

Hoda Vasi Chowdhury & Co

Chartered Accountants

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



<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>	<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.
<p>See note no 7 and 15 to the financial statements</p>	

<p>Valuation of treasury bill and treasury bond</p>	
<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>
<p>See note no 6 to the financial statements</p>	

<p>Impairment assessment of unquoted investments</p>	
<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>
<p>See note no 6 to the financial statements</p>	



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>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>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.</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> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>

Carrying value of investments in subsidiaries by the Bank	
<p>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.</p> <p>At the time of conducting our audit of the</p>	<p>We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36.</p> <p>In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used</p>



<p>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.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its individual subsidiaries in accordance with IAS 36.</p>	<p>in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p> <p>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.</p>
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<p>Revaluation of Property, Plant and Equipment</p>	
<p>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.</p>	<p>We discussed the basis for this change in accounting policy with management and obtained their representation.</p> <p>We assessed the process taken by the Bank to reverse earlier entries and agreed those amounts with previous records.</p> <p>We checked related accounting treatments as recognized by the Bank.</p> <p>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.</p> <p>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.</p>
<p>Note 2.41 and 18.2</p>	

<p>Implementation of IFRS 16 Leases</p>	
<p>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</p>	<p>In responding to the identified key audit matter, we completed the following audit procedures:</p> <p>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;</p> <p>Assessed the appropriateness of the discount rates applied in determining lease liabilities;</p> <p>Verified the accuracy of the underlying lease data by agreeing to original contract and checked the accuracy</p>



<p>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.</p>	<p>of the IFRS 16 calculations through recalculation of the expected IFRS 16 adjustment; and</p> <p>Assessed whether the disclosures within the financial statements are appropriate in light of the requirements of IFRS.</p>
<p>See notes no 9, 28 and 36 to the financial statements</p>	

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.

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
Hoda Vasi Chowdhury & Co
Chartered Accountants



Dhaka Bank Limited and its Subsidiaries
Consolidated Balance Sheet
As at 31 December 2019

	Notes	31.12.2019 Taka	31.12.2018 Taka
<u>PROPERTY AND ASSETS</u>			
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 Assets		286,437,025,931	275,397,025,325
<u>LIABILITIES & CAPITAL</u>			
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

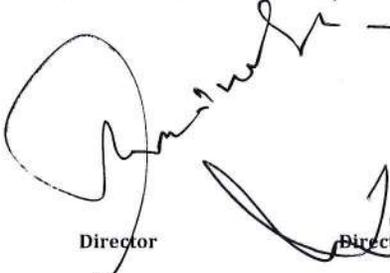
Notes	31.12.2019 Taka	31.12.2018 Taka
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Off-Balance Sheet Items

	21	132,382,780,922	136,871,421,513
Contingent liabilities			
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.


Managing Director & CEO


Director


Director


Chairman

See the annexed report of even date

Dhaka,
23 June 2020


Hoda Vasi Chowdhury & Co
Chartered Accountants

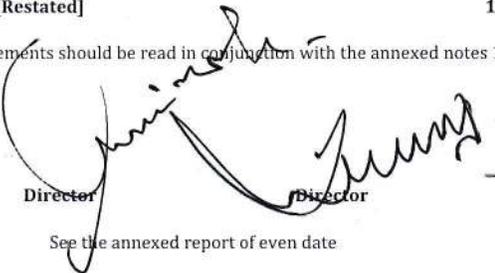


Dhaka Bank Limited and its Subsidiaries
Consolidated Profit & Loss Account
For the year ended 31 December 2019

	Notes	2019	2018
		Taka	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
		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
		4,786,944,001	4,395,266,939
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
		3,002,885,043	3,630,508,288
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
		1,623,569,365	1,409,628,441
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	19a	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 (CEPS) [Restated]		1.90	1.65

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


Managing Director & CEO


Director


Director

See the annexed report of even date


Chairman

Dhaka,
23 June 2020


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.

Managing Director & CEO

Director

Director

Chairman



Dhaka Bank Limited and its Subsidiary
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

(Signature)
Director

(Signature)
Managing Director & CEO

Dhaka,
23 June 2020

(Signature)
Chairman



Dhaka Bank Limited and its Subsidiaries
Consolidated 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	Investment Fluctuation Fund	Non-controlling interest	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	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
properties	-	-	-	-	-	-	-	-	-
investments	-	-	-	-	11,599,933	-	-	-	11,599,933
Currency transaction differences	-	-	-	-	-	-	-	-	-
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
<u>PROPERTY AND ASSETS</u>			
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
<u>LIABILITIES & CAPITAL</u>			
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
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Off-Balance Sheet Items

		132,382,780,922	136,871,421,513
Contingent liabilities	21		
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

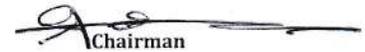
These Financial Statements should be read in conjunction with the annexed notes 1 to 44.


