

ANNUAL REPORT 2020

**LANDMARK OF
EXCELLENCE**



LANDMARK OF EXCELLENCE

Amid the ongoing evolution, Dhaka Bank has proved its competence. We persistently pursue to reach the height where the standard of excellence is at its best. We have put our landmark of excellence here and intend to increase it even farther.

LETTER OF TRANSMITTAL

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

Dear Sir(s),

Annual Report of Dhaka Bank Limited for the year ended December 31, 2020

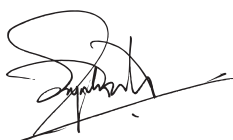
We enclose herewith a copy of Annual Report along with the audited financial statements including consolidated and separate balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement for the year ended December 31, 2020 along with notes thereto of Dhaka Bank Limited (the Bank) and its subsidiaries - Dhaka Bank Securities Limited and Dhaka Bank Investment Limited for your kind information and record. We have also enclosed separate financial statements of Islamic Banking Branches and Off-Shore Banking Unit (OBU) of the Bank.

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

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

With best regards,

Yours sincerely,



Md. Shahjahan Miah
SVP & Company Secretary

TABLE OF CONTENTS

ABOUT US	2020 Performance Highlights - The Bank	05
	Bank's Profile	06
	Bank's Rating & Achievement	08
	Milestones	09
	2020 Results Summary	10
	Values & Objectives	
	Vision, Mission & Core Values	11
	Strategic Objectives & Ethical Principles	12
	Ethics and Compliance	13
	Customer Charter	14
	Our Strength and Our Confidence	14
	Our Story	15
	Corporate Governance & Strategic Review	
	Board of Directors and Committees of the Board	17
	Sponsor Shareholders	20
Chronicle of a Rare Visionary	21	
Directors' Profile	22	
Chairman's Statement	29	
Review of the Managing Director & CEO	37	
Report of the Audit Committee of the Board	43	
Report of the Shari'ah Supervisory Committee	45	
Dhaka Bank Management Committee	49	
SHAREHOLDERS' INFORMATION	Distribution of Shareholdings	51
	Dividends & Stock Details	51
	Financial Calendar 2020	52
	Information Sensitive to Share Price	52
	Market Price Information	52
	5-Year Financial Highlights	53
	Value Added Statements	
	Economic Impact Report	55
	Value Added Statement	56
	Contribution to National Exchequer	56
5-Year Essential Performance Graphs--Bank	57	
Dividend distribution policy Dhaka Bank	60	
DIRECTORS' REPORT	World Economy	62
	Bangladesh Economy	64
	Rooms for Business	66
	Financial Performance	66
	Dividend	66
	Way Forward 2021	68
	Goals Set for 2021	68
	পরিচালকগণের প্রতিবেদন ২০২০	69
COMPLIANCE REPORT ON BSEC'S NOTIFICATION	Compliance Report on BSEC's Notification	71
	Certificate on Compliance of Conditions of Corporate Governance	87
	CEO's & CFO's Declaration to the Board of Directors	88

TABLE OF CONTENTS

SUSTAINABILITY OF BANKING	Sustainability Report	90
	Developing Cluster Finance	91
	New insight in 2021	92
SUSTAINABILITY REPORTING	Sustainable Finance & Green Banking	94
	Green Finance Portfolio	95
	Meeting Corporate Social Responsibility	95
MANAGEMENT DISCUSSION & ANALYSIS	Corporate Banking	99
	Syndications and Structured Finance	99
	Business Operations	101
	Prevention of Money Laundering	102
	Asset-Liability Management	104
	Human Resources	105
	Human Resources Accounting	106
	Human Capital	107
	Information Technology	107
	Internal Control & Compliance	109
	Islamic Banking Operations	110
	Retail Business	111
	Off-Shore Banking	112
	International Business	112
	Dhaka Bank Training Institute	113
	Cash Management	114
	RMG Financing	115
RISK MANAGEMENT & CONTROL ENVIRONMENT	Risk Management of Dhaka Bank	117
	Risk Management Framework	117
	Risk Mitigation Methodology	117
	Risk Management Report	122
	Basel III: Dhaka Bank Perspective	122
AUDITOR'S REPORT & AUDITED FINANCIAL STATEMENTS	Independent Auditor's Report	124
	Consolidated Financial Statements	129
	Dhaka Bank Financial Statements	134
	Financial Statements of Islamic Banking	217
	Financial Statements of Off-Shore Banking Unit	232
	Financial Statements of Dhaka Bank Securities Limited	248
	Financial Statements of Dhaka Bank Investment Limited	270
	Disclosures on Risk Based Capital	278
	Branch Network	293
	Abbreviations	296
26th AGM		
Notice of the 26 th AGM	297	
Attendance Slip	299	
Proxy Form	299	

100TH BIRTH ANNIVERSARY OF FATHER OF THE NATION BANGABANDHU SHEIKH MUJIBUR RAHMAN



Dhaka Bank Limited has celebrated Centenary Birthday of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman at its Corporate Office premises .

2020 PERFORMANCE HIGHLIGHTS - THE BANK

Core Business Growth

BDT in million unless mentioned otherwise

Assets	2020: 295,337 M 2019: 285,009 M	4%	Loans & Advances	2020: 198,660 M 2019: 195,634 M	2%
Deposits	2020: 205,667 M 2019: 204,530 M	1%	Shareholders' Equity	2020: 18,792 M 2019: 17,210 M	9%
Paid-up Capital	2020: 8,959 M 2019: 8,532 M	5%	Operating Profit	2020: 5,207 M 2019: 6,098 M	-15%
Earnings Per Share stood at	2020: Tk. 2.27 2019: Tk. 1.75	29%	NPL Ratio decreased to	2020: 3.13% 2019: 4.74%	-34%
Import	2020: 124,010 M 2019: 151,121 M	-18%	Export	2020: 95,335 M 2019: 130,156 M	-27%
Inward Remittance	2020: 15,804 M 2019: 10,385 M	52%	Classified Loans	2020: 6,227 M 2019: 9,278 M	-33%
Return on Assets (ROA)%	2020: 0.70 2019: 0.56	25%	Return on Equity (ROE)%	2020: 11.28 2019: 9.28	22%

Financial Inclusion Growth (direct & indirect)

BDT in million unless mentioned otherwise

Contribution to National Exchequer	2020: 4,500 M 2019: 4,899 M	-8%	Total Number of Deposit Accounts	2020: 565,152 2019: 540,493	5%
Number of Transaction Through DBL go app	2020: 373,171 2019: 273,932	36%	SME Financing	2020: 26,717 M 2019: 25,679 M	4%
Agri-Loan Disbursement	2020: 3,592 M 2019: 3,937 M	-9%	Number of Transaction Through Internet Banking	2020: 43,654 2019: 27,907	56%
Number of Transaction Through ATM	2020: 804,273 2019: 845,038	-5%	Number of E-statement Delivered	2020: 766,789 2019: 576,500	33%

BANK'S PROFILE

About the Bank

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

Our strategy & achievement

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

Our effort, strategy and action put together have made our footprint stronger in 2020 with 105 Branches, 3 SME Service Centres, 2 Off-shore Banking Units, 12 Sub-Branches along with 63 ATMs and 20 ADMs. Total Assets of DBL is around Tk. 295,337 million, equivalent to USD 3,483 million as at the close of 2020. With a total of 565,152 Customerbase (accounts), Tk. 205,667 million in Deposits and Tk. 198,660 million in Advances, Dhaka Bank turns out to be a change agent to contribute to the stand out economic growth of Bangladesh.

Capital Adequacy and Economic Capital

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

strength. The Bank is engaging with Basel III to position itself competitively in the new postcrisis global financial risk and Regulatory landscape. To keep up capital adequacy as per Basel-III requirement, the Bank issued Non-Convertible Subordinated Bond to strengthen the capital base in line with the newly introduced Capital Adequacy Guidelines under Basel-III Accord. As a result, DBL's Regulatory capital as on December 31, 2020 stood at Tk. 29,016 million, whereas, the Capital to Risk Weighted Assets Ratio (CRAR) was 14.52% under Basel-III, against Central Bank's capital requirement of 12.50%.

The concept of economic capital has come up to act as a safety cushion for the Bank, particularly in the wake of the global credit crisis. Year 2020 still saw the effect of unanticipated losses of banks from credit risks and extent of market volatility. Under such a market it becomes imperative to manage the Banking business in a risk sensitive economic capital framework. So we are carefully considering the potential unexpected losses and thus, bringing up the concept of economic capital that is associated with each individual activity to minimize the risks of the Balance Sheet and safeguard the interest of the stakeholders.

Our concern for people & environment

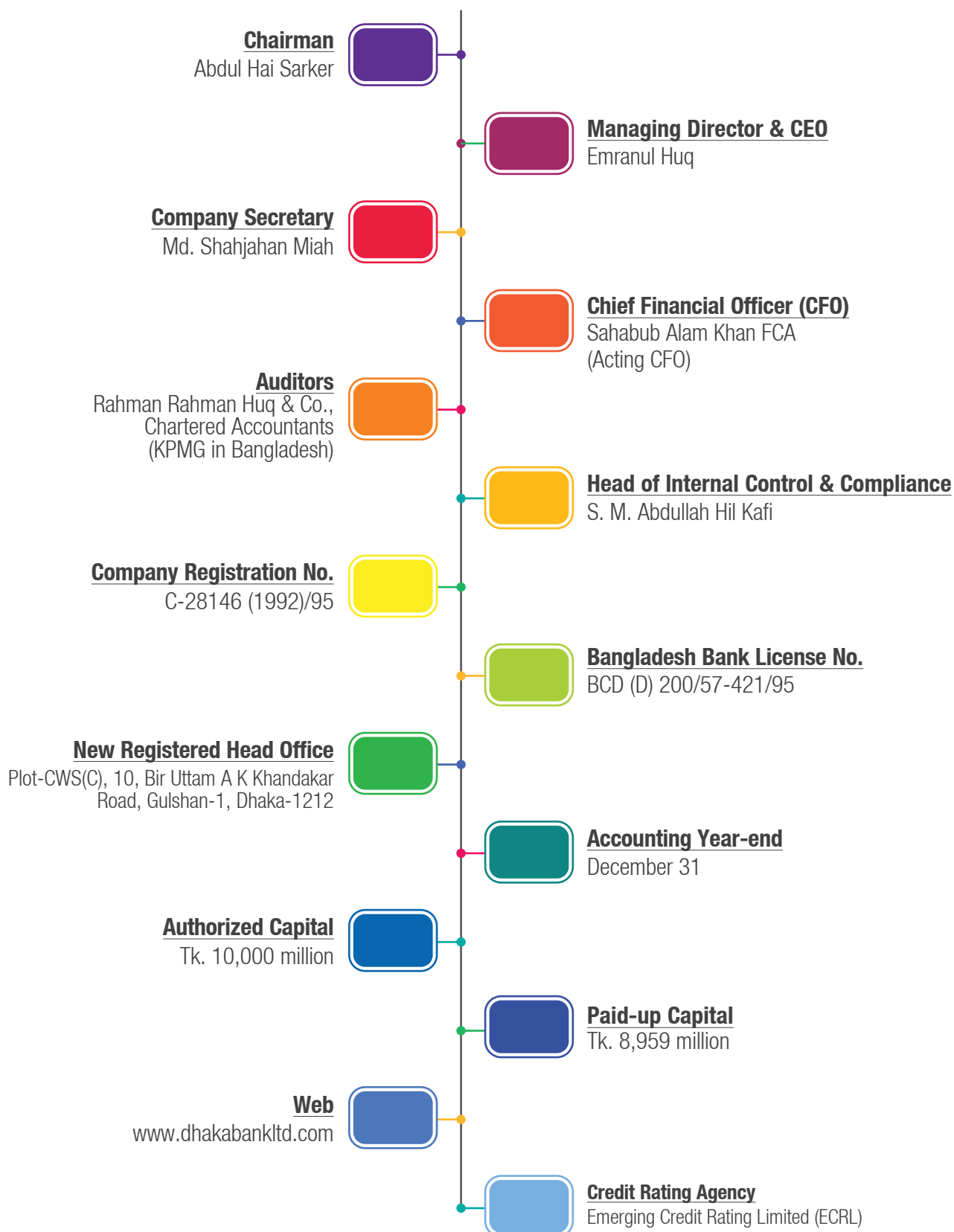
We are committed to making a better society by working and donating in different sectors such as, education, health, disaster management, sports and some other sectors having national priority. Significant CSR involvement alongside our financial integration over long 26 year journey is a true reflection of our concern for people. On the other side, we have incorporated sustainability principles into day-to-day activities of the Bank. Green Banking Cell has been formed with the task of developing policies, products, planning and overseeing the overall green financing activities of the bank. Green Banking considers all the social and environmental factors along with financial priorities with an aim to protect the environment as well as to foster the economic development in a more environment friendly way. In addition, our policy harmonizes green Banking initiatives in its in-house management and participating in environment protecting activities.

Commitment towards wider financial inclusion

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

BANK'S PROFILE

OTHER INFORMATION




BANK'S RATING AND ACHIEVEMENT

BANK'S RATING

Credit Rating

Dhaka Bank Limited was rated by Emerging Credit Rating Limited (ECRL) on the basis of audited Financial Statements as on 31 December 2020.

Rating summary:

2020				2019	2018
	Long Term	AA	A very strong capacity to meet its financial commitments, and is generally in a position to withstand adverse developments in the economy, and in business and other external conditions. Typically poses a good track record and have no readily apparent weakness.	AA	AA
	Short Term	ST-2	Strong capacity to meet its financial commitments in timely manner. However, it is somewhat susceptible to adverse developments in the economy, and in business and other external conditions.	ST-2	ST-2
	Outlook	Developing	Indicates that a rating may be raised, lowered or remain unchanged.	Stable	Stable

BANK'S ACHIEVEMENT

Asiamoney Best Bank Award

Best Corporate & Investment Bank Bangladesh

Dhaka Bank has been focused on corporate banking since its inception 25 years ago. It has spent much of that time fostering relationships with Bangladesh's large business conglomerates and now counts most of them among its client base.

Under the stewardship of chief executive Emranul Huq, the bank was able to increase its total assets year on year to \$3.48 billion in 2020, including arranging the equivalent of \$95 million in syndicated facilities. It managed to increase its loans and advances to \$2.34 billion and reduced its non-performing loan ratio from 4.74% in 2019 to 3.13% last year.

The lender's investment banking franchise dovetails with its capital markets business. The bank has been operating as a stockbroker and dealer since 2005. Through six branches, it serves about 8,000 securities accounts, including a mix of retail and institutional clients from Bangladesh and overseas.

Dhaka Bank's comprehensive coverage from corporate clients to investment banking and the capital markets, combined with its ability to ride out the coronavirus pandemic, makes it Asiamoney's pick for best corporate and investment bank.



UiPath™ AWARDS 2020

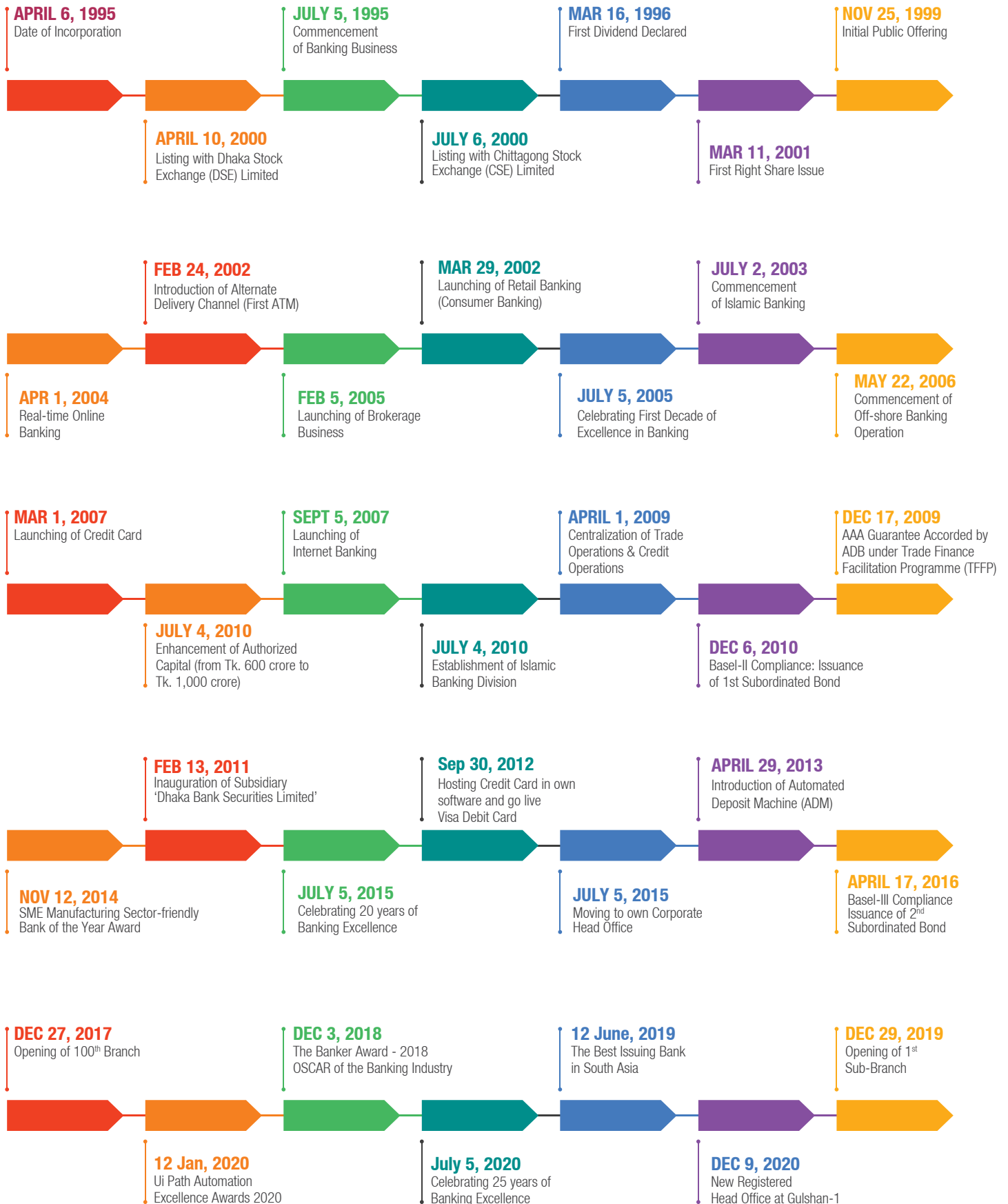
Dhaka Bank Achieves Global Triumph Ui Path Automation Excellence Awards 2020 in Association with The Economic Times



BEST ISSUING BANK

Dhaka Bank Limited has been Awarded as 2019 Best Issuing Bank in South Asia by International Finance Corporation (IFC)

MILESTONES



2020 RESULTS SUMMARY

Figure in million except number and percentage

Segmented Results of 2020	Dhaka Bank Limited			Subsidiary		Consolidated
	On-shore	Off-shore	Islamic Banking	Dhaka Bank Securities Ltd.	Dhaka Bank Investment Ltd.	
Operating Income	9,311	541	313	210	26	10,401
Operating Profit	4,452	523	232	137	25	5,369
Assets	261,498	19,212	10,638	5,167	341	296,856
Liability	261,498	19,212	10,638	5,167	341	296,856

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

Shareholders' Value	2020	2019	% Change over 2019
Earnings per Share (EPS) - Taka	2.27	1.75	29%
Price Earning Ratio (Times)	5.25	6.84	-23%
Dividend (%)	6% (Cash)	5% (Cash)	20%
	6% (Stock)	5% (Stock)	20%
Net Asset Value (NAV)	18,792	17,211	9%
NAV per Share - Taka	20.98	19.21	9%

Profitability & Performance Ratio – The Bank	2020	2019	% Change over 2019
Return on Assets (ROA) (%)	0.70	0.56	25%
Return on Equity (ROE) (%)	11.28	9.28	22%
Return on Investment (ROI) (%)	9.34	7.99	17%
Operating Profit per Employee	2.75	3.11	-11%
Assets per Employee	156.26	145.41	7%

Balance Sheet Focus – The Bank	2020	2019	% Change over 2019
Balance Sheet Size	295,337	285,009	1%
Shareholders' Equity	18,792	17,211	9%
Total Deposits	205,667	204,530	1%
Total Loans & Advances	198,660	195,635	2%
Classified Loans	6,227	9,278	-33%

Capital Adequacy – The Bank	2020	2019	% Change over 2019
Tier-I Capital Ratio (%)	8.86	8.53	4%
Capital to Risk Weighted Assets Ratio (CRAR) (%)	14.52	16.12	-10%
Total Eligible Capital	29,016	31,172	-7%

VISION MISSION & CORE VALUES

VISION

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

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

MISSION

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

CORE VALUES

Customer Focus

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

Integrity

Maintain high ethical standard, integrity and transparency in dealings.

Quality

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

Teamwork

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

Respect for the Individual

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

Responsible Citizenship

Committed to protect the environment and go green.

STRATEGIC OBJECTIVES & ETHICAL PRINCIPLES

STRATEGIC OBJECTIVES

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

ETHICAL PRINCIPLES

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



ETHICS AND COMPLIANCE

Business Principle

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

Human Worth

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

Human Capital

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

Health, Safety and Working Environment

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

Confidentiality

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

Protection of Personal Data

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

Intellectual Property

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

Nature and the Environment

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

Information that may affect the Share Price

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

Accounting

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

Competition

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

Corruption and Bribery

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

Money Laundering

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

Political Activity

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

CUSTOMER CHARTER

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

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



OUR STRENGTH AND OUR CONFIDENCE

OUR STRENGTH

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

OUR CONFIDENCE

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

OUR STORY

A JOURNEY TO HISTORY HERITAGE AND BUSINESS

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

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

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

mobile Banking. The Bank is now expanding far and wide to higher market share and big surge in assets. A great total of 565,152 Customers' accounts now we serve and seek to make them better-off as best as we can. Strong with 205 delivery centres, the Bank is still going strong with more expansion and inclusive Banking programmes. Opening many gateways for financial freedom and services, DBL has made its vibrant presence at 105 locations (including 2 Islamic Banking Branches), 2 Off-shore Banking Units, 3 SME Service Centers, 12 Sub-Branches, 63 ATMs and 20 ADMs across the country. Catering to the needs of Capital Markets, the Bank has established a subsidiary company named 'Dhaka Bank Securities Ltd.' having 6 countrywide Branches. Another subsidiary in the name of 'Dhaka Bank Investment Limited' is yet to start operation. This has strengthened its capital base to Tk. 29,016 million with a Capital to Risk weighted Assets Ratio (CRAR) of 14.52%. Sailing past all odds and uncertainties in 2020, DBL posted an operating profit of Tk. 5,207 million.

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

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



BOARD OF DIRECTORS & COMMITTEES OF THE BOARD

Within every story, there lies a perspective and a purpose. The stronger the two essential elements are, the beautiful the story turns out. The story of Dhaka Bank Limited is the story of walking ahead with a perspective and a purpose. 26 years ago, a group of renowned individuals with strong bonds of friendship decided to put their united efforts for the population of the Nation. Since then, the story of Dhaka Bank Limited continued with pride.



BOARD OF DIRECTORS



Mr. Abdul Hai Sarker
Chairman



Mr. Abdullah Al Ahsan
Vice Chairman



Mr. Reshadur Rahman
Director



Mrs. Rokshana Zaman
Director



Mr. Altaf Hossain Sarker
Director



Mr. Mohammed Hanif
Director



Mr. Md. Amirullah
Director



Mr. Khondoker Monir Uddin
Director



Mr. Tahidul Hossain Chowdhury
Director



Mr. Jashim Uddin
Director



Mr. Mirza Yasser Abbas
Director



Mr. Amanullah Sarker
Director



Mrs. Manora Khandaker
Director



Mrs. Rakhi Das Gupta
Director



Mr. M. A. Yussouf Khan
Independent Director



Mr. Md. Muzibur Rahman
Independent Director



Mr. A.S. Salahuddin Ahmed
Independent Director



Mr. Emranul Hug
Managing Director & CEO
(Ex-Officio Director)

EXECUTIVE COMMITTEE OF THE BOARD



Mrs. Rokshana Zaman
Chairperson



Mr. Reshadur Rahman
Member



Mr. Altaf Hossain Sarker
Member



Mr. Mohammed Hanif
Member



Mr. Khondoker Monir Uddin
Member



Mr. Jashim Uddin
Member

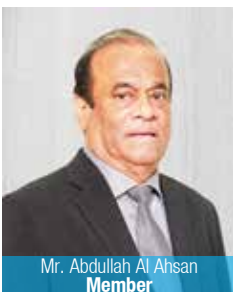


Mr. Mirza Yasser Abbas
Member

AUDIT COMMITTEE OF THE BOARD



Mr. M. A. Yussouf Khan
Chairman



Mr. Abdullah Al Ahsan
Member



Mr. Tahidul Hossain Chowdhury
Member



Mr. A.S. Salahuddin Ahmed
Member

RISK MANAGEMENT COMMITTEE OF THE BOARD



Mr. Khondoker Monir Uddin
Chairman



Mr. Md. Amirullah
Member



Mr. Amanullah Sarker
Member



Mrs. Manoara Khandaker
Member



Mr. Md. Muzibur Rahman
Member

SHARI'AH SUPERVISORY COMMITTEE



Md. Fariduddin Ahmed
Chairman

(Effect from 01 January 2021)



M Azizul Huq
Ex-Chairman

(Expired on 12 November 2020)



Dr. Abu Noman Md. Rafiqur Rahman
Member



Dr. Mohd. Haroon Rashid
Member



Hafej Mawlana Abdul Gaffar
Member



Barrister Sabel Nawaz
Member



Md. Tipu Sultan
Member Secretary



Emranul Huq
Managing Director & CEO

(Ex-Officio)

SPONSOR SHAREHOLDERS

OUR GRATITUDE TO THE ARCHITECTS OF DHAKA BANK

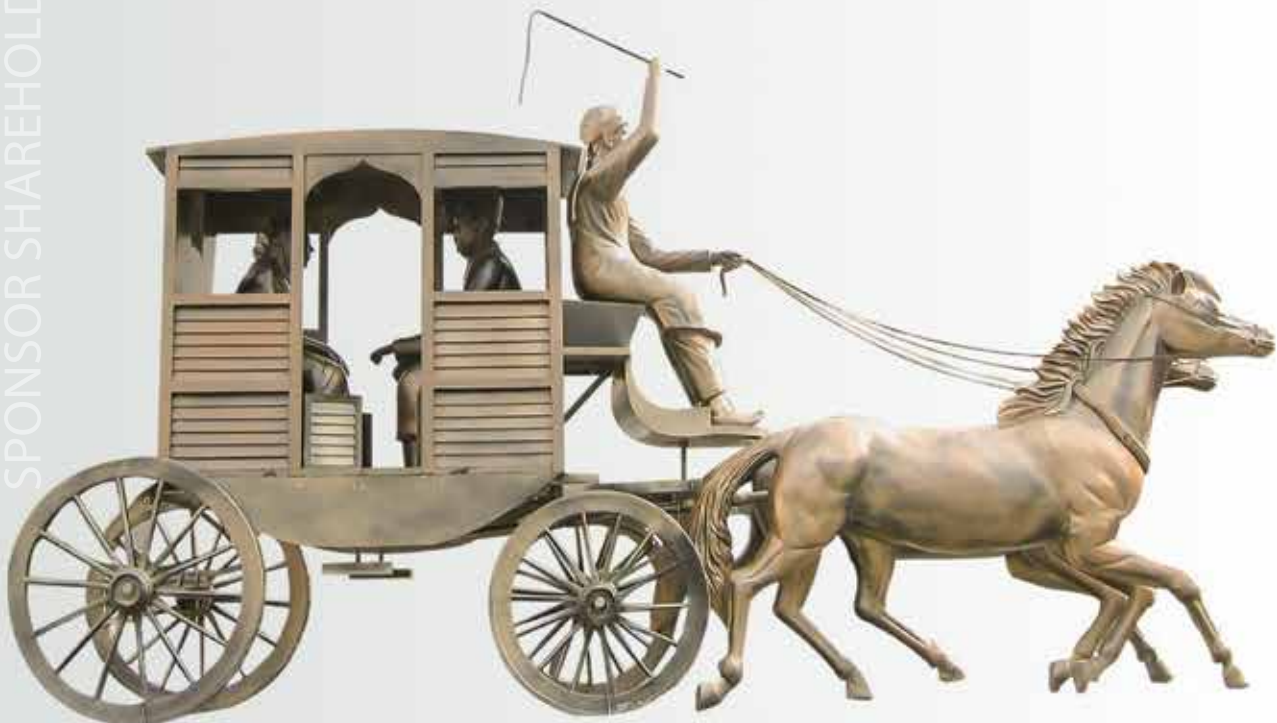
WE OWE A DEBT OF GRATITUDE TO ALL OF OUR SPONSOR DIRECTORS FOR ENVISIONING A GREAT CORPORATE VOYAGE, NOW SO ADMIRERD AND LOVED BY THE COMMUNITY

Mr. Abdul Hai Sarker
Mr. A.T.M. Hayatuzzaman Khan
Mr. Mainul Islam*
Mrs. Afroza Abbas
Mr. Altaf Hossain Sarker
Mr. Khandaker Md. Shahjahan
Mr. Aminul Islam
Mr. Md. Amirullah
Mr. Reshadur Rahman
Mr. Abdullah Al Ahsan
Mr. Khondoker Monir Uddin

Mr. M.N.H. Bulu
Mrs. Rakhi Das Gupta
Mr. Tahidul Hossain Chowdhury
Mr. Jashim Uddin
Mrs. Kamala Khatun*
Mr. Abdul Wahed
Mr. Mohammed Hanif
Mr. Khondoker Jamil Uddin
Mr. Mohammad Ali Sarker*

*(Mr. Mainul Islam expired in 2008, Mrs. Kamala Khatun expired in 2011 & Mr. Mohammad Ali Sarker in 2020).

● **Mr. Mirza Abbas Uddin Ahmed**
The Founder



CHRONICLE OF A RARE VISIONARY



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

Mirza Abbas Uddin Ahmed

The Founder

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

The Founder of Dhaka Bank was born in 1951 in a respectable Muslim family in Kishoreganj. He had his schooling in the local educational institutions and finally obtained B.Com. Degree from Dhaka University. Then he associated himself with his family business named Mirza Enterprize, Dhaka that flourished on his long attachment for 36 years. He was also the Advisor of Dhaka Bank Limited.

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

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

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

DIRECTORS' PROFILE



Abdul Hai Sarker

Mr. Abdul Hai Sarker is the Founder Chairman and one of the most experienced Board Members of Dhaka Bank Limited. Mr. Sarker is now leading the Bank as Chairman. He was elected the Chairman of the Board of Directors in the 378th Meeting of the Board of Directors of Dhaka Bank held on August 6, 2020. He was the key architect to set the pace of this great corporate voyage for excellence. Today's Dhaka Bank manifests his crusading zeal for a sound Banking institution that would be a shining example for all and the best choice of the new generation. Most importantly, he is a big name in the domain of business and industry of the Country. He led the Bank as a Chairman for several times. Born in a respectable Muslim family of Sirajgonj District, Mr. Hai accomplished his Post Graduation Degree (M.Com.) from the University of Dhaka in 1970. Soon he involved himself in international trade & business and became a reputed industrialist of the country. His sincere efforts and dynamic leadership culminated in a large business conglomerate in the name of Purbani Group. He is the Chairman & CEO of Shohagpur Textile Mills Ltd. & Purbani Synthetic Spinning Mills Ltd., Purbani Fabrics Ltd., Karim Textile Ltd., Karim Spinning Mills Ltd., Purbani Yarn Dying Ltd., Purbani Agro Processing Ltd., Purbani Rotor Spinning Ltd. and Purbani Fashion Ltd.; Proprietor of Purbani Traders and Purbani Fisheries and Director of Dhaka Bank Securities Ltd. He is also the Chairman of Education, Science, Technology and Cultural Development Trust (ESTCDT) of Independent University, Bangladesh (IUB). Mr. Abdul Hai Sarker is the former Vice Chairman of Bangladesh Association of Banks (BAB), the former President of Bangladesh Textile Mills Association (BTMA) and a former Director of Federation of Bangladesh Chamber of Commerce and Industries (FBCCI). Mr. Hai is the Founder Trustee of Independent University, Bangladesh, Founder Member of the Board of Trustees of Bangladesh Enterprise Institute (BEI) and was an Associate Director of International Cotton Association based in Liverpool, UK. Besides being a leading business personality, he has been playing commendable role in social welfare and community development. Many organizations have awarded him for his outstanding contribution to the society. He has also been accorded with Commercially Important Person (CIP) status by the Government.

Mr. Abdullah Al Ahsan, Vice Chairman of Dhaka Bank has a prolific business background. For more than 35 years, his contribution to industry and commerce has remained vibrant. Academically, he has completed M.Com. He is also a Sponsor Director of Dhaka Bank. His first appointment as a Director took place in April 6, 1995. As a business entrepreneur, he has made worthy contribution to Agro Industry, well-recognized as a thrust sector in Bangladesh. He is the Director of Aroma Poultry and Aroma Fisheries Ltd. He has widely travelled across the globe on business trips. He is associated with Gulshan Club, Chittagong Golf & Country Club and Chittagong Seniors Club Ltd. He was pro-VC of USTC. He was elected the Vice Chairman of the Board of Directors in the 378th Meeting of the Board of Directors of Dhaka Bank held on August 6, 2020.



Abdullah Al Ahsan



Reshadur Rahman

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

DIRECTORS' PROFILE

Continued



Rokshana Zaman

Mrs. Rokshana Zaman is an experienced business person and a prominent woman entrepreneur in the country. She has exposure in the line of business for more than 20 years. She is the Proprietress of Dhaka Enterprise, a reputed business firm in Bangladesh and M/s Manehor Fisheries, Maksuda Cargo Vessel, Maksuda 1 Cargo Vessel and Director of Dhaka Bank Securities Ltd. Mrs. Zaman first involved herself in Banking business as an Alternate Director of the Bank back in 1996. Subsequently she was appointed a Director on June 29, 2004. She became the Chairperson of the Board of Directors on June 29, 2004 and continued her tenure till March 28, 2006. She is now the Chairperson of the Executive Committee of the Board of Directors of the Bank. Since long, she has been associated with various CSR initiatives.

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



Altaf Hossain Sarker



Mohammed Hanif

An experienced businessman Mr. Mohammed Hanif is a renowned industrialist in the country. He has made remarkable contribution towards business and Banking in Bangladesh. The seasoned industrialist has a business career that extends over as long as 56 years. He is the Managing Director of Hanif Steels Ltd., Hanif Spinning Mills Ltd. and National Foundry & Engineering Works (Pvt.) Ltd. Mr. Hanif is a Sponsor Director and one of the long serving Board Members of Dhaka Bank Limited. He was elected the Vice Chairman of the Bank in the 134th Board Meeting held in April 2008. He was first appointed a Director of the Board on April 6, 1995. He is also a Founder Member of the Board of Trustees of Dhaka Bank Foundation and a member of the Executive Committee of the Bank. He is associated with different socio-cultural activities.

DIRECTORS' PROFILE

Continued



Md. Amirullah

Mr. Md. Amirullah is a seasoned businessman of the country. He has considerable experience in business extending over above 51 years. His long attachment and commitment to business is something worth considering in the pace of economic development of the country. He started as a young Entrepreneur in business and ended up with many achievements to be proud of. He is one of the pioneers in Bangladesh to initiate export of Video Cassettes worldwide. There is high recognition to his credit as a large exporter of chemicals in the international market. He is one of the Directors of Dhaka Bank Investment Ltd. Mr. Amirullah associated himself with Banking entrepreneurship as a Sponsor Director of Dhaka Bank. He still continues with the Bank as Director and has retained his position for several terms after required intervals. He is now a Member of the Risk Management Committee of the Board. He has life membership with almost all elite clubs.

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

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

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



Khondoker Monir Uddin

Mr. Tahidul Hossain Chowdhury is a sponsor Director and one of the longest officiating Members of the Board of Dhaka Bank Limited. He is now holding the position of Director of the Bank. He is also a Member of the Audit Committee of the Board. His first appointment as Director was April 6, 1995, while his last re-appointment took place on May 11, 2009. Academically, he is a Bachelor of Arts and his professional experience in business extends over more than 41 years.

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



Tahidul Hossain Chowdhury

DIRECTORS' PROFILE

Continued



Jashim Uddin

Mr. Jashim Uddin, Director of Dhaka Bank Limited is a prominent businessman of the country. He is also a Sponsor Director of the Bank. Academically, he is a Bachelor of Arts. He is an established businessman having more than 36 years of experience. He is involved in myriad fields of business comprising Banking Services, Insurance, Stock Brokerage, HR Development, Trading and others. He is now the Chairman of Impel Shares & Securities Ltd.; Director of HURDCO International School Ltd. and Proprietor of Rafid Enterprise and Shareholder of Dhaka Imperial Hospital Ltd.

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

Mr. Mirza Yasser Abbas, a youthful entrepreneur, is the Director of Dhaka Bank Limited. He is also a Member of the Executive Committee of the Board. Mr. Abbas has an excellent academic records. He has attained his international MBA from Arcadia University, PA, USA and earned worthy expertise on business management affairs. He has been associated with Mirza Enterprise and family business over the last 18 years; and applies his rich experience as the Chairman of LOUD Limited and Managing Director of Predictable Process Limited. He is also the Director of Dhaka Bank Investment Limited.

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

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

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



Mirza Yasser Abbas



Amanullah Sarker

Mr. Amanullah Sarker is a Director of Dhaka Bank Limited. He was appointed a Member of the Board of Directors of the Bank with effect from April 18, 2013. Having an excellent business background for 30 years, he is associated with Rahmat Group, a renowned business group which is one of the leading manufacturers of textiles, spinning, weaving, plastic and accessories in the country.

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

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

DIRECTORS' PROFILE

Continued

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

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



Mrs. Rakhi Das Gupta is one of the sponsors of Dhaka Bank Limited. The Board of Directors of Dhaka Bank Limited in its 377th Meeting of Board of Directors held on July 28, 2020 unanimously decided to appoint her as a Director of the Bank. Prior to this appointment, she also held the position of Director in the Bank twice in the years 1995 and 2009. She is also a Director of Uniroyal Securities Limited, a brokerage house.

Mrs. Gupta was born in a respected Hindu family in Cumilla. Her husband, late Mr. Asoke Das Gupta, was a reputed businessman and a freedom fighter. He was the Vice Chairman of One Bank Limited, Chief Executive of IMTREX and Managing Director of Uniroyal Trade Limited. She is a proud mother of a son and a daughter. Her daughter, Ms. Anannya Das Gupta is also a Director of One Bank Limited.

Mrs. Gupta completed her Graduation with Honours and Post-graduation in English from the University of Dhaka. She has 46 years of experience in teaching profession and 18 years of experience in share business. She is also involved with various charitable organizations.

Mr. M. A. Yussouf Khan was appointed Independent Director of Dhaka Bank Limited on January 12, 2016.

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

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



DIRECTORS' PROFILE

Continued



Md. Muzibur Rahman

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

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

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

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

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

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

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

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



A.S. Salahuddin Ahmed



Emranul Huq

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

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

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

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

FROM THE **CHAIRMAN'S DESK**



CHAIRMAN'S STATEMENT



Abdul Hai Sarker
Chairman, Board of Directors

“

Patently clear is our perception about our virtual living through a digital revolution, where conventional business model and ecosystems are undergoing rapid transformation, and new entrants to the financial domain have intensified competition and inherent risks. During the ongoing COVID-19 days, we have experienced accelerated customer demand for digital products and transactions, and that has kindled our urge for rapid development of our own digital platform. Dhaka Bank will stand by the people as a committed corporate citizen and work together with the Government to ease financial distress of the countrymen.

”

CHAIRMAN'S STATEMENT

Continued

Respected Shareholders and Partners,

As an abrupt development since early 2020, the passage of human race is met with a catastrophic havoc world-wide. Our loving world is wrapped in the battle against an insidious mutant virus clinically named COVID-19 that has inflicted unprecedented woes on dwellers of the earth. Ever since we set the pace of our banking voyage in Bangladesh, never we felt so hurt by any circumstances, so threatening. Much painful too, when we step on stage to present our yearly report to tell our hard-earned success amid dripping tears of the fellow countrymen. Unbearable loss of human lives, intolerable hardship of people and rapid depletion of investment and earnings, all took a heavy toll on the country's economic shines. However, responding well to the pandemic situation all across 2020, Team Dhaka Bank stayed abreast of the ensuing challenges and adhered to their commitment of catering to people's financial needs. As a result, we finished the year with commendable growth in the core banking frontiers and kept our voyage of excellence up and steady.

Year 2020 witnessed extremely challenging conditions whose fallout effects hit the business environment hard locally and globally. In fact the adverse impact of COVID-19 pulled the growth down from many sides that was sustained by the Bank over its glorious journey for long 25 years. In front of the mirror of reality, moderate revenue generation approach became a preferred choice. Swiftly we responded to the escalating disaster by consolidating our business operations that are linked to a widened network of 205 service points across the country. We continued our presence over numerous industry segments, some of which lay in societies seriously torn by the pandemic. Our Board devoted its time and energy to provide suitable guidance and direction to the Management to ensure uninterrupted service to our customers while being fully compliant with regulatory advice. Measures were also taken to ensure the utmost safety of the staff who were invariably exposed to the surroundings while extending their duties. Being an abiding corporate citizen, we have an obligation to help the society overcome the crisis and scale up broader initiatives to educate customers at times of changing rules and about tools of customer service. We look forward that once the waves of pandemic subside, our painstaking efforts will be worth paying off and have a telling effect on our business growth. We take pride in our Employees' readiness to rise to the occasion and stand dedicated to meet the demands of people in their dire need.

Despite the difficult times and unsupportive conditions, that let loose stumbling blocks to banking operations, revenue and profitability, Dhaka Bank Group ended the year 2020 on a strong footing defined in terms of deposit base, lending portfolio, better liquidity and higher provision cover compared to most peer competitors. This indicates a set of upcoming opportunities to benefit from the upsurge in predicted credit demand in the years ahead. The Bank has made concerted efforts to attain sustainable growth while supporting the needs and aspirations of our

customers, also being mindful of our corporate role in achieving national economic goal. It befits the occasion to place on record our sincere appreciation of the effort taken by government authorities to contain the outbreak of COVID-19 and we look forward to doing our part to stimulate country's economic recovery in the coming year. The goal requires, in particular, a commitment to supporting MSME, agriculture and other underserved sectors of the economy along with the empowerment of women entrepreneurs.

We gave out adequate deliberation at the Board and the Board Sub-Committee Levels on all matters pertaining to the policies and procedures of the Bank and ensured that discussions are inclusive and decisions are unanimous and deliverable. The Board is aware that it is our responsibility to take adequate measures to mitigate any untoward consequence arising from the pandemic factors in future, in particular the immediacy of the response to potential rise in NPL portfolio on expiry of policy support to business. The high liquidity level will also bolster the efforts to cope with cash flow shortages resulting from deferred recoveries due to moratoriums and other concessions granted to the borrowers.

In our effort to strengthen the capital base of the Bank, we have been alert to infuse Tier-1 capital via various market mechanisms and tools. As on the balance sheet date, Bank's Tier-1 capital adequacy ratio maintained at 8.86% is higher than the minimum regulatory requirement of 8.50% while Tier-1 and Tier-2 capital together stands at 14.52% comfortably above regulatory requirement of 12.50%.

Under operational restriction and policy control due to pandemic situation, the Bank was able to post operating profit for the year of BDT 5,207 million indicating a decline of 15% over the preceding year. However, profit after tax increased by a remarkable 29% thanks to declining cost of fund, lower provisioning requirement and Bank's centricity on cost control well supported by technological edge achieved through best possible use of virtual platform in banking communication. Prudent management of balance sheet enabled the Bank to enhance deposit by BDT 1,137 million to a total of BDT 206 billion at year-end while loans and advances edged up to around BDT 199 billion through a moderate growth of 2% with a balanced share among corporate, retail and MSME. These two major items of the balance sheet contributed much to increasing the total asset base to BDT 295 billion as at December 31, 2020 posting a reasonable growth of 4%. The Bank successfully managed to bring down its NPL ratio to 3.13% from 4.74% of 2019 – this demonstrates our shift to a better credit quality while we apprehend the possibility of NPL rise in neo-normal situation once the relaxation on classification rules ends in the near term. The Bank continued to make significant investment in products, people and technology and generally broadened market share across the businesses. Taking into account the shareholder expectations, the dividend policy of the Bank and potentially difficult times ahead, the Board of Directors decided to maintain the dividends per share in the proximity of the level upheld in the recent years on a

CHAIRMAN'S STATEMENT

Continued

conservative approach at the behest of the Central Bank. Accordingly, a total dividend of 12% (6% cash + 6% stock) has been recommended subject to approval of shareholders at the 26th Annual General Meeting to take place on June 29, 2021.

In July 2020, Dhaka Bank Limited has marched past a milestone of glorious 25 years of banking services in Bangladesh with the pride of a tested market player that can be claimed by only a few peers in the industry. The history of the Bank dates back to the year 1995 wherefrom the Bank flourished over time from a tiny banking branch at Motijheel, Dhaka to a popular banking group of the country. A change agent to contribute to stand-out economic growth of Bangladesh, the Bank constantly pursued strategies for sustainable growth and wider financial integration. The historic banking venture has left behind many milestone feats, some of which are stunning enough to grab local and international awards and accolades. Being a dreamer of this excellent financial voyage and the Founder Chairman of the Bank, I am overjoyed to see its magnificent rise and its passion to serve with the heart of culture and heritage well loved by the community. As an important domestic bank, the Bank has been a driving force in partnering and cooperating with national economic development agenda. The Bank played its part in a significant way in the COVID-19 pandemic recovery process in granting working capital loans and providing concessions to affected sectors. We opened up every possible gateway to avail stimulus package of the Government, which is orchestrated to relieve the pandemic victim sectors of their acute financial hardships. These packages and concessions included among others subsidized refinance scheme for large and MSME sector, payment of salary/benefits to industrial workforce, flexible repayment options, restructuring of loans, extension of moratorium periods and so forth.

Crisis can, however, sometimes provide opportunity for reinvention. Patently clear is our perception about our virtual living through a digital revolution, where conventional business model and ecosystems are undergoing rapid transformation, and new entrants to the financial domain have intensified competition and inherent risks. During the ongoing COVID-19 days, we have experienced accelerated customer demand for digital products and transactions, and that has kindled our urge for rapid development of our own digital platform. The symphony of our digital vivacity have been enriched with many new initiatives like accounts from home, easy banking, Interactive Banking (WhatsApp Banking), strengthening of Dhaka Bank go app, revitalization of card & ATM services, extending the periphery of contact centre accompanied by a suite of back-end processes and infrastructure. We believe, there are further opportunities to be seized, both within the Bank and the sector as a whole. To this end, the Bank will strive hard to take its mission towards the goal of becoming a comprehensive digital bank in near future. In the world of varying needs and capacities of people, digital revolution, sometimes leaves space for digital divide where banks can plug the gap by reaching the population who may not be able to access technology for many constraints. To transform this

insight into a banking phenomenon, Sub-Branch network have evolved to serve the customers, particularly in semi urban and urban outskirts. As a good alternative to full-fledged Branch banking having easy penetration scope, we have expanded Sub-Branch network across the niche market that numbered 12 as at the end-2020.

Another side of our banking endeavour is illuminated with the obligation to the betterment of our society and greater community. Our corporate philosophy is deeply rooted to the belief of a meaningful engagement that sacrifices a share of its gains to the underserved and have-nots. We believe in a culture that enshrines the very purpose of shared value driven towards ultimate development of the nation. In the year 2020, we have contributed CSR fund totaling BDT 224 million for various national and social causes including initiatives to fight COVID-19 pandemic, assistance to disabled children, support to education, treatment of fatal diseases, development of games & sports, renovating health infrastructure, support to victims of natural calamities and so forth. In the fight against COVID-19 pandemic, the Bank extended financial assistance amounting BDT 223.88 million in favour of various authorities and organizations. Worth mentioning, in response to Government effort to manage various national disasters, the Bank came forward with a donation of BDT 101.50 million to "Prime Minister's Relief & Welfare Fund". Further the Bank donated BDT 50 million towards Bangabandhu Memorial Trust for celebrating Mujib Barsho 2020 to mark the birth centenary of the Father of the Nation.

It is difficult to shape a future outlook of the economy in the face of the unforeseen tragedy of our time. The prospects of global economy in 2021 and onward are ridden with a vexed question on how long this pandemic will linger and how better the shattered public health improves to pre-pandemic strength or if the world has entered a neo-normal destiny in the co-existence of a terminator virus amid the play of an ever-tormenting geo-political conflicts across borders. At the end 2020 the world ushered big hopes and optimism as Joe Biden was elected as the president of United States with a democratic mandate to even out the imbalances and wraths of the world that the exiting President Trump added to American legacy. The pacing rebound of Chinese economy having successfully contained the pandemic spread offers a better platform for China to chase its superpower dream over the recovering partners of Asia, Europe and America. At the time of writing this report, India has been exposed to a fierce battle against the second wave of Covid with record breaking infections and casualties every day. On the other hand, Bangladesh has so far had a more contained Covid-19 onslaught that enabled the country to escape a contraction in 2020 and its annual rate of GDP is forecast to continue to accelerate throughout 2021 and beyond. The recovery of world public health including Bangladesh as well hinges more on an evenly distributed vaccination programme, which has been frustrated under a disheveled supply chain and commitment failure of the vaccinators.

CHAIRMAN'S STATEMENT

Continued

Dear Friends,

The fatal play of corona virus crippled the whole world taking away millions of precious lives. At our country level, we have lost many men of distinction who were the main architect to shape the country's economic development. We would like to extend our deep sympathy and condolence to the bereaved families of our customers, stakeholders, fellow bankers and country-wide people in these extremely difficult times. Deepest gratitude for the front soldiers - the police and the elite forces, doctors, social workers and others for their greatest sacrifice in the battle against corona. Appreciations to our fellow colleagues of Dhaka Bank and fellow bankers in the industry who braved the flames of COVID to continue the banking journey to customers.

In the post balance sheet period, it is apparent that as soon as the country managed to tame the flaming wave of COVID-19, its second wave appeared to upset the country with a transformation more venomous than ever. The ill-fated outbreak of COVID-19 has unleashed many exceptional limits to the pace of country's economic progression. In the context of the prevailing shutdown of business and lockdown of social life, ravaged export markets and health infrastructure, the country may have to shed much of its development lustre. The leaders and policy makers will have to contemplate significant adjustments, stimulus package, concessions and drastic policy shifts to contain the unforeseen calamity. Country people might undergo unspeakable hardships and survive many sacrifices of the fellow-men that are hard to bear.

But life will go on. Dhaka Bank will stand by the people as a committed corporate citizen and work together with the Government to ease financial distress of the countrymen. On the top, we are ever ready to allow our delivery channels to disburse government stimulus package to the distressed sectors and individuals. Our banking excellence will be unfolding more digitalized wings to go more contactless in services to protect life first. It is our prayer that the world should come together to combat the disease and innovate some means to contain the spread of this deadly virus. The people of Bangladesh together will fight against the misfortune and win back financial vigour at the quickest pace. Let there be lights of vaccination everywhere and the lives be protected first.

Before I close, I would extend my gratitude to my colleagues on the Board for their wholehearted support in providing strategic direction to the Bank. Profound thanks to Mr. Reshadur Rahman, former Chairman of the Bank for guiding the Bank in difficult times. I would also like to congratulate the Managing Director and CEO Mr. Emranul Huq, the members of the management and the great Dhaka Bank team for their untiring effort and support in an extremely challenging environment across 2020. Our shareholders have always been a pillar of strength. My

appreciation also goes out to the Hon. Minister, Ministry of Finance, the Hon. Governor of Bangladesh Bank, the Hon. Chairman of Bangladesh Securities and Exchange Commission (BSEC), Hon. Chairman of National Board of Revenue (NBR) and Officials of Regulatory Authorities in helping us navigate these uncertain times and ascend to newer heights. Our customers are the heart of everything we do and I am deeply grateful for their kind company throughout our journey to 'Excellence in Banking'.

With the strength of our bond with all stakeholders, we have a significant role to play in the country's recovery from the shadows of the prevailing pandemic.

Stay safe and take care of yourself and the near and dear ones.



Abdul Hai Sarker

Chairman, Board of Directors
Dhaka Bank Limited

চেয়ারম্যানের বাণী

প্রিয় শেয়ারহোল্ডার ও সহযোগীবৃন্দ,

২০২০ সালের সূচনালগ্ন থেকেই আকস্মিক ঘটনাপ্রবাহে বিশ্বব্যাপি মানবজাতির অগ্রযাত্রা এক বিভীষিকাময় সংকটের সম্মুখীন। আমাদের চিরচেনা এই ধরণী কোভিড-১৯ নামক রহস্যময় এক বিষাক্ত ভাইরাসের সাথে অবিরাম জীবনযুদ্ধে আটকে গেছে যা এর অধিবাসীদের ঠেলে দিয়েছে সীমাহীন অনিশ্চয়তায়। বাংলাদেশে আমাদের ব্যাংকিং অভিযাত্রার দীর্ঘ পথ-পরিক্রমায় যে কোন পরিস্থিতিতে এমন আঘাত আমরা দেখিনি কখনো। এটি ভীষণ কষ্টদায়ক যে এক নতুন প্রেক্ষাপটে প্রিয় স্বদেশবাসীর বহুমান অক্ষুণ্ণ রাখা বলতে হচ্ছে আমাদের ঘামঝারা সাফল্যের কাহিনী। জীবনের নিদারুণ ক্ষতি, মানুষের দুঃসহ ভোগান্তি এবং বিনিয়োগ ও রোজগার ব্যবস্থার দ্রুত অবনতি দেশের অর্থনীতিতে ফিকে রঙ ঢেলে দিয়েছে। তৎসত্ত্বেও, ২০২০ সাল জুড়ে মহামারী পরিস্থিতির প্রেক্ষাপট বিবেচনায় ঢাকা ব্যাংক টীম উদ্ভূত বৈরীতার মোকাবেলায় ছিল সদা প্রস্তুত এবং গণমানুষের আর্থিক প্রয়োজনীয়তা মেটাতে ছিল দৃঢ়সংকল্প। ফলে ব্যাংকিং এর প্রায় সকল অগ্রভাগে প্রশংসনীয় প্রবৃদ্ধির সাথে আমরা বছরটি শেষ করতে পেরেছি এবং আমাদের ব্যাংকিং উৎকর্ষতার অভিযানকে রেখেছি অবিচল।

২০২০ সালটি ভীষণ প্রতিকূলতার মধ্য দিয়ে গেছে যার মন্দ প্রভাব দেশের তথা বিশ্বের ব্যবসায়িক পরিবেশে শক্ত আঘাত হেনেছে। সত্যিকার অর্থে করোনার বিরূপ প্রভাব, আমাদের দীর্ঘ ২৫ বছরের গৌরবময় যাত্রায় অর্জিত প্রবৃদ্ধির উর্ধ্বরেখার রাশ টেনে ধরেছে বিভিন্ন দিক থেকে। তাই বাস্তবতার নিরিখে পরিমিত আয় ও উপার্জনের কৌশল হয়ে দাঁড়ায় আমাদের প্রথম পছন্দ। আমরা ক্ষিপ্ততার সাথে প্রসারমান বিপর্যয়ের জবাব দিয়েছি দেশজুড়ে ২০৫ সেবাকেন্দ্রের এক বিস্তৃত নেটওয়ার্কের সাথে সংযুক্ত আমাদের ব্যাংকিং কার্যক্রমকে সুদৃঢ়করণের মাধ্যমে। ব্যাংকের উপস্থিতি অক্ষুণ্ণ রেখেছে দেশের বহুসংখ্যক শিল্প ও সেবার প্রান্তরে যেখানে রয়েছে মহামারীর কঠিন ছোবলে বিপর্যস্ত কিছু শ্রেণী ও জনপদ। ব্যবস্থাপনা কর্তৃপক্ষকে জুতসই পরামর্শ ও পথপ্রদর্শনের জন্য ব্যাংকের পরিচালনা পর্ষদ তাঁদের মূল্যবান সময় ও সক্রিয়তা নিযুক্ত করেছেন গ্রাহককুলের মাঝে নিরবচ্ছিন্ন সেবা নিশ্চিত করতে, পাশাপাশি তাঁরা অনুবর্তী থেকেছেন নিয়ন্ত্রকের যাবতীয় আদেশ-উপদেশের। ব্যাংকের কর্মীবাহিনী তাদের দায়িত্বে অবিচল থাকার মুহূর্তে মহামারীর পারিপাশ্বিকতায় বার বার তারা অনাবৃত হয়েছেন, তাই তাদের সর্বাধিক নিরাপত্তা দিতে প্রয়োজনীয় উদ্যোগ নিয়েছি আমরা। একজন কর্পোরেট সুনাগরিকের দায়িত্ব নিয়ে ব্যাংক সমাজের প্রতি দায়বদ্ধ থেকেছে সংকটের উত্তরণে এবং গ্রাহকসেবার পরিবর্তনশীল নিয়মাচার ও পদ্ধতির সম্পর্কে গ্রাহকদের সচেতন ও শিক্ষিত করতে ব্যাংক ব্যাপক তৎপরতায় নিমগ্ন ছিল। আমাদের প্রত্যাশা, মহামারীর চেউ মিলিয়ে গেলে আমাদের কষ্টের উদ্যোগগুলো ফলদায়ক হবে আর ব্যবসায়িক প্রবৃদ্ধিতে এর প্রভাব হবে আশাব্যঞ্জক। গর্ববোধ করি যখন দেখি আমাদের কর্মীবহুলগণ পরিস্থিতির ডাকে সাড়া দিতে সর্বদা সজাগ থেকেছেন এবং কঠিন সময়ে মানুষের আকাঙ্ক্ষার প্রতিফলনে নিজেকে উৎসর্গ করেছেন।

যদিও বিরাজমান দুঃসময় ও বিরূপ পরিস্থিতিতে আমাদের ব্যাংকিং কার্যক্রম, আয় আর মুনাফার মাত্রা কিছুটা হেঁচট খেয়েছিল, তারপরেও সমকক্ষ প্রতিযোগীদের সাথে তুলনা করলে ঢাকা ব্যাংক আমানত, ঋণ, তারল্য ও সঞ্চিতির মাপকাঠিতে ২০২০ সাল শেষ করেছে একটি শক্ত

ভিত্তির উপর দাঁড়িয়ে। এটি আগামী বছরগুলিতে অনুমিত ঋণচাহিদার উত্থান থেকে লাভবান হওয়ার আভাস দেয়। ব্যাংক সমবেত প্রচেষ্টার মাধ্যমে টেকসই প্রবৃদ্ধি অর্জন করতে তৎপর থেকেছে, অন্যদিকে যেমন গ্রাহকদের প্রয়োজন ও প্রত্যাশা পূরণে সমর্থন যুগিয়েছে, তেমনি দেশের জাতীয় অর্থনৈতিক লক্ষ্যে পৌঁছাতে নিজের কর্পোরেট ভূমিকার প্রতি মনোনিবেশ করেছে। এই উপলক্ষে আন্তরিক সাধুবাদ জানাই সরকারের বিভিন্ন কর্তৃপক্ষকে করোনার প্রাদুর্ভাব প্রতিরোধে তাদের প্রশংসনীয় ভূমিকার জন্য; আগামী বছরে দেশের অর্থনীতির পুনরুদ্ধার পর্বে আমরা আমাদের অপিত দায়িত্ব পালনের প্রত্যাশা রাখি। এ লক্ষ্যে পৌঁছাতে অর্থনীতির অনগ্রসর ক্ষেত্রে যেমন ক্ষুদ্র ও মাঝারি শিল্প, কৃষি, মহিলা উদ্যোক্তা খাত ইত্যাদির প্রতি দৃঢ় অঙ্গীকার দরকার বলে আমরা মনে করি।

আমরা বোর্ড ও বোর্ড উপ-কমিটি পর্যায়ে নীতি-পদ্ধতিগত যাবতীয় বিষয়ে পর্যাপ্ত চিন্তাভাবনা ও বিচার-বিশ্লেষণ করেছি এবং নিশ্চিত করেছি যে সকল আলোচনাই হোক অন্তর্ভুক্তিমূলক আর সিদ্ধান্ত হোক সর্বসম্মত ও বাস্তবায়নযোগ্য। ভবিষ্যতে মহামারী বিষয়ক যে কোন প্রতিকূল পরিস্থিতির নিরসনে ব্যাংকের দায়িত্ব ও কর্তব্য সম্পর্কে পর্ষদ অবগত রয়েছে, বিশেষ করে - উদ্ভূত পরিস্থিতিতে ব্যবসার প্রতি কৌশলগত প্রণোদনার অবসান হলে সম্ভাব্য মন্দাংশের উর্ধ্বগামিতা ঠেকাতে ব্যাংকের তাৎক্ষণিক করণীয় সম্পর্কে। আমাদের বিশ্বাস, উদ্ভূত তারল্য স্তর আগামীতে নগদ প্রবাহের ঘাটতি মেটাতেও আমাদের প্রচেষ্টাকে বেগবান করবে আর এই ঘাটতির উদ্ভব হতে পারে বিলম্বিত ঋণ আদায় প্রক্রিয়া থেকে যেমন, ঋণগ্রহীতার পরিশোধযোগ্য কিস্তির স্ব্গিতকরণ, বিভিন্ন হাড্ড ও ভুক্তি ইত্যাদি।

ব্যাংকের মূলধন ভিত্তির সুদৃঢ়করণে আমরা সজাগ থেকেছি বিবিধ বাজার প্রক্রিয়া ও পদ্ধতির অবলম্বন করে টিয়ার-১ ক্যাপিটালকে সমৃদ্ধ করতে। ব্যালেন্স শীট তারিখে ব্যাংকের টিয়ার-১ ক্যাপিটাল পর্যাপ্ততার অনুপাত ৮.৮৬% বজায় রাখা হয় যা বিধিবদ্ধ ন্যূনতম আবশ্যিকতার (৮.৫০%) ওপরে। অপরদিকে, ব্যাংকের টিয়ার-১ ও টিয়ার-২ ক্যাপিটাল পর্যাপ্ততা একত্রে দাঁড়ায় ১৪.৫২% যার অবস্থান ছিল বিধিবদ্ধ অনুপাতের (১২.৫০%) বেশ উর্ধ্বে।

প্যানডেমিক পরিস্থিতিতে ব্যাংকিং কার্যক্রমের সীমাবদ্ধতা আর নীতি-কৌশলের নিয়ন্ত্রণের মধ্যে ঢাকা ব্যাংক অত্র বছরে ৫,২০৭ মিলিয়ন টাকা পরিচালন মুনাফা লিপিবদ্ধ করতে সক্ষম হয়, পূর্ববর্তী বছর থেকে এটি ১৫% কম হলেও পরিস্থিতির বিবেচনায় তাৎপর্যপূর্ণ। তবে, ব্যাংকের কর পরবর্তী মুনাফা লক্ষণীয়ভাবে ২৯% বৃদ্ধিপ্রাপ্ত হয় যার সঙ্গত কারণ হিসেবে উল্লেখ করা যায় নিশ্চয়তা তহবিল ব্যয়, ঋণসঞ্চিতির সংকোচন এবং ব্যয় নিয়ন্ত্রণে ব্যাংকের দৃষ্টিনিবদ্ধকরণ যার ভিত্তিমূলে ছিল ব্যাংকিং যোগাযোগের সমস্ত ক্ষেত্রে ভার্চুয়াল প্ল্যাটফর্মের সর্বোচ্চ ব্যবহারের মাধ্যমে প্রযুক্তিগত শ্রেষ্ঠত্ব হাসিল করা। দায়-সম্পদের দূরদর্শী ব্যবস্থাপনার সৌজন্যে ব্যাংকের ডিপোজিট বেজ ১,১৩৭ মিলিয়ন টাকা বেড়ে বছর শেষে মোট ২০৬ বিলিয়ন টাকায় উন্নীত হয়, অন্যদিকে ঋণ ও অগ্রিম পোর্টফলিও কর্পোরেট, রিটেইল, কুটির, ক্ষুদ্র ও মাঝারি শিল্পের মাঝে সুসম বন্টিত হয়ে ও পরিমিত প্রবৃদ্ধি নিয়ে বেড়ে দাঁড়ায় প্রায় ১৯৯ বিলিয়ন টাকায়। ব্যালেন্স শীটের এই দুইটি গুরুত্বপূর্ণ উপাদান ব্যাংকের ক্রমবর্ধমান সম্পদ ভিত্তির স্থিতিতে গুরুত্বপূর্ণ অবদান রেখেছে।

চেয়ারম্যানের বাণী

ফলে ডিসেম্বর ৩১, ২০২০ তারিখে উল্লেখযোগ্য ৪% প্রবৃদ্ধি নিয়ে ব্যাংকের মোট সম্পদের পরিমাণ ২৯৫ বিলিয়ন টাকার এক বৃহৎ রূপ ধারণ করে। ব্যাংক শ্রেণীকৃত ঋণের নিয়ন্ত্রণে যথেষ্ট সফলতার স্বাক্ষর রেখে শ্রেণীকৃত ঋণের অনুপাত ২০১৯ সালের ৪.৭৪% থেকে অত্র বছরে ৩.৯৩%-এ নামিয়ে আনতে সক্ষম হয়। এই অগ্রগতি ব্যাংকের ঋণখাতের উত্তম প্রকৃতির পরিচয় দেয়, যদিও আশঙ্কা রয়েছে যে নতুন স্বাভাবিকতায় যখন ঋণ শ্রেণীকরণের বিধি-নিষেধের শৈথিল্য উঠে যাবে তখন মন্দাঋণের প্রাবল্য আবারও মাথাচাড়া দিতে পারে। বছরজুড়ে ব্যাংক পণ্য ও সেবা, লোকবল, গ্রাহক ও জনসমাজ এবং প্রযুক্তিখাতে অর্থপূর্ণ বিনিয়োগ করে এবং ব্যাংকিং ব্যবসায় এর মার্কেট শেয়ারকে প্রায়শই প্রশস্ত করে। শেয়ারহোল্ডারগণের প্রত্যাশিত প্রতিদান, লভ্যাংশ নীতিমালা ও আগামীর সম্ভাব্য কঠিন সময়ের বিবেচনায়, পরিচালনা পর্ষদ শেয়ারপ্রতি লভ্যাংশ সাম্প্রতিক সময়ের ঘোষিত সীমার নাগালের মধ্যে নির্ধারণ করেছেন যা কেন্দ্রীয় ব্যাংকের পরামর্শে রক্ষণশীল পন্থায় নির্ধারিত হয়েছে। তদনুযায়ী, ২০২০ সালের জন্য মোট ১২% ডিভিডেন্ড (৬% নগদ + ৬% স্টক) সুপারিশ করা হয়েছে, জুন ২৯, ২০২১ তারিখে অনুষ্ঠিত ব্যাংকের ২৬তম বার্ষিক সাধারণ সভায় অনুমোদনের জন্য।

জুলাই ২০২০ সময়কালে বাংলাদেশের ব্যাংকিং জগতে একটি পরীক্ষিত প্রদর্শক হয়ে ঢাকা ব্যাংক এর গৌরবময় ২৫ বছরের এক মাইলফলক অতিক্রম করল। অদ্যবধি এই বিরল স্বীকৃতির দাবীদার আমাদের সমকক্ষ গুটি কয়েক স্থানীয় ব্যাংক। ঢাকা ব্যাংকের ইতিহাস শুরু হয় গত শতাব্দীর শেষভাগে ১৯৯৫ সালে; সময়ের সোনালী পথে যা মতিঝিলের একটি ছোট্ট ব্যাংকিং শাখা থেকে দেশের একটি জনপ্রিয় ব্যাংকিং গ্রুপে আবির্ভূত হয়। দেশের অর্থনৈতিক উন্নয়নে পালাবদলের কর্তৃধার হয়ে ব্যাংক ব্যাপক আর্থিক অন্তর্ভুক্তি ও টেকসই প্রবৃদ্ধির কৌশল অবিরত অনুসরণ করে চলেছে। আমাদের এই ঐতিহাসিক উদ্যোগ দেশে অনেক যুগান্তকারী কীর্তির নিদর্শন রেখেছে যার কিছু কিছু বিশিষ্টতার চমকে দেশ বিদেশে পুরস্কার ও স্বীকৃতির বিজয়মুকুট লুফে নিয়েছে। এই অভাবনীয় ব্যাংকিং অভিযানের একজন স্বপ্নদ্রষ্টা তথা ব্যাংকটির প্রতিষ্ঠাতা চেয়ারম্যান হিসেবে আমি ব্যাংকটির নয়নাভিরাম উদগমন দেখে আনন্দে অভিভূত আর তেমনি আত্মহারা মানুষের ভালবাসায় সিঁক্ত দেশীয় সংস্কৃতি ও ঐতিহ্যের হৃদয় দিয়ে গ্রাহকসেবার মানসিকতা দেখে। দেশের একটি গুরুত্বপূর্ণ আর্থিক শক্তি হওয়ার গৌরব নিয়ে জাতীয় অর্থনৈতিক উন্নয়ন এজেডায় অংশগ্রহণ ও সহযোগিতায় ব্যাংকটি বিশেষ অবদান রেখেছে। ঢাকা ব্যাংক কোভিড-১৯ মহামারীর পুনরুদ্ধার পর্বে সার্থক ভূমিকা রাখতে পেরেছে - ক্ষতিগ্রস্ত খাতে প্রয়োজনীয় চলতি মূলধন ঋণ বিতরণ করে এবং গ্রাহকদের বিভিন্ন ছাড় ও সুযোগ-সুবিধার সম্ভার উপহার দিয়ে। মহামারীর অভিঘাতে আহত ব্যবসায়িক খাতগুলোকে তীব্র আর্থিক সংকট থেকে উদ্ধার করতে সরকারের বিভিন্ন প্রণোদনা প্যাকেজের অবাধ সরবরাহ নিশ্চিত করতে আমরা আমাদের সকল সম্ভাব্য দ্বার খুলে দিয়েছি। অন্যান্য বিলি-ব্যবস্থাসহ এই প্রণোদনা ও রেয়াতসমূহের মধ্যে অন্তর্ভুক্ত ছিল বৃহৎ, মাঝারি, ক্ষুদ্র ও কুটির শিল্পের জন্য পুনঃঅর্থায়ন সুবিধা, শিল্পাঞ্চলের কর্মীদের জন্য বেতন-ভাতাদির অর্থায়ন, ঋণ কাঠামোর পুনর্গঠন, ঋণকিস্তির স্থগিতকরণ ও মেয়াদের সম্প্রসারণ, ঋণ পরিশোধে নমনীয় বন্দোবস্ত প্রভৃতি।

সংকট কখনো নতুন পথের সন্ধান দেয়। যান্ত্রিক বিপ্লবের যুগে আমাদের অপার্থিব জীবনাচরণ একটি সুস্পষ্ট উপলব্ধির জন্ম দিয়েছে, যেখানে প্রথাগত ব্যবসায় মডেল এবং ইকোসিস্টেম এর দ্রুত রূপান্তর ঘটিছে আর আর্থিক খাতে নতুন সহযাত্রীরা প্রতিযোগিতা ও অন্তর্নিহিত ঝুঁকি তীব্রতর করেছে। অগ্রসরমান কোভিডের দিনগুলিতে, ডিজিটাল প্রোডাক্ট ও লেনদেনের জন্য বর্ধিত গ্রাহক চাহিদা আমাদের অভিজ্ঞতাকে শাণিত করেছে যা ব্যাংকের নিজস্ব ডিজিটাল প্ল্যাটফর্ম এর তড়িৎ বিকাশের উদ্দীপনা বাড়িয়ে দিয়েছে। আমাদের ডিজিটাল তৎপরতার ঐক্যতান অনেক নতুন উদ্যোগের সমন্বয়ে জোরদার করা হয়েছে। যেমন - ঘর থেকে হিসাব খোলা, ইজি ব্যাংকিং, হোয়াটসঅপ ব্যাংকিং, ইন্টার্যাক্টিভ ব্যাংকিং, Dhaka Bank go অ্যাপের সুদৃঢ়করণ, কার্ড ও এটিএম সার্ভিসের সহজীকরণ, কন্ট্যাক্ট সেন্টারের কর্মপরিধির সম্প্রসারণ এবং অন্যান্য ব্যাক-এন্ড প্রোসেস ও অবকাঠামোর উন্নয়ন। আমরা বিশ্বাস করি যে ব্যাংকের অভ্যন্তরে এবং সামগ্রিক ব্যাংকিং খাতে আরো অনেক সুযোগকে কাজে লাগানো যেতে পারে। মানুষের প্রয়োজন ও সামর্থ্যের ভেদাভেদের এই পৃথিবীতে যান্ত্রিক বিপ্লব মাঝে মাঝে যান্ত্রিক বিভাজনের সৃষ্টি করে যেখানে ব্যাংক দূরত্বের মানুষগুলো, যারা সংকোচ আর সামর্থ্যের জড়তায় প্রযুক্তিকে এড়িয়ে চলেত, তাদের আলিঙ্গন করে সেই শূন্যতা পূরণ করতে পারে। এই অন্তর্দৃষ্টিকে ব্যাংকিং বাস্তবতায় রূপান্তর করতে, বিশেষতঃ শহর ও উপশহরের দূরপ্রান্তের মানুষের জন্য চালু করা হয়েছে ব্যাংকিং উপ-শাখা। পূর্ণ ব্যাংকিং শাখার একটি সুন্দর বিকল্প হিসেবে এবং বিস্তীর্ণ জনপদে সহজ প্রবেশের সম্ভাবনার মাঝে আমরা আমাদের উপ-শাখা নেটওয়ার্ক বিস্তৃত করেছি লোকালয়ের উপযুক্ত প্রান্তরগুলিতে, বছর শেষে যার সংখ্যা উন্নীত হয় ১২-তে।

আমাদের ব্যাংকিং উদ্যোগের অপর প্রান্তটি সমাজ তথা জাতির উৎকর্ষ সাধনে আমাদের কর্তব্যের ধারায় উদ্ভাসিত। আমরা সেই কর্মপ্রেরণার বিশ্বাস ও দর্শনকে লালন করি যা ব্যবসায়িক প্রাপ্তির একটি অংশকে বঞ্চিত আর নিঃস্ব মানুষের উন্নতিসাধনে উৎসাহ যোগায়। সেই সংস্কৃতিকে আমরা ধারণ করি যা জাতির সামগ্রিক উন্নয়নের স্বার্থে একটি বর্চনযোগ্য মূল্যকে সংরক্ষণ করে। এই ঐতিহ্যকে ধারণ করে ২০২০ সালে আমরা বিভিন্ন জাতীয় ও সামাজিক উদ্দেশ্যে প্রায় ২২৪ মিলিয়ন টাকা CSR খাতে বিতরণ করি। আমাদের CSR কর্মকাণ্ডের উল্লেখযোগ্য দিক ছিল - কোভিড-১৯ এর প্রাদুর্ভাব প্রতিরোধ সংগ্রামে সহায়তা, প্রতিবন্ধী শিশুদের জন্য আর্থিক অনুদান, শিক্ষার প্রসারে সহায়তা, দুরারোগ্য রোগের চিকিৎসা, খেলাধুলার উন্নয়ন, স্বাস্থ্য অবকাঠামোর উন্নয়ন, প্রাকৃতিক বিপর্যয়ে ক্ষতিগ্রস্তদের জন্য সাহায্য ইত্যাদি সহ আরো অনেক গুরুত্বপূর্ণ উদ্যোগ। করোনার প্রতিরোধে ব্যাংক ২০২০ সালে বিভিন্ন সরকারী-বেসরকারী প্রতিষ্ঠানকে প্রায় ২২৩.৮৮ মিলিয়ন টাকার আর্থিক সহায়তা প্রদান করে। উল্লেখ্য, ঢাকা ব্যাংক বিভিন্ন জাতীয় দুর্যোগে সরকারি উদ্যোগের সাড়া দিয়ে “প্রধানমন্ত্রীর ত্রাণ ও কল্যাণ তহবিল”-এ প্রায় ১০৯.৫০ মিলিয়ন টাকার অনুদান প্রদান করে। অধিকন্তু জাতির পিতা বঙ্গবন্ধু শেখ মুজিবুর রহমানের জন্ম শতবার্ষিকী উৎযাপনের জন্য “বঙ্গবন্ধু মেমোরিয়াল ট্রাস্ট” কে ৫০ মিলিয়ন টাকা অনুদান প্রদান করা হয়।

আমাদের সময়ের এই অপ্রত্যাশিত বিপর্যয়ের সামনে দাঁড়িয়ে ভবিষ্যতের আভাসের কোন ছক আঁকা বড়ই কঠিন। ২০২১ ও এর অগ্রবর্তী সময়ে

চেয়ারম্যানের বাণী

বৈশ্বিক অর্থনীতির প্রত্যশা ও সম্ভাবনা জড়িয়ে আছে একটি বিতর্কিত প্রশ্নের উপর - প্যানডেমিক আরো কতকাল স্থায়ী হবে? এবং কেমন তালে মানুষের ভগ্ন স্বাস্থ্য উন্নতিলাভ করে প্যানডেমিক-পূর্ব দশায় ফিরে যাবে? অথবা পৃথিবী কি আসলে নতুন স্বাভাবিকতার কোন নিয়তির বলয়ে প্রবেশ করেছে যেথায় বেঁচে থাকতে হবে একটি বিনাশক ভাইরাস আর দেশ দেশান্তরে ভূ-রাজনৈতিক দ্বন্দ্বের পীড়াদায়ক অভিজ্ঞতা নিয়ে? আশার কথা হলো - ২০২০ এর শেষভাগে জো বাইডেন যুক্তরাষ্ট্রের প্রেসিডেন্ট নির্বাচিত হয়েছেন এই ম্যানডেট নিয়ে যে তিনি বিশ্বের সকল বিভেদ আর বিদ্বেষকে প্রশমিত করবেন যা পূর্ববর্তী প্রেসিডেন্ট ট্রাম্প আমেরিকার লেগ্যাসিতে যোগ করেছেন। কোভিড প্রাদুর্ভাব সফলভাবে প্রশমিত করে চীনা অর্থনীতি পূর্বের ছন্দে প্রত্যাবর্তন করেছে যা চীনের “সুপারপাওয়ার ড্রিম” কে অনেকখানি এগিয়ে নেবে। রিপোর্ট লেখার এই সময়ে প্রতিবেশী ভারত কোভিডের দ্বিতীয় ঢেউয়ের সঙ্গে ভয়ানক যুদ্ধে লিপ্ত যা প্রতিনিয়ত সংক্রমন ও হতাহতের রেকর্ড ভেঙে চলেছে। সেই তুলনায় বাংলাদেশ কোভিড-১৯ এর প্রাদুর্ভাবকে অনেকটা নিয়ন্ত্রণ করতে পেরেছে এবং অনেকটা এর ফলেই ২০২০ সালে অর্থনৈতিক সংকোচন থেকে রেহাই পেয়েছে। ২০২১ ও তৎপরবর্তী বছরে বাংলাদেশের জিডিপির প্রবৃদ্ধি আরো বেগবান হবে বলে প্রাক্কলন করা হয়েছে। বাংলাদেশসহ বিশ্ব স্বাস্থ্য পরিস্থিতির প্রত্যাবর্তন অনেকখানি নির্ভর করছে একটি ভারসাম্যপূর্ণ টিকা বিতরণ কর্মসূচির সফলতার উপর; আশংকাজনকভাবে বিশ্বব্যাপি টিকা কর্মসূচি হেঁচট খেয়েছে বিশৃঙ্খল সরবরাহ ব্যবস্থা ও টিকা প্রস্তুতকারীদের অঙ্গীকারের অভাবে।

প্রিয় বন্ধুগণ!

করোনার সর্বনাশা রূপ বিশ্বকে বিপর্যস্ত করে লাখ লাখ মূল্যবান জীবন ছিনিয়ে নিয়েছে। দেশীয় পর্যায়ে আমরা অনেক বিশিষ্টজনদের হারিয়েছি যাঁরা ছিলেন দেশের অর্থনৈতিক উন্নয়নের অন্যতম প্রধান স্তম্ভ। এই কঠিন সময়ে আমাদের সম্মানিত গ্রাহক, স্টেকহোল্ডার, সহযোগী ব্যাংকার এবং দেশের সর্বশ্রেণীর মানুষের শোকসন্তপ্ত পরিবারের প্রতি রইল আমাদের গভীর সমবেদনা ও সহানুভূতি। সেই সাথে কোভিড প্রান্তরের সম্মুখ যোদ্ধাদের প্রতি আমার আন্তরিক কৃতজ্ঞতা - পুলিশ, ডাক্তার, অভিজাত বাহিনী, সমাজকর্মী এবং অন্যান্য সংশ্লিষ্ট ব্যক্তিবর্গ যাঁরা কোভিডের বিরুদ্ধে যুদ্ধ করেছেন পরম আত্মত্যাগের বিনিময়ে। ঢাকা ব্যাংকের সহকর্মী ও ইন্ডাস্ট্রির অন্যান্য সহযোগী ব্যাংকারদের আমার আন্তরিক অভিনন্দন - তাঁরা করোনার জ্বলন্ত শিখাকে আলিঙ্গনের দুঃসাহস দেখিয়েছেন, গ্রাহকের কাছে আমাদের ব্যাংকিং সেবা পৌঁছে দিতে।

ব্যালেন্স শীট পরবর্তী সময়ে আমরা প্রত্যক্ষ করছি যে দেশ কোভিড-১৯ এর প্রথম ঢেউ সামলাতে না সামলাতে এর দ্বিতীয় ঢেউ আছরে পড়েছে নতুন রূপে আরও বেশি ক্ষতিকর প্রভাব নিয়ে। কোভিড-১৯ ভাইরাসের অবাধ বিচরণ দেশের অর্থনীতির ধাবমান গতিতে অনেক ব্যতিক্রমী ছন্দ ঝুঁটে দিয়েছে। চলমান ব্যবসায়িক স্তব্ধতা, থমকে যাওয়া সামাজিক জীবন, বিধ্বস্ত রপ্তানি বাজার ও বাঁধাগ্রস্ত স্বাস্থ্য অবকাঠামোর ধাক্কা কেড়ে নিতে পারে আমাদের উন্নয়নের বালক। অভাবিত এই বিপর্যয়কে রুখতে দেশের নেতৃত্ব ও নীতিনির্ধারকদের গভীরভাবে ভাবতে হবে অর্থপূর্ণ সমন্বয়, প্রণোদনা প্যাকেজ, ব্যবসায়িক ছাড় আর নীতি-কৌশলের পরিবর্তন নিয়ে। দেখতে হতে পারে স্বদেশবাসীর আরো বহু আত্মত্যাগ যা মেনে নেয়া কঠিন।

তবে জীবন এগিয়ে যাবে। ঢাকা ব্যাংক একটি দায়িত্ববান কর্পোরেট সিটিজেন হয়ে মানুষের পাশে দাঁড়াবে এবং দেশের মানুষের আর্থিক সংকট কাটিয়ে উঠতে সরকারের সাথে একযোগে কাজ করে যাবে। সর্বাত্মে, সরকারের প্রণোদনা প্যাকেজসমূহকে আমাদের সকল সেবা কাঠামোর ও ডেলিভারী চ্যানেলের মাধ্যমে পৌঁড়িত সেক্টর ও গ্রাহকদের কাছে পৌঁছে দিতে আমরা সদা প্রস্তুত থাকব। জীবন সুরক্ষায় অগ্রাধিকার দিয়ে আমাদের ব্যাংকিং উৎকর্ষতায় আরো অনেক ডিজিটাল সজ্জা যোগ করা হবে। আমরা প্রার্থনা করি, গোটা বিশ্ব এই রোগের বিরুদ্ধে একসঙ্গে লড়বে এবং ভয়ঙ্কর এই ভাইরাসের প্রভাব ঠেকাতে কোন সমাধান খুঁজে বের করবে। বাংলাদেশের মানুষ একসঙ্গে এই দুর্ঘোষণার বিরুদ্ধে প্রতিরোধ গড়বে এবং দ্রুতই দেশের আর্থিক শক্তি ফিরিয়ে আনবে।

পরিশেষে, আমি কৃতজ্ঞতা জানাই পরিচালনা পর্ষদে আমার সহকর্মীবৃন্দকে, ব্যাংকের পথচলায় কৌশলগত মূল্যবান পরামর্শ দিয়ে সার্বিক সহযোগিতার জন্য। শ্রদ্ধা জ্ঞাপন করছি প্রাক্তন চেয়ারম্যান জনাব রেশাদুর রহমানকে সকল প্রতিকূলতায় ব্যাংককে পথ-নির্দেশনার জন্য। অভিনন্দন জানাই ব্যাংকের ব্যবস্থাপনা পরিচালক জনাব এমরানুল হককে, ব্যাংক ব্যবস্থাপনার সদস্যবৃন্দকে এবং মহান ঢাকা ব্যাংক টিমকে আমাদের কর্পোরেট আকাঙ্ক্ষার প্রতিফলনে তাঁদের নিরন্তর প্রচেষ্টার জন্য। আমাদের শেয়ারহোল্ডারগণ সবসময়ই আমাদের শক্তির উৎস থেকেছেন। এই অনিশ্চিত সময়কে পাড়ি দিতে আমাদের সার্বিক সহযোগিতার জন্য ধন্যবাদ জানাই মাননীয় অর্থমন্ত্রী, বাংলাদেশ ব্যাংকের সম্মানিত গভর্নর, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের সম্মানিত চেয়ারম্যান, জাতীয় রাজস্ব বোর্ডের সম্মানিত চেয়ারম্যান এবং তাঁদের সহকর্মীবৃন্দকে। আমাদের সবকিছুর কেন্দ্রেই আছেন আমাদের সম্মানিত গ্রাহক এবং আমি গভীরভাবে কৃতজ্ঞ আমাদের ব্যাংকিং যাত্রায় তাঁদের সদয় সঙ্গ পেয়ে।

সকল অংশীজনের সাথে আমাদের গভীর বন্ধনের শক্তি এই বার্তা দেয় যে, বিরাজমান মহামারীর ছায়া থেকে দেশকে মুক্ত করতে আমাদের দায়িত্বের গুরুত্ব অপরিসীম।

নিরাপদ থাকুন এবং নিজের ও পরিবারের যত্ন নিন।

আব্দুল হাই সরকার

চেয়ারম্যান, পরিচালনা পর্ষদ

ঢাকা ব্যাংক লিমিটেড

FROM THE **MANAGING DIRECTOR & CEO'S DESK**



REVIEW OF THE MANAGING DIRECTOR & CEO



Emranul Huq
Managing Director & CEO

“

A highlight on our financial performance and growth curves sketch an insightful depiction of our perseverance to harvest the best of 2020. In the teeth of extraordinarily challenging headwinds from COVID threats, the Bank made commendable strides by prudent execution of vigilant planning and ended the year with a robust balance sheet and liquidity strength.

