name in English	Branch Business Address
0016	Agrabad Branch	World Trade Center, 102-103, Agrabad Commercial Area, Chattogram
0208	Amin Bazar Branch	Market Complex (1st floor), Amin Bazar Jame Mosque, 780, Begun Bari Union, Amin Bazar, Savar, Dhaka
0027	Anderkilla Branch	Mozahar Bhaban, 222-223, Abdus Sattar Road, Rahmatgonj, Anderkilla, Chattogram
0101	Araihazar Branch	Suptasha Bhaban, Plot#1, Thana Road, Araihazar Bazar, Narayanganj
0002	Ashuganj Branch	Dulal Tower(1st floor), Ashuganj Bazar, Brahmanbaria
0232	BB Road Branch	127, 1st floor, B.B Road, Narayanganj
0206	Banani Branch	73/B Kemal Ataturk Avenue, Banani C/A, Dhaka-1213
0227	Banashree Branch	Nilachal(1st floor), Plot#14, Block#B, Banashree, Rampura, Dhaka
0210	Bangshal Branch	88, Shaheed Syed Nazrul Islam Sharani, Bangshal, Dhaka
0218	Baridhara Branch	House# 23, Block-K, Shaheed Suhrawardy Avenue, Dhaka
0601	Barishal Branch	Talukder Mansion, 86, Sadar Road, Barishal
0401	Belkuchi Branch	Jamuna Shopping Complex, Mukundogati Bazar, Belkuchi, Sirajgonj
0241	Bhairab Bazar Branch	166, Kalibari Road, Bhairab Bazar, Bhairab, Kishoreganj
0234	Bhulta Branch	Nur Mansion Market(1st Floor), Bhulta, Rupganj, Narayanganj
0219	Board Bazar Branch	Karam Ali Complex, Board Bazar, National University, Gazipur Sadar, Gazipur
0411	Bogura Branch	Shaha Complex, Kobi Nazrul Islam Sarok, Jhawtola, Bogra
009	Chandpur Branch	City Heart Building, Kalibari Moor, Chandpur Sadar, Chandpur
0020	CDA Avenue Branch	565/A, CDA Avenue (Ground Floor), East Nasirabad, Chattogram
0082	Chakaria Branch	Taher Plaza(1st floor), Chiringa, Old Bus Stand, Chakaria, Cox's Bazar
0302	Chandaikona Branch	Happy Store Bhaban, Bazar Road, Chandaikona Bazar, Raiganj, Sirajgonj
0305	Chapai Nawabganj	3, Godagari Road, Chapainawabganj Sadar, Chapainawabganj
0303	Chatmohar Branch	J.S Shopping Complex (1st floor), 516, Narikel Para, Chatmohor Sadar, Chatmohor,Pabna
0006	Chhagalnaiya Branch	Nur Islam Plaza, Holding#826, Ward#06, Chhagalnaiya, Feni
0071	Cumilla Branch	20, Kandirpar Moor(1st floor), Adarsha Sadar, Cumilla
0081	Cox'sbazar Branch	Rakshit Market(1st floor), Main Road, Laldighirpar, Sadar, Cox's Bazar
0205	Dhanmondi Branch	House No-20, Road-7, Dhanmondi R/A, Dhaka
0226	Dhanmondi Model Branch	Plot#275/G, Road#27(old), Shahid Sheikh Kamal Sharani, Dhanmondi R/A
0437	Dinajpur Branch	Rowshan Tower(1st floor), 44/42, North Munshipara Road, Dinajpur
0212	EPZ Branch	Zone Service Building, Room#48-51, DEPZ, Ganakbari Savar, Dhaka
0213	Fantasy Kingdom Branch	Chowdhury Plaza, Jamgara, Ashulia, Savar,Dhaka
0244	Faridpur Branch	Holding No.90(1st & 2nd floor), Thana Road, Chawk Bazar, Faridpur
0024	Fatickchari Branch	Fatickchari Branch, College Gate, Bibirhat, Fatickchari, Chattogram
0096	Feni Branch	City Center(1st floor),132, S.S.K. Road, Feni
0203	Foreign Exchange Branch	Biman Bhaban,100, Motijheel C/A, Dhaka
0152	Goalabazar Branch	Rahman Complex(1st floor), Goalabazar, Sylhet
0026	Gohira Branch	1st floor, Chowmuhoni, Gohira, Raozan, Chattogram
0104	Gopaldi Branch	Musa Market (1st & 2nd floor), Gopaldi Bazar
0215	Gulshan Branch	24, Gulshan Avenue, Gulshan-1, Dhaka
0102	Gulshan Circle -2 Branch	Bilquis Tower, Plot No. 06, Road No.46, Gulshan Circle -02, Dhaka-1212
0154	Habigonj Branch	Khaza Garden City(1st floor) Town Hall Road, Habigonj
0023	Halishahar Branch	14/A, Nusrat Mension(1st floor), Block#G, Halishahar H/E, P.C Road, Chattogram
0021	Hathhazari Branch	Sobahan Plaza, Kachari Road, Hathhazari, Chattogram
0209	Imamganj Branch	Sardar Mansion, 01, Imamgonj Lane, Imamgonj Bazar, Dhaka
0019	Islamic Banking Branch Muradpur	A H Paragon(1st & 2nd floor), 282, CDA Avenue, Muradpur, Chattogram
0214	Islamic Banking Branch Motijheel	Modhumita Cinema Hall Building, 158/160 Motijheel C/A, Dhaka
0211	Islampur Branch	6-7, Islampur Road, Dhaka