 Managing Director & CEO


 Director


 Director

See the annexed report of even date


 Chairman

Dhaka,
23 June 2020


 Hoda Vasi Chowdhury & Co
 Chartered Accountants

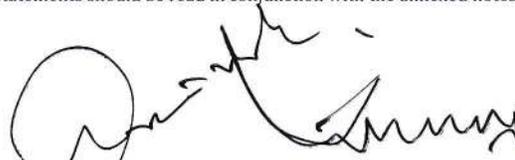


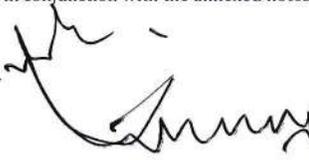
Dhaka Bank Limited
Profit & Loss Account
For the year ended 31 December 2019

	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

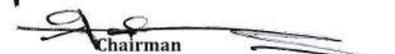
These Financial Statements should be read in conjunction with the annexed notes 1 to 44.


Managing Director & CEO


Director


Director

See the annexed report of even date


Chairman

Dhaka,
23 June 2020


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 flow 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 flow 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.

Managing Director & CEO

Director

Director

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)

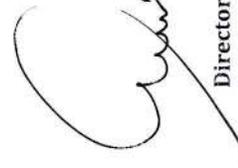
Particulars	Upto 01 month	1 - 3 months	3 - 12 months	1 - 5 years	more than 5 years	Total
Assets:						
Cash in hand (including Balance with BB & its agents)	17,638,446,211	-	-	-	-	17,638,446,211
Balance with other Banks and financial institutions	8,494,154,259	4,415,340,329	1,019,600,596	-	-	13,929,095,184
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	-

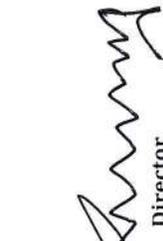
Dhaka Bank Limited
Statement of Changes in Equity
For the year ended 31 December 2019

Particulars	(Amount in Taka)						
	Paid up capital	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment Revaluation Reserve	Surplus in profit and loss account	Total Equity
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


Managing Director & CEO


Director


Director

Chairman



**Hoda Vasi
Chowdhury & Co**

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	-	-	-	-	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, Chittagong 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 (BAS). Accordingly, investments in subsidiaries are stated in the Bank's Balance Sheet at cost, less impairment losses if any.

Value of Investment has been enumerated as follows:

Investment Class	Initial Recognition	Measurement after initial recognition	Recording of changes
Held for trading (T Bills, T Bonds, etc.)	Cost	Fair value	Loss to profit and loss account, gain to revaluation reserve through profit and loss account.
Held to maturity (T Bills, T Bonds etc.)	Cost	Amortized cost	Increase or decrease in value to equity and in the profit and loss statement respectively.
Prize bond	Cost	Cost	None
Shares (quoted)	Cost	Market value	Loss (gain net off) to profit and loss account but no unrealized gain booking.
Shares (unquoted)	Cost	At cost or book value as per last audited balance sheet, whichever is lower	Loss to profit and loss account but no unrealized gain booking.
Investment in islamic bond	Cost	Cost	None
Commercial paper	Cost	Amortized cost	None

2.6 Property, plant and equipment and depreciation

Property, plant 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.

d) **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, 2018 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 2018 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 375 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 in 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

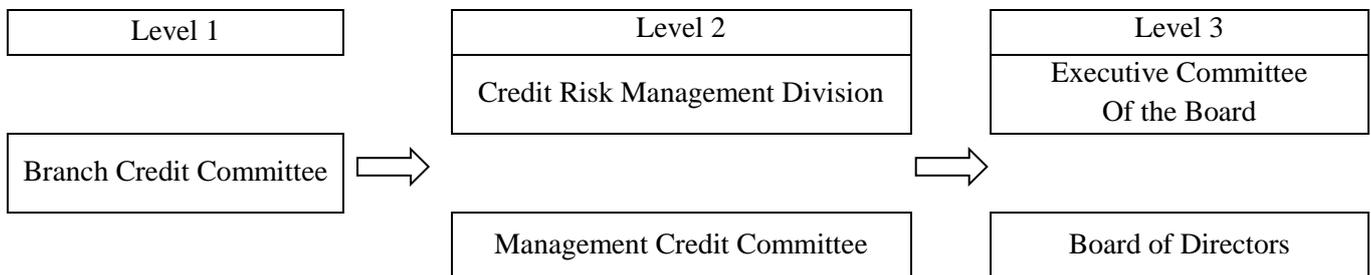
Credit Risk, broadly adverted as the uncertainty to meet financial obligations as per agreed terms and condition by the borrowers during the tenor of the credit facilities, occupies the largest constituent in the risk spectrum of financial institutions. Efficacy in credit risk management is demanded 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 disclosures

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 (four) 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 disclosure

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 BGIIB-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

Sl. No.	IAS No.	IAS Title	Compliance Status
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.	IFRS No.	IFRS 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
Balance with Sonali Bank as agent of Bangladesh Bank		14,341,712,062	12,752,542,637
		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, 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%

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%

31.12.2019 Taka	31.12.2018 Taka
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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 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.

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

		31.12.2019	31.12.2018
		Taka	Taka
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
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

	31.12.2019	31.12.2018
	Taka	Taka
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

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			
		-	-

		31.12.2019	31.12.2018
		Taka	Taka
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
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
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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

-	-
-	-
-	-

6.5 Maturity Grouping of Investments

On demand

Over 2 Days but not more than 3 Months

Over 3 months but not more than 6 months

More than 6 months but less than 1 year

Over 1 year but not more than 5 years

Over 5 years

3,326,000	-
1,122,583,500	1,426,627,133
1,630,315,423	702,964,054
8,062,302,678	1,417,485,312
19,289,642,712	17,994,298,827
6,573,586,261	6,078,620,019
36,681,756,574	27,619,995,345

		31.12.2019	31.12.2018
		Taka	Taka
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
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

	31.12.2019	31.12.2018
	Taka	Taka
7.5 Loans on the basis of significant concentration including bills purchased & discounted		
a. Advances to allied concerns of Directors	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**)

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 Industres 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
Special Mention Account*

Classified

Sub-Standard
Doubtful
Bad or loss

	31.12.2019 Taka	31.12.2018 Taka
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
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

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			-	-

*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.