”

REVIEW OF THE MANAGING DIRECTOR & CEO

Continued

Respected Shareholders, Customers and all other Stakeholders,

We have given thoughts to the situation with supports to weather the tough times and I am pleased to confirm that the energy, passion and commitment of our Bank Team remained glued to a sense of purpose. The Bank took swift action across all forefronts of business in response to the ongoing crisis. We are proud of the way our people and business kept their spirits up to deliver broader help in this time of crisis. Our Team's untiring efforts and dedication wheeled by their power of resilience helped us conclude the year with a stable performance in all core business areas, some of which are remarkable amid the flux of streaming turmoil.

Our operating environment, both domestic and global was wrapped in the waves of COVID-19 pandemic that hurt everyone if not physically then financially or psychologically. Social distancing measures, both elective and government mandated, blew a huge economic impact on businesses, particularly those that require face-to-face contact. Governments in many cases stepped in to cushion or delay the fall, but wave upon wave of infections pounded publics when societies tried to reopen. By the end of the year, we saw the global economy contracted 3.5 percent. In the United States, output fell by roughly 3.6 percent for the year. In Europe and Japan, second or third wave prompted renewed lockdowns and put a damper on strong recoveries in the latter half of the year. The pandemic hit India hard at a time when growth was already slowing while the second wave appeared incredibly devastating to life and economy. But among the major economies, China was the big exception. The Chinese economy recovered quickly, and it finished with 2.3 percent growth.

Despite pandemic whirlwind, Bangladesh managed to escape a contraction in 2020. Bangladesh's GDP growth has been 5.2 percent in 2020, that was 8.2 percent in the previous year. Operating profits of most banks in the just concluded year have shrunk on the back of a business slowdown caused by the ongoing coronavirus whiplash. Considering the gravity of economic damage, the sector's profits are quite promising, we believe. The Central Bank declared loan moratorium facility for all borrowers throughout the last year in order to come to the aid of clients affected by the financial meltdown. This has helped Banks bring down their defaulted loans and also has reduced the amount of money required to be kept as provision. A nosedive in lending rate coupled with deferment of payback from borrowers and other concessions, put banking profits in strains. Anticipating uncertainties ahead, the majority of the businesses adopted a go-slow policy in setting up new industrial units and expanding existing ones due to the ongoing crisis.

The situation warrants that the financial sectors play a vital role in the recovery process, not only through own efforts but as a gateway for government support to worse hit households and businesses. Time has put us on test to prove true identity of our corporate soul as to whether our conduct in the pandemic could come up to the expectations of our distressed stakeholders and the wider society when the torments of pandemic retire to oblivion in near future.

A highlight on our financial performance and growth curves sketch an insightful depiction of our perseverance to harvest the best of 2020. In the teeth of extraordinarily challenging headwinds from COVID threats,

the Bank made commendable strides by prudent execution of vigilant planning and ended the year with a robust balance sheet and liquidity strength. Though our expected growth line, somewhere bent under external pressures of the pandemic, we ended up delivering fairly better performance; So to speak, we have successfully retained our strong fundamentals and the bottom line of business. Operating Profit for the year 2020 was BDT 5,207 million, dropping BDT 891 million from that of BDT 6,098 million in 2019. The profit is remarkable considering some impacts of the pandemic. For example, interest refunds, concessionary interest charged on EMI facilities, prolonged moratorium period as per the directions of the regulator coupled with the Bank's own voluntary rebate scheme amounted to a decrease of interest income by 18% over the preceding year. However the Bank has shown notable progress in enhancing Profit After Tax by 29% to a total of BDT 2,030 million enabling scopes to increase Shareholders' Equity and lucrative dividend payout in these difficult times. NPL remarkably decreased to 3.13% in 2020 from 4.74% in 2019 because of stringent evaluation and monitoring of lending portfolio coupled with strong collection drive. Deposits grew by 1% to BDT 206 bn and Lending Portfolio by 2% to 199 Bn; the modest growths resulted mainly from retarded business under COVID perspectives. Treasury made a significant contribution to the bottom line of the Bank in 2020, too. Our Credit Ratings for 2020 were assigned **ST-2** for short term and **AA** for long term reflecting that the financials of the Bank is developing.

Much to our comfort, we are not lone fighters in the battle. The whole club of banks and the Government fought together to the rescue of financial hardship and health security. With the surge of COVID-19 outbreak in mid-March 2020 and the lockdown enforced, the Bank moved swiftly into action, implementing a range of operational measures that include: keeping open most of our Branches with best possible arrangement for customers; splitting team and setting up protocols for working at alternative sites, schedules and from home; providing transport, conveyance and personal protective equipment for the safety of our staff; and outfitting our Branches for social distance and hygiene to protect our customers.

Emergency response to customer requirements irrespective of time and place and providing efficient services to customers in line with economic priorities to thrust sectors dominated our way of managing the pandemic. To do so, we manoeuvred banking operations in different folds, from opening the majority of our branches during lockdown, to equipping our fleet of ATMs to provide access to cash, to keeping our central trade processing centres operational throughout to play our part in facilitating the country's trade, to fast-tracking digital products and services, most notably Dhaka Bank Go app to allow customers to conduct transactions remotely, to customizing financing and cash management services to our large corporate partners.

The Bank consolidated its efforts under the umbrella of multiple initiatives including the moratorium periods for debt, reductions on credit card repayments and applicable interest rates, and debt consolidation and structuring plans. Though the initiatives were guided by Bangladesh Bank directives, we went above and beyond them to benefit the struggling customers. Imbued with a holistic approach, we did not

REVIEW OF THE MANAGING DIRECTOR & CEO

Continued

narrowly interpret eligibility criteria to limit applications, but find ways to bring people into the basket. Furthermore, the Bank prioritised efforts to offer assistance to the SME and Micro enterprises sector, termed as the growth engine of the national economy. As much as BDT 26,717 million was disbursed to MSME sector including Woman Entrepreneurs under various schemes and stimulus packages. With an avid response, the Bank implemented Government's programme on different stimulus packages under the guidance of Bangladesh Bank and in the process disbursed BDT 7,217.40 million up to December 31, 2020 with a view to infusing Corporate and RMG business momentum in this sector.

Having immense customer penetration, an extensive geographical reach and a good share of advance and deposit portfolio in the industry, the Bank's socio-economic impact on the country remains undeniable. Our people orientation starts with a team of 1,890 dedicated and competent professionals who brightens customer experience and steer our strategic ambitions every day. We serve a country-wide base of over a 0.56 million Customers offering an array of deposit, advance and transactional products. Our continued profitability gave us an opportunity to contribute to government exchequer amounting BDT 4,500.01 million in the form of tax and BDT 223.88 million as CSR aimed at uplifting the community.

Towards building a safer and livable habitat, we have kept ourselves aligned with broad-based environmental and social development framework. Our environmental responses are centred on various green finance initiatives, assessment of environmental impacts in credit proposal, financing to renewable energy and waste management projects and other similar concerns. In 2020, the Bank invested significant amount through green banking initiatives to cater to RMG clients ETP, WTP and STP solutions. We endeavoured spontaneously to escalate our green banking products for the betterment of RMG and towards the goal, inked number of refinance agreements with Sustainable Finance Department of Bangladesh which eventually will facilitate us to fetch low cost fund in this endeavor. Our green finance portfolio aggregated BDT 509.45 million at the close of the year and this commitment will definitely diffuse the glow of sustainability across the country.

Our vigilant Board remained a source of support and concrete guidance throughout this testing time. Our Honourable Chairman of the Board of Directors, Mr Abdul Hai Sarker has provided sound stewardship and leadership since his taking over his charge. Appreciation and gratitude for the former Chairman Mr. Reshadur Rahman, who made valuable contribution to the growth of the Bank for a period during which the Bank has weathered many storms and gone from strength to strength. Their leadership will be much needed as the country commences its recovery from the pandemic.

The outlook ahead cannot be better shaped until the pandemic uncertainties crystalize for a suitable navigation. The economy is recovering, but it is not yet back on track to a faster and sustainable growth with investment still depressed and external demand wavering. Viewed with honesty and clarity, the year ahead will be demanding, both for the Bank and the country. Continued downgrades to lending rates, implementation of special loan schemes, and rising investor sentiment is expected to drive credit growth in all sectors of the economy in 2021.

But, for the financial services sector, the full force of the true NPL position will only be felt in 2021. A prolonged low-rate environment will mean lackluster Net Interest Margin (NIM), and business models will need to shift to maintain profitability. We view that immediate return to the heydays of profitability and boom will be a short-sighted approach and may bleed our gains and stability through many adverse side effects. The ultimate heal lies in a long term outlook, driven by faith in our relationship with our stakeholders, the pulse of their resilience, and a commitment to our identity embossed with integrity.

Under the circumstances, the valiant soldiers of Dhaka Bank have continued their commitment to customers every day even keeping their own life at stake. We recognize their courage and commitment with lavish praise and gratitude. We are sorry that in course of our banking voyage through the surge of pandemic, we have lost many of our partners and our colleagues whose competence and contribution together have brightened up the image of Dhaka Bank. Our deep compassion and prayers for all those unfortunate warriors. We pray for the peace of their departed souls and there remains our deep compassion for their bereaved families. Same misfortune has come upon some of our valued shareholders and their families. We have deep sympathy for their bereaved families and we pray to Almighty for eternal peace of those departed souls.

We anticipate a better turn of the situation in the coming days. We believe, our prayers will be answered - the brave-heart nation will fight together to dispel the clutches of misfortune and win back financial vigour to our economy at the quickest pace. In all circumstances, Dhaka Bank will stand by the people with its dedicated services to Customers to meet their financial needs.

I, on behalf of the Management Team, express gratitude to the Honourable Chairman and the Board of Directors for their guidance and continued support during the year. I express my gratitude to all the fellow Employees of our Bank for their continuous efforts for achieving the goal of the Organization. Most notably, Bangladesh Bank has remained a constant guide with their unstinting support and precise direction in the coming of Dhaka Bank and the way forward. Indeed our abiding corporate soul and good governance have earned a place of their trust. With thanks and gratitude, we attribute our success to the Honourable Governor of Bangladesh Bank and his team for being a vigilant guardian. We are grateful to Bangladesh Securities and Exchange Commission (BSEC), National Board of Revenue (NBR) and all other Regulatory Authorities – their constant vigilance and directives have made what we are today. My gratitude also goes out to the External Auditors and their staff for the execution of the audit of Bank's financial statements enabling the timely publication of this report.

Stay safe and be protected.



Emranul Huq
Managing Director & CEO
Dhaka Bank Limited

ব্যবস্থাপনা পরিচালক ও সিইও'র পর্যালোচনা

আমাদের ২০২০ সালটি শুরু হয়েছিল ব্যাংকের গৌরবের “রজত জয়ন্তী” উৎসাপনের উৎসবমুখর পরিকল্পনার মধ্য দিয়ে, যার প্রেক্ষাপট রচিত হয়েছে।

বাংলাদেশের অর্থনৈতিক ও সামাজিক দৃশ্যপটে আমাদের আগমন, বিশ্বের ও উথিত হওয়ার দীর্ঘ ২৫ বছরের উজ্জ্বল ইতিহাসকে ঘিরে। আমাদের আনন্দের আতিশয্যে নতুন মাত্রা যোগ করে জাতির পিতা বঙ্গবন্ধুর জন্ম শতবার্ষিকী উপলক্ষে “মুজিব শতবর্ষ” উৎসাপনের চমৎকার সমাপন। কিন্তু খুব শীঘ্রই আমাদের স্বরণকালের ব্যতিক্রম হয়ে দুর্বিপাকের মহাসাগর গ্রাস করে বিশ্বকে। এখন ভাইরাস-আবৃত এই পৃথিবীতে কোভিড-১৯ মহামারীর সঙ্গে বসবাসের একটি বছর শেষে এটি স্পষ্ট যে আমরা এমন একটি বিশ্বে প্রবেশ করেছি যা রূপান্তরিত হচ্ছে প্রতিনিয়ত। বছরটি ছিল বিশ্ববাসীর জন্য একটি কঠিন সময় - বড় অনিশ্চয়তার এবং অনেকের কাছে অনেক বড় ক্ষতির যা পুষিয়ে নেয়া কঠিন। তারপরেও, ২০২০ সালের বিষণ্ণ স্মৃতিকে পেরিয়ে, অন্ততঃ নতুন সালের ফিরে পাওয়া আশ্বাস মাঝে আমরা আশাবাদী এই ভেবে যে সামনের দিনগুলিতে অধিকতর উদ্বিগ্ন হওয়ার আর কিছু বাকি নেই, কারণ সকল অশুভ শক্তির একটি শেষ থাকে যা আমাদের গ্রহে কখনো পদার্পণ করে সভ্যতার সাহসী যোদ্ধাদের হাতে পরাজিত হওয়ার জন্যই।

সম্মানিত শেয়ারহোল্ডার, গ্রাহক ও সকল স্টেইকহোল্ডারবৃন্দ,

পরিস্থিতির প্রতি আমাদের ভাবনা চলে দিয়েছি এবং যাবতীয় সমর্থন ও সহযোগিতা নিয়ে সময়ের প্রতিকূলতাকে কাটিয়ে উঠার চেষ্টা করেছি। আমি আনন্দিত একথা জানাতে পেরে যে ঢাকা ব্যাংক টিম যাবতীয় শক্তি, উৎসাহ ও অঙ্গীকার নিবেদন করেছে অভীষ্ট লক্ষ্যের প্রতি অনুগত থেকে। অগ্রসরমান সংকটের মোকাবেলায় ব্যাংকিং ব্যবসার সকল অগ্রভাগে দ্রুত আত্মনিয়োগ করেছি। আমরা গৌরব অনুভব করি যেভাবে আমাদের কর্মীবাহিনী এবং ব্যবসায়িক উদ্যোগসমূহ সংকটকালীন সময়ে বৃহৎ পরিসরে সেবা প্রদান করতে নিজেদের উদ্বুদ্ধ রেখেছে। আমাদের টীমের ক্লাসিক্যাল উদ্যোগ, সহনশীলতা এবং আত্মত্যাগের গুণে আমরা ব্যবসার মূল ক্ষেত্রগুলিতে ২০২০ সালের একটি স্থিতিশীল সমাপ্তি টেনেছি; এতে এমন কিছু অর্জন রয়েছে যা প্রবহমান বিপর্যয়ের মাঝেও লক্ষণীয় বৈশিষ্ট্যে উজ্জ্বল।

জাতীয় ও আন্তর্জাতিক পর্যায়ে আমাদের কর্মকাণ্ডের পরিবেশ কোভিড-১৯ মহামারীর চেউয়ে আচ্ছন্ন ছিল যা সবাইকে আক্রান্ত করেছে হয় শারীরিকভাবে নয়তো আর্থিক বা মনস্তাত্ত্বিকভাবে। সামাজিক দূরত্বের বিধি-বিধান - যা ঐচ্ছিকভাবে কিংবা সরকারী আদেশে বজায় রাখা হয় তার বিরূপ প্রভাব পড়ে ব্যবসা-বাণিজ্যে, বিশেষ করে যারা মুখোমুখি সংস্পর্শ আসতে বাধ্য হন। বিভিন্ন দেশের সরকারগণ অনেক ক্ষেত্রেই এই নিপতনকে হয় প্রতিরোধ নয়তো বিলম্বিত করতে এগিয়ে আসেন, কিন্তু সংক্রমণের নতুন নতুন চেউ পুনরায় খুলতে যাওয়া জনসমাজকে পর্ষদস্ত করে ফেলে। করোনা মন্দ প্রভাবে সাল শেষে বিশ্ব অর্থনীতি সংকচিত হয় ৩.৫% হারে। মার্কিন যুক্তরাষ্ট্রে শিল্পোৎপাদন প্রায় ৩.৬% হ্রাসপ্রাপ্ত হয়। বছরের দ্বিতীয় ভাগে ইউরোপ ও জাপানে, কোভিডের দ্বিতীয় ও তৃতীয় চেউ লকডাউনের পুনরাবির্ভাব ঘটায়, ফলে তাদের অর্থনীতির শক্ত পুনরুদ্ধার আবারও ভাটায় পতিত হয়। কোভিড মহামারী ভারতকে কঠিন নাড়া দেয় এমন একটি সময়ে যখন দেশটির প্রবৃদ্ধি মন্বুর গতিতে চলছিল, অন্যদিকে

কোভিডের দ্বিতীয় ধাক্কা দেশটির জীবন ও অর্থনীতিকে অবিস্বাস্য বিপর্যয়ে ফেলে দেয়। তবে বৃহৎ অর্থনীতির মধ্যে চীন একটি ব্যতিক্রম। চীনা অর্থনীতি খুব দ্রুত এর ছন্দে প্রত্যাবর্তন করে ২.৩% প্রবৃদ্ধি অর্জন করতে সক্ষম হয়।

মহামারীর ঘূর্ণিস্রোত সত্ত্বেও, বাংলাদেশ ২০২০ সালে অর্থনৈতিক সংকোচন এড়িয়ে যেতে সক্ষম হয়। তবে আগের বছরের চমকপ্রদ ৮.২% প্রবৃদ্ধির তুলনায় এই সালে বাংলাদেশের অর্থনৈতিক প্রবৃদ্ধি নিশ্চয় প্রবণতার নিম্নে ৫.২% প্রাক্কালন করা হয়। সমাপ্ত বছরে চলমান করোনা ভাইরাসের কশাঘাতে উদ্ভূত ব্যবসায়িক মন্দায় ব্যাংকসমূহের পরিচালন মুনাফার বেশ খানিকটা ঝড়ে পড়ে। তারপরেও সম্ভাব্য অর্থনৈতিক ক্ষতির গুরুত্বের বিবেচনায় ব্যাংকিং খাতের মুনাফা বেশ আশাপ্রদ বলা যায়। প্রায় পুরো সাল জুড়ে আর্থিক সংকটে বিপদগ্রস্ত গ্রাহকদের সাহায্য করতে কেন্দ্রীয় ব্যাংক সকল ঋণগ্রহীতার জন্য ঋণ পরিশোধের দায় ও শ্রেণীকরণের বাধ্যবাধকতা সাময়িক স্থগিত রাখার সুযোগ করে দেয়। এই সুবাদে ব্যাংকগুলো তাদের অলস ঋণের আকার এবং একই সঙ্গে সংরক্ষণযোগ্য ঋণসঞ্চিতির পরিসীমা হ্রাস করতে সক্ষম হয়। ঋণখাতে প্রযোজ্য সুদহারের খাড়া অবতরণ যার অনুসঙ্গী হয়েছে ঋণগ্রহীতার পরিশোধের বিলম্বীকরণ এবং অন্যান্য ছাড় - এগুলো ভীষণ চাপে ফেলে ব্যাংকের আয় খাতকে। আগামীর অনিশ্চয়তা অনুধাবন করে ব্যবসায়িক উদ্যোক্তাগণ নতুন শিল্পের স্থাপনে কিংবা বিদ্যমান প্রকল্পের সম্প্রসারণে ধীরে চলার নীতি অবলম্বন করে।

পরিস্থিতির বিবেচনায় ক্ষতিগ্রস্ত পরিবার ও ব্যবসার পুনরুদ্ধার প্রক্রিয়ায় আর্থিক খাতের ভূমিকা অপরিহার্য হয়ে পড়েছে - শুধু যে নিজস্ব প্রচেষ্টায় তা নয় বরং সরকারের সাথে একটি সম্মিলিত উদ্যোগে তাদের ঘোষিত সাহায্যের একটি প্রবেশদ্বার হয়ে। আমাদের কর্পোরেট সত্তা এর সত্য পরিচয়ের প্রমাণ দিতে আজ যুগের এক নতুন পরীক্ষার সম্মুখীন। তা হলো, মহামারীর এই দুঃসময়ে আমাদের আচরণ কি দুর্দশায় নিপতিত অংশীজন ও বৃহত্তর সমাজের প্রত্যাশার প্রতিফলন ঘটাতে পেরেছে? নিকট ভবিষ্যতে এর জবাব দিতে আমাদের দায়বদ্ধতা থাকবে প্যানডেমিকের ভীতিকর চেউ বিস্মৃতির গহবরে হারিয়ে গেলে।

আমাদের আর্থিক কর্মকাণ্ড ও প্রবৃদ্ধির রেখাগুলোর উপর আলোকপাত করলে ২০২০ সালে প্রাপ্তির সেরাটাই পেতে আমাদের অধ্যবসায় ও উদ্যমের একটি অভিনব চিত্র খুঁজে পাই। কোভিডের অস্বাভাবিক প্রতিকূলতার মুখে ব্যাংক সুচিন্তিত পরিকল্পনা ও দক্ষ বাস্তবায়নে উল্লেখযোগ্য সাফল্যের পরিচয় দিয়ে বছর শেষে একটি শক্তিশালী ব্যালেন্সশীট এবং তারল্য ভিত্তির ওপর দাঁড়িয়েছে। আমাদের প্রত্যাশিত ক্রমবৃদ্ধির গতিপথ, কোথাও মহামারীর বাহ্যিক চাপে বেঁকে গেলেও বছর শেষে মোটামুটি ভাল ফলাফল বয়ে এনেছে; বলাই বাহুল্য, আমরা সফলভাবে আমাদের ব্যাংকিং ব্যবসার মৌলিক ভিত্তি ধরে রাখতে পেরেছি। ২০২০ সালে ব্যাংকের পরিচালন মুনাফা দাঁড়ায় ৫,২০৭ মিলিয়ন টাকা; ২০১৯ সালের মুনাফা থেকে যা ৮৯১ মিলিয়ন টাকা কম বলে পরিলক্ষিত হয়। মহামারীর বিরূপ প্রভাবের বিবেচনায় এই মুনাফা উল্লেখ করার মত। উদাহরণস্বরূপ, আরোপিত সুদের প্রত্যার্ণণ, মাসিক কিস্তি পরিশোধে বিভিন্ন ছাড় ও সুবিধা, কেন্দ্রীয় ব্যাংকের নির্দেশনায় স্থগিতকৃত মেয়াদের সম্প্রসারণ, ঋণ পরিশোধে ব্যাংকের ঐচ্ছিক ছাড় প্রদান ইত্যাদির প্রভাবে ব্যাংকের সুদভিত্তিক আয় পূর্ববর্তী বছরের

ব্যবস্থাপনা পরিচালক ও সিইও 'র পর্যালোচনা

থেকে ১৮% হ্রাস পায়। তবে, ব্যাংক কর পরবর্তী মুনাফার সংরক্ষণে যথেষ্ট সফলতার পরিচয় দিয়েছে যা পূর্ববর্তী বছর থেকে প্রায় ২৯% প্রবৃদ্ধি নিয়ে ২,০৩০ মিলিয়ন টাকায় উন্নীত হয়। এটি যেমন শেয়ারহোল্ডারদের মূলধন বৃদ্ধির সুযোগ সৃষ্টি করবে তেমনি এই প্রতিকূল সময়ে লাভজনক লভ্যাংশ প্রদানের সুযোগ দিয়ে ব্যাংকের সুনাম বৃদ্ধি করবে। ব্যাংকের শ্রেণীকৃত ঋণ ২০১৯ সালের ৪.৭৪% থেকে লক্ষণীয়ভাবে হ্রাসপ্রাপ্ত হয়ে ২০২০ সালে ৩.১৩% এ লিপিবদ্ধ হয়। এর মূল কারণ হিসেবে কঠোর ঋণ মূল্যায়ন পদ্ধতি, ঋণমানের নিয়মিত তদারকি ও ঋণ আদায়ে জোরদার তৎপরতাকে উল্লেখ করা যায়। প্রতিবেদনকালীন সময়ে আমানত ১% বৃদ্ধি পেয়ে ২০৬ বিলিয়ন টাকা এবং ঋণ পোর্টফোলিও ২% বেড়ে ১৯৯ বিলিয়ন টাকায় উন্নীত হয়; এই পরিমিত প্রবৃদ্ধি ঘটেছে মূলত কোভিড প্রেক্ষাপটে মন্দীভূত ব্যবসার প্রভাবে। ২০২০ সালে ব্যাংকের ক্রেডিট রেটিং স্বল্প মেয়াদে ST-2 এবং দীর্ঘমেয়াদে AA নির্ধারিত হয় যা আমাদের আর্থিক উন্নয়নশীলতাকে যথাযথ প্রতিফলন করে।

স্বস্তির বিষয় যে, এই মহামুদ্রে আমরা কোন নিঃসঙ্গ যোদ্ধা নই। সমস্ত ব্যাংকিং প্রতিষ্ঠান ও সরকার একসাথে মানুষের আর্থিক দুরবস্থা ও স্বাস্থ্য নিরাপত্তার উদ্ধারে সংগ্রাম চালিয়ে যাচ্ছে। ২০২০ সালের মধ্য-মার্চ কোভিড-১৯ এর প্রাদুর্ভাব যখন ছড়িয়ে পড়ে এবং লকডাউন আরোপ করা হয়, তখন ব্যাংক দ্রুততার সাথে প্রয়োজনীয় উদ্যোগ গ্রহণ করে, এক গুচ্ছ প্রক্রিয়াগত পদক্ষেপ বাস্তবায়নের মাধ্যমে। যেমন, গ্রাহক চাহিদার নিরীখে সর্বোচ্চ সংখ্যক শাখা খোলা রাখার বন্দোবস্ত করা; বিকল্প স্থান, শিডিউল বা বাসায় কাজ করার জন্য দল বিভাজন ও কর্মবিধি নির্ধারণ; কর্মকর্তাদের নিরাপত্তার স্বার্থে যানবাহন ও ব্যক্তিগত সুরক্ষা সরঞ্জাম এর বিলিব্যবস্থা; এবং সামাজিক দূরত্ব ও গ্রাহকদের স্বাস্থ্যের সুরক্ষায় শাখাসমূহের সজ্জিতকরণ।

প্যানডেমিক সংকটের মোকাবেলায় আমাদের যে পন্থা প্রাধান্য বিস্তার করেছিল তা হলো, স্থান-কাল নির্বিশেষে সকল গ্রাহকের জরুরী প্রয়োজনে তাৎক্ষণিক সাড়া দেয়া এবং গ্রাহকের অর্থনৈতিক অগ্রাধিকারের সাথে মিল রেখে দক্ষ সেবার ব্যবস্থা করা। তা করতে, ব্যাংকিং কার্যক্রমকে নৈপুণ্যের সাথে বিভিন্ন ভাঁজে বিন্যস্ত করেছি; লকডাউন চলাকালীন সময়ে অধিকাংশ শাখা খোলা রেখে - গ্রাহকের নগদ সরবরাহ নিশ্চিত করতে এটিএম এর আধুনিকীকরণ করে - বৈদেশিক বাণিজ্যের সহজীকরণে কেন্দ্রীয় ট্রেডসেন্টারকে বরাবর কর্মতৎপর রেখে - ডিজিটাল পণ্য ও সেবা, বিশেষ করে, **Dhaka Bank go** অ্যাপকে প্রযুক্তির দ্রুতগতিতে গতিশীল করে - বৃহৎ কর্পোরেট পার্টনারদের চাহিদার উপযোগী অর্থায়ন ও ক্যাশ ম্যানেজমেন্ট সেবা উন্নত করে।

প্রয়োজনীয় অনেক উদ্যোগের পৃষ্ঠপোষকতায় ব্যাংক তার প্রচেষ্টাকে মজবুত করেছে যার মধ্যে অন্তর্ভুক্ত ছিল ঋণের স্থিতাদেশ, ক্রেডিট কার্ডের বকেয়া ও প্রয়োজ্য সুদহার লঘুকরণ এবং ঋণকাঠামোর সুদৃঢ়করণ ও পুনর্নির্ন্যাস। যদিও বাংলাদেশ ব্যাংকের তত্ত্বাবধানে উদ্যোগগুলো এসেছে তবুও এর বাইরেও আমরা অনেক কিছু চিন্তা করেছি সংকটের সাথে লড়াইরত গ্রাহকদের সাহায্য করতে। সামগ্রিক কল্যাণের প্রেরণা নিয়ে গ্রাহক আবেদন নিয়ন্ত্রণ করতে তাদের যোগ্যতার মাপকাঠি সংকীর্ণার্থে

ব্যত্যা করিনি, বরং সংকটকালীন উদ্যোগে আরও বেশি মানুষকে शामिल করতে আমরা সমাধান খুঁজে নিয়েছি। এতদ্ব্যতীত, জাতীয় অর্থনৈতিক প্রবৃদ্ধির ইঞ্জিন হিসেবে খ্যাত কুটির, ক্ষুদ্র ও মাঝারি উদ্যোক্তা খাত (সিএমএসএমই) কে প্রয়োজনীয় সাহায্য ও সুবিধার ব্যবস্থা করতে আমরা অগ্রাধিকার দিয়েছি। অত্র সালে বিভিন্ন স্কীম ও প্রণোদনা প্যাকেজের আওতায় সিএমএসএমই ও মহিলা উদ্যোক্তাখাতে প্রায় ২৬,৭৯৭ মিলিয়ন টাকার ঋণ বিতরণ করা হয়। ব্যাংক ভীষণ উৎসাহ নিয়ে কেন্দ্রীয় ব্যাংকের পরামর্শে সরকারের বিভিন্ন প্রণোদনা প্যাকেজ ও প্রোগ্রাম বাস্তবায়ন করেছে এবং এই কার্যক্রমের আওতায় আমরা কর্পোরেট ও তৈরী পোশাক খাতকে সবল ও গতিশীল রাখতে ডিসেম্বর ৩১, ২০২০ পর্যন্ত প্রায় ৭,২৯৭.৪০ মিলিয়ন টাকার ঋণ বিতরণ করেছে।

একটি বিশাল গ্রাহক-মণ্ডলে আমাদের অনুপ্রবেশ, সুবিস্তৃত ভৌগোলিক পরিসর এবং ব্যাংকের খাতের ঋণ ও আমানত পোর্টফোলিওতে আমাদের চমৎকার অংশগ্রহণ বিবেচনা করলে, দেশের উপর ঢাকা ব্যাংকের আর্থ-সামাজিক প্রভাব সুদূরপ্রসারী বলে আমরা মনে করি। মানুষের প্রতি আমাদের সংস্রবের শুরুটা হয় ১,৮৯০ সংখ্যক পেশাদার কর্মকর্তার একটি নিবেদিত ও দক্ষ বাহিনীকে ঘিরে যারা নিযুক্ত রয়েছেন নিত্যদিনের গ্রাহক অভিজ্ঞতায় উজ্জ্বল আলো ছড়াতে এবং আমাদের কর্পোরেট আকাঙ্ক্ষার পূর্ণতার পথে এগিয়ে নিতে। আমরা দেশব্যাপি ০.৬৬ মিলিয়নেরও বেশি গ্রাহককে বিচিত্র ও বিন্যস্ত আমানত, ঋণ ও লেনদেন প্রোডাক্ট এর মাধ্যমে সেবা প্রদান করছি। ধারাবাহিক মুনাফা অর্জনের ক্ষমতা আমাদের সরকারি কোষাগারে অবদান রাখার সুযোগ করে দিয়েছে এবং সেই ধারায় ২০২০ সালে আমরা ৪,৫০০.০৯ মিলিয়ন টাকার কর প্রদান করেছি আর দেশের সামাজিক উন্নয়নে ২২৩.৮৭ মিলিয়ন টাকার CSR Fund উৎসর্গ করেছি।

একটি নিরাপদ ও বসবাসযোগ্য ধরণী গড়তে ব্যাপক-ভিত্তিক পরিবেশ ও সামাজিক উন্নয়ন কাঠামোয় আমরা সংযুক্ত হয়েছি। আমাদের পরিবেশগত সংবেদনশীলতার কেন্দ্রে রয়েছে বিভিন্ন সবুজ অর্থায়ন উদ্যোগ, ঋণ প্রস্তুতাবে পরিবেশগত প্রভাব মূল্যায়ন, নবায়নযোগ্য শক্তিতে অর্থায়ন, বর্জ্য ব্যবস্থাপনাসহ আরো কিছু উদ্যোগ। ২০২০ সালে, বিভিন্ন গ্রীন ব্যাংকিং উদ্যোগে আমরা অর্থপূর্ণ বিনিয়োগ করেছি যার একটি বড় অংশ ব্যবহৃত হয়েছে বিভিন্ন তৈরী পোশাক শিল্পের পরিবেশগত উন্নয়নে ETP, WTP ও STP solution যোগান দেয়ার উদ্দেশ্যে। আমরা স্বতঃস্ফূর্তভাবে সচেষ্ট থেকেছি RMG খাতে আমাদের গ্রীন ব্যাংকিং প্রোডাক্টগুলোর বিস্তৃতিতে এবং সেই লক্ষ্যে পৌঁছতে বাংলাদেশ ব্যাংকের সাথে কিছু সংখ্যক পুনঃঅর্থায়ন চুক্তি স্বাক্ষরিত হয় যা পরিবেশে সবুজ অর্থায়নে ব্যাংককে সাক্ষ্যী তহবিল পেতে সহায়তা করবে। উল্লেখ্য, ২০২০ সাল অন্তে আমাদের সবুজ অর্থায়ন পোর্টফোলিও দাঁড়িয়েছে ৫০৯.৪৫ মিলিয়ন টাকা এবং আশা করি আমাদের এই অঙ্গীকার সুনির্দিষ্টভাবে দেশব্যাপি টেকসই উন্নয়নের আভা ছড়াবে।

পরীক্ষিত সময়ের নতুন পরিস্থিতিতে আমাদের পরিচালনা পর্ষদ সবসময় সতর্ক থেকেছেন এবং ব্যাংককে যাবতীয় সহযোগিতা ও সঠিক দিকনির্দেশনা দিয়ে গেছেন। ব্যাংকের সম্মানিত চেয়ারম্যান জনাব আব্দুল হাই সরকার ব্যাংকটিকে তাঁর বিচক্ষণ নেতৃত্ব ও তত্ত্বাবধানের মাধ্যমে এগিয়ে নিয়ে

ব্যবস্থাপনা পরিচালক ও সিইও'র পর্যালোচনা

চলেছেন। আমি কৃতজ্ঞতা জানাই ব্যাংকের প্রাক্তন চেয়ারম্যান জনাব রেশাদুর রহমানকে যিনি ব্যাংকের প্রবৃদ্ধিতে মূল্যবান অবদান রেখেছেন তাঁর মেয়াদকালীন সময়ে যখন ব্যাংক অনেক প্রতিকূলতাকে পেরিয়ে নতুন শক্তিতে উজ্জীবিত হয়েছে। প্যানডেমিক থেকে দেশের উত্তোরণপর্বে, সম্মানিত চেয়ারম্যান এবং তাঁর সহযোগীদের নেতৃত্ব এই মুহূর্তে বড় প্রয়োজন।

প্যানডেমিক এর অনিশ্চয়তা যতক্ষণ না বোধগম্য হয় একটি উপযোগী পরিকল্পনার জন্য, আগামীর পূর্বাভাসের সঠিক চিত্র ফুটে তোলা কঠিন। অর্থনীতির পুনরুদ্ধার চলছে, তবে তা দ্রুতগামী টেকসই উন্নয়নের লাইনে উঠে আসতে সময় লাগবে যেহেতু বিনিয়োগ আর বাহ্যিক চাহিদার মন্দা অব্যাহত রয়েছে। স্বচ্ছতার দৃষ্টিকোণ থেকে দেখলে, ২০২১ সাল হবে ভীষণ প্রতিদ্বন্দ্বিতাপূর্ণ, ব্যাংকিং সেক্টর ও অর্থনীতি উভয়েরই জন্য। ঋণ সুদহারের ধারাবাহিক অবরোধ, বিশেষ লোন স্কিমসমূহের বাস্তবায়ন এবং বিনিয়োগকারীদের উদীয়মান মনোভাব ও আগ্রহ অর্থনীতির প্রায় সকল খাতে ঋণ প্রবৃদ্ধিকে ধাবিত করবে। কিন্তু মূল সমস্যা হলো, আর্থিক সেবা খাতের জন্য অবনমিত শ্রেণীকৃত ঋণের পূর্ণমাত্রা অনুভূত হবে ২০২১ সালে। দীর্ঘসূত্রী একটি নিষ্ণ রেটের পরিবেশ উপহার দিতে পারে একটি নিষ্প্রভ নেট সুদ মার্জিন; পরিস্থিতির মোকাবেলায় ব্যবসায়িক মডেলের পরিবর্তন ও পরিমার্জনের প্রয়োজন হবে বিনিয়োগের লাভজনক ধারা বজায় রাখতে।

আমাদের দৃষ্টিতে তাড়াহুড়ো করে মুনাফা আর সমৃদ্ধির সোনালী দিনে ফিরে যাওয়ার পরিকল্পনা হবে একটি অদূরদর্শী কৌশল এবং তা আমাদের কক্ষার্জিত অর্জন ও স্থিতিশীলতায় চিড় ধরাতে পারে। সত্যিকার সাফল্য নিহিত আছে একটি দীর্ঘমেয়াদি দৃষ্টিভঙ্গিতে যা প্রস্তুতি হতে পারে অংশীজনের সাথে আমাদের অটুট আস্থায়, তাঁদের সহনশীলতার স্পন্দনে আর বিশুদ্ধতায় খচিত আমাদের যে পরিচয় তার প্রতি আমাদের অকৃত্রিম অঙ্গীকারে।

সংকট মুহূর্তে, ঢাকা ব্যাংকের নিভীক কমীবাহিনী জীবনের ঝুঁকি নিয়ে গ্রাহক সেবা অব্যাহত রেখেছেন প্রতিদিন। তাঁদের এই সাহসিকতা ও ব্যাংকিং অঙ্গীকারকে মুগ্ধপ্রশংসা ও অভিবাদন জানাই। আমরা ব্যথিত, বিগত দিনে আমরা হারিয়েছি অনেক সাথী ও সহকর্মীদের যাদের কৃতিত্ব ও অবদান উজ্জ্বল করেছে ঢাকা ব্যাংকের ভবিষ্যৎ। আমাদের সমবেদনা ও প্রার্থনা সেই সব ভাগ্যহত যোদ্ধাগণের জন্য। আমরা তাঁদের আত্মার শান্তি কামনা করি এবং তাঁদের শোকসন্তপ্ত পরিবারের জন্য আমাদের গভীর সহানুভূতি। আমাদের সম্মানিত শেয়ারহোল্ডার এবং তাদের পরিবারের মধ্যে যারা করোনায় আক্রান্ত হয়ে মৃত্যুবরণ করেছেন তাঁদের জন্য আমাদের আন্তরিক সমবেদনা। তাঁদের আত্মার মাগফেরাতের জন্য পরম করুণাময়ের কাছে দোয়া করি।

আগামী দিনগুলিতে আমরা ভালোরই প্রত্যাশা করি। আমরা বিশ্বাস করি, আমাদের প্রার্থনা মঞ্জুর হবে - বাংলাদেশের সাহসী মানুষ একসঙ্গে লড়ে এই দুর্ঘোষণের আঁচর মুছে দিবে এবং দ্রুতই দেশের আর্থিক শক্তি ফিরিয়ে আনবে। সকল পরিস্থিতিতে ঢাকা ব্যাংক দেশের মানুষের পাশে থাকবে, এর চিরায়ত গ্রাহক সেবা নিয়ে গ্রাহকের আর্থিক প্রয়োজন মেটাতে।

আমি, ব্যাংক ব্যবস্থাপনার পক্ষ থেকে ব্যাংকের সম্মানিত চেয়ারম্যান ও পরিচালনা পর্ষদকে বছর জুড়ে তাঁদের সার্বিক সহযোগিতা ও দিক-নির্দেশনার জন্য আন্তরিক কৃতজ্ঞতা জানাই। আমি বিশেষভাবে কৃতজ্ঞ আমার ব্যাংকের সহকর্মীদের কাছে, আমাদের প্রাতিষ্ঠানিক লক্ষ্য অর্জনের পথে তাঁদের নিরলস পরিশ্রমের জন্য। ঢাকা ব্যাংকের আগমনে এবং এর চলার পথে সার্বিক সহযোগিতা ও সুচারু পথনির্দেশ দিয়ে সব সময় পাশে থেকেছে বাংলাদেশ ব্যাংক। আমাদের পরিশীলিত কর্মকাণ্ড এবং সুন্দর সুশাসন ব্যবস্থা কেন্দ্রীয় ব্যাংকের আস্থার জায়গা করে নিয়েছে। আমাদের এই অর্জনের জন্য বাংলাদেশ ব্যাংকের গভর্নর মহোদয় এবং তাঁর সহকর্মীদের ধন্যবাদ জানাই। কৃতজ্ঞতাচিহ্নে ঋণ করছি বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, জাতীয় রাজস্ব বোর্ড ও অন্যান্য নিয়ন্ত্রক সংস্থার সার্বক্ষণিক সহযোগিতাকে - তাঁদের সঠিক তত্ত্বাবধান ও পথপ্রদর্শন আমাদের আজ এই অবস্থানে পৌঁছে দিয়েছে। ব্যাংকের বহিঃনিরীক্ষক এবং তার কর্মকর্তাবৃন্দের প্রতি থাকল আমার কৃতজ্ঞতা যাদের নিরীক্ষা সম্পাদন আমাদের যথাসময়ে বার্ষিক প্রতিবেদন প্রকাশে সমর্থ করেছে।

আপনাদের সকলের সুস্বাস্থ্য ও নিরাপদ জীবন কামনা করি।

এমরানুল হক

ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী কর্মকর্তা
ঢাকা ব্যাংক লিমিটেড

REPORT OF THE AUDIT COMMITTEE OF THE BOARD

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

Composition

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

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

Duties and responsibilities

Internal control

- ❑ Evaluate whether the bank management has been able to build a compliance culture with respect to bank's internal control system;
- ❑ Review all initiatives taken by bank management as regards building a suitable Management Information System (MIS);
- ❑ Consider the oversight of bank's compliance on recommendations made from time to time concerning establishment of an internal control mechanism;
- ❑ Apprise the board of any fraud-forgery, internal control lapses found by internal or external auditors and inspection team of regulatory authority.

Disclosure of financial report

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

The Board Audit Committee of Dhaka Bank Limited was lastly reconstituted on August 06, 2020. The particulars of the members of the Audit Committee and their attendance in Meetings in the year 2020 are as under:

Sl. No.	Name	Status with the Bank	Status with the Committee	Educational Qualification	No. of Meetings held in 2020	No. of Meetings Attended	Remarks
01.	Mr. M.A. Yussouf Khan	Independent Director	Chairman (with effect from 09.10.2018)	Bachelor of Arts	05	03	The directors, who could not attend any meeting, were granted leave of absence
02.	Mrs. Rokshana Zaman	Director	Member (Till 06.08.2020)	Intermediate	05	02	
03.	Mrs. Manoara Khandaker	Director	Member (Till 06.08.2020)	Bachelor of Arts	05	03	
04.	Mr. Tahidul Hossain Chowdhury	Director	Member (with effect from 07.08.2020)	Bachelor of Arts	05	02	
05.	Mr. A. S. Salahuddin Ahmed	Independent Director	Member	M.Sc. (DU); PGDIM (RVB, Netherlands)	05	04	
06.	Mr. Md. Amirullah	Director	Member (Till 06.08.2020)	Bachelor of Commerce	05	03	
07.	Mr. Abdullah Al Ahsan	Vice Chairman	Member (with effect from 07.08.2020)	M. Com.	05	02	
08.	Mr. Khondoker Jamil Uddin	Director*	Member (with effect from 07.08.2020 to 16.11.2020)	MSS (DU); M. Phil. (DU)	05	01	

*Ceased to be a Director w.e.f.16.11.2020

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

REPORT OF THE AUDIT COMMITTEE OF THE BOARD

Continued

Internal Audit

- ❑ Review if internal control management is able to conduct its operation independent of bank management;
- ❑ Review internal audit activities and its organizational structure;
- ❑ Verify the skills and effectiveness of internal audit system;
- ❑ Examine appropriateness of management consideration about observations/recommendations of the internal auditors.

External Audit

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

Adherence to existing laws, rules and regulations

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

Meeting of the committee

According to applicable rules and regulations, 05 (Five) Meetings of the Committee were held in the year 2020. The committee from time to time invited the Managing Director & CEO, the Head of Internal Control and other responsible officials entrusted with internal control activities or any other personnel to participate in their meeting, as deemed necessary. All the recommendations/ observations of the committee were recorded in minutes form.

Key Activities in 2020

The Audit Committee of the Board, in their 05 (Five) Meetings held during the year 2020, mainly dealt with the following issues:

- ✓ Half Yearly (July-December, 2019) Statement of Self-Assessment of Anti-Fraud Internal Controls under DOS Circular Letter No. 10 Dated May 09, 2017 of Bangladesh Bank.
- ✓ Annual Audit Plan for the Year 2020
- ✓ Revised ICC Policy of Internal Control and Compliance Division of Dhaka Bank Limited
- ✓ Quarterly statement of Loan Classification and Provisioning (CL) of the Bank for the period ended December 31, 2019
- ✓ Revised Annual Audit Plan 2020 on the wake of COVID-19 Pandemic Outbreak
- ✓ Un-audited Quarterly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 31st March, 2020
- ✓ Audited Consolidated & Solo Financial Statements of the Bank for the year ended 31 December, 2019
- ✓ Un-audited Half-Yearly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 30th June 2020

- ✓ Appointment of Auditors for Corporate Governance Audit of the Bank for the year 2020
- ✓ Appointment of External Auditors of the Bank for the year 2020
- ✓ Update on Quarterly Operations Report (QOR) for the Quarter ended March 31, 2020
- ✓ Discrepancies in the Loan Documentation Checklist (LDCL) for the quarter ended March 2020
- ✓ Half-Yearly (January-June, 2020) Statement of Self-Assessment of Anti-Fraud Internal Controls under DOS Circular Letter No.10 dated May 09, 2017 of Bangladesh Bank
- ✓ Quarterly statement of Loan Classification and Provisioning (CL) of the Bank for the period ended March 31, 2020
- ✓ Quarterly statement of Loan Classification and Provisioning (CL) of the Bank for the period ended June 30, 2020
- ✓ Statements of defective Documents/Security and measures taken against the Lawyers and Bank Officials
- ✓ Annual Health Report of Dhaka Bank Limited for the Year 2019
- ✓ Effectiveness of the Internal Control System of Dhaka Bank Limited
- ✓ Audit Completion of 2020 as per Revised Annual Audit Plan
- ✓ Un-audited Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 30th September 2020
- ✓ Audit Completion status of 2020 Revised Annual Audit Plan
- ✓ Annual Audit Plan for the Year 2021
- ✓ Internal Control & Compliance Health and Image & Reputation Health of the Bank for the year-2019
- ✓ Realization of un-realized interest income for the period from January 01, 2020 to December 31, 2020 as per BRPD Bangladesh Bank Circular No. 56

Recommendation for Approval of Financial Statements

The Audit Committee reviewed and examined the Bank's Annual Financial Statements for the year ended December 31, 2020 prepared by the Management and audited by External Auditors M/s. Rahman Rahman Huq, Chartered Accountants (KPMG in Bangladesh) with recommendation to the Board for consideration and approval.

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



M A YUSSOUF KHAN

Chairman
Audit Committee of the Board

REPORT OF THE SHARI'AH SUPERVISORY COMMITTEE

In the Name of Allah, the Beneficent and the Merciful.

All praise is due to Almighty Allah, the Lord of the Universe, the beneficent, the Merciful. Darud and Salaam is for our Prophet (SM) who is Rahmat for the creatures of the World.

We take the opportunity to express our appreciation to the Board of Directors and The Managing Director and all members of the Management Team for their kind and continuous support.

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

During the year of 2020, The Shariah Supervisory Committee of Dhaka Bank Ltd. arranged 2 formal Meeting through virtual platform to discuss & suggest on various Shariah related current issues of Islami Banking issued by the Management and give opinions and decisions related to Shariah. The Member Secretary is discharging his duty as chief of the Shariah Supervisory Committee Secretariat & Muraqib is working in the Secretariat under Member Secretary & helps the Shariah Supervisory Committee for its regular activities.

The duty of the Shariah Supervisory Committee is to give independent opinions and necessary guide lines by observing and reviewing the activities of the Bank and also to conduct Shariah related training for the Manpower of the Bank and to make the clients awareness of Shariah compliance. On the other hand, the responsibility of the bank is to ensure that the bank conducts its business under Islamic Banking operations in accordance with the rules and principles of Shariah.

Besides, the Shariah Auditor of the Shariah Supervisory Committee inspected all running issues and products during the year 2020 as per ICCD Guideline of Bangladesh Bank. Audit Team also conducted Shariah and risk based area audited to the Islamic Banking Branch in the year and submitted report to the Committee.

The Committee, after reviewing the Shariah Inspection Reports, Balance Sheet and Profit & Loss Account of Islamic Banking of the Bank for the Year 2020 and have given their opinion as under:

- The agreements for investment and transactions entered into by Islamic banking branch during the period concerned have been made in accordance with the principles of shariah.
- Distribution of profit to the Murabaha depositors as weightage based on Profit Sharing Ratio (PSR) was in accordance with Shariah.

- Two Islamic banking branches of Dhaka Bank Ltd. were inspected by the Shariah Auditor in 2020 as per ICCD guideline of Bangladesh Bank. As per inspection reports, the Compliance of Shariah Principles has satisfactorily improved during the year 2020.
- The procedure of buying and selling of goods has been maintained properly and engagement of buying agents at branch level has been strengthened.
- Compensation money has been kept in Separate Heads of Accounts and not included in Branch's profit as per Shariah Principles.

During the year, the Shariah Supervisory Committee has advised the Bank on the following Issues:

- Shariah Supervisory Committee advised the Bank Management to take effective steps aiming to gradual development of the employees and customer awareness about shariah compliance in Islamic Banking.
- Bank Management has been advised to arrange regular training & workshop for the officials to increase their professional skills and to organize the awareness program for the clients regarding Shariah compliance issues.
- The Shariah Supervisory Committee advised to extend the Islamic Banking Service Desk to all the branches of the bank.
- In order to improve the asset quality of Muradpur Branch, Chattagram, the Committee advised to continue/daily monitoring of investment clients of this Branch.

To the best of our knowledge, no gross violation and lapses in the Islamic banking operations of the bank have so far been detected and the bank management has been advised to keep maintaining the spirit of Shariah to uphold the quality of Shariah compliance in the days to come. May Allah (SWT) give us strength to achieve his satisfaction through implementation of Shariah in every sphere of life.



Tipu Sultan
Member Secretary
Shariah Supervisory Committee



Fariduddin Ahmed
Chairman
Shariah Supervisory Committee

SOME KEY EVENTS - 2020



Annual Managers' Conference for the year 2020 of Dhaka Bank Limited was held on January 18, 2020 at InterContinental Dhaka.



Mr. Emranul Huq, Managing Director & CEO, Dhaka Bank participated the Economic Summit 2020, Kolkata, India as one of the key panel speakers.



Dhaka Bank limited opened its Raozan Sub Branch at Raozan Powrashava, Chattogram. The sub branch went on operation on November 05, 2020.

DHAKA BANK OBSERVED ITS 25TH ANNIVERSARY



Dhaka Bank Limited has observed its 25 years of Banking Excellence in a modest manner considering the current ongoing pandemic COVID-19 situation in Bangladesh. In this signature occasion of the Bank, Doa Mahfil was arranged by maintaining social distance and safe hygiene rules and many other delegates were also connected through virtual platform at proposed Head Office, Gulshan. Dhaka Bank Gulshan Corporate Branch was also inaugurated during the occasion.



DHAKA BANK SENIOR MANAGEMENT



Mr. Emranul Huq
Managing Director & CEO

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

Mr. Mohammad Abu Jafar
Additional Managing Director

Mr. A M M Moyen Uddin
Deputy Managing Director (Operations)

DHAKA BANK MANAGEMENT COMMITTEE



Mr. Emranul Huq
Managing Director & CEO

Mr. Mohammad Abu Jafar
Additional Managing Director

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

Mr. A M M Moyen Uddin
Deputy Managing Director (Operations)

Mr. Darashiko Khasru
SEVP & Chief Risk Officer

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

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

Mr. Akhlaqur Rahman
SEVP & Head of Corporate Banking

Mr. M Rezaur Rahman
SVP & Head of Human Resources

Mr. Md. Shahjahan Miah
SVP & Company Secretary

Mr. Sahabub Alam Khan FCA
SVP & Acting CFO

Mr. K M Faisal Faruqui
SVP & Head of Treasury

SHAREHOLDERS' INFORMATION

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



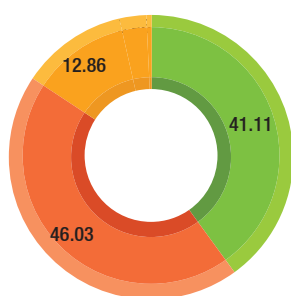
SHAREHOLDERS' INFORMATION

Continued

Distribution of Shareholdings in 2020

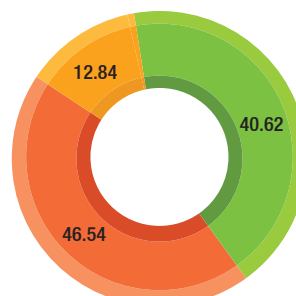
Shareholders' Group	December 31, 2020			December 31, 2019		
	No. of Shares	% of Shareholding	Value of Shares in BDT	No. of Shares	% of Shareholding	Value of Shares in BDT
Sponsors & Directors	368,356,419	41.1171	3,683,564,190	346,590,517	40.6219	3,465,905,170
General Public	412,330,370	46.0256	4,123,303,700	397,057,503	46.5368	3,970,575,030
Financial Institutions	115,180,164	12.8567	1,151,801,640	109,558,482	12.8407	1,095,584,820
Foreign Investors	5,456	0.0006	54,560	5,317	0.0006	53,170
Others	-	-	-	-	-	-
Total	895,872,409	100	8,958,724,090	853,211,819	100	8,532,118,190

Shareholding Position 2020



■ Sponsors & Directors ■ General Public ■ Financial Institute

Shareholding Position 2019



■ Sponsors & Directors ■ General Public ■ Financial Institute

Dividends-2019

Particulars	Date	
25 th Annual General Meeting	Notice Date	July 16, 2020
	Record Date	July 14, 2020
Holding of 25 th Annual General Meeting	Held on	August 6, 2020
Stock Dividend (5%)	Date of Disbursement	August 27, 2020
Cash Dividend (5%) [excluding sponsor directors & placement holders]	Date of Disbursement	September 2, 2020

Stock Details

Particulars	DSE	CSE
Stock Symbol	DHAKABANK	DHBNK
Company Code	11118	22014
Year of listing	2000	2000
Market Lot	1	1
Market Category	A	A
Electronic Share	Yes	Yes
Face Value	Tk. 10.00	Tk. 10.00
Market Value as on 31.12.2020	Tk. 11.90	Tk. 12.10

SHAREHOLDERS' INFORMATION

Continued

Financial Calendar 2020

Quarterly Results	As of	EPS (Consolidated)
Unaudited results for 1 st quarter	31/03/2020	Tk.0.68
Unaudited results for 2 nd quarter	30/06/2020	Tk.0.88
Unaudited results for 3 rd quarter	30/09/2020	Tk.1.36

Information Sensitive to Share Price

Particulars	Disclosure
Corporate Disclosure for approval of Financial Statements for the year 2020, Recommendation of Dividend, Record Date for Dividend entitlement of 26 th AGM of DBL.	Date of AGM: Tuesday, June 29, 2021 at 11:30 a.m. 6% Cash & 6% Stock Record Date: May 31, 2021

Accessibility of Annual Report 2020

Dhaka Bank Annual Report 2020 and other information about DBL has been made available on Bank's website www.dhakabankltd.com. The Bank has also dispatched Annual Report 2020 through leading Courier Service Companies to respective addresses of the Shareholders as per Regulatory timeframe. DBL has submitted a required set of copies of Annual Reports to the Securities and Exchange Commission, Bangladesh Bank, Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) for their reference. Respectable Shareholders and other Stakeholders may read them at the public reference room or library.

Market Price Information for the year 2020:

Month	DSE High (Tk.)	DSE Low (Tk.)	CSE High (Tk.)	CSE Low (Tk.)	Volume DSE (No. of shares)
Jan-20	11.80	11.40	11.60	11.00	437,368
Feb-20	12.00	11.40	11.80	11.20	757,581
Mar-20	10.60	10.10	10.50	10.00	548,410
Apr-20*	-	-	-	-	-
May-20	10.00	9.90	10.00	9.80	453,102
Jun-20	10.10	9.90	10.00	9.80	519,893
Jul-20	11.20	10.90	10.90	10.50	548,489
Aug-20	12.40	11.50	11.90	11.50	711,596
Sep-20	12.40	12.10	12.20	12.00	434,038
Oct-20	11.40	11.10	11.30	11.00	536,977
Nov-20	12.10	11.70	12.10	11.90	615,527
Dec-20	12.10	11.90	12.10	11.80	383,695

*Due to COVID-19 & Lockdown DSE and CSE was Closed.

SHAREHOLDERS' INFORMATION

Continued

5-year Financial Highlights

(BDT in million unless mentioned otherwise)

Particulars	2016	2017	2018	2019	2020	% change over 2019
INCOME STATEMENT						
Interest Income	13,166	13,715	18,985	21,590	17,714	-18%
Interest Expense	9,453	10,336	13,409	17,040	13,996	-18%
Net Interest Income	3,713	3,379	5,577	4,550	3,718	-18%
Investment Income	3,238	2,884	2,200	2,568	3,554	38%
Commission, Exchange and Brokerage	1,517	2,877	2,900	3,421	2,699	-21%
Operating Income	8,739	9,376	10,877	10,800	10,165	-6%
Operating Expenses	3,336	4,171	4,313	4,701	4,958	5%
Operating Profit (profit before provision and tax)	5,404	5,205	6,564	6,099	5,207	-15%
Provision for Loans, Investments and other Assets	2,656	2,365	3,621	2,998	2,025	-32%
Profit Before Tax	2,748	2,839	2,944	3,101	3,182	3%
Tax Including Deferred Tax	1,282	1,344	1,585	1,529	1,152	-25%
Profit After Tax	1,466	1,395	1,359	1,571	2,030	29%
BALANCE SHEET						
Authorized Capital	10,000	10,000	10,000	10,000	10,000	0%
Paid-up Capital	6,879	7,223	8,126	8,532	8,959	5%
Shareholders' Equity	14,446	15,245	16,616	17,211	18,792	9%
Deposits	157,162	170,035	197,189	204,530	205,667	1%
Borrowings	11,297	21,534	26,680	27,725	32,999	19%
Loans & Advances	134,689	154,017	180,626	195,635	198,660	2%
Investments	21,306	23,182	27,620	36,682	39,445	8%
Fixed Assets	4,194	4,263	4,906	5,080	9,021	78%
Earning Assets	165,096	187,004	223,630	242,137	247,417	2%
Total Assets	202,192	229,453	273,976	285,009	295,337	4%
Total Liabilities	187,746	214,208	257,360	267,799	276,545	3%
Total Off-balance Sheet Items	72,926	98,122	136,871	132,383	130,877	-1%
FOREIGN EXCHANGE BUSINESS						
Import Business	101,909	130,573	158,344	151,121	124,010	-18%
Export Business	88,050	103,043	125,167	130,156	95,335	-27%
Inward Foreign Remittance	13,963	10,806	12,176	10,385	15,804	52%
Guarantee Business	27,466	27,585	37,731	38,640	48,487	25%
CAPITAL MEASURES						
Risk Weighted Assets	159,790	182,954	210,240	193,398	199,837	3%
Core Capital (Tier-I)	13,770	14,540	15,402	16,503	17,713	7%
Supplementary Capital (Tier-II)	8,072	7,345	13,692	14,669	11,304	-23%
Total/Regulatory Capital	21,841	21,884	29,094	31,172	29,016	-7%
Statutory Capital (paid up capital and statutory reserves)	12,729	13,641	15,133	16,159	17,222	7%
Capital to Risk Weighted Assets (CRAR) Ratio	13.67%	11.96%	13.84%	16.12%	14.52%	-10%
Tier-I Capital Ratio	8.62%	7.95%	7.33%	8.53%	8.86%	4%
RWA to Total Assets	79%	80%	77%	68%	68%	0%

SHAREHOLDERS' INFORMATION

Continued

5-year Financial Highlights

(BDT in million unless mentioned otherwise)

Particulars	2016	2017	2018	2019	2020	% change over 2019
CREDIT QUALITY						
Volume of Non-performing Loans	5,403	9,209	9,009	9,278	6,227	-33%
NPL to Total Loans and Advances (%)	4.01	5.98	4.99	4.74	3.13	-34%
Provision for Unclassified Loans	3,832	3,372	4,636	6,936	5,522	-20%
Provision for Classified Loans	2,409	4,407	4,252	4,601	7,493	63%
SHARE DISTRIBUTION						
Earnings Per Share (Taka)	2.13	2.07	1.59	1.75	2.27	29%
Number of Shares Outstanding	687.90	722.30	812.58	853.21	895.87	5%
Number of Shareholders	28,388	26,997	26,819	25,083	23,017	-8%
Net Assets Value (NAV) Per Share (Taka)	21.68	20.97	19.47	19.21	20.98	9%
Market Price Per Share (Taka)	17.90	22.00	14.20	12.00	11.90	-1%
Price Earnings Ratio	8.4	10.63	8.91	6.84	5.25	-23%
Price Equity Ratio	0.83	1.05	0.69	0.62	0.57	-9%
Dividend Per Share						
Cash Dividend	10%	0%	5%	5%	6%	20%
Bonus Share	5%	12.5%	5%	5%	6%	20%
Dividend Cover Ratio	1.42	1.66	1.67	1.93	2.38	23%

PROFITABILITY & PERFORMANCE RATIO	2016	2017	2018	2019	2020	Growth%
Net Interest Margin (NIM)	4.58	3.90	3.79	3.06	2.97	-3%
Credit to Deposit Ratio	83.87	82.64	82.79	84.97	83.28	-2%
Gross Profit Ratio	48%	48%	45%	39%	42%	8%
Return on Capital Employed	13%	13%	10%	10%	11%	10%
Cost to Income Ratio	38	44	40	44	49	12%
Cost of Fund	7.88	7.35	7.85	9.28	7.85	-15%
Return on Assets (ROA)%	0.77	0.69	0.54	0.56	0.70	25%
Return on Equity (ROE)%	10.15	9.21	8.18	9.28	11.28	22%
Current Ratio	0.96	0.93	0.83	0.81	0.76	-6%
Cash Reserve Ratio (at the close of the year)	6.57	6.58	5.78	5.57	4.29	-23%
Statutory Liquidity Ratio (at the close of the year)	14.27	13.51	13.6	16.01	18.20	14%
Operating Profit Per Employee(mn)	3.24	2.94	3.42	3.11	2.75	-12%
Operating Profit Per Branch	57.49	52.05	64.99	59.21	49.59	-16%
OTHER INFORMATION						
Number of Branches	94	100	101	103	105	2%
Number of Sub-Branches	0	0	0	2	12	500%
Number of ATMs	54	56	56	60	63	5%
Number of ADMs	20	20	20	20	20	0%
Number of Deposit Accounts	435,152	477,827	505,286	540,493	565,152	5%
Number of Loan Accounts	25,566	29,759	30,081	29,284	29,485	1%
Number of Employees	1,668	1,771	1,917	1,960	1,890	-4%
Number of Foreign Correspondents/Banks	542	527	523	475	472	-1%

SHAREHOLDERS' INFORMATION

Continued

Economic Impact Report

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

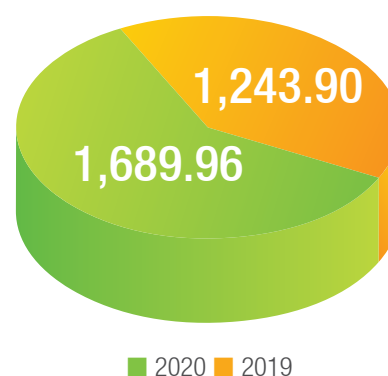
Economic Value Added (EVA) Statement for the year ended December 31, 2020

Amount in Taka

Particulars	2020	2019
Shareholders' Equity	18,792,153,885	17,210,614,636
Add: Provision for Loans and Advances	13,015,300,276	11,536,689,686
	31,807,454,161	28,747,304,323
Average Shareholders' Equity	30,277,379,242	29,611,274,270
Earnings		
Profit after Taxation	2,029,990,568	1,571,362,018
Add: Provision made during the year	2,024,628,295	2,997,885,043
	4,054,618,864	4,569,247,062
Average cost of Equity (based on weighted average rate of 10 years Treasury Bond issued by Bangladesh Government) plus 2% risk premium	7.81%	11.23%
Average cost of Equity (in Taka)	2,364,663,319	3,325,346,101
Economic Value Added	1,689,955,545	1,243,900,961
Economic Value Added (Taka in million)	1,689.96	1,243.90

Economic Value Added (EVA)

Taka in million



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

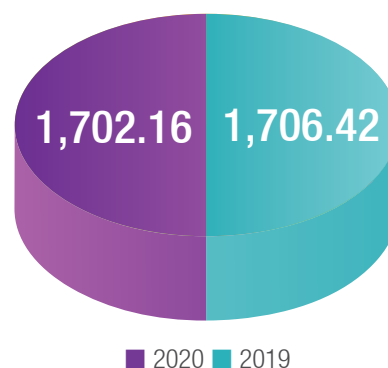
Market Value Added (MVA) Statement for the year ended December 31, 2020

Amount in Taka

Particulars	2020	2019
Face Value per share	10.00	10.00
Market Value per share	11.90	12.00
Number of shares outstanding	895,872,409.00	853,211,819.00
Total market capitalization	10,660,881,667.00	10,238,541,828.00
Book value of paid up capital	8,958,724,090.00	8,532,118,190.00
Market Value Added	1,702,157,577.00	1,706,423,638.00
Market Value Added (Taka in million)	1,702.16	1,706.42

Market Value Added (MVA)

Taka in million



SHAREHOLDERS' INFORMATION

Continued

Value Added Statement

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

The following value added statement shows the total worth created by Dhaka Bank for the year ended 31 December 2020 and how we distributed value for the socio-economic development.

Amount in million Taka except percentage

Particulars	2020		2019	
	Amount	%	Amount	%
Value Added				
Net Interest Income	3,718	43%	4,550	51%
Commission, Exchange & Brokerage	2,699	31%	3,421	38%
Investment Income	3,554	41%	2,568	29%
Other Income	194	2%	261	3%
Management Expenses Excluding Salaries & Allowances, Depreciation	(1,470)	(17%)	(1,826)	(20%)
Provision for Doubtful Losses	(18)	(0%)	(32)	(0%)
Total Value Added by the Company	8,676	100%	8,942	100%
Distribution of value addition				
To Employees				
as salary and Allowance	2,566	30%	2,332	26%
To Provider of Capital				
dividend to shareholders (cash & stock)	1,075	12%	853	10%
To Government:				
as corporate tax	1,152	13%	1,529	17%
To Expansion and Growth				
as retained income	2,962	34%	3,684	41%
as depreciation	922	11%	544	6%
Total Distribution by the Company	8,676	100%	8,942	100%

Contribution to National Exchequer

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

During the year 2020, the Bank contributed Tk. 4,500.01 million to national exchequer.

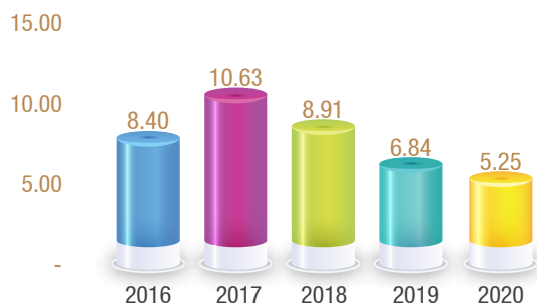
Amount in Million Taka

Particulars	2020	2019
Income tax payment on Bank's earnings	1580.02	1,554.12
Income tax, VAT, and Excise duty deducted at source from various payment and services by the Bank	2,852.18	3,255.51
Income tax payment by the Employees	67.81	89.28
Total Payment	4,500.01	4,898.91

SHAREHOLDERS' INFORMATION

Continued

5 Year Essential Performance Graphs--Bank

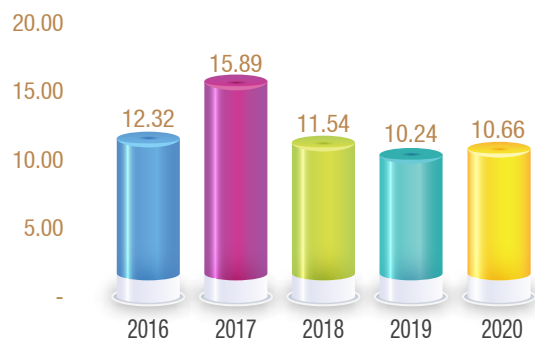


Price Earning Ratio (%)

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

Market Capitalization (Taka in billion)

A higher market capitalization is due to favorable closing market price as at year end 2020. Market capitalization refers to how much a company is worth as determined by the stock market. It is defined as the total market value of all outstanding shares. Using market capitalization to show the size of a company is important because company size is a basic determinant of various characteristics in which investors are interested, including risk.

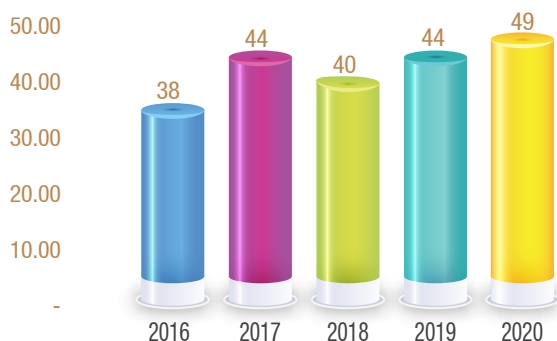
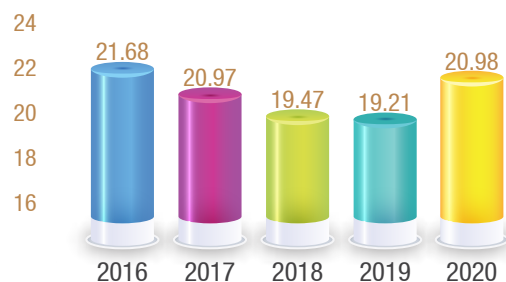


Earning Per Share (Taka)

Reasonable loan provisioning caused higher earnings in 2020. The earnings per share metric are one of the most important variables in determining a share's price. By dividing a company's share price by its earnings per share, an investor can see the value of a stock in terms of how much the market is willing to pay for each taka of earnings.

Net Asset Value per share (Taka)

Better operating results and efficient balance sheet management in 2020. Net asset value is commonly used to identify potential investment opportunities. The term NAV has gained popularity in relation to the fund valuation and pricing, which is arrived at by dividing the difference between assets and liabilities by the number of shares/units held by the investors.



Cost To Income Ratios (%)

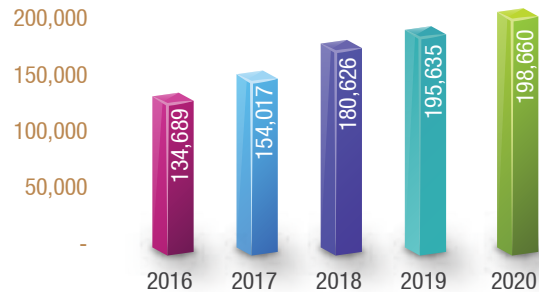
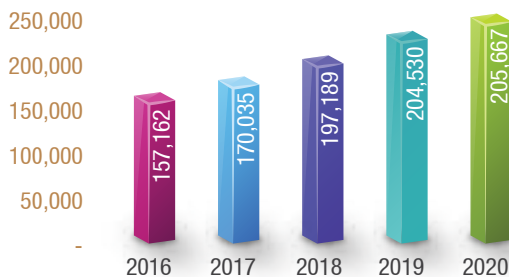
Cost-to-income ratio moderate as the operating income grew keeping operating expense in check. The ratio gives a clear view of how efficiently the bank is being run – the lower the ratio, the more profitable the bank. If the ratio rises from one period to the next, it means that costs are rising at a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

SHAREHOLDERS' INFORMATION

Continued

Loans & Advances (Taka in million)

Year on year 2% growth in loans and advances emphasizing quality and balance sheet growth. Concentrating on the three main categories i.e. short term, medium term and long term loan, the bank was able to pool up different categories of customers over the year and increase its loans and advance, some of sub categories of loans are fluctuating. The percentage of lending has gradually increased with the growth of the bank.

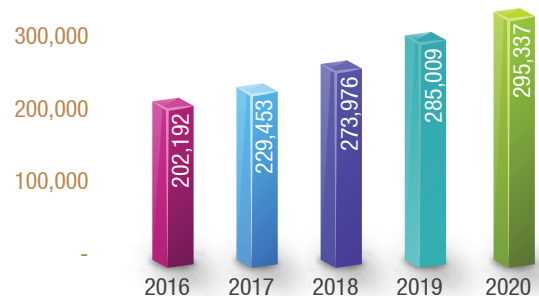
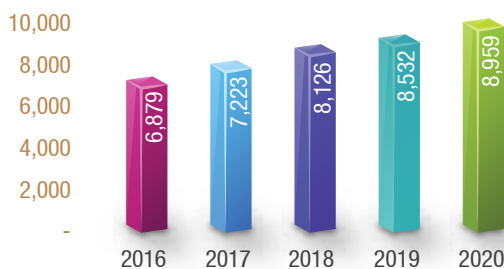


Deposits (Taka in million)

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

Total Assets (Taka in million)

Consistent growth is observed in the balance sheet year on year and at the year end 4% growth has seen. Assets earn revenue for the bank and includes cash, securities, loans, and property and equipment that allows it to operate. Asset is something of value that is owned and can be used to produce something.



Paid-up Capital (Taka in million)

Year on year consistent growth of Paid-up Capital is observed in balance sheet and at the year end growth has seen by 5%. A bank's paid-up capital figure represents the extent to which it depends on equity financing to fund its operations. This figure can be compared with the bank's level of debt to assess if it has a healthy balance of financing, given its operations, business model, and prevailing industry standards.

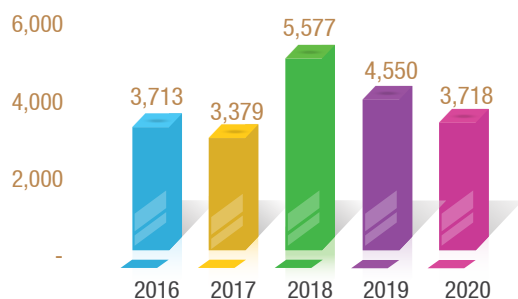
Capital to Risk-weighted Asset Ratio (%)

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



SHAREHOLDERS' INFORMATION

Continued

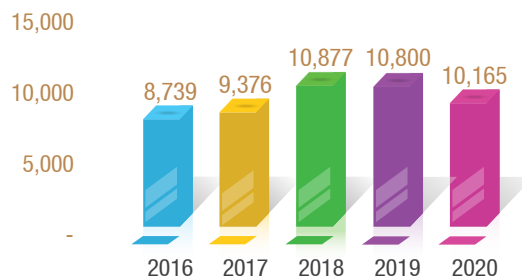
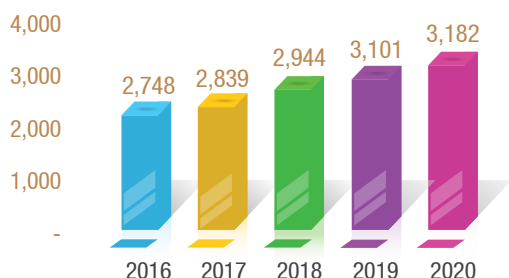


Net Interest Income (Taka in million)

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

Operating Income (Taka in million)

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

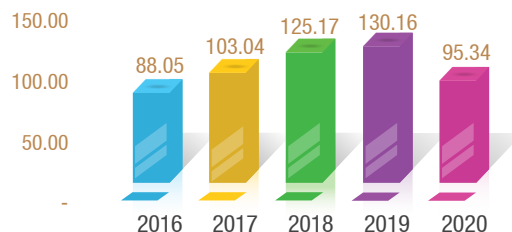
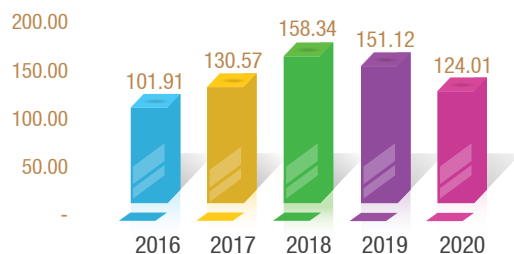


Profit Before Tax (Taka in million)

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

Export (Taka in billion)

Competitive growth in export through-put indicates a higher share of Trade business after facing a great challenge in the RMG sector for COVID-19 pandemic over the year.



Import (Taka in billion)

A modest growth in import through-put indicates a higher contribution in Trade business was supported by various stimulus package by the Government of Bangladesh.

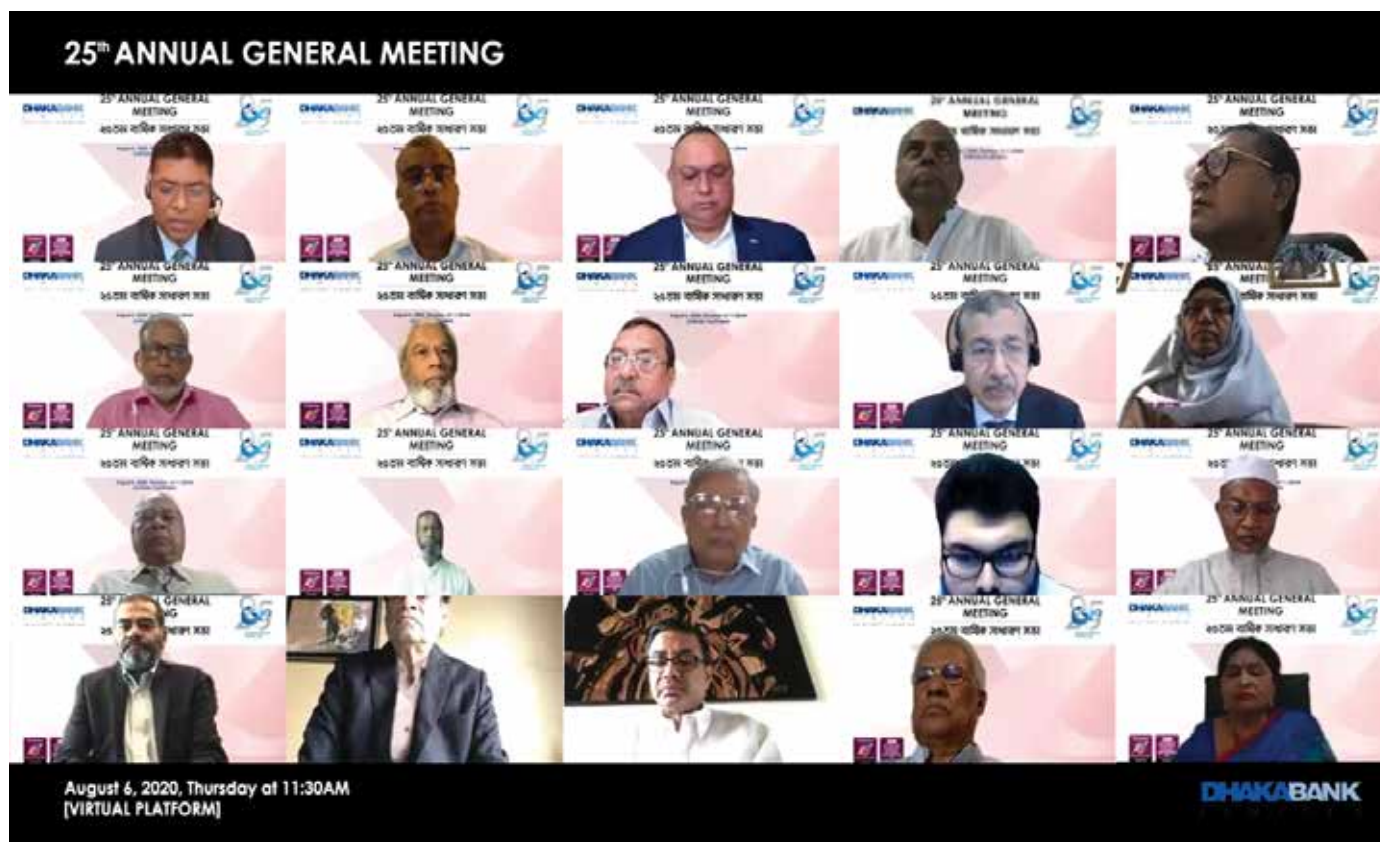
SHAREHOLDERS' INFORMATION

Continued

Dividend distribution policy Dhaka Bank

Cash dividend shall be distributed within 10 (ten) days of declaration by the board of directors. The equivalent amount to the declared cash dividend payable for the concerned year shall be kept dedicatedly in a separate bank account. The cash dividend shall payoff directly to the bank account of the entitled shareholder or the bank account as provided by the shareholder in paper form through Bangladesh Electronic Funds Transfer Network (BEFTN). Provided that the issuer pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through

BEFTN. In case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, shall issue cash dividend warrant and shall send it by post to the shareholder. Cash Dividend shall pay off to non-resident sponsor, director, shareholder or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard. After disbursement of cash dividend a certificate of tax deducted at source will be issued immediately (if applicable) to intimate to the shareholder through a short message service (SMS) to the email address as provided in the BO account or as provided by the shareholder.



DIRECTORS' REPORT

Dhaka Bank Limited had launched its voyage with a view to attain magnificence in the Banking Sector and to provide with state of the art Banking Solutions. The Bank was incorporated as a Public Limited Company on April 6, 1995 under Bank Company Act, 1991 and Companies Act, 1994. It commenced Banking operations on July 5, 1995 with a Branch at Motijheel, Dhaka. Islamic Banking window was opened in July of 2003. DBL got listed in DSE and CSE in 2000. Subsequently, we embarked on Capital Market services which amounted to the establishment of a subsidiary 'Dhaka Bank Securities Limited' in 2011. DBL opened up new avenues for foreign investors in the country by setting up Off-shore Banking Unit in 2006.

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



DIRECTORS' REPORT 2020

Continued

In the beginning, we the Board of Directors, welcome all of you to the 26th Annual General Meeting of Dhaka Bank Limited [DBL]. We do thank you for your continuous patronage and support in our common journey of 26 years. In presenting our Annual Report for your kind consideration and adoption, we really feel a delight. We acknowledge continuous assistance of thousands of Shareholders, who were always there for us with their trust and support. This Report contains Auditors' Report, Directors' Report, Management Analysis of Business, Audited Financial Statements of the Bank and its Subsidiary Company. Hope it will provide you with the true picture of the Bank's performance, development and Market position of the Bank in this era of stringent competition.

World Economy

Global Economy is facing a down turn due to COVID-19 Pandemic. Although global economic activity is growing again, it is not likely to return to business as usual in a rush. The pandemic has caused a severe loss of life, is tipping millions into extreme poverty, and is expected to inflict lasting scars that push activity and income well below their pre-pandemic trend for a prolonged period.

The incipient recovery was initially supported by a partial easing of stringent lockdowns. Various restrictive measures have been reintroduced, however, as COVID-19 has continued to spread around the world. There has been substantial progress in the development of effective vaccines, and inoculation has begun in some countries. A more general rollout in advanced economies and major emerging market and developing economies (EMDEs) is expected to proceed early this year.

Following the initial rebound in mid-2020, the global economic recovery has slowed. Whereas activity and trade in the goods sector have improved, the services sector remains anemic, with international tourism, in particular, still depressed. Even though financial conditions remain very loose, reflecting exceptional monetary policy accommodation, underlying financial fragilities are mounting. Most commodity prices rebounded from their mid-2020 lows as strict lockdowns were gradually lifted and demand firmed. However, the recovery in oil prices was more modest amid concerns over the pandemic's lasting impact on oil demand. In advanced economies, the initial contraction was less severe than anticipated, but the ensuing recovery has been dampened by a substantial resurgence of COVID-19 cases.

Prospects for the global economy are uncertain, and several growth outcomes are possible. In the baseline forecast, global GDP is expected to expand 4 percent in 2021, predicated on proper pandemic management and effective vaccination limiting the community spread of COVID-19 in many countries, as well as continued monetary policy accommodation accompanied by diminishing fiscal support. Nonetheless, the level of global GDP in 2021 is forecast to be 5.3 percent below pre-pandemic projections or about \$4.7 trillion. After this year's pickup, global growth is envisioned to moderate in 2022 to 3.8 percent—still above its potential pace, but weighed down by lasting damage from COVID-19. By 2022, global GDP is still expected to be 4.4 percent below pre-pandemic projections.

Advanced economies are projected to recover, with growth reaching 3.3 percent and 3.5 percent in 2021 and 2022, respectively, on the back of

pandemic containment aided by widespread vaccination and sustained monetary policy accommodation, which is expected to more than offset the partial unwinding of fiscal support. Although aggregate EMDE growth is envisioned to firm to 5 percent in 2021 and to moderate to 4.2 percent in 2022.

The pandemic has caused per capita incomes to fall in more than 90 percent of EMDEs, tipping millions back into poverty. For more than a quarter of EMDEs, the pandemic is expected to erase at least 10 years of per capita income gains and, in about two-thirds of EMDEs, per capita incomes are projected to be lower in 2022 than they were in 2019.

In low-income countries (LICs), activity in 2020 shrank 0.9 percent the first aggregate contraction in a generation. Growth is forecast to resume at a moderate pace in 2021-22, averaging 4.3 percent. Nonetheless, output in LICs is expected to remain 5.2 percent below its pre-pandemic projections by 2022.