BRANCH NETWORK

Continued

Branch Code	Branch Name in English	Branch Business Address
0242	Jatrabari Branch	1 st floor, Al Monir Bhaban, Holding No.- 101, Shaheed Faruque Road, Ward-50, Dhaka South City Corporation, Thana-Jatrabari, District-Dhaka 1204.
0521	Jashore Branch	Rashid Center(1st floor), 7/A R.N.Road Jashore
0216	Joypara Branch	Munshi Super Market(1st floor), 1083, Joypara Bazar Main Road, Dohar, Dhaka
0018	Jubilee Road Branch	Liberty Tower, 183, Jubilee Road, Chattogram
0106	Kakrail Branch	71, Purana Paltan Lane, Dhaka
0113	Kalatia Branch	Shamshedpur, Kalatia Bazar, Keranigonj, Dhaka
0121	Kapasias Branch	Admiral Market, Banar Howla, Kapasia, Gazipur
0110	Kamarpara Branch	Hasmat Tower, 30/A Kamarpara Bazar Road, Khairtek, Nishat Nagar, Turag, Dhaka
0207	Karwan Bazar Branch	39, karwan Bazar C/A, Dhaka
0502	KDA Avenue Branch khulna	2B KDA Avenue, Khulna
0221	Keraniganj Branch	Khan Plaza (1st floor), Shahid Delwar Hossain Road, East Aganagar, Keraniganj, Dhaka
0017	Khatungonj Branch	291, Khatungonj, Chattogram
0224	Khilgaon Branch	389/B, Khilgaon Chowdhurypara, Dhaka
0243	Kishoregonj Branch	Charterjee Market(1st & 2nd floor), 154, Natun Bazar, Ishakha Road, Kishoregonj
0220	Konabari Branch	Plot No.146/147, BSCIC, Konabari, Gazipur
0005	Lakshmipur Branch	126/1, Thana Road, Bolram Bhaban, Sadar, Lakshmipur
0151	Laldighirpar Branch	960, Laldighirpar, sylhet
0201	Local Office	Adamjee Court Building, 115-120, Motijheel C/A, Dhaka
0236	Madhabdi Bazar Branch	8, Bank Road, Madhabdi Bazar, Narsinghdi
0150	Madina Market Branch	Mahmud Complex, 1st Floor, Madina Market, West Pathantula, Sylhet
0003	Maijdee Branch	Mostafa Plaza, Holding#142, Road#01, Main Road, Maijdee, Noakhali
0161	Moulvibazar Branch	S.R. Plaza (1st Floor), 1151/3/ M. Saifur Rahman Road, Moulvibazar
0001	Teknaf Branch	Farid Market, 1st floor, Madrasha Road, Teknaf Pouroshova, Teknaf, Cox's Bazar
0105	Eskaton Branch	Shanta Garden, 50/B, New Eskaton Road, Dhaka
0223	Mirpur Branch	Plot-01, Road-05, Block-A, Section-10, Mirpur, Dhaka
0225	Mohakhali Branch	100, Mohakhali(Ground & 1st floor), Bir Uttam A.K. Khandakar Road, Dhaka
0217	Shahjahanpur Branch	Navana Circular Heights, Holding#20, Outer Circular Road, Ward-11, Dhaka
0109	Murapara Branch	Brothers Riaz Uddin Khan Plaza(1st floor), Murapara Bazar, Rupgonj, Narayanganj
0701	Mymensingh Branch	Momen Tower, Holding 65, Dr. Bipin Sen Road, Choto Bazar, Mymensingh
0111	Nandipara Branch	Haji Mohammad Sadek Ali Mansion, Union-Dakkingaon, Thana-Khilgaon, Dhaka
0231	Narayanganj Branch	Sattar Tower, 48, S.M. Maleh Road, Tanbazar, Narayanganj
0025	New Market Branch Chattogram	Al-Karan Biponi Bitan Centre (2 nd floor),H#388, Road#Kotwali, Ward#31, Chattogram City Corporation, Chattogram
0301	Pabna Branch	1st floor, Munshi Complex, Hazi Abdul Goni Road, Boro Bazar C/A, Near Jubili Tank, Pabna
0233	Pagla Bazar Branch	Al-Haj Afsar Karim Bhaban, D.N.Road, PaglaBazar, Narayanganj
0112	Panchdona Branch	Microgreen City, Shreechandi,Union-Maherpara, Ward-09,P.S-Narshingdi Sadar, Narshingdi
0022	Patiya Branch	A S Rahat Ali High School Market(1st floor), Thana Road, Patiya, Chattogram
0114	Pragati Sarani Branch	Skill House(1st & 2nd floor),KA-53/2, Pragati Sarani, Gulshan, Dhaka
0230	Rajanagar Branch	Smriti Plaza(1st floor), Rajanagar, Serajdikhan, Munshigonj
0421	Rajshahi Branch	73, Ganakpara, Shaheb Bazar, Rajshahi
0431	Rangpur Branch	Bangladesh Muktijoddha Sangsad, Rangpur Unit(1st floor), Shahid Mokter Elahi Sarani, Station Road,Ward-25,Rangpur
0436	Saidpur Branch	1st Floor, (Shahid Dr,Zikrul Houqe Road),Saidpur,Nilphamari
0501	Satkhira Branch	Bara Bazar, Thana Road, Satkhira Sadar, Satkhira
0222	Savar Bazar Branch	Alam Plaza,(1st floor), 122, Jaleshor, Savar Bazar Bus Stand, Savar, Dhaka
0403	Shahajadpur Branch	Hamid Market(1st floor), H#38, Dariapur Bazar, P.O-Shahajadpur, P.S-Shahajadpur,Dist-Sirajganj
0304	Sherpur Branch	H#2339,(1st & 2nd floor), Sherpur Pourosova, Bogura
0402	Sirajganj Branch	Mahbub Shopping Center,(1st floor),SS Road, Sirajganj