B) Provision for good borrower

34,523,697 **22,523,697**

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			-	-

	31.12.2019 Taka	31.12.2018 Taka
7.12 Securities against loans including bills purchased & discounted		
a. Secured		
Collateral of movable / immovable assets	120,727,777,615	96,716,284,507
Local Banks & Financial Institutions guarantee	-	-
Foreign Banks Guarantee	-	-
Export documents	2,721,277,164	10,377,473,777
Government Guarantee	-	-
Fixed Deposits Receipts		
Own FDR	4,141,535,033	1,778,953,585
FDR of Other Banks	109,163,024	109,849,893
Personal Guarantee	23,485,424,732	1,250,939,066
Corporate Guarantee	-	26,028,723,154
Other Securities	43,963,816,529	44,363,479,615
Government bonds	-	-
	195,148,994,097	180,625,703,598
	485,912,922	-
b. Unsecured	195,634,907,019	180,625,703,598

7.13 Particulars of Loans, advances and lease/investments

(i) Loans considered good in respect of which the bank company is fully secured;	120,727,777,615	96,716,284,507
(ii) Loans considered good against which the banking company holds no security other than the debtor's personal guarantee;	23,485,424,732	1,250,939,066
(iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors;	4,250,698,057	1,888,803,478
(iv) Loans adversely classified; provision not maintained there against;	-	-
(v) Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons;*	1,439,771,495	1,400,491,779
(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;	35,659,537	34,136,130
(vii) Maximum total amount of advances including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person;*	1,439,771,495	1,400,491,779
(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;	35,659,537	34,136,130
(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;	2,649,058,186	1,108,155,668
b) Amount realized against loan previously written off; **	82,879,861	41,105,402
c) Amount of provision kept against loan classified as "bad/loss" on the date of preparing the balance sheet;	4,425,088,066	3,937,125,332
d) Interest creditable to the Interest Suspense A/c;	-	-
(xi) Cumulative amount of the written off loan;***	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**

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	2,624,408,554	2,957,426,187
Dhaka Bank Securities Limited	-	-
Dhaka Bank Investment Limited	-	-
	2,624,408,554	2,957,426,187

(Note: 8)

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

	31.12.2019 Taka	31.12.2018 Taka
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 demolishment 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
Less: Inter-company transactions			
Investment in Dhaka Bank Securities Limited		1,499,999,940	1,499,999,940
Investment in Dhaka Bank Investment Limited		249,999,940	249,999,940
Stock dividend from Dhaka Bank Securities Limited		-	-
Receivable from Dhaka Bank Investment Limited		1,173,725	1,173,725
Receivable from Dhaka Bank Securities Limited		105,787,264	155,787,264
		1,856,960,869	1,906,960,869
		14,482,589,531	26,209,937,949

10.1 Investment in shares of subsidiary companies			
Dhaka Bank Securities Limited	(Note: 1.2.6.1)	1,499,999,940	1,499,999,940
(99.99% owned subsidiary company of DBL)			
Dhaka Bank Investment Limited	(Note: 1.2.6.2)	249,999,940	249,999,940
(99.99% owned subsidiary company of DBL)			
		1,749,999,880	1,749,999,880

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

10.1.a Advance rent up to 2019 Tk. 163,690,043.42 has been considered with right of use assets (ROU) as per IFRS 16.

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

10.3 The amount represents payment in advance against opening of new branches, various types of insurance premiums, legal expenses, software maintenance etc. It also includes the advance for work in progress of Head Office Building at Gulshan .

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

		31.12.2019	31.12.2018
		Taka	Taka
10.5 Suspense account			
Suspense Account represents advance paid against renovation of different branches which is Capital Expenditure and will be adjusted after receiving the final bills.			
10.6 Others			
Advance Tax	(Note: 10.6.1)	6,414,335,515	4,495,696,337
Deferred Tax Assets	(Note: 15.8)	68,291,675	17,558,808
Account receivable others	(Note: 10.6.2)	2,607,859,993	14,098,732,822
		9,090,487,183	18,611,987,967
10.6.1 Advance Tax			
Opening Balance		4,495,696,337	2,881,721,341
Add: Paid during the year		1,918,639,178	1,613,974,996
		6,414,335,515	4,495,696,337
Less: Adjustment during the year		-	-
		6,414,335,515	4,495,696,337
10.6.2 Account receivable others			
Receivable against Bangladesh / Paribar Sanchaya Patra		326,767,895	308,262,312
Fees receivable		63,124,915	43,583,355
Receivable from share sale proceeds		-	572,603
Dividend Receivable		4,517,808	-
Finance to AD branches for Local Documentary Bill Purchased	(Note: 10.6.2.a)	1,708,314,074	2,235,173,720
Finance to AD branches for Import Bill Discounting	(Note: 10.6.2.b)	109,641,877	11,089,105,476
Protestation account		3,012,677	1,766,805
ATM settlement account		194,719,255	260,816,500
Receivable from exchange houses		2,141,341	2,491,062
Excise Duty Receivable		88,659,162	-
Receivable from Dhaka Bank Investment Limited		1,173,725	1,173,725
Receivable from Dhaka Bank Securities Limited		105,787,264	155,787,264
		2,607,859,993	14,098,732,822
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