Global cooperation will be essential for supporting vulnerable populations and achieving a sustainable and inclusive global recovery. In light of substantial fiscal constraints and high debt levels, globally coordinated debt relief, predicated on debt transparency, could help many economies particularly LICs and provide much-needed fiscal resources to support social protection programs. More broadly, deeper global collaboration will be needed to develop equitable and sustainable solutions to the world's most pressing long-term challenges, including tackling climate change and eliminating extreme poverty.

Global Trade

Global trade collapsed last year as border closures and supply disruptions interrupted the international provision of goods and services. Goods trade fell more rapidly and recovered more swiftly than during the global financial crisis, while services trade remains depressed. Relative strength in manufacturing, alongside persistent weakness in services, reflects the unusual nature of the recession, which has shifted consumption patterns toward goods and away from services requiring face-to-face interactions.

Continued impediments to international travel and tourism are contributing to persistent weakness in services. Trade policy uncertainty has fallen from its highs in 2019 but is still above historic norms, in part due to the potential of renewed trade tensions between major economies.

The Financial markets

Aggressive policy actions by central banks kept the global financial system from falling into crisis last year. Financial conditions are generally loose, as suggested by low borrowing costs, abundant credit issuance, and a recovery in equity market valuations amid positive news about vaccine developments. This masks rising underlying vulnerabilities, however, including rising debt levels and weakening bank balance sheets.

Banks' capital buffers are under pressure due to falling profitability and asset quality deterioration. Defaults have already surged in the hardest-hit sectors and countries, and rising credit downgrades point to further strains in the future. These developments reduce the resilience of financial systems, particularly in countries with weaker banking systems or without the policy space to provide sufficient support to stressed financial institutions.

DIRECTORS' REPORT 2020

Continued

Commodity markets

Most commodity prices rebounded in the second half of last year; however, the pickup in oil prices lagged the broader recovery in commodity prices due to the prolonged impact of the pandemic on global oil demand. Crude oil prices averaged \$41/bbl in 2020, a 34 percent fall from 2019. Oil demand fell 9 percent last year the steepest one-year decline on record as a result of pandemic-control measures and the associated plunge in global demand, which was partly offset by historically large production cuts among OPEC+. Oil prices are forecast to remain close to current levels and average \$44/bbl in 2021 before rising to \$50/bbl in 2022. The main risk to this forecast relates to the evolution of the pandemic, with oil demand particularly susceptible to lockdown measures and reduced mobility; however, positive vaccine news has reduced this risk somewhat.

Base metal prices were, on net, broadly flat in 2020, as sharp falls in the first half of the year were followed by a strong recovery in the second half. Prices are expected to increase 5 percent in 2021 alongside the expected rebound in global demand. Agricultural prices rose 4 percent in 2020, largely driven by supply shortfalls and stronger-than-expected demand in edible oils and meals. Agricultural prices are forecast to see a further modest increase in 2021.

Major economies: Recent developments and outlook

In advanced economies, a sharp resurgence of COVID-19 cut short an incipient economic rebound in the second half of 2020. The expected recovery in 2021 and beyond will depend heavily on the evolution of the pandemic, which will in turn be influenced by the possibility of widespread effective vaccination. In China, the economic rebound has been rapid but uneven, with consumer services trailing industrial production.

In advanced economies, precautionary social distancing and stringent lockdowns in response to surging COVID-19 cases triggered an unprecedented collapse in the demand and supply of services in mid-2020.

Advanced Economies

The collapse in economic activity in the second quarter of 2020 was largely driven by sharp declines in the demand and supply of services. A lull in the COVID-19 outbreak in the second half of last year allowed for a solid rebound, powered largely by retail sales, but the more recent rise in COVID-19 cases has slowed the recovery. The level of output is expected to remain below its pre-crisis peak for a prolonged period, as was the case following the global financial crisis.

Sources contributes to firming consumption and investment still above potential growth, but leaving output 3.8 percent below pre-pandemic trends.

United States

The fall in U.S. activity in the first half of 2020 was nearly three times as large as the peak decline during the global financial crisis, underscoring the depth of the recession. For 2020 as a whole, U.S. output is estimated to have fallen by 3.6 percent. Although the pandemic's economic impact was not as severe as envisioned in previous projections, last year's contraction was more than one percentage point larger than that of 2009. Substantial fiscal support to household incomes—far exceeding

similar measures delivered during the global financial crisis—contributed to a robust initial rebound in the third quarter of 2020, which was subsequently cut short by a broad resurgence of the pandemic.

Growth is forecast to recover to 3.5 percent in 2021—0.5 percentage point lower than previously projected, held down in the early part of the year by subdued demand amid renewed restrictions and a broad-based resurgence of COVID-19. Despite a 3.3 percent expansion in 2022, output is projected to remain 2.1 percent below pre-pandemic trends in that year, weighed down by labor market hysteresis and the scarring of potential output. The potential for additional fiscal support and improved pandemic management during the forecast horizon could result in stronger than expected growth outcomes.

Euro area

Following the historic pandemic-induced collapse, an emerging rebound in economic activity in the third quarter of last year was cut short by a sharp resurgence of COVID-19, which prompted many member countries to reimpose stringent lockdown measures. Several service sectors vital to the area's economy—tourism in particular—remain depressed and are unlikely to recover until effective management of the pandemic improves confidence in the safety of face-to-face interactions. Despite a worsening pandemic, manufacturing has continued to recover, supported by strengthening foreign demand.

In all, following a sharp contraction of 7.4 percent in 2020, growth is forecast to rebound to 3.6 percent in 2021, underpinned by improved COVID-19 management, an initial vaccine rollout, and rising external demand, particularly from China. Growth is projected to strengthen further to 4 percent in 2022 as widespread vaccination contributes to firming consumption and investment—still above potential growth, but leaving output 3.8 percent below pre-pandemic trends.

Japan

Early effective management of COVID-19, coupled with unprecedented fiscal support, powered a rebound in activity in the third quarter of 2020. This nascent recovery quickly lost momentum as a resurgence of COVID-19 dampened consumption, even though the manufacturing sector continued to firm.

After contracting by an estimated 5.3 percent in 2020, activity is expected to expand by 2.5 percent in 2021 as additional fiscal stimulus is implemented and, with new COVID-19 cases brought down to low levels, pandemic-control measures are gradually phased out. Growth is projected to tick down to 2.3 percent in 2022, leaving output 2.4 percent below its pre-pandemic trend.

China

Growth decelerated to an estimated 2 percent in 2020—the slowest pace since 1976 but above previous projections, helped by effective control of the pandemic and public investment-led stimulus. The recovery has been solid but uneven, with consumer services trailing industrial production. For most of last year, import growth lagged a rebound in exports, contributing to a widening current account surplus.

Accommodative fiscal and monetary policies led to a sharp increase in the government deficit and total debt. Fiscal policy support, which initially focused on providing relief and boosting public investment, is starting to moderate.

DIRECTORS' REPORT 2020

Continued

Growth is forecast to pick up to 7.9 percent in 2021, above previous projections due to the release of pent-up demand, and moderate to 5.2 percent in 2022 as deleveraging efforts resume. Even as GDP returns to its pre-pandemic level in 2021, it is still expected to be about 2 percent below its pre-pandemic projections by 2022, with the crisis accentuating preexisting vulnerabilities and imbalances.

Emerging market and developing economies

Activity in EMDEs fell 2.6 percent in 2020 as a result of the COVID-19 pandemic. Although aggregate EMDE growth is projected to pick up to 5 percent in 2021 and moderate to 4.2 percent in 2022, output will remain well below pre-pandemic projections throughout the forecast horizon. Progress on critical development goals has been set back by several years, as the pandemic has disproportionately affected vulnerable groups and is driving poverty rates sharply higher.

Recent developments

The health and economic crisis triggered by COVID-19 caused EMDE output to shrink an estimated 2.6 percent in 2020—the worst rate since at least 1960, the earliest year with available aggregate GDP data. Excluding the recovery in China, the contraction in EMDE output last year is estimated to have been 5 percent, reflecting recessions in over 80 percent of EMDEs—a higher share than during the global financial crisis, when activity shrank in about a third of EMDEs. Services activity contracted last year as consumers shifted away from activities requiring face-to-face interactions amid severe and prolonged weakness in international travel. In the average EMDE, services accounted for more than half of the value-added GDP prior to the pandemic. The relatively higher share in countries dependent on tourism helps to explain why they have experienced relatively deeper contractions. Substantial macroeconomic support helped soften the decline in activity. The fall in investment was partly curbed by policy rate cuts and macro prudential support measures, which provided liquidity and promoted lending, as well as by sizable fiscal packages, which increased capital on health and information technology.

Bangladesh Economy

For Bangladesh, the outgoing year 2020 was a challenging one. In fiscal year 2020, prior to the outbreak of the pandemic, the Bangladesh economy was somewhat under stress due to the weak performance of a few economic indicators such as exports, imports, private investment, foreign direct investment, and revenue mobilization. Besides, the banking sector was suffering from high non-performing loans (NPL).

Bangladesh's GDP growth is forecast to slow down to 1.6 per cent in the fiscal year 2021 as the country struggles with the devastating impact of the lingering Covid-19 pandemic, the World Bank said in its twice-a-year-regional update.

The latest South Asia Economic Focus report also warns of a hardest recession in South Asia, of which Bangladesh is a part.

Bangladesh has achieved GDP growth at more than 6 percent on an average during the last decade. According to Bangladesh Bureau of Statistics (BBS), the GDP growth in FY2015-16, FY2016-17 and FY2017-18 stood at 7.11 percent, 7.28 percent and 7.86 percent in FY2018-19 the GDP growth stood at 8.15 percent. As per provisional

estimate of BBS, the GDP growth is 5.24 percent in FY2019-20 which is the lowest since FY2008-09, this situation has been created mainly because of the outbreak of COVID-19 pandemic.

Growth of GDP by Sectors

Production based estimate of GDP encompasses 3 broad sectors which are agriculture, industry and service. Moreover, overall GDP consists of 15 sectors. Among these 15 sectors, 6 sectors are divided into different sub sectors.

Agriculture Sector

At constant prices growth of agriculture and forestry sector under broad agriculture sector stood at 2.08 percent in FY2019-20, which was 3.15 percent in previous fiscal year. The growth of the three subsectors of agriculture and forestry sector i.e. crops and horticulture; animal farming; forest and related services reached 0.89 percent, 3.04 percent and 6.36 percent respectively in FY2019-20, which were 1.96 percent, 3.54 percent and 8.34 percent respectively in previous fiscal year.

Industry Sector

Among the 4 sectors of broad industry sector, the growth rate of mining and quarrying and construction sector moderated to 4.38 percent and 9.06 percent respectively in FY2019-20 from 5.88 percent 12.25 percent respectively from the previous fiscal year. On the other hand, growth rate of 'manufacturing' and electricity, gas and water supply' has slowed down significantly compared to the previous fiscal year. Growth in natural gas and crude petroleum sub-sector was (-) 0.51percent in FY2019-20, from (-) 0.79 percent in previous fiscal year. In addition, growth of other mining and coal sub-sector declined to 9.01 percent, from 13.08 percent in previous fiscal year. Similarly, growth of large and medium scale manufacturing sub-sector slowed down to 5.47 percent from 14.84 percent of previous fiscal; year.

Service Sector

According to the provisional data, growth in broad service sector decreased to 5.32 in FY2019-20 compared to 6.78 percent in previous fiscal year. The output of the 'wholesale and retail trade', 'hotel and restaurants' and 'transport, storage and communication' sector under broad service sector registered growth to 5.02 percent, 6.46 percent and 6.19 percent respectively in FY2019-20; which were 8.14 percent, 7.57 percent and 7.19 percent respectively in the preceding fiscal year. The growth of 'real estate, renting and business activities' and 'community, social and personal services' sector decreased to 4.85 percent in FY2019- 20 from 5.23 in the previous fiscal year.

Like all other economies, ours has experienced pressure due to the disruption in economic activities during the pandemic. Both domestic and global demand contracted. As our economy is integrated with the global economy, a downward trend was observed in case of exports, outflow of Bangladeshi migrants for work, and foreign investment. On the domestic front, depressed domestic demand has been reflected through low investment. Credit flow to the private sector and import of capital machinery had been low. Job losses by a large number of people had also reduced demand. All these had an impact on growth which was on an increasing trend during the last decade. Thus, in fiscal year 2020, the growth of gross domestic product (GDP) was 5.2 percent as opposed

DIRECTORS' REPORT 2020

Continued

to 8.2 percent, which the government projected originally. Several studies have indicated that low growth and slower economic activities had a knock-on effect on poverty, unemployment, education, inequality and many social aspects.

Due to government efforts combined with the hard work of the people, the Bangladesh economy has been less affected compared to other countries during the pandemic. Several international organisations including International Monetary Fund, World Bank, and Asian Development Bank have assessed the economic performance of countries during the pandemic. Bangladesh's performance stands out amongst its peers. Despite the pandemic, agricultural production has been exceptionally good—that helped ensure food security. Remittances have soared in recent months, foreign exchange reserve has reached the highest level ever, exports picked up towards the end of the year and inflation remained low.

In view of this, Bangladesh looks forward to seeing brighter economic prospects in 2021. For Bangladesh, 2021 is also a special year. The country will celebrate the golden jubilee of its independence. This will be the year to celebrate our achievements in the last 50 years. This will also be an occasion to reflect on the constraints and commit ourselves to expedite efforts to fulfil the unmet dreams in the next 50 years. Bangladesh must also seize every opportunity that comes in its way in the coming years.

Among a number of initiatives that are required to achieve the unfulfilled goals, a few can be reiterated. First and foremost is the need for institutional strengthening and reform. For rebuilding the economy from the fallout of the pandemic, public expenditure is the key. Therefore, more fiscal room is to be created through domestic resource mobilisation and its efficient utilisation. Fiscal discipline through prudent fiscal management will be critical for economic recovery. In this regard, governance of the financial sector will also have to be ensured. In recent times, liquidity situation in the banking system has increased which led to low interest rates. This is due to weak investment demand and Bangladesh Bank's measure to create liquidity space in commercial banks. The volume of the NPL in 2020 may not be a reflection of the real situation since Bangladesh Bank had frozen loan classification from January 1 to December 31, 2020 in view of the pandemic. The embedded weakness of the sector emphasises the need for reforming the sector and establishing better governance in the system.

Second, the anti-corruption drive should be continued and strengthened. Corruption in public investment projects reduces fiscal space. Studies have indicated how corruption affects growth. A large part of resources is also sent out of the country illegally. By preventing corruption, resource efficiency and economic competitiveness can be enhanced.

Third, investment on human capital has been reinforced during the pandemic. The weaknesses in the healthcare system was evident during the pandemic management. Increased allocation for the health sector and appropriate utilisation of the allocated resources are essential. For human capital development, education is an important means. Improvement of human resource capacity through skills development is the need of the hour. For a sustainable recovery from the pandemic, creation of opportunity is not enough. Access to opportunity for all has to be ensured. This will also require quality education and technological skills. During the pandemic,

digital technology has played a pivotal role in facilitating activities and connecting with the world. However, without affordable access to technology there may be a digital divide leading to further inequality.

Fourth, Bangladesh can also set a milestone on its 50th anniversary by initiating the universal social protection scheme for the poor. The need for a comprehensive social protection for all including those in the informal sector has been felt acutely during the ongoing pandemic.

Fifth, 2021 is also an opportune moment for discarding the unsustainable way of development which is based on destruction of natural resources and biodiversity. This pattern of development creates inequality by depriving the poor to access the natural commons. To achieve sustainable development, the government has to work towards tackling climate change at the global level and preventing environmental degradation at the domestic level.

Bangladesh can make 2021 a year full of opportunities by doing the above and much more.

Banking Sector

Currently there are 61 Scheduled Banks are performing their Banking business in Bangladesh of which the numbers of Urban and Rural Branches are 5,224 and 4,890 respectively. Around 66.85% of Total Assets and 66.14% of Total Deposits are being handled by PCBs. On the other hand, SOCBs covers 26.16% of Total Assets and 27.02% of Total Deposits.

DHAKA BANK: Thriving for Success

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

DBL is widely recognized today for its exceptional service, simplicity, proximity and cutting-edge way of delivery and operational craftsmanship marking its position as the potential Market player in all core areas of Banking in the country. Alongside a lasting bond with the Corporate world, we got hold of a countrywide reach through a larger network of Branches, ATMs, ADMs, SME channels and SMS Banking. As on December 31, 2020, we made our vibrant presence at 105 Branches including 2 Islamic Banking Branches, 12 Sub Branches, 3 SME Service Centres, 63 ATMs, 20 ADMs, and 2 Off-shore Banking Unit across the country.

On July 5, 2020 we passed 25 years of stride for progress. Our Balance Sheet size was Tk. 295,337 million, Deposits of Tk. 205,667 million and Advances of Tk. 198,660 million with Profit before tax track of approximately Tk. 5,207 million as on December 31, 2020. Our Board and our Colleagues together want to make a strong positive impact in the economy of Bangladesh with superior quality Banking Services.

DIRECTORS' REPORT 2020

Continued

Rooms for Business

We had started 2020 with usual zeal; and did splendidly in some areas. In other areas, achievement was mixed, with meagre to moderate. Our overall numbers have been reasonably well. The mode of our Banking operations includes both conventional and Islamic Banking based on Shari'ah Principles. Our Deposit grew 1% in 2020, while the previous year the progress here was 4%. DBL runs its business with a country-wide reach through state-of-the-art delivery system supported by real-time online Banking. The Bank has established its own subsidiary named 'Dhaka Bank Securities Limited.' on February 13, 2011 to provide brokerage services and margin Loans in the Capital Market. DBL has Off-shore Banking Unit to provide Banking Services in Non-Resident Foreign Currency denominated Assets and Liabilities. We must put our all-out energy in having a much better outcome in 2021 in all areas.

Core areas of DBL business and Banking

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

Extra-ordinary gain/losses

The Bank did not record any extraordinary gain/loss during the year 2020.

Related party Disclosure

In the normal course of business, Dhaka Bank entered into a few transactions with related parties during the year 2020, details of which have been furnished in Annexure – G of the financial statements. These transactions have been executed on an arm's length basis.

Preparation of Financial Statements and the Annual Report

- All relevant books and accounts were maintained as per regulation.
- Financial Statements have been prepared in accordance with the appropriate accounting policies and procedures.
- All estimates and assumptions were made within these financial statements and are made on reasonable ground and prudent judgement.
- Preparation of Financial Statements (FS) of DBL were in accordance with the International Financial Reporting Standards (IFRS) as adopted by Financial Reporting Council (FRC) in Bangladesh and the instructions of Bangladesh Bank. Any departures from such requirements have been duly disclosed.
- Sincere efforts were put to ensure the integrity and legal compliance of DBL's financial statements. The priority of the annual report is to portray a true and fair representation of the Bank's activities and transactions as per prevailing laws of the land.

- There is no significant doubt upon the Bank's ability to continue as Going Concern. DBL has neither intention nor the need to liquidate or curtail materially the scale of its operation. Hence, the Financial Statements of the Bank for 2020 have been prepared for its Shareholders.
- Certain Information required in the Directors' Report to the Shareholders under BSEC Corporate Governance Code are provided in various other parts of this Annual Report under relevant sections for the ease of reading by the user.

Financial Performance

Performance & Profitability: We recorded Profit after Tax of Tk. 2,030 million in 2020 in comparison with Tk. 1,571 million in 2019 as a result of critical Market condition. Bank's performance was accomplished mainly from downsizing of Loan loss, sticking to core Banking business, consolidation of business mix with expanded pie on SMEs, efficient Cost Management as well as appropriate strategic choice.

Overall business performance for the year 2020 suggests that our achievement particularly revenue basket was more viable than we have expected especially in the category of investment Income and fees & commission Income. We have every reason to explain our position under most difficult circumstances that Banking Sector got through in 2020.

The Bank secured an amount of Tk. 10,165 million in Operating Income. On the Balance Sheet side, the Bank shaped an amazing Balance in Assets of Tk. 295,337 million showing up an increase of Tk. 10,328 million from Tk. 285,009 million of 2019. The Growth was achieved on the wings of 2% Growth in Loans and Advances. Deposits also showed a Growth of 1%. The Bank continued to have notable Capital Adequacy at 14.52% in accordance with Basel-III requirement. Total Shareholders' Equity increased to Tk. 18,792 million in 2020 from Tk. 17,211 million in 2019. Liquidity maintained a comfortable position with liquid Assets [Cash, Balance with other Banks and financial institutions, money at call, treasury bonds and tradable securities] forming 25.58% of Total Assets. The Bank had a stable portfolio of Loans & Advances as Loan to Deposit Ratio at 83.28% at the year-end 2020 which was 84.97% in 2019.

Appropriation of Profit

Profit after Tax [PAT] stood at Tk. 2,030 million. Profit available for distribution among Shareholders is Tk. 3,004 million after a mandatory transfer of Statutory Reserve of Tk. 636 million [@20% on PBT].

Dividend

The Board of Directors in its 397th Meeting held on May 6, 2021 has recommended 6% Stock Dividend and 6% Cash Dividend for the Shareholders for the year 2020 subject to approval of the Shareholders in the 26th Annual General Meeting.

Re-appointment of External Auditors

In the 25th Annual General Meeting of the Bank, M/s. Rahman Rahman Huq (KPMG in Bangladesh) was appointed as the External Auditors of the Bank for the year 2020 subject to approval of Bangladesh Bank. Subsequently, Bangladesh Bank approved the appointment of the External Auditors. M/s. Rahman Rahman Huq, Chartered Accountants (KPMG in Bangladesh) have completed their first year of the audit and

DIRECTORS' REPORT 2020

Continued

has expressed their intention for re-appointment as the statutory auditors of the Bank for the year 2021. With the recommendation of the Audit Committee of the Board of the Bank, the proposal for re-appointment of M/s. Rahman Rahman Huq, Chartered Accountants (KPMG in Bangladesh) as the Statutory Auditors of the Bank for the year 2021 will be placed for approval of the Shareholders in the 26th AGM strictly following the terms/conditions of Bangladesh Bank's Guidelines and the Directives of BSEC.

Appointment of Compliance Auditors

In the 25th Annual General Meeting of the Bank, M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants were appointed as the Compliance Auditors of the Bank for the year 2020. M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants have completed their first year of the audit and in terms of the Directives of BSEC, they are eligible for re-appointment as the Compliance Auditor of the Bank for the year 2021.

Rotation of Directors

As per the Company Act 1994 and the Articles of Association of the Bank, 1/3 [one third] of the Directors of the Bank will retire in the 26th Annual General Meeting and they are eligible for re-election, subject to approval of Bangladesh Bank.

Capital Adequacy

Dhaka Bank is a firm follower of Guidelines of the Bangladesh Bank regarding Capital Adequacy and its Policy is to maintain Regulatory Capital at a level which is higher than the minimum required Capital. Bank's strength in Capital base is also significant in the fact that the Ratio of eligible Capital to Risk Weighted Assets [RWA], 14.52% as of Dec 31, 2020. The Bank has already entered the Basel III regime since January 2015 as an enhanced Regulation for Capital Adequacy, liquidity and stability and remains committed to compliance of the requirement in phases till 2020.

BDT in million unless mentioned otherwise

Particulars	Year 2020	Year 2019
Profit After Tax	2,030	1,571
Retained Earnings brought forward	974.39	835.75
To be appropriated		
Transfer to Statutory Reserve	636.39	620.14
Transfer to General Reserve	-	-
Dividend for the year 2018 [recommended]		
Stock Dividend	6%	5%
Cash Dividend	6%	5%
Retained Earnings to be carried forward	1,514.78	974.39
Dividend	853.21	812.58

Credit Rating vis-à-vis Capital Adequacy

We kept up efforts to pursue Corporate and SME-mid Customers to get Credit Rated by eligible External Credit Assessment Institutions [ECAI]. As per Bangladesh Bank BRPD Circular No. 05 of April 29, 2009, BRPD Circular No. 31 of October 25, 2010, BRPD Circular No. 12 of October 31, 2013 and BRPD Circular No. 08 of April 15, 2014, we nominated 8

[Eight] recognized these ECAIs: Credit Rating Information & Services Limited [CRISL], Credit Rating Agency of Bangladesh [CRAB], National Credit Rating Limited., Emerging Credit Rating Limited., ARGUS Credit Rating Services Limited, WASO Credit Rating Co. [BD] Limited, Alpha Credit Rating Limited & Bangladesh Rating Agency Limited [for SME Clients only].

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

Protection to minority shareholders

Through various strategies including multi-faceted internal control system including independent and internal audits as well as the establishment of independent management team, DBL has fostered a professional environment where protection of minority shareholders is ensured. Any attempt for controlling shareholders through aggressive or abusive strategies either directly or indirectly is made ineffective. Nevertheless, if any issue arises at the Bank's AGM or elsewhere, a thorough investigation is conducted.

Five Years Performance

Key operating and financial highlights of the past 5 (five) years has been presented in this Annual Report under Shareholders' Information.

Management's Discussion and Analysis

A Management's Discussion and Analysis signed by the Managing Director & CEO of the Bank has been presented with detailed analysis of the Bank's Financial Positions and Operations in this Annual Report.

Segment-wise Performance

A Segment Performance during the year 2020 details of which are furnished in note no.48 of the financial statements.

Raising Capital: Starting on July 5, 1995 with Authorized Capital of Tk. 1,000 million and Paid-up Capital of Tk. 100 million, DBL strengthened its Authorized Capital base in 2005 by raising the same from Tk. 1,000 million to Tk. 2,650 million and Tk. 6,000 million in 2007. Authorized Capital was further enhanced to Tk. 10,000 million by passing a Special Resolution in the Bank's 4th Extra-ordinary General Meeting [EGM] held on July 4, 2010. Out of the total issued, subscribed and Paid-up Capital, 1,320,000 Ordinary Shares of Tk. 100 each amounting to Tk. 132,000,000 was raised through Initial Public Offering [IPO] of shares held in February 24, 2000. The Bank increased its Paid-up Capital twice issuing 2:1 Right Share at par on April 15, 2003 and November 30, 2005 respectively. As on December 31, 2020, equity of the Bank including Retained Earnings reflected a Balance of Tk. 18,792 million. Equity as a percentage of Total Assets was 15.72%. Bank's Paid-up Capital increased by Tk. 426 million at the year ended 2020. The Statutory Reserve also increased by Tk. 636 million due to transfer of 20% of Profit before provision and taxes under Regulatory Compliance.

Special Assets Management: In a year span, Classified Loans amounted to Tk. 6,227 million from Tk. 9,278 million of 2019. The amount of Non-Performing Loan [NPL] decreased by Tk. 3,051 million in 2020. In 2020, NPL to Total Loans Ratio reached to 3.13% compared to 4.74% of the year 2019.

DIRECTORS' REPORT 2020

Continued

Non-Performing Assets by Segments:

BDT in million unless mentioned otherwise

Particulars	As on 31.12.2020	As on 31.12.2019	Change in %
UnClassified Loans	192,433	186,357	3%
Standard [Including Staff Loan]	186,251	178,294	4%
Special Mention Accounts [SMA]	6,182	8,062	-23%
Classified Loans	6,227	9,278	-33%
Sub-standard [SS]	416	1,247	-67%
Doubtful [DF]	155	198	-22%
Bad/Loss [BL]	5,656	7,832	-28%
Total Loans	198,660	195,635	2%
Non-Performing Loans (%)	3.13	4.74	-34%

Way forward 2021

Challenges:

- Ensuring sophisticated IT system towards safe and lawful Transactions
- Fighting uncertainty still prevailing in the political frontier. Economic stability is less feasible due to Covid-19
- Addressing NPL issue, the top challenge for Banks, bringing more hurdles in recovering Loans
- Maintaining Asset quality with decreasing Industrial Production
- Ensuring Lending Rate which is competitive in the Market.

Opportunities

- Prudential Policies taken by Bangladesh Bank to strengthen the quality of Banks' Assets will continue in 2021 and beyond so that the progressive trend in the financial Sector can be retained, in accordance with the needs for sustained Growth and expansion
- Although the country witnessed a declining Growth Rate in Export last year, the achievement in Export proves our resilience against domestic challenges. Banks have high exposure in these Sectors and it can be expected that Banks will continue to earn Profit through their association with these Sectors.
- Banks will have ample scopes ahead to capture earnings from Trade Finance and channeling Remittance from abroad
- Infrastructural development like the construction of Padma Bridge definitely will in the investment situation in coming days

Goals set for 2021

- Controlling the cost of fund by healthy Deposit mix enhancing share of low cost Deposit and refinancing from Bangladesh Bank
- Controlling the operating expenses by boosting HR

Productivity, competitive bidding with the suppliers and Rational promotion of Banking business

- Controlling provisions against bad Loans by accelerating recovery mechanism both on-going and alternative.

Asset Quality

Our main focus in the year 2021 is to reduce NPL. We are developing in-built capacity in the Bank to help expedite Loan Recovery process. We are considering appointment of more Loan Recovery Agents and new mechanism to avoid lengthy, expensive and cumbersome procedures and excessive dependence on the Court for recovering Loans.

Sound business mix: Our Base Deposit grew 1% in 2020, while the previous year the progress here was 4%. We have to look for more CASA. So we have to make strategies for raising Core Deposit, i.e., Customers' Deposit. CASA share of 12-13% of Total Deposit should be taken up to 25% at the minimum, in 2021. Advance upped 2% as against 8% last year. The Guarantee business saw a tremendous rise of 25%, which was not only 2% the year before. More pleasing was the increase in Inward Remittance by 52% from previous year.

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

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

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

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

On behalf of the Board of Directors,



Abdul Hai Sarker
Chairman, Dhaka Bank Limited

পরিচালকগণের প্রতিবেদন ২০২০

ঢাকা ব্যাংকের ২৬তম বার্ষিক সাধারণ সভায় আপনাদের স্বাগতম। আপনাদের জন্য তৈরি এই ‘বার্ষিক প্রতিবেদন ২০২০’ ঢাকা ব্যাংকের সকল অর্জন এবং কর্মকাণ্ড-সম্পর্কিত বিবরণী।

বিশ্ব অর্থনীতি ২০২০

২০২০ সাল হতে সারা বিশ্বে নভেল করোনা ভাইরাস বিশ্ব অর্থনীতির গতিকে প্রভাবিত করেছে। বিশেষ করে ব্যবসা-বাণিজ্যে লকডাউনের প্রভাব শিল্প-বাণিজ্যের গতিধারাকে মন্থর করে দেয়। এর প্রভাবে উন্নত দেশ গুলো অর্থনৈতিক উন্নয়নে যেমন ক্ষতির সম্মুখীন হয়েছে, তেমনি অনুন্নত দেশ গুলো এর প্রভাব মুক্ত ছিলো না। তাই বিশ্ব অর্থনীতিতে আলোচনার কেন্দ্রবিন্দুতে কোভিড-১৯ সারা বছর ধরে আলোচিত ছিল।

বাংলাদেশ অর্থনীতি ২০২০

২০১৯-’২০ অর্থবছরে বাংলাদেশ অর্থনীতিতে করোনা ভাইরাসের প্রভাব বিস্তার করেছে। এর ফলে কিছু শিল্প প্রতিষ্ঠান যেমন উৎপাদনের কার্যক্রমে বাঁধার সম্মুখীন হয়েছে, তেমনি নতুন ধরনের শিল্প প্রতিষ্ঠানের চাহিদার ব্যাপকতা লাভ করে। বিশেষ করে স্যানিটাইজেশনের উপাদানের ব্যাপক চাহিদা বৃদ্ধি পায় এবং এর উৎপাদনের সাথে জড়িত প্রতিষ্ঠান সচলতা লাভ করে। ফলে একদিকে যেমন অর্থনীতিতে টানা পোড়েন দেখা যায়, তেমনি অন্যভাবে অর্থনীতি ভিন্ন আবেশে সচল থাকে। বিগত দশকে বাংলাদেশের অর্থনীতি গড়ে ৬.০০ শতাংশের বেশি প্রবৃদ্ধি অর্জন করে আসছে। ২০২০ সালে বাংলাদেশের জিডিপি’র হার নির্ধারণ করা হয়েছে ৬.৮০ শতাংশ। ২০১৯-’২০ অর্থবছরে বাংলাদেশ ব্যাংক মূদ্রাস্ফীতি ৫.৫০% শতাংশের নিচে রাখার পরিকল্পনা করে। আমদানি এবং রপ্তানি তেমন আশাব্যঞ্জক ছিল না। ২০১৯-’২০ অর্থবছরে বাংলাদেশের রপ্তানি আয় ৪৬.২৪ বিলিয়ন ডলার দাঁড়িয়েছে। রপ্তানি আয়ের ৮০ শতাংশই এসেছে তৈরি পোশাক খাত থেকে। বিগত অর্থবছরে আমদানি ব্যয় ছিল ৪৬.২৪ বিলিয়ন ডলার। ২০১৯-’২০ অর্থবছরে মাথাপিছু আয় ২,০৬৪ মার্কিন ডলারে দাঁড়ায়, যা ২০১৮-’১৯ অর্থবছরে ছিল ১,৯০৯ মার্কিন ডলার।

ঢাকা ব্যাংকঃ সমৃদ্ধি সাফল্যের সোপান

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

এই সাফল্যের পেছনে রয়েছে অনেক কঠিন পরিস্থিতিতেও আমাদের ওপর সম্মানিত শেয়ারহোল্ডারবৃন্দ এবং গ্রাহকগণের অবিচল আস্থা আর অটল বিশ্বাস। তাঁরা আমাদের সামনে এগিয়ে যেতে অনুপ্রেরণা ও সাহস যুগিয়েছেন। এরই সাথে দেশজুড়ে ১০৫টি শাখা, [২টি ইসলামী শাখাসহ] ৬৩টি এটিএম, ২০টি এডিএম, ৩টি এসএমই সেবা কেন্দ্র, ২টি অফশোর ব্যাংকিং কেন্দ্র, ১২টি উপশাখা ও ঢাকা ব্যাংক সিকিউরিটিজের অধীন ৬টি ব্রোকারেজ শাখার মাধ্যমে আমরা আমাদের কার্যক্রম চালিয়ে যাচ্ছি। নতুন নতুন গ্রাহককে আমাদের বহুমুখী আর্থিক সেবার আওতায় নিয়ে আসতে আমরা সর্বদাই সচেষ্ট।

প্রতিবেদন ২০২০ এর সারসংক্ষেপ

সকল প্রকার কর পরিশোধের পর ২০২০ সালে ঢাকা ব্যাংকের আয় ২,০৩০ মিলিয়ন টাকায় দাঁড়ায়, যা ২০১৯ সালে অর্জিত আয় থেকে ২৯ শতাংশ বেশি। বিগত বছরে ঢাকা ব্যাংকের সুদবাবদ আয় ৯৮ শতাংশ কমে গিয়েছে। অনেক কঠিন পরিস্থিতির মধ্যেও আমাদের পরিচালন মুনাসফা ছিল ৫,২০৭ মিলিয়ন টাকা। বিগত অর্থবছরে লোন ও অ্যাডভান্সের ক্ষেত্রে ২ শতাংশ প্রবৃদ্ধি অর্জিত হয়েছে। পরিচালকগণ ২০২০ সালের জন্য ৬% নগদ এবং ৬% স্টক লভ্যাংশ সুপারিশ করেছেন।

সিডিকেশন এবং স্ট্রাকচার্ড ফাইন্যান্স ইউনিটের জন্য ২০২০ সালটি ছিল বড় রকম সাফল্যের সময়। ঢাকা ব্যাংক কেএসআরএম পাওয়ার প্লান্ট লিমিটেডকে ২,৮০০ মিলিয়ন টাকা সিডিকেট টার্ম লোন প্রদান করে। এছাড়াও চাঁদপুর পাওয়ার জেনারেশন লিমিটেডকে ৫,২১০ মিলিয়ন টাকার সিডিকেট লোন সুবিধা প্রদান করে। বাংলাদেশের সবচেয়ে বড় পেট্রোলিয়াম পরিশোধন সেক্টর, “বসুন্ধরা অয়েল এন্ড গ্যাস কোম্পানি লিমিটেড”-কে ১৮,০০০ মিলিয়ন টাকা সিডিকেট লোন প্রদান করা হয়। ২০১৯ সালের তুলনায় ২০২০ সালে আমাদের এসএমই পোর্টফোলিও বৃদ্ধি পায় ৪.০৪ শতাংশ

ডিসেম্বর ৩১, ২০২০ পর্যন্ত ঢাকা ব্যাংক ১৯১.৭৪ মিলিয়ন মার্কিন ডলার অফশোর মার্কেটে বিনিয়োগ করেছে। ২০২০ সালে ইসলামী ব্যাংকিং-এর আমানত এবং বিনিয়োগ যথাক্রমে ৯,৬৭৩.০০ মিলিয়ন এবং ৬.০০৬.০০ মিলিয়ন টাকায় দাঁড়ায়।

আমাদের অগ্রযাত্রা

২০২১ সালটি নিশ্চয়ই আমাদের সামনে তুলে ধরবে নানান সম্ভাবনা; করোনা ভাইরাসের প্রভাব কাটিয়ে অর্থনীতিতে উন্নয়নের গতিধারা বজায় থাকবে এবং একইসাথে উন্নয়নের ধারা বজায় রাখার জন্য নিতে হবে নতুন নতুন কৌশল। এই লক্ষ্যে, আমরা সবসময় আমাদের পোর্টফোলিও নানান বিন্যাসে সাজাতে সচেষ্ট থাকি এবং নতুন কৌশলগত সিদ্ধান্ত প্রয়োগ করে যাচ্ছি। একটা টেকসই ব্যাংক হিসেবে পরিচিতি পাওয়াটা আমাদের কাছে সবসময়ই গুরুত্বপূর্ণ। উদ্যমী ও সৃষ্টিশীল কর্মীদের সঙ্গে নিয়ে একটি অত্যাধুনিক, লাভজনক ও স্থিতিশীল ব্যবসায়ী আমরা আমাদের অবিচল অগ্রযাত্রা নিশ্চিত করব।

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

পরিচালনা পর্ষদের পক্ষে,

আব্দুল হাই সরকার

চেয়ারম্যান, ঢাকা ব্যাংক লিমিটেড

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

The Financial Statements of Dhaka Bank Limited for the year ended on 31 December 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed.



COMPLIANCE REPORT ON BSEC'S NOTIFICATION



COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

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

The Notification requires that the company shall obtain a certificate from a practicing professional Accountant or Secretary (Chartered Accountant/Cost and Management Accountant / Chartered Secretary) regarding compliance of conditions of corporate governance guidelines of the Commission. The issuer company should not engage its' External/Statutory Auditors to perform Audit/Certification Services on compliance of corporate governance as required under condition number 7. In compliance with the Notification and with the approval of the shareholders of the Bank in their 25th AGM held on 06.08.2020, Dhaka Bank Limited has appointed M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants as Corporate Governance Auditor for the year 2020 for certification in this regard.

The Board of Directors of Dhaka Bank Limited has taken appropriate steps to comply with the conditions as detailed in Annexure-A, B & C.

Annexure-I

23 (Twenty Three) Meetings of the Board of Directors were held from January 01, 2020 to December 31, 2020. Attendance of the Directors in these Meetings is given below:

Name of Directors	Position	Number of Meetings Held	Meetings Attended	Remarks
Mr. Abdul Hai Sarker	Chairman	23	22	The Directors who could not attend any Meeting were granted leave of absence.
Mr. Abdullah Al Ahsan	Vice Chairman	23	23	
Mr. Reshadur Rahman	Director	23	22	
Mrs. Rokshana Zaman	Director	23	23	
Mr. Altaf Hossain Sarker	Director	23	21	
Mr. Mohammed Hanif	Director	23	23	
Mr. Md. Amirullah	Director	23	23	
Mr. Khondoker Monir Uddin	Director	23	19	
Mr. Tahidul Hossain Chowdhury	Director	23	22	
Mr. Jashim Uddin	Director	23	23	
Mr. Khondoker Jamil Uddin*	Director	23	19	
Mr. Mirza Yasser Abbas	Director	23	23	
Mr. Amanullah Sarker	Director	23	23	
Mrs. Manoara Khandaker	Director	23	23	
Mrs. Rakhi Das Gupta**	Director	23	9	
Mr. M. A. Yussouf Khan	Independent Director	23	14	
Mr. Md. Muzibur Rahman	Independent Director	23	23	
Mr. A. S. Salahuddin Ahmed	Independent Director	23	22	
Mr. Emranul Huq	Managing Director & CEO	23	23	

*Ceased to be a Director w.e.f. 16.11.2020

**Appointed as a Director w.e.f. 13.08.2020

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

Annexure-II

The pattern of shareholding of Dhaka Bank Limited as on 31.12.2020 as per BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 is as under:

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

b) Shareholding by:

1. Directors and their Spouses and minor Children:

Sl. No.	Name of Director	No. of Shares held	Name of spouse	No. of shares held	Name of minor children	No. of shares held
1	Mr. Abdul Hai Sarker (Chairman)	20,433,046	Mrs. Selina Hai	1,114,883	N/A	Nil
2	Mr. Abdullah Al Ahsan (Vice-Chairman)	17,921,114	Mrs. Amena Begum	1,097,862	N/A	Nil
3	Mrs. Rokshana Zaman	21,946,408	Mr. A.T.M. Hayatuzzaman	2,110,213	N/A	Nil
4	Mr. Altaf Hossain Sarker	24,984,499	Mrs. Nilufar Hossain	1,488,375	N/A	Nil
5	Mr. Reshadur Rahman	30,763,405	Mrs. Shamsi Rahman	2,912,388	N/A	Nil
6	Mr. Tahidul Hossain Chowdhury	17,992,569	Mrs. Jesmin Sultana Chowdhury	85,366	N/A	Nil
7	Mr. Md. Amirullah	17,919,575	Mrs. Ayesha Amir	4,259	N/A	Nil
8	Mr. Jashim Uddin	17,919,737	Mrs. Mamtaj Begum	6,575	N/A	Nil
9	Mr. Mohammed Hanif	27,288,823	Mrs. Rowshan Ara Hanif	742,904	N/A	Nil
10	Mr. Khondoker Monir Uddin	25,728,247	Mrs. Jasmin Sultana	964,370	N/A	Nil
11	Mrs. Rakhi Das Gupta	17,918,332	Mr. Ashok Das Gupta	Nil	N/A	Nil
12	Mr. Amanullah Sarker	17,919,579	Mrs. Nasrin Aman	Nil	Annila Aman, Master Ahnaf Aman	Nil Nil
13	Mr. Mirza Yasser Abbas	32,995,417	Mrs. Yakut Binte Sadek	Nil	Aaiza Taharat Mirza Mirza Anas Abbas	Nil Nil
14	Mr. Manoara Khandaker	17,951,269	Mr. Khandaker Mohammad Shahjahan	12,537		
15	Mr. M.A. Yussouf Khan	Nil	Mrs. Syeda Rowsan Ara Begum	Nil		
16	Mr. Md. Muzibur Rahman	Nil	Mrs. Rowsan Ara Begum	Nil		
17	Mr. A.S. Salahuddin Ahmed	Nil	Mrs. Syeda Salahuddin	Nil		

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

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

- | | |
|---|-----|
| 1. Mr. Mohammad Abu Jafar, Deputy Managing Director: | Nil |
| 2. Mr. A K M Shahnawaj, Deputy Managing Director: | Nil |
| 3. Mr. A. M. M. Moyeen Uddin, Senior Executive Vice President: | Nil |
| 4. Mr. Mukarram Hossain Chowdhury, Senior Executive Vice President: | Nil |
| 5. Mr. Darashiko Khasru, Senior Executive Vice President: | Nil |

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

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

ANNEXURE-C

[As per condition No. 1(5) (xxvii)]

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

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

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

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

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

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

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

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

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

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

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

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

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

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

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

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

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

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

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

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

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

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

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

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

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

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

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7(1)(ii)	Non-engagement in designing and implementation of Financial Information System	√		
7(1)(iii)	Non-engagement in Book Keeping or other services related to the accounting records or financial statements	√		
7(1)(iv)	Non-engagement in Broker-dealer services	√		
7(1)(v)	Non-engagement in actuarial services	√		
7(1)(vi)	Non-engagement in internal audit services	√		
7(1)(vii)	Non-engagement in any other services that the Audit Committee determines	√		
7(1)(viii)	Non-engagement in audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	Non-engagement in any other service that creates conflict of interest	√		
7(2)	No partner or employees of the external audit firms possesses any share of the company during the tenure of their assignment	√		
7(3)	Representative of external or statutory auditors remained present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders	√		
8	Maintaining a website by the Company			
8(1)	The company has an official website linked with the website of the stock exchange	√		
8(2)	The company kept the website functional from the date of listing	√		
8(3)	The company made available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s)	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	Obtaining certificate from a practicing Professional Accountant/Secretary regarding compliance of conditions of Corporate Governance Guidelines of the BSEC and include in the Annual Report	√		
9(2)	The professional will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting	√		
9(3)	Directors statement in the directors' report whether the company has complied with these conditions	√		

CERTIFICATE ON COMPLIANCE ON THE CORPORATE GOVERNANCE

Annexure-B

Certificate on Compliance on the Corporate Governance Code

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

Report to the Shareholders of Dhaka Bank Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Dhaka Bank Limited (the "Bank") for the year ended on 31 December 2020. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.


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

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

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

- (a) The Bank has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission (except for Nomination and Remuneration Committee for which the Bank is awaiting directives from Bangladesh Bank);
- (b) The Bank has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the Bank as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the Bank is satisfactory.

For Hoda Vasi Chowdhury & Co
Chartered Accountants



Sabbir Ahmed, FCA
Partner
ICAB Enrolment Number 770

Place: Dhaka
Dated: 20 May 2021

DHAKA BANK LIMITED

DECLARATION BY CEO AND CFO

Annexure-A

Date: May 6, 2021

To
The Board of Directors
Dhaka Bank Limited

Certification of Financial Statements by the CEO & CFO

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

- (1) The Financial Statements of Dhaka Bank Limited for the year ended on 31 December 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 31 December 2020 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Emranul Huq
Chief Executive Officer (CEO)



Sahabub Alam Khan FCA
Acting Chief Financial Officer (CFO)

SUSTAINIBILITY OF BANKING

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



SUSTAINABILITY OF BANKING

Continued

A country's overall economic pulse depends on miscellaneous multi-level financial activities and business initiatives undertaken by the MSME entrepreneurs. As such, the core ideology of MSME business is to address economic activities, i.e. financial inclusion, financial access, diversification of business risk, promoting easy access to Bank for mass people that assist balancing financial equality in the society. To properly concentrate on SME financing, it is imperative that lenders formulate and implement tailored financial approach and solution to Customers in line with their business nature, requirement, size, portfolio etc. As such, MSME helps to contribute to our overall GDP growth and serves as a decisive factor in alleviation of poverty to a huge extent. Various business initiatives are undertaken by the MSME entrepreneurs by engaging in miscellaneous economic activities by ensuring timely availability of auxiliary raw materials. In such manner, MSME Businesses help to put together new combinations, develop skilled manpower, create new job opportunities, initiate versatile approach and expedite demand and supply mechanism involving various other peripheral businesses. In fact, MSME business is a major determining factor for sustainable economic development and growth.

Dhaka Bank concentrated its focus to widen its MSME portfolio by promoting fresh lending to new borrowers belonging to various MSME business segment. However, it is quite difficult for a new entrepreneur to fulfil required pre-requisites of the formal lenders. Thus without injection of additional financial assistance a large portion of MSME entrepreneurs struggle to run regular business activities let alone expand their business parameter. In consideration of such scenario, Dhaka Bank MSME has introduced DBL Easy Loan facility, which is attributed as a collateral free credit facility by submitting legally vetted property/collateral documents only. Under the scheme, eligibility for any MSME business owned by a male and a female is 3 (Three) years and 2 (Two) years respectively. In addition, DBL Shuchona Loan has been introduced to facilitate the untapped business segment (the 1st time borrowers) without having any formal business credit history. Such initiative has broadened the opportunity for access to finance with better success and bigger coverage. Another notable credit scheme is DBL House Building SME Loan (HBSM) that has catered considerable impact in and around the outskirts of metropolitan areas. DBL HBSM helped to create stable source of income for the locals, having ownership of considerable land property. After attaining formal financial assistance, the locals initiate to build Paka or Semi-Paka single/multi storied lodgings with improved sanitation and healthy environment aimed to address housing problem for the garments workers of Savar, Ashulia and Gazipur locality, where many number of manufacturing factories are located and workers from different other parts of the country gets employment opportunity.

However, the outbreak of COVID-19 Pandemic resulted in the downturn of economic activities affecting the MSME sector the most. On this backdrop, in order for the entrepreneurs to be able to continue their regular business activities and absorb the lingering economic shock, Bangladesh Bank, as per our Honorable Prime Minister's declaration, initiated injecting fresh financial aid as STIMULUS for the CMSME and

the Agricultural sectors separately along with aiding the Corporate sector as well. Accordingly, Dhaka Bank MSME Division came forward to provide financial aid to the CMSME sector to assist continue their respective business activities and gear up MSME business that dictates the sustainability of our country's economy.

SUSTAINABILITY REPORT:

We are passing through COVID-19 pandemic crisis, resulting in crippling global economy. However, like most other governments, ours has also declared and started distributing financial stimulus of Tk. 20,000.00 Crore (Taka Twenty thousand Crore) for reviving MSME Business and another Tk. 5,000.00 Crore (Taka Five thousand Crore) for Agricultural Business to be loaned out at concessional interest rate, compensated by the government itself. Such initiatives, combined with tailored solutions offered by different Banks have been put into effect for revival of individual CMSME businesses and eventually adding up to the country's economy.

Dhaka Bank has been thriving to accelerate and excel in CMSME business financing as this is the segment that can help regulate employment issue, ensure financial liberty and conform a shackle free sustainable economy. Therefore, this has been a priority for Dhaka Bank to indulge in CMSME financing by incorporating various financial schemes to serve MSME business customers.

Financing Women Entrepreneurs (DBL Oditiya Loan):

Women have potentiality to equally contribute to different financial and business activities with commendable success. However, only a small percent of formal small and medium enterprises (SMEs) are owned and run by women. As per Bangladesh Bank's latest directives, credit facility extended to WE (Women Entrepreneurs) should be 15% of total SME book balance by the end of 2024.

Dhaka Bank is keen to increase focus on minimizing gender inequality. Women consist half of our community, however, not many are involved with business activities. This is aggravated due to lack of proper financial back up, guidance and nurturing. In this context, DBL SME in line with Bangladesh Bank guideline has been running a loan product, specially designed for women entrepreneurs, namely, DBL Oditiya Loan. This facility offers collateral free loans up to Tk. 2.50 million (Taka Twenty Five lac). Presently, we have 37 no. women entrepreneurs with an exposure of about Tk. 97.70 million (Nine Crore Seventy Seven Lac) under Oditiya loan category. Apart from that there are about 86 women entrepreneurs who availed about Tk. 590.00 million (Taka Fifty Nine Crore) in various forms of loans.

1st Time Borrowers (DBL Shuchona Loan):

A country's economy revolves widely around business activities of entrepreneurs, experienced or new ones. In the case of an experienced business person, formal loan facilities are attainable, subject to availability of required documents. However, this is not the case with the first time borrowers. New MSME Entrepreneurs, initiating start-up

SUSTAINABILITY OF BANKING

Continued

businesses, many times find it difficult to run their business with their own capital investment and need additional financial support by availing formal loan facilities from Banks or FIs. To address the issue, DBL SME has formulated DBL Shuchona Loan to facilitate such 1st time borrowers to attain sustainability in smooth running of their business operations and enlarging business parameter when necessary. The only pre-condition for eligibility under the category is that the customer is required not to have availed any loan facility in the company's name prior to applying for Shuchona Loan. Thus, DBL Shuchona Loan facility has opened up financing provision for the business entrepreneurs willing to avail business loans for the very first time.

Collateral-free Loan (DBL EASY Loan):

Not all MSME Entrepreneurs have the privilege to offer collateral as security. Many entrepreneurs requiring a financial support to sustain continuity or boost up business activities find it quite difficult in such cases. Whereas almost no Banks/FIs are willing to extend any credit facilities without this comfort. In this context, Dhaka Bank has initiated to tap this segment by introducing a loan facility, DBL Easy Loan, where deposition of Memorandum of Title Deed of any collateral property belonging to any family members and additionally a socially established 3rd Party Guarantor is required. In such cases, MSME business entrepreneurs without having any personal collateral, can avail DBL Easy Loan with relatively greater ease.

Developing Cluster Finance:

Dhaka Bank SME encourages Cluster Financing because it does not only make opportunity for MSME customers for availing loans collectively in groups but also minimizes recovery risk. It is notable that at present, Dhaka Bank SME has a couple of financial clusters namely, MEDICINAL PLANT CLUSTER (Palashbari, Gaibandha), SHOE MANUFACTURER CLUSTER (Kaluhati, Rajshahi), FURNITURE MANUFACTURER CLUSTER (Rajshahi).



Mr. A.H.M. Khairuzzaman Liton, Mayor-RCC handed over a loan cheque to a member of the Furniture Cluster at Rajshahi.

DBL SME has extended loan facilities to the less privileged, marginal farmers/entrepreneurs by initiating opening of Tk. 10.00 Account. We have about 109 individual account holders around the country under this category that includes marginal medicinal plant cultivators at Palashbari, Gaibandha region. Likewise, 39 (Thirty Nine) shoe manufacturers of Kaluhati, Rajshahi have been facilitated in 03 (Three) phases for about Tk. 18.00 million (Taka One crore Eighty lac) with direct assistance from SME Foundation. Even during this Pandemic period, with direct assistance from NASCIB (National Association of Small & Cottage Industries, Bangladesh), DBL SME has initiated financing 22 (Twenty Two) furniture manufacturer for Tk. 9.00 million (Taka Ninety lac) only in last November, 2020. All these facilities have been extended under Cluster financing program.

The other mentionable tools and schemes of DBL MSME include:

“Same Day Decision” is an online mechanism that allows branch managements to get instant verdict on credit proposition on individual customer's behalf. Branches are required to furnish basic business information of the respective intended credit client to Head Office approval team in specified format and obtain a tentative decision on whether the loan may be allowable or not. Thus, introducing “Same Day Decision” helps to expedite approval procedure bringing down the turnaround time of Credit Proposals. More importantly, this online practice encourages customers to acquire prompt service and helps to reduce customer's initial cost/expenses.

“i-Samadhan” is an internet based online short “Application Form” available on Dhaka Bank official webpage (www.dhakabankltd.com), accessible by any interested SME customer to verify their eligibility to avail his/her desired loan. Interested customers are directed to the “Form” (web page) for providing certain business information, supportable by paper documentation if and when required. Head Office underwriters access the respective client's related business information and upon initial assessment, if agreeable, guides the respective customer to his/her nearest Dhaka Bank branch for formal credit proposal. As such, any willing CMSME customer may explore “i-Shamadhan” facility to avail CMSME loans without initial visit to any Dhaka Bank branch.

“Suppliers' Finance (Bills to Cash)” is a supply-chain business mechanism where Dhaka Bank books Corporate Bodies/Anchors that require different raw materials for manufacturing finished products/goods as in reverse factoring financial arrangement. Procurement of different auxiliary raw materials from different suppliers encompasses a time-gap from supplying of raw ingredients and getting payment for the supply, where MSME business initiative can play an active role. As per laid down arrangements, Bank pays off the suppliers on behalf of the manufacturing corporate anchor and gets

SUSTAINABILITY OF BANKING

Continued

paid back at a later time. The suppliers get their payments from the Bank by creation of separate individual short term loan accounts that are duly adjusted before expiries. DBL MSME have booked business with 6 (Six) Corporate Anchors to facilitate 15 (Fifteen) notable Suppliers with an accumulative limit of Tk. 116.70 million that the suppliers are enjoying currently.

“Dealers’ Finance” is another financial arrangement supporting supply-chain commerce in form of factoring business model. Dealer financing is a tested financial tool that guards the interest of a Corporate entity/body, as the manufacturing concern gets paid right away for the goods delivered to the dealers for onward selling to the customers. However, this arrangement also assist the Bank to help create many numbers of fresh loan accounts belonging to various dealers as transactional customers. As per prevailing practice of operation, finished deliverables/products/goods are distributed throughout various regions of the country by engaging Dealers at different localities where, on the basis of particular Dealers’ business credibility, Banks create individual loans and pays off the Corporate on the Dealers’ behalf.

“CD (Current Account)-SME” is just another form of Current Account, aimed to facilitate mainly the entrepreneurs belonging to MSME segment. The respective Account follows and adheres to the same sets of rules, terms and conditions like regular generic Current Accounts. The related features have been incorporated mainly to determine the segmentation of origin of fund, whether the fund is generated through MSME or Corporate channel. This segmentation of deposit base helps the Bank for nurturing further business avenues with proper evaluation and accuracy under regulatory guidance.

“Shukti Account-SME” is a form of Current Account, having all related major features of Current Accounts, with additional provision of interest income facility. Respective conditional interest rates will vary as per Account deposit/balance, starting from minimum Account balance of BDT 25,000.00. This sort of accounts encourages customers to explore their earning options, resultantly, having positive impacts on Bank’s overall deposit portfolio.

“Fixed Deposit (Plus)-SME” is a Term Deposit specifically launched to contribute to increase deposit portfolio under MSME segment. It varies only in tenor and interest rate from that of regular Term Deposits (TD) or FDRs inherently promotes deposit mobilization at a relatively higher interest rate. However, in times of deposit crisis, this instrument plays a substantial and vital role in accumulating additional base deposit for the organization. Apart from having facility for issuing regular FDRs for Company accounts and individuals, Dhaka Bank SME has launched a FDR of special kind to increase base deposit of SME segment, promoting procurement of SME based fund for sustainable future financing.

Non-Performing loan Management:

In 2020, like previous year, DBL has arranged NPL Management Campaign. Head Office SME team members, along with Branch colleagues, jointly arranged to further visit stressed clients for additional recovery success, across the country. Their collaborative effort also addressed documentary follow up, with compliance, against the clients. This campaign has enabled DBL to contain NPL to some extent.

Other Key notes on MSME business in 2020:

- 144 New MSME customers were booked under SME.
- Recovery from classified SME clients were Tk. 393.55 million in 2020
- Cottage Micro and Small exposure was 55.17% (BB requirement $\geq 50.00\%$)
- In spite of pandemic situation, in 2020 Dhaka Bank increased its total SME loan exposure by 4.04% from that of last year. DBL has concentration of 55.17% in 2020 in Cottage, Micro and Small Enterprises exceeding regulatory requirement.

New insight in 2021:

Compliance with regulatory requirement:

Particular	BB Requirement	DBL Position
		December 31, 2020
SME exposure of the total loan	$\geq 21\%$	12.36%
Women Entrepreneur loan of total SME loan	$\geq 15\%$	2.81%
Small, Micro and Cottage enterprise exposure	$\geq 50\%$	55.17%
Manufacturing segment exposure	$\geq 40\%$	50.26%
Trading segment exposure	$\leq 35\%$	28.57%
Service segment exposure	$\geq 25\%$	21.16%

Financial Summary:

(BDT in Million)

Portfolio:

Particulars	December 31, 2018	December 31, 2019	December 31, 2020
Asset	30,831.55	25,679.31	26,716.74

Disbursement & Achievement:

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

Target & Achievement:

Year	Net Outstanding Target	Achievement
2020	3,929.67	12.36%

SUSTAINABLE REPORTING

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

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

- decision and selecting any project.



SUSTAINABILITY REPORTING

ENVIRONMENT RELATED INITIATIVES

Continued

Sustainable Finance & Green Banking

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

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

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

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

Dhaka Bank & its Sustainability Framework

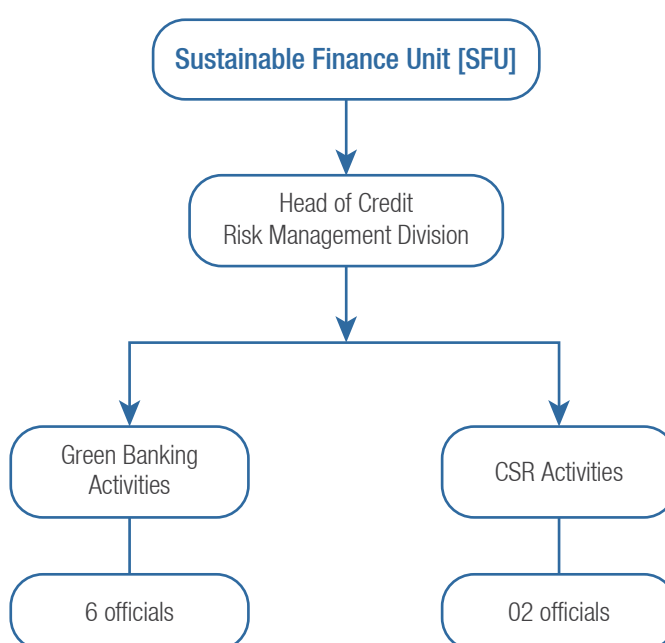
Sustainable Finance Department of Bangladesh Bank had issued a circular on December 02, 2016 whereby they had instructed the Bank and Financial Institutions of the country to establish a Sustainable Finance Unit, which will be headed by Head of Credit Risk Division of the Bank.

In compliance with Bangladesh Bank's circulars and guidelines, Risk Management Committee of the Board of Directors of Dhaka Bank Limited approved formation of Sustainable Finance Unit (SFU) headed

by Head of Risk Management Division of the Bank. Risk Management Committee also formed Risk Management Committee (RMC) comprises of high-ranked management officials, chaired by a Deputy Managing Director. It guides the SFU, adhering to the terms of reference laid out by Bangladesh Bank.

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

Organogram of Sustainable Finance Unit



Sustainability Reporting Environmental & Social Obligation

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

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

On the other hand, to help our clients reaching the highest environmental and social standards Dhaka Bank Limited already formulated Environmental & Social Risk Management (ESRM) Policy on 2018. Under this policy we carefully assess the extent of Environmental and Social impacts before making any financing decision and selecting any project. We work with our clients to apply a

SUSTAINABILITY REPORTING

ENVIRONMENTAL & SOCIAL OBLIGATIONS

Continued

clearly defined set of environmentally and socially responsible international standards and good practice to mitigate and manage E&S risks and impacts. Dhaka Bank always believes that it must responsibly manage environmental and social risks to achieve long term sustainable development of the country.

Green Finance Portfolio

Financing green projects and initiatives is one of the important tasks of green banking. The central bank directed all banks to disburse at least 5% of total Term Loan (Excluding Staff Loan) to green projects to encourage investment in environmental-friendly business model. During 2020 too, Dhaka Bank has been relentlessly putting their effort in Green Banking activities, mainly through financing in green initiatives of Entrepreneurs in different concerns of the country. Our green financing portfolio comprises of the following:

Renewable Energy	Energy Efficiency	Liquid Waste Management	Green Brick Manufacturing
25.60%	33.50%	1.10%	39.80%

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

Particulars	Total
Number of Projects applicable for Environmental & Social Due Diligence (ESDD)	385
No. of Projects Rated (Environmental & Social Risk Rating)	385
Low	357
Medium	28
High	-

Environmental & Social Risk Management status

ESRR Rating	December-2020	
	No of Accounts	Outstanding [In million BDT]
High	-	-
Medium	28	6,356.90
Low	357	115,049.00
Total no. of branches	105	
No of Branches Reported under Environmental & Social Risk Rating (ESRR)	25	

IN-HOUSE GREEN INITIATIVES OF DHAKA BANK LTD.

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

Meeting Corporate Social Responsibility

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

Corporate Social Responsibility (CSR)

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

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

SUSTAINABILITY REPORTING

SOCIAL RESPONSIBILITY INITIATIVES

Continued

the short-term ones that have sustainable and lasting impact on the people and society of the country.

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

At Dhaka Bank, employees work with a greater mission. They are motivated to contribute to the bank's social initiatives like financial assistance towards Flood affected people, Blanket distribution to cold hit peoples all over Bangladesh and Scholarship to meritorious students. To fight against pandemic COVID-19 Dhaka Bank has significant contribution to purchase PPEs and Oxygen Cylinder for Bangladesh Police, DBL employees and Prime Minister Relief Fund. Dhaka Bank also contributed in sports like Bangladesh Football Federation for development of Women's Football team. During 2020, Dhaka Bank has spent an amount of BDT 223.878 million for the overall betterment of the nation.

Donation for Social Improvement by CSR in matrix:

BDT in Million

Initiatives	Donation	Percentage %
Education	4.18	1.87
Health	62.70	28.01
Disaster Management	101.50	45.34
Sports, Art & Culture	5.25	2.35
Others	50.248	22.44
Total	223.878	100.00

Education

Dhaka Bank donated for mental and physical development of Autistic Children and Underprivileged people with Autism and Neuro-Development Disability. In the year 2020, Dhaka Bank spent around BDT 4.18 million for direct scholarship and educational infrastructural development purpose.

Initiatives	BDT in Million
Monthly Scholarship for 5 students of Department of Banking & Insurance, University of Dhaka	0.18
Underprivileged People with Autism and Neuro-Development Disability	1.80
Mental and Physical Development for Autistic Children	2.20
Total	4.18

Health

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

Initiatives	BDT in Million
Financial support for poor women and children	4.80
Financial support for poor and needy patients	2.40
Cardiovascular patient	0.05
Liver Cirrhosis patient	0.20
Purchase of PPEs for employees of DBL & few of the frontline fighter organizations i.e. hospitals, media houses, NGOs, etc. of the country to fight against the pandemic namely, COVID 19	0.60
Purchase of 100 units Medical Oxygen Cylinder with Gases and related accessories for assisting the employees (and for other stakeholders in emergency) of the bank during this pandemic i.e. COVID-19	3.00
Financial assistance for fighting against COVID-19	50.00
Donation of Ambulance to serve Covid-19 affected patients and funeral management	1.65
Total	62.70

Disaster Management & Infrastructure Improvement

Dhaka Bank is committed to the welfare of the community at large. The Bank responds promptly to support the affected humanity. In 2020, the Bank provided financial assistance for flood affected people, distributed Blankets among cold-hit people in different parts of the country during severe cold spell of winter to carry out its humanitarian activities and financial assistance towards Bangladesh Police by supplying PPEs for fighting against COVID-19. For this purpose, Dhaka Bank donated BDT 101.50 million in 2020.

Initiatives	BDT in Million
Financial assistance towards Bangladesh Police by supplying PPE for fighting against COVID-19	12.50
Additional District Commissioner, Bagerhat for fighting against COVID-19	1.00
Financial assistance for flood affected underprivileged people of the country	50.00
Blankets for Winter Affected People	38.00
Total	101.50

SUSTAINABILITY REPORTING

SOCIAL RESPONSIBILITY INITIATIVES

Continued

Sports, Arts and Culture

During 2020 Dhaka Bank contributed BDT 5.25 million for the development of Women's Football Team and to accelerate the exercise of Art, Literature and Culture in Nilphamari district.

Initiatives	BDT in Million
To accelerate the exercise of art, literature and culture in Nilphamari district to help enhance students, creativity, contemplation and talent	0.75
To Patronize Women's Football Teams	4.50
Total	5.25

Other Social Projects

In 2020, Dhaka Bank donated/ sponsored/ spent BDT 50.248 million on the occasion of Celebration of Birth Centenary of Father of the nation Bangabondhu Sheikh Mujibur Rahman and other social projects.

Initiatives	BDT in Million
Celebration of Birth Centenary of Father of the nation Bangabondhu Sheikh Mujibur Rahman	50.00
Donation of Air Conditioner (AC) for the conference room of Sirajganj Chamber of Commerce & Industry	0.198
Advertisement in Montyly Brail Newspaper 'Dristi Bijoye'	0.05
Total	50.248

Dhaka Bank Donated Tk.5 Crore at Bangabondhu Memorial Trust

Mr. Abdul Hai Sarker, Chairman along with Mr. Reshadur Rahman, Former Chairman & Director of Dhaka Bank Limited donated Tk. 5.0 Crore towards Bangabondhu Memorial Trust for celebrating the Mujib Year 2020. The cheque was ceremoniously handed over to the Hon'ble Prime Minister Sheikh Hasina at Gonobhabon on Monday, January 06, 2020.



Dhaka Bank Limited donates blankets to Prime Minister's Relief Fund

Mr. A.T.M. Hayatuzzaman Khan, Former Chairman & Sponsor of Dhaka Bank Limited donated blankets to Prime Minister's Relief Fund with an aim to help the cold stricken poor and distressed communities of the country on October 28, 2020 at Prime Minister's Office. Mr. Ahmad Kaikaus, Principal Secretary of the Prime Minister's Office received the donation on behalf of the Hon'ble Prime Minister. The Hon'ble Prime Minister Sheikh Hasina also graced the occasion virtually from her official residence Gono Bhaban.



Dhaka Bank Donates Ambulance to 'MASTUL Foundation'

Mr. Emranul Huq, Managing Director & CEO, Dhaka Bank Limited has been seen in handing over the Ambulance Key to Mr. Kazi Reaz Rahman, Founder & Executive Director, MASTUL Foundation; with the presence Deputy Managing Directors of Dhaka Bank Mohammad Abu Jafar, Mr. AKM Shah Nawaj and Mr. Arham Masudul Huq, CEO, Dhaka Bank Foundation.



MANAGEMENT DISCUSSION & ANALYSIS

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



MANAGEMENT DISCUSSION & ANALYSIS

Continued

Corporate Banking

Dhaka Bank Ltd. provides tailor made corporate banking services, catering to the domestic and overseas needs of corporate houses by offering a wide range of corporate finance products ranging from traditional working capital finance to project finance. The Bank's clients include multinational and domestic companies engaged in activities across all sectors of the economy. Dhaka Bank recognizes that their needs vary from one to another and customized solutions are critical for the success of their businesses. Therefore, its product basket ranges from short term financing for day to day business operations to long term loans for expansion of business along with other numerous facilities to support their various business activities. Some of these products are common in nature compared to the market condition but what makes these products unique is the extra-ordinary service provided to corporate customers by the dedicated relationship managers.

Dhaka Bank Ltd. is working under the centralized corporate banking umbrella and provides centralized services for selected corporate customers through dedicated relationship managers, who take care of the corporate clientele by exploring their needs. Gradually, the entire corporate portfolio will be shifted under the same umbrella and fully centralized services will be initiated. It will not only ensure one-stop service station for the corporate customer but also saves time & resources with prompt services. Optimization of portfolio yield is one of the key concerns for corporate banking, which eventually played a vital role in increasing the non-funded business.

Tailored Service and products:

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

Commercial Loans:

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

Project Finance:

Dhaka Bank has been engaged in financing a number of large projects including various infrastructural projects all over the country since its

inception. The bank continued project financing in support of entrepreneurship, innovative schemes and ventures profitable in terms of commercial, economic and environmental outlook. It includes understanding the rationale of the project, assessing the project viability, preparing the financial plan, assessing the risks, designing the financing structures, etc. Besides, it follows up the projects to ensure compliance and provides advisory service for successful outcome.



Trade Finance:

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

Working Capital Finance:

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

Syndications & Structured Finance

Bank's Syndications & Structured Finance Unit performed notably in 2020 despite corona pandemic has impacted global economy as well as ours severely. Since its inception in 2004, the unit offers a diverse range of products and services viz. Term Loan, both in Local and Foreign Currency, Working Capital financing, ECA cover financing, IPFF financing for infrastructure projects, financing in derivatives like Commercial Paper, Preference Shares, Project Bonds, etc. through syndication/club financing/bi-lateral arrangement with a view to offer custom-made financing solutions to the corporate customers of the country.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

The Bank has strengthened its position in the market through financing almost all the big corporate houses of the country. As such, the Bank has seen a noticeable growth in its portfolio as well as maintaining a diversified and quality asset portfolio.

The notable and key achievements of the Unit in 2020 are as under:

1. Financial closure of **BDT 2,800.00 million** Syndicated Term Loan for KSRM Power Plant Limited – a concern of Kabir Group, a prominent business group of the country;
2. Successful arrangement of **BDT 5,210.00 million** Syndicated Term loan facility including Bank's 1st ever ECA cover loan of **USD 40.00 million** for Chandpur Power Generations Ltd - a 115 MW HFO fired Power Plant of Doreen Group;
3. Obtaining mandate for arrangement of Bank's biggest syndication deal of **BDT 18,000.00 million** approximately for Bashundhara Oil and Gas Company Limited – the largest petroleum refinery in the private sector.

Project Pictures



Chandpur Power Generations Limited - a 115 MW HFO fired IPP Power Plant at Chandpur [Under Implementation]



KSRM Power Plant Limited - 55.80 MW Power Plant at Kumira, Chattogram



BSRM Wires Limited - a Wire Manufacturing Project at Mirsarai, Chattogram [Under Implementation]



Karnafuly Dry Dock Limited (Perspective View) – The project will establish a Dry Dock along with two Jetties at Badalpura, Chattogram. [Under Implementation]



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



Karnaphuli Power Limited - a 115 MW Power Plant at Potiya, Chattogram

MANAGEMENT DISCUSSION & ANALYSIS

Continued

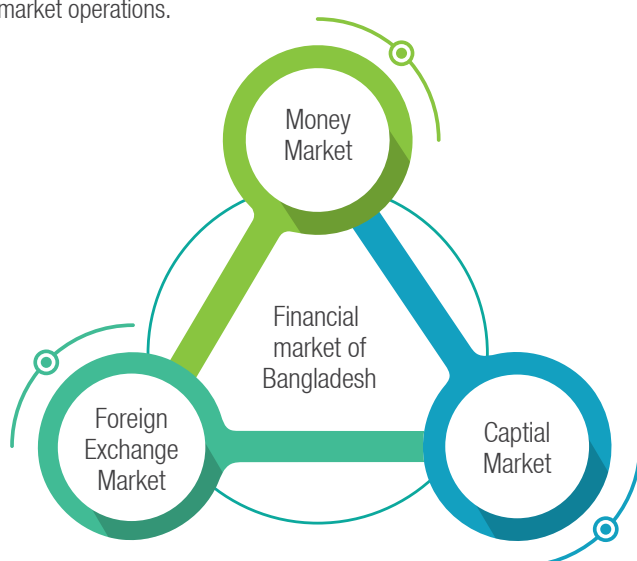
Business Operations

Operations Division's firm commitment to excellent customer service delivery has resulted to remarkable progress in its areas of operation during 2020. A number of service delivery wings are working under Operations Division. The Division's key responsibilities include Settlement of Foreign Remittance, Settlement of Treasury Function, FI Operations, assessment and managing of Treasury Risk, Local funding Operation, Bond Market Operations, RTGS and BEFTN operations, etc. With a view to facilitating its customers, Operations Division adopted various payments and transaction products for smooth payments and transactions for the customers backed by modern technology. Under Central processing environment, Operations Division is always aware of appropriate settlement of various payments and transactions as well as compliance related issues. Following wings are working under Operations Division:

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

Money Market Operations

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



At a glance settlement position 2020

Particulars	No. of Deals	Amount in crore
Bangladesh Cheque issued	487	2,897.54
Repo	147	17,455.59
Reverse Repo	57	4,098.23
Call Money	839	37,342.00
EDF related with Exporters	4628	1835.92

Foreign Remittance Operations:

Remittance is a major source of cash inflow for any country. Remittance tends to increase the purchasing power and consumption of a family. This results in access to better food, education, healthcare, housing and lifestyle among other things. It improves a country's per capita income and GDP. In order to facilitate its customers, Operations Division is settling various Inward & Outward Remittance centrally that ensures not only better and robust service but also fulfills regulatory compliance.

At a glance settlement position 2020

Particulars	No. of Txn.	Amt. in USD in Million
Inward Remittance to AD branches	5004	136.47
Inward Remittance to Non AD branches	2400	22.46
Outward Remittance	2915	97.33
Outward Remittance agt Student File	1067	5.13
OBU Fund Transfer	2822	161.26
FC Draft settlement	11305	338.71

SWIFT Operations:

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

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

MANAGEMENT DISCUSSION & ANALYSIS

Continued

PREVENTION OF MONEY LAUNDERING (ML), TERRORIST FINANCING (TF) & PROLIFERATION FINANCING (PF)

The country faced new challenges arising out of COVID-19 pandemic. The entire economy and the community as a whole underwent severe strains amid loss of human life, shutdown of business and stifling of social life. The situation witnessed rise of criminal offence, particularly violence against children and women, extortion, intimidation, theft, encroachment of property accompanied by a number of money laundering incidence. Most of the crimes are defined as predicate offence as per Money Laundering Prevention Act 2012. Besides, other offences mirroring cybercrime, frauds and scams, counterfeit goods, corruption, terrorist financing, etc hit the corona time. Dhaka Bank Limited, as a reporting organization to Bangladesh Financial Intelligence Unit (BFIU) continued its commitment to customer service as best as possible and kept Branches and service centres alert on adverse media news and regulatory query. The Bank strictly adhered to its KYC commitment to keep all stakeholders safe from the clutches of ML, TF & PF. Where applicable and justified, reports of suspicion were submitted to BFIU. On the regulatory landscape, we came across BFIU circular 26 on AML & CFT dated June 16, 2020, guidelines for eKYC, Guidelines for Prevention of Trade Based Money Laundering (TBML), and so forth. The Bank embraced those requirement with an abiding enthusiasm to implement and step forward.

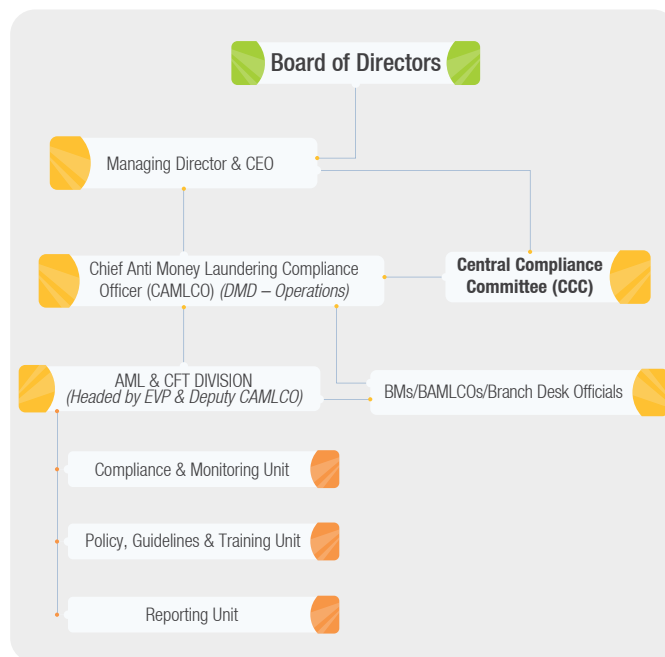
Organizational set-up for AML compliance

AML/CFT compliance activities of the Bank is run by a separate AML & CFT Division at Head Office. In line with BFIU directives, the Bank has formed Central Compliance Committee (CCC) comprising Heads from core business units to set out AML & CFT strategies and follow up the progress of implementation. The DMD & Chief Operating Officer is assigned as Chief Anti Money Laundering Compliance Officer (CAMLCO) to supervise overall AML & CFT compliance initiatives. The SVP & Deputy CAMLCO looks after the day-to-day AML functions as the Head of AML & CFT Division and assists the CAMLCO in devising AML goals, policies and programmes. As many as 121 BAMLCOs at Branches and Service Centres are deployed to carry out AML & CFT compliance programme of the Bank. The BAMLCOs are mainly responsible for ensuring KYC of Customers, risk categorization of business, transaction monitoring, screening of sanction list, arranging AML training for all Branch personnel, record keeping as well as identifying and reporting of suspicious transaction/activity (STR/SAR). The Central Compliance Committee seeks decision and kind guidance from the Managing Director and CEO and the Board of Directors regarding ML & TF issues as and when required. The CCC also provides AML update/progress report to Senior Management/Board at periodic rest.

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

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

Functional Organogram of AML & CFT Division



MD's Alert Notice on the fight against ML, TF & PF

At the beginning of 2020, the Managing Director & CEO set out a declaration on Bank's commitment to fight money laundering, terrorist financing and proliferation financing, which has been conveyed to all Employees on February 27, 2020 vide AML Memo No. 04/2020/2631 with the following highlights:

- Consequence of non-compliance as per stipulation of Money Laundering Prevention Act 2012 and Anti-Terrorism Act 2009;
- Guiding rules and procedures describing complete guide in written policies and procedures to combat ML & TF;
- A close balance between business & compliance to keep the Bank safe and secured under a legal framework;
- Bank's AML structure & point of contact (CAMLCO, Deputy CAMLCO, BAMLCOs, Central Compliance Committee, AML & CFT Division, etc);
- Focus on emerging threats of money laundering & terrorist financing (trade & credit based money laundering, proliferation financing, digital banking, cyber crime, etc);
- Other concerned issues (compliance on shell banks, CDD procedure, monitoring of transaction, screening of sanction lists, learning & training, etc).

The alert notice concludes with a firm commitment that it is every Employee's responsibility to protect themselves as well as the institution from the evils of money laundering as the consequence is severe. The tools to achieve these are Bank's internal processes & procedures, regulatory guidelines and Employees' personal vigils.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Risk Based Approach

- During the year 2020, database for high risk customers including PEP/ Influential Person has been updated & scrutinized based on nature of business, size of business/income, source of fund and KYC Risk Grading as well as high profile of customers. Relevant accounts were reviewed during the period.
- 10 no. of Domestic PEP (Influential Person) accounts were approved by CAMLCO, Head Office after necessary review;
- Daily newspapers were checked to find whether any account of criminals found in DBL. If positive match found, branches reported that as suspicious activity;
- Branches under high risk geographies were brought under enhanced monitoring;
- During the review period, all existing RMAs have been checked and reviewed by our International Divisions and relationship with suspicious institutions has been cancelled;
- Branches poorly rated under Independent Testing Procedures (ITP) were brought under close monitoring and advised to improve their AML rating;
- UN/ International Sanction Lists were checked against Bank's Customer Database through nScreening software and positive hits have been cleared by Branches. False Positive Reports are preserved by Branches.

Introduction of new Account Opening Form (AOF)

The Bank ensured full compliance of the instructions of BRPD Circular no. 02 dated February 23, 2020 on introduction of Account Opening Form (AOF) and KYC Profile in banks. The Account Opening Forms has been updated with an objective to make the forms more customer-friendly on the backdrop of advancement of information technology and financial infrastructure of the country and the continuation of wider scopes of gaining information through IT platforms. New regulatory format of AOF related to the bundle of CASA account, DPS/FDR/Term Deposits, etc has been redesigned and implemented across the Branches for customer use.

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

In 2020, AML & CFT Division arranged 09 day-long training sessions for 406 bank officials in total. AML training focused on KYC lapses, maintenance of high risk accounts, PEP/ IP account, etc, transaction monitoring and reporting of STR as well as overall compliance on the instructions of BFIU Master Circular 26 for the prevention of money laundering, terrorist financing and proliferation financing. To build awareness on way to implementing TBML prevention guidelines, AML & CFT organized two special sessions on the topics for 129 no. of trade officials of HO & AD Branches. The training was conducted by Senior BFIU Officials. This is worth noting that due to outbreak of COVID-19 pandemic, our AML/CFT training were conducted on limited

scale all through the year 2020. However, the Division is focusing on the utilization of virtual platform in the time ahead.



A snapshot of virtual training on "Guidelines for Prevention of TBML": BFIU Speaker, CAMLCO, Deputy CAMLCO of Dhaka Bank and participants are seen on the screen.

Recommendation of CAMLCO Conference 2020

Chief Anti Money Laundering Compliance Officers' (CAMLCO) Conference 2020 was held on 14-16 February 2020 in Hobiganj in participation of all scheduled banks under the initiatives of Bangladesh Financial Intelligence Unit (BFIU) and The Association of Anti Money Laundering Compliance Officers of Banks in Bangladesh (AACOBB). The Conference discussed a number of burning issues on AML/CFT and took some important decisions/recommendations to strengthen AML & CFT compliance system in the banking industry. The Bank took effective measures to implement the recommendations in phases.

Complaint Analysis & Activities Summary 2020

- Total number of complaints during the reporting period decreased over the preceding period. Impact of COVID-19 pandemic on economic activities and social life may have impact on low rate of lodging complaints.
- 44% of complaints have been received through FICSD, Bangladesh Bank. Most of the has been settled by regular complaint handling procedure such as discussion/meeting with Customers, HO query/investigation, meeting with Bangladesh Bank, communication with Branches/Customers, review by management/CCS&CMC, reply to FICSD, BB about clarification/ status of resolution, etc;
- The biggest part of complaints has been sourced through DBL Web Mail and BB online complaint window. This indicates that Customers/ people prefer digital platform as an easy medium for voicing Complaints; At present, the Bank has different channels for raising Complaints such as Complaints Box at Branch-level, email (complaint.cell@dhakabank.com.bd), DBL websites, mobile/phone, written complaints, Bangladesh Bank complaint window, etc;

MANAGEMENT DISCUSSION & ANALYSIS

Continued

- Complaints related to improper customer services and misdemeanor of service providing officials at Branches have been brought to the notice of Branch Management that the Branch resolved through fruitful meeting of the Branch Officials and communication to Customers. In some cases, responsible Officers were cautioned against their negligence while in other instances, Branch apologized to concerned Customers for their misbehavior;
- As regards nature of complaints, highest no. of complaints belonged to Debit Card/ Credit Card / ATM Card areas. Growing Customer fascination for card transactions is one of the reasons for the rise of complaints under this area;
- AML & CFT Division conducted face to face conversation between complainant and bank official in different occasions to resolve the complaint;
- Central Customer Services and Complaint Management Cell (CCS&CMC) has initiated training session on “Guidelines for Customer Services and Complaint Management” and intimated Dhaka Bank Training Institute (DBTI) to enhance training initiatives under this operational part;
- Updates about status of resolution of outstanding Complaints routed through FICSD, BB were provided to their end in writing from time to time;
- Complaint status of the Bank was regularly reported to EDW portal of BB on monthly basis. Also complaint status of the Bank was also reported according to National Integrity Strategy Action Plan on quarterly basis;
- Updated list of Members of Central & Zonal Complaint Cells are displayed at Bank websites at regular interval.