BRANCH NETWORK

Continued

Branch Code	Branch Name in English	Branch Business Address
0091	Sonaimuri Branch	Tofael Shopping Mall, Sonaimuri Bazar, Sonaimuri, Noakhali
0103	Tangail Branch	Noorjahan Complex(1st floor), Maszid Road, Tangail
0153	Uposahar Branch	House#10, Road#32, Block#D, Shahjalal Uposahar, Sylhet
0204	Uttara Branch	House#01, Road#13, Sector#1, Uttara, Dhaka
0007	Chowmuhani Branch	Rupali Bhaban, Holding no.807, Feni Road, Ward no. 4, Chowmuhani Pourashava, Thana-Begumganj, District-Noakhali
0115	Kalibari Branch	Mumtaz Plaza, Kalibari Adarsha Bazar, Union-02, Thana-Araihazar, District-Narayanganj
0116	Mawna Branch	L.K.Tower, 2nd floor, Sonabo, Tengra, Telihat Union Parishod, Sreepur, Gazipur
0118	Rupshi Branch	City Staff Quarter, Holding No.-498 & 499, Shaheed Bokul Road, Ward No.-04, Pourosova- Tarabo, P.S- Rupganj, Dist- Narayanganj
0008	Gunabati Branch	Wadud Akbar Garden, Gunabati Bazar, Union-12 no. Gunabati union, P.S- Chauddagram, Dist- Cumilla
0117	Banani Road No 11 Branch	Eleven Square, Holding No.-01, Road No.-11, Ward No.-19/5, Banani R/A, P.S- Banani, Dhaka North City Corporation, Dist- Dhaka
0004	CEPZ SME Service Centre	CEPZ Zone Service Complex, Chittagong EPZ, South Haliashahar, Chattogram
0107	Goran Sme Service Center	179, North Goran, 1st floor, Khilgaon, Dhaka 1219
0108	Shewrapara SME Service Centre	Plot-1036, 1st Floor, Shewrapara, Mirpur, Dhaka-1216
0119	Sonargaon Janapath Branch	Holding NO.56, Sonargaon Janapath Road, Sector-09, Ward No.01, Dhaka North City Corporation, Thana-Uttara, Dist-Dhaka.
MRP01	Rupnagar Sub Branch	H#56, R#19, Main Road, Rupnagar R/A, Rupnagar, Mirpur, Dhaka
ESK01	Hatirpool Sub Branch	89, Nasir Trade Center, Bir Uttam C R Datta Road, Kalabagan, Dhaka.
	Baily Road Customer Service Centre	Guide House, Holding No-02, Natok Shoroni, New Baily Road, Ramna, Dhaka-1000