		31.12.2019	31.12.2018
		Taka	Taka
11. Non-banking assets			
Land and Building		-	23,166,033
(already sold out and adjusted)			
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
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

		31.12.2019 Taka	31.12.2018 Taka	
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
12.5 Analysis by security				
Secured (assets pledge as security for liabilities)		-	-	-
Unsecured		27,725,127,384	26,680,184,769	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	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	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			-	-
Less: Inter company transaction			30,143,233,522	28,983,136,854
			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
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

	31.12.2019	31.12.2018
	Taka	Taka
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
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 (NFCD)	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

		31.12.2019	31.12.2018
		Taka	Taka
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 (NFCD)		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			
<u>Other than Bank Deposits</u>			
Payable on demand		24,219,778,270	23,499,387,572
Payable 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
<u>Inter-bank deposits</u>			
Payable on demand		-	-
Payable 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
14. Non Convertible Subordinated Bond		7,400,000,000	8,000,000,000
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.			
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.			
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

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.

15.7(a) Consolidated Provision for Current Tax

	(Note: 15.7)	31.12.2019 Taka	31.12.2018 Taka
Dhaka Bank Limited		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	-	-	-
Applicable Tax Rate	4%		4%
Deferred Tax Liability			-
Net Deferred Tax (Asset)/ Liability as on 31 December 2019			(42,353,475)

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	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)

	31.12.2019 Taka	31.12.2018 Taka
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

		31.12.2019	31.12.2018
		Taka	Taka
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	(169,962,879)
Export Proceeds Suspense		795,518,571	771,920,851
Vendors' Security Deposit		-	6,205,144
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

10,000,000,000 **10,000,000,000**

The Bank increased its authorized capital from Tk 6,000 million to Tk 10,000 million by passing a special resolution in the Bank's 4th Extra Ordinary General Meeting (EGM) held on 04 July 2010.

16.2 Issued, Subscribed and Paid-up Capital

812,582,685 ordinary shares (2018:812,582,685 ordinary shares of Tk. 10.00 each) of Tk.10.00 each

8,125,826,850 7,222,957,200

40,629,134 ordinary shares * of Tk.10.00 each

406,291,340 902,869,650

8,532,118,190 **8,125,826,850**

*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 Dividen	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

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				
Government	-	-	-	-
Banking Companies				
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
Other Investor's A/C				
	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	-	-	-	-
	0.0006	53,170	0.0904	7,351,000
	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
	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	28,798,481	287,984,810	27,427,125	274,271,250
2	Mr. Towhidul Hossain Chowdhury	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)

	31.12.2019 Taka	31.12.2018 Taka
Paid up Capital	8,532,118,190	8,125,826,850
Statutory Reserve	7,627,051,380	7,006,913,590
General Reserve	6,560,631	6,560,631
Surplus in Profit and Loss Account	974,389,056	820,995,974
	17,140,119,257	15,960,297,045

Less : Regulatory Adjustment

Deferred Tax Assets (DTA)	68,291,675	17,558,808
Book value of Goodwill and value of all other Intangible Assets** (Written down value of Software which is treated as Intangible Assets)	569,154,096	539,820,091
	16,502,673,486	15,402,918,146

Additional Tier 1 Capital (AT 1)

	-	-
Total Tier - I Capital	16,502,673,486	15,402,918,146

Tier - II Capital (gone concern capital)

General Provision	(Note - 16.9.1)	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 - 16.9.2)	-	6,168,164
Non-convertible Subordinated Bond	(Note-16.9.3)	6,605,126,699	7,803,323,797
		14,669,226,461	13,691,653,940

Less : Regulatory Adjustment

	-	-
Total Tier - II Capital	14,669,226,461	13,691,653,940

A. Total Eligible Capital

	31,171,899,947	29,094,572,086
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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
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D. Capital Surplus / (Shortfall) [A-C]

	6,997,121,912	4,128,524,906
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Total Capital Ratio (%)*

	16.12%	13.84%
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Capital Requirement	2019		2018	
	Required (%)	Held (%)	Required (%)	Held (%)
Tier - I Capital (going concern capital)	7.00%	8.53%	6.375%	7.33%
Tier - II Capital (gone concern capital)	-	7.58%	-	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.