As per complaint statistics, during the year the Bank received 39 (Thirty Nine) no. of complaints from regular Customers, Walk-in Customers & other sources, 17 (Seventeen) of which were routed through FICSD, Bangladesh Bank. All complaints were duly addressed after necessary investigations in line with Bank’s complaint redressal system.

Asset Liability Management

Asset liability management (ALM) is the administration of policies and procedures that refers to financial risks considering interest rate, exchange rate and other factors that can affects to company’s liquidity. It manages the risks to acceptable level by monitoring and sets the competitive prices between assets and liabilities of a company.

The ALM functions extend to liquidity risk management, management of market risk, trading risk management, funding and capital planning and profit planning and growth projection.

The practice of asset and liability management can include many factors, including strategic allocation of assets, risk mitigation, and adjustment of regulatory and capital frameworks. By successfully matching assets against liabilities, financial institutions are left with a surplus that can be actively managed to maximize their investment returns and increase profitability.



Risk Mitigated Through ALM:

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

■ ALM primarily manages two types of risks



ALM Organization (ALCO):

The ALCO or the Asset Liability Management Committee consisting of the Dhaka Banks senior management including the CEO should be responsible for adhering to the limits set by the board as well as for deciding the business strategy of the bank in line with the banks budget and decided risk management objectives. ALCO is a decision-making unit responsible for balance sheet planning from a risk return perspective including strategic management of interest and liquidity risk. Dhaka Bank Ltd. may also authorize their Asset-Liability Management Committee (ALCO) to fix interest rates on Deposits and Advances, subject to their circulating of interest rates to the Branches along with the Board immediately thereafter. The banks should also fix maximum spread over the Prime Lending Rates (PLR) with the approval of the ALCO/Board for all advances other than consumer credit.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

ALM Process:

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



ALM Diagram & Process



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

Human Resources

For a service-based organization i.e. banks, its employees remain the most critical drivers for growth and success. The Bank considers its human resource function as the catalyst which builds talent readiness and strengthens the core values of the Bank to ensure sustained business performance, while simultaneously building a strong value proposition for its employees.

The Bank has put in place comprehensive HRM Policies that provide the road map for acquiring appropriate and need-based human resources, its development through training, job enrichment, reward and recognition for better performance, career progression, welfare, and retention.

The Bank has a rich talent pool with 1890 employees on its rolls. The Bank continuously undertakes multiples initiatives for strengthening and developing its human resources through recruitment, addressing training needs of employees, employee engagement, and capability building. The following initiatives have been taken during the year which had a direct and significant impact on Bank's performance:

Manpower Planning and Recruitment

Recruiting top talent in the financial services arena is a highly competitive and complex arena and one that is filled with immense challenges. The Bank recruited 14 new employees during 2020. The Bank also hired specialized staff with expertise in a niche and key focus areas to strengthen its capabilities and strength in different domain areas.

Category	2019	2020
Experienced	18	14
Fresher	154	19
Total	172	33

Classification of Employees

Category	2019	2020
Confirmed	1,722	1,737
Undergoing Training/Probation	236	151
Contractual	2	2
Total	1,960	1,890

Age Group wise Employee Distribution

Age Group	2019		2020	
	Male	Female	Male	Female
Above 60 years	2	0	2	0
51-60 years	93	16	108	26
41-50 years	338	90	379	109
31-40 years	693	205	710	209
21-30 years	392	131	257	90
Total	1,518	442	1,456	434

Service Length wise Employee Distribution

Service Length	2019		2020	
	Male	Female	Male	Female
16 years and above	232	54	249	70
11 – 15 years	191	67	226	99
6 – 10 years	366	125	420	104
3 – 5 years	288	66	252	82
Below 3 years	441	130	309	79
Total	1,518	442	1,456	434

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Division wise Employee Distribution

Division	No. of Branches	No. of Employees	
		Male	Female
Dhaka (Including Head Office)	56	1,020	386
Chattogram	28	230	22
Sylhet	6	51	3
Khulna	4	21	8
Rajshahi	10	92	6
Barisal	1	9	0
Rangpur	3	26	7
Mymensingh	1	7	2
Total	109	1,456	434

Human Resources Accounting

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

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

Items	2019	2020
Total Number of Employees	1,960	1,890
Total Number of Branches	107*	109*
Employee per Branch	18	17
Deposit per Employee	104.35 M	108.82 M
Loans & Advances per Employee	99.81 M	105.11 M
Operating Profit per Employee	3.11 M	2.75 M
Salaries & Allowances per Employee	1.17 M	1.35 M
Salaries & Allowances as % of Operating Profit	37.44%	49.11%

*Including 3 SMEs and 1 OBU

Health and Safety Drives

The Bank has launched some initiatives for managing employee health and well-being. The bank arranged several health-related discussion sessions during 2020 for its employees. The Bank offers all permanent employees along with their dependents with a hospitalization benefit. The medical treatment needs of employees are met through this hospitalization benefit Policy.

At the end of the First Quarter of 2020, we witnessed the COVID-19 outbreak. Bank bulked up planning for the BCP by rolling out work from home facility, ensuring essential staff and essential services

operational in branch and back offices. Creating awareness, communicating DOs, and DON'Ts to the employees has been one of the key agendas throughout the year.

At the end of March 2020 when the lockdown was implemented to combat the spread of COVID-19, the Bank had formed a Central Quick Response Team (CQRT) as well as Regional Quick Response Team and activated Business Continuity Plan (BCP). The Bank laid down the Work from Home (WFH) framework and guidelines cohesively with IT Division, HR, and Operations teams worked round the clock to ensure that systems and processes run seamlessly. Consequent to the lockdown notification, Bank has mandated WFH for all on a rotation basis. According to the Bangladesh Bank Guidelines, Branches had operated for lesser hours with minimum staffing, whilst other employees have stayed virtually connected with customers through digital channels. Bank remained in continuous touch with employees through digital means.

Employee Engagement

Employee engagement starts with an individual. From there, it can go out like a light or spread like wildfire. An engaged Employee is aware of business context, and works with Colleagues to improve performance within the job for the benefit of the organization. Before the pandemic started HRD has celebrated "International women's day" and arranged "Mujib Borsho Cup: Intra Dhaka Bank Cricket Tournament 2020" as an employee engagement program and aside from these Dhaka Bank have participated in the "Bankers Championship Trophy 2020". High levels of engagement not only affect the performance level, it also promote retention of talent, foster customer loyalty and improve stakeholder value.

Code of Conduct

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

Equal Opportunity and Sexual Harassment

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

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Human Capital

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

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

The Bank's strategic focus of growing risk calibrated core operating profit and market share is bolstered by re-calibrating the performance architecture. The individual performance indicators are aligned to the organization objective of serving the customer with the most relevant products and services. The Bank has always believed in the philosophy of 'Building Talent' and has created industry-academia partnerships focused on creating a future ready workforce.

Building human capital has become much emphasized in today's world. To become successful in the banking industry, we will be increasingly dependent on intangible assets such as talent. As competition intensifies, the need to attract and retain the best skills and talents will become more urgent. Going forward, the availability of talents will become the pivotal factor determining the capacity for the industry to reinvent and transform. To align with this requirement, we have transformed our strategy and more focused on developing our resources, attract and retain the best talents from the market through better compensation package.

Learning and Development

The Bank has always believed that learning and development plays a vital role in shaping the organization's human capital and accordingly it has taken various learning initiatives during the last year. The Bank's comprehensive learning management system provides learning through various channels like e-learning modules, physical classes at Bank's own Training Institute, Online Classes arranged by our Training Institute, training at Bangladesh Bank Training Institute, BIBM, and other local and foreign Training Institute, etc. As part of its ongoing transformation, the Bank aspires to build a pipeline of leaders with the potential to take on leadership roles and play an instrumental role in driving the future growth of the Bank.

The Bank has a training system, which facilitates attention to the regular periodic assessment of skill gaps at various levels concerning existing and emerging business opportunities. Skill-building in credit, Forex, customer relationship management, marketing of products and services, credit monitoring and recovery, risk management, technology-based banking, branch management, complying with statutory, legal, and policy requirements, and AML-CFT issues always receives special attention around the year. Training programs were also held on thrust areas like financing MSMEs, retail lending, agriculture finance, soft skills development, etc.

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

Information Technology (IT)

Technology driven banking is key to Dhaka Bank Limited (DBL) as it enables scalable growth and exciting opportunities that makes customer experience seamless in a highly competitive environment of Bangladesh. IT also enhances operational efficiencies in terms of service lead times which provides an edge as it augments customer experience. The Bank's internal controls, compliance and risk management functions place significant reliance on IT systems necessitating upgrades to keep pace with an increasingly complex operating and regulatory environment. Consequently IT is the nerve center of the Bank managed by an experienced and skilled talent pool who are responsible for delivery of this strategic pillar.

DBL IT is a crucial support department that impacts all aspects of our business. Embedding operational excellence through streamlined business processes has been a passion of the IT department. Accordingly many processes have been smoothened with IT interventions during the year resulting in significant gains in productivity and cost savings during the year.

The era of technology has touched almost every facet of modern banking. Therefore, DBL's pursuit towards excellence in banking is closely intertwined with application of information technology.

A. IT Infrastructure & Application

Core Banking System (CBS)

DBL started its journey with the PC bank software and implemented FLEXCUBE in 2004 as its core banking solution (CBS). In 2018 DBL has migrated to Flexcube Universal Banking Solution (FCUBS), a product of Oracle Financial Service Software Limited (OFSS). FCUBS 12.0.3 has numerous features to confront the ongoing market demand. It is one of the best CBS in the world used by countless banks. It has Conventional & Islamic banking modules required by the bank and supports multi country operations. Bank is using this solution for its OBU operations also. It has interface with Debit Cards, ATM, POS, SWIFT, Internet banking, Mobile Apps Etc. It can be used as a Centralized or De-centralized model with full redundancy. It has multilayer security option.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Cards Management System

DBL cards management system TranzWare is a product of Compass Plus, Russia and PA DSS certified solution. It has all the issuing and acquiring modules and supports most of the networks like VISA, MasterCard etc. It also supports EMVCO Chip and Contactless card feature. Tranzware solution is equipped with Access Control Server (ACS) for e-commerce 2FA transaction.

Identity and Access Management System

Bank has implemented Oracle Identity and Access Management for identity governance, access management and directory service which is ensuring security by single identity and sign on options. Bank has implemented Oracle PAM solution for ensuing privilege access management. Control access for remote user either internally or externally for services, has been confined and limited in multiple context. External access has been authenticated via 2FA to avoid unauthorized access.

Data Center

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

Server and Storage

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

Data Backup

Bank is using EMC Data Domain system for its Server level data backup solution which has data encryption, compression & deduplication capability and is instantly replicating data to DR site. For End-user data backup, bank is using EMC Avamar backup and recovery system which has also data encryption, compression, de-duplication and single step data recovery capability.

B. Process Automation

Customer Self Onboarding

Dhaka Bank Limited has introduced e-KYC as per the guideline of Bangladesh bank. e-KYC is a combination of paperless customer onboarding by promptly identifying and verifying customer identity, maintaining KYC profile in a digital form and determining customer risk grading through digital means. The process is very fast and reduces the previous normal KYC onboarding time from 4-5 days to 5-6 minutes.

E-lending

The E-lending is a single platform for Loan approval system where Branch credit officer submit the information for loan proposal and subsequently the same come to Head office credit officer and upon approval of the loan, the system generate the sanction advice for customer. In future consumer loan and SME loan approval process will be incorporated in this solution.

Robotic Process Automation (RPA)

Robotic Process Automation (RPA) is a solution to tackle rule based, repetitive tasks and processes. RPA uses Artificial Intelligence (AI) and Machine Learning capabilities to handle high-volume, repeatable tasks that previously required humans to perform. These tasks can include queries, data collection, calculations and maintenance of records and transactions, etc. Bank has deployed RPA in myriad business areas like NID verification, Nostro Account Reconciliation, loan payment, rate change of loans and overdraft, account opening/closing, loan interest reversal, cheque book destroy and account status change (maker and checker).

C Solution

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

Trade Cloud

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

Bills-to-Cash

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

Payment through Mobile financial services (MFS)

bKash Limited is the largest mobile financial services (MFS) provider in Bangladesh. bKash currently boasting an account base of 30 million along with Dhaka Bank's network of 105 branches, 12 sub-branches and 3 SME service centers make a perfect example of financial inclusion. Under this arrangement, DBL customers can enjoy fund transfer facility from personal accounts to bKash.

DBL Remitbook:

DBL REMITBOOK developed Venture Solutions Limited (VSL) is a complete remittance management solution from fund origination to distribution. It is dynamically manages all the operational procedures of collecting money from senders at the multi-layered source-end and distributing money to the beneficiaries at the multi-layered distribution-end through single channel.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

C. Digital Banking

WhatsApp Banking

Dhaka Bank WhatsApp Banking is an interactive client-experience using Whatsapp, one of the most popular internet based instant messaging (OTT) App. The service capabilities / features of Dhaka Bank WhatsApp Banking entails self-registration with fund transfer facilities, bill payment, instant opening of Fixed Deposit (FD) and Deposit Pension Schemes (DPS).

DHAKA BANK
WHATSAPP BANKING

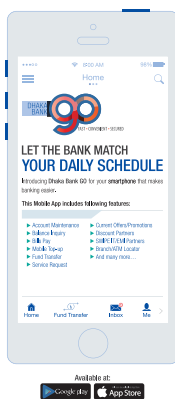


Internet Banking

Dhaka Bank Internet Banking is the internet banking platform of the Bank serving the clients to access their account and card information and to perform transactions. This service platform has been overhauled and revamped during Jul 2019 with new user interface (using DashBoard) and acknowledgement receipt functionality. Customer must use OTP for other account transfer and getting notification after each transaction.

Mobile Apps- Dhaka Bank GO

Dhaka Bank Go is the mobile application available for clients in both android and apple platform. Moreover, we have also observed during Jan-Dec 2020 Dhaka Bank Go registration is up by ~70% compared to Jan-Dec 2019. At time of registration, Customer's Mobile IMEI number is tagged with his/her User ID and system validate it at the time of login. Customer must use OTP for other account transfer and getting notification after each transaction.



Call Center & IVR

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

Cards and ATM

The bank has fully pledged Cards Management System, currently offering Debit, Prepaid and Credit Cards of International scheme like Visa & MasterCard and locally it has total presence in National Payment Switch Bangladesh (NPSB). We support all kind of transaction set like ATM, POS, E-commerce. Recent years in view of the security in concern, the bank has introduced 2FA (Dual Factor Authorization) for e-commerce transaction. In the context of innovation & go with the green in slogan, the bank has introduced Green PIN facility to its customers to generate his/her own Card PIN over the phone.

D. Green Banking

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

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

As a part of Green Banking initiative, the Bank is also sending e-statement and e-advice to the customers in addition to the SMS notification. SWIFT soft copy of Letter of Credit (LC) is sent to client e-mail addresses by an automated process.

Mobile Apps- ezyBank

Dhaka Bank Limited has recently introduced "ezyBank" services for facilitating the clients to open accounts from anytime, anywhere. This is a Digital Account Opening Platform wherein customer can open Dhaka Bank Ezy Account, Mudaraba Ezy Account as well as Regular and Mudaraba Bundle Accounts. The main aim of this account is to facilitate clients to open this account online using mobile app/Web/assisted platform using instant verification of NID.



Internal Control & Compliance Division

Effectiveness of internal controls

The Board of Directors, through MANCOM and the Audit Committee of the Board, conducts annual review of the effectiveness of our system of Risk Management and Internal Control. The Management of the Bank ensures the Audit Committee of the Board regarding necessary actions to mitigate any weaknesses identified through the operation of our framework of controls environment.

Structure of Internal Control & Compliance Division

In order to oversee and assure an efficient, effective and compliant Internal Control System in the Bank, Internal Control & Compliance Division segregates its functions into 03 (Three) separate units:

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

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Audit & Inspection Unit

Internal Audit is the third line of defense. In addition to regularly performing internal auditing activities, the Internal Control and Compliance Division is responsible for continuous independent identification and assessment of the risk areas, verification of control measures to manage risks and recommending corrective measures, where relevant. These can be achieved by auditing the risk management functions to ensure that all units responsible for managing risk are performing their roles effectively and continuously.

We have adopted Risk based internal auditing (RBIA) which links internal auditing to Bank's overall risk management framework. RBIA allows internal audit to provide assurance to the board that risk management processes are managing risks effectively.

In the outbreak of Covid-19 pandemic, ICCD of Dhaka Bank Limited adopted "GUEST AUDITOR" approach of branch audits due to the limitation and restriction of mobility which is innovative and unique in the local industry, that enabled an alternate way of completing annual audit plan and render assurance to the Board of Directors in the challenging period of 2020.

Compliance Unit

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

Monitoring Unit

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

ISLAMIC BANKING

Dhaka Bank Limited opened its first Islamic Banking Branch on July 02, 2003 at Motijheel C/A, Dhaka and the second one is Islamic Banking Branch, Muradpur Branch, Chattogram opened on May 22, 2004.

Dhaka Bank Ltd. is a provider of online Banking Services and any of its clients may avail Islamic Banking Services of our two Islamic Banking Branch through any of its branches across the country. Besides conventional branches of Dhaka Ltd. offers Shariah based Islamic Banking services to its clients through online banking.

Dhaka Bank Ltd. Islamic Banking Branches offers fully Shariah-based, interest free, profit-loss sharing Banking Services. The Shariah Supervisory Committee of Dhaka Bank Ltd. consists of 6 members who provide guidance in various banking issues as per Shariah. The Shariah Auditor of Islamic Banking Divisions of Head Office inspected all of the 2 Islamic Banking branches as per ICCD guideline of Bangladesh Bank and submitted report to the Shariah Supervisory Committee thereon.

Islamic Banking Products and Services

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

Deposit Product : 1. Al-Wadeeah Current Account, 2. Mudaraba Savings Account, 3. Mudaraba Term Deposit, 4. Mudaraba Special Notice Deposit Account, 5. Mudaraba Hajj Savings Scheme, 6. Mudaraba Deposit Pension Scheme, 7. Mudaraba Special Deposit Scheme, 8. Tawfeer Mudaraba Deposit Pension Scheme, 9. Tawfeer Mudaraba Savings Bond, 10. Mudaraba Gold Deposit Account, 11. Mudaraba Platinum Deposit Account, 12. Mudaraba Silver Deposit Account, 13. Mudaraba Ratib (Salary) Account, 14. Mudaraba Double Deposit Scheme, 15. Mudaraba Term Deposit Plus, 16. Mudaraba Gift Cheque, 17. Mudaraba Cash Waqf Deposit Account.

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

Activities – Year 2020

During the year 2020 a comprehensive policy & guideline of Islamic Banking is finalized and taken approval from the Shariah Supervisory Committee. The Management has taken initiative to expand Islamic Banking business through opening Sub-Branch of two Islamic Banking branch. We have selected a place at Konapara, Matuail for opening of Sub-Branch of Islamic Banking Branch, Motijheel and our honorable board approved the same.

Introduces of New Product – 2020

Considering the noble desire of the human being, Dhaka Bank has introduces Mudaraba Waqf Cash Deposit Account, a new product for the Customers of the Bank who would like to contribute to the society and at the same time receive Allah's blessing. Any adult person (Muslim or Non-Muslim) having sound mind or any institution/organization can open one or more account(s) individually or jointly at any branch of the bank. By opening Mudaraba Waqf Cash Deposit Account someone can get an opportunity to do welfare to the mankind through Sadaqa-e-Jariah. Through this account a new beginning can be made for a participatory economy. Savings made from earning by the well off and the rich people of the society can be utilized in an organized manner. Income earned from these funds will be spent for different charitable purposes mostly administered under the Waqf estate/properties authority itself.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Retail Business

The year 2020 has been year of great learning and adaptation. The bank and Retail Banking Division has stepped into its forward path very meticulously. To cope up with this lock down life the bank opted Digital transformation in banking as the need of time. Dhaka Bank Limited has introduced several initiatives of its kind as the first bank in the banking industry.

- Account from Home (where the account opening has been digitally managed at the convenience of the client and welcome packs are delivered at the door steps of the client).
- Online Client assessment for retail loans. Where instant decision on loan credentials are done and initial conditional approval is given on loan capacity.
- WhatsApp Banking (Banking on text messaging with end to end encryption).

The year was one of the best year for Retail Business considering the growth in Retail Deposit Portfolio. A total of Tk. 998.19 crore has grown of which Tk. 481.50 crore was in CASA (Low cost and Cost Free) deposit, which was 48.23% of the total growth. With this growth now Retail Deposit Portfolio stands at Tk. 10,361.50 crore with is 51.65% of the total Base Deposit.

In the year 2020, the Bank kept on its pace in disbursing retail loans. 76% retail lending was extended as secured loans such as Car, Home and security covered loans and only 24% was extended as unsecured loans. The focus has always been to do sourcing of loans from credit-safe salaried segment.

The Bank has continued to strengthen its Card Business eco-system and has observed an ascent in business parameters. The card operating revenue increased by 22% over the year of 2020. Now, with 600 discount merchant partners and 220 Swipe-it (installment purchase) merchant partners, Dhaka Bank Card proposition is considered as one of the most prospering cards in the industry.

Major Retail Banking Initiatives / Campaign in 2020

- The Bank has signed agreement with 3 prestigious universities under its Tuition Fee Payment Solution and the Institutions are IUB, CIU, & Cumilla CS. With this addition the total partner Universities now stands at 9. The students / guardians of the partner universities can pay tuition fees at any Dhaka Bank branches across the country and the universities get automated reconciliation & reporting of the whole collection services instantly. This service has seen an uplift of 149% during the year. Under this Tuition Fee Payment solution, the Bank has collected appx. Tk. 2069m deposits from the partner educational institutions in 2020.
- Payroll accounts observed a continuous growth and stood at appx. 50,200 accounts at PE 2020 and around 11,000 prepaid cards. Harry Fashion Ltd., ARC Enterprise, Hela clothing, Adex group, Pabna garments, Sindabad.com deserve special mention which have chosen Dhaka Bank as payroll account partner during 2020.
- Collection & recovery effort of retail loans has observed a marked growth in 2020. Classified loans have constituted appx. only 1.36% of total retail loan outstanding at the end of 2020. A total of appx. Tk. 16.5m including legal expenses was recovered from written-off retail loans and credit cards.
- Round the year card campaigns including 'Buy One - Get One Free', Discounts with partner merchants, TQ endorsement and Instalment Purchase promotion.
- 'Friends & Family' Account Opening Campaign
- Credit Card from Family & Friends

The Bank will continue to investment and grow the Retail Banking and Cards Business with special focus on technological intervention. Priority banking, Digital services and client value proposition. With the highest level Digital innovation and revamped proposition of the Cards and Digital Banking, Retail Banking business of the Bank looks forward to grow aggressively over 2021.



24th December 2020, Dhaka Bank Head Office, Dhaka Bank Limited and Fair Technology Limited the official distributor of Hyundai passenger vehicle in Bangladesh, have signed a Memorandum of Understanding (MoU) on Thursday, December 24, 2020.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

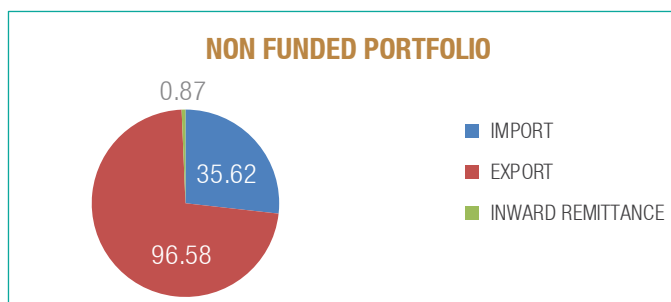
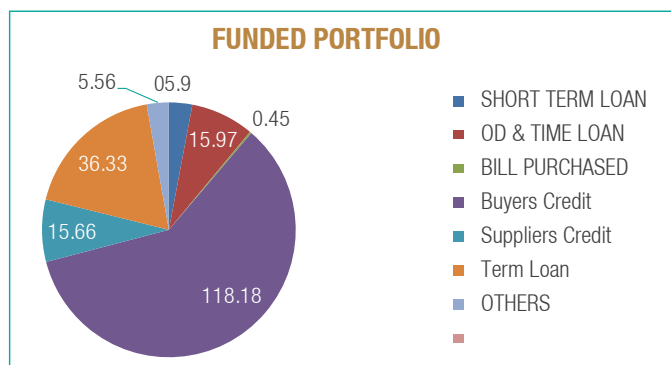
Off-Shore Banking Unit

Dhaka Bank Off-Shore Banking Unit

We have come a long way since we launched our Off-shore Banking operations in Dhaka Export Processing Zone 14 years ago. We are one of the pioneers among local banks in Bangladesh to set up Off-shore Banking Unit, which started its operation in the year of 2006 at Dhaka Export Processing Zone, Savar, Dhaka.

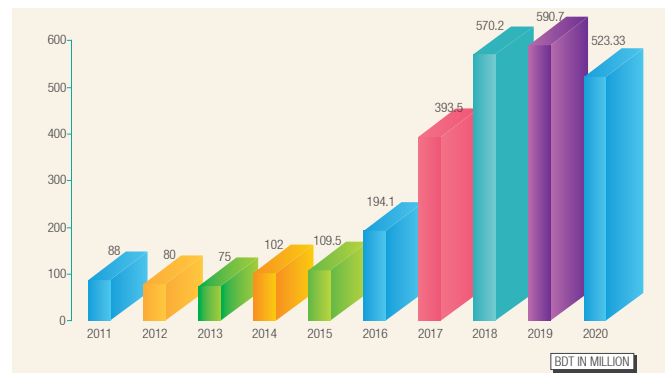
Though the country's offshore banking market is dominated by the foreign banks, Dhaka Bank has been able to make its strong and delightful presence by attracting a good number of customers in a short period of time through effective marketing, competitive pricing and ensuring highest levels of professionalism along with excellent customer services backed by quality human and technological supports. OBU has invested around USD 198.05. million in offshore market in the year of 2020 to support Type-A industries, local entrepreneurs as well as to strengthen its asset portfolios. Portfolio of the unit till December, 2020 is shown in the following info graph:

OBU Business Portfolio			
FUNDED PORTFOLIO	USD million	NON-FUNDED PORTFOLIO	USD million
Short Term Loan	5.9	Import	35.62
OD, CC & Time Loan	15.97	Export	96.58
Bills Purchased	0.45	Inward Remittance	0.87
Buyers Credit	118.18		
Suppliers credit	15.66		
Term Loan	36.33		
Others	5.56		



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

OBU Profitability (8 Years)



Nature of OBU facilities of Dhaka Bank extended to the - EXP Certifying, LC Advising, Export Bill Negotiation, Export Bill Discounting, LC Opening, LTR creation, Short Term Loan, OD for working capital, Guarantee, NFGD Deposit, Current FC Account Deposit, FC Term Deposit. We also extend the facilities to the bonafide local entrepreneurs for their business growth as well as employment generation - UPAS LC Financing, Suppliers Credit facilities, Exporters Financing etc.

International Business

International Division is the gateway of a bank which helps to connect to the rest of the world. This division facilitates smooth foreign trade business, guarantee business and channelizes wage earners' remittance. International Division carries out its functions through - i. Financial Institutions (FI) Unit, ii. Guarantee Business, iii. Central Bank reporting and approval Unit, iv. Remittance Unit

Financial Institutions (FI) Unit

FI Unit is currently maintaining 30 Nostro accounts and around 480 RMAs with renowned leading banks worldwide. Currently Dhaka Bank is availing credit lines with more than 65 prominent global banks for trade loans, confirmation and discounting of import LCs. Dhaka Bank is also using credit lines and trade finance guarantee programs of international Development Finance Institutions (DFI) such as ADB, IFC and USDA which are arranged and maintained by the FI Unit. The Unit also ensures that all AML/CFT and other related queries and compliance issues .

Guarantee Unit

International Division of Dhaka Bank deals with Foreign Guarantee business and maintains credit line for more than 60 international banks worldwide having strong financial strength and reputation. Dhaka Bank through its international division issues Bid Bond Guarantee, Performance Guarantee, Advance Payment Guarantee in favour of the beneficiaries in Bangladesh especially the different gov. bodies involved in infrastructure development and outsourcing of sensible and important materials/ services/support required for the country against counter guarantee issued by the international banks at the request of their foreign principals.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Central Bank reporting and approval Unit

International Division is continuously working to meet Bangladesh Bank's numerous reporting requirements and compliance queries for foreign exchange transactions of Authorized Dealers (AD) of Dhaka Bank. The unit has to submit various periodic reports (more than 40) to Bangladesh Bank and any other information as and when asked for. Different types of approval related to foreign exchange transaction, trade related approvals and applications are also sent to Bangladesh Bank through ID.

Remittance Unit

Dhaka Bank at present is doing business with 18 prominent exchange houses located in countries such as USA, UAE, UK, Italy and others. This unit is continuously working on expansion of remittance business and bringing in funds at competitive rates.

International Division in 2020

In the year of 2020, International Division's FI Unit was engaged in strengthening its correspondent networks to facilitate the Bank's trade finance business. Even in the midst of the global Corona pandemic, International Division has strived to uphold Dhaka Bank's international business. Dhaka Bank has routed 25,179 LCs through its correspondent banks with total value USD 1.47 billion in 2020. The total number of export bills processed by Dhaka Bank in 2020 is 31,265 with total value of USD 1.14 billion. Clients were offered multiple options in routing their LCs with confirmation and discounting facilities without any major hurdle. During the year, Guarantee business stood at USD 58.96 million and remittance received was around USD 187.15 million. New credit line with the prestigious USDA (United States Department of Agriculture) was established during the year for the financing of agricultural goods imported from the USA.



The meeting was attended by the honorable MD & CEO of Dhaka Bank, Mr. Emranul Hug; Honorable AMD of Dhaka Bank, Mr. Mohammad Abu Jafar; Senior Director & Regional Head of Mashreqbank, Mr. Nadeem Saleh; Acting Chief Country Representative of Mashreqbank Bangladesh, Ms. Fahmida Sharmeen and Head of International Division of Dhaka Bank, Mr. Abu Jahid Ansary.

Dhaka Bank Training Institute

Training played a vital role in human resource development. Efficient and effective human resources are the most important part in any organizational growth and sustainability. The need for continuous enhancement of professional excellence of Dhaka Bank employees was duly recognized by its Board of Directors, which leads the creation of Dhaka Bank Training Institute (DBTI) in 2000. Now a days DBTI is performing its activity at its optimum level.

DBTI is committed to develop the human resources, the driving force of the bank through structured modular training programs. These programs are designed through proper Training Need Assessment (TNA). DBTI conducts various courses, workshops, executive development programs mainly for Officers and Executives of the Bank. In the year of 2020 DBTI conducted 78 training programs covering 50 diverse courses for 2,790 Officers and Executives.

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

Academic & Logistics:

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

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Dhaka Bank Training Institute (DBTI) is committed to develop the human resources, the driving force of the Bank through structured modular training programs. With a view to achieving professional

excellence in Banking, DBTI conducts various courses, workshops, executive development programs mainly for Officers and Executives of the Bank.



Mr. Emranul Haq, Managing Director & CEO taking online class on 18 October 2020 in the Foundation Training for newly recruited ACO, TACO, TO & TAO of Dhaka Bank Limited organized by Dhaka Bank Training Institute (DBTI).

Cash Management

Liability & Cash Management Unit: Like all other businesses, the Year 2020 has been a challenging year for Liability & Cash Management Unit (L&CMU). The year was begun with the aim to push the growth of Low Cost and Cost Free Deposit through supporting the branches with liability marketing and booking of new cash management accounts, however the efforts and activities came to a halt with the outbreak of the Pandemic; but advantaging on the clients' necessity to perform transaction activities from home merged with the extensive efforts of the unit with the support from other divisions the unit was able to pass the finest year since the introduction of the unit. Cash Management clients like Grameenphone, Nagad, M&J Group, Banglalink, City Group etc. were booked and highest number of Current Account & Savings Account (CASA) and SND Accounts were opened amid the pandemic.

The number of booked Clients under Cash Management Services in 2020 was 43 which made the total of 87 with the 44 accounts opened

before 2020. Average daily fund retention was Tk. 348.50 crore which is a remarkable number considering the fact that the volume was 70.61 crore at the beginning. The Unit also played an important role in driving the CASA & SND as a part the Liability Marketing.

Moves in 2021:

- The unit will do system integration with Rocket and Nagad for 'Bank to MFS' and 'MFS to Bank' fund transfer.
- Will continue to give better shapes to our existing Payment and Collection Solutions and will continue to excel at providing automated Cash Management Services to the maximum number of Corporate Clients with the support of our Branches.
- Will launch several campaigns to boost up the sale of CASA & SND and acquisition of Low Cost and Cost Free Fund

MANAGEMENT DISCUSSION & ANALYSIS

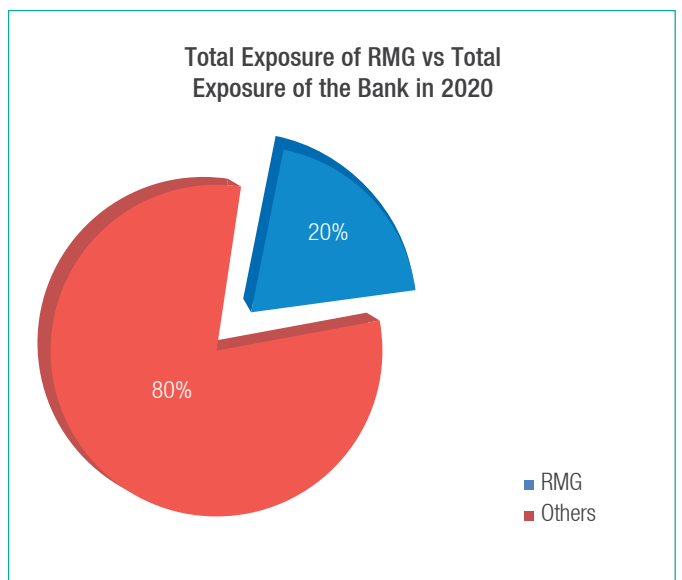
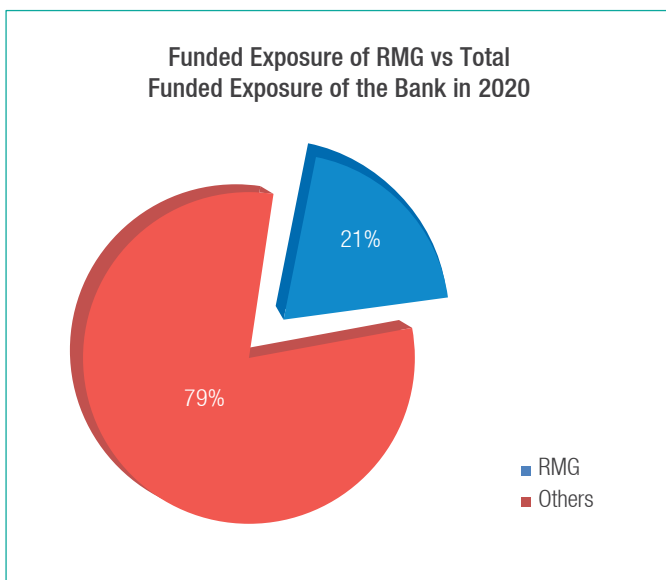
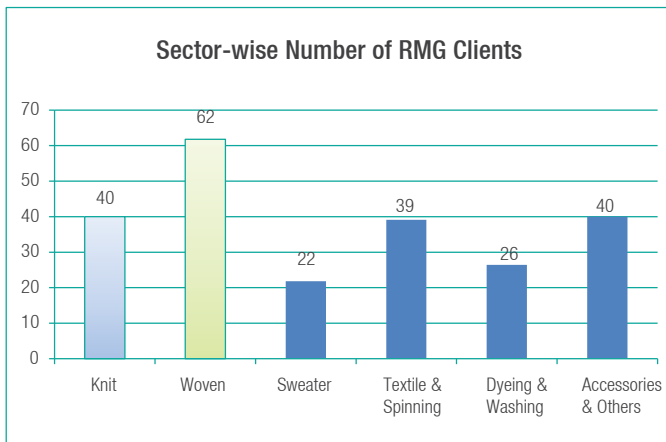
Continued

RMG Financing

Bangladesh is one of the largest apparel exporters in the world. In the 1980s, about 50 factories were involved in manufacturing of readymade garments, while the number is now estimated to hover around 4,365 (Source: BGMEA). In FY2019-20, overall national export was US\$ 33.67 billion and RMG export was US\$ 27.95 billion (Source: EPB). Around 83.01 per cent (Source: EPB) of the country's export earnings come from RMG. Production of Ready Made Garment is also crucial to our economy, as the sector is creating largest job opportunities for women, and the largest source of foreign currency. In banking, RMG clients are major source of fee based income.

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

Total number of clients of Dhaka Bank Ltd. involved in direct & deemed export of RMG were 229 by the end of December 2020, of which, 7 new clients have been included in RMG portfolio during 2020. Clients involved in direct export were 124 (Knit: 40, Woven: 62 & Sweater: 22) & deemed exported 105 (consists of accessories, spinning, interlining, fabrics, textile, dyeing, printing etc.)



RISK MANAGEMENT & CONTROL ENVIRONMENT

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



RISK MANAGEMENT & CONTROL ENVIRONMENT

Continued

Risk Management of Dhaka Bank

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

Risk management Framework

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

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

Board Risk Management Committee	Strategic Level
Executive Risk Management Committee	Management Level
Sub Risk Committee	Managerial level
Business Units	Operational level

Figure: Risk management Framework

Risk Management Guidelines

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

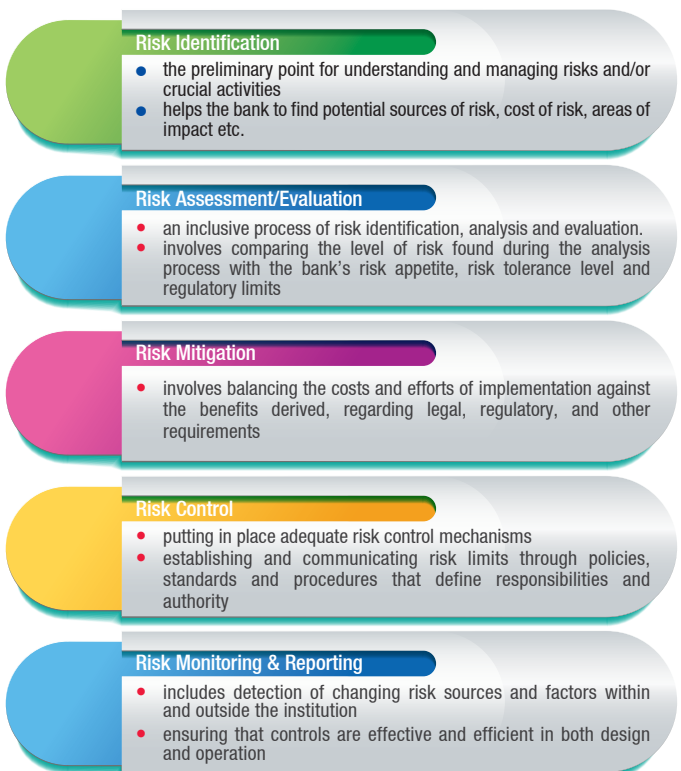
As per the guideline, the Chief Risk Officer (CRO) shall undertake certain responsibilities to ensure accurate risk management across the bank:

- Actively engage with the management in the process of setting risk appetite and limits for the various business lines with a view to achieve bank's overall strategic planning and monitoring their performance relative to risk-taking and limit adherence

- Contributing and participating in key decision-making processes (i.e. strategic planning, capital and liquidity planning, new products and services, compensation design and operation)
- Providing opinion regarding extent of risk in case of credit proposal for large loan before submission to EC/board for sanctioning
- Ensuring proper disclosure of key performance indicators of the bank via Pillar III of Basel III accords
- Building risk culture throughout the bank through Risk Register

Risk Mitigation Methodology

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



a. Credit Risk and its mitigation

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

RISK MANAGEMENT & CONTROL ENVIRONMENT

Continued

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

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

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

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

Principles of the bank's credit risk management:

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

A. Establishing an appropriate credit risk environment

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

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

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

B. Operating under a sound credit granting process

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

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

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

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

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

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

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

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

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

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

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

D. Ensuring adequate controls over credit risk

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

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

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

b. Market Risk and its mitigation

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

RISK MANAGEMENT & CONTROL ENVIRONMENT

Continued

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

Market risk exposure-

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

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

i. Interest rate risk and its mitigation

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

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

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

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

ii. Foreign Exchange Risk and its mitigation

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

The foreign exchange positions arise from the following activities:

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

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

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

iii. Equity Price Risk

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

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

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

iv. Commodity risk

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

c. Operational Risk Management and its mitigation

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

RISK MANAGEMENT & CONTROL ENVIRONMENT

Continued

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

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

- Ultimate accountability for operational risk management rests with the board, and the level of risk that the organization accepts, together with the basis for managing those risks, is driven from the top down by those charged with overall responsibility for running the business.
- The board and senior management shall ensure that there is an effective, integrated operational risk management framework. This shall incorporate a clearly defined organizational structure, with defined roles and responsibilities for all aspects of operational risk management/monitoring and appropriate tools that support the identification, assessment, control and reporting of key risks.
- The board and senior management shall recognize, understand and have defined all categories of operational risk applicable to the bank. Furthermore, they shall ensure that their operational risk management framework adequately covers all of these categories of operational risk, including those that do not readily lend themselves to measurement.
- Operational risk policies and procedures that clearly define the way in which all aspects of operational risk are managed shall be documented and communicated. These operational risk management policies and procedures should be aligned to the overall business strategy and should support the continuous improvement of risk management.
- All business and support functions shall be an integral part of the overall operational risk management framework in order to enable the institution to manage effectively the key operational risks facing the bank.
- Line management shall establish processes for the identification, assessment, mitigation, monitoring and

reporting of operational risks that are appropriate to the needs of the bank, easy to implement, operate consistently over time and support an organizational view of operational risks and material failures.

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

d. Asset-liability Risk Management and its mitigation

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

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

Some key mitigating factors for ALM risk are mentioned below:

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

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

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

RISK MANAGEMENT & CONTROL ENVIRONMENT

Continued

e. Internal Control & Compliance Risk Management and its mitigation

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

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

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

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

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

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

Money laundering has a major impact on a country's economy as a whole, impeding the social, economic, political, and cultural development of a society. Both money laundering and terrorist financing can weaken individual financial institution, and they are also

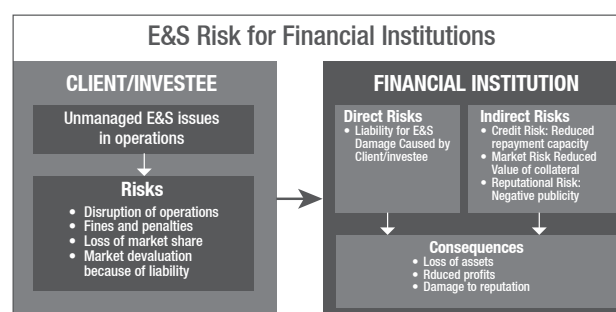
threats to a country's overall financial sector reputation. Combating money laundering and terrorist financing is, therefore, a key element in promoting a strong, sound and stable financial sector.

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

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

g. Environmental and Social Risk Management and its Mitigation

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



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

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

Large Loan Concentration

Particulars	2020	2019
Total Large Loan %	38.73%	53.52%
Top-20 Borrowers' Concentration %	20.13%	19.45%

RISK MANAGEMENT & CONTROL ENVIRONMENT

Continued

Capital Management of the Bank

The capital management framework of Dhaka Bank aims to ensure that the bank is able to maintain adequate capital level both in solo basis and consolidated basis. The bank capital management objectives are:

- Preserving adequate capital resources to meet minimum regulatory capital requirements set by Bangladesh Bank in accordance with Basel III requirements
- Maintaining sufficient capital resources to support the bank's risk appetite
- Covering unexpected loss of the bank and support the bank's credit rating
- Ensuring the bank holds capital in excess of minimum requirements in order to achieve the target capital adequacy ratios set by management and approved by the board, to maintain minimum adequacy in stress situation.

Risk Management Report

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

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

Basel III: Dhaka Bank Perspective

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

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

Dhaka Bank has established an independent Basel Unit (BU) at Head Office on January 10, 2016 for effective implementation of the new capital accord and ensuring Board & Senior Management oversight. The BU, is exclusively responsible for planning & reviewing the implementation of Basel III accord as per Bangladesh Bank's Road Map,

for liaison about issues of Basel III with top management of DBL, for capacity building of concerned Bank personnel and for planning & developing process for assessing overall capital adequacy.

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

Supervisory Review Process (SRP) Team

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

Designation	Position in the Team
Managing Director & CEO	Chairman
Additional Managing Director	Member
DMD - Operations	Member
DMD- International Business	Member
DMD- CRM	Member
Chief Risk Officer	Member
Chief Financial Officer	Member
Head of IT Division	Member
Head of ICC Division	Member
Head of CRM Division	Member
Deputy Chief Risk Officer	Member Secretary
Head of Operations Division	Member
Head of CPC- Credit Operations Division	Member

Internal Capital Adequacy Assessment Process (ICAAP)

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

A dialogue between SRP team of the Bank & Supervisory Review Evaluation Process (SREP) team of the Bangladesh Bank will also be held. The objective of the dialogue is to determine the adequate level of capital needed for a bank by reviewing the ICAAP and strategies of the bank.

The bank conducts ICAAP reporting each year to incorporate the additional capital requirement under Pillar 2 Supervisory Review Process. The assessment started from the year 2011 based on the year end figure of 2010 and completed the assessment up to the year 2018. The assessment for the year 2019 is under process.

AUDITOR'S REPORT

AUDITOR'S REPORT & AUDITED FINANCIAL STATEMENTS

The Financial Statements of Dhaka Bank Limited for the year ended on 31 December 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed.

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

- Dividend as well as confidence of the Shareholders.



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

Continued

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Dhaka Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of Dhaka Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2020 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.

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 balance sheets of the Group and the separate balance sheets of the Bank as at 31 December 2020, and of its consolidated and separate profit and loss accounts and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.1.

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 Auditor's 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) and the guidelines issued by 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.

1. Measurement of provision for loans and advances	
See notes no. 2.1, 2.15.3, 7, 7(a), 7.10, 7.11, and 15.1 to the financial statements.	
The key audit matter	How the matter was addressed in our audit
<p>The process of estimating provision for loans and advances associated with credit risk is judgmental and complex. While estimating such provision certain judgmental factors need to be considered including:</p> <ul style="list-style-type: none"> • Future business performance of the borrower; • Key assumptions relating to further business performance of the borrower; • Market value of the collateral; • Ability to repossess collateral; and • Recovery rates. 	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; and • Review of quarterly Classification of Loans (CL).

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

Continued

Independent Auditor's Report (continued)

1. Measurement of provision for loans and advances (continued)

See notes no. 2.1, 2.15.3, 7, 7(a), 7.10, 7.11, and 15.1 to the financial statements.

The key audit matter	How the matter was addressed in our audit
<p>Furthermore, these provisions are processed manually using the voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank (the central bank of Bangladesh) issued time to time.</p> <p>Due to high level of judgement involved and using some manual process in estimating the provision for loans and advance, we considered this to be a key audit matter.</p> <p>At year end the Group and Bank reported total gross loans and advances of BDT 198,642 million (2019: BDT 195,487 million) and BDT 198,660 million (2019: BDT 195,635 million) respectively and provision for loans and advances of BDT 13,652 million (2019: BDT 11,928 million) and BDT 13,015 million (2019: BDT 11,537 million) respectively.</p>	<p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the Bank's general and specific provisions; • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; and • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

2. Loans and advances

See notes no. 2.1, 2.15.3, 7, 7(a) to the financial statements.

The key audit matter	How the matter was addressed in our audit
<p>Loans and advances are the main element of financial statements of the Bank. Income of the Bank is mainly dependent on the portfolio of loans and advances. Management performance is highly dependent on the target achievement of loans and advances. Loan disbursement requires robust documentation followed by approval from appropriate level of authority.</p> <p>We have identified loans and advances as key audit matter because there is an inherent risk of fraud in disbursement of loans and advances by management to meet specific targets or expectations.</p>	<p>We tested the design and operating effectiveness of key controls focusing on credit appraisal, loan disbursement procedures and monitoring process of loans and advances.</p> <p>We have performed procedure to check whether the Bank has ensured appropriate documentation as per Bangladesh Bank regulations and the Bank's policy before disbursement of loans and advances. In addition, we have performed procedure to check whether the loans and advances is recorded completely and accurately and that are existed at the reporting date.</p> <p>Furthermore, we have assessed the appropriateness of disclosure against Bangladesh Bank guidelines.</p>

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

Continued

Independent Auditor's Report (continued)

3. IT systems and controls	
The key audit matter	How the matter was addressed in our audit
<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 manual with automated (IT dependent) controls.</p> <p>We have focused on user access management, developer access to the production environment and changes to the IT environment. These are key to ensure that manual with automated control and automated 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. We tested IT general controls (logical access, changes management and aspects of IT operational controls). We have performed audit procedures to ensure that requests for access to systems were appropriately reviewed and authorised. We tested the Bank's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorisation. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p> <p>In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>

Other Matter

The consolidated financial statements of the Group and also separate financial statements of the Bank as at and for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 23 June 2020.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated and separate financial statements and our auditor's 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 consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation of the consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with IFRSs as explained in note no. 2.1, 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 Group and 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.

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

Continued

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 scepticism 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, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- 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 consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

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

Continued

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 Responsibilities for the Audit of the Consolidated and Separate Financial Statements section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the management's responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Group and the Bank 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 Bank and its related entities;
- (iii) financial statements for the year ended 31 December 2020 of two subsidiaries namely Dhaka Bank Securities Limited and Dhaka Bank Investment Limited have been audited by ACNABIN Chartered Accountants and have been properly reflected in the consolidated financial statements;
- (iv) in our opinion, proper books of accounts 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 by the bank were for the purpose of the Bank's business for the year;
- (viii) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) As disclosed in note no. 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 3,550 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

The engagement partner on the audit resulting in this independent auditor's report is Ali Ashfaq.

Dhaka, 6 May 2021



Ali Ashfaq, Partner
Enrolment no: 509
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh
Firm Registration Number: N/A
DVC: 2105060509AS857175

Dhaka Bank Limited and its Subsidiaries
Consolidated Balance Sheet
As at 31 December 2020

	Notes	31.12.2020 Taka	31.12.2019 Taka
PROPERTY AND ASSETS			
Cash	3(a)	17,403,435,921	17,638,558,211
Cash in hand (Including foreign currencies)	3.1(a)	2,872,313,228	2,950,364,964
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	3.2(a)	14,531,122,693	14,688,193,247
Balance with other banks and financial institutions	4(a)	18,148,195,557	13,997,425,517
In Bangladesh	4.1(a)	15,150,200,466	10,036,263,655
Outside Bangladesh	4.2(a)	2,997,995,091	3,961,161,862
Money at call on short notice	5(a)	700,000,000	11,300,000
Investments	6(a)	42,360,850,681	39,732,544,794
Government	6.1(a)	32,980,972,403	30,443,129,119
Others	6.2(a)	9,379,878,278	9,289,415,675
Loans, advances and lease/investments	7(a)	198,641,827,366	195,486,867,990
Loans, Cash Credits, Overdrafts, etc./Investments	7.1(a)	196,165,786,543	192,862,459,437
Bills purchased and discounted	8(a)	2,476,040,823	2,624,408,554
Fixed assets including premises, furniture and fixtures	9(a)	9,033,037,264	5,087,739,886
Other assets	10(a)	10,568,338,274	14,482,589,531
Non-banking assets	11(a)	-	-
Total Assets		296,855,685,063	286,437,025,931
LIABILITIES & CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	12(a)	33,057,630,083	27,845,215,972
Deposits and other Accounts	13(a)	205,178,353,093	204,164,912,265
Current Accounts and other Accounts		26,588,039,572	22,081,167,690
Bills Payable		2,452,855,109	2,101,736,305
Savings Bank Deposits		25,402,215,927	20,887,404,358
Term Deposits	13.4(a)	150,735,242,485	159,094,603,912
Non Convertible Subordinated Bond	14	6,800,000,000	7,400,000,000
Other liabilities	15(a)	32,384,092,776	29,130,942,125
Total Liabilities		277,420,075,952	268,541,070,362
Capital/Shareholders' Equity			
Equity attributable to equity holders of the parent company		19,435,545,700	17,895,887,969
Paid-up Capital	16.2	8,958,724,090	8,532,118,190
Statutory Reserve	17	8,263,438,249	7,627,051,380
Other Reserve	18(a)	104,410,600	118,156,010
Surplus in Profit and Loss account	19(a)	2,108,972,761	1,618,562,389
Non-controlling interest	19.1(a)	63,411	67,600
Total Shareholders' Equity		19,435,609,111	17,895,955,569
Total Liabilities and Shareholders' Equity		296,855,685,063	286,437,025,931

OFF-BALANCE SHEET ITEMS

Contingent liabilities

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

Other Commitments

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

Total Off-Balance Sheet items including contingent liabilities

Notes	31.12.2020 Taka	31.12.2019 Taka
21	130,877,238,636	132,382,780,922
	43,983,078,066	46,595,967,020
	24,124,738,481	24,421,413,575
	42,601,454,604	41,841,413,769
	11,734,534,422	11,630,577,299
	8,433,433,063	7,893,409,257
	-	-
	-	-
	-	-
	-	-
	-	-
	130,877,238,636	132,382,780,922

The notes 1 to 50 and annexures A to M form an integral part of these financial statements.

Emranul Haque
Managing Director & CEO

Mohammed Hanif
Director

Md. Amirullah
Director

Abdul Hai Sarker
Chairman

As per our report of same date

Dhaka, 06 May 2021

Auditor
Ali Ashfaq, Partner
Enrolment no: 509
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh
Firm Registration Number: N/A
DVC: 2105060509AS857175

Dhaka Bank Limited and its Subsidiaries
Consolidated Profit and Loss Account
For the year ended 31 December 2020

	Notes	2020 Taka	2019 Taka
Interest income/profit on investments	22(a)	17,631,263,869	21,539,337,422
Interest paid/profit on deposits and borrowings, etc.	23(a)	(13,954,163,722)	(17,034,273,799)
Net interest income		3,677,100,147	4,505,063,622
Investment income	24(a)	3,768,428,684	2,705,658,785
Commission, exchange and brokerage	25(a)	2,760,604,581	3,485,489,651
Other operating income	26(a)	194,893,380	276,173,352
		6,723,926,645	6,467,321,788
Total operating income (a)		10,401,026,792	10,972,385,411
Salary and allowances	27(a)	2,593,743,577	2,359,089,798
Rent, taxes, insurance, electricity, etc.	28(a)	173,322,685	513,750,142
Legal expenses	29(a)	37,936,064	149,644,656
Postage, stamps, telecommunication, etc.	30(a)	45,839,163	46,196,127
Stationery, Printing, Advertisement, etc.	31(a)	190,018,842	167,894,724
Chief Executive's salary and fees	32(a)	8,999,999	16,485,097
Directors' fees	33(a)	5,229,600	5,431,950
Auditors' fees	34(a)	2,035,500	1,851,500
Depreciation and repairs of bank's assets	35(a)	1,121,636,878	712,993,292
Other expenses	36(a)	853,650,925	813,606,714
Total operating expenses (b)		5,032,413,233	4,786,944,001
Profit before provision and taxes (c = (a-b))		5,368,613,559	6,185,441,410
Provision against loans and advances	37(a)	2,181,018,225	3,029,481,611
Provision against good borrower	15.2	-	12,000,000
Provision for diminution in value of investments	38(a)	(9,783,557)	12,283,557
Other provisions	39(a)	98,504,768	(50,880,125)
Total provision (d)		2,269,739,436	3,002,885,043
Total Profit before taxes (c-d)		3,098,874,123	3,182,556,367
Provision for Taxation		1,110,769,262	1,558,987,001
Current tax		1,617,418,601	1,584,695,773
Deferred tax		(506,649,339)	(25,708,771)
Net Profit after Taxation		1,988,104,861	1,623,569,365
Net profit after tax attributable to:			
Equity holders of DBL		1,988,109,050	1,623,564,144
Non-controlling interest		(4,189)	5,221
		1,988,104,861	1,623,569,365
Profit available for distribution			
Surplus in profit and loss account from previous year	19(a)	1,618,562,389	1,432,118,717
Net profit for the period		1,988,109,050	1,623,564,144
		3,606,671,439	3,055,682,861
Appropriations			
Statutory Reserve		636,386,869	620,137,790
General Reserve		-	-
Investment Fluctuation Fund		8,100,000	4,400,000
Dividends etc.		853,211,810	812,582,683
Surplus in profit and loss account		2,108,972,761	1,618,562,389
		3,606,671,439	3,055,682,861
Consolidated Earning per share (CEPS)		2.22	1.81

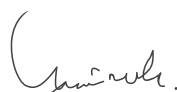
The notes 1 to 50 and annexures A to M form an integral part of these financial statements.



Emranul Haque
Managing Director & CEO



Mohammed Hanif
Director



Md. Amirullah
Director



Abdul Hai Sarker
Chairman

As per our report of same date



Auditor

Ali Ashfaq, Partner

Enrolment no: 509

Rahman Rahman Huq, Chartered Accountants
KPMG in Bangladesh, Firm Registration Number: N/A
DVC: 2105060509AS857175

Dhaka, 06 May 2021

Dhaka Bank Limited and its Subsidiaries
Consolidated Cash Flow Statement
For the period ended 31 December 2020

	Notes	2020 Taka	2019 Taka
Cash Flows from Operating Activities			
Interest/Profit receipts in cash		20,698,749,389	22,886,982,717
Interest/Profit payments		(14,091,990,624)	(17,039,207,925)
Dividend receipts		98,540,088	42,325,962
Recovery of loans previously written off		28,972,109	76,886,200
Fee and commission receipts in cash		2,043,510,051	2,302,349,522
Cash payments to employees		(2,602,743,576)	(2,372,559,170)
Cash payments to suppliers		(288,786,446)	(365,587,007)
Income taxes paid		(1,776,760,756)	(1,959,184,916)
Receipts from other operating activities	41(a)	282,963,117	294,202,244
Payments for other operating activities	42(a)	(1,638,206,463)	(1,481,234,345)
(i) Operating profit before changes in operating assets & liabilities		2,754,246,889	2,384,973,283
Increase/Decrease in operating assets and liabilities			
Purchase/sale of trading securities		(316,224,255)	(327,440,734)
Loans and advances to customers		(3,154,959,376)	(14,987,497,626)
Other assets	43(a)	6,043,951,850	13,812,479,104
Deposits from other banks		(2,162,302,804)	(6,213,067,899)
Deposits from customers		3,175,743,632	13,504,131,775
Other liabilities account of customers		1,389,168	130,337,269
Other liabilities	44(a)	(1,033,800,607)	(2,077,405,097)
(ii) Cash flow from operating assets and liabilities		2,553,797,609	3,841,536,792
Net cash flows from operating activities (a)= (i+ii)		5,308,044,498	6,226,510,074
Cash flows from investing activities			
Proceeds from sale of securities		760,154,595	1,236,724,257
Payment for purchase of securities		(2,334,932,967)	(8,726,558,134)
Purchase of property, plant & equipment		(3,910,631,126)	(1,368,103,938)
Sale of property, plant & equipment		4,381,696	8,958,680
Proceeds from non-banking assets		-	23,166,033
Purchase/sale of subsidiary		-	-
Net cash flow from investing activities (b)		(5,481,027,801)	(8,825,813,102)
Cash flows from financing activities			
Borrowing from other banks		5,212,414,111	1,051,485,798
Receipts from issuance of Non Convertible Subordinated Bond		-	-
Payments for redemption of Non Convertible Subordinated Bond		(600,000,000)	(600,000,000)
Dividends paid		(426,605,910)	(406,291,340)
Net cash flow from financing activities (c)		4,185,808,201	45,194,458
Net increase/ (decrease) in cash and cash equivalents (a+b+c)		4,012,824,898	(2,554,108,570)
Add: Effects of exchange rate changes on cash & cash equivalent		590,793,651	1,094,017,891
Add: Cash and cash equivalents at 01 January, 2019		31,650,609,728	33,110,700,407
Closing cash and cash equivalents at end of period*		36,254,228,278	31,650,609,728
*Cash and cash equivalents			
Cash in hand		2,872,313,228	2,950,364,964
Balance with Bangladesh Bank and its agent bank(s)		14,531,122,693	14,688,193,247
Balance with other banks & Financial Institutions		18,148,195,557	13,997,425,517
Money at call on short notice		700,000,000	11,300,000
Prize Bond		2,596,800	3,326,000
Total		36,254,228,278	31,650,609,728
Net Operating Cash Flow per Share (NOCFPS)		5.93	6.95

The notes 1 to 50 and annexures A to M form an integral part of these financial statements.

Dhaka Bank Limited and its Subsidiaries
Consolidated Statement of Changes in Equity
For the year ended 31 December 2020

Particulars	(Amount in Taka)								
	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
Balance as at 1 January 2020	8,532,118,190	7,627,051,380	6,560,631	-	70,495,379	41,100,000	67,600	1,618,562,389	17,895,955,569
Surplus/deficit on account of revaluation of investments	-	-	-	-	(21,845,410)	-	-	-	(21,845,410)
Net profit for the period	-	-	-	-	-	-	-	1,988,104,861	1,988,104,861
Transfer to reserve	-	-	-	-	-	8,100,000	-	(8,100,000)	-
Stock dividend	426,605,900	-	-	-	-	-	-	(426,605,900)	-
Cash dividend	-	-	-	-	-	-	-	(426,605,910)	(426,605,910)
Changes in reserve	-	636,386,869	-	-	-	-	-	(636,386,869)	-
Non-controlling interest	-	-	-	-	-	-	(4,189)	4,189	-
Balance as at 31 December 2020	8,958,724,090	8,263,438,249	6,560,631	-	48,649,969	49,200,000	63,411	2,108,972,760	19,435,609,111

For the year ended 31 December 2019

Particulars	(Amount in Taka)								
	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 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
Prior year Adjustment	-	-	-	-	-	-	-	14,751,536	14,751,536
Restated balance	8,125,826,850	7,006,913,590	6,560,631	622,516,800	33,162,249	36,700,000	62,379	1,432,118,718	17,263,861,216
Surplus/deficit on account of revaluation of investments	-	-	-	(622,516,800)	37,333,130	-	-	-	(585,183,670)
Net profit for the period	-	-	-	-	-	-	-	1,623,569,365	1,623,569,365
Transfer to reserve	-	-	-	-	-	4,400,000	-	(4,400,000)	-
Stock dividend	406,291,340	-	-	-	-	-	-	(406,291,340)	-
Cash dividend	-	-	-	-	-	-	-	(406,291,343)	(406,291,343)
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	67,600	1,618,562,389	17,895,955,569

The notes 1 to 50 and annexures A to M form an integral part of these financial statements.

Dhaka Bank Limited
Balance Sheet
As at 31 December 2020

	Notes	31.12.2020 Taka	31.12.2019 Taka
PROPERTY AND ASSETS			
Cash	3	17,403,330,921	17,638,446,211
Cash in hand (Including foreign currencies)	3.1	2,872,208,228	2,950,252,964
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	3.2	14,531,122,693	14,688,193,247
Balance with other banks and financial institutions	4	18,017,117,989	13,929,095,184
In Bangladesh	4.1	15,019,122,898	9,967,933,323
Outside Bangladesh	4.2	2,997,995,091	3,961,161,862
Money at call on short notice	5	700,000,000	11,300,000
Investments	6	39,444,756,051	36,681,756,574
Government	6.1	32,980,972,403	30,443,129,119
Others	6.2	6,463,783,648	6,238,627,455
Loans, advances and lease/investments	7	198,660,473,920	195,634,907,019
Loans, Cash Credits, Overdrafts, etc./Investments	7.1	196,184,433,097	193,010,498,465
Bills purchased and discounted	8	2,476,040,823	2,624,408,554
Fixed assets including premises, furniture and fixtures	9	9,020,772,046	5,079,659,629
Other assets	10	12,090,775,749	16,034,227,081
Non-banking assets	11	-	-
Total Assets		295,337,226,676	285,009,391,699
LIABILITIES & CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	12	32,999,166,033	27,725,127,384
Deposits and other accounts	13	205,666,983,669	204,530,024,228
Current Accounts and other Accounts		26,588,039,572	22,081,167,690
Bills Payable		2,452,855,109	2,101,736,305
Savings Bank Deposits		25,402,215,927	20,887,404,358
Term Deposits		151,223,873,061	159,459,715,875
Non Convertible Subordinated Bond	14	6,800,000,000	7,400,000,000
Other liabilities	15	31,078,923,089	28,143,625,450
Total Liabilities		276,545,072,791	267,798,777,062
Capital/Shareholders' Equity			
Total Shareholders' Equity		18,792,153,885	17,210,614,636
Paid-up Capital	16.2	8,958,724,090	8,532,118,190
Statutory Reserve	17	8,263,438,249	7,627,051,380
Other Reserve	18	55,210,600	77,056,010
Surplus in Profit and Loss account	19	1,514,780,946	974,389,056
Total Liabilities and Shareholders' Equity		295,337,226,676	285,009,391,699

OFF-BALANCE SHEET ITEMS

Contingent liabilities

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

Other commitments

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

Total Off-Balance Sheet items including contingent liabilities

Notes	31.12.2020 Taka	31.12.2019 Taka
21	130,877,238,636	132,382,780,922
	43,983,078,066	46,595,967,020
	24,124,738,481	24,421,413,575
	42,601,454,604	41,841,413,769
	11,734,534,422	11,630,577,299
	8,433,433,063	7,893,409,257
	-	-
	-	-
	-	-
	-	-
	-	-
	130,877,238,636	132,382,780,922

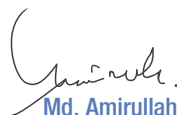
The notes 1 to 50 and annexures A to M form an integral part of these financial statements.



Emranul Haque
Managing Director & CEO



Mohammed Hanif
Director



Md. Amirullah
Director



Abdul Hai Sarker
Chairman

As per our report of same date

Dhaka, 06 May 2021



Auditor
Ali Ashfaq, Partner
Enrolment no: 509
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh
Firm Registration Number: N/A
DVC: 2105060509AS857175

Dhaka Bank Limited
Profit & Loss Account
For the year ended 31 December 2020

	Notes	2020 Taka	2019 Taka
Interest income/profit on investments	22	17,714,105,807	21,590,108,042
Interest paid/profit on deposits and borrowings, etc.	23	(13,995,651,517)	(17,040,147,154)
Net interest income		3,718,454,290	4,549,960,887
Investment income	24	3,553,932,577	2,567,844,476
Commission, exchange and brokerage	25	2,698,911,317	3,421,193,673
Other operating Income	26	193,625,709	260,813,792
		6,446,469,603	6,249,851,942
Total operating income (a)		10,164,923,893	10,799,812,829
Salary and allowances	27	2,557,123,684	2,315,081,186
Rent, taxes, insurance, electricity, etc.	28	166,130,685	495,701,987
Legal expenses	29	37,702,564	149,415,231
Postage, stamps, telecommunication, etc.	30	45,420,902	45,628,207
Stationery, Printing, Advertisement, etc.	31	187,626,962	165,093,921
Chief Executive's salary and fees	32	8,999,999	16,485,097
Directors' fees	33	4,287,610	4,223,397
Auditors' fees	34	1,679,000	1,449,000
Depreciation and repairs of bank's assets	35	1,104,549,790	704,067,852
Other expenses	36	844,840,059	804,092,959
Total operating expenses (b)		4,958,361,254	4,701,238,837
Profit before provision and taxes (c = (a-b))		5,206,562,639	6,098,573,992
Provision against loans and advances	37	1,935,907,084	3,026,981,611
Provision against good borrower	15.2	-	12,000,000
Provision for diminution in value of investments	38	(9,783,557)	9,783,557
Other provisions	39	98,504,768	(50,880,125)
Total provision (d)		2,024,628,295	2,997,885,043
Total Profit before taxes (c-d)		3,181,934,343	3,100,688,948
Provision for Taxation		1,151,943,775	1,529,326,930
Current tax	15.7	1,580,023,896	1,554,121,597
Deferred tax		(428,080,121)	(24,794,667)
Net Profit after Taxation		2,029,990,568	1,571,362,018
Profit available for distribution			
Surplus in profit and loss account from previous year	19	974,389,056	835,747,510
Net profit for the period		2,029,990,568	1,571,362,018
		3,004,379,624	2,407,109,528
Appropriations			
Statutory Reserve		636,386,869	620,137,790
General Reserve		-	-
Dividends etc.		853,211,810	812,582,683
Surplus in profit and loss account		1,514,780,945	974,389,056
		3,004,379,624	2,407,109,528
Earning per share (EPS)	40	2.27	1.75

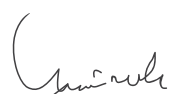
The notes 1 to 50 and annexures A to M form an integral part of these financial statements.



Emranul Haque
Managing Director & CEO



Mohammed Hanif
Director



Md. Amirullah
Director



Abdul Hai Sarker
Chairman

As per our report of same date



Auditor

Ali Ashfaq, Partner
Enrolment no: 509

Rahman Rahman Huq, Chartered Accountants
KPMG in Bangladesh, Firm Registration Number: N/A
DVC: 2105060509AS857175

Dhaka, 06 May 2021

Dhaka Bank Limited
Cash Flow Statement
For the period ended 31 December 2020

	Notes	2020 Taka	2019 Taka
Cash Flow From Operating Activities			
Interest/Profit receipts in cash		20,619,571,227	22,799,939,028
Interest/Profit payments		(14,133,478,419)	(17,045,081,281)
Dividend receipts		46,064,080	42,325,962
Recovery of loans previously written off		28,972,109	76,886,200
Fee and commission receipts in cash		1,981,816,786	2,238,053,544
Cash payments to employees		(2,566,123,683)	(2,328,550,558)
Cash payments to suppliers		(272,429,428)	(361,586,359)
Income taxes paid		(1,869,864,792)	(1,918,639,178)
Receipts from other operating activities	41	286,843,813	278,842,684
Payments for other operating activities	42	(1,629,644,307)	(1,446,694,094)
(i) Operating profit before changes in operating assets & liabilities		2,491,727,387	2,335,495,949
Increase/Decrease in operating assets and liabilities:			
Purchase/Sale of trading securities		(450,641,120)	(298,552,265)
Loans and advances to customers		(3,025,566,901)	(15,009,203,421)
Other assets	43	6,034,905,901	13,803,198,517
Deposits from other banks		(2,162,302,804)	(6,213,067,899)
Deposits from customers		3,299,262,245	13,553,612,271
Other liabilities account of customers		1,389,168	130,337,269
Other liabilities	44	(1,020,255,599)	(1,989,287,140)
(ii) Cash flow from operating assets and liabilities		2,676,790,890	3,977,037,332
Net cash flows from/(used in) operating activities (a)= (i+ii)		5,168,518,278	6,312,533,281
Cash flow from investing activities			
Proceeds from sale of securities		759,877,870	1,236,724,257
Payment for Purchase of securities		(2,334,932,967)	(8,726,558,134)
Purchase of property, plant & equipment		(3,895,192,954)	(1,366,450,638)
Sale of property, plant & equipment		4,381,696	8,958,680
Proceeds from Non-banking assets		-	23,166,033
Purchase/sale of subsidiary		-	-
Net cash flow from investing activities (b)		(5,465,866,354)	(8,824,159,802)
Cash flow from financing activities			
Borrowing from other banks		5,274,038,649	1,044,942,615
Receipts from issuance of Non Convertible Subordinated Bond		-	-
Payments for redemption of Non Convertible Subordinated Bond		(600,000,000)	(600,000,000)
Dividends paid		(426,605,910)	(406,291,340)
Net cash flow from financing activities (c)		4,247,432,740	38,651,275
Net increase/ (decrease) in cash and cash equivalents (a+b+c)		3,950,084,663	(2,472,975,246)
Effects of exchange rate changes on cash & cash equivalent		590,793,651	1,094,017,891
Opening cash & cash equivalent as at 1 January, 2020		31,582,167,396	32,961,124,750
Closing Cash and cash equivalents at end of period*		36,123,045,710	31,582,167,396
*Closing cash & cash equivalents			
Cash in Hand		2,872,208,228	2,950,252,964
Balance with Bangladesh Bank and its agent bank(s)		14,531,122,693	14,688,193,247
Balance with other banks & Financial Institutions		18,017,117,989	13,929,095,184
Money at call on short notice		700,000,000	11,300,000
Prize Bond		2,596,800	3,326,000
Total		36,123,045,710	31,582,167,396
Net Operating Cash Flow per Share (NOCFPS)		5.77	7.05

The notes 1 to 50 and annexures A to M form an integral part of these financial statements.

Dhaka Bank Limited
Liquidity Statement
(Asset and Liability Maturity Analysis)
As at 31 December 2020

Particulars	(Amount in Taka)					
	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)	17,403,330,921	-	-	-	-	17,403,330,921
Balance with other banks and financial institutions	13,653,898,001	1,845,440,335	2,517,779,653	-	-	18,017,117,989
Money at call on short notice	700,000,000	-	-	-	-	700,000,000
Investment	2,596,800	4,934,288,772	2,988,794,033	19,671,963,023	11,847,113,423	39,444,756,051
Loans and Advances	51,099,365,974	24,782,561,312	50,755,979,352	48,495,834,570	23,526,732,712	198,660,473,920
Fixed assets including premises, furniture and fixtures	-	-	-	2,281,230,708	6,739,541,338	9,020,772,046
Other assets	652,574,141	-	885,032,634	8,780,572,102	1,772,596,871	12,090,775,749
Non-banking assets	-	-	-	-	-	-
Total Assets	83,511,765,837	31,562,290,419	57,147,585,672	79,229,600,403	43,885,984,344	295,337,226,676
Liabilities:						
Borrowing from Bangladesh Bank, Other Banks, financial institutions and agents	(7,559,600,000)	-	(19,797,150,907)	(5,642,415,126)	-	(32,999,166,033)
Deposits & other accounts	(75,053,279,856)	(50,339,220,414)	(42,520,068,088)	(22,652,649,186)	(15,101,766,124)	(205,666,983,669)
Non Convertible Subordinated Bond	-	-	(1,600,000,000)	(5,200,000,000)	-	(6,800,000,000)
Other liabilities	(5,336,258,902)	-	(25,742,664,188)	-	-	(31,078,923,089)
Total Liabilities	(87,949,138,757)	(50,339,220,414)	(89,659,883,182)	(33,495,064,313)	(15,101,766,124)	(276,545,072,791)
Net Liquidity Gap	(4,437,372,920)	(18,776,929,995)	(32,512,297,510)	45,734,536,091	28,784,218,220	18,792,153,885
Cumulative Liquidity Gap	(4,437,372,920)	(23,214,302,915)	(55,726,600,425)	(9,992,064,335)	18,792,153,885	-

Dhaka Bank Limited
Statement of Changes in Equity
For the year ended 31 December 2020

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 2020	8,532,118,190	7,627,051,380	6,560,631	-	70,495,379	974,389,056	17,210,614,636
Surplus/deficit on account of revaluation of investments	-	-	-	-	(21,845,410)	-	(21,845,410)
Net profit for the period	-	-	-	-	-	2,029,990,568	2,029,990,568
Stock dividend	426,605,900	-	-	-	-	(426,605,900)	-
Cash dividend	-	-	-	-	-	(426,605,910)	(426,605,910)
Changes in reserve	-	636,386,869	-	-	-	(636,386,869)	-
Balance as at 31 December 2020	8,958,724,090	8,263,438,249	6,560,631	-	48,649,969	1,514,780,946	18,792,153,885

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 01 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
Prior year Adjustment	-	-	-	-	-	14,751,536	14,751,536
Restated balance	8,125,826,850	7,006,913,590	6,560,631	622,516,800	33,162,249	835,747,510	16,630,727,630
Surplus/deficit on account of revaluation of investments	-	-	-	(622,516,800)	37,333,130	-	(585,183,670)
Net profit for the year	-	-	-	-	-	1,571,362,018	1,571,362,018
Stock dividend	406,291,340	-	-	-	-	(406,291,340)	-
Cash dividend	-	-	-	-	-	(406,291,343)	(406,291,343)
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

The notes 1 to 50 and annexures A to M form an integral part of these financial statements.

Dhaka Bank Limited and its Subsidiaries

Notes to the Financial Statements

as at and for the year ended 31 December 2020

1. Reporting entity - The Bank and its activities

1.1 Legal Status and nature of the entity

Dhaka Bank Limited (the "Bank") was incorporated in Bangladesh as a Public Limited Company on 06 April 1995 under the Companies Act, 1994 and commenced commercial operation on 05 July 1995. The Bank went for public issue of shares on 25 November 1999 and its shares are listed with both the Stock Exchanges (Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.) of Bangladesh. Currently, it has 105 branches all over Bangladesh which includes 66 urban and 39 rural branches, two offshore Banking units at EPZ, Dhaka & EPZ, Chattogram, 3 SME Service Centers and 12 sub branches. Out of the above, 2 branches of the Bank are run under Islamic Shariah, with a working method substantially different from conventional 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 (which has 6 branches in Dhaka, Chittagong and Sylhet) and Dhaka Bank Investment Limited. Moreover, the Bank has a dedicated philanthropic unit named Dhaka Bank Foundation, operating since 28 July 2004.

The registered office of the Bank is at Plot: CWS (C)-10, Bir Uttam A. K. Khandaker Road, Gulshan-1, Dhaka-1212, Bangladesh.

The consolidated financial statements of the Bank as at and for the year ended 31 December 2020 comprise the Bank and its subsidiaries (collectively the 'Group' and individually 'Group entities').

1.2 Principal activities of The Bank

The principal activities of the Bank are to provide wide array of financial products (loans and deposits) and services that includes all kinds of conventional and Islamic banking services to its customers. It offers corporate banking, retail banking, trade services, cash management, treasury, SME, retail, custodial and clearing services to its customers. These activities are conducted through its branches, SME service centres, sub branches, islamic windows and vibrant alternative delivery channels (ATM booths, internet banking) in Bangladesh. The Bank also provides off-shore banking services through its Off-Shore Banking Units (OBU) and islami banking services through its Islamic Bank branch.

1.3 Offshore Banking

Offshore Banking Unit (OBU) is a separate business unit of the Bank, operates its business through a separate counter as governed under the rules and guidelines of Bangladesh Bank and a Policy for Offshore Banking Operation issued by Bangladesh Bank through BRPD circular no. 02, dated 25 February 2019 and BRPD circular letter no. 09, dated 27 May 2019. It gives loans (on and off-balance sheet exposures) and takes deposits in freely convertible foreign currencies to and from person/institution not resident in Bangladesh and Type-A (wholly foreign owned) units in EPZs in Bangladesh. It also gives long term finance to industrial units outside EPZs and Type-B and Type-C industrial units within the EPZs subject to compliance by the industrial units with the guidelines of Bangladesh Investment Development Authority (BIDA) and Bangladesh Bank. Besides, this unit provides bill discounting/financing facilities accepted by Authorised Dealer (AD) in Bangladesh against usance LCs in accordance with Bangladesh Bank (BB) guidelines. 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 18 June 2005 and CEPZ Offshore Banking Unit permission vide letter no. BRPD (P-3)744(92)/2017-123 dated 05 January 2017. The Bank commenced the operation of its DEPZ Offshore Banking Unit with effect from 10 May 2006 and CEPZ Offshore Banking Unit with effect from 12 February 2017. Separate financial statements of Off-Shore Banking Units are shown in Annexure-J.

1.4 Islamic Banking

The Bank operates Islamic Banking in two branches designated for this purpose in complies 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 division for Islamic Banking has been formed in Head Office to monitor and comply with the rules of Islamic Shariah and other Regulatory bodies. Separate financial statements of Islamic Banking Branch are shown in Annexures-I(1) and I(2).

1.5 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.

1.6 Sub-Branches

As per BRPD Circular No.28 dated 27 December 2018, the Central Bank allowed all schedule banks for expanding its banking business in Bangladesh and providing banking services to the disadvantaged/rural people by providing extended financial services through opening of sub-Branches. The sub-branches are meant to operate within the limited expenditure under the supervision of a nearby full-fledged branch of the bank. Sub-Branches are functioning as a new dimension to the banking sector of Bangladesh at minimum cost with the same services/transactions just like any operational branch except foreign exchange transactions. In addition, transactions of the sub-branches are reflected on the balance sheet of the attached/mother branches. A Bank has to take permission from Bangladesh Bank for opening each sub-branch. Dhaka Bank has already opened 12 sub-branches and will expand its network in days to come.

1.7 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.

1.8 Custodian Service

The Bank obtained permission to work as a security custodian from Bangladesh Securities and Exchange Commission vide its certificate no. SC-09/2006, dated 18 May 2006 under the Securities and Exchange Commission (Securities Custodian Service) Rules 2003.

1.9 Subsidiaries of the Bank

The Bank has two subsidiaries. These are Dhaka Bank Securities Limited and Dhaka Bank Investment Limited. Details of the subsidiaries have been presented in note no. 1.9.1 to 1.9.2.

1.9.1 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 208,700,056 shares after considering the stock dividend issued from in 2011 to 2019.

The financial statements, audited by ACNABIN, Chartered Accountants, have been enclosed in Annexure L.

1.9.2 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.

The financial statements, audited by ACNABIN, Chartered Accountants, have been enclosed in Annexure M.

2. Consolidated and separate financial statements

The separate financial statements of the Bank as at and for the year ended 31 December 2020 comprise those of Domestic Banking Unit (Main operations) and Offshore Banking Unit (OBU), and the consolidated financial statements of the Group comprise those of 'the Bank' (parent company) and its subsidiaries. There were no significant changes in the nature of principal business activities of the Bank and the subsidiaries during the financial year. A summary of accounting principles and policies which have been applied consistently (unless otherwise stated), are set out below and in the notes of respective areas:

2.1 Basis of preparation of financial statements and statement of compliance

The separate financial statements of the Bank as at and for the year ended 31 December 2020 comprise those of Domestic Banking Unit (Main operations) and Offshore Banking Unit (OBU), and the consolidated financial statements of the group comprise those of 'the Bank' (parent company) and its subsidiaries. There were no significant changes in the nature of principal business activities of the Bank and the subsidiaries during the financial year.

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) was formed in 2017 and has since then adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards for public interest entities such as banks with effect from 2 November 2020.

Accordingly, the financial statements of the Bank are prepared in accordance with IFRSs (including IASs) and the requirements of the Bank Company (amendment) Act, 2013, the rules and regulations issued by Bangladesh Bank, the Companies Act, 1994, The Securities and Exchange Ordinance 1969, Bangladesh Securities and Exchange Commission Act 1993, Bangladesh Securities and Exchange Commission (Public Issues) Rules 2015, Income Tax Ordinance and Rules 1984, Value Added Tax and Supplementary Duty Act 2012, The Value Added Tax and Supplementary Duty Rules 2016, Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE) and Central Depository Bangladesh Ltd. (CDBL) and Financial Reporting Act 2015. In case any requirement of the Bank Company (amendment) Act, 2013, and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs (including IASs), the requirements of the Bank Company (amendment) Act, 2013, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRS are mentioned in i to xvii:

In addition to foregoing directives and standards, the operation of Islamic Banking branches are accounted for in accordance with Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions, Bahrain, and BRPD circular no. 15, dated 09 November 2009. A separate balance sheet, profit and loss account and a statement of profit paid on deposits are shown in Annexure-I(1) and I(2) and the figures appearing in the annexure have been incorporated in the related heads of these financial statements as recommended by the Central Shariah Board for Islamic Banks in Bangladesh

i) Presentation of financial statements

IFRS: As per IAS 1, a complete set of financial statements comprises a statement of financial position, a statement of profit and loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.

Bangladesh Bank: The presentation of these financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) and certain disclosures therein are guided by the First Schedule (section-38) of The Bank Company Act, 1991, and amendment thereon and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of Bangladesh Bank. In the prescribed format there is no option to present assets and liabilities under current and non-current classification.

ii) Investment in shares, mutual fund and other 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 BRPD circular no. 14 dated 25 June 2003 investments in quoted and unquoted shares are revalued on the basis of year-end market price and Net Assets Value (NAV) of last audited balance sheet respectively. As such, provision is made for any loss arising from diminution in value of investments (portfolio basis); otherwise investments are recognised at costs.

iii) Revaluation gain/loss on government securities

IFRS: Government securities refer primarily various debt instruments which include both bonds and bills. As per requirements of IFRS 9 Financial Instruments, bonds can be categorised as "Amortised Cost (AC)" or "Fair Value Through Profit or Loss (FVTPL)" or "Fair Value through Other Comprehensive Income (FVOCI)". Bonds designated as Amortised Cost are measured at amortised cost method and interest income is recognised through profit and loss account. Any changes in fair value of bonds designated as FVTPL is recognised in profit and loss account. Any changes in fair value of bonds designated as FVOCI is recognised in other reserve as a part of equity.

As per requirements of IFRS 9, bills can be categorised either as “Fair Value Through Profit or Loss (FVTPL)” or “Fair Value through Other Comprehensive Income (FVOCI)”. Any change in fair value of bills is recognised in profit and loss or other reserve as a part of equity respectively.

Bangladesh Bank: According to DOS circular no. 5 dated 26 May 2008 and further clarification in DOS circular no. 5 dated 28 January 2008, Government securities/bills are classified into Held for Trading (HFT) and Held to Maturity (HTM), HFT securities are revalued on the basis of mark to market and any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount is recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised and gains or losses on amortisation are recognised in other reserve as a part of equity.

iv) 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.

v) Provision on loans and advances

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. 07 dated 21 June 2018, BRPD Circular no 13 dated 18 October 2018, BRPD circular No. 15 dated 27 September 2017, BRPD circular no. 16 dated 18 November 2014, BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 05 dated 29 May 2013, BRPD circular no. 1 dated 20 February 2018, BRPD circular no. 3 dated 21 April 2019, BRPD circular no. 52 Dated 20 October 2020, a general provision at 0.25% to 2% under different categories of unclassified loans (good/standard and SMA loans) has to be maintained regardless of objective evidence of impairment. Also, provision for different categories of classified loans (sub-standard, doubtful and bad and loss loans) has to be provided at 20%, 50% and 100% respectively, for loans and advances depending on time past due. Again, as per BRPD circular no. 14 dated 23 September 2012 and BRPD circular no. 07 dated 21 June 2018, a general provision at 1% is required to be provided for all off-balance sheet exposures except on 'bills for collection' and 'guarantees' where the counter guarantees have been issued by multilateral development bank (MDB)/international bank having BB rating grade '1' equivalent outlined in the Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks, in line with Basel-III). Such provision policies are not specifically in line with those prescribed by IFRS 9. As per BRPD circular no. 16 dated 21 July 2020, provision @ 5%, 20% on SMEF financing on SS,DF except medium enterprise has to be maintained. As per BRPD circular No: 56 dated 10 December 2020, Special General Provision - COVID-19 @ 1% has to be maintained on all UC moratorium loans.

vi) 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 becomes 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.

vii) Other comprehensive income

IFRS: As per IAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of Other Comprehensive Income are to be included in a Single Comprehensive Income (SCI) Statement.

