

Dutch-Bangla Bank Limited
Balance Sheet
As at 30 September 2016
(Main Operation and Off-shore Banking Unit)

PROPERTY AND ASSETS	Notes	30-Sep-16			31-Dec-15	30-Sep-15
		Taka (Un-audited)			Taka (Audited)	Taka (Un-audited)
		Main Operation	Off-shore	Total	Total	Total
Cash						
In hand (including foreign currencies)	4	11,720,553,528	-	11,720,553,528	8,296,998,632	7,853,607,841
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	5	20,904,599,894	-	20,904,599,894	14,555,926,865	15,658,659,528
		32,625,153,422	-	32,625,153,422	22,852,925,497	23,512,267,369
Balance with other banks and financial institutions	6					
In Bangladesh		20,937,585,743	2,388,102,620	23,325,688,363	27,591,599,177	19,210,354,736
Outside Bangladesh		4,080,764,007	-	4,080,764,007	1,154,177,150	(421,504,064)
		25,018,349,750	2,388,102,620	27,406,452,370	28,745,776,327	18,788,850,672
Money at call and short notice	7	2,090,000,000	-	2,090,000,000	5,270,000,000	5,530,000,000
Investments	8					
Government		17,795,540,098	-	17,795,540,098	19,405,280,474	20,502,467,112
Others		564,983,434	-	564,983,434	804,983,434	885,283,434
		18,360,523,532	-	18,360,523,532	20,210,263,908	21,387,750,546
Loans and advances	9					
Loans, cash credits, overdrafts, etc.		150,964,049,480	841,653,043	151,805,702,523	141,916,487,380	134,242,175,524
Bills purchased and discounted		3,692,613,616	3,382,496,092	7,075,109,708	10,353,513,085	8,895,746,839
		154,656,663,096	4,224,149,135	158,880,812,231	152,270,000,465	143,137,922,363
Fixed assets including land, building, furniture and fixtures	10	4,981,648,638	82	4,981,648,720	4,519,304,790	4,458,183,625
Other assets	11	12,788,692,263	11,846,551	12,800,538,814	10,189,299,337	16,086,468,954
Non-banking assets		-	-	-	-	-
TOTAL ASSETS		250,521,030,702	6,624,098,388	257,145,129,090	244,057,570,324	232,901,443,529
LIABILITIES AND CAPITAL						
Liabilities						
Borrowings from other banks, financial institutions and agents	12	11,271,269,572	6,453,573,024	17,724,842,596	20,283,536,724	17,669,777,602
Deposits and other accounts	13					
Current deposits and other accounts		52,635,196,450	14,068,194	52,649,264,644	47,484,925,764	42,359,575,980
Bills payable		2,386,580,950	-	2,386,580,950	2,827,945,083	1,807,290,862
Savings bank deposits		81,036,510,353	-	81,036,510,353	70,609,619,683	68,302,098,045
Term deposits		63,095,143,876	-	63,095,143,876	65,842,511,008	61,089,928,960
		199,153,431,630	14,068,194	199,167,499,824	186,765,001,538	173,558,893,846
Other liabilities	14	18,858,078,112	100,342,047	18,958,420,159	15,852,794,427	21,582,353,427
Subordinated debt	15	3,888,293,407	-	3,888,293,407	4,401,902,157	4,633,889,052
TOTAL LIABILITIES		233,171,072,720	6,567,983,265	239,739,055,985	227,303,234,846	217,444,913,927

Notes	30-Sep-16			31-Dec-15	30-Sep-15
	Taka (Un-audited)			Taka (Audited)	Taka (Un-audited)
	Main Operation	Off-shore	Total	Total	Total
Shareholders' equity					
Paid up share capital	16.2	2,000,000,000	-	2,000,000,000	2,000,000,000
Share premium	17	11,067,500	-	11,067,500	11,067,500
Statutory reserve	18	8,114,825,950	-	8,114,825,950	6,990,785,699
Other reserve	19	-	-	-	-
Dividend equalization account	20	1,366,827,195	-	1,366,827,195	966,827,195
Assets revaluation reserve	21	850,413,777	-	850,413,777	850,413,777
Revaluation reserve of HTM securities	22	41,059,079	-	41,059,079	76,047,303
Proposed dividend		-	-	800,000,000	-
Retained earnings		4,965,764,481	56,115,123	5,021,879,604	4,561,388,128
TOTAL SHAREHOLDERS' EQUITY		17,349,957,982	56,115,123	17,406,073,105	15,456,529,602
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		250,521,030,702	6,624,098,388	257,145,129,090	232,901,443,529

OFF-BALANCE SHEET ITEMS

Contingent liabilities

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Acceptances and endorsements		10,688,777,500	-	10,688,777,500	-	-
Letters of guarantee		4,410,293,224	-	4,410,293,224	3,870,934,586	3,804,098,661
Irrevocable letters of credit		19,915,507,080	2,801,761	19,918,308,841	15,982,927,771	18,387,039,519
Bills for collection		25,228,033,436	-	25,228,033,436	31,223,479,628	32,092,763,140
Other contingent liabilities		5,234,273,633	-	5,234,273,633	3,937,612,870	4,027,476,341
Total contingent liabilities		65,476,884,873	2,801,761	65,479,686,634	55,014,954,855	58,311,377,662
Other commitments						
Documentary credits 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 other commitments		-	-	-	-	-
Total off-balance sheet items including contingent liabilities		65,476,884,873	2,801,761	65,479,686,634	55,014,954,855	58,311,377,662

The annexed notes 1 to 44 form an integral part of these financial statements.