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

Tier - I Capital (going - concern capital)

Common Equity Tier 1 Capital (CET 1)

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

31.12.2019	31.12.2018
Taka	Taka
31.12.2019	31.12.2018
Taka	Taka

8,532,118,190	8,125,826,850
67,600	62,379
7,627,051,380	7,006,913,590
6,560,631	6,560,631
1,618,562,389	1,417,367,181
17,784,360,190	16,556,730,631

Less : Regulatory Adjustment

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

569,154,096	539,820,091
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
 Asset Revaluation Reserve (50%) (Note-18.2)
 Revaluation Reserve for HTM & HFT Securities (50%) [Note-2.5(a) & (b) and 18.3]
 Non-convertible Subordinated Bond (Note-16.9.1)

8,064,099,762	5,817,316,479
-	64,845,500
-	6,168,164
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
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B. Risk Weighted Assets

Credit Risk

Balance sheet business
 Off- Balance sheet business

148,360,727,465	164,420,909,007
30,862,177,695	32,542,690,924
179,222,905,160	196,963,599,931

Market Risk

Operational Risk

Total Risk-weighted Assets

3,016,251,556	3,878,414,822
16,100,219,544	14,680,344,905
198,339,376,261	215,522,359,658

C. Required Capital on Risk Weighted Assets

24,792,422,033	25,593,280,209
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D. Capital Surplus / (Shortfall) [A-C]

7,592,300,015	4,293,153,348
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Total Capital Ratio (%)*

16.33%	13.87%
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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
 Add: Addition during the year

7,006,913,590	6,418,181,801
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.

18. **Other Reserve**

General reserve (Note 18.1)
 Assets revaluation reserve (Note 18.2)
 Investment revaluation reserve (Note 18.3)

6,560,631	6,560,631
-	622,516,800
70,495,379	33,162,249
77,056,010	662,239,680

	31.12.2019	31.12.2018
	Taka	Taka
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

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.

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".

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".

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.

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

	31.12.2019	31.12.2018
	Taka	Taka
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
21 Contingent Liabilities		
Acceptance & Endorsement	46,595,967,020	47,488,743,492
Letters of Credit	24,421,413,575	31,118,725,956
Usance/Defer Letter of Credit	11,336,822,634	14,649,873,029
Sight Letter of Credit	5,639,458,423	6,950,364,922
Back to Back Letter of Credit	3,028,196,812	4,724,029,221
BD-Sight (EDF)	798,595,778	720,938,044
Back to Back - Local	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

	2019	2018
	Taka	Taka
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
22(a) Consolidated Interest income/profit on investments		
Dhaka Bank Limited	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	1,262,383,458	1,026,557,755
	17,040,147,154	13,408,588,881
23.1 Others		
Interest paid on NFCB	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	-	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	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

		2019	2018
		Taka	Taka
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
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
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

		2019	2018
		Taka	Taka
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
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

		2019	2018
		Taka	Taka
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		1,449,000	1,395,000
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			
<u>Depreciation & Amortization</u>			
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
<u>Repair & Maintenance:</u>			
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
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

	2019	2018
	Taka	Taka
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	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	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.

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	(52,627,546)	350,847,128
Provision for other assets	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
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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.

		2019	2018
		Taka	Taka
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
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)

	2019	2018
	Taka	Taka
43(a) Consolidated Other Assets		
Dhaka Bank Limited	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
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	(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

SL No.	Particulars	31.12.2019	31.12.2018
1	Paid up Capital	8,532,118,190	8,125,826,850
2	Total Capital	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

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.

Annexure-B

Dhaka Bank Limited
Investment in Shares
As at 31 December 2019

(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
VFSTD	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	98,568,686	16,780,312	-	115,348,997	565,561,721
Furniture & Fixtures	465,832,187	84,690,691	-	550,522,878	10	302,277,582	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	811,795,441	177,796,687	3,757,421	985,834,707	462,133,080
Computer	256,561,870	17,487,750	34,323,486	239,726,134	20	213,629,129	16,890,493	34,323,128	196,196,495	43,529,640
Software	663,180,606	99,243,408	23,983,500	738,440,514	10	123,360,515	69,909,400	23,983,497	169,286,418	569,154,096
Motor Vehicle	288,604,723	29,276,583	5,283,434	312,597,872	20	106,581,283	53,843,842	4,138,687	156,286,438	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		1,656,212,636	543,572,010	66,202,733	2,133,581,914	5,079,659,629
Total 2018	5,609,168,810	980,303,540	26,878,548	6,562,593,802		1,346,275,507	333,590,455	23,653,326	1,656,212,636	4,906,381,165

Dhaka Bank Limited

Recovery of loans previously written-off during the period Jan-Dec 2019

(Amount in Taka)

Sl. No.	Name of Borrowers	Amount written-off	Amount of Provision kept at the time of written-off	Suit Value (in million)	Amount Recovered after loan written-off
Corporate Loan					
1	Ahnaf & Co.	17,855,447	15,742,193	20.85	2,200,000
2	Anudip Autos Limited	43,767,825	32,747,739	40.25	2,250,000
3	Fairway Trading	93,230,198	13,984,530	124.80	1,000,000
4	Gonoshasthaya Antibiotic Ltd.	71,628,580	60,192,640	75.99	4,500,000
5	Iqbal Construction Firm	11,527,521	7,758,309	15.32	30,000
6	Bhuiyan Enterprise	6,594,471	3,497,942	12.36	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	40.02	8,320,000
9	Sunflower Electric	179,295	132,829	0.41	179,295
10	Mohammad Didarul Islam	4,601,234	1,248,071	5.08	4,601,234
11	Orkishtra Kraft	1,232,968	184,945	2.04	80,000
12	Parisha Trade System Ltd.	70,247,889	56,126,471	66.57	9,870,000
13	Shameem Construction	6,473,430	6,050,974	7.86	1,000,000
14	Siddique Traders	176,337,598	51,321,139	150.29	6,000,000
15	Unique Steel	51,296,586	36,183,094	55.74	12,500,000
Sub Total		595,669,962	313,192,419	617.58	63,629,048
Retail Loan					
1	Various Client	69,237,662	41,548,568	102.36	19,250,812
Sub Total		69,237,662	41,548,568	102.36	19,250,812
Grand Total		664,907,625	354,740,987	719.94	82,879,861