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

viii) 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.

ix) 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 circular no. 14 dated 25 June 2003, 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 3 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.

x) Cash and cash equivalents

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

Bangladesh Bank: Some highly liquid assets such as money at call on short notice, T-bills/T-bonds, prize bonds are not prescribed to be shown as cash and cash equivalents rather shown as face item in the balance sheet. However, in the cash flow statement, money at call and short notice and prize bonds are shown as cash and cash equivalents beside cash in hand, balance with BB and other banks.

xi) Non-banking asset

IFRS: No indication of Non-banking asset 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.

xii) Cash flow statement

IFRS: Cash flow statement can be prepared either direct method or indirect method as per IAS 7. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD circular no 14, dated 25 June 2003, cash flows statement has been prepared following a mixture of direct and indirect methods.

xiii) 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.

xiv) **Presentation of intangible asset**

IFRS: Intangible asset must be identified and recognised, and the disclosure must be given as per IAS 38.

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

xv) **Off-balance sheet items**

IFRS: There is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

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

xvi) **Disclosure of appropriation of profit**

IFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, an appropriation of profit should be disclosed in the face of profit and loss account.

xvii) **Loans and advances/investments net of provision**

IFRS: Loans and advances/investments should be presented net of provisions.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

2.2 **Basis of measurement**

The financial statements of the Group have been prepared on historical cost basis except for the following:

- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' are present at value using mark to market concept with gain crediting to revaluation reserve;
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' are carried at amortised cost;

2.3 **Going concern**

The accompanying financial statements have been prepared on a going concern assumption that the Bank will continue in operation over the foreseeable future. The Bank has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. Key financial parameters (including liquidity, profitability, asset quality, provision sufficiency and capital adequacy) of the bank continued to demonstrate a healthy trend for a couple of years. The Bank have been awarded AA in long term and ST-2 in short term by Emerging Credit Rating Limited. Rating details are shown in note 2.32. The management does not see any issue with respect to going concern due to recent pandemic COVID-19. Besides, the management is not aware of any other material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

2.4 **Functional and presentation currency**

These financial statements are presented in Bangladesh Taka (Taka/Tk) which is the Bank's functional currency. Except as otherwise indicated, financial information presented in Taka has been rounded to the nearest integer.

2.5 **Use of judgments and estimates**

In preparing these consolidated financial statements in conformity with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) management has required to make judgments, estimates and assumptions that affect the application of bank's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The most critical estimates and judgments are applied to the following:

- Provision for loan and advances/investments- as explained in note 2.15.3
- Employee benefit-as explained in note 2.23
- Income tax- as explained in note 2.24
- Deferred tax assets/liabilities- as explained in note 15.8
- Useful lives of depreciable assets regard to noncurrent assets- as stated in Annexure-D

However, underlying assumptions on estimates are reviewed on a going concern basis and revisions thereon are recognised in the period in which the estimates are revised. It is also required to disclose the contingent assets and liabilities at the date of the financial statements in accordance with the guidelines as prescribed by IAS 37: "Provisions, Contingent Liabilities and Contingent Assets".

Provision

Provisions are liabilities that are uncertain in timing or amount. Provisions are recognised in the following situations:

- the entity has a present (legal or constructive) obligation as a result of past events;
- probable out flow of resources to settle the obligation and the obligation can be measured reliably;
- it is more likely than not that outflow of resources will be required to settle the present obligation exists at the end of reporting period.

Contingent Liability

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events. A contingent liability arises when some, but not all, of the criteria for recognizing a provision are met.

IAS 37 applies prudence by deeming a past event to give rise to a present obligation and an entity shall not recognise a contingent liability. However, if it is possible rather than probable that an obligation exists, a contingent liability will exist, not a provision in the financial statements. An entity shall disclose for each class of transaction of contingent liability at the end of the reporting period if the contingent liability is not remote.

Contingent Assets

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity. Contingent assets are never recognised; rather they are disclosed in the financial statements when they arise.

2.6 Reporting period

These financial statements cover one calendar year from 1 January 2020 to 31 December 2020.

2.7 Dividend

Dividend on ordinary shares is recognised as a liability and deducted from retained earnings when they are approved by shareholders at the Annual General Meeting (AGM) of the Bank.

Dividend on ordinary shares for the year that is recommended by the Directors after the balance sheet date for approval of shareholders at the Annual General Meeting are disclosed in note - 49 to the financial statements.

2.8 Date of authorization

The Board of Directors has authorised this financial statements for public issue on 6 May 2021.

2.9 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.

2.10 Statement of changes in equity

The Statement of changes in equity reflects information about the increase or decrease in net assets or wealth. Statement of changes in equity is prepared principally in accordance with IAS-1 "Presentation of Financial Statements" and under the guidelines of Bangladesh Bank's BRPD Circular no. 14 dated 25 June 2003.

2.11 Liquidity statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared on the following basis:

Particulars	Basis used
Cash, balance with other banks and financial institutions, money at call and short notice, etc.	Stated maturity/observed behavioural trend.
Investments	Residual maturity term.
Loan and advance/investment	Repayment /maturity schedule and behavioural trend (non-maturity products)
Fixed assets	Useful life
Other assets	Realisation/amortisation basis
Borrowing from other banks and financial institutions	Maturity/repayment term
Deposits and other accounts	Maturity/behavioural trend (non-maturity products)
Other long term liabilities	Maturity term
Provisions and other liabilities	Settlement/adjustment schedule basis

2.12 Financial statements for Offshore Banking Unit (OBU)

Reporting currency of Offshore Banking Unit is US Dollar. However, foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per IAS 21 'The Effects of Changes in Foreign Exchange Rates'. Foreign currency balances held in US Dollar are converted into Taka at period end mid rate of exchange as at 31 December 2020.

2.13 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements of the group and those of the Bank have been applied consistently except otherwise instructed by Bangladesh Bank as the prime regulator. Certain comparative amounts in the financial statements have been reclassified and rearranged to conform to the current year's presentation.

Accounting policies of subsidiaries

The financial statements of subsidiaries (Dhaka Bank Securities Limited and Dhaka Bank Investment Limited) which are included in the Consolidated Financial Statements of the Group have been prepared using uniform accounting policies of the Bank (Parent) for transactions and other events in similar nature. There is no significant restriction on the ability of subsidiaries to transfer funds to the parent in the form of cash dividends or to repay loans and advances. All subsidiaries of the Bank have been incorporated in Bangladesh.

2.13.1 Accounting policy for IFRS 16: Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

However, Bank has applied "COVID 19 related rent concession (amendment to IFRS 16)" during this year 2020.

The Bank has considered the amendment of lease modification clause i.e. 46A & 46B and applied the practical expedient to rent concessions that meet the conditions in paragraph 46B.

2.13.2 Basis of consolidation

The consolidated financial statements include the financial statements of Dhaka Bank Limited and those of its two subsidiaries (Dhaka Bank Securities Limited and Dhaka Bank Investment Limited) prepared as at and for the year ended 31 December 2020. The consolidated financial statements have been prepared in accordance with IFRS 10 'Consolidated Financial Statements'.

Name of subsidiary	Ownership	Date of incorporation	Country of operation	Status	Regulator	Year/period closing
Dhaka Bank Securities Limited	99.99%	19-Jul-10	Bangladesh	Majority Owned	Bangladesh Securities and Exchange Commission (BSEC)	31 December
Dhaka Bank Investment Limited	99.99%	2-Dec-13	Bangladesh	Majority Owned	Bangladesh Securities and Exchange Commission (BSEC)	31 December

2.13.3 Non-controlling interest

The Group elects to measure any non-controlling interests in the subsidiaries either:

- at fair value; or
- at their proportionate share of the acquires identifiable net assets, which are generally at fair value.

2.13.4 Transactions eliminated on consolidation

Intra-group balances and income and expenses arising from intra-group transactions are eliminated in preparing these consolidated financial statements.

2.14 Foreign currency transactions

According to IAS 21 "The Effects of Changes in Foreign Exchange Rates" transactions in foreign currencies are recorded in the functional currency at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the profit and loss statement.

2.15 Assets and basis of their valuation

2.15.1 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with Bangladesh Bank and its agent bank, balance with other banks and financial institutions, money at call and short notice and prize bonds.

2.15.2 Investments

All investments (other than government treasury securities) are initially recognised at cost including acquisition charges associated with the investment. Premiums are amortised and discount accredited using the effective or historical yield method. Accounting treatment of government treasury bills and bonds (categorised as HFT and HTM) are made in accordance with Bangladesh Bank DOS Circular letter no. 05, dated 26 May 2008 and subsequent clarifications DOS Circular letter no. 05 dated 28 January 2009.

Held to Maturity

Investments which have 'fixed or determinable payments' and are intended to be held to maturity are classified as 'Held to Maturity'. These are measured at amortised cost at each year end by taking into account any discount or premium in acquisition. Any increase or decrease in value of such investments are booked under equity and in the profit and loss statement respectively.

Held for Trading

Investments classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or if designated as such by the management. After initial recognition, investments are mark to market weekly and any decrease in the present value is recognised in the Profit and Loss Account and any increase is booked to Revaluation Reserve Account as per DOS Circular no. 05 dated 28 January 2009.

Investment in quoted shares

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income. These are valued and reported at cost price as per Bangladesh Bank's guidelines. Booking of provision for investment in securities (gain/loss net off basis) are made as per DOS Circular no.4 dated 24 November 2011.

Investment in unquoted shares

Investment in unquoted shares are recognised at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unquoted shares.

Value of investments has been shown as under:

Investment Class	Initial Recognition	Measurement after initial recognition	Recording of changes
Govt. treasury securities - Held to Maturity (HTM)	Cost	Amortised cost	Increase in value of such investments is booked to equity, decrease to profit and loss account.
Govt. treasury securities - Held for Trading (HFT)	Cost	Fair value	Loss to Profit and Loss Account, gain to Revaluation Reserve.
Debenture/Bond	Face value	Face value	None
Shares (Quoted) *	Cost	Cost	Loss (net off gain) to profit and loss account but no unrealised gain booking.
Shares (Unquoted)*	Cost	Lower of cost or Net Asset Value (NAV)	Loss to profit and loss account but no unrealised gain booking.
Prize bond	Cost	Cost	None

*Provision for shares against unrealised loss (gain net off) has been taken into account according to DOS circular no. 4 dated 24 November 2011 of Bangladesh Bank.

Investment in Subsidiaries

Investments in subsidiaries are accounted for under the cost method of accounting in the Bank's financial statements in accordance with IAS 27 'Consolidated and Separate Financial Statements' and IFRS 10 "Consolidated Financial Statements". Impairment of investment in subsidiaries (if any) the bank takes it into account as per the provision of IAS 36 'Impairment of Assets'.

2.15.3 Loans and advances/investments and provisions for loans and advances/investments

- Loans and advances of conventional banking/investments of Islamic Banking branches are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not sell in the normal course of business.
- At each balance sheet date and periodically throughout the year, the Bank reviews loans and advances to assess whether objective evidence that impairment of a loan or portfolio of loans has arisen supporting a change in the classification of loans and advances, which may result in a change in the provision required in accordance with BRPD circular no. 56 (10 December 2020), BRPD circular no. 52 (20 October 2020), BRPD circular no. 16 (21 July 2020), BRPD circular no. 03 (21 April 2019), BRPD circular no.1 (20 February 2018), BRPD circular no.15 (27 September 2017), BRPD circular no.16 (18 November 2014), BRPD circular no. 05 (29 May 2013), BRPD circular no.14 (23 September 2012) and BRPD circular no. 19 (27 December 2012). The guidance in the circular follows a formulaic approach whereby specified rates are applied to the various categories of loans as defined in the circular. The provisioning rates are as follows:

Types of loans and advances	Provision				
	STD	SMA	SS	DF	BL
Consumer					
House building and professional	1.00% - 2.00%	1.00% - 2.00%	20.00%	50.00%	100.00%
Other than housing finance & professionals to setup business	2.00%	2.00%	20.00%	50.00%	100.00%
Provision for loan to broker house, merchant banks, stock dealers, etc	2.00%	2.00%	20.00%	50.00%	100.00%
Short-term agri-credit and micro credit	1.00%	1.00%	5.00%	5.00%	100.00%
Small and medium enterprise finance	0.25%	0.25%	20.00%	50.00%	100.00%
Cottage, micro and small credit (CMSME)	0.25%	0.25%	5.00%	20.00%	100.00%
Others	1.00%	1.00%	20.00%	50.00%	100.00%

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 above, 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.

- c) Loans and advances are written off to the extent that i) there is no realistic prospect of recovery, and ii) against which legal cases are filed, where required and classified as bad/loss as per BRPD circular no. 02 dated 13 January 2003, BRPD circular no. 13 dated 07 November 2013 and BRPD circular no. 01 dated 06 February 2019 of Bangladesh Bank.

These write off however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such written off accounts are maintained and followed up.

- d) Amounts receivable on credit cards are included in advances to customers at the amounts expected to be recovered.

2.15.4 Staff loan

House building and car loan are provided to the permanent staff at a subsidised rate. Criteria and detail of type wise staff loan are given below:

House building loan: A permanent staff completing 5 years (7 years for lateral staff) of service and all permanent staff from SPO can avail house building loan subject to getting approval from Managing Director, CEO and recommended by the concerned divisional head.

Car loan: All permanent staff from AVP can avail car loan subject to getting approval from Managing Director, CEO and recommended by the concerned divisional head.

2.15.5 Fixed assets (property, plant and equipment)

Recognition and measurement

As per IAS 16 "Property, plant and equipment" Items of fixed assets excluding land are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land is carried at cost.

Purchase of software that is integral to the related equipment is capitalised as part of that equipment.

Cost includes expenditure that are directly attributable to the acquisition of asset and bringing to the location and condition necessary for it to be capable of operating in the intended manner.

When significant parts of an item of fixed asset have different useful lives, they are accounted for as separate items (major components) of fixed assets.

The gain or loss on disposal of an item of fixed asset is determined by comparing the proceeds from disposal with the carrying amount of the item of fixed asset, and is recognised in other income/other expenses in profit or loss account.

Subsequent costs

The cost of replacing a component of an item of fixed asset is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The carrying amount of the replaced parts is derecognised. The costs of the day to day servicing of fixed assets are recognised in the profit and loss account as incurred.

Depreciation

Depreciation on fixed assets are recognised in the profit and loss statement on straight line method over its estimated useful lives. In case of acquisition of fixed assets, depreciation is charged from the month of acquisition, whereas depreciation on disposed off fixed assets are charged up to the month prior to the disposal. Asset category wise depreciation rates for the current and comparative periods are as follows:

Category of assets

Rate of depreciation

Land	Nil
Building & Renovation	2.5%
Furniture and fixtures	10%
Office Appliances & Equipment	20%
Computer	20%
Software	10%
Motor Vehicle	20%

2.15.6 Non-banking assets

Non-banking assets were acquired by the entity due to failure of borrowers to repay the loan in time taken against mortgaged property. The Bank was awarded absolute ownership on few mortgaged properties (mostly land) through the verdict of honourable court under section 33 (7) of the Artha Rin Adalat Ain, 2003. The value of the properties has been recognised in the financial statements as non-earning assets on the basis of third party valuation report.

2.15.7 Provisions for other assets

BRPD Circular no.14 (25 June 2001) requires a provision of 100% on other assets which are outstanding for one year and above. The Bank maintains provisions in line with this circular unless it assesses there is no doubt of recovery on items of other assets in which case no provision is kept.

2.15.8 Intangible assets and its amortisation

Intangible assets comprise separately identifiable intangible items arising from the use of Flexcube Universal Banking System (UBS) from Oracle Financial Services Software Limited. Intangible assets are recognised at cost. Intangible assets with a definite useful life are amortised using the straight line method over its estimated useful economic life.

2.15.9 Reconciliation of inter-bank and inter-branch account

Account with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled regularly and there are no material differences which may impact the financial statements significantly. Un-reconciled entries/balances in the case of inter-branch transactions on the reporting date are not material.

2.16 Liabilities and basis of their valuation

2.16.1 Tier-II Subordinated Bond

Tier-II Subordinated Bond includes fund raised from several banks, financial institutions and other organization through issuance of 7 (seven) years Bonds for Taka 3,000 million during 2016 and 7 (Seven) years Bonds for Taka 5,000 million during 2018. Details are shown in note 14.

2.16.2 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents includes refinance from Bangladesh Bank against agro-based credit, SME and EDF Loan etc., interest-bearing borrowings against securities from Bangladesh Bank, call borrowing from other banks and borrowing from other multilateral organisations. These items are brought to financial statements at the gross value of the outstanding balance. Details are shown in note 12.

2.16.3 Deposits and other accounts

Deposits and other accounts include non interest-bearing current deposit redeemable at call, interest bearing on demand and short-term deposits, savings deposit and fixed deposit. These items are brought into financial statement at the gross value of outstanding balance. Details are shown in note 13.

2.16.4 Provision for liabilities

As per IAS 37, provisions are recognised when it is probable that an outflow of economic benefits will be required to settle a current legal or constructive obligation as a result of past events, and a reliable estimate can be made of the amount of the obligation.

2.16.5 Provision for Off-balance sheet exposure

As per BRPD circular no.14 (23 September 2012) the Bank has recognised 1% General Provision on the following off balance sheet exposures as defined in BRPD circular no.10 (24 November 2002) considering the exemption as provided through BRPD circular no.01 (03 January 2018), BRPD circular no.7 (21 June 2018), BRPD circular no.13 (18 October 2018), BRPD circular no.02 (25 February 2019), BRPD circular no.09 (27 May 2019).

- Acceptances & Endorsements
- Letters of Guarantee
- Irrevocable Letters of Credit

2.16.6 Provisions on balances with other banks and financial institutions (Nostro accounts)

Provision for unsettled transactions on nostro accounts is made as per Foreign Exchange Policy Department (FEPD) circular no. FEPD (FEMO) / 01/2005-677 dated 13 September 2005 of Foreign Exchange Policy Department (FEPD) of Bangladesh Bank and reviewed semi-annually by our management along with duly certified by the external auditor. On the reporting date, the Bank has no unsettled transactions outstanding for more than 3 months and no provision has been made in this regard.

2.16.7 Provision for rebate to good borrower

Previously commercial banks were required to maintain provision @10% of interest charged against loans to good borrowers, identified on the basis of prescribed guidelines stated in BRPD Circular no. 06 (19 March 2015) and BRPD Circular Letter no 03 (16 February 2016) for onward rebate to the recognised good borrowers. However, Bangladesh Bank during 2020 issued another circular (BRPD Circular No. 14 dated 18 June 2020), wherein it is mentioned that from 2020 banks need not to provide any rebate to good borrowers. Hence, during 2020, no further good borrowers' provision was accounted for in the financial statements.

2.16.8 Other liabilities

Other liabilities comprise items such as provision for loans and advances/investments, provision for taxation, interest payable, interest suspense, accrued expenses, lease obligation etc. Other liabilities are recognised in the balance sheet according to the guidelines of Bangladesh Bank, Income Tax Ordinance, 1984 and internal policy of the Bank.

2.17 Capital/Shareholders' equity

2.17.1 Authorised capital

Authorised capital is the maximum amount of share capital that the Bank is authorised by its Memorandum and Articles of Association to issue (allocate) among shareholders. This amount can be changed by shareholders' approval upon fulfilment of relevant provisions of the Companies Act, 1994. Part of the authorised capital usually remains unissued. The part of the authorised capital already issued to shareholders is referred to as the issued share capital of the Bank.

2.17.2 Paid up capital

Paid up capital represents total amount of shareholders' capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding-up of the Bank, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

2.17.3 Statutory reserve

Statutory reserve has been maintained at the rate of 20% of profit before tax in accordance with provisions of section 24 of The Bank Company Act, 1991, and amendment thereon such transfer shall continue until the reserve balance equals its paid up capital together with the share premium.

2.17.4 Revaluation reserve for government securities

Revaluation reserve for government securities arises from the revaluation of treasury bills, Bangladesh Bank bills and treasury bonds (HFT and HTM) in accordance with the DOS Circular no. 5 dated 26 May 2008 and DOS(SR) 1153/120/2010 dated 8 December 2010.

2.17.5 Capital management

The Bank has a capital management process in place to measure, deploy and monitor its available capital and assess its adequacy. This capital management process aims to achieve the following objectives:

- To comply with the capital requirements set by the regulators;
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- To maintain a strong capital base to support the development of its business.

Capital is managed in accordance with the Board approved Capital Management Planning. Senior management develops the capital strategy and oversee the capital management planning of the Bank. The Bank's finance, treasury and risk management divisions are key participators in implementing the Bank's capital strategy and managing capital. Capital is managed using both regulatory capital measures and internal matrix.

2.18 Revenue recognition

2.18.1 Interest income

Interest on loans and advances is calculated on daily product basis. Based on product features, interest is accrued or charged to customers' accounts on monthly/quarterly basis.

In accordance with BRPD Circular no.14 (23 September 2012) as amended by BRPD Circular No. 19 (27 December 2012) and BRPD Circular no. 56 (10 December 2020) interest accrued on sub-standard loans and doubtful loans are credited to an "Interest Suspense Account" which is included within "Other liabilities". Interest from loans and advances ceases to be accrued when they are classified as bad/loss. It is then kept in interest suspense in a memorandum account.

2.18.2 Profit on investment (Islamic Banking)

Mark-up on investment is taken into income account proportionately from profit receivable account. Overdue charge/compensation on classified investments are transferred to profit suspense account instead of income account.

2.18.3 Investment income

Income on investments are recognised on accrual basis. Investment income includes discount on treasury bills and Bangladesh Bank bills, interest on treasury bonds and fixed deposit with other banks. Capital gain on investments in shares are also included in investment income. Capital gain is recognised when it is realised.

2.18.4 Fees and commission income

The Bank earns commission and fee income from a diverse range of service provided to its customers. Commission and fee income is accounted for as follows:

- income earned on the execution of a significant act is recognised as revenue when the act is completed
- income earned from services provided is recognised as revenue as the services are provided
- commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

2.19 Interest paid on subordinated bond, borrowing and other deposits (Conventional banking)

Interest paid and other expenses are recognised on accrual basis.

2.20 Profit shared on deposits (Islamic banking)

Profit shared to mudaraba deposits are recognised on accrual basis.

2.21 Dividend income

Dividend income is recognised when the right to receive income is established. Dividends are presented under investment income.

2.22 Others

Foreign exchange gain/ loss

Exchange income includes all gain and losses from foreign currency day to day transactions, conversions and revaluation of non monetary items.

2.23 Employee benefits

2.23.1 Provident Fund

Provident Fund benefits are given to the permanent staff of the Bank in accordance with the registered Provident Fund rules. The Commissioner of Income Tax, Taxes Zone - 5, Dhaka, has approved the Provident Fund as a recognised fund within the meaning of section 2(52) read with the provisions of part - B of the First Schedule of Income Tax Ordinance, 1984. The recognition took effect on 1 July 1996. The Provident Fund is operated by a Board of Trustees consisting of 7 members of the Bank. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription to the Provident Fund. The Bank also contributes equal amount to the Provident Fund. Contributions made by the Bank are charged as expense and the Bank bears no further liability. Interest earned from the investments is credited to the members' account on yearly basis. By Law the Provident fund is duly audited by Mak & Co.,Chartered Accountants.

2.23.2 Gratuity Fund

Gratuity Fund benefits are given to the staff of the Bank in accordance with the approved Gratuity Fund rules. National Board of Revenue has approved the Gratuity Fund as a recognised gratuity fund with effect from 25 April 2006. The Gratuity Fund is operated by a Board of Trustee consists of 7 members of the Bank. Provision for gratuity is made annually covering all its permanent eligible employees. A valuation of gratuity scheme is regularly carried out by a professional Actuarial & Pension Consultants, M/S Z. Halim & Associates to assess the adequacy of the liabilities provided for the scheme as per IAS 19 'Employee Benefits'. On continuing fund basis valuation, the Bank has been maintaining adequate provision against gratuity scheme. By Law the Gratuity fund is duly audited by Mak & Co.,Chartered Accountants.

2.23.3 Superannuation fund

The Bank operates a Superannuation Fund Trust by a Board of Trustees consisting of nine members at present. The death-cum survival benefits are given to the employees as per the eligibility narrated in the Trust Rules. The fund got recognition from the National Board of Revenue (NBR) with effect from 1 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. The Bank has conducted an actuarial valuation for the said Superannuation Fund and contributions to the fund are maintained as per actuary report.

Moreover, in the Bank, performance bonus provision is there, which is distributed among the employees on the basis of individual employee's yearly performance with a view to recognise welfare of the employees and reward their participation and contribution to the company.

2.24 Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the profit and loss statement except to the extent that it relates to items recognised directly in equity.

2.24.1 Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Details are shown in note 15.7.

2.24.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.24.3 Tax exposures

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Bank to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

2.25 Impairment of non-financial assets

The carrying amounts of the Group's and the Bank's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses (if any) recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.26 Earnings per share

The Group and the Bank present basic and diluted Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

2.27 Compliance with International Financial Reporting Standards (IFRS)

Name of the standards	IFRS Ref.	Implementation status by the Bank
First-time Adoption of International Financial Reporting Standards	IFRS-1	Not applicable
Share-based Payment	IFRS-2	Not applicable
Business Combinations	IFRS-3	Not applicable
Insurance Contracts	IFRS-4	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS-5	Not applicable
Exploration for and Evaluation of Mineral Resources	IFRS-6	Not applicable
Financial Instruments: Disclosures	IFRS-7	Applied with some departure (note 2.1)
Operating Segments	IFRS-8	Applied with some departure (note 2.30)
Financial Instruments	IFRS-9	Applied with some departure (note 2.1)
Consolidated Financial Statements	IFRS-10	Applied
Joint Arrangements	IFRS-11	Not applicable
Disclosure of Interest in Other Entities	IFRS-12	Applied
Fair Value Measurement	IFRS-13	Applied with some departure (note 2.1)
Regulatory Deferral Accounts	IFRS-14	Not applicable
Revenue from contract with customers	IFRS-15	Applied
Leases	IFRS-16	Applied
Presentation of Financial Statements	IAS-1	Applied with some departure (note 2.1)
Inventories	IAS-2	Not Applicable
Statement of Cash Flows	IAS-7	Applied with some departure (note 2.1)
Accounting Policies, Changes in Accounting Estimates and Errors	IAS-8	Applied
Events After the Reporting Period	IAS-10	Applied
Construction Contracts	IAS-11	Not Applicable
Income Taxes	IAS-12	Applied
Property, Plant and Equipment	IAS-16	Applied
Employee Benefits	IAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS-20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	IAS-21	Applied
Borrowing Costs	IAS-23	Not Applicable
Related Party Disclosures	IAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS-26	Not Applicable
Separate Financial Statements	IAS-27	Applied
Investments in Associates and Joint Ventures	IAS-28	Not Applicable
Financial Reporting in Hyperinflationary Economies	IAS-28	Not Applicable
Financial Instruments: Presentation	IAS-32	Applied with some departure (note 2.1)
Earnings Per Share	IAS-33	Applied
Interim Financial Reporting	IAS-34	Applied
Impairment of Assets	IAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	Applied
Intangible Assets	IAS-38	Applied
Investment Property	IAS-40	Not Applicable
Agriculture	IAS-41	Not Applicable

In order to comply with certain specific rules and regulations of Bangladesh Bank which are different to IAS/IFRS, some of the requirements specified in these IAS/IFRSs are not applied. Refer to note 2.1 for such recognition and measurement differences that are most relevant and material to the Bank and the Group.

The Standard regards a retirement benefit plan as a reporting entity separate from the employers of the participants in the plan. Therefore, it is not applicable for the Bank's annual report as it is the employer and not the retirement benefit plan itself.

The objective of IAS 34 is to prescribe the minimum content of an interim financial report and to prescribe the principles for recognition and measurement in complete or condensed financial statements for an interim period and hence it is not applicable for annual financial statements. However, the Bank being a listed entity in Dhaka and Chittagong Stock Exchanges regularly publishes Interim Financial Report complying with IAS 34.

2.28 Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Bank has adopted "COVID-19 - Related Rent Concessions (Amendment to IFRS 16)" and has not early adopted the other new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Bank's financial statements:

- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)
- Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to Conceptual Framework (Amendments to IFRS 3)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.

2.29 Offsetting

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the group has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions such as in the group's trading activity.

2.30 Segment reporting

The Group and the Bank have no identified operating segment and as such presentation of segmental reporting is not made in the financial statements as per IFRS 8. However business segments wise limited disclosures are furnished in note 48.

Inter-segment transactions are generally based on inter-branch fund transfer measures as determined by the management. Income, expenses, assets and liabilities are specifically identified with individual segments. Based on such allocation, segment balance sheet as on 31 December 2020 and segment profit and loss account for the year ended 31 December 2020 have been prepared.

2.31 Materiality and aggregation

Each material class of similar items has been presented separately in the financial statements. Items of dissimilar nature also have been presented separately unless they are immaterial in accordance with IAS 1 'Presentation of Financial Statements'.

2.32 Credit rating of the Bank

As per BRPD Circular no. 6 dated 5 July 2006, the Bank has done its credit rating by Emerging Credit Rating Limited based on the financial statements as at and for the year ended 31 December 2019. The following ratings have been awarded:

Particulars	Periods	Date of Rating	Long term	Short term	Rating Valid
Entity Rating	January to December 2019	30-Jun-20	AA	ST-2	7-Apr-21
Entity Rating	January to December 2018	29-May-19	AA	ST-2	7-Apr-20
Entity Rating	January to December 2017	23-May-18	AA	ST-2	7-Apr-19

2.33 Related party disclosures

A party is related to the company if:

- (i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;
- (ii) the party is an associate;
- (iii) the party is a joint venture;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

Details of the related party disclosures presented in Annexure-G

2.34 Events after reporting period

As per IAS -10 “Events after Reporting Period” events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. Two types of events can be identified:

- (a) adjusting events after the reporting period (those that provide evidence of conditions that existed at the end of the reporting period); and
- (b) non adjusting events after the reporting period (those that are indicative of conditions that arose after the reporting period).

Details of the Events after reporting period presented in note # 49.

		31.12.2020 Taka	31.12.2019 Taka
3. Cash			
Cash in hand	(Note: 3.1)	2,872,208,228	2,950,252,964
Balance with Bangladesh Bank and its agent bank(s)	(Note: 3.2)	14,531,122,693	14,688,193,247
		17,403,330,921	17,638,446,211
3(a) Consolidated Cash			
Dhaka Bank Limited	(Note: 3)	17,403,330,921	17,638,446,211
Dhaka Bank Securities Limited		105,000	112,000
Dhaka Bank Investment Limited		-	-
		17,403,435,921	17,638,558,211
3.1 Cash in hand			
In local currency		2,748,390,355	2,879,598,542
In foreign currencies		123,817,873	70,654,422
		2,872,208,228	2,950,252,964
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)	2,872,208,228	2,950,252,964
Dhaka Bank Securities Limited		105,000	112,000
Dhaka Bank Investment Limited		-	-
		2,872,313,228	2,950,364,964
3.2 Balance with Bangladesh Bank and its agent bank(s)			
Balance with Bangladesh Bank			
In local currency		9,564,386,285	11,707,168,247
Conventional		9,162,202,735	11,270,970,265
Al-Wadiah current account		402,183,550	436,197,982
In foreign currencies		4,728,202,077	2,634,543,815
		14,292,588,362	14,341,712,062
Balance with Sonali Bank as agent of Bangladesh Bank		238,534,331	346,481,185
		14,531,122,693	14,688,193,247
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)	14,531,122,693	14,688,193,247
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		14,531,122,693	14,688,193,247
3.3 Statutory deposits			
Cash Reserve Ratio and Statutory Liquidity Ratio have been calculated and maintained as per Section 33 of The Bank Company Act, 1991, and amendment thereon and MPD Circular No. 04, dated 01 December 2010, MPD Circular No.05 dated 01 December 2010, MPD Circular No.01 dated 23 June 2014, MPD Circular No.01 dated 03 April 2018 and MPD Circular No.03 dated 09 April.2020.			
3.3.1 Cash Reserve Ratio (CRR)			
Conventional Banking			
Bi-weekly Requirement			
(4.00% of Average Demand and Time Liabilities)			
Required Reserve		7,921,941,424	11,415,672,026
Actual reserve maintained		8,499,063,407	11,561,976,285
Surplus		577,121,983	146,304,259
Required		4.00%	5.50%
Maintained		4.29%	5.57%

	31.12.2020 Taka	31.12.2019 Taka
Daily Requirement (3.50% of Average Demand and Time Liabilities)		
Required Reserve	6,907,354,534	10,377,883,660
Actual reserve maintained	9,571,412,316	11,349,699,348
Surplus	2,664,057,782	971,815,688
Required	3.50%	5.00%
Maintained	4.85%	5.47%
Islamic Banking Bi-weekly Requirement (4.00% of Average Demand and Time Liabilities)		
Required Reserve	342,734,304	384,130,461
Actual reserve maintained	444,276,492	436,197,982
Surplus	101,542,188	52,067,521
Required	4.00%	5.50%
Maintained	5.19%	6.25%
Daily Requirement (3.50% of Average Demand and Time Liabilities)		
Required Reserve	299,892,516	349,209,510
Actual reserve maintained	402,183,550	436,197,982
Surplus	102,291,034	86,988,472
Required	3.50%	5.00%
Maintained	4.69%	6.25%
3.3.2 Statutory Liquidity Ratio (SLR) Conventional Banking (13% of Average Demand & Time Liabilities)		
Required Reserve	26,379,259,140	26,982,497,516
Actual reserve maintained	36,921,011,515	33,221,497,729
Surplus	10,541,752,375	6,239,000,213
Required	13.00%	13.00%
Maintained	18.20%	16.01%
Islamic Banking (5.50% of Average Demand and Time Liabilities)		
Required Reserve	471,259,668	384,130,461
Actual reserve maintained	876,661,478	561,259,712
Surplus	405,401,810	177,129,251
Required	5.50%	5.50%
Maintained	10.23%	8.04%
Held for Statutory Liquidity Ratio (Conventional)		
Cash in hand	2,828,965,996	2,871,060,774
Balance with Bangladesh Bank and its agent Bank(s) over CRR	1,887,639,917	340,633,837
Government Securities (excluding Assured Liquidity Support)	32,204,405,602	30,009,803,119
	36,921,011,515	33,221,497,729
Held for Statutory Liquidity Ratio (Islamic)		
Cash in hand	43,242,231	79,192,191
Balance with Bangladesh Bank and its agent Bank(s) over CRR	59,449,246	52,067,521
Government Securities (excluding Assured Liquidity Support)	773,970,000	430,000,000
	876,661,477	561,259,712

Dhaka Bank Limited has maintained the above SLR and CRR requirement based on weekly average total demand and time liabilities (ATDTL) of the base month which is two months back of the reporting month.

As per DOS Circular No. 05 dated 26 May 2008, all the Government treasury bond and bill will be open for SLR requirement and Dhaka Bank Limited has maintained the minimum SLR as per said circular.

		31.12.2020 Taka	31.12.2019 Taka
3.4 Maturity grouping of cash			
On Demand		17,403,330,921	17,638,446,211
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		-	-
		17,403,330,921	17,638,446,211
4. Balance with other banks and financial institutions			
In Bangladesh	(Note: 4.1)	15,019,122,898	9,967,933,323
Outside Bangladesh	(Note: 4.2)	2,997,995,091	3,961,161,862
		18,017,117,989	13,929,095,184
4(a) Consolidated Balance with other banks and financial institutions			
In Bangladesh	(Note: 4.1(a))	15,150,200,466	10,036,263,655
Outside Bangladesh	(Note: 4.2(a))	2,997,995,091	3,961,161,862
		18,148,195,557	13,997,425,517
4.1 In Bangladesh			
Current Deposits			
Sonali Bank Limited		69,229,980	85,595,913
Janata Bank Limited		50,552,204	4,672,447
Standard Chartered Bank (Visa Settlement)		6,479,653	19,600,596
Agrani Bank Limited		28,474,328	23,198,595
Islami Bank Bangladesh Limited		10,942,258	20,378,645
United Commercial Bank Limited		183,667	1,629,622
ICB Islamic Bank Limited		11,300,000	-
		177,162,090	155,075,818
Special Notice Deposits (SND)			
Janata Bank Limited		10,422,150	270,547
Dutch Bangla Bank Limited		7,190,432	6,259,960
Sonali Bank Limited		74,380	72,055
AB Bank Limited		692,678	680,955
Agrani Bank Limited		23,988	9,411,978
National Bank Limited		5,157,180	162,009
		23,560,808	16,857,505
Fixed Deposits			
Commercial Banks			
Shahjalal Islami Bank Limited		678,400,000	-
Islami Bank Bangladesh Ltd		4,240,000,000	-
National Bank Limited		1,000,000,000	-
The City Bank Limited		-	3,396,000,000
Placement with OBU		7,363,952,300	5,804,312,637
		13,282,352,300	9,200,312,637
Less : Inter Unit (OBU)		7,363,952,300	5,804,312,637
		5,918,400,000	3,396,000,000
Financial Institutions			
Phoenix Finance and Investment Limited		100,000,000	100,000,000
Prime Finance		300,000,000	300,000,000
National Housing		500,000,000	2,000,000,000
IDLC Finance Limited		2,000,000,000	2,000,000,000
IPDC Finance Limited		6,000,000,000	2,000,000,000
		8,900,000,000	6,400,000,000
		15,019,122,898	9,967,933,323

		31.12.2020 Taka	31.12.2019 Taka
4.1(a) Consolidated In Bangladesh			
Dhaka Bank Limited	(Note: 4.1)	15,019,122,898	9,967,933,323
Dhaka Bank Securities Limited		291,705,962	125,331,297
Dhaka Bank Investment Limited		328,002,182	308,110,999
		15,638,831,042	10,401,375,619
Less: Intercompany transaction		488,630,576	365,111,963
		15,150,200,466	10,036,263,655
4.2 Outside Bangladesh (Nostro Accounts)			
Current Deposits			
Standard Chartered Bank, New York		731,711,536	1,155,426,700
Mashreq Bank, New York		90,119,514	50,232,308
Habib American Bank, OBU		894,897,924	1,585,216,534
Commerz Bank, Frankfurt (USD)		16,318,682	10,582,943
Habib American Bank		71,240,513	398,665,138
Wells Fargo Bank		84,399,542	58,268,325
JP Morgan Chase Bank		279,787,620	297,476,899
Standard Chartered Bank, Mumbai		28,460,059	4,181,457
Sonali Bank		11,596,230	39,304,387
AB Bank		132,363,363	36,270,772
Nepal Bangladesh Bank		23,846,355	16,874,917
Sampath Bank		8,122,946	3,367,381
Bhutan National Bank		7,629,555	7,638,552
Bank of Bhutan		5,252,328	6,772,744
Habib Metropolitan Bank Ltd.		3,379,253	75,977,131
ICICI Bank Limited		164,532,945	(13,431,683)
Mashreq Bank, Mumbai		119,466,144	59,025,255
United Bank Of India, Kolkata (ACUD)		93,322,587	26,517,166
Axis Bank Ltd, India		94,242,667	56,540,247
Union Bank of Switzerland		14,288,958	16,278,044
Commerz Bank, Frankfurt (EURO)		4,878,482	927,314
Standard Chartered Bank, Frankfurt		33,540,934	21,043,219
Unicredit S.P.A.		4,131,878	6,862,248
UNITED BANK OF INDIA, KOLKATA (EURO)		2,586,751	397,558
Commerz Bank, Frankfurt (AUD)		8,104,382	13,523,483
Standard Chartered Bank, Japan		33,989,472	8,395,341
Standard Chartered Bank, London		25,923,668	9,508,161
Commerz Bank, Frankfurt (CAD)		9,764,003	9,222,532
Al-Rajhi Bank, Saudi Arabia		96,800	96,789
		2,997,995,091	3,961,161,862
(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)	2,997,995,091	3,961,161,862
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		2,997,995,091	3,961,161,862

		31.12.2020 Taka	31.12.2019 Taka
4.3	Account-wise/grouping of balance with other banks and financial institutions		
	Current Deposits	3,175,157,181	4,116,237,680
	Short-Notice Deposits	23,560,808	16,857,505
	Fixed Deposits	14,818,400,000	9,796,000,000
		18,017,117,989	13,929,095,184
4.4	Maturity grouping of balances with other banks and financial institutions		
	On demand	4,753,809,629	2,240,859,968
	Upto 1 month	8,900,088,372	6,253,294,291
	Over 1 month but not more than 3 months	1,845,440,335	4,415,340,329
	Over 3 months but not more than 6 months	2,517,779,653	1,019,600,596
	Over 6 months but not more than 1 year	-	-
	Over 1 year but not more than 5 years	-	-
	Over 5 years	-	-
		18,017,117,989	13,929,095,184
5.	Money at call on short notice		
	With banking companies (Note: 5.1)	-	11,300,000
	With non-banking financial institutions (Note: 5.2)	700,000,000	-
		700,000,000	11,300,000
5(a)	Consolidated Money at call on short notice		
	Dhaka Bank Limited (Note: 5)	700,000,000	11,300,000
	Dhaka Bank Securities Limited	-	-
	Dhaka Bank Investment Limited	-	-
		700,000,000	11,300,000
5.1	With banking companies		
	ICB Islamic Bank Limited	-	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. The outstanding amount of Tk.1.13 Crore now presented under the head "Balance with other banks and financial institutions".		
5.2	With non-banking financial institutions		
	Industrial Development Leasing Co. of Bangladesh	700,000,000	-
		700,000,000	-
5.3	Maturity grouping of money at call & short notice		
	On demand	700,000,000	-
	Up to 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
	More than 5 years	-	-
		700,000,000	11,300,000
6.	Investments		
	Government securities (Note: 6.1)	32,980,972,403	30,443,129,119
	Other investments (Note: 6.2)	6,463,783,648	6,238,627,455
		39,444,756,051	36,681,756,574
6(a)	Consolidated Investments		
	Dhaka Bank Limited (Note: 6)	39,444,756,051	36,681,756,574
	Dhaka Bank Securities Limited	2,916,094,630	3,050,788,220
	Dhaka Bank Investment Limited	-	-
		42,360,850,681	39,732,544,794

		31.12.2020 Taka	31.12.2019 Taka
6.1	Government securities		
	Bangladesh Bank Bills	(Note: 6.1.1) 2,999,741,000	3,305,723,544
	Treasury bonds	(Note: 6.1.2) 29,204,664,603	26,704,079,575
	Government Islamic Bond	773,970,000	430,000,000
	Prizebond	2,596,800	3,326,000
		32,980,972,403	30,443,129,119
6.1(a)	Consolidated Government securities		
	Dhaka Bank Limited	(Note: 6.1) 32,980,972,403	30,443,129,119
	Dhaka Bank Securities Limited	-	-
	Dhaka Bank Investment Limited	-	-
		32,980,972,403	30,443,129,119
6.1.1	Bangladesh Bank bills		
	7 days Bangladesh Bank Bills	-	-
	91 days Treasury Bills	-	692,583,500
	182 days Treasury Bills	2,000,004,000	-
	364 days Treasury Bills	999,737,000	2,613,140,044
		2,999,741,000	3,305,723,544
6.1.2	Treasury Bonds		
	2 years Bangladesh Government Treasury Bond	2,554,889,657	7,599,709,171
	5 years Bangladesh Government Treasury Bond	6,988,965,775	5,524,991,247
	10 years Bangladesh Government Treasury Bond	11,257,670,617	9,430,255,311
	15 years Bangladesh Government Treasury Bond	8,176,505,032	3,269,352,545
	20 years Bangladesh Government Treasury Bond	226,633,522	879,771,301
		29,204,664,603	26,704,079,575
6.2	Other investments		
	Investment in shares	(Note: 6.2.1) 903,783,648	628,627,455
	Investment in subordinated bonds	(Note: 6.2.2) 5,560,000,000	5,610,000,000
	Investment in Commercial Paper	(Note: 6.2.3) -	-
		6,463,783,648	6,238,627,455
6.2(a)	Consolidated Other investments		
	Dhaka Bank Limited	(Note: 6.2) 6,463,783,648	6,238,627,455
	Dhaka Bank Securities Limited	2,916,094,630	3,050,788,220
	Dhaka Bank Investment Limited	-	-
		9,379,878,278	9,289,415,675
6.2.1	Shares		
	Quoted (Publicly Traded)	383,783,648	28,627,455
	Unquoted	520,000,000	600,000,000
		903,783,648	628,627,455
	(Details are given in Annexure - B)		
6.2.2	Investment in subordinated bonds		
	Mutual Trust Bank Limited (MTBL)	720,000,000	900,000,000
	Mercantile Bank Limited	60,000,000	120,000,000
	The City Bank Limited	500,000,000	500,000,000
	One Bank Limited	480,000,000	540,000,000
	Bank Asia Limited	600,000,000	750,000,000
	Shahjalal Islami Bank Limited	500,000,000	500,000,000
	Trust Bank Limited	500,000,000	500,000,000
	Dutch Bangla Bank Limited	500,000,000	500,000,000
	Islami Bank Bangladesh Limited	500,000,000	500,000,000
	Southeast Bank Limited	450,000,000	600,000,000
	Eastern Bank Limited	200,000,000	200,000,000
	United Commercial Bank Limited	550,000,000	-
		5,560,000,000	5,610,000,000

31.12.2020
Taka

31.12.2019
Taka

MTBL Subordinated Bond - date of purchase was 16.02.2017 and redemption started from 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 started from 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 started from 27.10.2019; Eastern Bank Limited Subordinated Bond - date of purchase was on 09.07.2019 and redemption started from 09.07.2022; United Commercial Bank Limited Subordinated Bond - date of purchase was on 29.09.2020 and redemption will be started from 29.09.2023.

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 6.24% as of December 31, 2020.

6.2.3 Investment in Commercial Paper

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

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

-	-
-	-
-	692,583,500
2,000,004,000	-
999,737,000	-
-	203,565,810
-	-
-	-
-	1,264,656,000
-	653,152,338
2,999,741,000	2,813,957,648
-	-
-	-
-	-
-	2,613,140,044
2,554,889,657	7,396,143,361
6,988,965,775	5,524,991,247
11,257,670,617	9,430,255,311
8,176,505,032	2,004,696,545
226,633,522	226,618,964
29,204,664,603	27,195,845,472
32,204,405,603	30,009,803,119
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-

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

6.4 Assets pledged as security

Assets in the amounts shown below were pledged as security

for the following liabilities

Liabilities to bank
Liabilities to customers

Following assets were pledged as security for the above mentioned liabilities

Claim on banks
Claim on customers

		31.12.2020 Taka	31.12.2019 Taka
6.5	Maturity Grouping of Investments		
	On demand	2,596,800	3,326,000
	Over 2 Days but not more than 3 Months	4,934,288,772	1,122,583,500
	Over 3 months but not more than 6 months	1,573,239,235	1,630,315,423
	More than 6 months but less than 1 year	1,415,554,798	8,062,302,678
	Over 1 year but not more than 5 years	19,671,963,023	19,289,642,712
	Over 5 years	11,847,113,423	6,573,586,261
		39,444,756,051	36,681,756,574
7.	Loans, advances and lease/investments including Bills purchased and discounted		
	Loans, Cash Credits, Overdrafts, etc./Investments	(Note: 7.1) 196,184,433,097	193,010,498,465
	Bills purchased and discounted	(Note: 8) 2,476,040,823	2,624,408,554
		198,660,473,920	195,634,907,019
7(a)	Consolidated Loans, advances and lease/investments including Bills purchased and discounted		
	Dhaka Bank Limited	(Note: 7) 198,660,473,920	195,634,907,019
	Dhaka Bank Securities Limited	1,675,516,118	2,149,978,522
	Dhaka Bank Investment Limited	-	-
		200,335,990,038	197,784,885,541
	Less: Intercompany transaction	1,694,162,672	2,298,017,550
		198,641,827,366	195,486,867,990
7.1	Loans, Cash Credits, Overdrafts, etc./Investments Broad category-wise breakup		
	In Bangladesh		
	Secured Overdraft/Quard	45,752,452,894	36,111,670,071
	Cash Credit/Murabaha	4,747,225,883	16,280,464,195
	House Building Loan	2,463,978,311	2,583,329,668
	Transport Loan	2,682,665,695	3,148,295,786
	Term Loan	74,165,342,679	67,478,549,206
	Loan Against Trust Receipt	7,100,952,948	9,088,431,520
	Payment Against Documents	47,375,574	348,917,723
	Loan Against Imported Merchandize	-	-
	Loan Against Accepted Bills	3,710,400,391	-
	Packing Credit	491,971,931	554,773,446
	Lease Finance / Izara	5,608,293,536	4,558,376,496
	Credit Card	589,253,554	523,696,386
	Retail Loan	1,067,291,206	1,579,794,097
	Other Loans	47,757,228,495	50,754,199,873
		196,184,433,097	193,010,498,465
	Outside Bangladesh	-	-
		196,184,433,097	193,010,498,465
7.1(a)	Consolidated Loans, Cash Credits, Overdrafts, etc./Investments		
	Dhaka Bank Limited	(Note: 7.1) 196,184,433,097	193,010,498,465
	Dhaka Bank Securities Limited	1,675,516,118	2,149,978,522
	Dhaka Bank Investment Limited	-	-
		197,859,949,215	195,160,476,987
	Less: Intercompany transaction	1,694,162,672	2,298,017,550
		196,165,786,543	192,862,459,437

	31.12.2020 Taka	31.12.2019 Taka
7.2 Residual maturity grouping of loans including bills purchased and discounted		
Repayable on demand	38,221,537,150	29,551,763,328
Up to 1 month	12,877,828,824	17,742,869,070
Not more than 3 months	24,782,561,312	27,659,604,660
More than 3 months but not more than 6 months	29,437,997,413	28,481,036,351
More than 6 months but not more than 1 year	21,317,981,939	22,177,060,515
More than 1 year but not more than 5 years	48,495,834,570	49,348,280,392
More than 5 years	23,526,732,712	20,674,292,702
	198,660,473,920	195,634,907,019
7.3 Investment in lease/ izara finance		
Lease rental receivable within 1 year	2,167,251,432	1,690,853,854
Lease rental receivable more than 1 year	4,321,541,403	3,495,898,015
Total lease/ izara rental receivable	6,488,792,835	5,186,751,869
Less: unearned interest/profit receivable	880,499,299	628,375,374
Net investment in lease/izara finance	5,608,293,536	4,558,376,496
7.4 Product wise loans and advances		
Loans	145,684,754,320	140,618,364,200
Cash Credits	4,747,225,883	16,280,464,195
Overdrafts	45,752,452,894	36,111,670,071
Bills purchased and discounted (Note: 8)	2,476,040,823	2,624,408,554
	198,660,473,920	195,634,907,019
7.5 Loans on the basis of significant concentration including bills purchased & discounted		
a. Advances to allied concerns of directors (Note: 7.5.1)	84,057,146	35,659,537
b. Advances to Chief Executive	-	-
c. Advances to other senior executives	-	-
d. <u>Advances to customer's group:</u>		
Agriculture loan	2,245,928,541	2,129,678,512
Commercial lending	17,943,495,079	14,156,527,968
Export financing	12,854,979,529	18,074,941,084
Consumer credit scheme	4,649,775,619	4,636,999,444
Small and Medium Enterprise (SME)	15,564,781,725	25,653,771,212
Staff Loan	1,334,265,376	1,404,111,958
Others	143,983,190,905	129,543,217,305
	198,660,473,920	195,634,907,019
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	18	17
Amount of outstanding loans and advances*	76,725,296,000	73,662,703,454
Amount of classified loans and advances	-	-
Measures taken for recovery	-	-
*The amount represents the sum of total loans and advances (both funded and non funded) to each customer exceeding 10% of total capital of the Bank as at 31 December 2020. (Details are given in Annexure - C)		

	31.12.2020 Taka	31.12.2019 Taka
7.7 Industry-wise loans, advances and lease/investments		
Agricultural	2,245,928,541	1,092,288,440
Pharmaceuticals	2,829,775,434	2,858,788,977
Textile & Garment	48,484,611,372	47,915,972,466
Chemical	8,535,216,564	8,826,446,742
Food & Allied	10,463,998,030	10,786,401,163
Transport & Communication	4,972,673,698	5,086,449,975
Electronics & Automobile	10,108,418,099	8,535,845,495
Housing & Construction	19,449,027,665	19,609,884,343
Engineering & Metal Industries including Ship Breaking	19,112,373,004	16,769,981,006
Energy & Power	6,741,724,693	7,247,300,817
Service	14,293,188,682	12,190,245,423
Others	51,423,538,138	54,715,302,171
	198,660,473,920	195,634,907,019
7.8 Geographical location-wise (division) distribution		
Urban		
Dhaka Region	153,579,096,066	150,513,932,027
Chattagram Region	27,213,258,341	26,298,080,693
South Region	1,897,247,144	2,554,360,404
North Region	3,263,767,971	3,465,401,027
Sylhet Region	1,018,296,744	1,025,905,495
Other	-	-
	186,971,666,266	183,857,679,646
Rural		
Dhaka Region	8,688,932,580	8,863,812,163
Chattagram Region	1,127,391,619	1,141,589,430
South Region	-	-
North Region	1,806,985,698	1,696,628,521
Sylhet Region	65,497,757	75,197,258
Other	-	-
	11,688,807,654	11,777,227,373
	198,660,473,920	195,634,907,019
7.9 Sector-wise loans, advances and lease/investments		
Government & Autonomous bodies	-	-
Financial Institutions (Public & Private)	16,940,276,115	15,974,608,831
Private Sector	181,720,197,805	179,660,298,188
	198,660,473,920	195,634,907,019
7.10 Classification of loans, advances and lease/investments		
Unclassified		
Standard	186,251,433,408	178,294,482,729
Special Mention Account*	6,181,951,517	8,062,548,019
	192,433,384,925	186,357,030,747
Classified		
Sub-standard	416,183,441	1,247,982,467
Doubtful	154,793,956	198,164,454
Bad or loss	5,656,111,599	7,831,729,351
	6,227,088,995	9,277,876,272
	198,660,473,920	195,634,907,019

*Unclassified Loans and Advances includes Loans under stay orders from the Honourable High Court Division of the Supreme Court of Bangladesh.

In the year 2020, no loans and advances/investments were downgraded in compliance with BPRD circular no. 04 (19 March 2020), BRPD circular no. 13 (15 June 2020) and BRPD circular no. 17 (28 September 2020). Interest charged during the year on non-performing loans and advances/Investment has added with non-performing loans and advances/investment.

7.11 A) **Provision required for loans and advances**

			31.12.2020 Taka	31.12.2019 Taka
Status	Base for Provision	Rate %		
Unclassified:				
Unclassified	-	0	-	-
Unclassified	15,193,785,939	0.25	37,984,465	48,772,157
Unclassified	112,666,173,151	1	1,126,661,732	1,427,464,804
Unclassified	5,073,924,011	1.25	63,824,050	-
Unclassified	37,379,089,049	2	747,581,781	60,193,319
Unclassified	74,863,713	3	2,245,911	-
Unclassified	-	5	-	43,734,836
Unclassified	226,870,220	21	47,642,746	-
Unclassified	2,296,662,339	50	1,148,331,169	1,072,695,250
Unclassified	363,457,934	51	185,363,546	-
Unclassified	7,770,283,891	100	3,206,590,886	5,456,769,499
Special Mention account	33,533,358	0.25	83,833	2,212,271
Special Mention account	40,484,196	1	404,842	33,884,848
Special Mention account	496,556,506	1.25	6,206,956	-
Special Mention account	1,409,578,185	2	28,191,564	246,094
Special Mention account	-	5	-	157,647
Special Mention account	3,090,607,942	50	1,545,303,971	-
Special Mention account	40,363,172	51	22,872,464	-
Special Mention account	1,422,225	100	1,422,225	2,806,566,994
			8,170,712,141	10,952,697,720
Classified:				
Sub-Standard	40,439,810	5	2,021,990	157,166
Sub-Standard	121,771,819	20	24,354,364	144,281,728
Sub-Standard	53,876,094	50	26,938,047	-
Sub-Standard	309,238	100	309,238	-
Doubtful	1,965,343	5	98,267	86,187
Doubtful	20,475,249	20	4,095,050	-
Doubtful	1,567,535	50	783,768	31,564,721
Doubtful	13,052,334	100	13,052,334	-
Bad or loss	2,856,065,298	100	7,421,770,849	4,425,088,066
			7,493,423,907	4,601,177,868
Required provision for loans & advances			15,664,136,048	15,553,875,588
Total provision maintained			13,015,300,276	11,536,689,686
Provision will be maintained in future*			2,648,835,772	4,017,185,901
Excess / short provision as at 31 December			-	-
*As per BB NOC ref. no. DBI-1/92/2021-1025 dated 13 April 2021, shortfall of provision Taka 264.88 Crore will be maintained in the year 2021 & 2022 which has been shown under "Provision will be maintained in future".				
B) Provision for good borrower			30,163,697	34,523,697
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	43,983,078,066	1	439,830,781	465,959,670
Letter of Credit	24,124,738,481	1	241,247,385	244,214,136
Letter of Guarantee	42,601,454,604	1	426,014,546	418,414,138
Required provision			1,107,092,712	1,128,587,944
Total Provision Maintained			1,107,092,712	1,128,587,944
Excess / (Short) Provision as at 31 December			-	-

7.12 Securities against loans including bills purchased & discounted

a. Secured

Collateral of movable / immovable assets
Local Banks & Financial Institutions guarantee
Foreign Banks Guarantee
Export documents
Government Guarantee

Fixed Deposits Receipts

Own FDR
FDR of Other Banks
Personal Guarantee
Corporate Guarantee
Other Securities
Government bonds

b. Unsecured

7.13 Particulars of Loans, advances and lease/investments

- (i) Loans considered good in respect of which the bank company is fully secured;
- (ii) Loans considered good against which the banking company holds no security other than the debtor's personal guarantee;
- (iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors;
- (iv) Loans adversely classified; provision not maintained there against;
- (v) Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons;*
- (vi) Loans due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members;
- (vii) Maximum total amount of advances including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person;*
- (viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members;
- (ix) Due from banking companies;
- (x) Amount of classified loan on which interest has not been charged, should be mentioned as follows:
- a) Decrease / increase in provision;
- b) Amount realized against loan previously written off; **
- c) Amount of provision kept against loan classified as 'bad/loss' on the date of preparing the balance sheet;
- d) Interest creditable to the Interest Suspense A/c;
- (xi) Cumulative amount of the written off loan;***

	31.12.2020 Taka	31.12.2019 Taka
	128,666,270,357	120,727,777,615
	-	-
	-	-
	4,350,719,777	2,721,277,164
	-	-
	-	-
	1,564,454,856	4,141,535,033
	114,168,097	109,163,024
	17,895,598,328	23,485,424,732
	-	-
	44,305,423,165	43,963,816,529
	-	-
	196,896,634,580	195,148,994,097
	1,763,839,340	485,912,922
	198,660,473,920	195,634,907,019
	128,666,270,357	120,727,777,615
	17,895,598,328	23,485,424,732
	1,678,622,953	4,250,698,057
	-	-
	1,418,322,522	1,439,771,495
	84,057,146	35,659,537
	1,418,322,522	1,439,771,495
	84,057,146	35,659,537
	-	-
	-	-
	1,478,610,590	2,649,058,186
	51,333,611	82,879,861
	7,421,770,849	4,425,088,066
	-	-
	6,661,118,721	6,641,793,877

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

**The detail of Recovery up to December 31, 2020 from loan previously written off are disclosed in [Annexure - E](#)

*** The detail of the amount of the written - off loans up to December 31, 2020 are disclosed in [Annexure - F](#)

		31.12.2020 Taka	31.12.2019 Taka
8. Bills purchased and discounted			
In Bangladesh		2,247,689,518	2,381,387,601
Outside Bangladesh		228,351,305	243,020,952
		2,476,040,823	2,624,408,554
8(a) Consolidated Bills purchased and discounted			
Dhaka Bank Limited	(Note: 8)	2,476,040,823	2,624,408,554
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		2,476,040,823	2,624,408,554
8.1 Maturity grouping of bills purchased & discounted			
Payable within 1 month		970,847,495	1,174,616,055
Over 1 month but less than 3 months		1,259,745,246	1,237,381,042
Over 3 months but less than 6 months		243,960,066	212,411,457
6 months or more		1,488,016	-
		2,476,040,823	2,624,408,554
9. Fixed assets including premises, furniture and fixtures			
Cost/ Revaluation			
Land		2,301,877,536	2,301,877,536
Building		680,910,718	680,910,718
Furniture and fixture including office decoration		554,129,270	550,522,878
Office appliances and equipment		1,518,486,419	1,447,967,787
Computer		254,582,899	239,726,134
Software		777,122,587	738,440,514
Bank's vehicle		319,630,165	312,597,872
Right of use assets (ROU) as per IFRS 16		1,909,135,234	941,198,103
Work-in progress - land & building*		3,756,753,084	-
		12,072,627,912	7,213,241,543
Less: Accumulated depreciation		3,051,855,866	2,133,581,914
		9,020,772,046	5,079,659,629
(Details are given in Annexure - D)			
*Comparative amount for the year 2019 was presented in other assets under "Preliminary, formation, Work in progress, renovation expenses and prepaid expenses".			
BGMEA has offered a floor space at BGMEA Complex, Uttara (Phase III) through a letter ref. no. BGA/C&M/2019-10215 dated 30 October 2019 in exchange of the Bank's previous floor space at BGMEA building (Karwan bazar) and the negotiation is under process.			
9(a) Consolidated Fixed assets including premises, furniture and fixtures			
Dhaka Bank Limited	(Note: 9)	9,020,772,046	5,079,659,629
Dhaka Bank Securities Limited		12,265,218	8,080,258
Dhaka Bank Investment Limited		-	-
		9,033,037,264	5,087,739,886
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.		21,659,096	37,332,721
Advance rent	(Note: 10.1.a)	55,891,646	160,714,980
Prepaid expenses against advertisement		29,494,752	18,345,474
Interest/Profit accrued and other receivable	(Note: 10.2)	679,677,565	837,152,358
Security deposit		22,596,991	22,412,616
Preliminary, formation, Work in progress, renovation expenses and prepaid expenses	(Note: 10.3)	182,527,344	3,898,597,443
Branch adjustments	(Note: 10.4)	(84,217,768)	65,085,231
Suspense account	(Note: 10.5)	204,318,674	154,099,194
Others	(Note: 10.6)	9,228,827,569	9,090,487,183
		12,090,775,749	16,034,227,081

		31.12.2020 Taka	31.12.2019 Taka
10(a) Consolidated Other assets			
Dhaka Bank Limited	(Note: 10)	12,090,775,749	16,034,227,081
Dhaka Bank Securities Limited		271,187,749	296,987,856
Dhaka Bank Investment Limited		13,335,645	8,335,463
		12,375,299,143	16,339,550,400
Less: Inter-company transactions			
Investment in Dhaka Bank Securities Limited		1,499,999,940	1,499,999,940
Investment in Dhaka Bank Investment Limited		249,999,940	249,999,940
Stock dividend from Dhaka Bank Securities Limited		-	-
Receivable from Dhaka Bank Investment Limited		1,173,725	1,173,725
Receivable from Dhaka Bank Securities Limited		55,787,264	105,787,264
		1,806,960,869	1,856,960,869
		10,568,338,274	14,482,589,531
10.1 Investment in shares of subsidiary companies			
Dhaka Bank Securities Limited	(Note:1.9.1)	1,499,999,940	1,499,999,940
(99.99% owned subsidiary company of DBL)			
Dhaka Bank Investment Limited	(Note:1.9.2)	249,999,940	249,999,940
(99.99% owned subsidiary company of DBL)			
		1,749,999,880	1,749,999,880
Shareholding in Dhaka Bank Securities Limited as at 31 December 2020 was 208,700,056 shares after considering the stock dividend issued from 2011 to 2019.			
10.1.a Advance rent up to 2020 Tk. 212,705,594 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. The advance for work-in-progress of Head Office Building at Gulshan now presented as "work-in-process land & building" under the head Fixed assets including premises, furniture and fixtures.			
10.4 Branch adjustment			
Branch adjustment account represents outstanding amount of Inter-Branch and Head Office transactions at the Balance Sheet date.			
10.5 Suspense account			
Suspense Account represents advance paid against renovation of different branches which is Capital Expenditure and will be adjusted after receiving the final bills.			
10.6 Others			
Advance Tax	(Note: 10.6.1)	8,284,200,306	6,414,335,515
Deferred Tax Assets	(Note: 15.8)	496,371,796	68,291,675
Account receivable others	(Note: 10.6.2)	448,255,467	2,607,859,993
		9,228,827,569	9,090,487,183
10.6.1 Advance Tax			
Opening Balance		6,414,335,515	4,495,696,337
Add: Paid during the year		1,869,864,792	1,918,639,178
		8,284,200,306	6,414,335,515
Less: Adjustment during the year		-	-
		8,284,200,306	6,414,335,515
10.6.2 Account receivable others			
Receivable against Bangladesh / Paribar Sanchaya Patra		255,356,419	326,767,895
Fees receivable		61,632,925	63,124,915
Receivable from share sale proceeds		-	-
Dividend receivable		3,639,296	4,517,808
Finance to AD branches for Local Documentary Bill Purchased	(Note: 10.6.2.a)	29	1,708,314,074
Finance to AD branches for Import Bill Discounting	(Note: 10.6.2.b)	(1)	109,641,877
Protestation account		3,012,677	3,012,677
ATM settlement account		(38,453,022)	194,719,255
Receivable from exchange houses		1,669,271	2,141,341
Excise duty receivable		104,436,884	88,659,162
Receivable from Dhaka Bank Investment Limited		1,173,725	1,173,725
Receivable from Dhaka Bank Securities Limited		55,787,264	105,787,264
		448,255,467	2,607,859,993

	31.12.2020 Taka	31.12.2019 Taka
10.6.2.a In accordance with the FE Circular No.03 dated 04 February 2013 of Bangladesh Bank, the amount represents bills discounted to facilitate the exporters of the country.		
10.6.2.b In accordance with the BRPD Circular No.28 dated 05 September 2010 of Bangladesh Bank, Dhaka Bank Limited's Off-shore Banking Unit (OBU) has been financing the importers who import at usance basis through Bank's Authorised Dealer (AD) branches.		
10.7 Income generation grouping of Other assets		
Income generating		
Investment in shares of subsidiary companies	1,749,999,880	1,749,999,880
Account receivable others		
Finance to AD branches for Local Documentary Bill Purchased	29	1,708,314,074
Finance to AD branches for Import Bill Discounting	(1)	109,641,877
	1,749,999,908	3,567,955,831
Non-income generating		
Stationery, stamps, printing materials etc.	21,659,096	37,332,721
Advance rent	55,891,646	160,714,980
Prepaid expenses against advertisement	29,494,752	18,345,474
Interest/Profit accrued and other receivable	679,677,565	837,152,358
Security deposit	22,596,991	22,412,616
Preliminary, formation, work in progress, renovation expenses and prepaid expenses	182,527,344	3,898,597,443
Branch adjustments	(84,217,768)	65,085,231
Suspense account	204,318,674	154,099,194
Advance tax paid	8,284,200,306	6,414,335,515
Deferred Tax Assets	496,371,796	68,291,675
Account receivable others		
Receivable against Bangladesh / Paribar Sanchaya Patra	255,356,419	326,767,895
Protestation account	3,012,677	3,012,677
Receivable from exchange houses	1,669,271	2,141,341
Receivable from Dhaka Bank Investment Limited	1,173,725	1,173,725
Receivable from Dhaka Bank Securities Limited	55,787,264	105,787,264
Fees receivable	61,632,925	63,124,915
Excise Duty Receivable	104,436,884	88,659,162
Dividend Receivable	3,639,296	4,517,808
Receivable from share sale proceeds	-	-
ATM settlement account	(38,453,022)	194,719,255
	10,340,775,841	12,466,271,250
	12,090,775,749	16,034,227,081
11. Non-banking assets		
Land and Building	-	-
11(a) Consolidated Non-banking assets		
Dhaka Bank Limited	(Note: 11) -	-
Dhaka Bank Securities Limited	-	-
Dhaka Bank Investment Limited	-	-
	-	-
12. Borrowings from other banks, financial institutions and agents		
In Bangladesh	(Note: 12.1) 23,640,778,197	14,471,193,503
Outside Bangladesh	9,358,387,836	13,253,933,881
	32,999,166,033	27,725,127,384
12.1 In Bangladesh		
Call Borrowing		
Sonali Bank Ltd	1,000,000,000	-
Rupali Bank Ltd	2,000,000,000	-
IFIC Bank Ltd	1,900,000,000	-
Agrani Bank Ltd	1,090,000,000	-
Uttara Bank Ltd (SND)	1,400,000,000	-
	7,390,000,000	-

	31.12.2020 Taka	31.12.2019 Taka
Term Borrowing		
Term Borrowing (DBU to OBU)	7,363,952,300	5,804,312,637
Uttara Bank Ltd.	169,600,000	-
Mutual Trust Bank Limited	-	-
	7,533,552,300	5,804,312,637
Less : Inter Unit (OBU)	7,363,952,300	5,804,312,637
	7,559,600,000	-
Bangladesh Bank refinance		
Small and Medium Enterprise	324,025,517	114,537,917
Syndication	2,358,187,247	2,452,946,983
Green Banking	-	-
Export Development Fund	10,002,880,135	8,836,870,826
FSSP Fund	111,857,419	66,837,778
Mudaraba Refinance	-	3,000,000,000
Stimulus Fund	3,284,227,879	-
	16,081,178,197	14,471,193,503
Total	23,640,778,197	14,471,193,503
Outside Bangladesh		
Bank Muscat, Oman	2,120,000,000	1,443,300,000
Nabil Bank, Nepal	720,800,000	721,650,000
IFC	-	4,656,765,000
Caixa Bank	848,000,000	2,674,350,000
RAK Bank	1,028,641,000	594,300,000
INDUSIND BANK	339,200,000	-
NMB Bank	-	849,000,000
HABIB BANK	918,452,827	-
Standard Chartered	1,630,750,501	552,893,881
JP MORGAN	1,752,543,508	-
Noor Bank	-	1,124,925,000
DBS Bank	-	636,750,000
	9,358,387,836	13,253,933,881
	32,999,166,033	27,725,127,384

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 2020

Sl. No.	Counterparty Name	Agreement date	Reversal date	Amount in Taka
1	-	-	-	-

12.3 Disclosure regarding Outstanding Reverse Repo on 31 December 2020

Sl. No.	Counterparty Name	Agreement date	Reversal date	Amount in Taka
1	-	-	-	-

12.4 Disclosure regarding Overall transaction of Repo and Reverse Repo during 2020

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	105,103,876	773,174,250	1,003,299,176
2	With other Banks & FIs	98,916,797	767,464,793	184,156,061
Securities purchased under Reverse Repo				
1	From Bangladesh Bank	nil	nil	nil
2	From other Banks & FIs	56,950,807	2,112,875,040	718,987,410

		31.12.2020 Taka	31.12.2019 Taka
12.5 Analysis by security			
Secured (assets pledge as security for liabilities)		-	-
Unsecured		32,999,166,033	27,725,127,384
		32,999,166,033	27,725,127,384
12.6 Repayment pattern			
Repayable on demand		7,390,000,000	-
Repayable on maturity		25,609,166,033	27,725,127,384
		32,999,166,033	27,725,127,384
12.7 Maturity grouping			
Repayable on demand		7,390,000,000	-
Repayable within 1 month		169,600,000	-
Over 1 month but within 3 months		-	-
Over 3 month but within 6 months		111,857,419	66,837,778
Over 6 months but within 1 year		19,685,293,488	25,205,342,623
Over 1 year but within 5 years		5,642,415,126	2,452,946,983
Over 5 years		-	-
		32,999,166,033	27,725,127,384
12(a) Consolidated Borrowings from other banks, financial institutions and agents			
Dhaka Bank Limited	(Note: 12)	32,999,166,033	27,725,127,384
Dhaka Bank Securities Limited		1,752,626,722	2,418,106,138
Dhaka Bank Investment Limited		-	-
		34,751,792,755	30,143,233,522
Less: Inter company transaction		1,694,162,672	2,298,017,550
		33,057,630,083	27,845,215,972
13. Deposits and other accounts			
Current Accounts and other Accounts*	(Note: 13.1)	26,588,039,572	22,081,167,690
Bills Payable	(Note: 13.2)	2,452,855,109	2,101,736,305
Savings Bank Deposits	(Note: 13.3)	25,402,215,927	20,887,404,358
Term Deposits	(Note: 13.4)	151,223,873,061	159,459,715,875
		205,666,983,669	204,530,024,228
* Year wise current accounts were opened for distribution of cash dividend and accordingly dividend amount was duly transferred to the relevant current accounts. As on 31 December 2020, an amount of Tk. 46,294,817.88 (2019: Tk. 38,126,444.09) remained unclaimed with several current accounts.			
Non-interest bearing accounts			
13.1 Current Accounts and other Accounts			
Current account		15,158,599,682	12,552,107,484
Foreign currency deposits		464,311,813	181,114,154
Margin under Letter of Credit		2,138,549,727	1,875,046,797
Margin under Letter of Guarantee		1,566,903,446	1,602,196,152
Deposits awaiting disposal		6,601,660	7,601,151
Sundry deposit	(Note: 13.1.1)	7,253,073,244	5,863,101,952
		26,588,039,572	22,081,167,690
13.1.1 Sundry deposit			
F.C held against Back to Back L/C		6,620,973,053	5,259,026,507
Sundry creditors		564,251,815	533,464,426
Unclaimed deposits		53,690,367	55,531,241
Risk fund		-	-
Security deposits		14,158,009	15,079,779
Advance lease rent		-	-
		7,253,073,244	5,863,101,952

	31.12.2020 Taka	31.12.2019 Taka
13.2 Bills Payable		
Pay order	2,219,084,331	1,970,711,068
Demand draft	233,770,778	131,025,237
	2,452,855,109	2,101,736,305
Total Non-interest bearing accounts	29,040,894,681	24,182,903,996
Interest bearing Account		
13.3 Savings Bank Deposits		
Savings account	24,437,603,929	20,313,726,438
Mudaraba savings accounts	964,611,998	573,677,920
	25,402,215,927	20,887,404,358
13.4 Term Deposits		
Special Notice Deposits	20,373,540,965	17,484,731,744
Fixed Deposits	99,188,405,050	113,432,299,684
Deposit Pension Scheme	31,425,298,763	28,315,902,428
Gift Cheque	35,464,836	36,874,274
Marriage Deposit Scheme	-	-
Non Resident Foreign Currency Deposit (NFCD)	201,163,447	189,907,744
	151,223,873,061	159,459,715,875
13.4 (a) Consolidated Term deposits		
Dhaka Bank Limited	151,223,873,061	159,459,715,875
Dhaka Bank Securities Limited	-	-
Dhaka Bank Investment Limited	-	-
	151,223,873,061	159,459,715,875
Less: Inter company transaction	488,630,576	365,111,963
	150,735,242,485	159,094,603,912
Total Interest bearing Account	176,626,088,988	180,347,120,233
Total Deposits and other accounts	205,666,983,669	204,530,024,228
13.5 Deposits and Other Accounts		
Deposits from Banks	5,057,641,714	7,219,944,518
Deposits from Customers	200,609,341,955	197,310,079,710
	205,666,983,669	204,530,024,228
Deposits from Banks		
Current Deposits and Other Accounts	-	-
Savings Bank/Mudaraba	289,477,160	45,077,070
Special Notice Deposits	2,511,777	2,450,200
Fixed Deposits	4,765,652,778	7,172,417,248
	5,057,641,715	7,219,944,518
Deposits from Customers		
i) Current Deposits and Other Accounts		
Current Account	15,158,599,682	12,552,107,484
Foreign Currency Deposits	464,311,813	181,114,154
Margin under Letter of Credit	2,138,549,727	1,875,046,797
Margin under Letter of Guarantee	1,566,903,446	1,602,196,152
Deposits Awaiting Disposal	6,601,660	7,601,151
Sundry Deposit	7,253,073,244	5,863,101,952
	26,588,039,572	22,081,167,690

	31.12.2020 Taka	31.12.2019 Taka
ii) Bills Payable		
Pay Order	2,219,084,331	1,970,711,068
Demand Draft	233,770,778	131,025,237
	2,452,855,109	2,101,736,305
iii) Savings Deposits		
Savings Account	24,437,603,929	20,313,726,438
Mudaraba Savings Accounts	675,134,838	528,600,850
	25,112,738,767	20,842,327,288
iv) Term Deposits		
Special Notice Deposits	20,371,029,188	17,482,281,544
Fixed Deposits	94,422,752,272	106,259,882,436
Deposit Pension Scheme	31,425,298,763	28,315,902,428
Gift Cheque	35,464,836	36,874,274
Non Resident Foreign Currency Deposit (NFC)	201,163,447	189,907,744
	146,455,708,506	152,284,848,426
	200,609,341,954	197,310,079,710
13.6 Payable on Demand and Time Deposits		
a) Demand Deposits		
Current Account	15,158,599,682	12,552,107,484
Savings Deposits (10%)	2,540,221,593	2,088,740,436
Foreign Currency Deposits	464,311,813	181,114,154
Margin under Letter of Credit	2,138,549,727	1,875,046,797
Margin under Letter of Guarantee	1,566,903,446	1,602,196,152
Deposits Awaiting Disposal	6,601,660	7,601,151
Sundry Deposit	7,253,073,244	5,863,101,952
Bills Payable	2,452,855,109	2,101,736,305
	31,581,116,274	26,271,644,431
b) Time Deposits		
Savings Deposits (90%)	22,861,994,334	18,798,663,922
Special Notice Deposits	20,373,540,965	17,484,731,744
Fixed Deposits	99,188,405,050	113,432,299,684
Deposit Pension Scheme	31,425,298,763	28,315,902,428
Gift Cheque	35,464,836	36,874,274
Marriage Deposit Scheme	-	-
Non Resident Foreign Currency Deposit (NFC)	201,163,447	189,907,744
	174,085,867,395	178,258,379,797
	205,666,983,669	204,530,024,228
13.7 Maturity grouping of deposits and other accounts		
Other than Bank Deposits		
Payable on demand	29,076,359,517	24,219,778,270
Payable within 1 month	45,684,931,401	38,514,516,576
Over 1 month but within 3 months	50,339,220,414	53,830,313,946
Over 3 months but within 6 months	12,584,805,104	13,457,578,486
Over 6 months but within 1 year	25,169,610,207	26,915,156,973
Over 1 year but within 5 years	22,652,649,186	24,223,641,276
Over 5 years but within 10 years	15,101,766,124	16,149,094,184
	200,609,341,954	197,310,079,710
Inter-bank deposits		
Payable within 1 month	291,988,937	47,527,270
Over 1 month but within 3 months	-	-
Over 3 months but within 6 months	4,765,652,778	7,172,417,248
	5,057,641,715	7,219,944,518
	205,666,983,669	204,530,024,228

		31.12.2020 Taka	31.12.2019 Taka
13.8 Sector wise Deposits			
Government		1,858,867,029	2,512,970,102
Public Sector		10,720,086,285	11,826,279,633
Private sector		193,088,030,355	190,190,774,493
		205,666,983,669	204,530,024,228
13 (a) Consolidated Deposits and other accounts			
Dhaka Bank Limited	(Note: 13)	205,666,983,669	204,530,024,228
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		205,666,983,669	204,530,024,228
Less: Inter company transaction		488,630,576	365,111,963
		205,178,353,093	204,164,912,265
14. Non Convertible Subordinated Bond		6,800,000,000	7,400,000,000
<p>The Bank issued 1st tranche Redeemable Non Convertible Subordinated Bond of Taka 2,000,000,000 and the Bond has been fully redeemed in December 2017.</p> <p>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 180 Crore as of 31 December 2020). The Bond will be fully redeemed in the year 2023.</p> <p>Moreover, the Bank issued 3rd tranche of Non-Convertible Subordinated Bond of Tk. 5,000,000,000 with consent of BSEC vide letter no. BSEC/CI/CPLC/DS-210/2009/210 dated March 28, 2018 and from Bangladesh Bank vide letter no. BRPD (BFIS) 661/14B (P) 2018-2569 dated April 17, 2018. The redemption of the Bond will start from 2021 and will be fully redeemed in the year 2025.</p>			
15. Other Liabilities			
Accrued Interest		316,221,769	454,048,671
Provision on loans and advances	(Note: 15.1)	13,015,300,276	11,536,689,686
Provision for Good Borrower	(Note: 15.2)	30,163,697	34,523,697
Provision for Off Balance Sheet Exposure	(Note: 15.3)	1,107,092,712	1,128,587,944
Interest Suspense Account	(Note: 15.4)	2,694,392,204	2,630,075,425
Provision against expenses	(Note: 15.5)	378,556,098	188,976,991
Provision for decrease in value of investments	(Note: 38)	0	9,783,557
Provision for Other Assets	(Note: 15.6)	13,544,445	13,765,000
Fund for Dhaka Bank Foundation	(Note: 36.1)	32,140,751	31,320,090
Provision for current tax	(Note: 15.7)	8,882,170,853	7,302,146,957
Deferred tax liability		-	-
Tax deducted at source & payable		314,671,934	365,402,526
Excise Duty Payable		248,191,419	196,071,659
Other Account Payable	(Note: 15.9)	4,046,476,931	4,252,233,246
		31,078,923,089	28,143,625,450
15(a) Consolidated Other liabilities			
Dhaka Bank Limited	(Note: 15)	31,078,923,089	28,143,625,450
Dhaka Bank Securities Limited		1,326,969,749	1,069,653,231
Dhaka Bank Investment Limited		35,160,926	24,624,432
		32,441,053,765	29,237,903,113
Less: Inter-company transactions			
Dhaka Bank Securities Limited		55,787,264	105,787,264
Dhaka Bank Investment Limited		1,173,725	1,173,725
		56,960,989	106,960,989
		32,384,092,776	29,130,942,125

		31.12.2020 Taka	31.12.2019 Taka
15.1 Provision for loans and advances			
i) The Movement in specific provision for Bad and Doubtful Debts:			
Provision held at the beginning of the year		4,601,177,868	4,251,530,511
Specific provision	(+)	3,089,858,374	727,533,764
Recoveries from written off loans	(+)	-	-
Fully provided debt written off	(-)	(10,100,122)	(67,795,075)
Provision no longer required	(-)	(187,512,213)	(310,091,332)
Provision held at the end of the year		7,493,423,907	4,601,177,868
ii) The movement in general provision on unclassified loans:			
Provision held at the beginning of the year		6,935,511,818	4,636,100,990
Provision no longer required		(259,684,159)	(37,018)
Additional provision against Special General Provision-COVID-19		421,482,565	-
Additional provision except Special General Provision-COVID-19		(1,575,433,855)	2,299,447,847
Provision held at the end of the year		5,521,876,369	6,935,511,818
		13,015,300,276	11,536,689,686
15.2 Provision for Good Borrower			
Opening Balance		34,523,697	22,523,697
Add: Addition during the year		-	12,000,000
Less: Disbursement during the year		4,360,000	-
		30,163,697	34,523,697
15.3 Provision for Off Balance Sheet Exposures			
Opening balance		1,128,587,944	1,181,215,490
Add: Addition during the year		(21,495,232)	(52,627,546)
		1,107,092,712	1,128,587,944
Bank has made provision @ 1.00% on off balance sheet exposure (i.e. Acceptance & Endorsement, Letter of Credit & Letter of Guarantee) as per BRPD Circular number 14 dated 23.09.2012 from current year's profit.			
15.4 Interest Suspense Account			
Balance at the beginning of the year		2,630,075,425	2,306,715,100
Amount transferred to "Interest Suspense" A/c during the year	(+)	1,476,100,894	2,252,998,113
Amount recovered from "Interest Suspense" A/c during the year	(-)	(1,402,559,392)	(1,895,962,122)
Amount written off during the year	(-)	(9,224,724)	(33,675,666)
Balance at the end of the year		2,694,392,204	2,630,075,425
15.5 Provision against expenses			
Provision for Audit Fees		1,679,000	1,449,000
Provision for House Rent, Bonus, Utility, Risk Premium etc.		148,943,108	7,052,065
Provision for Promotional Expenses for Exchange Houses		576,459	519,079
Provision for Superannuation Fund		43,268,000	29,933,760
Provision for gratuity fund		161,630,000	981,965
Provision for Travel Passage		22,459,531	149,041,122
		378,556,098	188,976,991
15.6 Provision for other assets			
Balance at the beginning of the year		13,765,000	12,151,156
Less: Adjustment during the year		(220,555)	(133,577)
Add : Addition during the year		-	1,747,421
		13,544,445	13,765,000

15.7 Provision for current tax

Opening Balance
Add: Provision made during the year

Less: Adjustment during the year

	31.12.2020 Taka	31.12.2019 Taka
	7,302,146,957	5,748,025,360
	1,580,023,896	1,554,121,597
	8,882,170,853	7,302,146,957
	-	-
	8,882,170,853	7,302,146,957
	1,580,023,896	1,554,121,597
	-	-
	1,580,023,896	1,554,121,597
	(428,080,121)	(24,794,667)
	1,151,943,775	1,529,326,930

The charge for taxation is based upon profit for the year comprises:

Current tax on taxable income
Adjustment for prior year

Net deferred tax liability/(asset) originated for temporary differences

Income tax on profit

Provision for current tax of Taka 1,580,023,896 has been accounted for as prescribed by Finance Act, of the accounting profit of the Bank after considering some of the add backs to income and disallowances of expenditure as per Income Tax Ordinance, 1984.