ABBREVIATIONS

ABB	Association of Bankers, Bangladesh	GABV	Global Alliance on Banking for Values
AC	Audit Committee	GDP	Gross Domestic Product
ADR	Advance to Deposit Ratio	GOB	Government of Bangladesh
ADC	Alternative Distribution Channel	GTFP	Global Trade Finance Program
ALCO	Asset Liability Committee	HFT	Held for Trading
ALS	Assured Liquidity Support	HRD	Human Resources Division
ATM	Automated Teller Machine	ICAB	Institute of Chartered Accountants of Bangladesh.
BACH	Bangladesh Automated Clearing House	ICAAP	Internal Capital Adequacy Assessment Process
BAS	Bangladesh Accounting Standard	ICCD	Internal Control & Compliance Division
BB	Bangladesh Bank (Central Bank of Bangladesh)	IFC	International Finance Corporation
BAC	Board Audit Committee	IT	Information Technology
BCP	Business Continuity Plan	IAS	International Accounting Standard
BFRS	Bangladesh Financial Reporting Standards	IPO	Initial Public Offering
BSEC	Bangladesh Securities and Exchange Commission	IVR	Interactive Voice Response
BORC	Bank Operational Risk Committee	LC	Letter of Credit
BRMC	Bank Risk Management Committee	LCR	Liquidity Coverage Ratio
BRPD	Banking Regulation and Policy Department (of Bangladesh Bank)	MANCOM	Management Committee
CAGR	Compound Annual Growth Rate	MCO	Maximum Cumulative Outflow
CDBL	Central Depository Bangladesh Limited	MCR	Minimum Capital Requirement
CRAB	Credit Rating Agency of Bangladesh	MD&A	Management Discussion & Analysis
CMU	Cash Management Unit	MFI	Micro Finance Institutions
CP	Commercial Paper	MICR	Magnetic Ink Character Recognition
CRAR	Capital to Risk-weighted Assets Ratio	NBFI	Non-bank Financial Institution
CSU	Customer Support Unit	NII	Net Interest Income
CRR	Cash Reserve Ratio	NPL	Non Performing Loan (Classified Loan)
CRM	Credit Risk Management	NCBs	Nationalized Commercial Banks
CSE	Chittagong Stock Exchange	NRB	Non Resident Business
CSR	Corporate Social Responsibility	NSFR	Net Stable Funding Ratio
CRGM	Credit Risk Grading Matrix	OBU	Offshore Banking Unit
CDCS	Certified Documentary Credit Specialist	OCI	Other Comprehensive Income
CRISL	Credit Rating Information and Services Ltd.	PCBs	Private Commercial Banks
DSE	Dhaka Stock Exchange	PC	Purchase Committee
DTA	Deferred Tax Assets	PD	Probability of Default
DCFCL	Departmental Control Function Check List	POS	Point of Sale
DR	Disaster Recovery	PPG	Product Program Guidelines
EPL	Equity Partners Limited	PRI	Prime Risk Indicator
EPS	Earnings per Share	QMS	Quality Management System
ERM	Enterprise Risk Management	RBCA	Risk Based Capital Adequacy
EVA	Economic Value Added	RFCD	Resident Foreign Currency Deposit
EC	Executive Committee	RWA	Risk Weighted Assets
ECAI	External Credit Assessment Institution	RMG	Readymade Garments
EFT	Electronic Fund Transfer	ROA	Return on Assets
EMI	Equal Monthly Installment	ROE	Return on Equity
EPZ	Export Processing Zone	ROU	Right of Use
E&SR	Environmental and Social Risk	SAMD	Special Asset Management Division
ETP	Effluent Treatment Plant	SFU	Structured Finance Unit
FD	Fixed Deposit	SAFA	South Asian Federation of Accountants
FTP	Fund Transfer Pricing	SME	Small and Medium Enterprise
FY	Fiscal Year	SLR	Statutory Liquidity Ratio
FCY	Foreign Currency	STP	Straight Through Processing
FDI	Foreign Direct Investment	SRP	Supervisory Review Process
FI	Financial Institution	TFP	Trade Finance Program
FUM	Fund under Management	TREC	Trading Right Entitlement Certificate
FY	Financial Year	UBS	Universal Banking System (Core Banking Solution)