Dhaka Bank Limited

Details of Borrowers for written-off loan during the period Jan-Dec 2019

(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 (in million)
Corporate & SME Loan					
1	N.N. Enterprise	9,325,763	3,247,016	6,078,747	10.50
2	Siam Electronics	812,048	103,628	708,420	0.93
3	Aapon Corporation	552,856	50,848	502,008	0.74
4	Chaya Hardware Store	3,296,798	1,645,068	1,651,729	2.02
5	S.M.Trading	1,259,952	625,750	634,202	1.51
Sub Total		15,247,417	5,672,310	9,575,107	15.70
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 (in million)
1	144 Number of Personal Loan	35,030,133	14,969,538	20,060,594	66.53
2	26 Number of Car Loan	24,973,247	9,340,853	15,001,675	44.56
3	322 Number of Credit Card	26,850,664	3,692,965	23,157,699	24.28
Sub Total		86,854,044	28,003,356	58,219,968	135.38
Grand Total		102,101,460	33,675,666	67,795,075	151.08

Related Party Disclosures

A. i) Name of the Directors and their interest in the Bank as on 31.12.2019:

Sl. 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:

Sl. 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 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
8.	Mr. Abdullah Al-Ahsan	Director	Aroma Poultry Ltd.	Director

Sl. No.	Name	Status with the Bank	Name of the firms/Companies in which they have interest	Status in the interested entities
			Aroma Fisheries Ltd.	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 Ltd.	Managing Director 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 Hospitals Dhaka Ltd. 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:

Name	Relationship	Nature of Transactions	Balance at 31.12.2019
Monoara 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			
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
Dhaka Bank Investment Limited	Subsidiary	Investment	249,999,940
Dhaka Bank Investment Limited	Subsidiary	Account receivable	1,173,725
Dhaka Bank Securities Limited	Subsidiary	Account receivable	105,787,264
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

Sl. No.	Assessment Year	Income Year	Provision for Income Tax (Current Tax) as per accounts	Total Tax Paid	Provision Excess/ (Shortage)	Further Claimed by TAX Authority	Tax Paid for Tribunal & High Court	Remaining Tax Liability	Present Status
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	

Annexure-I

“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
<u>PROPERTY AND ASSETS</u>			
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		<u>11,813,065,645</u>	<u>9,572,909,710</u>
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		<u>11,813,065,645</u>	<u>9,572,909,710</u>

Off-balance Sheet Items	Notes	31.12.2019 Taka	31.12.2018 Taka
Contingent Liabilities			
Acceptances and Endorsements		1,185,371,280	1,550,527,329
Irrevocable Letters of Credit		414,388,735	551,238,793
Letter of Guarantee		103,494,865	93,497,273
Bills for Collection		154,383,404	41,803,441
Other Contingent Liabilities		1,642,420,552	1,356,412,325
		<u>3,500,058,835</u>	<u>3,593,479,161</u>
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		<u>3,500,058,835</u>	<u>3,593,479,161</u>

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

	Notes	2019 Taka	2018 Taka
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
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
Shariah 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
Profit before provision & Taxes (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

31.12.2019 Taka	31.12.2018 Taka
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3.8 Industry - wise investments including bills purchased & discounted

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

<u>Status</u>	<u>Rate %</u>		
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
<u>Classified:</u>			
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
<u>Fixed Deposits Receipts</u>		
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
	2019	2018
	Taka	Taka
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

	2019 Taka	2018 Taka
17. Depreciation of Bank's Assets		
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

Dhaka Bank Limited (Off-Shore Banking Unit)
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	5	224,478,758	19,058,246,518	136,697,057	11,407,369,406
Deposits and other accounts	6	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	7	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

Off-Balance Sheet Items

Notes	31.12.2019		31.12.2018	
	USD	Taka	USD	Taka
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	
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
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 Taxation :		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 operating assets & liabilities		6,957,963	590,731,100	6,743,464	562,742,106
Increase / Decrease 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 Flows from Investing Activities		-	-	-	-
Cash Flows 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)		-	-	-	-
Cash and cash equivalents at beginning period		-	-	-	-
Cash and cash equivalents at end of period		-	-	-	-
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	61,525,781.60	5,223,538,858	71,513,907.58	6,071,530,754	21,152,909.91	1,795,882,051	1,058,057.46	89,829,078	187,707,373	15,936,355,932
Fixed assets including premises, furniture and fixtures	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	21,760,852.37	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
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.