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, 2014, 2015, 2016 & 2017. 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 file appeal. And for the year 2018 tax assessment process is going on. For 2019, tax return has been submitted within 15 Sep 2020. For 2020, tax return will be submitted within the stipulated time.

Corporate tax position of the bank has been shown in Annexure-H

15.7.1 Reconciliation of effective tax rate

	2020		2019	
	%	Taka	%	Taka
Profit before income tax as per profit and loss account		3,181,934,343		3,100,688,948
Income tax as per applicable tax rate	37.50%	1,193,225,379	37.50%	1,162,758,356
Factors affecting the tax charge for current year				
Non deductible expenses	13.55%	431,247,566	8.18%	253,513,849
Inadmissible expenses/provisions	23.86%	759,235,611	36.26%	1,124,206,891
Admissible expenses	-11.83%	(376,408,710)	-11.74%	(363,903,600)
Tax exempted income	-8.96%	(284,954,201)	-14.96%	(463,771,596)
Tax savings from reduced tax rates	-4.18%	(133,158,617)	-4.81%	(149,030,261)
Tax savings from reduced tax rates for dividend	-0.25%	(8,061,214)	-0.24%	(7,407,043)
Tax loss/(savings) from reduced tax rates for capital gain	-0.01%	(219,667)	-0.01%	(229,296)
Income from gain on sale of fixed assets	-0.03%	(882,251)	-0.07%	(2,015,703)
Last year adjustment	0.00%	-	0.00%	-
Total income tax expenses	49.66%	1,580,023,896	50.12%	1,554,121,597

15.7(a) Consolidated Provision for Current Tax

Dhaka Bank Limited
Dhaka Bank Securities Limited
Dhaka Bank Investment Limited

(Note: 15.7)

	8,882,170,853	7,302,146,957
	153,465,989	238,641,471
	30,186,401	22,875,707
	9,065,823,243	7,563,664,136

15.8 Deferred tax liabilities/(Asset)

			31.12.2020 Taka	31.12.2019 Taka
31 December 2020	Carrying amount	Tax base		(Taxable)/ deductible temporary difference
Fixed Asset excluding land	1,762,421,569	2,065,544,399		(303,122,830)
Deductible temporary difference :				
Provision against classified loan (BL)	(936,291,417)	-		(936,291,417)
Right of use of assets	987,014,264			987,014,264
Lease obligation	(1,071,258,139)			(1,071,258,139)
				(1,323,658,123)
Applicable tax rate				37.5%
Deferred tax liability/(asset)				(496,371,796)
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 fund	981,965	-		(981,965)
Provision for Superannuation fund	29,933,760	-		(29,933,760)
Taxable temporary difference				(112,942,600)
Applicable tax rate				37.5%
Deferred Tax Liability				(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)
Deferred tax expense/ (Income)				
Closing Deferred tax (Asset)/Liability			(496,371,796)	(42,353,475)
Opening Deferred tax (Asset)/Liability			(68,291,675)	(17,558,808)
			(428,080,121)	(24,794,667)
Deferred tax is provided using the balance sheet method for timing difference arising between the tax base of assets and liabilities and their carrying values for reporting purposes as per International Accounting Standard (IAS) 12 and BRPD circular no. 11 dated 12 December 2011.				
15.8(a) Consolidated Deferred tax liabilities				
Dhaka Bank Limited			(428,080,121)	(24,794,667)
Dhaka Bank Securities Limited			(914,104)	(914,104)
Dhaka Bank Investment Limited			-	-
			(428,994,226)	(25,708,772)
15.9 Other Account Payable				
3 month and 5 years Bangladesh/Sanchay Patra & BB Foreign Invest. Bond			22,461,037	15,260,976
Application, Processing, Membership & Utilisation Fee			9,238,099	14,382,793
Adjusting Account Credit			281,645,895	324,435,163
Export Proceeds Suspense			1,350,040,208	795,518,571
Finance from Bill Discounting OBU		(Note: 15.9.1)	598,077,481	2,001,308,360
Compensation Income of Islamic Banking operations		(Note: 15.9.2)	101,920,001	49,173,697
ATM settlement account			(3,310,545)	234,705,581
Import Payment Suspense			615,146,617	201,387,994
Leased liabilities as per IFRS 16		(Note: 15.9.3)	1,071,258,139	616,060,110
			4,046,476,931	4,252,233,246

	31.12.2020 Taka	31.12.2019 Taka
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 Refer to Note 2.13.1 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		
853,211,819 ordinary shares (2019:853,211,819 ordinary shares of Tk. 10.00 each) of Tk.10.00 each	8,532,118,190	8,125,826,850
42,660,590 ordinary shares of Tk.10.00 each*	426,605,900	406,291,340
	8,958,724,090	8,532,118,190
*The Bank increased its paid up capital by issuance of 5% Bonus shares i.e. 42,660,590 ordinary shares of Tk. 10.00 each on 27 August 2020. The denomination of the face value of share was fixed at Tk. 10.00 per share instead of Tk. 100.00 per share by passing a special resolution in the 4th EGM of the Bank held on July 04, 2010.		
16.3 Initial Public Offer (IPO)		
Out of the total issued, subscribed and paid up capital of the bank 1,320,000 Ordinary shares of Tk.100 each amounting to Tk.132,000,000 was raised through public offering of shares held in 24 February 2000.		
16.4 Right Issue		
The Bank has increased its paid up capital twice by issuance of 2R:5 and 1R:2 right share at par on 15 April 2003 and 30 November 2005 respectively.		
16.5 History of Paid-up Capital		

Year	Declaration	No. of share	Value in Capital	Cumulative
1995	Opening Capital	1,000,000	100,000,000	100,000,000
1996	10% Stock Dividend	100,000	10,000,000	110,000,000
1997	20% Stock Dividend	220,000	22,000,000	132,000,000
1998	9% Stock, 10% Cash Dividend & IPO	118,800	11,880,000	275,880,000
1999	25% Cash	-	-	275,880,000
2000	25% Cash & 10% Stock Dividend	275,880	27,588,000	303,468,000
2001	25% Cash & 25% Stock Dividend	758,670	75,867,000	379,335,000
2002	20% Cash & (15,17,340 nos. right shares)	1,517,340	151,734,000	531,069,000
2003	15% Cash & 25% stock Dividend	1,327,672	132,767,200	663,836,200
2004	35% Stock & 1R:2	5,642,608	564,260,800	1,228,097,000
2005	5% Stock Dividend	614,048	61,404,800	1,289,501,900
2006	10% Cash & 20% Stock Dividend	2,579,003	257,900,300	1,547,402,300
2007	25% Stock Dividend	3,868,505	386,850,500	1,934,252,875
2008	15% Cash & 10% Stock Dividend	1,934,252	193,425,200	2,127,678,200
2009	25% Stock Dividend	5,319,195	531,919,500	2,659,597,800
2010	35% Stock Dividend	9,308,592	93,085,920	3,590,457,030
2011	5% Cash & 30% Stock Dividend	107,713,710	1,077,137,100	4,667,594,130
2012	16% Stock Dividend	74,681,506	746,815,060	5,414,409,190
2013	17% Cash & 5% stock Dividend	27,072,045	270,720,450	5,685,129,640
2014	14% Cash & 10% Stock Dividend	56,851,296	568,512,960	6,253,642,600
2015	6% Cash & 10% Stock Dividend	62,536,426	625,364,260	6,879,006,860
2016	10% Cash & 5% Stock Dividend	34,395,033	343,950,330	7,222,957,200
2017	12.5% Stock Dividend	90,286,965	902,869,650	8,125,826,850
2018	5% Cash & 5% Stock Dividend	40,629,134	406,291,340	8,532,118,190
2019	5% Cash & 5% Stock Dividend	42,660,590	426,605,900	8,958,724,090

31.12.2020
Taka31.12.2019
Taka

16.6 Percentage of shareholding

Particulars	31.12.2020		31.12.2019	
	% of holdings	Value of Shares (Tk.)	% of holdings	Value of Shares (Tk.)
1. Local Ownership				
Government	-	-	-	-
Bank/Financial Institutions	12.8567	1,151,801,640	12.8407	1,095,584,820
Sponsors	41.1171	3,683,564,190	40.6219	3,465,905,170
General Public	42.4367	3,801,778,740	43.0367	3,671,941,760
Mutual Fund	0.6682	59,864,080	0.7463	63,672,950
Unit Funds	1.6239	145,479,890	1.4703	125,448,330
ICB Account Holders	0.0760	6,808,250	0.0821	7,006,450
ICB Head office (Investors A/c)	0.0454	4,064,550	0.0474	4,040,680
ICB Mutual Fund	0.0234	2,100,000	0.0239	2,040,000
ICB Unit Fund	0.1033	9,254,460	0.0835	7,123,300
ICB AMCL Unit Fund	0.0363	3,256,250	0.0308	2,625,000
Non-Resident Bangladeshi (NRB)	0.2551	22,850,420	0.2525	21,543,290
ICB Asset Management Company Ltd.	0.1699	15,225,000	0.1699	14,500,000
ICB Investors A/C, Local Office	0.1127	10,096,840	0.1127	9,616,040
ICB Capital Management Limited	0.2852	25,554,210	0.2913	24,854,360
ICB AMCL First Mutual Fund	0.1894	16,971,010	0.1894	16,162,870
Other Investor's A/C	-	-	-	-
	99.9993	8,958,669,530	99.9994	8,532,065,020
2. Foreign Ownership				
Financial Company	0.0006	54,560	0.0006	53,170
Individual Investors	-	-	-	-
	0.0006	54,560	0.0006	53,170
	100.00	8,958,724,090	100.00	8,532,118,190

16.7 Classification of shareholders by holding

Holdings	31.12.2020		31.12.2019	
	No. of share holders	Number of Shares	No. of share holders	Number of Shares
1 to 500 shares	9,749	1,584,010	10,330	1,667,867
501 to 5,000 shares	9,371	17,420,792	10,366	19,191,035
5,001 to 10,000 shares	1,537	10,662,695	1,765	12,350,505
10,001 to 20,000 shares	1,019	14,261,397	1,113	15,520,194
20,001 to 30,000 shares	338	8,264,908	402	9,841,534
30,001 to 40,000 shares	201	7,003,540	200	6,859,799
40,001 to 50,000 shares	121	5,504,256	147	6,648,921
50,001 to 100,000 shares	262	18,175,490	298	20,800,894
100,001 to 1,000,000 shares	300	85,980,259	354	99,114,549
1000001 & above shares	119	727,015,062	108	661,216,521
	23,017	895,872,409	25,083	853,211,819

31.12.2020
Taka31.12.2019
Taka

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

Sl. No.	Name of Directors	2020		2019	
		No. of shares	Value of share (Tk.)	No. of shares	Value of share (Tk.)
1	Mr. Abdul Hai Sarker	20,433,046	204,330,460	19,460,044	194,600,440
2	Mr. Abdullah Al Ahsan	17,921,114	179,211,140	17,067,728	170,677,280
3	Mr. Altaf Hossain Sarker	24,984,499	249,844,990	23,794,761	237,947,610
4	Mrs. Rokshana Zaman	21,946,408	219,464,080	20,901,342	209,013,420
5	Mr. Reshadur Rahman	30,763,405	307,634,050	28,798,481	287,984,810
6	Mr. Tahidul Hossain Chowdhury	17,992,569	179,925,690	17,135,780	171,357,800
7	Mr. Md. Amirullah	17,919,575	179,195,750	17,066,262	170,662,620
8	Mr. Jashim Uddin	17,919,737	179,197,370	17,066,417	170,664,170
9	Mr. Mohammed Hanif	27,288,823	272,888,230	25,989,356	259,893,560
10	Mr. Khondoker Monir Uddin	25,728,247	257,282,470	24,503,094	245,030,940
11	Mrs. Rakhi Das Gupta*	17,918,332	179,183,320	17,065,079	170,650,790
12	Mr. Khondoker Jamil Uddin**	17,919,491	179,194,910	17,066,182	170,661,820
13	Mr. Amanullah Sarker	17,919,579	179,195,790	17,066,266	170,662,660
14	Mr. Mirza Yasser Abbas	32,995,417	329,954,170	31,424,207	314,242,070
15	Mrs. Manoara Khandaker	17,951,269	179,512,690	17,096,448	170,964,480
16	Mr. M.A. Yussouf Khan	Nil	Nil	Nil	Nil
17	Mr. Muzibur Rahman	Nil	Nil	Nil	Nil
18	Mr. A.S. Salahuddin Ahmed	Nil	Nil	Nil	Nil
	Total	327,601,511	3,276,015,110	311,501,447	3,115,014,470

* Mrs. Rakhi Das Gupta became a Director of the Bank on 13.08.2020.

** Mr. Khondoker Jamil Uddin ceased to be a Director of the Bank w.e.f. 16.11.2020

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

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

Paid up Capital	8,958,724,090	8,532,118,190
Statutory Reserve	8,263,438,249	7,627,051,380
General Reserve	6,560,631	6,560,631
Surplus in Profit and Loss Account	1,514,780,946	974,389,056
	18,743,503,916	17,140,119,257

Less : Regulatory Adjustment

Deferred Tax Assets (DTA)	496,371,796	68,291,675
Book value of Goodwill and value of all other Intangible Assets** (Written down value of Software which is treated as Intangible Assets)	534,506,775	569,154,096
	17,712,625,345	16,502,673,486

Additional Tier 1 Capital (AT 1)

	-	-
	17,712,625,345	16,502,673,486

Total Tier - I CapitalTier - II Capital (gone concern capital)

General Provision	(Note - 16.9.1)	6,628,969,081	8,064,099,762
Asset Revaluation Reserve (50%)	(Note-18.2)	-	-
Revaluation Reserve for HTM & HFT Securities (50%)	(Note - 16.9.2)	-	-
Non-convertible Subordinated Bond	(Note-16.9.3)	4,674,795,524	6,605,126,699
		11,303,764,604	14,669,226,461

Less : Regulatory Adjustment

	-	-
	11,303,764,604	14,669,226,461

Total Tier - II Capital**A. Total Eligible Capital**

	29,016,389,949	31,171,899,947
--	-----------------------	-----------------------

	31.12.2020 Taka	31.12.2019 Taka
B. Risk Weighted Assets		
Credit Risk		
Balance sheet business	149,846,797,831	146,575,017,791
Off- Balance sheet business	31,205,773,016	30,862,177,695
	181,052,570,848	177,437,195,487
Market Risk	2,695,900,024	277,289,448
Operational Risk	16,088,997,723	15,683,739,348
Total Risk-weighted Assets	199,837,468,594	193,398,224,283
C. Required Capital on Risk Weighted Assets	24,979,683,574	24,174,778,035
D. Capital Surplus / (Shortfall) [A-C]	4,036,706,375	6,997,121,912
Total Capital Ratio (%)*	14.52%	16.12%

Capital Requirement	2020		2019	
	Required (%)	Held (%)	Required (%)	Held (%)
Tier - I Capital (going concern capital)	8.50%	8.86%	-	8.53%
Tier - II Capital (gone concern capital)	4.00%	5.66%	-	7.58%
Total	12.50%	14.52%	12.50%	16.12%

* CRAR has been calculated as per the return submitted to Bangladesh Bank.

- 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. Dhaka Bank Limited 2nd Subordinated Bond amounting Tk. 3,000,000,000 was issued on May, 2016 which is treated as Supplementary Capital (Tier- II). The tenure of the bond is 7 years. Hence, the reduction of the bond amount from regulatory capital has started from May 2019. Also DBL 3rd Subordinated Bond amounting Tk. 5,000,000,000 was issued on August, 2018 which is treated as Supplementary Capital (Tier- II). The tenure of the bond is 7 years. Hence, the reduction of the bond amount from regulatory capital has started from August 2021.

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	8,958,724,090	8,532,118,190
Minority Interest	63,411	67,600
Statutory Reserve	8,263,438,249	7,627,051,380
General Reserve	6,560,631	6,560,631
Surplus in Profit and Loss Account	2,108,972,761	1,618,562,389
	19,337,759,142	17,784,360,190
Less : Regulatory Adjustment		
Book value of Goodwill and value of all other Intangible Assets**	534,506,775	569,154,096
(**Written down value of Software which is treated as Intangible Assets)		
Deferred Tax Assets (DTA)	496,371,796	70,454,097
	18,306,880,571	17,144,751,997

		31.12.2020 Taka	31.12.2019 Taka
Additional Tier 1 Capital (AT 1)		-	-
Total Tier - I Capital		18,306,880,571	17,144,751,997
Tier - II Capital (gone concern capital)			
General Provision		6,628,969,081	8,064,099,762
Asset Revaluation Reserve (50%)	(Note-18.2)	-	-
Revaluation Reserve for HTM & HFT Securities (50%)		-	-
Non-convertible Subordinated Bond	(Note-16.9.1)	5,086,818,746.07	7,175,870,288
		11,715,787,827	15,239,970,050
Less : Regulatory Adjustment		-	-
Total Tier - II Capital		11,715,787,827	15,239,970,050
A. Total Eligible Capital		30,022,668,398	32,384,722,048
B. Risk Weighted Assets			
Credit Risk			
Balance sheet business		151,857,847,515	148,360,727,465
Off- Balance sheet business		31,205,773,016	30,862,177,695
		183,063,620,532	179,222,905,160
Market Risk		5,549,974,232	3,016,251,556
Operational Risk		16,453,151,997	16,100,219,544
Total Risk-weighted Assets		205,066,746,760	198,339,376,261
C. Required Capital on Risk Weighted Assets		25,633,343,345	24,792,422,033
D. Capital Surplus / (Shortfall) [A-C]		4,389,325,053	7,592,300,015
Total Capital Ratio (%)*		14.64%	16.33%

Capital Requirement	2020		2019	
	Required (%)	Held (%)	Required (%)	Held (%)
Tier - I Capital (going concern capital)	8.50%	8.93%	-	8.64%
Tier - II Capital (gone concern capital)	4.00%	5.71%	-	7.68%
Total	12.50%	14.64%	12.50%	16.33%

* CRAR has been calculated as per the return submitted to Bangladesh Bank.

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

7,627,051,380	7,006,913,590
636,386,869	620,137,790
8,263,438,249	7,627,051,380

As per Section 24 of The Bank Company Act, 1991, and amendment thereon, every scheduled bank is required to build up statutory reserve and before declaring dividend, will transfer profit equivalent to 20.0% of PBT to the said reserve until the sum of the said reserve and share premium account becomes equal to the paid up capital.

18. Other Reserve

General reserve
Assets revaluation reserve
Investment revaluation reserve

(Note 18.1)
(Note 18.2)
(Note 18.3)

6,560,631	6,560,631
-	-
48,649,969	70,495,379
55,210,600	77,056,010

18(a) Consolidated other Reserve

Dhaka Bank Limited
Dhaka Bank Securities Limited
Dhaka Bank Investment Limited

	31.12.2020 Taka	31.12.2019 Taka
	55,210,600	77,056,010
	49,200,000	41,100,000
	-	-
	104,410,600	118,156,010

18.1 General Reserve

Opening balance
Add: Addition during the year

Less: Transfer to Capital Account for issue of Bonus Shares

	6,560,631	6,560,631
	-	-
	6,560,631	6,560,631
	-	-
	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
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
Add: Addition during the year
Less: Adjustment during the year
Closing balance

	70,495,379	33,162,249
	-	37,333,130
	(32,143,835)	-
	38,351,544	70,495,379

Revaluation Reserve for HFT Securities

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

	-	-
	10,298,425	-
	-	-
	10,298,425	-
	48,649,969	70,495,379

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

	31.12.2020 Taka	31.12.2019 Taka
19. Surplus in profit and loss account		
Opening balance	974,389,056	820,995,974
Add: Post-tax profit for the year	2,029,990,568	1,571,362,018
Transferred from general reserve	-	-
Prior year Adjustment made during the year	-	14,751,536
	3,004,379,624	2,407,109,528
Less: Transfer to statutory reserve	636,386,869	620,137,790
Stock dividend	426,605,900	406,291,340
Cash dividend	426,605,910	406,291,343
	1,489,598,679	1,432,720,472
	1,514,780,946	974,389,056
19(a) Consolidated Surplus in profit and loss account (attributable to equity holders of DBL)		
Opening balance	1,618,562,389	1,417,367,181
Add: Post-tax profit for the period	1,988,109,050	1,623,564,144
Transferred from general reserve	-	-
Adjustment made during the period	-	14,751,536
	3,606,671,439	3,055,682,861
Less: Transfer to statutory reserve	636,386,869	620,137,790
Transfer to investment fluctuation fund	8,100,000	4,400,000
Stock dividend	426,605,900	406,291,340
Cash dividend	426,605,910	406,291,343
Stock dividend paid by subsidiary	-	-
	1,497,698,679	1,437,120,472
	2,108,972,761	1,618,562,389
19.1 (a) Non-controlling interest		
Opening balance	67,600	62,379
Add: Addition for the year from Dhaka Bank Securities Limited	(5,624)	4,003
Addition for the year from Dhaka Bank Investment Limited	1,435	1,218
Dhaka Bank Investment Limited	-	-
	63,411	67,600
20. Profit & Loss Account		
Income		
Interest, discount and similar income	17,714,105,807	21,590,108,042
Dividend Income	46,064,080	42,325,962
Fee, Commission and Brokerage	1,981,816,786	2,238,053,544
Gains less Losses arising from dealing securities	-	-
Gains less Losses arising from investment securities	3,508,667,286	2,526,352,319
Gains less Losses arising from dealing in foreign currencies	717,094,530	1,183,140,129
Income from non-banking assets	-	-
Other operating income	192,826,921	259,979,988
Profit less Losses on interest rate changes	-	-
	24,160,575,410	27,839,959,983
Expenses		
Interest, fee and commission	13,995,651,517	17,040,147,154
Administrative expenses	3,008,971,406	3,163,144,267
Other operating expenses	844,840,059	834,026,719
Depreciation and repairs of Bank's assets	1,104,549,790	704,067,852
	18,954,012,771	21,741,385,992
	5,206,562,639	6,098,573,992

21 Contingent Liabilities**Acceptances & Endorsements****Irrevocable Letters of Credit**

Usance/Defer Letter of Credit

Sight Letter of Credit

Back to Back Letter of Credit

BD-Sight (EDF)

Back to Back - Local

Letters of Guarantee

Bid Bond

Performance Bond

Counter Guarantee

Other Guarantee

Shipping Guarantee

Bills for Collection

Local Bills for Collection

Foreign Bills for Collection

Other Contingent Liabilities

Bangladesh/Pratirakhkha/Paribar Sanchay Patra

ICB Unit Certificate

Forward Exchange Position

US Investment & Premium Bond

Contingent Interest Suspend

**31.12.2020
Taka****31.12.2019
Taka**

43,983,078,066

46,595,967,020

24,124,738,481

24,421,413,575

10,072,586,228

11,336,822,634

5,780,328,554

5,639,458,423

2,720,748,821

3,028,196,812

1,988,616,953

798,595,778

3,562,457,925

3,618,339,928

(Note: 21.2)

42,601,454,604

41,841,413,769

2,067,024,556

2,823,060,584

20,751,751,805

20,945,694,100

467,848,606

518,074,044

16,545,294,540

15,834,397,423

2,769,535,097

1,720,187,618

11,734,534,422

11,630,577,299

7,400,846,811

6,826,002,781

4,333,687,611

4,804,574,518

8,433,433,063

7,893,409,257

1,963,590,000

1,967,540,000

51,340,900

51,340,900

272

764,595,272

338,945,200

366,709,100

6,079,556,691

4,743,223,985

130,877,238,636**132,382,780,922****21.1** The amount represents the forward position of foreign currencies at the end of the period December 31, 2020 which are very short term in nature and adjustment are made on a continuous basis.**21.2 Letters of Guarantee**

Money for which the Bank is contingently liable in respect of guarantees given favouring:

Directors

Government

Bank and other financial institutions

Others

-

-

20,270,720,620

30,406,416,922

287,682,611

150,344,889

22,043,051,373

11,284,651,958

42,601,454,604

41,841,413,769

**2020
Taka****2019
Taka****22. Interest income/profit on investments**

Term Loan

Overdrafts

Loan against Imported Merchandise/Murabaha

Loan against Trust Receipt

Packing Credits

Cash Credits/Bai-Muajjal

Payment against Documents

House Building Loan

Transport Loan

Syndicate Loan

Lease Rental/Izara

Credit Card

Total Interest / profit & Rental Income on loans & advances

Call Lending and Fund Placement with banks

Accounts with Foreign Banks

8,917,218,006

10,788,099,480

5,004,605,046

5,918,743,943

-

-

865,881,792

1,148,228,915

41,005,762

61,427,293

612,841,884

852,898,951

7,514,738

24,298,629

204,795,650

247,662,602

260,747,861

262,526,629

443,768,179

561,691,302

587,516,623

640,572,995

82,106,937

70,226,594

17,028,002,478

20,576,377,332

627,020,489

925,599,556

59,082,840

88,131,154

17,714,105,807**21,590,108,042**

		2020 Taka	2019 Taka
22(a) Consolidated Interest income/profit on investments			
Dhaka Bank Limited	(Note: 22)	17,714,105,807	21,590,108,042
Dhaka Bank Securities Limited		104,426,658	175,334,765
Dhaka Bank Investment Limited		-	-
		17,818,532,465	21,765,442,807
Less: Intercompany transaction		187,268,596	226,105,385
		17,631,263,869	21,539,337,422
23. Interest paid/profit on deposits and borrowings, etc.			
Savings Account including Mudaraba		556,603,904	489,594,426
Special Notice Deposit		706,346,301	863,088,199
Term Deposits		7,277,332,921	10,055,593,302
Deposits under Scheme		3,073,711,655	2,766,387,803
Call Borrowing & Fund Placement		72,776,069	137,909,583
Non-convertible Subordinate Bond		692,228,767	796,769,864
Repurchase Agreement (REPO)		100,029,233	33,441,063
Overseas Accounts charges		19,304,510	1,536,345
Leased assets		-	75,597
HTM / HFT Securities		787,276,871	633,367,513
Others	(Note: 23.1)	710,041,286	1,262,383,458
		13,995,651,517	17,040,147,154
23.1 Others			
Interest paid on NFCB		4,550,015	6,133,141
Interest/profit paid against Refinance from Bangladesh Bank		357,703,717	580,188,827
Interest paid on Gift Cheque		463,796	693,663
Interest paid on Excel Account		531,514	461,624
Interest on Finance Bill Rediscounting		14,488,326	72,495,854
Interest on Fund Borrowing-OBU		332,303,918	602,410,350
Treasury Bond Premium	(Note: 23.1.a)	-	-
		710,041,286	1,262,383,458
23.1.a Treasury Bond Premium expenses reflects the amount of interest accrued up to the date of purchase of the Treasury Bond. This amount has been paid at the time of purchase of the Bond.			
23(a) Consolidated Interest / Profit Paid On Deposits & Borrowings, etc.			
Dhaka Bank Limited	(Note: 23)	13,995,651,517	17,040,147,154
Dhaka Bank Securities Limited		171,862,865	225,701,486
Dhaka Bank Investment Limited		-	-
		14,167,514,382	17,265,848,640
Less: Inter company transaction		213,350,660	231,574,841
		13,954,163,722	17,034,273,799
24. Investment income			
Interest on Treasury bills / bonds		2,244,298,107	733,856,846
Profit on Govt. Islamic Bond		19,479,368	13,009,188
Capital Gain on Government Securities		759,877,870	1,236,724,257
Interest on Commercial Papers		-	-
Interest on Subordinated Bond		484,213,152	541,928,223
Dividend on Shares		46,064,080	42,325,962
		3,553,932,577	2,567,844,476

		2020 Taka	2019 Taka
24(a) Consolidated Investment income			
Dhaka Bank Limited	(Note: 24)	3,553,932,577	2,567,844,476
Dhaka Bank Securities Limited		214,496,107	137,814,309
Dhaka Bank Investment Limited		-	-
		3,768,428,684	2,705,658,785
25. Commission, exchange and brokerage			
Commission on Letter of Credit		615,510,609	809,926,864
Commission on Letter of Guarantee		252,572,109	262,947,471
Commission on Remittance/Bills		99,682,592	105,635,457
Processing Fee Consumer Loan		54,180,645	11,002,636
Other Comm/ Fees (Clearing, cash tr., risk prem., utilisation fee etc.)		874,314,543	967,971,306
Rebate from Foreign Bank outside Bangladesh		16,488,468	19,452,414
Commission & Fee on Credit Card		69,067,821	61,117,397
Exchange gain including gain from foreign currency dealings		717,094,530	1,183,140,129
		2,698,911,317	3,421,193,673
25(a) Consolidated Commission, exchange and brokerage			
Dhaka Bank Limited	(Note: 25)	2,698,911,317	3,421,193,673
Dhaka Bank Securities Limited		61,693,264	64,295,978
Dhaka Bank Investment Limited		-	-
		2,760,604,581	3,485,489,651
26. Other operating income			
Other Income on Credit Card and ATM		27,165,460	24,739,900
Incidental charges		103,415,628	118,986,060
Swift charge recoveries		17,910,370	18,939,490
Locker rent		11,252,687	11,469,658
Capital gain on sale of shares	(Note: 26.1)	798,789	833,805
Profit from sale of fixed assets		4,110,666	8,958,680
Recovery from written off loans		28,972,109	76,886,200
		193,625,709	260,813,792
26.1 Capital gain on sale of shares			
Sale proceeds of Shares		1,453,439	2,512,380
Less: Cost of Shares		654,650	1,678,575
		798,789	833,805
26(a) Consolidated other operating income			
Dhaka Bank Limited	(Note: 26)	193,625,709	260,813,792
Dhaka Bank Securities Limited		1,037,671	1,869,364
Dhaka Bank Investment Limited		26,312,064	18,959,652
		220,975,444	281,642,808
Less: Inter company transaction		26,082,064	5,469,456
		194,893,380	276,173,352
27. Salary and allowances			
Basic salary		840,426,918	822,813,336
Allowances		1,117,284,663	1,097,285,611
Bonus & ex-gratia		165,059,905	138,940,869
Leave fare assistance		146,570,070	144,492,954
Contribution to superannuation fund		43,268,000	29,933,760
Bank contribution to gratuity fund		161,630,000	981,965
Bank's contribution to provident fund		82,884,128	80,632,691
		2,557,123,684	2,315,081,186

		2020 Taka	2019 Taka
27(a) Consolidated Salary and allowances			
Dhaka Bank Limited	(Note: 27)	2,557,123,684	2,315,081,186
Dhaka Bank Securities Limited		36,619,893	44,008,612
Dhaka Bank Investment Limited		-	-
		2,593,743,577	2,359,089,798
28. Rent, taxes, insurance, electricity, etc.			
Office rent	(Note: 28.1)	(46,556,567)	271,689,345
Electricity and lighting		72,351,005	77,352,186
Regulatory charges		10,547,329	22,919,798
Insurance		129,788,918	123,740,658
		166,130,685	495,701,987
28.1 Office rent		503,188,723	469,536,594
Less: Reversal of rent expenses due to depreciation and interest expenses under IFRS 16 "Leases"		549,745,290	197,847,249
		(46,556,567)	271,689,345
While implementing IFRS 16 Leases, the Bank recorded interest expense on lease liabilities and depreciation on right of use assets instead of charging rental expense (excluding VAT) against those rental premises that have been treated as right of use assets and presented in the balance sheet under IFRS 16.			
Lease concession for application of practical expedient for Covid-19 as per IFRS 16 have been adjusted with office rent.			
28(a) Consolidated Rent, taxes, insurance, lighting etc.			
Dhaka Bank Limited	(Note: 28)	166,130,685	495,701,987
Dhaka Bank Securities Limited		7,192,000	18,048,154
Dhaka Bank Investment Limited		-	-
		173,322,685	513,750,142
29. Legal expenses			
Legal expenses		18,257,329	84,364,161
Other professional fees		19,445,235	65,051,070
		37,702,564	149,415,231
29(a) Consolidated Legal expenses			
Dhaka Bank Limited	(Note: 29)	37,702,564	149,415,231
Dhaka Bank Securities Limited		233,500	229,425
Dhaka Bank Investment Limited		-	-
		37,936,064	149,644,656
30. Postage, stamps, telecommunication, etc.			
Stamps, postage & courier		4,382,152	3,845,301
Telephone charges		7,621,184	8,318,644
Fax, internet & radio link charges		33,417,566	33,464,262
		45,420,902	45,628,207
30(a) Consolidated Postage, stamps, telecommunication, etc.			
Dhaka Bank Limited	(Note: 30)	45,420,902	45,628,207
Dhaka Bank Securities Limited		418,261	567,920
Dhaka Bank Investment Limited		-	-
		45,839,163	46,196,127
31. Stationery, Printing, Advertisement, etc.			
Table stationery		13,815,073	14,513,511
Printing stationery		50,988,031	55,475,137
Security stationery		12,424,130	6,700,890
Computer stationery		23,292,426	25,962,697
Advertisement		87,107,302	62,441,685
		187,626,962	165,093,921

		2020 Taka	2019 Taka
31(a) Consolidated Stationery, Printing, Advertisement, etc.			
Dhaka Bank Limited	(Note: 31)	187,626,962	165,093,921
Dhaka Bank Securities Limited		2,391,880	2,800,803
Dhaka Bank Investment Limited		-	-
		190,018,842	167,894,724
32. Chief Executive's salary and fees			
Basic salary		6,673,332	13,261,430
House rent allowances		616,000	269,167
Living allowances		308,000	376,833
Medical allowances		102,667	107,667
Bonus		1,300,000	2,470,000
		8,999,999	16,485,097
32(a) Consolidated Chief executive's salary and fees			
Dhaka Bank Limited	(Note: 32)	8,999,999	16,485,097
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		8,999,999	16,485,097
33. Directors' fees			
Directors fees		4,190,140	4,027,280
Fees related to Shariah Council Meeting		96,800	160,800
Board/Executive Committee / Shariah Council Meeting Expenses		670	35,317
		4,287,610	4,223,397
As per Bangladesh Bank's Circular, BRPD Circular No. 11, dated 4 October 2015, each director was entitled to have Taka 8,000 as honorarium for attending each meeting.			
33(a) Consolidated Directors' fees			
Dhaka Bank Limited	(Note: 33)	4,287,610	4,223,397
Dhaka Bank Securities Limited		941,990	1,208,553
Dhaka Bank Investment Limited		-	-
		5,229,600	5,431,950
34. Auditor's fees			
34(a) Consolidated Auditor's fees			
Dhaka Bank Limited	(Note: 34)	1,679,000	1,449,000
Dhaka Bank Securities Limited		287,500	287,500
Dhaka Bank Investment Limited		69,000	115,000
		2,035,500	1,851,500
35. Depreciation and repairs of bank's assets			
Depreciation & Amortization			
Building		17,022,768	16,780,312
Furniture & Fixture		40,056,691	38,792,348
Office Appliance & Equipment		176,166,278	177,796,687
Computer		17,463,420	16,890,493
Software		73,508,496	69,909,400
Motor Vehicle		57,672,535	53,843,842
Right of use assets (ROU) as per IFRS 16		539,856,449	169,558,928
		921,746,637	543,572,010
Repair & Maintenance:			
Office Premises		27,538,113	39,228,857
Office Equipment		22,242,448	32,329,817
Office Furniture		1,609,240	3,079,383
Motor Vehicle		9,761,351	11,944,372
Computer and accessories		3,521,162	3,818,647
Software (AMC)		118,130,839	70,094,765
		182,803,153	160,495,841
		1,104,549,790	704,067,852

		2020 Taka	2019 Taka
35(a) Consolidated Depreciation and repairs of bank's assets			
Dhaka Bank Limited	(Note: 35)	1,104,549,790	704,067,852
Dhaka Bank Securities Limited		17,087,088	8,925,441
Dhaka Bank Investment Limited		-	-
		1,121,636,878	712,993,292
36. Other Expenses			
Contractual service charge (own & third party)		355,374,129	343,192,931
Fuel Costs		19,087,092	24,946,259
Entertainment (canteen & other)		19,096,477	32,730,918
AGM & Conference expense		2,905,302	6,825,577
Donation		174,340,654	56,221,192
Subscription		5,132,564	4,932,951
Travelling expenses		8,640,404	21,713,463
Conveyance		11,863,435	17,132,765
Branch opening expenses		759,588	1,031,791
Godown expenses		1,986,059	4,225,676
Training expenses		4,647,498	18,326,339
Bond issue expenses		615,752	23,645,000
Books and papers		2,447,839	1,947,913
WASA charges		5,404,989	4,779,076
Staff uniform		3,088,162	3,359,665
Potted plants		1,806,317	2,624,020
Business development & promotion		22,576,175	102,039,739
Reuters charges		2,542,448	2,312,668
Fees and expenses for credit card		48,726,622	40,848,982
ATM network service charges		35,636,063	23,536,647
Dhaka Bank Foundation	(Note: 36.1)	32,140,751	31,320,090
Interest expense for lease liability as per IFRS 16		86,021,739	36,399,299
		844,840,059	804,092,959
36.1 Fund for Dhaka Bank Foundation			
Opening balance		31,320,090	29,823,259
Add: Addition during the year		32,140,751	31,320,090
Less: Transferred to DBL Foundation Trustee Account		(31,320,090)	(29,823,259)
Closing balance		32,140,751	31,320,090
Dhaka Bank Limited has been contributing towards Dhaka Bank Foundation since 2003, @1% on pre tax profit (i.e. profit after provision for loans and other provisions) as per the decision of the Executive Committee of the Board of Directors.			
36(a) Consolidated Other Expenses			
Dhaka Bank Limited	(Note: 36)	844,840,059	804,092,959
Dhaka Bank Securities Limited		7,620,166	9,412,030
Dhaka Bank Investment Limited		1,190,700	101,725
		853,650,925	813,606,714
37. Provision against loans & advances			
On classified loans & advances*		3,089,858,374	727,533,764
On unclassified loans & advances (Special General Provision-COVID-19)		421,482,565	-
On unclassified loans & advances (except Special General Provision-COVID-19)		(1,575,433,855)	2,299,447,847
		1,935,907,084	3,026,981,611
* Provision for classified loans & advances of December 2020 consists of Tk. 2,918,083,415 for specific loans & advances and Tk. 171,774,959 for written off and settlement cases.			

		2020 Taka	2019 Taka
37(a) Consolidated Provision against loans & advances			
Dhaka Bank Limited		1,935,907,084	3,026,981,611
Dhaka Bank Securities Limited		245,111,141	2,500,000
Dhaka Bank Investment Limited		-	-
		2,181,018,225	3,029,481,611
38. Provision for diminution in value of investments			
In quoted shares			
Opening balance		-	-
Less: Adjustment during the year		(9,783,557)	-
Add: Addition during the year		-	9,783,557
Closing balance		(9,783,557)	9,783,557
Unquoted		-	-
		(9,783,557)	9,783,557
38(a) Consolidated Provision for diminution in value of investments			
Dhaka Bank Limited		(9,783,557)	9,783,557
Dhaka Bank Securities Limited		-	2,500,000
Dhaka Bank Investment Limited		-	-
		(9,783,557)	12,283,557
39. Other provisions			
Provision for off balance sheet items	(Note: 39.1)	(21,495,232)	(52,627,546)
Provision for other assets	(Note: 15.6)	-	1,747,421
Provision for Incentive bonus		120,000,000	-
		98,504,768	(50,880,125)
39.1 Provision against Off Balance Sheet exposures			
On off balance sheet exposures		(21,495,232)	(52,627,546)
Bank has made provision @ 1.00% on off balance sheet exposure (i.e. Acceptance & Endorsement, Letter of Credit & Letter of Guarantee) as per BRPD Circular number 14 dated 23.09.2012 from current year's profit.			
39(a) Consolidated Other provisions			
Dhaka Bank Limited	(Note: 39)	98,504,768	(50,880,125)
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		98,504,768	(50,880,125)
40. Earnings per share (EPS)			
Net profit after taxation		2,029,990,568	1,571,362,018
Number of ordinary shares outstanding		895,872,409	895,872,409
Earnings per share (EPS)-Restated		2.27	1.75
Earnings Per Share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2020 as per International accounting Standards (IAS)-33. According to IAS-33, EPS for the year ended 31 December 2019 was restated for the issues of bonus shares (for 2019) in 2020.			
In the year 2020, deferred tax income of amounting Taka 42.81 Crore (Taka 2.48 Crore in the year 2019) is included in net profit after taxation amount.			
40(a) Consolidated Earnings per share (CEPS)			
Net profit after taxation		1,988,104,861	1,623,569,365
Less: Non-controlling interest		(4,189)	5,221
Net profit attributable to the shareholders of parent company		1,988,109,050	1,623,564,144
Number of ordinary shares outstanding		895,872,409	895,872,409
Consolidated Earnings per share (CEPS)-Restated		2.22	1.81

		2020 Taka	2019 Taka
41. Receipts from other operating activities			
Exchange earnings		126,300,879	89,122,238
Other operating income		160,542,934	189,720,446
		286,843,813	278,842,684
Non Operating Income		-	-
		286,843,813	278,842,684
41(a) Consolidated Receipts from other operating activities			
Dhaka Bank Limited	(Note: 41)	286,843,813	278,842,684
Dhaka Bank Securities Limited		1,037,671	1,869,364
Dhaka Bank Investment Limited		26,312,064	18,959,652
		314,193,548	299,671,699
Less: Intercompany Transactions		26,082,064	5,469,456
		288,111,484	294,202,244
42. Payments for other operating activities			
Rent, Taxes, Insurance, Lighting etc.		715,875,975	495,701,987
Directors' fees & Meeting expenses		4,287,610	4,223,397
Repair of bank's assets		182,803,153	160,495,841
Other expenses		758,818,320	817,592,959
		1,661,785,058	1,478,014,185
Dhaka Bank Foundation		(32,140,751)	(31,320,090)
		1,629,644,307	1,446,694,094
42(a) Consolidated Payments for other operating activities			
Dhaka Bank Limited	(Note: 42)	1,629,644,307	1,446,694,094
Dhaka Bank Securities Limited		8,562,156	34,438,525
Dhaka Bank Investment Limited		1,190,700	101,725
		1,639,397,163	1,481,234,345
43. Other Assets			
Stationery, stamps, printing materials etc.		21,659,096	37,332,721
Advance rent and advertisement		134,401,948	179,060,454
Security deposit		22,596,991	22,412,616
Preliminary, formation, work in progress and organization expenses, renovation / development expenses and prepaid expenses		182,527,344	3,898,597,443
Branch adjustments		(84,217,768)	65,085,231
Suspense account		204,318,674	154,099,194
Other assets		448,255,467	2,662,524,464
		929,541,752	7,019,112,124
(Increase) / decrease during the year		6,034,905,901	13,803,198,517
43(a) Consolidated Other Assets			
Dhaka Bank Limited	(Note: 43)	6,034,905,901	13,803,198,517
Dhaka Bank Securities Limited		9,310,243	9,280,587
Dhaka Bank Investment Limited		1,107,825	-
		6,045,323,969	13,812,479,104
44. Other liabilities			
Provision against expenses		258,556,098	155,217,266
Provision for other assets		13,544,445	13,765,000
Interest suspense account		2,694,392,204	2,630,075,425
Other account payable		2,975,218,792	4,250,502,441
		5,941,711,539	7,049,560,132

	2020 Taka	2019 Taka
Amount transferred to DBL Foundation Trustee Account	(31,320,090)	(29,823,259)
Adjustment of Loss on shares from Provision for decrease in value of Investment	-	-
Rebate disbursed to Good Borrowers	(4,360,000)	-
Adjustment of Loan from Provision	(457,296,495)	(377,886,407)
Increase/(decrease) during the year	(1,020,255,599)	(1,989,287,140)
44(a) Consolidated Other Liabilities		
Dhaka Bank Limited (Note: 44)	(1,020,255,599)	(1,989,287,140)
Dhaka Bank Securities Limited	(12,340,344)	(88,232,957)
Dhaka Bank Investment Limited	115,000	115,000
	(1,032,480,943)	(2,077,405,097)
45 Reconciliation statement of cash flows from operating activities		
Net profit after taxation	2,029,990,568	1,571,362,018
Addition of:		
Depreciation	921,746,637	543,572,010
Provision (Tax)	1,151,943,775	1,529,326,930
Provision (loans and others)	2,056,769,046	3,018,720,859
Increase in interest payable	-	-
Decrease in interest receivable	(137,826,902)	(4,934,126)
Prior year adjustment made during the year	-	14,751,534
IFRS 16 effect	(463,723,551)	-
Deduction:		
Effects of exchange rate changes on cash & cash equivalent	(590,793,651)	(1,094,017,891)
Proceeds from sale of fixed assets	(4,110,666)	(8,958,680)
Proceeds from sale of securities	(759,877,870)	(1,236,724,257)
Increase in interest receivable	157,474,793	(78,963,270)
Income taxes paid	(1,869,864,792)	(1,918,639,178)
Operating profit before changes in operating assets and liabilities	2,491,727,387	2,335,495,949
46 Calculation of Net Operating Cash Flow per share (NOCFPS)		
Net cash flow from operating activities (Solo)	5,168,518,278	6,312,533,281
Net cash flow from operating activities (consolidated)	5,308,044,498	6,226,510,074
Number of ordinary shares outstanding	895,872,409	895,872,409
Net Operating Cash Flow per share (NOCFPS)-Solo	5.77	7.05
Net Operating Cash Flow per share (NOCFPS)-Consolidated	5.93	6.95
47 Calculation of Net Asset value per share (NAVPS)		
Shareholders' Equity (Solo)	18,792,153,885	17,210,614,636
Shareholders' Equity (Consolidated)	19,435,609,111	17,895,955,569
Number of ordinary shares outstanding	895,872,409	895,872,409
Net Asset value per share (NAVPS)-Solo	20.98	19.21
Net Asset value per share (NAVPS)-Consolidated	21.69	19.98

48 Segment Reporting

(Figure in '000)

Particulars	Conventional Banking	Islamic Banking	Off-Shore Banking Unit (OBU)	Dhaka Bank Securities Limited (DBSL)	Dhaka Bank Investment Limited (DBIL)	Total
Total Operating Income	9,310,267	313,285	541,372	209,791	26,312	10,401,027
Allocated Expenses	4,858,800	81,486	18,075	72,792	1,260	5,032,413
Operating Profit (Before Tax & Provision)	4,451,467	231,798	523,297	136,999	25,052	5,368,614
Total Provision (Loans/Advances & Others)	2,022,088	-	2,540	245,111	-	2,269,739
Profit Before Tax	2,429,379	231,798	520,757	(108,113)	25,052	3,098,874
Provision for Income Tax	1,151,944	-	-	(51,872)	10,697	1,110,769
Net Profit	1,277,436	231,798	520,757	(56,241)	14,355	1,988,104
Segment Assets	261,497,396	10,637,961	19,212,115	5,166,875	341,338	296,855,685
Segment Liabilities	261,497,396	10,637,961	19,212,115	5,166,875	341,338	296,855,685

49 Events after reporting period

Board of Directors in its 397th meeting held on 6 May 2021 decided to recommend 6% cash and 6% stock dividend subject to approval of shareholders in the Annual General Meeting (AGM).

50 General

50.1 Core risk management

BRPD circular no.17 (7 October 2003) and BRPD circular no.4 (5 March 2007) require banks to put in place an effective risk management system. Bangladesh Bank monitors the progress of implementation of these guidelines through its on-site inspection teams through routine inspection. The risk management systems in place at the Bank are discussed below.

50.1.1 Credit risk

It arises mainly from lending, trade finance, leasing and treasury businesses. This can be described as potential loss arising from the failure of a counter party to perform as per contractual agreement with the Bank. The failure may result from unwillingness of the counter party or decline in his/her financial condition. Therefore, the Bank's credit risk management activities have been designed to address all these issues.

The Bank has segregated duties of the officers/executives, involved in credit related activities. Separate Corporate/SME/Retail divisions have been formed at Head Office which are entrusted with the duties of maintaining effective relationship with customers, marketing of credit products, exploring new business opportunities etc. Moreover, credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, three separate units have been formed within the Credit Risk Management (CRM) Division. These are (a) Credit Risk Management Unit (b) Central Processing Center and (c) Special Assets Management Division to Credit Monitoring and Recovery. Credit Risk Management Unit is entrusted with the duties of maintaining asset quality, assessing risk in lending, sanctioning credit, formulating policy/strategy for lending operation, etc. For retail lending, a separate Retail Unit is there, for SME their is a separate SME unit and for Agriculture there is also a separate Agriculture Division to assess risk, approve and monitor those loans.

A thorough risk assessment is done before sanction of any credit facility at Credit Risk Management Units. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the credit facility etc. The assessment process starts at the relationship level and ends at Credit Risk Management Unit when it is approved/declined by the competent authority. Credit approval authority has been delegated to the individual executives. Proposals beyond their delegation are approved/declined by the Executive Committee and/or the Board of Directors of the Bank.

In determining Single borrower/Large loan limit, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted at regular intervals to ensure compliance of Bank's and Regulatory policies. Loans are classified as per Bangladesh Bank's guidelines.

50.1.2 Asset liability management risk

For better management of asset and liability risk, the Bank has an established Assets Liability Committee (ALCO) which meets at least once a month. The members of ALCO as at 31 December 2020 were as follows:

Managing Director & Chief Executive Officer

Additional Managing Director

DMD - Credit Risk Management

DMD - Operations

Chief Risk Officer

Chief Financial Officer

Head of Liability & Cash Management

Head of IT

Head of Treasury

Head of Credit Risk Management

Head of Retail

Head of Islamic Banking Division

The ALCO's primary function is to formulate policies and guidelines for the strategic management of the bank using pertinent information that has been provided through the ALCO process together with knowledge of the individual businesses managed by members of the committee. ALCO regularly reviews the Bank's overall asset and liability position, forward looking asset and liability pipeline, overall economic position, the Banks' liquidity position, capital adequacy, balance sheet risk, interest risk and makes necessary changes in its mix as and when required.

The Bank maintains specified liquidity and funding ratio limits to ensure financial flexibility to cope with unexpected future cash demands. ALCO monitors the liquidity and funding ratios on an ongoing basis and ascertains liquidity requirements under various stress situations. In order to ensure liquidity against all commitments, the Bank reviews the behaviour patterns of liquidity requirements. The Bank has an approved Liquidity Contingency Plan (LCP) which is reviewed and updated on an annual basis by ALCO. All regulatory requirements including CRR, SLR and RWA are reviewed by ALCO.

50.1.3 Foreign exchange risk

Foreign exchange risk is defined as the potential change in earnings due to change in market prices. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements.

Treasury Department independently conducts the transactions and the back office of treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Mark-to-Market rate as determined by Bangladesh Bank at the month-end. The Bank maintains various nostro accounts in order to conduct operations in different currencies including TK. The senior management of the Bank sets limits for handling nostro account transactions. All Nostro accounts are reconciled on a monthly basis and outstanding entries beyond 30 days are reviewed by the management for its settlement.

As at 31 December, if there is any debit entry unreconciled for 3 months or more, therefore provision is kept in accordance with FEPD circular no. 677 (13 September 2005).

50.1.4 Internal control and compliance

Effective internal controls are the foundation of safe and sound banking. A properly designed and consistently enforced system of operational and financial internal control helps a bank's management safeguard the bank's resources, produce reliable financial reports and comply with laws and regulations. Effective internal control also reduces the possibility of significant errors and irregularities and assists in their timely detection when they do occur.

Internal Control and Compliance (ICC) operates independently as a division consisting three units (Audit & Inspection, Monitoring and Compliance) with prime responsibility to determine risks by evaluating overall Business, Operations & Credit Portfolios of the Bank. The key objective of ICC is to assist and guide in all aspects of the bank using adequate resources for identification of weaknesses and taking appropriate measures to overcome the same to be a compliant bank.

ICC has a unique reporting line to the Bank's Board of Directors through the Audit Committee and to the Managing Director & CEO. Thus it acts as a bridge between the board and the Bank's management. An effective organisational structure has been established by exercising durable Internal Control culture within the Bank.

50.1.5 Reputation risk arising from money laundering incidences

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks, the Bank has a designated Head of Internal Control & Compliance at Head Office and Compliance Officers at branches, who independently review the transactions of the accounts to verify suspicious transactions. Manuals for prevention of money laundering have been established and Transaction profile has been introduced. Training is continuously given to all the category of Officers and Executives for developing awareness and skill for identifying suspicious activities/transactions.

50.1.6 Information technology

Relevant hardware, software and networking equipment is in place to support operations of online branches, internet banking, SMS service, call centre, Tele Banking, POS and ATM network. These devices are providing superior performance resulting in better end-user satisfaction. To ensure uninterrupted and smooth customer service in all branches and SME centres, IT division continuously work on performance tuning for database and application, networking and server hardware on regular basis. Continuous investments are going on to do the necessary upgradation on hardware and software to increase the Bank's centralised online banking and other peripheral service requirements.

50.2 Audit committee

According to BRPD circular no.12 (23 December 2002), all banks are advised to constitute an audit committee comprising members of the Board. The audit committee will assist the Board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plans set by the Board for effective functioning of the bank. The committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct.

The Bank, being a listed entity bank, have a board of directors from whom to select an audit committee. The Audit Committee of the Board of Directors consist of four members of the Board, which meets on a regular basis with the senior management of the Bank, and with the internal and external auditors to consider and review the nature and scope of the reviews and the effectiveness of the systems of internal control and compliance as well as the financial statements of the Bank. All audit reports issued by internal and external auditors and all inspection/audit reports issued by Bangladesh Bank are sent to the Audit Committee.

50.2.1 Particulars of audit committee

Pursuant to the BRPD Circular no. 12 dated 23 December 2002, the Audit Committee of the Board of Directors as at 31 December 2020 consisted of the following 5 members of the Board:

<u>Name</u>	<u>Status with bank</u>	<u>Status with committee</u>	<u>Educational qualification</u>
Mr. M. A. Yussouf Khan	Independent Director	Chairman	Bachelor of Arts
Mrs. Rokshana Zaman	Director	Member Till 06.08.2020	Intermediate
Mr. Abdullah Al Ahsan	Vice Chairman	Member w.e.f. 07.08.2020	M.Com
Mrs. Manoara Khandaker	Director	Member Till 06.08.2020	Bachelor of Arts
Mr. Tahidul Hossain Chowdhury	Director	Member w.e.f.07.08.2020	Bachelor of Arts
Mr. Khondoker Jamil Uddin	Director	Member w.e.f. 07.08.2020 to 16.11.2020	MSS (DU); M.Phil. (DU)
Mr. Md. Amirullah	Director	Member Till 06.08.2020	Bachelor of Commerce
Mr. A. S. Salahuddin Ahmed	Independent Director	Member	M.Sc. (DU); PGDIM(Netherlands)

50.2.2 Meetings held by the Audit Committee with senior management to consider and review the Bank's Financial Statements:

During the period under review the Audit Committee held several meetings to oversee/review various functions including reviewing the quarterly financial statements in compliance with the Bangladesh Bank circular.

Meetings held by the committee during the year by date:

- 96th Audit Committee Meeting held on 25 February 2020
- 97th Audit Committee Meeting held on 18 June 2020
- 98th Audit Committee Meeting held on 23 July 2020
- 99th Audit Committee Meeting held on 21 October 2020
- 100th Audit Committee Meeting held on 28 December 2020

50.2.3 Steps taken for implementation of an effective internal control procedure of the Bank:

Through circular the Audit 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 stipulated time.

50.3 Interest rate risk

Interest rate risk may arise either from trading portfolio or from non-trading portfolio. The trading portfolio of the Bank consists of Government treasury bills and bonds of different maturities. Interest rate risk arises from mismatches between the future yield of an asset and their funding cost. Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis and Treasury Division actively manages the Balance Sheet gap profitably on a regular basis.

50.4 Equity risk

Equity risk arises from movement in market value of equities held. The risks are monitored by Special Banking Wing under a well designed policy framework. The total market value of equities held was higher than the total cost price at the balance sheet date (**Annexure-B**).

50.5 Operational risk

Operational risk may arise from error and fraud due to lack of internal control and compliance. Management through Internal Control and Compliance Division controls operational procedure of the Bank. Internal Control and Compliance Division undertakes periodic and special audit of the branches and departments at the Head Office for review of the operation and compliance of statutory requirements. The Audit Committee of the Board subsequently reviews the reports of the Internal Control and Compliance Division.

50.6 Implementation of BASEL-III

Basel III reforms are the response of Basel Committee on Banking Supervision (BCBS) to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spill over from the financial sector to the real economy.

The Committee introduced transitional arrangements to implement the new standards that help to ensure that the banking sector can meet the higher capital standards through reasonable earnings retention and capital raising, while still supporting lending to the economy. In line with the Basel framework, Bangladesh Bank issued transitional arrangements for Basel III implementation in Bangladesh. The phase-in arrangements for Basel III implementation in Bangladesh has been effective from 1 January 2015 in accordance with BRPD Circular no- 18 dated 21 December 2014.

Internal Capital Adequacy Assessment Process (ICAAP)

Internal Capital Adequacy Assessment Process (ICAAP) represents the Bank's own assessment of its internal capital requirements. The Bank's approach to calculating its own internal capital requirement has been to take the minimum capital required for credit risk, market risk and operational risk under Pillar-I as the starting point, assess whether this is sufficient to cover those risks and then identify other risks (Pillar-II) and assess prudent level of capital to meet them.

The assessment is undertaken using time series of data and Bangladesh Bank's guidelines on Risk Based Capital Adequacy to assess the likelihood of occurrence and potential impact. Purposes of Internal Capital Adequacy Assessment Process are to:

i) inform the Board of Directors about

- assessing risks
- initiatives to mitigate identified risks
- capital requirement to support the operations in light of identified risks

ii) comply with Bangladesh Bank's requirement.

50.7 Exchange rates

The assets and liabilities as at 31 December in foreign currencies have been converted to TK at the following rates:

	<u>2020</u>	<u>2019</u>
	<u>Taka</u>	<u>Taka</u>
USD 1 =	84.80	84.90
GBP 1 =	114.33	110.81
AUD 1 =	64.52	59.07
EUR 1 =	103.97	94.91
CHF 1 =	95.83	86.97
JPY 1 =	0.82	0.77
SAR 1 =	22.49	22.49
SGD 1 =	64.00	63.23

50.8 Credit rating of the Bank

As per the BRPD instruction circular no.6 dated 5 July 2006, the Bank has done its credit rating by Emerging Credit Rating Limited based on the financial statements dated 31 December 2019.

Particulars	Date of Rating	Long term	Short term	Rating Valid
Entity Rating	30-Jun-20	AA	ST-2	7-Apr-21
		Very strong capacity & very high quality	Strong capacity for timely repayment	

50.9 Number of employees

The number of employees engaged for the whole year or part thereof who received a total remuneration of TK 36,000 p.a. or above were 1,568 at the end of December 2020 as against 1,614 at the end of December 2019.

50.10 Impact of COVID 19:

Following the declaration of COVID 19 as a pandemic by the World Health Organization (WHO) in early March 2020, like many other governments, the Government of Bangladesh introduced restrictive measures to contain further spread of the virus, affecting free movement of people and goods. These measures included imposing nationwide general holidays from 26 March 2020 to 30 June 2020. It may impact overall profitability of the Bank.

Considering the long term impact of COVID 19 on most sectors in economy of Bangladesh, Bangladesh Bank (BB) has issued circular dated 28 September 2020 not to downgrade the clients' loan classification status from 31 December 2019 even no payment is made. Consequently, the bank is not affected which could have been affected if circular is not issued. In addition, BB has issued circulars to provide stimulus package for some sectors through commercial bank. Both facilitate to boost the economy and banking operations during this pandemic.

The Management has also assessed the overall impact on COVID 19 and has not identified any indications that may cast doubt on going concern of the group and the bank. Bank's primary business has not impacted expressively as it has a significant growth even the pandemic declared by WHO except in cards and trade business. Moreover, the Management continue to monitor the spread of the virus and its impact, it may have on the Bank's operations.

50.11 Highlights on the overall activities of the Bank

Sl No.	Particulars	31.12.2020	31.12.2019
1	Paid up Capital	8,958,724,090	8,532,118,190
2	Total Capital	29,016,389,949	31,171,899,947
3	Capital surplus / (deficit) (Note - 16.9)	4,036,706,375	6,997,121,912
4	Total Assets	295,337,226,676	285,009,391,699
5	Total Deposits	205,666,983,669	204,530,024,228
6	Total Loans and Advances	198,660,473,920	195,634,907,019
7	Total Contingent Liabilities and Commitments	130,877,238,636	132,382,780,922
8	Credit Deposit Ratio (%)	83.28	84.97
9	Percentage of classified loans against total loans and advances (%)	3.13	4.74
10	Profit after tax and provision	2,029,990,568	1,571,362,018
11	Amount of classified loans during the year	6,227,088,995	9,277,876,272
12	Provisions kept against classified loans	7,493,423,907	4,601,177,868
13	Provision surplus / (deficit)	-	-
14	Cost of fund [deposit cost & overhead cost] (%)	7.85	9.28
15	Interest earning Assets	247,417,504,983	242,137,495,098
16	Non-interest earning Assets	47,919,721,693	42,871,896,601
17	Return on Investment (ROI) [%]	9.34	7.99
18	Return on Assets (ROA) [%]	0.70	0.56
19	Income from Investments	3,553,932,577	2,567,844,476
20	Earning per Share (Taka)	2.27	1.75
21	Price Earning Ratio (Times)	5.25	6.84

50.12 Previous year's figures have been rearranged, wherever necessary, to conform with the current year's presentation.

Dhaka Bank Limited
Currency wise Balances
As at 31 December 2020

Annexure-A

Name of the bank	Location	Name of currency	2020			2019		
			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	8,628,674	84.80	731,711,536	13,609,266	84.90	1,155,426,700
Mashreq Bank	New York	USD	1,062,730	84.80	90,119,514	591,664	84.90	50,232,308
Habib American Bank, OBU	New York	USD	10,553,042	84.80	894,897,924	18,671,573	84.90	1,585,216,534
Commerz Bank	Frankfurt	USD	192,437	84.80	16,318,682	124,652	84.90	10,582,943
Habib American Bank	USA	USD	840,100	84.80	71,240,513	4,695,702	84.90	398,665,138
Wells Fargo Bank N.A.	New York	USD	995,278	84.80	84,399,542	686,317	84.90	58,268,325
JP Morgan Chase Bank NA	USA	USD	3,299,382	84.80	279,787,620	3,503,850	84.90	297,476,899
Standard Chartered Bank	Mumbai	ACUD	335,614	84.80	28,460,059	49,252	84.90	4,181,457
Sonali Bank	Kolkata	ACUD	136,748	84.80	11,596,230	462,949	84.90	39,304,387
AB Bank	Mumbai	ACUD	1,560,889	84.80	132,363,363	427,218	84.90	36,270,772
Nepal Bangladesh Bank	Nepal	ACUD	281,207	84.80	23,846,355	198,762	84.90	16,874,917
Sampath Bank	Srilanka	ACUD	95,789	84.80	8,122,946	39,663	84.90	3,367,381
Bhutan National Bank	Bhutan	ACUD	89,971	84.80	7,629,555	89,971	84.90	7,638,552
Bank of Bhutan	Bhutan	ACUD	61,938	84.80	5,252,328	79,773	84.90	6,772,744
Habib Metropolitan Bank Ltd.	Pakistan	ACUD	39,850	84.80	3,379,253	894,901	84.90	75,977,131
Dhaka Bank OBU Nostro	OBU	USD	-	-	-	-	84.90	-
ICICI Bank Limited	India	ACUD	1,940,247	84.80	164,532,945	(158,206)	84.90	(13,431,683)
Mashreq Bank	Mumbai	ACUD	1,408,799	84.80	119,466,144	695,233	84.90	59,025,255
United Bank Of India	Kolkata	ACUD	1,100,502	84.80	93,322,587	312,334	84.90	26,517,166
Axis Bank Ltd, India	Mumbai	ACUD	1,111,352	84.80	94,242,667	665,963	84.90	56,540,247
Union Bank of Switzerland	Switzerland	CHF	149,108	95.83	14,288,958	187,160	86.97	16,278,044
Commerz Bank	Frankfurt	EURO	46,923	103.97	4,878,482	9,771	94.91	927,314
Standard Chartered Bank	Frankfurt	EURO	322,608	103.97	33,540,934	221,725	94.91	21,043,219
UniCredit S.P.A.	Milano	EURO	39,742	103.97	4,131,878	72,305	94.91	6,862,248
United Bank Of India	Kolkata	EURO	24,880	103.97	2,586,751	4,189	94.91	397,558
Commerz Bank	Frankfurt	AUD	125,614	64.52	8,104,382	228,956	59.07	13,523,483
Standard Chartered Bank	Japan	JPY	41,653,765	0.82	33,989,472	10,864,943	0.77	8,395,341
Standard Chartered Bank	London	GBP	226,747	114.33	25,923,668	85,808	110.81	9,508,161
Commerz Bank	Frankfurt	CAD	148,021	65.96	9,764,003	142,752	64.61	9,222,532
Al-Rajhi Bank	Saudi Arabia	SAR	4,304	22.49	96,800	4,304	22.49	96,789
Total					2,997,995,091			3,961,161,862

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

Dhaka Bank Limited
Investment in Shares
As at 31 December 2020

Annexure-B

(Amount in Taka)

Name of the Company	Face Value	No. of Shares	Average Cost Price	Total Cost Price	Market price per Share	Total Market Value
Quoted						
ACMELAB	10	500,000	52.00	26,000,000	74.70	37,350,000
NAHEEACP	10	313	-	-	47.10	14,742
QUEENSOUTH	10	590	-	-	25.70	15,163
ADVENT	10	760	-	-	22.80	17,328
INTRACO	10	586	-	-	18.70	10,958
MLDL	10	4,863	10.00	30,210	50.00	243,150
SILVAPHL	10	9,652	10.00	91,930	18.30	176,632
IBP	10	320	-	-	19.10	6,112
ESQUIRENT	45	21,719	45.00	977,355	26.30	571,210
NEWLINE	10	8,038	10.00	75,130	17.00	136,646
KTL	10	12,177	10.00	100,640	10.90	132,729
RUNNERAUTO	75	7,566	75.00	540,450	50.90	385,109
SEAPEARL	10	3,916	10.00	37,300	79.10	309,756
SSSTEEL	10	7,757	10.00	67,460	18.40	142,729
IFICBANK	10	40,102,365	9.76	355,810,843	15.20	609,555,948
GENEXIL	10	6,017	10.00	52,330	55.00	330,935
Unquoted						
Shanta First Income Unit Fund	10	18,936,550	10.56	200,000,000		200,000,000
Ace Alliance Power Ltd.				80,000,000		80,000,000
Zodiac Power Chittagong Limited				240,000,000		240,000,000
Total				903,783,648		1,169,399,147

The cost price of investment in shares represents the book value as on 31.12.2020 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 2,901.64 Crore)

(Taka in Thousand)

Sl. No.	Name of the Client	Outstanding as on 31.12.2020		Total
		Funded	Non funded	
1	DOREEN GROUP	149,248	5,758,951	5,908,199
2	BSRM GROUP	1,271,828	4,518,964	5,790,792
3	KABIR GROUP	2,440,892	3,252,380	5,693,272
4	ARMANA GROUP	2,790,945	2,121,558	4,912,503
5	E ENGINEERING GROUP	2,967,426	1,814,029	4,781,455
6	KARNAFULY GROUP	1,432,617	3,151,585	4,584,202
7	PRAN-RFL GROUP	2,149,145	2,397,031	4,546,176
8	BASHUNDHARA GROUP	2,721,706	1,768,819	4,490,525
9	T.K. GROUP	3,165,347	1,212,830	4,378,177
10	BANGLA TRAC	2,272,075	1,679,679	3,951,754
11	NEW ASIA GROUP	3,365,760	481,304	3,847,064
12	PAKIZA GROUP	2,906,780	912,731	3,819,511
13	SPECTRA GROUP	1,004,820	2,578,271	3,583,091
14	RANCON GROUP	1,531,074	2,034,235	3,565,309
15	MIR GROUP	2,373,131	1,022,819	3,395,950
16	UNITED GROUP	758	3,264,769	3,265,527
17	ACI GROUP	2,881,284	384,170	3,265,454
18	STERLING GROUP	972,129	1,974,206	2,946,335
Total		36,396,965	40,328,331	76,725,296

Dhaka Bank Limited

Schedule of Fixed Assets including premises, furniture & fixtures As at 31 December 2020

Annexure-D

Asset Group	Cost (Tk)				Rate of Depreciation (%)	Depreciation (Tk)				Book Value (Tk)
	Opening Balance of cost as on 01/01/2020	Additions during the period	Adjustment (Sale/Discard)	Closing Balance of cost as on 31/12/2020		Accumulated depreciation as on 01/01/2020	Charge during the period	Adjustment (Sale/Discard)	Closing Balance as on 31/12/2020	
Land	2,301,877,536	-	-	2,301,877,536		-	-	-	-	2,301,877,536
Building & Renovation	680,910,718	-	-	680,910,718	2.5	115,348,997	17,022,768	-	132,371,765	548,538,953
Furniture & Fixtures	550,522,878	4,377,801	771,409	554,129,270	10	341,069,931	40,056,691	520,533	380,606,088	173,523,182
Office Appliances & Equipment	1,447,967,787	72,084,897	1,565,611	1,518,487,073	20	985,834,707	176,166,278	1,545,466	1,160,455,519	358,031,554
Computer	239,726,134	14,856,765	-	254,582,899	20	196,196,495	17,463,420	-	213,659,915	40,922,984
Software	738,440,514	38,861,175	-	777,301,689	10	169,286,418	73,508,496	-	242,794,914	534,506,775
Motor Vehicle	312,597,872	8,259,232	1,227,008	319,630,096	20	156,286,438	57,672,535	1,226,999	212,731,974	106,898,122
Right of use assets (ROU)	941,198,103	967,937,131	-	1,909,135,234		169,558,928	539,856,449	-	709,415,377	1,199,719,858
Work-in-progress - land & building*	-	3,756,753,084	-	3,756,753,084		-	-	-	-	3,756,753,084
Total 2020	7,213,241,543	4,863,130,085	3,564,028	12,072,807,599		2,133,581,914	921,746,637	3,292,998	3,052,035,553	9,020,772,046
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

*Work-in-progress - land & building etc. amounting Taka 3,756,753,084 (Taka 3,623,431,074 up to 2019 and Taka 133,322,010 in the year 2020), earlier it was presented in other assets under "Preliminary, formation, Work in-progress, renovation expenses and prepaid expenses".

Dhaka Bank Limited

Recovery of loans previously written-off during the period January-December 2020

(Amount In Taka)

Sl. No.	Name of Borrowers	Amount written-off	Amount of Provision kept at the time of written-off	Suit Value	Amount Recovered after loan written-off
Corporate Loan					
1	Abdul Munim	1,719,774	1,719,774	2,287,020	1,719,774
2	Ahnaf & Co.	17,855,447	15,742,193	20,846,469	160,000
3	Anudip Autos Limited	43,767,825	32,747,739	40,257,537	750,000
4	Excel Trade Fair	3,101,382	1,711,230	3,752,335	250,000
5	Gonoshasthaya Antibiotic Ltd.	71,628,580	60,192,640	75,998,182	1,500,000
6	Il Reu O & O Ltd.	42,203,765	35,003,765	51,377,364	4,000,000
7	Maa Enterprise	6,862,138	1,029,321	7,370,000	210,000
8	Maya Furniture	241,972	172,979	268,068	13,900
9	Momin Knit Fabrics	9,668,217	7,603,335	13,980,000	200,000
10	Monirul Cottage Industry	8,199,283	1,945,140	7,750,000	2,450,000
11	Muhua Naksha	1,553,470	1,335,057	1,787,209	400,000
12	Otto Textile Ltd.	268,583,988	157,493,992	280,715,548	1,240,000
13	Parisha Trade System Ltd.	70,247,889	56,126,471	66,577,867	3,220,000
14	Radi Enterprise	14,076,118	8,978,451	12,960,000	14,076,118
15	Rafique Traders	36,192,872	25,193,206	40,017,149	2,380,000
16	Sahabuddin Enterprise	23,008,327	12,097,114	20,780,000	120,000
17	Shamem Construction	6,473,430	6,050,974	7,855,194	500,000
18	Zahid Enterprise	14,796,116	13,070,595	18,780,000	3,110,000
Sub Total		640,180,593	438,213,976	673,359,942	36,299,792
Retail Loan					
1	Various Client	59,808,697	36,233,866	94,798,431	15,033,819
Sub Total		59,808,697	36,233,866	94,798,431	15,033,819
Grand Total		699,989,290	474,447,842	768,158,373	51,333,611

Dhaka Bank Limited
Details of Borrowers for written-off loan during the period Jan-Dec 2020

(Amount In Taka)

Sl. No.	Name of Borrowers	Amount written-off	Amount of Interest Suspense kept at the time of written-off	Amount of Provision kept at the time of written-off	Suit Value
Corporate & SME Loan					
1	F.D. Cloth Store	8,927,289	3,972,570	4,954,719	7,259,691
2	Beacon Enterprise	6,792,753	4,289,848	2,502,905	3,394,751
3	Surjamukhi Garments	639,175	56,671	582,504	977,671
4	Laila Fashion	2,965,628	905,635	2,059,994	3,829,490
	Sub Total	19,324,845	9,224,724	10,100,122	15,461,603
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
	Sub-Total	-	-	-	-
	Grand Total	19,324,845	9,224,724	10,100,122	15,461,603

Dhaka Bank Limited

Annexure-G

Related Party Disclosures

A. i) Name of the Directors and their interest in the Bank as on 31.12.2020:

SI No	Name of Directors	Designation	% of interest as on 31.12.2020
1	Mr. Abdul Hai Sarker	Chairman	2.281
2	Mr. Abdullah Al-Ahsan	Vice-Chairman	2.000
3	Mrs. Rokshana Zaman	Director	2.450
4	Mr. Altaf Hossain Sarker	Director	2.789
5	Mr. Reshadur Rahman	Director	3.434
6	Mr. Tahidul Hossain Chowdhury	Director	2.008
7	Mr. Khondoker Monir Uddin	Director	2.872
8	Mr. Md. Amirullah	Director	2.000
9	Mr. Jashim Uddin	Director	2.000
10	Mr. Mohammed Hanif	Director	3.046
11	Mrs. Rakhi Das Gupta	Director	2.000
12	Mr. Mirza Yasser Abbas	Director	3.683
13	Mr. Amanullah Sarker	Director	2.000
14	Mrs. Manoara Khandaker	Director	2.004
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 31.12.2019:

SI No	Name of Directors	Designation	% of interest as on 31.12.2019
1	Mr. Reshadur Rahman	Chairman	3.375
2	Mr. Tahidul Hossain Chowdhury	Vice-Chairman	2.008
3	Mrs. Rokshana Zaman	Director	2.450
4	Mr. Abdul Hai Sarker	Director	2.281
5	Mr. Altaf Hossain Sarker	Director	2.789
6	Mr. Abdullah Al-Ahsan	Director	2.000
7	Mr. Khondoker Monir Uddin	Director	2.872
8	Mr. Md. Amirullah	Director	2.000
9	Mr. Jashim Uddin	Director	2.000
10	Mr. Mohammed Hanif	Director	3.046
11	Mr. Khondoker Jamil Uddin	Director	2.000
12	Mr. Mirza Yasser Abbas	Director	3.683
13	Mr. Amanullah Sarker	Director	2.000
14	Mrs. Manoara Khandaker	Director	2.004
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

Related Party Disclosures

iii) Name of Directors and their interest in different entities as on 31.12.2020:

Sl. No.	Name	Status with the Bank	Name of the firms/Companies in which they have interest	Status in the interested entities
1	Mr. Abdul Hai Sarker	Chairman	Shohagpur Textile Mills Ltd.	Chairman & CEO
			Purbani Fabrics Ltd.	Chairman & CEO
			Karim Textiles Ltd.	Chairman & CEO
			Purbani Traders.	Proprietor
			Purbani Yarn Dyeing Ltd.	Chairman & CEO
			Karim Spinning Mills Ltd.	Chairman & CEO
			Purbani Synthetic Spinning Ltd.	Chairman & CEO
			Purbani Rotor Spinning Ltd.	Chairman & CEO
			Purbani Fisheries	Proprietor
			Purbani Fashion Ltd.	Chairman & CEO
			Purbani Agro Processing Ltd.	Chairman & CEO
2	Mr. Abdullah Al-Ahsan	Vice Chairman	Dhaka Bank Securities Ltd.	Director
			Aroma Poultry Ltd.	Director
3	Mr. Reshadur Rahman	Director	Aroma Fisheries Ltd.	Director
			Dhaka Bank Securities Ltd.	Chairman
			Trade Hub Bangladesh Ltd.	Chairman
			RR Aviation Ltd.	Chairman
			RR Holdings Ltd.	Chairman & Managing Director
			RNPG Alliance	Managing Partner
			RR Trading & Co.	Proprietor
			RR Shipping Lines	Proprietor
			National Traders	Shareholder
			Alliance Infrastructure Engineering Pvt. Ltd.	Shareholder
			Alliance Deep Sea Fishing Ltd.	Shareholder
4	Mrs. Rokshana Zaman	Director	Alliance Bags Ltd.	Shareholder
			Quality Breeders Ltd.	Shareholder
			Quality Grains Ltd.	Shareholder
			Dhaka Enterprise	Proprietress
			M/s. Manehor Fisheries	Proprietress
5	Mr. Altaf Hossain Sarker	Director	Maksuda Cargo Vessel,	Proprietress
			Maksuda 1 Cargo Vessel,	Proprietress
			Dhaka Bank Securities Limited	Director
			Rahmat Textiles Ltd.	Managing Director
6	Mr. Mohammed Hanif	Director	Rahmat Knit Dyeing & Finishing Ltd.	Managing Director
			China Plastic (BD) Ltd.	Chairman & Managing Director
			Rahmat Fashion Wear Ltd.	Director
			Rahmat Rotors Ltd.	Chairman
			Dhaka Bank Securities Ltd.	Director
			Hanif Steels Ltd.	Managing Director
6	Mr. Mohammed Hanif	Director	Hanif Spinning Mills Ltd.	Managing Director
			National Foundry & Engineering Works (Pvt.) Ltd.	Managing Director

Sl. No.	Name	Status with the Bank	Name of the firms/Companies in which they have interest	Status in the interested entities
7	Mr. Md. Amirullah	Director	Dhaka Bank Investment Ltd.	Director
8	Mr. Khondoker Monir Uddin	Director	Shanta Holdings Limited	Managing Director
			STS Holdings Limited	Managing Director
			STS Capital Ltd.	Managing Director
			United Business Machines Limited (UBML)	Managing Director
			GDS Chemical Bangladesh Private Limited	Managing Director
			Shanta Securities Ltd.	Managing Director
			Shanta Washing Plant Ltd.	Managing Director
9	Mr. Tahidul Hossain Chowdhury	Director	Apollo Hospital Dhaka Ltd.	Managing Director
			Riotex Ltd.	Chairman
			Jerat Fashion Ltd.	Managing Director
			Jerat Shirt Ltd.	Chairman
			Central Hospital Ltd.	Director
			HURDCO International School Ltd.	Director
			Hotel Victory Ltd.	Managing Director
10	Mr. Jashim Uddin	Director	Dhaka Bank Investment Ltd.	Director
			Impel Shares & Securities Ltd.	Chairman
			Rafid Enterprise	Proprietor
			HURDCO International School Ltd.	Director
11	Mr. Mirza Yasser Abbas	Director	Dhaka Imperial Hospital Ltd.	Shareholder
			Mirza Enterprise	Executive
			Dhaka Bank Investment Ltd.	Director
			Predictable Process Ltd.	Managing Director
12	Mr. Amanullah Sarker	Director	LOUD Limited	Chairman
			Rahmat Spinning Mills Ltd.	Managing Director
			Logos Apparels Ltd	Chairman
			Belkuchi Spinning Mills Ltd.	Chairman
			Rahmat Sweaters (BD) Ltd.	Chairman
13	Mrs. Manoara Khandaker	Director	Shahi Products	Partner
			Total Pack & Packaging	Proprietress
14	Mrs. Rakhi Das Gupta	Director	Bari & Pack Plastic Ltd.	Director
15	Mr. M.A. Yussouf Khan	Independent Director	Uniroyal Securities Ltd.	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. 84,057,146

vi) Lending Policies to related parties:

Lending to related parties is effected as per requirements of Section 27 (1) of The Bank Company Act, 1991, and amendment thereon.

vii) During the period 1 January 2020 to 31 December 2020, the Bank concluded business deals with the following directors/organisations in which the directors had interest:

(Amount In Taka)

Name	Relationship	Nature of transactions	Balance at 31.12.2020
Reshadur Rahman	Proprietor	Credit facility	50,341,028
Manoara Khandaker	Proprietor	Credit facility	15,474,596
Md. Amirullah	Director	Credit facility	13,078,000
Abdullah Al Ahsan	Director	Credit facility	1,995,229
Jashim Uddin	Guarantor	Credit facility	1,621,327
Abdullah Al Ahsan	Director	Credit facility	809,410
Mirza Yasser Abbas	Director	Credit facility	568,353
A.S. Salahuddin Ahmed	Independent Director	Credit facility	169,204
Tahidul Hossain Chowdhury	Director	Credit facility	-
Any Other Related Parties			84,057,146

SUBSIDIARIES			
Name	Relationship	Nature of transactions	Balance at 31.12.2020
Dhaka Bank Securities Limited	Subsidiary	Deposit	160,628,394
Dhaka Bank Investment Limited	Subsidiary	Deposit	328,002,182
Dhaka Bank Securities Limited	Subsidiary	Credit Facility	1,694,162,672
Dhaka Bank Securities Limited	Subsidiary	Investment	1,499,999,940
Dhaka Bank Investment Limited	Subsidiary	Investment	249,999,940
Dhaka Bank Investment Limited	Subsidiary	Account receivable	1,173,725
Dhaka Bank Securities Limited	Subsidiary	Account receivable	55,787,264
Dhaka Bank Securities Limited	Subsidiary	Interest income	183,913,106
Dhaka Bank Securities Limited	Subsidiary	Interest expense	3,355,490
Dhaka Bank Investment Limited	Subsidiary	Interest expense	26,082,064

viii) Business other than Banking business with any related concern of the Directors as per Section 18 (2) of The Bank Company Act, 1991, and amendment thereon:

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.
3. Lease agreement for one of the godowns was executed with Mrs. Shahida Mirza Pashu Who the aunt of Mr. Mirza Yasser Abbas, Director of the Bank.

Service provider:

4. Omni Technologies, a service provider company which provides various sorts of services to the Bank has Mr. Hasanuzzaman as a Director in its board who is the son of Mrs. Rokshana Zaman, who is the 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 2020

Annexure-H

Sl. No.	Assessment Year	Income Year	Latest amount of tax assessed by tax authority	Present Status
1	2005-2006	2004	279,283,553	Re-opened U/S:120 Filed Appeal to Honorable High Court
2	2006-2007	2005	331,227,509	Re-opened U/S:120 Filed Appeal to Honorable High Court
3	2007-2008	2006	472,195,169	Re-opened U/S:120 Filed Appeal to Honorable High Court
4	2008-2009	2007	903,317,788	Filed Appeal to Honorable High Court
5	2009-2010	2008	1,047,311,318	Filed Appeal to Honorable High Court
6	2010-2011	2009	1,157,121,534	Filed Appeal to Honorable High Court
7	2011-2012	2010	1,338,468,847	Filed Appeal to Honorable High Court
8	2012-2013	2011	1,465,747,928	Filed Appeal to Honorable High Court Case no 28 of 2015
9	2013-2014	2012	874,087,065	Case settle after CT Appeal /Tax Clearance Certificate received
10	2014-2015	2013	959,854,165	Case settle after CT Appeal /Tax Clearance Certificate received
11	2015-2016	2014	1,170,165,870	Case settle after DCT Level & Tax Clearance Certificate received but file Re-open u/s 120 date 15.01.2019 by showing additional income Tk. 65,416,887/- and tax claim 27,529,530/- and will apply for Appeal.
12	2016-2017	2015	1,086,383,035	After 1st Appeal as per revised order due tax paid and apply for tax clearance certificate.
13	2017-2018	2016	1,463,073,057	Assessment completed & due tax paid & tax clearance certificate received in time
14	2018-2019	2017	1,497,654,717	Assessment completed & due tax paid & tax clearance certificate received in time
15	2019-2020	2018	-	Income tax return submitted to the LTU and assessment running
16	2020-2021	2019	-	Income tax return submitted to the LTU
17	2021-2022	2020	-	Income tax return to be submitted within stipulated time.

Note:

Though it appears from the above disclosure that we have tax file open in different years for various grounds mainly for interpretation of laws and the treatment. The appeal filed at different level from Commissioner of Taxes Appeal to Honorable High Court Division. Where, we did not received proper judgement through appeal from tax department, we preferred appeal before Honorable High Court Division. Under the appeals filed so far, we have both refund claim from tax office and tax claim from tax department as well. However, we are reviewing all pending tax claim every year and the Company believes that its provision for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

ISLAMIC BANKING

ISLAMIC BANKING

- Dhaka Bank Ltd. has been providing Islamic Banking Services through two of its Branches to adhere to the Islamic values & integrity. Now a days DBL has been providing Islamic Banking Services to the interested Customers from all the conventional Branches through online from Islamic Banking Branches. DBL is the pioneer in establishing Shari'ah-based Banking Operations through Islamic
- Banking Branches in the country.



Dhaka Bank Limited

Distribution of Profit under Islamic Banking Operation

Dhaka Bank has been operating two Islamic Banking branches in complying with the rules of Islamic Shariah, which absolutely prohibits receipts of and payments of interest in any form. The modus operandi of these two branches is totally different from other conventional branches. A separate balance sheet and income statement are being maintained as recommended by the Central Shariah Board for Islamic Banking in Bangladesh.

Final Rates on Mudaraba Deposit Products of Islamic Banking for the period from January 2020 to December 2020

Dhaka Bank Limited has successfully completed the business period from January to December 2020 and declared final profit rates on various Mudaraba Deposits Accounts to the depositors.