Notice of the 25th Annual General Meeting

Notice is hereby given to all the members of Dhaka Bank Limited that the **25th Annual General Meeting** of the members of the Company will be held virtually by using digital platform through the link “<https://dhakabank.bdvirtualagm.com>” on **Thursday, August 06, 2020 at 11:30 a.m. (BST)** to transact the following businesses:

1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st December, 2019 and Balance Sheet as of that date together with the Reports of the Directors and the Auditors thereon.
2. To declare dividend for the Shareholders out of the profits of the year ended 31st December, 2019 as recommended by the Board of Directors.
3. To re-elect Directors who will be retiring from their Office.
4. To appoint the Auditors of the Company for the term until the next Annual General Meeting and to fix their remuneration.
5. To appoint the Compliance Auditors as per Corporate Governance Code for the year 2020 and to fix their remuneration.
6. Any other matter with the permission of the Chair.

July 16, 2020

By order of the Board
Sd/-
Md. Shahjahan Miah
SVP & Company Secretary

NOTES:

1. The ‘**Record Date**’ was on Tuesday, **July 14, 2020**. The Shareholders whose names appeared in the CDS/Register of Members of the Company on the **Record Date** shall be entitled to the dividend and participate the AGM.
2. Shareholders entitled to participate and vote at this virtual AGM may appoint a proxy to participate and vote. The ‘Proxy Form’, duly filled, signed and stamped at BDT 20 must be sent through email to share.department@dhakabank.com.bd not later than 48 hours before commencement of the AGM.
3. Annual Report-2019 along with Attendance Slip, Proxy Form and Notice of the AGM are being sent to all the members by courier service / post / e-mail address available as per CDBL record. Members may also collect the Annual Report & Proxy Form from the Share Department of the company situated at Corporate Office, Level-6, 71, Purana Paltan Lane, Kakrail, Dhaka or from the website of the company, i.e. www.dhakabankltd.com.bd.
4. Concerned Depository Participants (DP) / Stock Brokers are requested to provide us with a list of their margin loan holders who held DBL shares as on record date with the details of Shareholders’ name, BO ID, shareholding position, cash dividend receivable, tax rate, etc. within July 28, 2020 along with the name of their contact person to the Share Department of the Company situated at Corporate Office, Level-6, 71, Purana Paltan Lane, Kakrail, Dhaka or at share.department@dhakabank.com.bd. The DP / Stock Brokers are also requested to provide us with their Bank Account name & number, routing number, etc. to aforementioned email address for receiving the dividends of their margin loan holders.
5. The shareholders will join the virtual AGM through the link <https://dhakabank.bdvirtualagm.com>. The shareholders will be able to submit their questions / comments electronically before 24 (twenty-four) hours of commencement of the AGM through this link and also during the Annual General Meeting. In order to login for the virtual AGM, the shareholders need to click on the link and provide their 16 digit Beneficiary Owners (BO) Account Number / Folio Number.
6. Shareholders are requested to login to the system well ahead of the Meeting at appointed time for the AGM on Thursday, August 6, 2020. The webcast will start at 10:45 a.m. For any IT related guidance and help with the login process the respected members may contact at +8801678006132.



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