31.12.2019		31.12.2018	
USD	Taka	USD	Taka

3 Loans and Advances

3.1 Loans, Cash Credits & Overdrafts etc:

In Bangladesh

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

Payable outside Bangladesh:

Foreign bills purchased & discounted

	1,012,147	85,931,273	1,657,178	138,291,492
	-	-	-	-
Sub-total	1,012,147	85,931,273	1,657,178	138,291,492

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:

- Advances to allied concerns of Directors
- Advances to Chief Executive
- Advances to Other Senior Executives
- Advances to Customer's Group:

			-	-
			-	-
			-	-
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

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

31.12.2019		31.12.2018	
USD	Taka	USD	Taka

3.10 Provision required for loans and advances

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

1,774,212	150,630,579	686,270	57,269,246
90,301	7,666,532	35,084	2,927,760
1,864,512	158,297,111	721,354	60,197,006

Classified:

Sub-Standard	20
Doubtful	50
Bad or loss	100

215,073	18,259,732	114,049	9,517,356
		-	-
		-	-

Required provision for loans & advances

Total provision maintained

Excess / short provision as at 31 December

215,073	18,259,732	114,049	9,517,356
2,079,586	176,556,843	835,403	69,714,363
2,079,586	176,556,843	835,403	69,714,363
-	-	-	-

3.11 Securities against loans including bills purchased & discounted

a. Secured

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

23,803,445	2,020,912,458	-	-
		-	-
		-	-
		-	-
		1,657,178	138,291,492
		-	-
		-	-
		-	-
10,490,569	890,649,300	11,995,323	1,001,009,709
		-	-
153,413,359	13,024,794,174	59,269,906	4,946,073,656

b. Unsecured

-	-	-	-
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187,707,373	15,936,355,932	72,922,407	6,085,374,857
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3.12 Particulars of Loans and Advances

- (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;

177,216,804	15,045,706,632	60,927,084	5,084,365,148
10,490,569	890,649,300	11,995,323	1,001,009,709
		-	-
		-	-
		-	-
		-	-
		-	-

	31.12.2019		31.12.2018	
	USD	Taka	USD	Taka
(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			-	-
(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
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5.1 Maturity grouping of Borrowings

Repayable on demand			-	-
Repayable within 1 month			-	-
Over 1 month but within 6 months			-	-
Over 6 months but within 1 year	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.

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
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6.2 Bills Payable

	-	-	47,549	3,967,942
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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

31.12.2019		31.12.2018	
USD	Taka	USD	Taka
4,823,704	409,532,432	6,512,447	543,463,721
-	-	-	-
1,147,185	97,396,026	-	-
458,874	38,958,410	1,007,111	84,043,422
412,987	35,062,569	-	-
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

01-Jan-2019 to 31-Dec-2019		01-Jan-2018 to 31-Dec-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

01-Jan-2019 to 31-Dec-2019		01-Jan-2018 to 31-Dec-2018	
USD	Taka	USD	Taka

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)
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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.

Annexure - K

Dhaka Bank Securities Limited
Statement of Financial Position
As at 31 December 2019

	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
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
Total assets		5,631,278,152	5,535,318,460
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
Liabilities			
Current liabilities			
Short-term loans from bank and NBFIs	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
Total liabilities		3,487,759,369	3,431,824,121
Total equity and liabilities		5,631,278,152	5,535,318,460

The annexed notes from 1 to 41 form an integral part of these financial statements.

Dhaka Bank Securities Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2019

	Note	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 41 form an integral part of these financial statements.

Dhaka Bank Securities Limited
Statement of Cash Flows
For the year ended 31 December 2019

	2019	2018
a. Cash flows from operating activities	Taka	Taka
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

Dhaka Bank Securities Limited
Statement of Changes in Equity
For the year ended 31 December 2019

Particulars	Figure in Taka			
	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	<u>2,046,079,040</u>	<u>41,100,000</u>	<u>56,339,743</u>	<u>2,143,518,783</u>
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	<u>1,891,890,000</u>	<u>36,700,000</u>	<u>174,904,339</u>	<u>2,103,494,339</u>

The annexed notes from 1 to 41 form an integral part of these financial statements.

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 may keep 25% Provision against unrealized loss in the Portfolio account of the company as on 31 December 2019. The validity of this circular has been extended up to 31 December 2022.

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

	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-01			
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
5.01 Stock exchange	Allotment status	Number of shares	Number of shares
Dhaka Stock Exchange Limited	Alloted (53%; 40%)	2,886,042	2,886,042
(DSE)	Blocked (47%; 60%)	2,525,287	2,525,287
		5,411,329	5,411,329
5.02 Stock exchange	Allotment Status		
Chittagong Stock Exchange	Alloted (40%; 40%)	1,714,932	1,714,932
Limited (CSE)	Blocked (60%; 60%)	2,572,398	2,572,398
		4,287,330	4,287,330
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

Notes	31.12.2019 Taka	31.12.2018 Taka
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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	467,319,121	329,149,280	468,303,097
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
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
Pharmaceuticals and chemicals	6,319,650	493,709,363	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
		2,101,910,929	1,373,076,605	2,065,988,708
Ledger balance in BO A/C		8,921,399.66		16,712,590
Total investment amount		2,110,832,329		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	Taxable temporary difference
		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)	Amount (Taka)
1. Dhaka Bank Limited, Represented By, Mr. Reshadur Rahman Mr. Abdul Hai Sarker Ms. Rokshana Zaman Mr. Altaf Hossain Sarker Mr. Khondoker Monir Uddin Mr. Emranul Huq	99.999997%	204,607,898	2,046,078,980	1,891,889,940
2. Mr. Dilawar Hossain	0.000001%	1	10	10
3. Mr. Choudhury Md. Humayun Kabir	0.000001%	1	10	10
4. Mr. Md. Mahbubur Rahman	0.000001%	1	10	10
5. Mr. Mahfuzur Rahman	0.000001%	1	10	10
6. Mr. Suez Islam	0.000001%	1	10	10
7. Mrs. Shahnaz Naznin	0.000001%	1	10	10
	100%	204,607,904	2,046,079,040	1,891,890,000