The final rates of various Mudaraba Deposits Accounts of Banks as per approved weight age for the period from January to December 2020 have come up lower than declared provisional profit rates of Mudaraba Deposits Accounts.

As final rates of Mudaraba Savings Deposit Account, Mudaraba Savings Deposit Account for Banks, Mudaraba Short Notice Deposit Accounts, Mudaraba Term Deposit 36 Months, 24 Months, 12 Months, 6 Months, 3 Months, 1 Month, Mudaraba Term Deposit-Bank, Mudaraba Hajj Saving Scheme, Mudaraba Double Deposit Scheme and Mudaraba Deposit Pension Scheme come up lower than declared provisional profit rates as per approved weight age, We declared provisional profit rates of Mudaraba Deposit Accounts as final rates for the year-2020 considering present market position.

Sl. No.	Type of Deposit	Weightage	Final Rate
			For the period from January 2020 to December 2020
1	Mudaraba Savings Deposit	0.33	1.68%
2	Mudaraba Savings Deposit For Bank	0.33	1.68%
3	Mudaraba Short Notice Deposit	0.66	3.30%
4	Mudaraba Term Deposit Account		
	36 Months	0.91	4.50%
	24 Months	1.15	5.71%
	12 Months	1.11	5.50%
	6 Months	1.11	5.50%
	3 Months	1.12	5.59%
	1 Months	0.72	3.57%
	Bank	0.91	4.50%
5	Mudaraba Hajj Savings Scheme	1.46	7.23%
6	Mudaraba Deposit Double Scheme	1.59	7.90%
7	Mudaraba Deposit Pension Scheme	1.36	6.74%

Dhaka Bank Limited (Islamic Banking)
Balance Sheet
As at 31 December 2020

Annexure-I (1)

	Notes	31.12.2020 Taka	31.12.2019 Taka
PROPERTY AND ASSETS			
Cash	1	445,425,781	515,390,173
Cash in hand (Including foreign currencies)	1.1	43,242,231	79,192,191
Balance with Bangladesh Bank and its agent bank(s) (Including foreign currencies)	1.2	402,183,550	436,197,982
Balance with other banks and financial institutions	2	-	-
In Bangladesh	2.1	-	-
Outside Bangladesh	2.2	-	-
Money at call on short notice	3	-	-
Investment in securities	4	773,970,000	430,000,000
Government	4.1	773,970,000	430,000,000
Others	4.2	-	-
Investments	5	6,005,994,357	5,927,869,783
Loans, Cash Credits, Overdrafts, etc./Investments	5.1	5,998,213,819	5,922,313,853
Bills purchased and discounted	6	7,780,538	5,555,929
Fixed assets including premises, furniture and fixtures	7	56,627,295	7,744,853
Other assets	8	3,355,943,354	5,197,385,765
Non-banking assets	9	-	-
Total Assets		10,637,960,787	12,078,390,573
LIABILITIES & CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	96,740,633	3,545,231,904
Deposits and other accounts	11	9,673,307,316	7,749,856,849
Current Accounts & other Accounts		441,143,664	133,568,004
Bills Payable		19,033,316	14,202,835
Savings Bank Deposits		964,611,998	573,933,420
Term Deposits		8,248,518,338	7,028,152,590
Non Convertible Subordinated Bond	12	-	-
Other liabilities	13	636,114,457	517,976,892
Total Liabilities		10,406,162,406	11,813,065,645
Capital/Shareholders' Equity			
Total Shareholders' Equity		231,798,381	265,324,928
Paid-up Capital		-	-
Statutory Reserve		-	-
Other Reserve		-	-
Surplus in Profit and Loss account		231,798,381	265,324,928
Total Liabilities & Shareholders' Equity		10,637,960,787	12,078,390,573

Off-balance Sheet Items**Contingent liabilities**

Acceptances and endorsements
Irrevocable Letters of Credit
Letter of guarantee
Bills for collection
Other contingent liabilities

Other Commitments

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

Total off-balance sheet items including contingent liabilities

The notes 1 to 29 form an integral part of these financial statements.

Notes	31.12.2020 Taka	31.12.2019 Taka
14	3,458,798,911	3,500,058,835
	511,071,266	1,185,371,280
	880,675,240	414,388,735
	110,635,983	103,494,865
	24,700,251	154,383,404
	1,931,716,171	1,642,420,552
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	3,458,798,911	3,500,058,835

Dhaka Bank Limited (Islamic Banking)

Profit and Loss Account

For the year ended 31 December 2020

Annexure I(2)

	Notes	2020 Taka	2019 Taka
Interest income/profit on investments	15	988,554,501	1,244,643,542
Interest paid/profit on deposits and borrowings, etc.	16	(726,328,542)	(956,750,855)
Net interest income		262,225,959	287,892,688
Income from Investment	17	19,479,368	13,009,188
Commission & exchange earnings	18	28,140,961	41,946,291
Other operating income	19	3,438,581	2,996,954
		51,058,910	57,952,433
Total operating income (a)		313,284,869	345,845,121
Salary and allowances	20	31,118,912	33,902,031
Rent, taxes, insurance, electricity, etc.	21	(14,625,748)	31,324,818
Legal expenses	22	238,110	393,040
Postage, stamps, telecommunication, etc.	23	425,992	514,622
Stationery, Printing, Advertisement, etc.	24	1,056,919	1,408,408
Chief Executive's salary and fees	25	-	-
Directors' fees	26	97,470	196,117
Auditors' fees	27	-	-
Depreciation and repairs of bank's assets	28	48,409,565	4,422,110
Other expenses	29	14,765,268	8,359,047
Total operating expenses (b)		81,486,488	80,520,193
Profit before provision & Taxes (c = (a-b))		231,798,381	265,324,928

The notes 1 to 29 form an integral part of these financial statements.

Dhaka Bank Limited (Islamic Banking)

Notes to the Financial Statements

As at and for the year ended 31 December 2020

		31.12.2020 Taka	31.12.2019 Taka
1. Cash			
Cash in hand	(Note: 1.1)	43,242,231	79,192,191
Balance with Bangladesh Bank and its agent bank(s)	(Note: 1.2)	402,183,550	436,197,982
		445,425,781	515,390,173
1.1 Cash in hand			
In local currency		42,597,327	76,907,956
In foreign currencies		644,904	2,284,235
		43,242,231	79,192,191
Cash in hand (local currency) includes balance of cash held at Automated Teller Machine (ATM)			
1.2 Balance with Bangladesh Bank and its agent bank(s)			
Balance with Bangladesh Bank			
In local currency		402,183,550	436,197,982
Conventional		-	-
Al-Wadiah current account		402,183,550	436,197,982
In foreign currencies		-	-
402,183,550		402,183,550	436,197,982
Balance with Sonali Bank as agent of Bangladesh Bank		-	-
		402,183,550	436,197,982
2. Balance with other banks and financial institutions			
In Bangladesh	(Note: 2.1)	-	-
Outside Bangladesh	(Note: 2.2)	-	-
		-	-
2.1 In Bangladesh			
Current Deposits			
		-	-
		-	-
Special Notice Deposits (SND)			
		-	-
		-	-
Fixed Deposits			
Commercial Banks			
		-	-
		-	-
Financial Institutions			
		-	-
		-	-
		-	-
2.2 Outside Bangladesh (Nostro Accounts)			
Current Deposits			
		-	-
		-	-
3. Money at call on short notice			
With banking companies	(Note: 3.1)	-	-
With non-banking financial institutions	(Note: 3.2)	-	-
		-	-
3.1 With banking companies			
		-	-
		-	-
3.2 With non-banking financial institutions			
		-	-
		-	-

		31.12.2020 Taka	31.12.2019 Taka
4. Investment in securities			
Government securities	(Note: 4.1)	773,970,000	430,000,000
Other investments	(Note: 4.2)	-	-
		773,970,000	430,000,000
4.1 Government securities			
Bangladesh Bank bills	(Note: 4.1.1)	-	-
Treasury bonds	(Note: 4.1.2)	-	-
Government islamic bond		773,970,000	430,000,000
Prize bond		-	-
		773,970,000	430,000,000
4.1.1 Bangladesh Bank bills			
7 days Bangladesh Bank Bills		-	-
91 days Treasury Bills		-	-
182 days Treasury Bills		-	-
364 days Treasury Bills		-	-
		-	-
4.1.2 Treasury Bonds			
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		-	-
		-	-
4.2 Other investments			
Investment in shares	(Note: 4.2.1)	-	-
Investment in subordinated bonds	(Note: 4.2.2)	-	-
Investment in Commercial Paper	(Note: 4.2.3)	-	-
		-	-
4.2.1 Shares			
Quoted (Publicly Traded)		-	-
Unquoted		-	-
		-	-
4.2.2 Investment in subordinated bonds			
		-	-
		-	-
4.2.3 Investment in Commercial Paper			
		-	-
		-	-
5. Investments			
Loans, Cash Credits, Overdrafts, etc./Investments	(Note: 5.1)	5,998,213,819	5,922,313,853
Bills purchased and discounted	(Note: 6)	7,780,538	5,555,929
		6,005,994,357	5,927,869,783
5.1 Loans, Cash Credits, Overdrafts, etc./Investments Broad category-wise breakup			
In Bangladesh			
Murabaha (Purchase Order)		405,305,737	1,352,812,513
Murabaha (Term Financing)		1,568,939,041	962,799,239
MPI Trust Receipt		480,186,113	499,151,775
Murabaha Import Bill (PAD)		-	805,507
Bai Muajjal		2,213,955,905	1,509,819,626
Ijara (Lease Financing)	(Note:5.3)	711,021,723	738,351,584
Shirkatul Mulk (Hire Purchase)		430,433,737	285,894,196
Other Loans		188,371,564	572,679,413
		5,998,213,819	5,922,313,853
Outside Bangladesh		-	-
		5,998,213,819	5,922,313,853

5.2 Residual maturity grouping of loans including bills purchased and discounted

	31.12.2020 Taka	31.12.2019 Taka
Repayable on demand	2,257,493,302	2,334,998,740
Not more than 3 months	888,588,005	1,651,944,182
More than 3 months but not more than 6 months	761,815,072	848,915,027
More than 6 months but not more than 1 year	154,644,958	113,528,373
More than 1 year but not more than 5 years	779,054,916	819,739,126
More than 5 years	1,164,398,103	158,744,335
	6,005,994,357	5,927,869,783

5.3 Investment in lease/ izara finance

Lease rental receivable within 1 year	230,817,932	516,135,516
Lease rental receivable more than 1 year	676,216,633	285,774,685
Total lease/ izara rental receivable	907,034,565	801,910,202
Less: unearned interest/profit receivable	196,012,842	63,558,618
Net investment in lease/izara finance	711,021,723	738,351,584

5.4 Investments under the following broad categories

Investments	3,304,071,802	3,913,342,453
Bai Murabaha/ Bai Muajjal	2,694,142,017	2,008,971,401
	5,998,213,819	5,922,313,853
Bills Purchased and discounted	7,780,538	5,555,929
	6,005,994,357	5,927,869,783

(Note: 6)

5.5 Loans on the basis of significant concentration including bills purchased & discounted

a. Advances to allied concerns of directors	-	-
b. Advances to Chief Executive	-	-
c. Advances to other senior executives	-	-
d. <u>Advances to customer's group:</u>		
Agriculture investments	-	-
Commercial lending	104,607,950	-
Export financing	114,103,104	561,406,555
Consumer credit scheme	82,878,317	64,696,857
Special Program Loan (SME)	449,815,644	473,957,282
Staff investments	21,999,320	34,866,210
others	5,232,590,023	4,792,942,878
	6,005,994,357	5,927,869,783

5.6 Industry-wise loans, advances and lease/investments

Agricultural	-	-
Pharmaceuticals	-	-
Textile & Garment	1,253,039,322	2,672,738,748
Chemical	652,586,877	560,132,498
Food & allied	231,368,715	231,691,884
Transport & Communication	11,098,065	15,036,137
Electronics & Automobile	14,705,250	501,563
Housing & Construction	462,421,888	391,722,663
Engineering & Metal Industries including Ship Breaking	1,604,043,924	1,569,058,885
Energy & Power	327,625,050	327,625,050
Service	292,698,675	874,826
Others	1,156,406,593	158,487,529
	6,005,994,357	5,927,869,783

		31.12.2020 Taka	31.12.2019 Taka
5.7	Geographical location-wise (division) distribution		
	Urban		
	Dhaka Region	4,087,237,397	1,830,093,530
	Chittagong Region	1,918,756,960	4,097,776,252
	South Region	-	-
	North Region	-	-
	Sylhet Region	-	-
		6,005,994,357	5,927,869,783
	Rural		
	Dhaka Region	-	-
	Chittagong Region	-	-
	South Region	-	-
	North Region	-	-
	Sylhet Region	-	-
		6,005,994,357	5,927,869,783
5.8	Sector-wise loans, advances and lease/investments		
	Government & Autonomous bodies	-	-
	Financial Institutions (Public & Private)	-	-
	Private Sector	6,005,994,357	5,927,869,783
		6,005,994,357	5,927,869,783
5.9	Classification of loans, advances and lease/investments		
	Unclassified		
	Standard	5,203,277,197	4,874,875,828
	Special Mention Account	-	-
		5,203,277,197	4,874,875,828
	Classified		
	Sub-standard	-	-
	Doubtful	-	-
	Bad or loss	802,717,160	1,052,993,954
		802,717,160	1,052,993,954
		6,005,994,357	5,927,869,783
5.10	A) Provision required for loans and advances		
	Status	Rate %	
	Unclassified		
	Unclassified	0.25, 1, 2, 5 & 100	531,040,596
	Special Mention account	0.25, 1	-
			531,040,596
	Classified:		
	Sub-standard	20	-
	Doubtful	50	-
	Bad or loss	100	354,186,656
			354,186,656
	Required provision for loans & advances		885,227,251
	Total provision maintained		885,227,251
	Excess / short provision as at 31 December		-

			31.12.2020 Taka	31.12.2019 Taka
B)	Provision for good borrower		-	-
C)	Provision required for Off-Balance Sheet Exposures			
	<u>Status</u>	<u>Base for Provision</u>		
	Acceptances and Endorsements	511,071,266	5,110,713	11,853,713
	Irrevocable Letters of Credit	880,675,240	8,806,752	4,143,887
	Letter of Guarantee	110,635,983	1,106,360	1,034,949
	Required provision		15,023,825	17,032,549
	Total Provision Maintained		15,023,825	17,032,549
	Excess / (Short) Provision as at 31 December		-	-
5.11	Securities against loans including bills purchased & discounted			
	a. Secured			
	Collateral of movable/immovable assets		4,615,974,609	5,046,300,890
	Local Banks & Financial Institutions guarantee		-	-
	Foreign Banks Guarantee		-	-
	Export documents		7,780,538	5,555,929
	Government Guarantee		-	-
	<u>Fixed Deposits Receipts</u>			
	Own FDR		-	61,903,282
	FDR of Other Banks		-	-
	Personal Guarantee		39,118,161	61,233,894
	Corporate Guarantee		-	-
	Other Securities		1,343,121,048	752,875,787
	Government bonds		-	-
			6,005,994,357	5,927,869,783
	b. Unsecured		-	-
			6,005,994,357	5,927,869,783
6.	Bills purchased and discounted			
	In Bangladesh		7,780,538	5,555,929
	Outside Bangladesh		7,780,538	5,555,929
6.1	Maturity grouping of bills purchased & discounted			
	Payable within 1 month		1,969,827	2,931,098
	Over 1 month but less than 3 months		5,810,711	385,369
	Over 3 months but less than 6 months		-	2,239,462
	6 months or more		-	-
			7,780,538	5,555,929
7.	Fixed assets including premises, furniture and fixtures			
	Cost/ Revaluation			
	Land		-	-
	Building		-	-
	Furniture and fixture including office decoration		7,034,510	7,034,510
	Office appliances and equipment		20,504,229	19,545,699
	Computer		3,979,487	3,871,887
	Software		421,959	421,959
	Bank's vehicle		2,850,375	2,850,375
	Right of use assets (ROU) as per IFRS 16		95,455,299	-
			130,245,858	33,724,430
	Less: Accumulated depreciation		73,618,563	25,979,577
			56,627,295	7,744,853

		31.12.2020 Taka	31.12.2019 Taka
8. Other Assets			
Investment in Shares of subsidiary companies		-	-
Stationery, stamps, printing materials etc.		46,792	32,632
Advance rent		-	2,697,965
Prepaid expenses against advertisement		-	-
Interest/Profit accrued and other receivable		3,383,750	3,383,750
Security deposit		315,000	315,000
Preliminary, formation, Work in progress, renovation expenses and prepaid expenses		269,933	961,908
Branch adjustments		3,346,294,476	5,165,450,862
Suspense account		160,942	160,942
Others (Note: 8.1)		5,472,461	24,382,706
		3,355,943,354	5,197,385,765
8.1 Others			
Advance Tax (Note: 8.1.1)		53,575	33,575
Deferred Tax Assets		-	-
Account receivable others (Note: 8.2.2)		5,418,886	24,349,131
		5,472,461	24,382,706
8.1.1 Advance Tax			
Opening Balance		-	-
Add: Paid during the year		53,575	33,575
		53,575	33,575
Less: Adjustment during the year		-	-
		53,575	33,575
8.2.2 Account receivable others			
Receivable against Bangladesh / Paribar Sanchaya Patra		-	-
Fees receivable		116,621	20,284,831
Receivable from share sale proceeds		-	-
Dividend Receivable		-	-
Finance to AD branches for Local Documentary Bill Purchased		-	-
Finance to AD branches for Import Bill Discounting		-	-
Protestation account		-	-
ATM settlement account		-	-
Receivable from exchange houses		-	-
Excise Duty Receivable		5,302,265	4,064,299
Receivable from Dhaka Bank Investment Limited		-	-
Receivable from Dhaka Bank Securities Limited		-	-
		5,418,886	24,349,131
9. Non-banking assets			
Land and Building		-	-
10. Borrowings from other banks, financial institutions and agents			
In Bangladesh (Note: 10.1)		96,740,633	3,545,231,904
Outside Bangladesh (Note: 10.2)		-	-
		96,740,633	3,545,231,904
10.1 In Bangladesh			
Call Borrowing		-	-
		-	-
Term Borrowing		-	-
		-	-

		31.12.2020 Taka	31.12.2019 Taka
Bangladesh Bank refinance			
Small and Medium Enterprise		-	-
Syndication		-	-
Green Banking		-	-
Export Development Fund		96,740,633	516,112,992
FSSP Fund		-	-
Mudaraba Refinance		-	3,029,118,912
Stimulus Fund		-	-
		96,740,633	3,545,231,904
Total		96,740,633	3,545,231,904
10.2 Outside Bangladesh		-	-
		-	-
		96,740,633	3,545,231,904
11. Deposits and other accounts			
Current and other Accounts	(Note: 11.1)	441,143,664	133,568,004
Bills Payable	(Note: 11.2)	19,033,316	14,202,835
Savings Deposits	(Note: 11.3)	964,611,998	573,933,420
Term Deposits	(Note: 11.4)	8,248,518,338	7,028,152,590
		9,673,307,316	7,749,856,849
Non-interest bearing accounts			
11.1 Current and other Accounts			
Current account		238,963,510	93,357,423
Foreign currency deposits		209,383	349,970
Margin under Letter of Credit		152,542,742	7,594,163
Margin under Letter of Guarantee		9,628,224	4,752,091
Deposits awaiting disposal		-	-
Sundry deposit	(Note: 11.1.1)	39,799,805	27,514,357
		441,143,664	133,568,004
11.1.1 Sundry deposit			
F.C held against Back to Back L/C		37,107,619	22,557,318
Sundry creditors		1,710,064	3,955,617
Unclaimed deposits		982,122	1,001,422
Risk fund		-	-
Security deposits		-	-
Advance lease rent		-	-
		39,799,805	27,514,357
11.2 Bills Payable			
Pay order		19,033,316	14,202,835
Demand draft		-	-
		19,033,316	14,202,835
Total Non-interest bearing accounts		460,176,980	147,770,839
Interest bearing Account			
11.3 Savings Deposits			
Savings account		-	-
Mudaraba savings accounts		964,611,998	573,933,420
		964,611,998	573,933,420
11.4 Term Deposits			
Special Notice Deposits		303,898,544	291,596,851
Fixed Deposits		7,001,137,301	5,891,373,518
Deposit Pension Scheme		943,302,993	845,182,222
Gift Cheque		179,500	-
Non Resident Foreign Currency Deposit (NFC)		-	-
		8,248,518,338	7,028,152,590
Total Interest bearing Account		9,213,130,336	7,602,086,010
Total Deposits and other Accounts		9,673,307,315	7,749,856,849

	31.12.2020 Taka	31.12.2019 Taka
12. Non Convertible Subordinated Bond	-	-
13. Other Liabilities		
Accrued Interest	1,766,082	-
Provision on loans and advances	-	-
Provision for Good Borrower	-	-
Provision for Off Balance Sheet Exposure	-	-
Interest Suspense Account	481,553,617	471,385,461
Provision against Expenses	-	-
Provision for decrease in value of investments	-	-
Provision for Other Assets	-	-
Provision for Current Tax	-	-
Deferred tax liability	-	-
Tax deducted at source & payable	3,964,859	7,547,559
Excise Duty Payable	8,117,570	5,882,680
Other Account Payable	140,712,329	33,161,192
	636,114,457	517,976,892
13.1 Other Account Payable		
3 month and 5 years Bangladesh/Sanchay Patra & BB Foreign Invest. Bond Application, Processing, Membership & Utilisation Fee	27,375	37,345
Adjusting Account Credit	1,319,899	1,251,828
Export Proceeds Suspense	-	-
Finance from Bill Discounting OBU	39,545	39,591
Compensation Income of Islamic Banking operations	84,223,791	31,832,428
ATM settlement account	-	-
Import Payment Suspense	-	-
Baina against Non-Banking Assets	-	-
Lease liabilities as per IFRS 16	55,101,719	-
	140,712,329	33,161,192
14 Contingent Liabilities		
Acceptance & Endorsement	511,071,266	1,185,371,280
Irrevocable Letters of Credit	880,675,240	414,388,735
Usance/Defer Letter of Credit	774,281,000	218,592,439
Sight Letter of Credit	106,394,240	36,460,927
Back to Back Letter of Credit	-	-
BD-Sight (EDF)	-	113,567,516
Back to Back - Local	-	45,767,853
	110,635,983	103,494,865
Letters of Guarantee		
Bid Bond	760,000	350,000
Performance Bond	29,001,418	36,133,849
Counter Guarantee	-	-
Other Guarantee	66,914,365	62,018,896
Shipping Guarantee	13,960,200	4,992,120
	24,700,251	154,383,404
Bills for Collection		
Local Bills for Collection	22,839,936	152,520,895
Foreign Bills for Collection	1,860,315	1,862,509
	1,931,716,171	1,642,420,552
Other Contingent Liabilities		
Bangladesh/Pratirakhkha/Paribar Sanchay Patra	-	-
ICB Unit Certificate	-	-
Forward Exchange Position	-	-
US Investment & Premium Bond	-	-
Contingent Interest Suspense	1,931,716,171	1,642,420,552
	3,458,798,912	3,500,058,835

(Note: 13.1)

	2020 Taka	2019 Taka
15. Interest income/profit on investments		
Term Loan	75,711,288	79,609,718
Overdrafts	197,478,064	263,670,637
Loan against Imported Merchandise/Murabaha	-	-
Loan against Trust Receipt	7,828,503	22,651,584
Packing Credits	-	-
Cash Credits / Bai-Muajjal	-	-
Payment against Documents	-	38,361
House Building Loan	527,563	636,412
Transport Loan	-	-
Syndicate Loan	-	-
Lease Rental/Izara	67,269,873	61,666,441
Credit Card	-	-
Total Interest / profit & Rental Income on loans & advances	348,815,291	428,273,153
Call Lending and Fund Placement with banks	-	-
Inter Branch Profit received	639,739,210	816,370,390
	988,554,501	1,244,643,542
16. Interest paid/profit on deposits and borrowings, etc.		
Savings Account including Mudaraba	32,717,539	12,143,061
Special Notice Deposit	8,496,592	8,071,958
Term Deposits	493,034,566	719,117,014
Deposits under Scheme	93,093,301	82,968,125
Call Borrowing & Fund Placement	-	-
Non-convertible Subordinate Bond	-	-
Repurchase Agreement (REPO)	-	-
Overseas Accounts charges	-	-
Leased assets	-	-
HTM / HFT Securities	-	-
Others	98,986,544	134,450,697
	726,328,542	956,750,855
16.1 Others		
Interest paid on NFCB	-	-
Interest/profit paid against Refinance from Bangladesh Bank	98,985,574	134,450,697
Interest paid on Gift Cheque	970	-
Interest paid on Excel Account	-	-
Interest on Finance Bill Rediscounting	-	-
Interest on Fund Borrowing-OBU	-	-
Treasury Bond Premium	-	-
	98,986,544	134,450,697
17. Income from Investment		
Interest on Treasury bills / bonds	-	-
Profit on Govt. Islamic Bond	19,479,368	13,009,188
Capital Gain on Government Securities	-	-
Interest on Commercial Papers	-	-
Interest on Subordinated Bond	-	-
Dividend on Shares	-	-
	19,479,368	13,009,188
18. Commission / Fees and Exchange Earnings		
Commission on Letter of Credit	14,279,156	27,152,403
Commission on Letter of Guarantee	1,519,075	2,237,239
Commission on Remittance/Bills	742,817	996,859
Processing Fee Consumer Loan	435,459	24,625
Other Comm/ Fees (Clearing, cash tr., risk prem., utilisation fee etc.)	10,882,769	13,033,886
Rebate from Foreign Bank outside Bangladesh	-	-
Commission & Fee on Credit Card	288,248	-
Exchange gain including gain from foreign currency dealings	(6,563)	(1,498,720)
	28,140,961	41,946,291

(Note: 16.1)

		2020 Taka	2019 Taka
19. Other Operating Income			
Other Income on Credit Card and ATM		550,500	467,500
Incidental charges		1,886,831	1,317,704
Swift charge recoveries		717,750	984,750
Locker rent		-	-
Capital gain on sale of Shares		-	-
Profit from sale of fixed assets		-	-
Recovery from written off loans		283,500	227,000
		3,438,581	2,996,954
20. Salary and allowances			
Basic salary		11,224,305	11,767,454
Allowances		14,765,678	16,859,864
Bonus & ex-gratia		2,171,139	2,111,857
Leave fare assistance		1,852,000	2,019,084
Bank contribution to gratuity fund		-	-
Bank's contribution to provident fund		1,105,790	1,143,773
		31,118,912	33,902,031
21. Rent, taxes, insurance, electricity, etc.			
Office rent	(Note: 21.1)	(21,217,085)	25,332,384
Electricity and lighting		1,048,358	1,539,723
Regulatory charges		66,176	61,676
Insurance		5,476,803	4,391,035
		(14,625,748)	31,324,818
21.1 Office rent		24,878,778	25,332,384
Less: Reversal of rent expenses due to depreciation and interest expenses under IFRS 16 "Leases"		46,095,863	-
		(21,217,085)	25,332,384
22. Legal expenses			
Legal expenses		238,110	393,040
Other professional fees		-	-
		238,110	393,040
23. Postage, stamps, telecommunication, etc.			
Stamps, postage & courier		55,839	132,373
Telephone charges		82,404	124,999
Fax, internet & radio link charges		287,750	257,250
		425,992	514,622
24. Stationery, Printing, Advertisement, etc.			
Table stationery		177,965	272,043
Printing stationery		264,303	267,642
Security stationery		57,746	85,842
Computer stationery		70,195	266,161
Advertisement		486,710	516,720
		1,056,919	1,408,408
25. Chief Executive's salary and fees			
Basic salary		-	-
House rent allowances		-	-
Living allowances		-	-
Medical Allowances		-	-
Bonus		-	-
		-	-

	2020 Taka	2019 Taka
26. Directors' fees		
Directors fees	-	-
Fees related to Shariah Council Meeting	97,470	196,117
Board/Executive Committee / Shariah Council Meeting Expenses	-	-
	97,470	196,117
27. Auditor's fees	-	-
28. Depreciation and repairs of bank's assets		
<u>Depreciation & Amortization</u>		
Building	-	-
Furniture & Fixture	698,430	699,465
Office Appliance & Equipment	1,743,114	1,948,934
Computer	215,254	188,820
Software	-	-
Motor Vehicle	570,075	570,075
Right of use assets (ROU) as per IFRS 16	44,412,113	-
	47,638,986	3,407,294
<u>Repair & Maintenance:</u>		
Office Premises	337,497	412,145
Office Equipment	255,466	261,206
Office Furniture	39,487	115,565
Motor Vehicle	24,879	90,737
Computer and accessories	103,650	135,163
Software (AMC)	9,600	-
	770,579	1,014,816
	48,409,565	4,422,110
29. Other Expenses		
Contractual service charge (own & third party)	6,005,033	6,482,626
Fuel Costs	171,362	205,790
Entertainment (canteen & other)	198,134	352,138
AGM & Conference Expense	-	-
Donation	9,256	-
Subscription	-	-
Travelling Expenses	106,422	214,158
Conveyance	126,060	185,228
Branch opening expenses	-	-
Godown expenses	42,000	38,500
Training expenses	100,622	73,975
Bond issue expenses	-	-
Books and papers	10,280	21,985
WASA charges	-	-
Staff uniform	49,769	36,161
Potted plants	91,650	96,000
Business development & promotion	-	-
Reuters charges	-	-
Fees and expenses for credit card	-	-
ATM network service charges	207,230	226,170
Contribution to superannuation fund	-	-
Interest expense for lease liability as per IFRS 16	7,091,266	-
Miscellaneous expenses	556,184	426,316
	14,765,268	8,359,047

OFF-SHORE BANKING

Though the country's offshore banking market is dominated by the foreign banks, Dhaka Bank has been able to make its strong and delightful presence by attracting a good number of customers in a short period of time through effective marketing, competitive pricing and ensuring highest levels of professionalism along with excellent customer services backed by quality

- human and technological supports.



Dhaka Bank Limited (Off-Shore Banking Unit)

Annexure-J

Balance Sheet

As at 31 December 2020

	Notes	31.12.2020		31.12.2019	
		USD	Taka	USD	Taka
PROPERTY AND ASSETS					
Cash		13,824,940	1,172,354,954	18,143,720	1,540,401,843
Cash in Hand (Including foreign currencies)					
Balance with Bangladesh Bank & Sonali Bank (Including foreign currencies)		13,824,940	1,172,354,954	18,143,720	1,540,401,843
Balance with other banks and financial institutions		18,555,776	1,573,529,806	18,671,573	1,585,216,534
In Bangladesh		8,000,000	678,400,000	-	-
Outside Bangladesh		10,555,776	895,129,806	18,671,573	1,585,216,534
Money at call on short notice		-	-	-	-
Investments		-	-	-	-
Government		-	-	-	-
Others		-	-	-	-
Loans, advances and lease/investments	3	191,736,120	16,259,222,989	187,707,373	15,936,355,932
Loans, Cash Credits, Overdrafts, etc./Investments	3.1	175,556,139	14,887,160,586	186,695,226	15,850,424,659
Bills purchased and discounted	3.2	16,179,981	1,372,062,403	1,012,147	85,931,273
Fixed assets including premises, furniture and fixtures		7,832	664,113	-	-
Other assets	4	2,433,295	206,343,394	21,760,852	1,847,496,366
Non-banking assets					
Total Assets		226,557,963	19,212,115,256	246,283,518	20,909,470,676
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents	5	197,197,407	16,722,340,136	224,478,758	19,058,246,518
Deposits and other accounts	6	11,122,116	943,155,399	7,118,074	604,324,483
Current Accounts & other Accounts		7,841,156	664,929,996	4,823,704	409,532,432
Bills Payable		-	-	-	-
Other Deposits		3,280,960	278,225,403	2,294,370	194,792,051
Other liabilities	7	12,097,435	1,025,862,496	9,808,309	832,725,417
Total Liabilities		220,416,958	18,691,358,031	241,405,140	20,495,296,419
Capital/Shareholders' Equity					
Paid-up Capital		-	-	-	-
Statutory Reserve		-	-	-	-
Other Reserve		-	-	-	-
Surplus in Profit and Loss Account		6,141,005	520,757,224	4,878,378	414,174,257
Total Shareholders' Equity		6,141,005	520,757,224	4,878,378	414,174,257
Total Liabilities & Shareholders' Equity		226,557,963	19,212,115,255	246,283,518	20,909,470,676

The notes 1 to 16 form an integral part of these financial statements.

	Notes	31.12.2020		31.12.2019	
		USD	Taka	USD	Taka
OFF-BALANCE SHEET ITEMS					
Contingent liabilities:					
	8				
Acceptances and Endorsements		11,330,977	960,866,887	22,924,663	1,946,303,902
Irrevocable Letters of Credit		2,930,256	248,485,735	9,820,638	833,772,145
Letter of Guarantee		-	-	-	-
Bills for Collection		8,081,934	685,347,990	21,519,716	1,827,023,903
Other Contingent Liabilities		-	-	-	-
Sub-total:		22,343,168	1,894,700,612	54,265,017	4,607,099,950
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		22,343,168	1,894,700,612	54,265,017	4,607,099,950

The notes 1 to 16 form an integral part of these financial statements.

Dhaka Bank Limited (Off-Shore Banking Unit)
Profit and Loss Account
For the year ended 31 December 2020

	Notes	2020		2019	
		USD	Taka	USD	Taka
Interest Income/Profit Received	9	9,666,547	819,723,167	13,057,670	1,108,596,178
Interest/Profit paid on Deposits & Borrowings	10	4,110,865	348,601,380	7,063,114	599,658,370
Net Interest Income		5,555,681	471,121,787	5,994,556	508,937,808
Income from Investment		-	-	-	-
Commission/Fees & Exchange Earnings	11	789,600	66,958,114	1,419,247	120,494,035
Other Operating Income	12	38,818	3,291,785	96,055	8,155,070
Total Operating Income (A)		6,384,100	541,371,686	7,509,858	637,586,912
Salary and allowances		-	-	-	-
Rent, taxes, insurance, electricity, etc.		3,114	264,046	10,216	867,306
Legal expenses		172,351	14,615,370	501,742	42,597,855
Postage, stamps, telecommunication, etc.		13,905	1,179,107	21,221	1,801,622
Stationery, printing, advertisement, etc.		1,984	168,236	2,226	189,024
Chief executive's salary and fees		-	-	-	-
Directors' fees		-	-	-	-
Auditors' fees		-	-	-	-
Depreciation and repairs of Bank's assets		7,475	633,921	2,877	244,283
Other expenses	13	14,314	1,213,856	13,613	1,155,722
Total operating expenses (b)		213,143	18,074,536	551,894	46,855,812
Profit / (Loss) Before Provision (C) = (A - B)		6,170,957	523,297,150	6,957,963	590,731,100
Less: Provision for Loans (D)		29,952	2,539,926	2,079,586	176,556,843
Total Profit/(Loss) before Tax (C-D)		6,141,005	520,757,224	4,878,378	414,174,257

The notes 1 to 16 form an integral part of these financial statements.

Dhaka Bank Limited (Off-Shore Banking Unit)

Cash Flow Statement

For the year ended 31 December 2020

	Notes	2020		2019	
		USD	Taka	USD	Taka
Cash flow from operating activities					
Interest receipts		9,666,547	819,723,167	13,057,670	1,108,596,178
Interest payments		(4,110,865)	(348,601,380)	(7,063,114)	(599,658,370)
Receipts from other operating activities	14	828,419	70,249,899	1,515,302	128,649,104
Payments for other operating activities	15	(212,749)	(18,041,134)	(551,894)	(46,855,812)
Operating profit before changes in operating assets & liabilities		6,171,351	523,330,552	6,957,963	590,731,100
Increase / Decrease in operating assets and liabilities:					
Loans and advances to customers		(3,807,395)	(322,867,057)	(116,030,401)	(9,850,981,075)
Other assets		21,435,257	1,817,709,815	135,707,082	11,521,531,282
Deposits & Borrowings from other banks		(27,546,066)	(2,335,906,382)	90,116,338	7,650,877,112
Deposits from customers		3,995,648	338,830,915	(273,058)	(23,182,660)
Other liabilities account of customers		-	-	-	-
Other liabilities		157,344	13,342,796	(85,578,039)	(7,265,575,518)
Net cash flow from operating activities		406,140	34,440,640	30,899,885	2,623,400,241
Cash flows from investing activities		-	-	-	-
Cash flows from financing activities					
Profit/Loss remitted to Head Office		(4,884,130)	(414,174,257)	(6,202,867)	(526,623,403)
Net cash in financing activities		(4,884,130)	(414,174,257)	(6,202,867)	(526,623,403)
Net increase / (decrease) in cash		(4,477,991)	(379,733,617)	24,697,018	2,096,776,839
Cash and cash equivalents at beginning period		36,858,707	3,125,618,377	12,118,275	1,028,841,539
Cash and cash equivalents at end of period		32,380,717	2,745,884,760	36,815,293	3,125,618,377
Closing cash & cash equivalents					
Cash in Hand		-	-	-	-
Balance with Bangladesh Bank & Sonali Bank		13,824,940	1,172,354,954	18,143,720	1,540,401,843
Balance with other banks & Financial Institutions		18,555,776	1,573,529,806	18,671,573	1,585,216,534
Money at call on Short Notice		-	-	-	-
Prize Bond		-	-	-	-
Total		32,380,717	2,745,884,760	36,815,293	3,125,618,377

The notes 1 to 16 form an integral part of these financial statements.

Dhaka Bank Limited (Off-Shore Banking Unit)

Liquidity Statement

(Asset and Liability Maturity Analysis)

As at 31 December 2020

	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)	13,824,940	1,172,354,954	-	-	-	-	-	-	-	-	13,824,940	1,172,354,954
Balance with other banks and financial institutions	18,555,776	1,573,529,806	-	-	-	-	-	-	-	-	18,555,776	1,573,529,806
Money at call on short notice	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-
Loans and Advances	17,419,292	1,477,155,940	83,258,014	7,060,279,569	67,934,174	5,760,817,944	19,669,737	1,667,993,703	3,454,904	292,975,834	191,736,120	16,259,222,989
Fixed assets including premises, furniture and fixtures	-	-	-	-	-	-	-	-	-	7,831.52	7,832	664,113
Other assets	-	-	-	-	351,257	29,786,551	-	-	2,082,038	176,556,843	2,433,295	206,343,394
Non-banking assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	49,800,008	4,223,040,700	83,258,014	7,060,279,569	68,285,430	5,790,604,495	19,669,737	1,667,993,703	5,544,773	470,196,790	226,557,963	19,212,115,256
Liabilities:												
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	-	-	(197,197,407)	(16,722,340,136)	-	-	-	-	-	-	(197,197,407)	(16,722,340,136)
Deposits & other accounts	(7,841,156)	(664,929,996)	(1,640,480)	(139,112,701)	(656,192)	(55,645,081)	(590,573)	(50,080,573)	(393,715)	(33,387,048)	(11,122,116)	(943,155,399)
Other liabilities	(2,175,218)	(184,458,463)	-	-	(6,964,983)	(590,630,559)	(781,634)	(66,282,522)	(2,175,601)	(184,490,953)	(12,097,435)	(1,025,862,497)
Capital & Reserve	-	-	-	-	(6,141,399)	(520,790,626)	-	-	(394)	(33,401)	(6,141,005)	(520,757,225)
Total Liabilities	(10,016,373)	(849,388,458)	(1,640,480)	(139,112,701)	(210,959,981)	(17,889,406,401)	(1,372,206)	(116,363,094)	(2,561,091)	(217,180,487)	(226,557,963)	(19,212,115,256)
Net Liquidity Gap	39,783,635	3,373,652,241	81,617,534	6,921,166,868	(142,674,551)	(12,098,801,907)	18,297,531	1,551,630,609	2,975,851	252,352,190	-	-
Cumulative Liquidity Gap	39,783,635	3,373,652,241	121,401,169	10,294,819,109	(21,273,382)	(1,803,982,798)	(2,975,851)	(252,352,189)	-	-	-	-

Dhaka Bank Limited (Off-Shore Banking Unit)

Notes to the Financial Statements

As at and for the year ended 31 December 2020

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 The Bank Company Act, 1991, and amendment thereon, BRPD Circular No.14 dated 25 June 2003, other Bangladesh Bank circulars, International Financial Reporting Standards, the Companies Act 1994, the Listing Regulations of the Stock Exchanges, the Securities and Exchange Rule 1987 and other laws and rules applicable in Bangladesh on a going concern basis.

2.2 Allocation of common expenses

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

3 Loans and Advances

3.1 Loans, Cash Credits & Overdrafts etc: In Bangladesh

	31.12.2020		31.12.2019	
	USD	Taka	USD	Taka
Overdraft	13,796,885	1,169,975,808	12,011,123	1,019,744,360
Term Loan	28,356,652	2,404,644,078	22,210,967	1,885,711,130
Short Term Loan	-	-	-	-
Loan against Accepted Bills	5,609,875	475,717,412	-	-
Loan against Trust Receipt	-	-	-	-
Payment against Documents	-	-	-	-
Other Loans	127,792,727	10,836,823,288	152,473,135	12,944,969,170
	175,556,139	14,887,160,586	186,695,226	15,850,424,659

Outside Bangladesh

Sub-total

	-	-	-	-
	175,556,139	14,887,160,586	186,695,226	15,850,424,659

3.2 Bills Purchased & Discounted

Payable in Bangladesh:

Inland bills purchased	16,179,981	1,372,062,403	1,012,147	85,931,273
------------------------	------------	---------------	-----------	------------

Payable outside Bangladesh:

Foreign bills purchased & discounted				
--------------------------------------	--	--	--	--

Sub-total

	16,179,981	1,372,062,403	1,012,147	85,931,273
--	-------------------	----------------------	------------------	-------------------

Total

	191,736,120	16,259,222,989	187,707,373	15,936,355,932
--	--------------------	-----------------------	--------------------	-----------------------

3.3 Residual maturity grouping of loans including bills purchased and discounted

Repayable on Demand	17,419,292	1,477,155,940	32,456,716	2,755,575,191
Not more than 3 months	83,258,014	7,060,279,569	61,525,782	5,223,538,858
More than 3 months but not more than 1 year	67,934,174	5,760,817,943	71,513,908	6,071,530,754
More than 1 year but not more than 5 years	19,669,737	1,667,993,703	21,152,910	1,795,882,051
More than 5 years	3,454,904	292,975,834	1,058,057	89,829,078
	191,736,120	16,259,222,989	187,707,373	15,936,355,932

	31.12.2020		31.12.2019	
	USD	Taka	USD	Taka
3.4 Maturity grouping of bills purchased & discounted				
Payable within 1 month	5,715,389	484,665,003	618,170	52,482,617
Over 1 month but less than 3 months	9,152,831	776,160,055	393,977	33,448,656
Over 3 months but less than 6 months	1,311,761	111,237,345	-	-
6 months or more	-	-	-	-
	16,179,981	1,372,062,403	1,012,147	85,931,273
3.5 Loans on the basis of significant concentration including bills purchased & discounted:				
a. Advances to allied concerns of directors	-	-	-	-
b. Advances to Chief Executive	-	-	-	-
c. Advances to other senior executives	-	-	-	-
d. <u>Advances to customer's group:</u>				
Agriculture loan	-	-	-	-
Commercial lending	-	-	-	-
Export financing	452,290	38,354,217	21,613,833	1,835,014,436
Consumer credit scheme	-	-	-	-
Small and Medium Enterprise (SME)	473,136	40,121,965	241,008	20,461,561
Staff Loan	-	-	-	-
Others	190,810,693	16,180,746,807	165,852,532	14,080,879,935
	191,736,120	16,259,222,989	187,707,373	15,936,355,932
3.6 Industry - wise loans including bills purchased & discounted				
Agricultural	-	-	-	-
Pharmaceuticals	-	-	-	-
Textile & Garment	47,982,460	4,068,912,609	62,042,150	5,267,378,577
Chemical	-	-	-	-
Food & allied	-	-	-	-
Transport & Communication	-	-	-	-
Electronics & Automobile	2,047,471	173,625,538	5,010,293	425,373,841
Housing & Construction	-	-	-	-
Engineering & Metal Industries including Ship Breaking	-	-	-	-
Energy & Power	5,593,361	474,317,043	7,314,109	620,967,834
Service	-	-	-	-
Others	136,112,828	11,542,367,799	113,340,821	9,622,635,681
	191,736,120	16,259,222,989	187,707,373	15,936,355,932
3.7 Geographical Location - wise Loans and Advances				
Dhaka Region	191,736,120	16,259,222,989	154,858,007	13,147,444,793
Chittagong Region	-	-	32,849,366	2,788,911,139
South Region	-	-	-	-
North Region	-	-	-	-
Sylhet Region	-	-	-	-
Other	-	-	-	-
	191,736,120	16,259,222,989	187,707,373	15,936,355,932
3.8 Sector-wise loans				
In Bangladesh				
Government & Autonomous bodies	-	-	-	-
Financial Institutions (Public & Private)	135,408,614	11,482,650,449	-	-
Other Public Sector	-	-	-	-
Private Sector	56,327,506	4,776,572,540	187,707,373	15,936,355,932
	191,736,120	16,259,222,989	187,707,373	15,936,355,932
Outside Bangladesh				
	191,736,120	16,259,222,989	187,707,373	15,936,355,932

		31.12.2020		31.12.2019	
		USD	Taka	USD	Taka
3.9	Classification of loans & advances				
	Unclassified (including staff loan)	190,559,724	16,159,464,579	186,632,006	15,845,057,271
	Sub-standard	1,176,396	99,758,410	1,075,367	91,298,661
	Doubtful	-	-	-	-
	Bad or loss	-	-	-	-
		191,736,120	16,259,222,989	187,707,373	15,936,355,932
3.10	Provision required for loans and advances				
	Status				
	Rate%				
	Unclassified	2,847,684	241,483,622	1,774,212	150,630,579
	Special Mention Account	396,241	33,601,206	90,301	7,666,532
		3,243,925	275,084,828	1,864,512	158,297,111
	Classified:				
	Sub-standard	317,666	26,938,047	215,073	18,259,732
	Doubtful	-	-	-	-
	Bad or loss	-	-	-	-
		317,666	26,938,047	215,073	18,259,732
	Required provision for loans & advances	3,561,591	302,022,875	2,079,586	176,556,843
	Total provision maintained	3,561,591	302,022,875	2,079,586	176,556,843
	Excess / short provision as at 31 December	-	-	-	-
3.11	Securities against loans including bills purchased & discounted				
a.	Secured				
	Collateral of movable / immovable assets	17,903,705	1,518,234,201	23,803,445	2,020,912,458
	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	-	-	10,490,569	890,649,300
	Corporate Guarantee	8,816,057	747,601,602	-	-
	Other Securities	165,016,358	13,993,387,186	153,413,359	13,024,794,174
		-	-	-	-
		-	-	-	-
		191,736,120	16,259,222,989	187,707,373	15,936,355,932
b.	Unsecured	-	-	-	-
		-	-	-	-
3.12	Particulars of Loans and Advances				
(i)	Loans considered good in respect of which the bank company is fully secured;	182,920,064	15,511,621,387	177,216,804	15,045,706,632
(ii)	Loans considered good against which the banking company holds no security other than the debtor's personal guarantee;	8,816,057	747,601,602	10,490,569	890,649,300
(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;	-	-	-	-

	31.12.2020		31.12.2019	
	USD	Taka	USD	Taka
(v) Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons;	-	-	-	-
(vi) Loans due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members;	-	-	-	-
(vii) Maximum total amount of advances including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person;	-	-	-	-
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members;	-	-	-	-
(ix) Due from banking companies;	-	-	-	-
(x) Amount of classified loan on which interest has not been charged, should be mentioned as follows:	-	-	-	-
a) Decrease / increase in provision;	-	-	-	-
b) Amount realized against loan previously written off;	-	-	-	-
c) Amount of provision kept against loan classified as "bad/loss" on the date of preparing the balance sheet;	-	-	-	-
d) Interest creditable to the Interest Suspense A/c;	-	-	-	-
(xi) Cumulative amount of the written off loan;	-	-	-	-
4 Other Assets				
Accrued Interest	1,156	97,991	-	-
Suspense account	348,755	29,574,416	-	-
Prepaid Expenses	1,346	114,115	347,944	29,540,415
Finance to AD Branches for IBP	-	29	20,121,485	1,708,314,074
Finance to AD Branches for Import Bill Discounting	-	-	1,291,424	109,641,877
Branch Adjustment	2,082,038	176,556,843	-	-
	2,433,295	206,343,394	21,760,852	1,847,496,366
5 Borrowing from Other Banks/Financial Institutions	197,197,407	16,722,340,136	224,478,758	19,058,246,518
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	110,358,347	9,358,387,836	156,112,295	13,253,933,881
Over 1 year but within 5 years	86,839,060	7,363,952,300	68,366,462	5,804,312,637
	197,197,407	16,722,340,136	224,478,758	19,058,246,518

According to BCD Circular No.(P)744(27) dated 17 December 1985 of Bangladesh Bank, Dhaka Bank maintained foreign currency accounts with Off-shore Banking Units in the manner they maintain such accounts with their foreign correspondents.

	31.12.2020		31.12.2019	
	USD	Taka	USD	Taka
6 Deposits and other accounts				
6.1 Current and other Accounts				
Foreign Currency Deposits	7,704,044	653,302,929	4,453,240	378,080,046
Margin under L/C	137,112	11,627,067	370,464	31,452,386
6.2 Bills Payable	-	-	-	-
6.3 Other deposit				
Term Deposit	3,280,960	278,225,403	2,294,370	194,792,051
Deposits Awaiting Disposal	-	-	-	-
Sundry Deposit	-	-	-	-
	3,280,960	278,225,403	2,294,370	194,792,051
	11,122,116	943,155,399	7,118,074	604,324,483
6.4 Maturity grouping of deposits and other accounts				
Repayable on demand	7,841,156	664,929,996	4,823,704	409,532,432
Repayable within 1 month	-	-	-	-
Over 1 month but within 6 months	1,640,480	139,112,701	1,147,185	97,396,026
Over 6 months but within 1 year	656,192	55,645,081	458,874	38,958,410
Over 1 year but within 5 years	590,573	50,080,573	412,987	35,062,569
Over 5 years but within 10 years	393,715	33,387,048	275,324	23,375,046
	11,122,116	943,155,399	7,118,074	604,324,483
7 Other Liabilities				
Accrued Interest	781,634	66,282,521	1,349,845	114,601,856
Provision on loans and advances	2,111,990	179,096,769	2,079,586	176,556,843
Finance from Bill Discounting	6,964,983	590,630,559	4,908,059	416,694,225
Refinance by SWAP Woori Bank	-	-	-	-
Import Payment Suspense	75,706	6,419,843	73,981	6,281,025
Export proceeds suspense	2,098,972	177,992,815	1,349,111	114,539,513
Interest Suspense Account	55,385	4,696,670	-	-
Tax deducted at source & payable	540	45,805	47,726	4,051,955
Lease liabilities as per IFRS 16	8,225	697,514	-	-
Branch Adjustment	-	-	-	-
	12,097,435	1,025,862,496	9,808,309	832,725,417
8 Contingent Liabilities				
Acceptances and Endorsements	11,330,977	960,866,887	22,924,663	1,946,303,902
Irrevocable Letters of Credit	2,930,256	248,485,735	9,820,638	833,772,145
Letters of Guarantee	-	-	-	-
Bills for Collection	8,081,934	685,347,990	21,519,716	1,827,023,903
Other Contingent Liabilities	-	-	-	-
	22,343,168	1,894,700,612	54,265,017	4,607,099,950

	01-Jan-2020 to 31-Dec-2020		01-Jan-2020 to 31-Dec-2019	
	USD	Taka	USD	Taka
9 Interest Income				
Interest on Advances	9,665,391	819,625,175	13,057,670	1,108,596,178
Interest on Money at call and short Notice	-	-	-	-
Call Lending and Fund Placement with banks	1,156	97,991	-	-
Accounts with Foreign Banks	-	-	-	-
	9,666,547	819,723,167	13,057,670	1,108,596,178
10 Interest / Profit Paid On Deposits & Borrowings				
Term Deposits	58,089	4,925,989	41,259	3,502,918
Fund Borrowings	4,052,776	343,675,391	7,021,855	596,155,452
Inter Branch Interest paid				
	4,110,865	348,601,380	7,063,114	599,658,370
11 Commission / Fees and Exchange Earnings				
Commission/ Fees Income	769,728	65,272,898	1,411,387	119,826,770
Exchange gain including gain form foreign currency dealings	19,873	1,685,216	7,859	667,265
	789,600	66,958,114	1,419,247	120,494,035
12 Other Operating Income				
Postage Charge Recoveries	18,092	1,534,220	35,435	3,008,432
Swift Charge Recoveries	20,726	1,757,565	60,350	5,123,715
Other Fees	-	-	270	22,923
	38,818	3,291,785	96,055	8,155,070
13 Other expenses				
Contractual service charge	6,311	535,204	6,015	510,662
Petrol, oil and lubricants (vehicle & generator)	1,900	161,079	1,796	152,512
Entertainment (canteen & other)	3,171	268,872	4,845	411,335
Travelling	-	-	-	-
Conveyance	654	55,444	957	81,214
Training expenses	-	-	-	-
Books and papers	-	-	-	-
Staff uniform	-	-	-	-
Potted plants	-	-	-	-
Business development & promotion	-	-	-	-
Other Charges	1,193	101,166	-	-
Revaluation loss				
	13,228	1,121,765	13,613	1,155,722
14 Cash Received from Other Operating Activities				
Commission & Exchange	789,600	66,958,114	1,419,247	120,494,035
Other Operating Income	38,818	3,291,785	96,055	8,155,070
	828,419	70,249,899	1,515,302	128,649,104
15 Cash Paid for Other Operating Activities				
Office Operating Expenses	(212,749)	(18,041,135)	(551,894)	(46,855,812)
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. 84.80 (2019 : US \$ 1 = Tk 84.90) which represents the period end mid rate of exchange as at 31 December 2020.

16.3 Previous year's figures have been rearranged, where considered necessary, to conform to current year's presentation.

DHAKA BANK CUSTODIAN SERVICES



Rahman Rahman Huq
Chartered Accountants
9 & 5 Mohakhali C/A
Dhaka-1212
Bangladesh

Telephone : +880 2 2222 86450-2
Fax : +880 2 2222 86449
Email : dhaka@kpmg.com
Internet : www.kpmg.com/bd

To whom it may concern

This is to certify that as detailed in the Annexure-K, Dhaka Bank Limited made the custodian transactions on account of custodian services provided during the year ended 31 December 2020, which have been verified with the books of account, invoices and other related documents as produced to us for our verification.

We also certify that management of the Bank prepared and fairly presented of the income and expenses in accordance with the requirement of the Securities and Exchange Commission (Securities Custodian Service) Rules 2003, and made necessary disclosures in the Bank's audited financial statements for the year ended 31 December 2020.

A handwritten signature in black ink, appearing to be 'Ali Ashfaq', written over a horizontal line.

Ali Ashfaq, Partner
Enrolment no: 509
Rahman Rahman Huq
Chartered Accountants

Dhaka, 06 May 2021

Profit and Loss Account of Custodian Service for the year ended 31 December 2020

	2020 Taka	2019 Taka
Operating income		
Commission, exchange and brokerage	422,843	954,121
Other operating income	800	1,000
Total operating income	423,643	955,121
Salaries and allowances	195,000	195,000
Rent, taxes, insurance, electricity etc.	-	-
Legal expenses	20,000	20,000
Postage, stamp, telecommunication etc.	-	-
Stationery, printing, advertisement etc.	-	-
Depreciation and repair of bank's assets	-	-
Other expenses	57,500	-
Total operating expenses	272,500	215,000
Operating profit	151,143	740,121

DHAKA BANK SECURITIES LIMITED

Dhaka Bank Securities Limited continues to achieve its business growth with sensible execution of business development strategies. The loan facilities are restricted only to selection of credit customer with few fundamentally sound instruments in accordance with the instructions of the Regulatory Bodies. DBSL has 672 margin clients. The interest income from margin loan dropped due to falling trend in the Market Index.



Independent Auditor's Report

To the Shareholders of Dhaka Bank Securities Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dhaka Bank Securities Limited which comprise the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note # 5 of the financial statements, which describes the matter related to recognition of deferred tax asset and notes 19.1 & 19.2 which describe the basis for maintaining provision on unrealized losses in respect of own portfolio investment and margin loan to clients. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the director's reports, but doesn't include the financial statements and our auditor's report thereon. The director's reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the 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.

When we read the director's reports, there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report

To the Shareholders of Dhaka Bank Securities Limited

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on other Legal and Regulatory Requirements

We also report that the financial statements comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and the other applicable laws and regulations. We, as required by law, further report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books; and
- c) the statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns.

Dhaka,
15 March 2021

Signed for and on behalf of
ACNABIN
Chartered Accountants




Md Moniruzzaman FCA
Partner

ICAB Enrollment No. 787
DVC: 2105030787AS736158

Dhaka Bank Securities Limited
Statement of Financial Position
As at 31 December 2020

	Notes	31.12.2020 Taka	31.12.2019 Taka
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	12,265,218	8,080,258
Investments in un-quoted shares	4	938,921,728	939,198,453
Deferred tax assets	5	80,731,640	2,162,422
		4,134,956,092	4,681,837,020
Current assets			
Investment in quoted shares	6	1,977,172,902	2,111,589,767
Margin loans	7	1,675,516,118	2,149,978,522
Accounts and other receivable	8	34,851,703	44,438,675
Advance income tax	9	145,771,885	241,095,261
Advances, deposits and prepayments	10	9,832,521	9,291,499
Cash and Cash Equivalents	11	291,810,962	125,443,297
		5,166,874,677	5,631,278,152
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity			
Paid up capital	12	2,087,000,620	2,046,079,040
Investment fluctuation fund	13	49,200,000	41,100,000
Retained earnings	14	(48,922,414)	56,339,743
Non-current liabilities			
Long term loan	15	58,464,050	90,088,588
Current liabilities			
Short-term loan from bank and NBFI	16	1,694,162,672	2,328,017,550
Accounts payable	17	283,738,613	175,311,608
Provision for income tax	18	138,157,100	238,642,241
Provision for diminution in value of Investments	19	843,872,045	598,760,904
Other liabilities	20	61,201,991	56,938,478
		3,021,132,421	3,397,670,781
Total Liabilities			
		5,166,874,677	5,631,278,152
TOTAL EQUITY AND LIABILITIES			

The annexed notes from 1 to 40 form an integral part of these financial statements.


Md. Aftab Uddin Biswas
SAVP and In-Charge


Mahfuzur Rahman
Director


Suez Islam
Director

This is the statement of financial position income referred to in our separate report of even date.

Dhaka,
15 March 2021

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md Moniruzzaman FCA
Partner

ICAB Enrollment No. 787
DVC: 2105030787AS736158

Dhaka Bank Securities Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2020

	Notes	2020 Taka	2019 Taka
Operating Income			
Brokerage commission income	21	72,622,606	75,358,827
Direct expenses	22	(10,929,342)	(11,062,849)
Net brokerage commission income		61,693,264	64,295,978
Interest income	23	104,426,658	175,334,764
Interest expense	24	(171,862,865)	(225,701,486)
Net interest income		(67,436,207)	(50,366,722)
Net investment income	25	214,496,107	137,814,309
Fees and other income	26	1,037,671	1,869,364
Total operating income		209,790,835	153,612,929
Operating expenses			
Salaries and allowances	27	36,619,893	44,008,612
Rent, taxes, insurance, electricity etc.	28	7,192,000	18,048,154
Legal expenses	29	233,500	229,425
Postage, stamp, telecommunication etc.	30	418,261	567,920
Stationary, printing, advertisement etc.	31	2,391,880	2,800,803
Directors' fee and meeting expenses	32	941,990	1,208,553
Audit fee	33	287,500	287,500
Repairs and maintenance	34	5,833,876	5,769,788
Other expenses	35	7,620,166	9,412,030
Depreciation and amortization	36	11,253,212	3,155,653
Total operating expenses		72,792,279	85,488,438
Profit before provision and tax		136,998,557	68,124,491
Less: Provision for diminution in value of investments		245,111,141	5,000,000
Provision for loss on own portfolio	19.1	-	2,500,000
Provision for loss on margin loan	19.2	245,111,141	2,500,000
(Loss)/Profit before provision for income tax		(108,112,584)	63,124,491
Less: Provision for income tax			
Current Tax	37	26,697,211	24,014,151
Deferred tax income	38	(78,569,218)	(914,105)
		(51,872,007)	23,100,046
Net (Loss)/profit after tax		(56,240,577)	40,024,444
Other comprehensive income		-	-
Total comprehensive income		(56,240,577)	40,024,444

The annexed notes from 1 to 40 form an integral part of these financial statements.


Md. Aftab Uddin Biswas
SAVP and In-Charge


Mahfuzur Rahman
Director


Subez Islam
Director

This is the statement of profit or loss and other comprehensive income referred to in our separate report of even date.

Dhaka,
15 March 2021

Signed for and on behalf of
ACNABIN
Chartered Accountants


Md Moniruzzaman FCA
Partner
ICAB Enrollment No. 787
DVC: 2105030787AS736158

Dhaka Bank Securities Limited
Statement of Changes in Equity
For the year ended 31 December 2020

Amount in Taka

Particulars	Share Capital	Investment Fluctuation Fund	Retained Earnings	Total Equity
Balance as at 01 January 2020	2,046,079,040	41,100,000	56,339,743	2,143,518,783
Net loss for the year	-	-	(56,240,577)	(56,240,577)
Transfer to investment fluctuation fund	-	8,100,000	(8,100,000)	-
Bonus shares issued	40,921,580	-	(40,921,580)	-
Balance as at 31 December 2020	2,087,000,620	49,200,000	(48,922,414)	2,087,278,206
Balance as at 01 January 2019	1,891,890,000	36,700,000	174,904,339	2,103,494,339
Net profit 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 at 31 December 2019	2,046,079,040	41,100,000	56,339,743	2,143,518,783

The annexed notes from 1 to 40 form an integral part of these financial statements.



Md. Aftab Uddin Biswas
SAVP and In-Charge



Mahfuzur Rahman
Director




Suez Islam
Director

Dhaka,
15 March 2021

Dhaka Bank Securities Limited
Statement of Cash Flows
For the year ended 31 December 2020

	Notes	2020 Taka	2019 Taka
A. Cash flows from operating activities:			
Net (loss)/profit before tax for the year		(108,112,584)	63,124,491
Adjustment for:			
Depreciation and amortization	36	11,253,212	3,155,653
Cash generated from operating activities before changes in working capital		(96,859,372)	66,280,144
Changes in working capital:			
Decrease in accounts and other receivable		9,586,972	5,963,289
Decrease/(increase) in margin loans to clients		474,462,404	(86,905,075)
Decrease/(increase) in advance income tax		95,323,375	(37,688,976)
Increase in provision for unrealized losses		245,111,141	5,000,000
(Increase)/Decrease in advances, deposits and prepayments		(541,023)	3,317,299
Increase/(Decrease) in accounts payable		108,427,005	(87,723,474)
Increase/(Decrease) in other liabilities		4,263,513	(509,483)
Payment of income tax	18	(127,182,352)	-
		809,451,036	(198,546,420)
Net cash flow from/(used in) operating activities		712,591,664	(132,266,276)
B. Cash flows from investing activities:			
Acquisition of property, plant and equipment	3	(15,438,172)	(1,653,300)
Encashment of un-quoted shares/securities		276,725	-
Encashment of/(investment) in quoted shares/securities		134,416,865	(28,888,470)
Net cash flow from/(used in) investing activities		119,255,419	(30,541,770)
C. Cash flow from financing activities:			
(Repayment for)/receipt of loan from Dhaka Bank Limited		(603,854,879)	108,610,870
Repayment of loan from UFL		(30,000,000)	(70,000,000)
(Repayment)/Receipt of Loan from ICB stimulus fund	16	(31,624,538)	76,543,183
Net cash (used in)/flows from financing activities	15	(665,479,417)	115,154,053
D. Surplus/(deficit) in cash and cash equivalents (A+B+C)		166,367,666	(47,653,992)
E. Cash and cash equivalents at beginning of the year		125,443,297	173,097,289
F. Cash and cash equivalents at the end of the year (D+E)		291,810,962	125,443,297

The annexed notes from 1 to 40 form an integral part of these financial statements.


Md. Aftab Uddin Biswas
SAVP and In-Charge


Mahfuzur Rahman
Director


Sulez Islam
Director

Dhaka,
15 March 2021

Dhaka Bank Securities Limited
Notes to the Financial Statements
As at and for the year ended 31 December 2020

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 limited company by shares having its registered office at Adamjee Court (1st Floor), 115-120, Motijheel C/A, Dhaka -1000 which was converted as a public limited company 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 Exchange Limited and Chittagong Stock Exchange Limited to carry on the business of brokers in stocks, shares and securities, commercial papers, bonds, debentures, debenture stocks, foreign currencies, treasury bills and/or any financial instruments. The Company has six branches in Bangladesh located at Adamjee Court-Motijheel, DSE Building-Motijheel, Dhanmondi, Uttara, Agrabad and Sylhet. Dhaka Bank Securities Limited possesses following licenses from regulatory authorities:

Name of authority	License/Registration No.	Purpose
Bangladesh Securities and Exchange Commission (BSEC)	3.1/DSE-193/2011/453	Stock Broker Business with DSE
Bangladesh Securities and Exchange Commission (BSEC)	3.1/DSE-193/2011/454	Stock Dealer Business with DSE
Bangladesh Securities and Exchange Commission (BSEC)	3.2/CSE-081/2011/260	Stock Broker Business with CSE
Bangladesh Securities and Exchange Commission (BSEC)	3.2/CSE -081/2011/261	Stock Dealer Business with CSE
Bangladesh Securities and Exchange Commission (BSEC)	CDBL- DP 17	Depository Functions with Central Depository Bangladesh Limited (CDBL)
Dhaka Stock Exchange Limited (DSE)	TREC NO. 193	Trading with DSE
Chittagong Stock Exchange Limited (CSE)	TREC NO. 081	Trading with CSE

2. Significant accounting policies

2.1 Basis of presentation of financial statements

These financial statements have been prepared in accordance with 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 Components of financial statements

- Statement of Financial Position
- Statement of Profit or Loss and Other Comprehensive Income
- Statement of Changes in Equity
- Statement of Cash Flows
- Notes to the Financial Statements

2.4 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;
- The Negotiable Instruments Act, 1881;
- The Value Added Tax and Supplementary Duty Act, 2012;
- The Securities and Exchange Rules, 1987;
- The Securities and Exchange Commission Act, 1993;
- The Securities and Exchange Commission (Stock-Dealer, Stock-Broker and Authorized Representatives) Rules, 2000; and
- Other applicable laws and regulations.

2.5 Presentation and functional currency and level of precision

The financial statements have been presented in Bangladeshi Taka (BDT), which is the Company's functional currency. All financial information presented in BDT has been rounded off to the nearest integer.

2.6 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, revenues and expenses. It also requires disclosure 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.

2.7 Consistency

In accordance with the IFRS framework for the presentation of financial statements together with IAS 1 and IAS 8, Dhaka Bank Securities Limited applies the accounting disclosure principles consistently from one Year to the next. Where selecting and applying new accounting policies, changes in accounting policies applied, corrections of errors, the amounts involved are accounted for and retrospectively accordance with the requirement of IAS 8. We however, have applied the same accounting principles in 2020 as was for in financial statements for 2019.

2.8 Going concern

The Company has adequate resources to continue its operation for the foreseeable future. For this reason, the management continue to adopt going concern basis in preparing the financial statements. Conversely, the company has neither any intention nor any legal or regulatory compulsion to halt operations and liquidate its assets in the near term at what may be very low fire-sale prices. The current credit facilities and adequate resources of the company provide sufficient funds to meet the present requirements of its existing businesses and operations. Management assessed the going concern and found no threat thereon.

2.9 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.

2.10 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.

2.11 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.

2.12 Property, plant and equipment

2.12.1 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.

2.12.2 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 is charged on additions when the related assets are put into use and no depreciation is charged from the date of disposal. The rates of depreciation used to write off the amount of assets are as follows:

Nature of assets	Rate of Depreciation
Furniture and fixtures	10%
Office appliance and equipment	20%
Computer equipment's	20%
Software	20%
Motor vehicles	20%

2.13 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.

2.14 Application of International Financial Reporting Standard (IFRS-16)

Right-of-use (ROU) assets:

The cost of rented floor as per Agreement for Head Office, DSE Building Branch, Uttara Branch are shown as per IFRS-16: Lease. Amortization is separately shown in the schedule of Property, Plant and equipment.

Dhaka Bank Securities Limited recognizes the right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and impairment of losses and adjusted for any measurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognize, initial direct cost incurred, and lease payment made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the lease term, or remaining Year of the lease term.

Lease Liabilities:

At the commencement of the lease, the company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payment include fixed and variable lease payment (less any adjustment for initial payment), and amount is expected to be paid under residual value of guarantees. In 2020, the company reassessed all lease payment of existing contracts remaining Year considering a cut-off date beginning of 2020. The lease liabilities are presented in the note 21 of these financial statements. Leases where the company does not transfer substantially all of the risk and benefit of ownership of any asset are classified as operating assets.

2.15 Provision for income tax

2.15.1 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 2020. The rate of tax is 32.50% for the year 2020 and 35% for the year 2019.

2.15.2 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.

2.16 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 (IFRS) 15: Revenue from contracts with customers.

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 falls below 50%.

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.

2.17 Recognition and measurement of financial Instruments

In accordance with International Financial Reporting Standard (IFRS) 9, financial assets may be recognized at fair value, with gain and losses taken to the income statement in net investment income. A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term.

Financial Assets

Financial assets of the company include cash and bank balances, accounts and other receivable. The company initially recognizes receivable on the date they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction. The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flows from the asset expire or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Dhaka Bank Securities Limited disburses margin loans to client @ 50%. Besides, the company invests in the capital market to maintain its own portfolio.

Financial Liabilities

Dhaka Bank Securities Limited has a long term loan with Investment Corporation of Bangladesh (ICB) amounting Tk. 9.78 crores @ 4% p.a. from September 12, 2019 to September 12, 2022.

Dhaka Bank Securities Limited has a Overdraft facility with Dhaka Bank Limited, Branch with the limit of 225.00 (Two hundred and twenty five) crores @ 9% p.a.

2.19 Provision for loss on 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 20% 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.

2.20 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.

2.21 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.

2.22 Branch accounting

The Company has 6 (six) branch offices (excluding head office), with no overseas branch as at 31 December 2020. Accounts of the branches are maintained at the head office which are included in the accompanying financial statements.

2.23 Reporting period

The company's reporting period is 01 January 2020 to 31 December 2020.

2.24 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.

2.25 Impact of COVID-19

On 11 March 2020 the World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease, commonly known as COVID-19. To contain the spread of this disease, along with many other countries of the world, the Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing, etc. As a result of these measures, all business and economic activities in the country have been adversely affected and this has also affected the Company. Although the business operation and profitability of the Company have been impacted by COVID-19, but due to the constantly changing nature of the situation and lack of certainty at present regarding how long this situation will prevail, the potential impact of COVID-19 related matters on the Company's operation and financial results cannot be reasonably assessed. The Management of the Company assessed the going concern and found no uncertainty regarding this for the upcoming 12 months due to COVID-19. Assessment of COVID-19 in relation to the following areas and the conclusion reached thereof is given below:

2.25.1 Margin loan

One of the principal activities of the company is providing corporate advisory service under which the company provides margin loan to the clients. Although lockdown and restriction in movements imposed due to COVID-19 has affected margin loan in second quarter of 2020, the Company has managed to recover in the subsequent quarters.

2.25.2 Investment in shares

Because of the pandemic situation, optimal investment opportunities has shrunk. Despite that the company has made some investment in profitable shares and mutual fund.

2.25.3 Others

Management of the Company has assessed other areas of operations and found no significant impact of COVID-19 thereon.

2.26 General

- i) Figures have been rounded off to the nearest integer.
- ii) Previous year's figures have been rearranged wherever considered necessary to conform to the current year's presentation.

		31.12.2020 Taka	31.12.2019 Taka
3.	Property, plant and equipment		
	(A) Cost		
	Opening balance	45,990,659	44,337,359
	Add: Addition during the year	15,438,172	1,653,300
		61,428,831	45,990,659
	(B) Accumulated depreciation and amortization		
	Opening balance	37,910,401	34,754,748
	Add: Charged during the year	11,253,212	3,155,653
		49,163,613	37,910,401
	(C) Written down value (A-B)	12,265,218	8,080,258
	Schedule of property, plant and equipment is given in Annexure-A		
4.	Investment in un-quoted shares		
	Investment in shares of DSE (Note : 4.1)	661,843,958	662,120,683
	Investment in shares of CSE (Note : 4.2)	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
		938,921,728	939,198,453

	Stock exchange	Allotment Status	Number of Shares			
4.1	Dhaka Stock Exchange Limited (DSE)	Allotted (53%; 40%) Blocked (47%; 60%)	2,886,042 2,525,287	352,983,428 308,860,530	353,131,015 308,989,668	
			5,411,329	661,843,958	662,120,683	
4.2	Chittagong Stock Exchange Limited (CSE)	Allotted (40%; 40%) Blocked (60%; 60%)	1,714,932 2,572,398	100,000,000 150,000,000	100,000,000 150,000,000	
			4,287,330	250,000,000	250,000,000	

5. Deferred tax assets	Accounting Base	Tax Base	Deductible Temporary Difference
As at 31 December 2020			
Property, plant and equipment	5,212,537	10,582,107	(5,369,570)
RoU Assets	7,052,681	-	7,052,681
Lease liabilities	(4,977,016)	-	(4,977,016)
Provision for Margin Loan Account*	(245,111,141)	-	(245,111,141)
	(237,822,939)	10,582,107	(248,405,046)
Applicable tax rate			32.50%
Deferred tax asset as on 31 December 2020			(80,731,640)

*Total provision against margin loan account is Taka 62.76 Crore (Note: 19.2). Out of this amount, Taka 38.25 Crore (Note: 19.2) was maintained in the year 2019 against unrealized margin loan account. Additional provision of Taka 24.51 Crore is maintained in the year 2020 against realized margin loan account and considered in deferred tax calculation.

Further noted here that considering the nature of capital market, there is a chance of making gain from the share market. In that aspect, provision against unrealized loss of earlier years has not been considered in deferred tax calculation.

	Accounting Base	Tax Base	Deductible Temporary Difference
As on 31 December 2019			
Property, plant and equipment	8,080,258	14,258,605	(6,178,347)
Applicable tax rate			35.00%
Deferred tax asset as on 31 December 2019			(2,162,422)

6. Investment in quoted shares

Investment in own portfolio/dealer account
Investment in Special Portfolio (ICB Fund)

	31.12.2020 Taka	31.12.2019 Taka
Investment in own portfolio/dealer account	1,859,970,039	2,111,589,767
Investment in Special Portfolio (ICB Fund)	117,202,863	-
	1,977,172,902	2,111,589,767

6.1 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 2020	Market value of shares in 2020	Total cost of shares in 2019
Banks / Finance	19,998,968	471,909,985	395,539,133	467,810,638
Insurance	1,803,214	161,284,302	118,726,422	155,173,802
Mutual fund	183,167	1,831,670	1,831,670	3,406,257
Fuel and power	5,559,989	426,136,098	285,242,316	389,158,178
Cement	2,534,208	249,391,409	121,135,142	267,255,327
Pharmaceuticals and chemicals	3,727,756	399,616,573	314,425,748	493,975,284
Engineering / travel and leisure	2,609,601	189,449,429	167,691,064	281,834,299
Textile	1,753,234	30,920,769	15,682,088	28,692,182
Food, tannery and miscellaneous	130,741	41,787,528	35,856,699	15,362,400
		1,972,327,763	1,456,130,280	2,102,668,367
Balance in BO A/C		4,845,139		8,921,400
		1,977,172,902		2,111,589,767

7. Margin loans

Opening balance
Less: Previous year adjustment*
Adjusted opening balance
Add: Disbursed during the year

Less: Realized during the year

Gross margin loan outstanding

Less: Closing balance of interest suspense account**

*Previous year adjustment was given as loan from Investment Corporation of Bangladesh (ICB) was erroneously posted in margin loan as loan to client. Later it was identified and adjusted this year from margin loans.

**Interest suspense account was created for the doubtful interest charged for the margin loan accounts.

8. Accounts and other receivable

Receivable from non-margin clients
Receivable from DSE
Receivable from CSE
Other receivables

(Note: 8.1)

8.1 Other receivables

Cash dividend receivable

9. Advance income tax

Opening balance
Add: Addition during the year

(Note: 9.1)

Less: Adjustment during the year*

*Adjustment has been made for completion of income tax assessment.

Opening balance	2,620,621,019	2,565,625,968
Less: Previous year adjustment*	(97,800,000)	-
Adjusted opening balance	2,522,821,019	2,565,625,968
Add: Disbursed during the year	120,976,052	283,845,399
	2,643,797,070	2,849,471,367
Less: Realized during the year	(494,136,297)	(228,850,348)
Gross margin loan outstanding	2,149,660,773	2,620,621,019
Less: Closing balance of interest suspense account**	(474,144,655)	(470,642,497)
	1,675,516,118	2,149,978,522
Receivable from non-margin clients	4,127,566	3,175,249
Receivable from DSE	6,310,186	10,557,194
Receivable from CSE	569,527	446
Other receivables	23,844,425	30,705,786
	34,851,703	44,438,675
Cash dividend receivable	23,844,425	30,705,786
Opening balance	241,095,261	203,406,285
Add: Addition during the year	31,858,976	37,688,976
	272,954,237	241,095,261
Less: Adjustment during the year*	(127,182,352)	-
	145,771,885	241,095,261

					31.12.2020 Taka	31.12.2019 Taka
9.1	Advance income tax (Addition)					
	AIT/TDS on brokerage commission - DSE				11,850,241	12,607,044
	AIT/TDS on brokerage commission - CSE				28,691	29,968
	Advance income tax paid				7,167,546	12,592,368
	TDS/AIT (Interest income, dividend income etc.)				12,812,499	12,459,596
					31,858,976	37,688,976
10.	Advances, deposits and prepayments					
	Advances (Note: 10.1)				4,370,960	1,215,921
	Prepayments (Note: 10.2)				5,461,562	8,075,578
					9,832,521	9,291,499
10.1	Advances					
	Advance for purchase of floor space at DSE tower, Nikunja				850,000	850,000
	Advance to Suppliers/Vendors				200,000	-
	Advance - IPO Application for dealer A/C				3,237,295	237,295
	Advance against expenses				83,665	128,626
					4,370,960	1,215,921
10.2	Prepayments					
	Prepaid rent - premises				5,388,750	7,983,000
	Prepaid insurance - vehicles and premises				69,987	92,378
	Prepaid non-judicial stamp				2,825	200
					5,461,562	8,075,578
11.	Cash and cash equivalents					
	Cash in hand				105,000	112,000
	Cash at bank (Note: 11.1)				291,705,962	125,331,297
					291,810,962	125,443,297
11.1	Cash at bank					
	<u>Bank name</u>	<u>Branch name</u>	<u>A/C Type</u>	<u>A/C No.</u>		
	A. Consolidated Customers' Bank A/C					
	Dhaka Bank Limited	Local	SND A/C	201.150.2972	149,721,313	51,314,653
	Dhaka Bank Limited	Local	SND A/C	201.150.3444	3,724,253	35,837
	IFIC Bank Limited	Stock Ex.	SND A/C	1090-358002 -001	125,407,762	59,601,417
	UCB Limited	Forex.	CD A/C	0721101000000049	2,814,370	3,300,322
	Standard Chartered	Motijheel	SND A/C	32-1183892-02	165,306	363,137
					281,833,004	114,615,366
	B. Bank Accounts for Dealer Operations					
	IFIC Bank Limited	Stock Ex.	SND A/C	1090-358447-001	1,172,023	569,106
	UCB Limited	Forex.	SND A/C	07211010000000515	1,331,176	1,337,711
	Dhaka Bank Limited	Gulshan	SND A/C	215.150.2242	3,609,629	3,675,428
	Standard Chartered	Motijheel	SND A/C	32-1183892-01	103,543	202,434
					6,216,371	5,784,679
	C. Bank Accounts for Company's own Transactions					
	Dhaka Bank Limited	Local	SND A/C	201.150.2960	3,656,587	4,931,252
					3,656,587	4,931,252
	Total cash at bank				291,705,962	125,331,297

12. **Share capital**

Authorized capital

500,000,000 ordinary shares @ Tk. 10 each

Paid up capital

Opening balance

Add: Stock dividend

For FY 2017

For FY 2018

For FY 2019

	31.12.2020 Taka	31.12.2019 Taka
	5,000,000,000	5,000,000,000
	2,046,079,040	1,891,890,000
	-	94,594,500
	-	59,594,540
	40,921,580	-
	2,087,000,620	2,046,079,040

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 Mrs. Rokshana Zaman Mr. Altaf Hossain Sarker Mr. Khondoker Monir Uddin Mr. Emranul Huq	99.999997%	208,700,056	2,087,000,560	2,046,078,980
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%	208,700,062	2,087,000,620	2,046,079,040

*In its 55th meeting of Board of Directors of the Company held on 12 May 2020; 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 2 (Two) Bonus shares for every 100 (one hundred) shares for the year 2019. Subsequently, the shareholders of the Company approved the resolution of the Board regarding issuance of Bonus shares in its 10th Annual General Meeting held on 19 July 2020. RJSC Approve the Return of Allotment on 19 October 2020.

13. **Investment fluctuation fund**

Opening balance

Add: Addition during the year

41,100,000	36,700,000
8,100,000	4,400,000
49,200,000	41,100,000

14. **Retained earnings**

Opening balance

Add: Net (loss)/profit for the year

Less: Bonus shares issued

Less: Transfer to Investment fluctuation fund

56,339,743	174,904,339
(56,240,577)	40,024,444
99,165	214,928,783
(40,921,580)	(154,189,040)
(8,100,000)	(4,400,000)
(48,922,415)	56,339,743

15. **Long Term Loan**

Loan from ICB Stimulus Fund*

58,464,050	90,088,588
-------------------	-------------------

*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.

		31.12.2020 Taka	31.12.2019 Taka
16. Short-term loan from bank and NBF			
Loan from Dhaka Bank Limited	(Note: 16.1)	1,694,162,672	2,298,017,550
Loan from United Finance Limited		-	30,000,000
		1,694,162,672	2,328,017,550
16.1 Loan from Dhaka Bank Limited			
Dhaka Bank Limited, vide their Sanction Letter No. DBL/LO/CR/2020/446 dated 21 January 2020, renewed the overdraft facility of Taka 2,250 million at interest rate of 9.50% p.a. rest quarterly in favor of Dhaka Bank Securities Limited up to 30 December 2020. As at 31 December 2020, the facility was utilized to the tune of Taka 1,694,162,672. The Interest Rate has been reduced to @ 9.00% from April 2020.			
17. Accounts payable			
Payable to clients		273,150,384	122,731,595
IPO application money		7,273,600	-
Payable to DSE		2,491,123	407,603
Payable to CSE		836	323
Payable to CDBL		822,670	2,172,087
Payable to Dhaka Bank Limited		-	50,000,000
		283,738,613	175,311,608
18. Provision for income tax			
Opening balance		238,642,241	214,628,090
Add: Provision made during the year		26,697,211	24,014,151
		265,339,452	238,642,241
Less: Adjustment during the year*		(127,182,352)	-
		138,157,100	238,642,241
*Adjustment has been made for completion of income tax assessment.			
19. Provision for diminution value of Investments			
Provision for loss on own portfolio	(Note: 19.1)	207,500,000	207,500,000
Provision for loss on margin loan	(Note: 19.2)	627,611,141	382,500,000
Provision for stipulation fund for affected investors	(Note: 19.3)	8,760,904	8,760,904
		843,872,045	598,760,904
19.1 Provision for loss on own portfolio			
Opening balance		207,500,000	205,000,000
Add: Addition during the year*		-	2,500,000
		207,500,000	207,500,000

*As per Bangladesh Securities and Exchange Commission (BSEC) Circular No. BSEC/SRI/Policy/3/2020/68 dated 12 January 2020, the company may keep Provision against unrealized loss in the Portfolio account of the company as on 31 December 2020. The validity of this circular has been extended up to 31 December 2023.

	31.12.2020 Taka	31.12.2019 Taka
19.2 Provision for loss on margin loan		
Opening balance	382,500,000	380,000,000
Add: Addition during the year*	245,111,141	2,500,000
	627,611,141	382,500,000

*As per Bangladesh Securities and Exchange Commission (BSEC) Circular No. BSEC/SRI/Policy/3/2020/68 dated 12 January 2020, the company may keep Provision against Negative Equity in the Portfolio account of the Margin Loan Clients of the company as on 31 December 2020. The validity of this circular has been extended up to 31 December 2023.

19.3 Provision for stipulation fund for affected investors	8,760,904	8,760,904
---	------------------	------------------

In connection with downturn situation of Capital Market, the Bangladesh Securities and Exchange Commission (BSEC) announced the stock market stimulus package on November 23, 2011, which included some immediate steps to the relief of mostly institutional investors and pledges for some special schemes for non-institutional investors. We have formed the Stimulus fund for affected Investors.

20. Other liabilities

Accrued interest expenses - Loan from Banks and NBFIs	54,800,178	55,161,845
Audit fees	287,500	287,500
Accrued expenses-Others	704,840	800,099
Leased Liabilities	4,977,016	-
VAT current A/C	312,375	492,971
Withholding tax liabilities	120,082	196,063
	61,201,991	56,938,478

		2020 Taka	2019 Taka
21. Brokerage commission income			
Brokerage - DSE		72,558,755	75,167,215
Brokerage - CSE		63,851	191,612
		72,622,606	75,358,827
22. Direct expenses			
Laga charges	(Note: 22.1)	(8,014,507)	(7,905,894)
CDBL Expense Daily settlement (Pay in/Pay out)		(2,914,835)	(3,156,956)
22.1 Laga charges			
Laga charges- Dhaka Stock Exchange Limited (DSE)		7,576,107	7,307,747
Laga charges- Chittagong Stock Exchange Limited (CSE)		438,400	598,146
		8,014,507	7,905,894
23. Interest income			
Interest on margin loan		96,652,847	168,505,788
Interest income on bank deposit A/C		7,773,811	6,828,976
		104,426,658	175,334,764
24. Interest expense			
On loan from Dhaka Bank Limited		167,496,358	221,829,913
On loan from United Finance Limited		3,599,777	3,871,572
Interest Expense for leased liability		766,730	-
		171,862,865	225,701,486
25. Net investment income			
Gain / (loss) on sale of shares	(Note: 25.1)	162,020,099	88,586,864
Dividend on shares		52,476,008	49,227,445
		214,496,107	137,814,309
25.1 Gain / (loss) on sale of shares			
Sale price of shares		806,004,051	1,885,113,548
Cost price of shares		(643,983,951)	(1,796,526,684)
		162,020,099	88,586,864
26. Fees and other income			
Account opening and closing fees		62,890	71,012
BO renewal fees		411,800	532,100
IPO processing fees		15,640	10,900
Central Depository Bangladesh Limited (CDBL)	(Note: 26.1)	477,679	1,156,100
Other income		69,662	99,252
		1,037,671	1,869,364
26.1 Central Depository Bangladesh Limited (CDBL) Income			
A. Central depository Bangladesh limited (CDBL) income			
CDBL Income-transfer in / out		188,600	621,836
CDBL income-bonus/ Right /IPO / split / demat		539,920	17,471
CDBL Income-Pledge/unpledge		313,284	1,965,617
		1,041,804	2,604,924
B. Central depository Bangladesh limited (CDBL) expenses			
CDBL expense-Transfer in/out		104,827	345,464
CDBL income-bonus/ Right /IPO / split / demat		279,752	5,350
CDBL Income-Pledge/unpledge		174,047	1,092,010
CDBL expense-monthly connection fees		5,500	6,000
		564,126	1,448,824
Net CDBL income (A-B)		477,679	1,156,100

	2020 Taka	2019 Taka
27. Salary and allowances		
Basic salaries	13,612,982	15,617,467
Allowances	16,941,934	19,550,920
Leave fare assistance	2,426,600	2,675,084
Employer's contribution to provident fund	1,352,724	1,561,433
Bonus	2,285,653	4,603,708
	36,619,893	44,008,612
28. Rent, taxes, insurance, electricity etc.		
Rent expenses	3,606,256	13,493,561
Insurance expense	131,257	182,048
Electricity Expenses	1,399,651	1,755,130
Fuel expense - generator / pool car	820,826	1,213,813
Water and sewerage	640,408	838,220
Renewal of registration certificates, trade license etc.	593,603	565,384
	7,192,000	18,048,154
29. Legal expenses	233,500	229,425
30. Postage, stamp, telecommunication etc.		
Postage and Courier	17,540	20,051
Stamps- Judicial / Non-Judicial	1,650	21,480
Telephone /Fax /PABX expenses	97,637	125,936
Mobile /Internet /Cable TV bills	301,434	400,453
	418,261	567,920
31. Stationary, printing, advertisement etc.		
Stationeries expense - (printed materials)	2,135,285	2,235,145
Stationeries - general (table/petty stationeries)	83,119	147,118
Stationeries - computer consumable (paper & accessories)	170,106	394,610
Publicity expenses (leaflet, banner, bill board etc.)	3,370	23,930
	2,391,880	2,800,803
32. Directors' fee and meeting expenses		
Director's fees	768,000	522,000
Meeting, seminar and conference expenses	173,990	686,553
	941,990	1,208,553
33. Audit fee	287,500	287,500
34. Repairs and maintenance		
Office premises	1,248,815	746,062
Furnitures and fixtures	477,120	383,407
Office and electric appliances	817,525	1,058,629
Computer, software, printer, UPS etc.	947,981	974,410
Vehicles	948,257	934,616
Network connectivity expense	1,394,178	1,672,664
	5,833,876	5,769,788


	2020 Taka	2019 Taka
35. Other expenses		
Bank charges	31,924	38,480
Excise duty expense	236,300	154,150
Commission expenses- bank guarantees	699,883	-
Regular canteen expense	860,253	1,524,448
Entertainment Expense	5,000	10,000
Contractual service charges	695,299	648,869
Cleaning and maintenance services	1,476,273	1,539,586
Staff uniform expenses	81,975	109,900
Support staff expense	2,034,469	2,511,423
Security guard expenses	1,263,240	2,255,040
Training and Development Expenses	-	21,250
Conveyance expense	148,115	224,371
Business promotion expenses	30,950	241,528
Newspapers	29,575	79,460
IPO Processing Fees	13,000	-
Contribution to investors' protection fund	4,004	38,135
Miscellaneous - (others)	9,906	15,391
	7,620,166	9,412,030
36. Depreciation and amortization		
Depreciation of Tangible Assets	2,971,307	3,155,653
Amortization of Right Of Use (ROU) Assets	8,281,905	-
	11,253,212	3,155,653
37. Provision for income tax		
Current Tax	26,697,211	24,014,151
38. Deferred tax income		
Closing balance of deferred tax assets	(80,731,640)	(2,162,422)
Opening balance of deferred tax assets	(2,162,422)	(1,248,317)
Deferred tax income	(78,569,218)	(914,105)

39. Related party transactions

Name of the Related Party	Relationship	Nature of Transaction	Transactons During the year	Closing Balance as at 31.12.2020	Closing Balance as at 31.12.2019
Dhaka Bank Limited	Parent company	Loan	(470,960,246)	2,149,660,773	2,620,621,019
Mrs. Rokshana Zaman and Ms. Tanveen Zaman	Director and Her Daugther	Advance Rent for Leased Premises	(2,241,000)	4,482,000	6,723,000

40. Date of authorization

The Board of director has authorized these financial statements for issue on 15 March 2021


Md. Aftab Uddin Biswas
 SAVP and In-Charge


Mahfuzur Rahman
 Director


Suez Islam
 Director

Dhaka Bank Securities Limited
Schedule of Property, Plant and Equipment
As at 31 December 2020

A. Tangible Assets

Particulars	Cost			Rate (%)	Depreciation		Written Down Value as at 31.12.2020
	Balance as at 01.01.2020	Addition during the Year	Balance as at 31.12.2020		Depreciation during the year	Balance as at 31.12.2020	
Furnitures and fixtures	13,754,654	-	13,754,654	10%	1,375,464	12,206,045	1,548,609
Office appliances and equipment	7,815,015	9,636	7,824,651	20%	223,375	7,260,411	564,239
Computer	12,005,274	93,950	12,099,224	20%	453,718	11,602,653	496,571
Motor vehicles	7,584,255	-	7,584,255	20%	918,750	4,981,137	2,603,118
Sub-total	41,159,198	103,586	41,262,784		2,971,307	36,050,247	5,212,537

B. Intangible assets

Particulars	Cost			Rate (%)	Amortization		Written Down Value as at 31.12.2020
	Balance as at 01.01.2020	Addition during the Year	Balance as at 31.12.2020		Amortization during the Year	Balance as at 31.12.2020	
Software	4,831,461	-	4,831,461	20%	-	4,831,461	-
Sub-total	4,831,461	-	4,831,461		-	4,831,461	-

C. Right Of Use (ROU) Assets

Particulars	Cost			Lease Term	Amortization		Written Down Value as at 31.12.2020
	Balance as at 01.01.2020	Addition during the Year	Balance as at 31.12.2020		Amortization during the Year	Balance as at 31.12.2020	
Right Of Use (ROU) Assets	-	15,334,586	15,334,586	5 Years	8,281,905	8,281,905	7,052,681
Sub-total	-	15,334,586	15,334,586		8,281,905	8,281,905	7,052,681
Total as at 31 December 2020	45,990,659	15,438,172	61,428,831		11,253,212	49,163,613	12,265,218
Total as at 31 December 2019	44,337,359	1,653,300	45,990,659		3,155,653	37,910,401	8,080,258

DHAKA BANK INVESTMENT LIMITED

This year we will focus to carry on the business of Merchant Banking Operations and to act as Issue Managers, Underwriters, Portfolio-Managers etc. so that we can contribute more in the Capital Market in the up coming days.



Independent Auditor's Report

To the Shareholders of Dhaka Bank Investment Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dhaka Bank Investment Ltd. which comprise the statement of financial position as on 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Dhaka Bank Investment Ltd. as on 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the fact as disclosed in Note # 2.8 to the financial statement, which describes that, necessary License to operate as a Merchant Banker has yet to be issued in favour of the Company by Bangladesh Securities and Exchange Commission (BSEC), although the Company filed application to BSEC on 27 March 2014 for such license. In this connection, another request letter was sent to BSEC by the Company on 04 April 2021. The management of the Company informed that they are following up the matter with BSEC and hopeful to get the license very soon. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the directors' reports but doesn't include the financial statements and our auditor's report thereon. The directors' reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the 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.

When we read the directors' reports, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw events or condition that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on other Legal and Regulatory Requirements

We also report that the financial statements comply with the Companies Act 1994 and the other applicable laws and regulations. We, as required by law, further report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books; and
- c) the statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns.

Dhaka,
06 April 2021

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md Moniruzzaman FCA
Partner
ICAB Enrollment No. 787
DVC 2105040787AS369695

Dhaka Bank Investment Limited
Statement of Financial Position
As at 31 December 2020

	Notes	31.12.2020 Taka	31.12.2019 Taka
ASSETS			
Non Current Assets			
Preliminary Expenditure	4	-	1,107,825
Current Assets		341,337,827	315,338,637
Cash and Cash Equivalents	5	328,002,182	308,110,999
Other Asset	6	13,335,645	7,227,638
Total Assets		341,337,827	316,446,462
EQUITY AND LIABILITIES			
Equity			
Paid up Capital	7	250,000,000	250,000,000
Retained Earnings	8	56,176,901	41,822,030
Liabilities			
Non-Current Liabilities			
		-	-
Current Liabilities			
		35,160,926	24,624,432
Provision for Income Tax	9	33,573,201	22,875,707
Other Liabilities	10	1,587,725	1,748,725
Total Liabilities		35,160,926	24,624,432
Total Equity and Liabilities		341,337,827	316,446,462

The annexed notes from 1 to 13 form an integral part of these Financial Statements.



Mohammad Abu Jafar
Managing Director & CEO



Mirza Yasser Abbas
Director



Md. Amirullah
Chairman

This is the statement of financial position referred to in our separate report of even date.

Dhaka,
06 April 2021

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md Moniruzzaman FCA
Partner
ICAB Enrollment No. 787
DVC 2105040787AS369695

Dhaka Bank Investment Ltd.
Statement of Profit and Loss and Other Comprehensive Income
For the year ended 31 December 2020

	Notes	2020 Taka	2019 Taka
Operating Income			
Interest income		-	-
Other Income	11	26,312,064	18,959,652
		26,312,064	18,959,652
Operating Expense			
General & Administrative Expenses	12	1,176,825	115,000
Financial Expenses	13	82,875	101,725
		1,259,700	216,725
Profit Before Tax			
		25,052,364	18,742,927
Provision for Income Tax (Current Tax)	9	(10,697,494)	(6,560,024)
Net Profit after Tax			
		14,354,871	12,182,902
Other Comprehensive Income		-	-
Total comprehensive Income			
		14,354,871	12,182,902

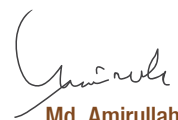
The annexed notes from 1 to 13 form an integral part of these Financial Statements.



Mohammad Abu Jafar
Managing Director & CEO



Mirza Yasser Abbas
Director



Md. Amirullah
Chairman

This is the statement of financial position referred to in our separate report of even date.

Dhaka,
06 April 2021

Signed for and on behalf of
ACNABIN
Chartered Accountants



Md Moniruzzaman FCA
Partner

ICAB Enrollment No. 787
DVC 2105040787AS369695

Dhaka Bank Investment Ltd.
Statement of Changes in Equity
For the year ended 31 December 2020

Particulars	Share Capital	Retained Earnings	Total Equity
Balance as at 01 January 2020	250,000,000	41,822,030	291,822,030
Net profit for the year	-	14,354,871	14,354,871
Balance as on 31 December 2020	250,000,000	56,176,901	306,176,901

Particulars	Share Capital	Retained Earnings	Total Equity
Balance as at 01 January 2019	250,000,000	29,639,128	279,639,128
Net profit for the year	-	12,182,902	12,182,902
Balance as on 31 December 2020	250,000,000	41,822,030	291,822,030

The annexed notes from 1 to 13 form an integral part of these Financial Statements.



Mohammad Abu Jafar
Managing Director & CEO



Mirza Yasser Abbas
Director



Md. Amirullah
Chairman

Dhaka,
06 April 2021

Dhaka Bank Investment Ltd.
Statement of Cash Flows
For the year ended 31 December 2020

	2020 Taka	2019 Taka
A. Cash Flows from Operating Activities		
Profit before Tax	25,052,364	18,742,927
Written off of Preliminary Expenditure	1,107,825	-
Decrease in provision for audit fees	(161,000)	115,000
Increase in Advance Income Tax	(2,219,340)	(2,856,762)
Increase in Interest receivable	(3,888,667)	-
Net cash flow from operating activities	19,891,183	16,001,165
B. Cash Flows from Investing Activities	-	-
C. Cash Flow from Financing Activities	-	-
D. Net surplus in cash and cash equivalents (A+B+C)	19,891,183	16,001,165
E. Unrealised foreign exchange gain/(loss)	-	-
F. Cash and cash equivalents at the beginning of the year	308,110,999	292,109,835
G. Cash and cash equivalents at the end of the year (D+E+F)*	328,002,182	308,110,999
*Cash and Cash Equivalents		
Cash in Hand	-	-
Cash at Bank	328,002,182	308,110,999
	328,002,182	308,110,999

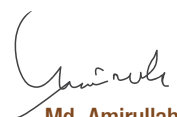
The annexed notes from 1 to 13 form an integral part of these Financial Statements.



Mohammad Abu Jafar
Managing Director & CEO



Mirza Yasser Abbas
Director



Md. Amirullah
Chairman

Dhaka,
06 April 2021

Dhaka Bank Investment Ltd.

Notes to the Financial Statements

For the period from 01 January 2020 to 31 December 2020

1. Company and its Activities

1.1 Legal Status of the Company

Dhaka Bank Investment Ltd. 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 Merchant Banking License from Bangladesh Securities and Exchange Commission (BSEC).

1.2 Principal Activities and Nature of operation

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

2. Basis of preparation and significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

2.2 Other regulatory compliances

As required, Dhaka Bank Investment Ltd. also complies with the applicable provisions of the following major laws/ statutes:

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

2.3 Basis of measurement

The financial statements except for cash flow information have been prepared on accrual basis of accounting.

2.4 Components of financial statements

- Statement of Financial Position
- Statement of Profit or Loss and Other Comprehensive Income
- Statement of Changes in Equity
- Statement of Cash Flows
- Notes to the Financial Statements

2.5 Functional and presentational currency

These financial statements are presented in Bangladeshi Taka (BDT) which is the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest integer.

2.6 Use of estimates and judgments

Preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities, income and expenses. These financial statements contained information about the assumptions it made about the future and other major sources of estimation uncertainty at the end of the reporting Year that have a significant risk of resulting in a material adjustment to the carrying amount of assets, liabilities, income and expenses within the next financial year.

In accordance with the guidelines as prescribed by IAS 37: Provisions, Contingent Liabilities and Contingent Assets. Provisions are recognized in the flowing situation:

- When the company has an obligation as a result of past events,
- When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- Reliable estimates can be made of the amount of the obligation.

2.7 Consistency

In accordance with the IFRS framework for the presentation of financial statements together with IAS 1 and IAS 8, Dhaka Bank Investment Ltd. applies the accounting disclosure principles consistently from one year to the next. Where selecting and applying new accounting policies, changes in accounting policies applied, corrections of errors, the amounts involved are accounted for and retrospectively accordance with the requirement of IAS 8. We however, have applied the same accounting principles in 2020 as was for in financial statements for 2019.

2.8 Going concern

The management has assessed the going concern for upcoming year, though the core business operation is not yet started but Management had applied for merchant banking license on 31 march 2014 to Bangladesh Security and Exchange Commission (BSEC) and we didn't get any response from BSEC till 03 april 2021, then we again send an application for reconsideration of merchant banking license on 04 April 2021 to Bangladesh Security and Exchange Commission (BSEC). The management is hopeful to receive the certificate of commencement of their operations very soon.

2.9 Reporting year

The financial Year of the Company covers twelve months from 01 January 2020 to 31 December 2020.

3. Significant accounting policies

The accounting policies set out below have been applied consistently (otherwise as stated) to all Years presented in these financial statements.

3.1 Preliminary Expenses

Preliminary expenditure is recognized for formation, registration and capital raising of the company including legal and other professional services. Written off of preliminary expenditure is recognised in statement of profit or loss and other comprehensive income.

3.2 Financial assets

The financial assets of the company includes cash and bank balances and other assets. These are recognized at the date they are originated.

The company derecognizes a financial asset when the contractual rights to the cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

3.2.1 Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at bank and fixed deposits 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.

3.2.2 Other assets

Dhaka Bank Investment Ltd. maintains other asset through advance income tax and interest receivable. Advance income tax is posted when DBIL pays any source tax through bank accounts and interest receivable is recognized when the interest arises.

3.3 Financial liabilities

The company recognizes all financial liabilities on the accounting date which is the date the company becomes a party to the contractual provisions of the instrument. The company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Financial liabilities comprise trade payables and other financial obligations.

3.3.1 Other liabilities

The company recognizes its accounts payables at the time the service is received as on date. DBIL shows its trade payables as other liabilities in its financial position.

3.4 Provision for income tax

Though the company is yet to obtain Merchanting Banking License from Bangladesh Securities and Exchange Commission, provision for income tax is made on the basis of Company's computation based on the best estimate of taxable profit in accordance with Income Tax Ordinance, 1984 in each accounting year.

3.5 Operating expenses

DBIL records general and administrative expenses as operating expenses. These includes amortization, audit fees and bank charges.

3.6 Income tax expenses

Income tax expenses comprise current income tax. Income tax expense is recognized in the Statement of Profit or Loss and Comprehensive Income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

As the company is subject to tax though it has not obtain of license of Merchant Banking it is currently charging tax @37.50% as applicable with nature.

3.7 Events after the balance sheet date

Events after the balance sheet date that provide additional information about the Company's position at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that are not adjusting event are disclosed in the notes if material.

3.8 Impact of COVID-19

Though the company didn't started its operation that's why there is no impact of COVID-19 except the area of other income which has been reduced due to COVID-19.

3.9 General

Figures have been rounded off to the nearest integer.

			31.12.2020 Taka	31.12.2019 Taka
4. Preliminary Expenditure				
Preliminary Expenditure			1,107,825	1,107,825
Less: Written off during the year			1,107,825	-
			-	1,107,825
5. Cash and Cash Equivalents				
Cash in Hand			-	-
Cash at Bank	(Note: 5.1)		328,002,182	308,110,999
			328,002,182	308,110,999
5.1 Cash at Bank				
<u>Name of Bank</u>	<u>Branch</u>	<u>A/C #</u>		
Short Term Deposit:				
Dhaka Bank Limited	Local Office	201.150.3401	123,562	21,629,523
Dhaka Bank Limited	Gulshan Circle-2	102.150.0018	1,505,268	1,472,235
			1,628,831	23,101,758
Investment at Bank (Term Deposit) :				
Dhaka Bank Limited	Local Office	201.341.351	53,158,943	50,000,000
Dhaka Bank Limited	Local Office	201.343.0329	21,900,000	-
Dhaka Bank Limited	Gulshan Circle-2	102.341.1174	131,432,454	123,617,575
Dhaka Bank Limited	Kakrail	106.343.0126	119,881,954	111,391,667
			326,373,351	285,009,241
			328,002,182	308,110,999
6. Other Asset				
Advance Income Tax	(Notes:6.1)		9,446,978	7,227,638
Interest Receivable			3,888,667	-
			13,335,645	7,227,638
6.1 Advance Income Tax				
Opening Balance			7,227,638	4,370,876
Add: Addition during the year	(Note: 6.1.1)		2,219,340	2,856,762
			9,446,978	7,227,638
6.1.1 Addition during the year				
Tax deducted at source			2,219,340	2,856,762
7. Share Capital				
7.1 Authorized Capital				
200,000,000 ordinary shares @ Tk. 10 each.			2,000,000,000	2,000,000,000
7.2 Issued, Subscribed and Paid up Capital				
25,000,000 ordinary shares of Taka 10 each fully paid.			250,000,000	250,000,000

The Shareholding position is as follows:

Sl #	Name of Shareholders	Number of Shares held	% Of Shareholding	31.12.2020 Taka	31.12.2019 Taka
1.	Dhaka Bank Limited, Represented By: Mr. Khondoker Jamil Uddin*				
	Mr. Md. Amirullah	24,999,994	99.999976%	249,999,940	249,999,940
	Mr. Tahidul Hossain Chowdhury				
	Mr. Mirza Yasser Abbas				
2.	Mr. Shafiqul Islam Sarker	1	0.000001%	10	10
3.	Mr. Mohammad Ashiqur Rahman	1	0.000001%	10	10
4.	Mr. Hasanuzzaman	1	0.000001%	10	10
5.	Mr. Asif Hanif	1	0.000001%	10	10
6.	Mr. Latiful Bari	1	0.000001%	10	10
7.	Ms. Nabila Mirza	1	0.000001%	10	10
		25,000,000	100	250,000,000	250,000,000

*Mr. Khondoker Jamil Uddin ceased to be a Director of the Bank w.e.f. 16.11.2020.

		31.12.2020 Taka	31.12.2019 Taka
8. Retained Earnings			
Opening Balance		41,822,030	29,639,128
Add: Net Profit for the year		14,354,871	12,182,902
		56,176,901	41,822,030
9. Provision for Income Tax			
Opening Balance		22,875,707	16,315,683
Add: Addition during the year	(Note: 9.1)	10,697,494	6,560,024
		33,573,201	22,875,707
9.1 Addition during the year			
Current Tax on Profit Before Tax during the year		9,394,637	6,560,024
Shortfall of previous year Tax Provision		1,302,857	-
		10,697,494	6,560,024
<p>Dhaka Bank Investment Ltd. is continuing without submitting tax returns from its inception. On 16 February 2021 it has taken Taxpayer Identification Number (TIN) from National Board of Revenue (NBR). That's why there is no adjustment from provision for income tax and its shows an accumulating figure from its inception.</p>			
10. Other Liabilities			
Payable to Dhaka Bank Limited		1,173,725	1,173,725
Provision for Audit Fees	(Note: 10.1)	414,000	575,000
		1,587,725	1,748,725
10.1 Provision for Audit Fees			
Opening balance		575,000	460,000
Add : Audit fees for the year 2020		69,000	115,000
Less : Adjustment during the year		230,000	-
		414,000	575,000
11. Other Income			
Interest on SND		497,720	5,469,456
Interest on FDR A/C		25,584,344	13,490,196
Excess provision against of Audit fees		230,000	-
		26,312,064	18,959,652
12. General & Administrative Expenses			
Amortization of Preliminary Expenditure		1,107,825	-
Audit Fees		69,000	115,000
		1,176,825	115,000
13. Financial Expenses			
Bank Charges & Others (Excise duty)		82,875	101,725

Disclosures on Risk Based Capital (Under Pillar-3 of Basel-III Framework) For the year ended 31 December 2020

BACKGROUND:

The Disclosure on Risk Based Capital (under pillar 3 of Basel III framework) has been prepared in accordance with the Guidelines on 'Risk Based Capital Adequacy' published by Bangladesh Bank on December 2014. These disclosures are purported to affirm the information on Minimum Capital Requirement (MCR) under Pillar 1 and Supervisory Review Process (SRP) under Pillar 2 and ensure transparency about the capital adequacy of the Bank, capital adequacy framework, risk assessment and mitigation methodologies, risk exposure in various spectrum so that the stakeholders of the industry can examine the risk related compliance of the Bank.

1. SCOPE OF APPLICATION:

1.1 Qualitative Disclosure:

a) The Risk Based Capital Adequacy and related disclosures are applicable for **Dhaka Bank Limited** which is the top corporate entity of the group having 2 (two) subsidiaries-viz. 1) Dhaka Bank Securities Limited and 2) Dhaka Bank Investment Limited.

b) Brief Description of the Subsidiaries:

1. Dhaka Bank Securities Limited:

Dhaka Bank Securities Limited (the name of company has been changed from DBL Securities Limited to Dhaka Bank Securities Limited dated 27 April 2014) was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration no. C-85857/10 dated 19 July 2010 as a Private Company limited by Shares having its registered office at Adamjee Court (1st Floor), 115-120, Motijheel C/A, Dhaka -1000. The company is the Trading Right Entitlement Certificate (TREC) holder of both the stock exchanges of the country (TREC No. 193 in DSE and TREC No. 081 in CSE). The Company commenced its business operations from 13 February 2011 as a wholly owned subsidiary of Dhaka Bank Limited.

2. Dhaka Bank Investment Limited:

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

Basis for Consolidation:

The quantitative disclosures are made on the basis of audited financial statements of the bank and its subsidiaries as at and for the year ended December 31, 2020. The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standard-27 "Consolidated and Separate Financial Statements". The consolidated financial statements are prepared to a common financial year ended December 31, 2020.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profit and loss resulting from transaction between Groups is also eliminated on consolidation.

c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group: **Not applicable.**

1.2 Quantitative Disclosure:

d) The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group: **Not applicable**

2. CAPITAL STRUCTURE

2.1 Qualitative Disclosure

Under Basel-III Accord regulatory capital of a bank will be categorized into three tiers: (a) Tier – 1 Capital/Core Capital, (b) Tier-2 Capital/Supplementary Capital, and (c) Tier-3 Capital/Additional Supplementary Capital.

Total eligible regulatory capital of Dhaka Bank Limited consists of partly Tier-1 Capital and partly Tier-2 Capital. Almost 56.87% (Solo basis) of total eligible capital is Tier-1 or core capital, which comprises of Paid-up Capital, Statutory Reserve, Retained Earnings, General Reserve, etc. On the other hand, Tier-2 or supplementary capital (comprises of General Provision and Non-convertible Subordinated Bond) is 43.13% of total eligible capital and almost 88.89% of Tier-1 capital.

Non-convertible Subordinated Bond

Dhaka Bank Limited issued Redeemable Non-Convertible 3rd Subordinated Bond of BDT 5,000,000,000 for a term of 7 years to strengthen the capital base of the bank on the consent of SEC vide letter no. BSEC/CI/CPLC/DS-210/2009/210 dated 28.03.2018. As per BRPD Circular No. 10/2002 and BRPD Circular No. 13/2009 issued by Bangladesh Bank, the total BDT 5,000,000,000 of 3rd Subordinated Bond has been considered as a component of Supplementary Capital (Tier-2) of the Bank. Dhaka Bank Limited previously issued Redeemable Non-Convertible 2nd Subordinated Bond of BDT 3,000,000,000 for a term of 7 years to strengthen the capital base of the bank, repayment of principal of which started from May 2019 @ Tk. 60.00 crore. Now 2nd Subordinated Bond outstanding is BDT 1,800,000,000.00.

2.2 Quantitative Disclosure

Sl.No.	Particulars	Amount (in Crore BDT)	
		Consolidated	Solo
A.	Tier-1 Capital (Going-Concern Capital):		
	Common Equity Tire- 1 Capital (CET- 1)		
	Fully Paid-up Capital	895.87	895.87
	Statutory Reserve	826.34	826.34
	General Reserve	0.66	0.66
	Retained Earnings	210.90	151.48
	Minority Interest in Subsidiaries	0.01	0.00
	Sub-Total:	1,933.78	1,874.35
	Less : Regulatory Adjustment:		
	Book value of Goodwill and value of all other Intangible Assets**	53.45	53.45
	Deferred Tax Assets (DTA)	49.64	49.64
	Sub-Total:	103.09	103.09
	Total Common Equity Tire- 1 Capital (CET 1)	1,830.69	1,771.26
	Additional Tire- 1 Capital (AT- 1)	0.00	0.00
	Total Tier-1 Capital (A):	1,830.69	1,771.26
B.	Tier-2 Capital (Gone Concern Capital):		
	General Provision (including provision for Off-Balance Sheet Exposure)	662.90	662.90
	Assets Revaluation Reserves up to 80%	0.00	0.00
	Revaluation Reserve for HTM & HFT Securities (up to 80%)	0.00	0.00
	Non-convertible Subordinated Bond	680.00	680.00
	Sub Total:	1342.90	1,342.90
	Less : Regulatory Adjustment	0.00	0.00
	Total Tier-2 Capital (B):	1,342.90	1,342.90
C.	Total Eligible Regulatory Capital (A+B):	3,173.58	3,114.16

**Written down value of Software which is treated as Intangible Assets

3. CAPITAL ADEQUACY

3.1 Qualitative Disclosure

As per the Guidelines on Risk Based Capital Adequacy (RBCA) for Banks under Basel-III Accord each bank have to maintain Capital to Risk-weighted Asset Ratio (CRAR) on solo basis and consolidated basis as per instructions given by Bangladesh Bank from time to time. The requirement for minimum CRAR for the year ended December, 2020 was 12.50% of total Risk Weighted Assets.

Dhaka Bank Limited strictly follows the guidelines of Bangladesh Bank regarding capital adequacy and its policy is to maintain regulatory capital at a level higher than the minimum required capital.

3.2 Quantitative Disclosure:

Sl. No.	Particulars	Amount (in Crore BDT)	
		Consolidated	Solo
1.	Risk Weighted Assets:		
	For Credit Risk:		
	On-Balance Sheet	15,185.78	14,984.68
	Off-Balance Sheet	3,120.58	3,120.58
	For Market Risk	555.00	269.59
	For Operational Risk	1,645.32	1,608.90
	Total:	20,506.68	19,983.75
2.	Minimum Capital Required:		
	For Credit Risk	1,830.64	1,810.53
	For Market Risk	55.50	26.96
	For Operational Risk	164.53	160.89
	Total:	2,050.67	1,998.38
3.	Total Eligible Regulatory Capital:		
	Tier-1 Capital/Core Capital	1,830.69	1,771.26
	Total Tier-2 Capital/Supplementary Capital	1,342.90	1,342.90
		3,173.58	3,114.16
4.	Capital Adequacy Ratio:		
	Tier-1 Capital to RWA	8.93%	8.86%
	Tier-2 Capital to RWA	6.55%	6.72%
	Total:	15.48%	15.58%

4. CREDIT RISK

4.1 Qualitative Disclosure Exposure to Credit Risk

Credit risk is the risk of financial loss resulting from failure by a client or counterparty to meet its contractual obligations to the Bank. Bank is exposed to credit risk from its dealing with or lending to corporate, individuals, and other banks or financial institutions.

Past due Claims

Special mention: These assets have potential weaknesses thus deserve management's close attention. If left uncorrected, these weaknesses may result in a deterioration of the repayment prospects of the borrower.

Sub-standard: These are the loans where bank has reason to doubt about the repayment of the loan although recovery prospect is encouraging.

Doubtful: Full repayment of principal and interest is unlikely and the possibility of loss is extremely high.

Bad /Loss: These are the loans that have a bleak recovery possibility.

Capital Requirement for Credit Risk

The capital requirement for credit risk is based on the risk assessment made by external credit assessment institutions (ECAIs) recognized by BB for capital adequacy purposes. Banks are required to assign a risk weight to both on-balance sheet and off-balance sheet exposures based on external credit rating (solicited) which mapped with the BB rating grade or a fixed weight specified by BB.

Minimum regulatory capital for credit risk is calculated by multiplying the Risk Weighted Assets (RWA) for both on balance sheet and off-balance sheet exposure with a certain percentage (12.50% for 2020).

Credit Risk Management System

Dhaka Bank is managing Credit Risk through a robust process that enables the bank to proactively manage loan portfolios in order to minimize losses and earn an acceptable level of return for shareholders.

Credit risk is controlled and monitored by establishing appropriate limits and operational controls to constrain credit exposure to individual counter parties and counterparty groups. There are specific policies and procedures applicable to different business segments.

Credit Risk Mitigation

Banks use a number of techniques to reduce their credit risk to which they are exposed. Guidelines on Risk Based Capital Adequacy (RBCA) consider two aspects of credit risk mitigation:

a) Collateral for Credit Risk Mitigation

Taking collateral is the most common way to mitigate credit risk. The Bank generally takes collaterals in the form of pledges of sufficient eligible marketable securities or cash, mortgages over the property etc. All of the collaterals taken do not necessarily qualify for availing capital relief under the Basel-III Accord on capital adequacy.

Where a transaction is secured by eligible financial collateral and meets the eligibility criteria and minimum requirements, banks are allowed to reduce their credit exposure or potential credit exposure by taking into account the risk mitigating effect of the collateral for the calculation of capital charge.

To ensure with a high degree of certainty that the collateral value will cover the exposure, discounts ("haircuts") are generally applied to the current market value. These reflect the quality, liquidity, volatility and, in some cases, the complexity of the individual instruments. Exposures and collateral values are continuously monitored, and margin calls or close-out procedures are enforced, when the market value of collateral falls below a predefined trigger level. Concentrations within individual collateral portfolios and across clients are also monitored where relevant and may affect the discount applied to a specific collateral pool.

Dhaka Bank has developed stringent process on collateral management. The collaterals considered by Dhaka Bank for credit risk mitigation (for capital calculation under standardized approach) comprise of financial collaterals (Bank deposits (FDR & DPS), Gold, Debt securities, equities, units of mutual funds etc.).

Majority of financial collaterals held by Dhaka Bank are in the form of own deposits (FDR & DPS), and thus are not exposed to any uncertainty in realization in case of default by counterparty. As such, there is no risk concentration on account of nature of collaterals.

b) Guarantee for Credit Risk Mitigation

To reduce credit risk transaction may be secured by guarantees. Where guarantees are direct, explicit, irrevocable and unconditional banks may consider such credit protections in calculating capital requirements through a substitution approach. Only guarantees issued by entities with a lower risk weight than the counterparty will lead to reduced capital charge, whereas the uncovered portion retains the risk weight of the underlying counterparty.

In Dhaka Bank only those guarantees that are direct, explicit, irrevocable and unconditional, are taken into consideration for calculating capital requirement. Use of such guarantees for capital calculation purpose is strictly as per Bangladesh Bank Guidelines on Risk Based Capital Adequacy.

4.2 Quantitative Disclosure:

4.2.1 Total gross credit risk exposures broken down by major types of credit exposure

(Amount in Crore BDT)

Particulars	Consolidated	Solo
Cash and Cash equivalents	287.22	287.22
Claims on Bangladesh Government and Bangladesh Bank	4,751.21	4,751.21
Claims on Banks & NBFIs	2,132.42	2,119.32
Claims on Corporate	13,342.09	13,343.95
Claims under Credit Risk Mitigation	1,857.34	1,857.34
Claims included in retail portfolio & Small Enterprise	1600.00	1,600.00
Claims on Consumer Loan	216.10	216.10
Claims fully secured by residential property	80.80	80.80
Claims fully secured by commercial real estate	252.47	252.47
Past due claims	785.94	785.95
Capital market exposure	193.88	195.43
Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book	926.18	783
Investments in premises, plant and equipment and all other fixed assets	903.32	902.09
All other assets:		
i) Claims on GOB & BB	853.96	853.96
ii) Staff Loan / Investment	133.43	133.43
iii) Claims on OFFshore OBU	736.40	736.40
iv) Other Assets	202.87	180.12
Total:	29,255.62	29,078.76

4.2.2 Types of Credit Exposure:

(Amount in Crore BDT)

Types of Loan	DECEMBER, 2020	DECEMBER, 2019
Secured Overdraft/Quard	4,575.25	3,611.17
Cash Credit/Murabaha	474.72	1,628.05
House Building Loan	246.40	258.33
Transport Loan	268.27	314.83
Term Loan	7,416.53	6,747.85
Loan Against Trust Receipt	710.10	908.84
Payment Against Documents	4.74	34.89
Loan Against Imported Merchandize	-	-
Loan Against Accepted Bills	371.04	-
Packing Credit	49.20	55.48
Lease Finance / Izara	560.83	455.84
Credit Card	58.93	52.37
Retail Loan	106.73	157.98
Bills Purchased and discounted	247.60	262.44
Other Loans (Including Bai-Muajjal)	4,775.72	5,075.42
Grand Total	19,866.05	19,563.49

4.2.3 Geographical Distribution of Exposure (Region Based):

(Amount in Crore BDT)

Urban	DECEMBER, 2020	DECEMBER, 2019
Dhaka Region	15,341.54	14,150.01
Chittagong Region	2,721.33	3,092.82
South Region	189.72	439.79
North Region	326.38	452.40
Sylhet Region	101.83	238.92
Other	16.37	11.83
Sub. Total	18,697.17	18,385.77
Rural		
Dhaka Region	868.89	886.38
Chittagong Region	112.74	114.16
South Region	-	-
North Region	180.70	169.66
Sylhet Region	6.55	7.52
Other	-	-
Sub. Total	1,168.88	1,177.72
Grand Total	19,866.05	19,563.49

4.2.4 Industry or counterparty type distribution of exposures:

(Amount in Crore BDT)

INDUSTRY TYPE	DECEMBER, 2020	DECEMBER, 2019
AGRICULTURE	224.59	212.97
RMG	2,851.29	2,445.35
TEXTILE	1,630.45	2,086.12
SHIP BUILDING	289.29	283.16
SHIP BREAKING	205.41	173.76
OTHER MANUFACTURING	4,247.15	5,137.92
SME LOANS	2,615.99	2,567.93
CONSTRUCTION	1,390.88	1,243.86
POWER, GAS	646.52	771.47
TRANSPORT, STORAGE & COMMUNICATION	324.74	391.00
TRADE SERVICE	948.00	1,544.55
COMMERCIAL REAL ESTATE FINANCE	369.58	558.94
RESIDENTIAL REAL ESTATE FINANCING	29.51	29.89
CONSUMER CREDIT	572.47	593.83
CAPITAL MARKET	195.70	-
OTHERS	3,275.95	1,012.35
NON-BANK FINANCIAL INSTITUTIONS	48.53	510.41
GRAND TOTAL	19,866.05	19,563.49

4.2.5 Residual contractual maturity of credit exposure:

(Amount in Crore BDT)

PARTICULARS	DECEMBER, 2020	DECEMBER, 2019
On demand	3,822.15	2,955.18
Upto one month	1,287.78	1,774.29
Not more than three months	2,478.26	2765.96
More than three months but not more than six months	2,943.80	2,848.10
More than six months but not more than one year	2,131.80	2,217.71
More than one year but not more than five years	4,849.58	4,934.83
More than five years	2,352.67	2067.42927
TOTAL	19,866.05	19,563.49

4.2.6 Major Industry type amount of impaired loans (as of December, 2020):

(Amount in Crore BDT)

INDUSTRY TYPE	SS	DF	BL	TOTAL
AGRICULTURE	1.14	1.34	9.28	11.76
RMG	9.98	-	16.98	26.95
TEXTILE	-	-	24.11	24.11
SHIP BUILDING	-	-	-	-
SHIP BREAKING	-	-	-	-
OTHER MANUFACTURING	11.01	-	77.03	88.03
SME LOANS	18.25	13.96	290.35	322.56
CONSTRUCTION	-	-	61.70	61.70
POWER, GAS	-	-	3.08	3.08
TRANSPORT, STORAGE & COMMUNICATION	-	-	28.64	28.64
TRADE SERVICE	-	-	19.35	19.35
COMMERCIAL REAL ESTATE FINANCE	-	-	10.97	10.97
RESIDENTIAL REAL ESTATE FINANCING	-	-	0.85	0.85
CONSUMER CREDIT	1.25	0.17	5.93	7.35
CAPITAL MARKET	-	-	-	-
OTHERS	-	-	10.85	10.85
NON-BANK FINANCIAL INSTITUTIONS	-	-	6.49	6.49
GRAND TOTAL	41.62	15.48	565.61	622.71

4.2.7 Gross Non Performing Assets (NPAs)

(Amount in Crore BDT)

	2020	2019
Gross Non-Performing Assets (NPAs)	622.71	927.79
Non-Performing Assets (NPAs) to Outstanding Loans & Advances	3.13%	4.74%
Movement of Non-Performing Assets (NPAs):		
Opening Balance	927.79	900.90
Additions	6.90	284.72
Reductions	311.98	257.83
Closing Balance	622.71	927.79
Movement of specific provisions for NPAs:		
Provision held at the beginning of the year	460.12	425.15
Specific provision	308.99	72.75
Recoveries from written off loans	-	-
Fully provided debt written off	(1.01)	(6.78)
Provision no longer required	(18.75)	(31.01)
Provision held at the end of the year	749.34	460.12

5. Equities: Disclosures for Banking Book Positions

5.1 Qualitative Disclosures

Dhaka Bank has considerable investment in equity shares of various companies and mutual funds and has active participation in the secondary market through Dhaka Bank Securities Ltd. The bank also participates in the primary market by the purchase of shares and securities from IPOs. In the investment process Dhaka Bank Ltd. strictly follow the internal policies and procedures put into place in this respect.

Valuation of Equity Securities

Shares and securities are valued as per the prescribed guideline of Bangladesh Bank and adequate provision is maintained accordingly for unrealized losses (if any).

Capital Charge for Equity Position Risk

Capital charge for equities are calculated on the basis of their current market value in the bank's trading book. This capital charge is calculated taking into account both the specific risk and the general market risk factor by applying the same rate of minimum capital adequacy ratio (12.50% for 2020).

5.2 Quantitative Disclosure

5.2.1 Equity Position

Sl. No.	Particulars	Amount (in Crore BDT)	
		Consolidated	Solo
1.	Investment in Equity Securities:		
	Cost price	236.10	38.38
	Market Price	210.55	64.94
	Difference	(25.55)	26.56
2.	The cumulative realized gains (losses) arising from sales and liquidation	21.53	0.08
3.	Total unrealized gains (losses)	(25.55)	26.56
4.	Total latest revaluation gains (losses)	-	-
5.	Any amount of the above included in Tier 2 capital	-	-
6.	Capital requirements broken down by appropriate equity grouping, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements (10% on market value).	-	-
	• Specific Market Risk	20.76	6.49
	• General Market Risk	20.76	6.49

6. Interest Rate Risk in the Banking Book (IRRBB)

6.1 Qualitative Disclosures

Interest rate risk is the risk where changes in the market interest rates might adversely affect a bank's financial condition. The immediate impact of changes in interest rates is on the Net Interest Income (NII). A long term impact of changing interest rates is on the bank's net worth since the economic value of banks' assets, liabilities and off-balance sheet positions get affected due to variation in market interest rates.

In Dhaka Bank the responsibility of interest rate risk management rests with the bank's Assets Liability Management Committee (ALCO). The Bank periodically computes the interest rate risks in the banking book that arises due to re-pricing mismatches in interest rate sensitive assets and liabilities. For the purpose of monitoring such interest rate risk, the bank has in place a system that tracks the re-pricing mismatches in interest bearing assets and liabilities. For the computation of the interest rate mismatch the guidelines of the Bangladesh Bank are followed.

6.2 Quantitative Disclosures (for 1% change in interest rate for both asset and liability portfolio of the bank)

The Increase (decline) in earning or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB broken down by currency (as relevant):

Particulars	3 months	6 months	1 year	Above 1 year	Total
Rate Sensitive Assets	8,718.91	1,322.90	2,645.79	12,762.60	25,450.20
Rate Sensitive Liabilities	8,670.68	2,596.37	5,192.75	4,243.61	20,703.41
GAP	48.23	(1,273.48)	(2,546.95)	8,518.99	4,746.79
Cumulative GAP	48.23	(1,225.25)	(3,772.20)	4,746.79	-
Adjusted Interest Rate Changes	1.00%	1.00%	1.00%	1.00%	1.00%
Quarterly Earnings Impact	0.48	-12.73	-25.46	85.18	47.47
Accumulated Earnings Impact	0.48	-12.25	-37.71	47.47	-

7. Market Risk

7.1 Qualitative Disclosure

Views of Board of Directors (BODs) on trading/investment activities:

Market risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate due to changes in different market variables, namely:

- Interest Rate Risk
- Equity Position Risk
- Foreign Exchange Risk
- Commodity Risk

All these risks are monitored by the Treasury. The foreign exchange risk is managed by setting limits on open foreign exchange position.

Methods Used to Measure Market Risk

To measure of market risk the Bank uses Value-at-Risk (VaR).

Market Risk & Liquidity Risk Management Policies and System

The objective of investment policy covering various facts of Market Risk is to assess and minimize risks associated with treasury operations by extensive use of risk management tools. Broadly it encompasses policy prescriptions for managing systematic risk, credit risk, market risk, operational risk and liquidity risk in treasury operations.

For market risks arising out of various products in trading book of the Bank and its business activities, the bank sets regulatory internal and ensure adherence thereto. Limits for exposure to counter-parties, industries and countries are monitored and the risks are controlled through Stop Loss limits, Overnight limit, Daylight limit, Aggregate Gap limit, Value at Risk (VAR) limit for forum, inter-bank dealing and investment limit etc.

For the Market Risk Management of the bank, it has a mid-office with separate Desks for Treasury & Asset Liability Management (ALM). Asset Liability Management Committee (ALCO) is primarily responsible for establishing the market risk management, asset liability management of the bank, procedures thereof, implementing core risk management framework issued by regulator, best risk management practices followed globally and ensuring that internal parameters, procedures, practices/policies and risk management prudential limits are adhered to.

Liquidity risk of the bank is assessed through Gap analysis for maturity mismatch based on residual maturity in different time buckets as well as various liquidity ratios and management of the same is done within the prudential limit fixed thereon. Further bank is also monitoring the liquidity position through various stock ratios. The bank is proactively using duration gap and interest rate forecasting to minimize the impact of interest rate changes.

Interest Rate Risk in the Trading Book

Dhaka Bank uses maturity method in measuring interest rate risk in respect of securities in the trading book. However, the capital charge for entire market risk exposure is calculated under the standardized approach using the maturity method and guideline of Bangladesh Bank in this respect.

7.2 Quantitative Disclosure: Capital Requirement for Market Risk

Particulars	Amount (in Crore BDT)	
	Consolidated	Solo
The capital requirements for:		
Interest Rate Risk	0.00	0.00
Equity position risk	41.53	12.99
Foreign exchange risk	13.97	13.97
Commodity risk	-	-
Total	55.50	26.96

8. OPERATIONAL RISK

8.1 Qualitative Disclosure

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems (for example failed IT systems, or fraud perpetrated by a DBL employee), or from external causes, whether deliberate, accidental or natural. It is inherent in all of the Bank's activities.

Views of Board of Directors (BODs) to Operational Risk

Dhaka Bank's approach to operational risk is not designed to eliminate risk altogether but rather, to contain risks within levels deemed acceptable by senior management. Operational risks are monitored and, to the extent possible, controlled and mitigated.

All functions, whether business, control or logistics functions, must manage the operational risks that arise from their activities. Operational risks are pervasive, as a failure in one area may have a potential impact on several other areas. The Bank has therefore established a cross-functional body to actively manage operational risk as part of its governance structure.

The foundation of the operational risk framework is that all functions have adequately defined their roles and responsibilities. The functions can then collectively ensure that there is adequate segregation of duties, complete coverage of risks and clear accountability. All the functions use their controls to monitor compliance and assess their operating effectiveness in several ways, including self-certification by staff, tracking of a wide range of metrics (for example, the number and characteristics of client complaints, deal cancellations and corrections, un-reconciled items on cash and customer accounts, and systems failures), and the analysis of internal and external audit findings.

Performance Gap of Executives and Staffs

Dhaka Bank always tries to be the best pay master in the sector and ensure best workplace safety for its employees to avoid inconsistent employment practices and unsound workplace safety caused by way of discrimination regarding employee's compensation, health and safety.

Potential External Events

Dhaka Bank has invested heavily in IT infrastructure for better automation and online transaction environment. The bank also has huge investment on alternative power supply (both UPS & generators) and network links to avoid business disruption and system failure. Its IT system does not allow any kind of external access to avoid external fraud by way of theft/ hacking of information assets, forgery etc. Dhaka Bank has also invests considerable on security from terrorism and vandalism to avoid damage to physical assets.

Approach for Calculating Capital Charges for Operational Risk

For calculating eligible regulatory capital under Basel-II Capital Accord, Dhaka Bank follows the Basic Indicator Approach.

8.2 Quantitative Disclosure

Capital requirement for Operational Risk exposure of Dhaka Bank is as below:

Particulars	Amount (in Crore BDT)	
	Consolidated	Solo
The capital requirements for Operational Risk	164.53	160.89

9. LIQUIDITY RATIO

9.1 Qualitative Disclosure

Qualitative Disclosures	(a)
	<p>Views of Board of Directors on system to reduce liquidity Risk:</p> <p>The Board reviews and approves the Assets Liability Management Policies and ensures that senior management manages liquidity risk effectively in the context of the Bank's business plan, long term funding plan and economic and financial position. DBL uses liquidity ratios and stressed liquidity gaps as key metrics to establish its liquidity risk tolerance levels. These metrics measures the Bank's ability to fulfill all its payment obligations stemming from ongoing business operations under various stress scenarios. The tolerance levels are defined either in the form of limits or management action triggers (MAT) and are part of the Bank's overall liquidity management framework which is approved and reviewed by the Board on an annual basis.</p>
	<p>Methods used to measure Liquidity risk:</p> <p>There are different tools prescribed by Bangladesh Bank to measure and monitor liquidity risks. Following ratios are used by DBL as indicators for liquidity risks:</p> <ol style="list-style-type: none"> Statutory Liquidity Requirement (SLR); Cash Reserve Ratio (CRR); Asset to Deposit Ratio (ADR); Structural Liquidity Profile (SLP); Maximum Cumulative Outflow (MCO); Medium Term Funding Ratio (MTF); Liquidity Coverage Ratio (LCR); Net Stable Funding Ratio (NSFR); Liquid Asset to Total Deposit Ratio; Liquid Asset to Short Term Liabilities; <p>In addition to the above, DBL uses Stress Testing report and Liquidity mismatch profile as the methods to measure Liquidity risk.</p>
	<p>Liquidity risk management system:</p> <p>Asset Liability Management Committee (ALCO) of DBL sets the direction for the Bank's liquidity management. ALCO meets at least once in every month and more as and when required. ALM desk of the Treasury Division closely monitors and controls liquidity requirements on regular basis by proper coordination of funding activities. It also monitors market developments, understanding their implications for the Bank's liquidity risk exposure and recommends appropriate risk management measures to ALCO. Another strategy of liquidity risk management is to develop a diversified funding base. It aims to align sources of funding with their use.</p>
	<p>Policies and processes for mitigating liquidity risk:</p> <p>Dhaka Bank Ltd. has Contingency Funding Plan and Treasury Policy as a policy support to mitigate liquidity risk. The Board and the management of DBL put into operation the following check points and mechanisms for superior liquidity risk management:</p>

	<ul style="list-style-type: none"> • Liquidity risk tolerance: Bank set liquidity risk tolerance like Maximum Cumulative Outflow at 19%; • Maintaining adequate levels of liquidity considering the average daily withdrawal by the customers; • Identification and measurement of contingent liquidity risks arising from unseen scenarios. • Contingency funding plan: Contingency funding plans incorporate events that could rapidly affect the bank's liquidity arising from sudden inability to call back long-term loans and advances, or the loss of a large depositor or counterparties. • Public disclosure in promoting market discipline under Pillar 3 of Basel III. • Maturity ladder of cash inflows and outflows are effective tool to determine banks cash position; that estimates cash inflows and outflows with net deficit or surplus (GAP) both on a day to day basis and over a series of specified time periods. • A bucket wise (e.g. call, 2-7 days, 1 month, 1-3 months, 3-12 months, 1-5 years, over 5 years) maturity profile of the assets and liabilities is prepared to understand mismatch in every bucket.
--	---

9.2 Quantitative Disclosure:

Particulars	Unit	Position
Liquidity Coverage Ratio (LCR)	%	172.53%
Net Stable Funding Ratio (NSFR)	%	104.07%
Stock of High Quality Liquid Assets	(in Crore BDT)	5,179.46
Total net cash outflows over the next 30 calendar days	(in Crore BDT)	3,002.06
Available amount of stable funding	(in Crore BDT)	22,188.91
Required amount of stable funding	(in Crore BDT)	21,321.64

10. LEVERAGE RATIO

10.1 Qualitative Disclosure

Qualitative Disclosures	<p>(a) Views of Board of Directors on system to reduce liquidity Risk:</p> <p>An underlying cause of the global financial crisis was the build-up of excessive on- and off-balance sheet leverage in the banking system. At the height of the crisis, financial markets forced the banking sector to reduce its leverage in a manner that amplified downward pressures on asset prices. This deleveraging process exacerbated the feedback loop between losses, falling bank capital and shrinking credit availability. To defuse the crisis, the Basel III framework introduced a non-risk-based capital measure, the leverage ratio, as an additional prudential tool to complement minimum capital adequacy requirements. Leverage ratio is the relative amount of Tier 1 capital to total exposure of the Bank (not risk-weighted) which has been set at minimum 3%.</p> <p>Under Basel III, a simple, transparent, non-risk based regulatory leverage ratio has been introduced to achieve the following objectives:</p> <ul style="list-style-type: none"> ■ Restrict the leverage in the banking sector, thus helping to mitigate the risk of the destabilizing deleveraging processes which can damage the financial system and the economy ■ Reinforce the risk-based requirements with a simple, transparent, independent measure of risk <p>The Board of Risk Management Committee regularly reviews the leverage ratios and advises the management to strictly monitor the ratio in addition to the Pillar- 1 Minimum Capital Requirement.</p>
--------------------------------	---

	<p>Policies and processes for managing excessive on and off-balance sheet leverage:</p> <p>The bank reviews its leverage position as per the Guidelines on Risk Based Capital Adequacy (revised regulatory capital framework for banks in line with Basel III). In addition, the bank has Risk Appetite as per Credit Risk Management Policy. Bank also employs Annual Budget Plan and Capital Growth Plan for managing excessive on and off-balance sheet leverage.</p>
	<p>Approach for calculating exposure:</p> <p>The bank calculates the exposure under standardized approach as per the Guidelines on Risk Based Capital Adequacy (revised regulatory capital framework for banks in line with Basel III).</p>

10.2 Quantitative Disclosure:

(in Crore BDT)

Particulars	Amount (Consolidated)	Amount (Solo)
Leverage Ratio	5.06%	4.92%
On balance sheet exposure	28,936.23	28,784.38
Off balance sheet exposure	7,354.87	7,354.87
Total exposure	36,188.00	36,036.16

*Leverage ratio come into effect from March 31, 2015 as per RBCA Guidelines.

11. REMUNERATION

11.1 Qualitative Disclosure

Qualitative Disclosures	<p>(a) The remuneration committee provides assistance to the Board in relation to the remuneration arrangements of the Bank. The Board makes all final decisions in relation to those arrangements. The current members of the Committee are as follows:</p> <ol style="list-style-type: none"> 1. Emranul Huq, Managing Director & CEO 2. Sahabub Alam Khan, SVP & Acting CFO 3. M Rezaur Rahman, SVP & Head, Human Resources Division <p>The committee is responsible to give input into the total risk framework in relation to remuneration risk, in particular, recommending to the Board the remuneration arrangements.</p> <p>The Committee's remuneration responsibilities include conducting reviews of, and making recommendations to the Board on, the remuneration policy taking into account the Bank's strategy, objectives, risk profile, shareholder interests, regulatory requirements, corporate governance practices and employee interests.</p> <p>The Committee may consult a professional adviser or expert, at the cost of the Bank, if the committee considers it necessary to carry out its duties and responsibilities. No remuneration recommendations were obtained from external consultants during the reporting period.</p> <p>The Board has approved a remuneration policy which applies to the Bank. The policy does not apply to service contracts with third parties. The policy deals with base remuneration and performance based remuneration including the deferral of short-term incentive payments. As on 31 December 2020, we have 105 branches, 3 SME service centers and 2 Offshore Banking Unit in different areas of Bangladesh. The Bank has no foreign subsidiaries and branches.</p> <p>For the purposes of the accompanying remuneration disclosures, the "senior managers" of the bank comprise of Managing Director, the heads of appropriate big branches, the heads of operation, corporate, and credit risk functions and the company secretary.</p> <p>There were 47 senior managers as at the end of the reporting period.</p>
--------------------------------	--

(b)	<p>The policy establishes a remuneration framework designed to attract, retain, and motivate employees to achieve the objectives of the bank. The framework is structured to provide the desired flexibility and reward arrangements to support the Bank's strategy.</p> <p>The main features of the remuneration framework are: simplicity, fairness, alignment with values, appropriate risk behavior and transparency. Salary & benefits structure implemented with effect from 1 July 2016. The major objectives of the remuneration policy includes:</p> <ol style="list-style-type: none"> 1. To ensure market driven pay and benefits, 2. To retain bright professionals of the bank; 3. To take the advantage over other banks in terms of attracting prospective employees due to less advantageous pay and benefits compared to the competitors. <p>Dhaka Bank reviewed its employee remuneration during 2016. Accordingly, changes were made.</p> <p>Technical allowance has given to IT employee for highly technical professional. Managers to manage the branch and employees to handle the cash are remunerated by charge allowance and risk allowance respectively. Risk and control personnel are still eligible to receive an annual bonus payment under the performance bonus plan.</p>
(c)	<p>The remuneration framework includes the following arrangements and processes designed to ensure that remuneration outcomes appropriately take into account the impact of business risk. The Board has discretion, having regard to the recommendation of the Committee, to provide variable remuneration to reflect the following:</p> <ol style="list-style-type: none"> i. The outcomes of business activities; ii. The risk related to the business activities taking into account, where relevant. iii. Unexpected or unintended consequences that are not foreseen by the Board. <p>On recommendation of the Management, the Board at its discretion may approve the performance/incentive bonus for the employees of the bank as a financial measure to minimize the risk.</p> <p>Risk and Compliance requirements represent a gateway to whether a bonus payment is made and the size of the payment. Notwithstanding financial performance and an individual's contribution and performance, if the individual does not meet, or only partially meets, risk and compliance requirements, no award or a reduced award may be made.</p> <p>There were no changes to the nature and type of measures used during the reporting period.</p>
(d)	<p>The remuneration framework includes the following arrangements designed to ensure that remuneration outcomes are linked to performance:</p> <p>Fixed base: There is an annual review for all eligible employees. Performance ratings for the performance period are taking into consideration as well as individual circumstances for annual increment.</p> <p>Performance base: Performance bonus or incentive bonus are given to all eligible employees as per performance ratings for a performance period.</p> <p>Amounts of individual remuneration are linked to individual performance as per their performance ratings for the performance period. In addition, amounts of individual remuneration also linked to bank's growth.</p> <p>In determining the payment of a bonus to individuals, the factors taken into account include:</p> <ol style="list-style-type: none"> 1. Team financial and strategic performance; 2. Individual contribution to team performance; 3. Individual performance including alignment with corporate values and meeting performance objectives. <p>Long term incentives are designed to link a component of remuneration with key performance measures that underpin sustainable longer term growth in shareholder value.</p>
(e)	<p>The remuneration framework describes short term and long term benefits. Short term benefits include salary, festival bonus, Travel Passage, and performance bonus as variable payments. Long term benefits include Gratuity, Provident Fund, Superannuation Fund and Leave encashment.</p>
(f)	<p>Dhaka Bank Limited has no variable remuneration like cash, shares and share-linked instruments and other forms.</p>

11.2 Quantitative Disclosure:

Number of meeting held by the main body overseeing remuneration during the financial year and remuneration paid to its member.	(g)	The Committee met twice during the financial year. No additional fees are paid for serving on board committees.
Number of employees having received a variable remuneration award during the financial year. Number and total amount of guaranteed bonuses awards made during the financial year. Number and total amount of sign-on awards made during the financial year. Number and total amount of severance payments made during the financial year.	(h)	Performance bonuses/Incentives: Nil Number of total guaranteed bonus(festival bonus): 2 Total amount of guaranteed bonus (festival bonus): BDT 16,63,59,905.42 Number of severance payments: 62 employees Total amount of severance payments: BDT. 26,73,62,380.00 which includes Provident Fund, Gratuity Fund, Superannuation Fund. PF : BDT 12,60,64,920.00 to 62 employees GF: BDT 1,46,25,918.00 to 47 employees SF : BDT 12,66,71,550.00 to 47 employees Total : BDT 26,73,62,380.00
Total amount of outstanding deferred remuneration, spilt into cash, shares and share-linked instruments and other forms. Total amount of deferred remuneration paid out in the financial year	(i)	Not applicable for Dhaka Bank Limited
Breakdown of amount of remuneration awards for the financial year to show: - Fixed and variable. - Deferred and non-deferred. - Different forms used (cash, shares, and share linked instruments, other forms).	(j)	<ul style="list-style-type: none"> • Fixed: BDT 256,61,23,683.00, Variable: BDT. 16,00,00,000.00 • Deferred: BDT 20,48,98,000.00 • Non-deferred: Nil • Different forms used: Nil
Quantitative information about employees' exposure to implicit (e.g. fluctuations in the value of share or performance units) and explicit adjustments (e.g. claw backs or similar reversals or downward revaluations of awards) of deferred remuneration: Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments. Total amount of reductions during the financial year due to ex post implicit adjustments.	(k)	Not applicable for Dhaka Bank Limited

BRANCH NETWORK

Branch Code	Branch Name	Branch Business Address
0016	Agrabad Branch	World Trade Center, 102-103, Agrabad Commercial Area, Chattogram
0208	Amin Bazar Branch	Market Complex (1st floor), Amin Bazar Jame Mosque, 780, Begun Bari Union, Amin Bazar, Savar, Dhaka
0027	Anderkilla Branch	Mozahar Bhaban, 222-223, Abdus Sattar Road, Rahmatgonj, Anderkilla, Chattogram
0101	Araihazar Branch	Suptasha Bhaban, Plot#1, Thana Road, Araihazar Bazar, Narayanganj
0002	Ashuganj Branch	Dulal Tower(1st floor), Ashuganj Bazar, Brahmanbaria
0010	Azadi Bazar Branch	Azim-Jashim Market, Union-Dharmapur, Thana-Fatikchhari, District-Chattogram.
0232	BB Road Branch	127, 1st floor, B.B Road, Narayanganj
0206	Banani Branch	73/B Kemal Ataturk Avenue, Banani C/A, Dhaka-1213
0227	Banashree Branch	Nilachal(1st floor), Plot#14, Block#B, Banashree, Rampura, Dhaka
0210	Bangshal Branch	88, Shaheed Syed Nazrul Islam Sharani, Bangshal, Dhaka
0218	Baridhara Branch	House# 23, Block-K, Shaheed Suhrawardy Avenue, Dhaka
0601	Barishal Branch	Talukder Mansion, 86, Sadar Road, Barishal
0401	Belkuchi Branch	Jamuna Shopping Complex, Mukundogati Bazar, Belkuchi, Sirajgonj
0241	Bhairab Bazar Branch	166, Kalibari Road, Bhairab Bazar, Bhairab, Kishoreganj
0234	Bhulta Branch	Nur Mansion Market(1st Floor), Bhulta, Rugganj, Narayanganj
0219	Board Bazar Branch	Karam Ali Complex, Board Bazar, National University, Gazipur Sadar, Gazipur
0411	Bogura Branch	Shaha Complex, Kobi Nazrul Islam Sarok, Jhawtola, Bogra
009	Chandpur Branch	City Heart Building, Kalibari Moor, Chandpur Sadar, Chandpur
0020	CDA Avenue Branch	565/A, CDA Avenue (Ground Floor), East Nasirabad, Chattogram
0082	Chakaria Branch	Taher Plaza(1st floor), Chiringa, Old Bus Stand, Chakaria, Cox's Bazar
0302	Chandaikona Branch	Happy Store Bhaban, Bazar Road, Chandaikona Bazar, Raiganj, Sirajgonj
0305	Chapai Nawabganj	3, Godagari Road, Chapainawabganj Sadar, Chapainawabganj
0303	Chatmohar Branch	J.S Shopping Complex (1st floor), 516, Narikel Para, Chatmohor Sadar, Chatmohor, Pabna
0006	Chhagalnaiya Branch	Nur Islam Plaza, Holding#826, Ward#06, Chhagalnaiya, Feni
0071	Cumilla Branch	20, Kadirpar Moor(1st floor), Adarsha Sadar, Cumilla
0081	Cox'sbazar Branch	Rakshit Market(1st floor), Main Road, Laldighirpar, Sadar, Cox's Bazar
0205	Dhanmondi Branch	House No-20, Road-7, Dhanmondi R/A, Dhaka
0226	Dhanmondi Model Branch	Plot#275/G, Road#27(old), Shahid Sheikh Kamal Sharani, Dhanmondi R/A
0437	Dinajpur Branch	Rowshan Tower(1st floor), 44/42, North Munshipara Road, Dinajpur
0212	EPZ Branch	Zone Service Building, Room#48-51, DEPZ, Ganakbari Savar, Dhaka
0213	Fantasy Kingdom Branch	Chowdhury Plaza, Jamgara, Ashulia, Savar, Dhaka
0244	Faridpur Branch	Holding No.90(1st & 2nd floor), Thana Road, Chawk Bazar, Faridpur
0024	Fatickchari Branch	Fatickchari Branch, College Gate, Bibirhat, Fatickchari, Chattogram
0096	Feni Branch	City Center(1st floor), 132, S.S.K. Road, Feni
0203	Foreign Exchange Branch	Biman Bhaban, 100, Motijheel C/A, Dhaka
0152	Goalabazar Branch	Rahman Complex(1st floor), Goalabazar, Sylhet
0026	Gohira Branch	1st floor, Chowmuhoni, Gohira, Raozan, Chattogram
0104	Gopaldi Branch	Musa Market (1st & 2nd floor), Gopaldi Bazar
0215	Gulshan Branch	24, Gulshan Avenue, Gulshan-1, Dhaka
0102	Gulshan Circle -2 Branch	Bilquis Tower, Plot No. 06, Road No.46, Gulshan Circle -02, Dhaka-1212
0120	Gulshan Corporate Branch	Plot-CWS(C)-10, Bir Uttam A. K. Khandakar Road, Gulshan 1, Dhaka.
0154	Habigonj Branch	Khaza Garden City(1st floor) Town Hall Road, Habigonj
0023	Halishahar Branch	14/A, Nusrat Mension(1st floor), Block#G, Halishahar H/E, P.C Road, Chattogram
0021	Hathazari Branch	Sobahan Plaza, Kachari Road, Hathazari, Chattogram
0209	Imamganj Branch	Sardar Mansion, 01, Imamganj Lane, Imamganj Bazar, Dhaka
0019	Islamic Banking Branch Muradpur	A H Paragon(1st & 2nd floor), 282, CDA Avenue, Muradpur, Chattogram
0214	Islamic Banking Branch Motijheel	Modhumita Cinema Hall Building, 158/160 Motijheel C/A, Dhaka

BRANCH NETWORK

Continued

Branch Code	Branch Name	Branch Business Address
0211	Islampur Branch	6-7, Islampur Road, Dhaka
0242	Jatrabari Branch	Holding No.- 101, Shaheed Faruque Road, Ward-50, Thana-Jatrabari, District-Dhaka 1204.
0521	Jashore Branch	Rashid Center(1st floor), 7/A R.N.Road Jashore
0216	Joypara Branch	Munshi Super Market(1st floor), 1083, Joypara Bazar Main Road, Dohar, Dhaka
0018	Jubilee Road Branch	Liberty Tower, 183, Jubilee Road, Chattogram
0106	Kakrail Branch	71, Purana Paltan Lane, Dhaka
0113	Kalatia Branch	Shamshedpur, Kalatia Bazar, Keranigonj, Dhaka
0121	Kapasia Branch	Admiral Market, Banar Howla, Kapasia, Gazipur
0110	Kamarpara Branch	Hasmat Tower, 30/A Kamarpara Bazar Road, Khairtek, Nishat Nagar, Turag, Dhaka
0207	Karwan Bazar Branch	39, karwan Bazar C/A, Dhaka
0502	KDA Avenue Branch khulna	2B KDA Avenue, Khulna
0221	Keraniganj Branch	Khan Plaza (1st floor), Shahid Delwar Hossain Road, East Aganagar, Keraniganj, Dhaka
0017	Khatungonj Branch	291, Khatungonj, Chattogram
0224	Khilgaon Branch	389/B, Khilgaon Chowdhurypara, Dhaka
0243	Kishoregonj Branch	Charterjee Market(1st & 2nd floor), 154, Natun Bazar, Ishakha Road, Kishoregonj
0220	Konabari Branch	Plot No.146/147, BSCIC, Konabari, Gazipur
0005	Lakshmipur Branch	126/1, Thana Road, Bolram Bhaban, Sadar, Lakshmipur
0151	Laldighirpar Branch	960, Laldighirpar, sylhet
0201	Local Office	Adamjee Court Building, 115-120, Motijheel C/A, Dhaka
0236	Madhabdi Bazar Branch	8, Bank Road, Madhabdi Bazar, Narsinghdi
0150	Madina Market Branch	Mahmud Complex, 1st Floor, Madina Market, West Pathantula, Sylhet
0003	Maijdee Branch	Mostafa Plaza, Holding#142, Road#01, Main Road, Maijdee, Noakhali
0161	Moulvibazar Branch	S.R. Plaza (1st Floor), 1151/3/ M. Saifur Rahman Road, Moulvibazar
0001	Teknaf Branch	Farid Market, 1st floor, Madrasha Road, Teknaf Pouroshova, Teknaf, Cox's Bazar
0105	Eskaton Branch	Shanta Garden, 50/B, New Eskaton Road, Dhaka
0223	Mirpur Branch	Plot-01, Road-05, Block-A, Section-10, Mirpur, Dhaka
0225	Mohakhali Branch	100, Mohakhali(Ground & 1st floor), Bir Uttam A.K. Khandakar Road, Dhaka
0217	Shahjahanpur Branch	Navana Circular Heights, Holding#20, Outer Circular Road, Ward-11, Dhaka
0109	Murapara Branch	Brothers Riaz Uddin Khan Plaza(1st floor), Murapara Bazar, Rupgonj, Narayanganj
0701	Mymensingh Branch	Momen Tower, Holding 65, Dr. Bipin Sen Road, Choto Bazar, Mymensingh
0111	Nandipara Branch	Haji Mohammad Sadek Ali Mansion, Union-Dakkhingaon, Thana-Khilgaon, Dhaka
0231	Narayanganj Branch	Sattar Tower, 48, S.M. Maleh Road, Tanbazar, Narayanganj
0025	New Market Branch Chattogram	Al-Karan Biponi Bitan Centre (2 nd floor),H#388, Road#Kotwali, Ward#31, Chattogram City Corporation, Chattogram
0301	Pabna Branch	1st floor, Munshi Complex, Hazi Abdul Goni Road, Boro Bazar C/A, Near Jubili Tank, Pabna
0233	Pagla Bazar Branch	Al-Haj Afsar Karim Bhaban, D.N.Road, PaglaBazar, Narayanganj
0112	Panchdona Branch	Microgreen City, Shreechandi,Union-Maherpara, Ward-09,P.S-Narshingdi Sadar, Narshingdi
0022	Patiya Branch	A S Rahat Ali High School Market(1st floor), Thana Road, Patiya, Chattogram
0114	Pragati Sarani Branch	Skill House(1st & 2nd floor),KA-53/2, Pragati Sarani, Gulshan, Dhaka
0230	Rajanagar Branch	Smriti Plaza(1st floor), Rajanagar, Serajdikhan, Munshigonj
0421	Rajshahi Branch	73, Ganakpara, Shaheb Bazar, Rajshahi
0431	Rangpur Branch	Bangladesh Muktiyoddha Sangsad, Rangpur Unit(1st floor), Shahid Mokter Elahi Sarani, Station Road,Ward-25,Rangpur
0436	Saidpur Branch	1st Floor, (Shahid Dr,Zikrul Houqe Road),Saidpur,Nilphamari
0501	Satkhira Branch	Bara Bazar, Thana Road, Satkhira Sadar, Satkhira
0222	Savar Bazar Branch	Alam Plaza,(1st floor), 122, Jaleshwor, Savar Bazar Bus Stand, Savar, Dhaka
0403	Shahajadpur Branch	Hamid Market(1st floor), H#38, Dariapur Bazar, P.O-Shahajadpur, P.S-Shahajadpur,Dist-Sirajganj
0304	Sherpur Branch	H#2339,(1st & 2nd floor), Sherpur Pourosova, Bogura
0402	Sirajganj Branch	Mahbub Shopping Center,(1st floor),SS Road, Sirajganj

BRANCH NETWORK

Continued

Branch Code	Branch Name	Branch Business Address
0091	Sonaimuri Branch	Tofael Shopping Mall, Sonaimuri Bazar, Sonaimuri, Noakhali
0103	Tangail Branch	Noorjahan Complex(1st floor), Maszid Road, Tangail
0153	Uposahar Branch	House#10, Road#32, Block#D, Shahjalal Uposahar, Sylhet
0204	Uttara Branch	House#01, Road#13, Sector#1, Uttara, Dhaka
0007	Chowmuhani Branch	Rupali Bhaban, Holding no.807, Feni Road, Ward no. 4, Chowmuhani Pourashava, Thana-Begumganj, District-Noakhali
0115	Kalibari Branch	Mumtaz Plaza, Kalibari Adarsha Bazar, Union-02, Thana-Araihazar, District-Narayanganj
0116	Mawna Branch	L.K.Tower, 2nd floor, Sonabo, Tengra, Telihati Union Parishod, Sreepur, Gazipur
0118	Rupshi Branch	City Staff Quarter, Holding No.-498 & 499, Shaheed Bokul Road, Ward No.-04, Pourosova- Tarabo, P.S- Rugganj, Dist- Narayanganj
0008	Gunabati Branch	Wadud Akbar Garden, Gunabati Bazar, Union-12 no. Gunabati union, P.S- Chauddagam, Dist- Cumilla
0117	Banani Road No 11 Branch	Eleven Square, Holding No.-01, Road No.-11, Ward No.-19/5, Banani R/A, P.S- Banani, Dhaka North City Corporation, Dist- Dhaka
0119	Sonargaon Janapath Branch	Holding NO.56, Sonargaon Janapath Road, Sector-09, Ward No.01, Dhaka North City Corporation, Thana-Uttara, Dist-Dhaka.
0004	CEPZ SME Service Centre	CEPZ Zone Service Complex, Chittagong EPZ, South Haliashahar, Chattogram
0107	Goran SME Service Center	179, North Goran, 1st floor, Khilgaon, Dhaka 1219
0108	Shewrapara SME Service Centre	Plot-1036, 1st Floor, Shewrapara, Mirpur, Dhaka-1216
	Baily Road Customer Service Centre	Guide House, Holding No-02, Natok Shoroni, New Baily Road, Ramna, Dhaka-1000

SUB-BRANCH NETWORK

Sl. No.	Branch Name	Branch Business Address
1	Badamtoli Sub Branch	Holding-19/4, Sahajada Mia Lane, Dhaka South City Corporation, Thana-Kotwali, District-Dhaka.
2	Chandra Sub Branch	Mamota Super Market, Plot No.-86/2, Sattar Road, Pourosova-Kaliakoir, Thana-Kaliakoir, District-Gazipur.
3	Haliashahar Sub Branch	Nahian Centre, Plot-8, Road-2, H & S Road, Thana-Pahartali, District-Chattogram.
4	Hatirpool Sub Branch	89, Nasir Trade Center, Bir Uttam C R Datta Road, Kalabagan, Dhaka.
5	Jagannathpur Sub Branch	R. A. S Plaza, Holding-KA-11/2, Bashundhara Main Road, Thana-Vatara, District-Dhaka.
6	Jurain Sub Branch	Rezia Alam Shopping Complex, Holding-413/3, Alambagh Road, Thana-Kadamtoli, District- Dhaka.
7	Lakshmibazar Sub Branch	Holding-29, Subhash Bose Avenue, Dhaka South City Corporation, Thana-Sutrapur, District-Dhaka.
8	Nitaiganj Sub Branch	Sukum Tower, Holding No.-5/1, Bangabandhu Road, Thana-Narayanganj, District-Narayanganj.
9	Panchrukhi Sub Branch	M.P. Tower, Mouza-Panchrukhi, Union-Satgram, Thana-Araihazar, District-Narayanganj.
10	Panthapath Sub Branch	Saba Moon Tower, Holding-152/1/H, Green Road (Panthapath), Thana-Kalabagan, District-Dhaka.
11	Raozan Sub Branch	Holding-PH 917, Chattogram-Rangamati Main Road, Thana-Raozan, District-Chattogram.
12	Rupnagar Sub Branch	H#56, R#19, Main Road, Rupnagar R/A, Rupnagar, Mirpur, Dhaka

ABBREVIATIONS

ABB	Association of Bankers, Bangladesh	GABV	Global Alliance on Banking for Values
AC	Audit Committee	GDP	Gross Domestic Product
ADR	Advance to Deposit Ratio	GOB	Government of Bangladesh
ADC	Alternative Distribution Channel	GTFP	Global Trade Finance Program
ALCO	Asset Liability Committee	HFT	Held for Trading
ALS	Assured Liquidity Support	HRD	Human Resources Division
ATM	Automated Teller Machine	ICAB	Institute of Chartered Accountants of Bangladesh.
BACH	Bangladesh Automated Clearing House	ICAAP	Internal Capital Adequacy Assessment Process
BAS	Bangladesh Accounting Standard	ICCD	Internal Control & Compliance Division
BB	Bangladesh Bank (Central Bank of Bangladesh)	IFC	International Finance Corporation
BAC	Board Audit Committee	IT	Information Technology
BCP	Business Continuity Plan	IAS	International Accounting Standard
BFRS	Bangladesh Financial Reporting Standards	IPO	Initial Public Offering
BSEC	Bangladesh Securities and Exchange Commission	IVR	Interactive Voice Response
BORC	Bank Operational Risk Committee	LC	Letter of Credit
BRMC	Bank Risk Management Committee	LCR	Liquidity Coverage Ratio
BRPD	Banking Regulation and Policy Department (of Bangladesh Bank)	MANCOM	Management Committee
CAGR	Compound Annual Growth Rate	MCO	Maximum Cumulative Outflow
CDBL	Central Depository Bangladesh Limited	MCR	Minimum Capital Requirement
CRAB	Credit Rating Agency of Bangladesh	MD&A	Management Discussion & Analysis
CMU	Cash Management Unit	MFIs	Micro Finance Institutions
CP	Commercial Paper	MICR	Magnetic Ink Character Recognition
CRAR	Capital to Risk-weighted Assets Ratio	NBFI	Non-bank Financial Institution
CSU	Customer Support Unit	NII	Net Interest Income
CRR	Cash Reserve Ratio	NPL	Non Performing Loan (Classified Loan)
CRM	Credit Risk Management	NCBs	Nationalized Commercial Banks
CSE	Chittagong Stock Exchange	NRB	Non Resident Business
CSR	Corporate Social Responsibility	NSFR	Net Stable Funding Ratio
CRGM	Credit Risk Grading Matrix	OBU	Offshore Banking Unit
CDCS	Certified Documentary Credit Specialist	OCI	Other Comprehensive Income
CRISL	Credit Rating Information and Services Ltd.	PCBs	Private Commercial Banks
DSE	Dhaka Stock Exchange	PC	Purchase Committee
DTA	Deferred Tax Assets	PD	Probability of Default
DCFCL	Departmental Control Function Check List	POS	Point of Sale
DR	Disaster Recovery	PPG	Product Program Guidelines
EPL	Equity Partners Limited	PRI	Prime Risk Indicator
EPS	Earnings per Share	QMS	Quality Management System
ERM	Enterprise Risk Management	RBCA	Risk Based Capital Adequacy
EVA	Economic Value Added	RFC	Resident Foreign Currency Deposit
EC	Executive Committee	RWA	Risk Weighted Assets
ECAI	External Credit Assessment Institution	RMG	Readymade Garments
EFT	Electronic Fund Transfer	ROA	Return on Assets
EMI	Equal Monthly Installment	ROE	Return on Equity
EPZ	Export Processing Zone	ROU	Right of Use
E&SR	Environmental and Social Risk	SAMD	Special Asset Management Division
ETP	Effluent Treatment Plant	SFU	Structured Finance Unit
FD	Fixed Deposit	SAFA	South Asian Federation of Accountants
FTP	Fund Transfer Pricing	SME	Small and Medium Enterprise
FY	Fiscal Year	SLR	Statutory Liquidity Ratio
FCY	Foreign Currency	STP	Straight Through Processing
FDI	Foreign Direct Investment	SRP	Supervisory Review Process
FI	Financial Institution	TFP	Trade Finance Program
FUM	Fund under Management	TREC	Trading Right Entitlement Certificate
FY	Financial Year	UBS	Universal Banking System (Core Banking Solution)



Registered Office: Plot-CWS(C)-10, Bir Uttam A K Khandakar Road
Gulshan-1, Dhaka-1212

Notice of the 26th Annual General Meeting

Notice is hereby given to all the members of Dhaka Bank Limited that the **26th Annual General Meeting** of the members of the Company will be held virtually by using digital platform through the link "<https://dhakabank.bdvirtualagm.com>" on **Tuesday, June 29, 2021 at 11:30 a.m. (BST)** to transact the following businesses:

1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st December, 2020 and Balance Sheet as of that date together with the Reports of the Directors and the Auditors thereon.
2. To declare dividend for the Shareholders out of the profits of the year ended 31st December, 2020 as recommended by the Board of Directors.
3. To re-elect Directors who will be retiring from their Office.
4. To re-appoint the Auditors of the Company for the term until the next Annual General Meeting and to fix their remuneration.
5. To re-appoint the Compliance Auditors for the year 2021 as per Corporate Governance Code and to fix their remuneration.
6. Any other matter with the permission of the Chair.

June 6, 2021

By order of the Board
Sd/-
Md. Shahjahan Miah
SVP & Company Secretary

NOTES:

1. The 'Record Date' was on Monday, May 31, 2021. The Shareholders whose names appeared in the CDS/Register of Members of the Company on the Record Date shall be entitled to the dividend and participate and vote at the AGM.
2. Shareholders entitled to participate and vote at this virtual AGM may appoint a proxy to participate and vote. The 'Proxy Form', duly filled, signed and stamped at BDT 20 must be sent through email to share.department@dhakabank.com.bd not later than 48 hours before commencement of the AGM.
3. Annual Report-2020 along with Attendance Slip, Proxy Form and Notice of the AGM are being sent to all the members by courier service / post / e-mail address available as per CDBL record. Members may also collect the Annual Report & Proxy Form from the Share Department of the company situated at Head Office, Level-4, Plot# CWS(C)-10, Bir Uttam A K Khandakar Road, Gulshan, Dhaka or may download the same from the website of the company, i.e. www.dhakabankltd.com.bd.
4. Concerned Depository Participants (DP) / Stock Brokers are requested to provide us with a list of their margin loan holders who held DBL shares as on record date with the details of Shareholders' name, BO ID, shareholding position, cash dividend receivable, tax rate, etc. within June 10, 2021 along with the name of their contact person to the Share Department of the Company situated at Head Office, Level-4, Plot# CWS(C)-10, Bir Uttam A K Khandakar Road, Gulshan, Dhaka or at share.department@dhakabank.com.bd. The DP / Stock Brokers are also requested to provide us with their Bank Account name & number, routing number, etc. to aforementioned email address for receiving the dividends of their margin loan holders.
5. The shareholders will join the virtual AGM through the link <https://dhakabank.bdvirtualagm.com>. The shareholders will be able to submit their questions / comments and also cast vote electronically before 25 (twenty-five) hours of commencement of the AGM through this link and also during the Annual General Meeting. In order to login for the virtual AGM, the shareholders need to click on the link and provide their 16 digit Beneficiary Owners (BO) Account Number / Folio Number.
6. Shareholders are requested to login to the system well ahead of the Meeting at appointed time for the AGM on Tuesday, June 29, 2021. For any IT related guidance and help with the login process the respected members may contact at +8801678006132.



L I M I T E D

Registered Office: Plot-CWS(C)-10, Bir Uttam A K Khandakar Road
Gulshan-1, Dhaka-1212

Attendance Slip

I/ We hereby record my attendance at the 26th Annual General Meeting of Dhaka Bank Limited being held on Tuesday, June 29, 2021 at 11.30 a.m. BST virtually by using Digital Platform through the link 'https://dhakabank.bdvirtualagm.com'.

Name of the Shareholder / Proxy

Folio/BO ID No.

Signature of Shareholder / Proxy

Note: Please complete the Attendance Slip and send the same through email to share.department@dhakabank.com.bd



L I M I T E D

Registered Office: Plot-CWS(C)-10, Bir Uttam A K Khandakar Road
Gulshan-1, Dhaka-1212

Proxy Form

I/We

Folio/BO ID No.

Address:
being a shareholder of Dhaka Bank Limited, do hereby appoint

Mr./Ms.

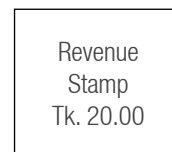
of
as my/our Proxy in my / our absence to attend and vote for me/us on my/our behalf at the 26th Annual General Meeting of the Company scheduled to be held on Tuesday, June 29, 2021 at 11:30 a.m. BST virtually by using Digital Platform through the link 'https://dhakabank.bdvirtualagm.com' and at any adjournment thereof.

In witness whereof I/We set my/our hand(s) on this theday of, 2021.

Signature of the Proxy

Signature of the Shareholder(s)

No. of Shares held



Note:

1. The Proxy Form, duly stamped and completed in all respect, must be deposited or sent through e-mail to share.department@dhakabank.com.bd at least 48 (Forty Eight) hours before the appointed time of the Meeting.
2. Signature of the Shareholders must agree with the Specimen Signature registered with the Company.



DHAKABANK
L I M I T E D
EXCELLENCE IN BANKING

New Registered Office: Plot-CWS(C)-10, Bir Uttam A K Khandakar Road, Gulshan-1, Dhaka-1212
Old Registered Address: Biman Bhaban, 100 Motijheel C/A, Dhaka-1000
Corporate Office: 71, Purana Paltan Lane, Kakrail, Dhaka
Phone: +88 02 5831 4424 (hunting number), +88 02 5831 4424-31, 5831 4624-8
Fax: +88 02 5831 4419, Email: info@dhakabank.com.bd, Swift: DHBLBDDH