*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 NBFI

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			
1. Investment Corporation of Bangladesh (ICB) vide their Sanction Advice No. ICB/51/619 Dated February 25, 2018 offered Dhaka Bank Securities Limited loan amounting Tk. 1,35,45,405.00 from the Stimulus Fund for affected small investors. The loan will be repaid through 5 equal installments at an interest rate of 5% p.a from January 04 ,2019 to December 31, 2019.			
2. 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 keep 25% Provision against unrealized loss in the Portfolio account of the company as on 31 December 2019. The validity of this circular has been extended up to 31 December 2022.			
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 keep 25% Provision against Negative Equity in the Margin Loan of the company as on 31 December 2019. The validity of this circular has been extended up to 31 December 2022.			
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 Stationary, 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	Transacton during year	Closing balance as at 31.12.2019	Closing balance as at 31.12.2018
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

Dhaka Bank Securities Limited
Fixed assets schedule
For the year ended 31 December 2019

A. Property, plant and equipment

Particulars	Cost			Rate %	Depreciation			Written Down Value as on 31.12.2019
	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	1,359,032	10,830,581	2,924,073
Office appliances and equipment	7,219,015	596,000	7,815,015	20%	6,732,134	304,903	7,037,036	777,978
Computer	11,945,474	59,800	12,005,274	20%	10,575,973	572,962	11,148,935	856,339
Motor vehicles	7,584,255	-	7,584,255	20%	3,143,631	918,756	4,062,387	3,521,868
Total	39,505,898	1,653,300	41,159,198		29,923,287	3,155,653	33,078,940	8,080,258
As on 31 December 2018	34,254,461	5,251,437	39,505,898		27,766,222	2,157,065	29,923,287	9,582,611

B. Intangible assets

Particulars	Cost			Rate %	Amortization			Written Down Value as on 31.12.2019
	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	

Annexure L**Dhaka Bank Investment Limited****Statement of Financial Position****As at 31 December 2019**

	Notes	31.12.2019 Taka	31.12.2018 Taka
<u>ASSETS</u>			
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		<u>316,446,462</u>	<u>297,588,536</u>
<u>EQUITY AND LIABILITES</u>			
Equity			
Paid up Capital	7	250,000,000	250,000,000
Retained Earnings	8	41,822,030	29,639,128
Total Equity		<u>291,822,030</u>	<u>279,639,128</u>
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		<u>24,624,432</u>	<u>17,949,408</u>
Total Equity and Liabilities		<u>316,446,462</u>	<u>297,588,536</u>

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 or Loss and Other Comprehensive Income For the period 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)
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 period 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	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 period 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 year	-	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

	31.12.2019 Taka	31.12.2018 Taka
	1,107,825	1,107,825
	-	-
	1,107,825	1,107,825

5. Cash & Bank Balance

Cash in Hand
Cash at Bank

(Note: 5.1)

	-	-
	308,110,999	292,109,835
	308,110,999	292,109,835

	31.12.2019 Taka	31.12.2018 Taka
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5.1 Cash at Bank

<u>Name of Bank</u>	<u>Branch</u>	<u>A/C #</u>
Dhaka Bank Limited	Local Office	201.150.3401
Dhaka Bank Limited	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

	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

6. Advance Income Tax

Opening Balance		4,370,876	4,092,946
Add: Addition during the period	(Note: 6.1)	2,856,762	277,930
		7,227,638	4,370,876

6.1 Addition during the period

Tax deducted at source		2,856,762	277,930
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7. Share Capital**7.1 Authorized Capital**

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

The Issued, Subscribed and Paid-up Capital is Tk.250,000,000 divided into 25,000,000 ordinary shares of Taka 10 each fully paid. The Shareholding position of the company as on 31 December 2019 is as follows:

Sl #	Name of Shareholders	Number of Shares held	% Of Shareholding	31.12.2019	31.12.2018
				Amount in Taka	Amount in Taka
1.	Dhaka Bank Limited, Represented By Mr. Khondoker Jamil Uddin Mr. Md. Amirullah Ms. Tahidul Hossain Chowdhury Mr. Mirza Yasser Abbas	24,999,994	99.999976	249,999,940	249,999,940
2.	Mr. Shafiqul Islam Sarker	1	0.000001	10	10
3.	Mr. Mohammad Ashiqur Rahman	1	0.000001	10	10
4.	Mr. Hasanuzzaman	1	0.000001	10	10
5.	Mr. Asif Hanif	1	0.000001	10	10
6.	Mr. Latiful Bari	1	0.000001	10	10
7.	Ms. Nabila Mirza	1	0.000001	10	10
		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

Jan'19-Dec'19	Jan'18-Dec'18
Taka	Taka

11. Other Income

Interest on SND A/C		18,959,652	5,642,166
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12. General & administrative expenses

Amortization of Preliminary Expenditure		-	-
Audit Fees		115,000	115,000
Stationery, Printing, Advertisement etc.		-	-
Bank Charges & Other		101,725	76,300
		216,725	191,300