Chairman


Director


Managing Director


Chief Financial Officer


Company Secretary

Dhaka, 30 October 2016

Dutch-Bangla Bank Limited


Profit and Loss Account

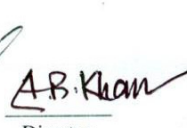
For the Third Quarter (Q3) ended 30 September 2016

(Main Operation and Off-shore Banking Unit)

	Notes	For the nine months ended 30 September (Jan - Sep)			For the quarter ended 30 September (Jul-Sep)		
		2016 Taka		2015 Taka	2016 Taka	2015 Taka	
		Main Operation	Off-shore	Total	Total	Total	
Interest income	26	11,539,822,809	204,833,183	11,744,655,992	11,888,215,522	3,980,329,431	4,135,714,522
Interest paid on deposits and borrowings etc.	27	4,052,795,075	151,912,661	4,204,707,736	4,684,256,193	1,389,720,439	1,602,480,587
Net interest income		7,487,027,733	52,920,522	7,539,948,255	7,203,959,330	2,590,608,992	2,533,233,935
Investment income	28	1,516,096,942	-	1,516,096,942	1,547,022,113	580,236,763	507,580,524
Commission, exchange and brokerage	29	1,101,102,845	-	1,101,102,845	1,084,446,582	335,781,813	369,349,635
Other operating income	30	1,577,429,641	346,553	1,577,776,193	1,561,257,032	430,927,504	475,335,194
Total operating income		11,681,657,162	53,267,075	11,734,924,236	11,396,685,055	3,937,555,071	3,885,499,288
Salary and allowances	32	2,164,048,571	3,721,097	2,167,769,668	2,073,236,709	754,954,555	863,646,640
Rent, taxes, insurance, electricity, etc.	34	992,741,604	-	992,741,604	822,292,756	348,435,815	284,161,894
Legal expenses	35	2,234,711	-	2,234,711	5,478,042	625,063	2,014,931
Postage, stamp, telecommunications, etc.	36	207,954,466	4,859	207,959,325	181,900,522	71,132,919	62,633,753
Stationery, printings, advertisements, etc.	37	252,559,554	-	252,559,554	259,890,722	93,243,860	76,945,253
Managing Director's salary and allowances	38	7,982,000	-	7,982,000	8,482,000	2,854,000	3,434,000
Directors' fees	39	196,000	-	196,000	142,543	54,680	60,300
Auditors' fees	40	202,000	-	202,000	190,500	19,500	18,000
Charges on loan losses	41	357,439,118	-	357,439,118	-	-	-
Depreciation and repair of bank's assets	42	1,143,486,613	235,556	1,143,722,169	1,137,378,737	392,366,596	409,447,326
Other expenses	43	2,413,478,952	548,359	2,414,027,311	2,204,856,389	894,523,351	686,277,805
Total operating expenses		7,542,323,589	4,509,871	7,546,833,460	6,693,848,918	2,558,210,338	2,388,639,902
Profit before provision		4,139,333,573	48,757,204	4,188,090,776	4,702,836,137	1,379,344,733	1,496,859,386
Provision for loans and off-balance sheet exposures	14.1.3						
Specific provision for loans	14.1.3(A)	854,957,400	-	854,957,400	603,916,727	608,558,597	(549,970)
General provision for loans	14.1.3(B)	92,300,000	-	92,300,000	205,280,272	31,600,000	75,486,191
General provision for off-balance sheet exposures	14.1.3(B)	104,647,317	-	104,647,317	110,314,472	2,178,708	30,988,402
		1,051,904,717	-	1,051,904,717	919,511,471	642,337,305	105,924,623
Other provision	14.1.1	-	-	-	-	-	-
Total provision		1,051,904,717	-	1,051,904,717	919,511,471	642,337,305	105,924,623
Profit before taxes		3,087,428,855	48,757,204	3,136,186,059	3,783,324,666	737,007,428	1,390,934,763
Provision for taxation							
Current tax	14.1.2	1,798,883,026	-	1,798,883,026	2,199,487,949	568,745,833	753,937,133
Deferred tax	11.2.2	(189,920,368)	-	(189,920,368)	(179,137,165)	(235,853,239)	(10,332,814)
		1,608,962,658	-	1,608,962,658	2,020,350,784	332,892,594	743,604,319
Net profit after taxation		1,478,466,197	48,757,204	1,527,223,401	1,762,973,882	404,114,834	647,330,444
Retained earnings brought forward from previous years		4,114,535,496	7,357,919	4,121,893,415	3,555,079,179	-	-
		5,593,001,693	56,115,123	5,649,116,816	5,318,053,061	404,114,834	647,330,444
Appropriations							
Statutory reserve	18	627,237,212	-	627,237,212	756,664,933	147,401,486	278,186,953
Retained earnings carried forward		4,965,764,481	56,115,123	5,021,879,604	4,561,388,128	256,713,348	369,143,491
Earnings per share (EPS)	23			7.64	8.81	2.02	3.24

The annexed notes 1 to 44 form an integral part of these financial statements.


Chairman


Director


Managing Director


Chief Financial Officer


Company Secretary

Dutch-Bangla Bank Limited

Cash Flow Statement For the Third Quarter (Q3) ended 30 September 2016 (Main Operation and Off-shore Banking Unit)

	Notes	30-Sep-16		30-Sep-15
		Taka		Taka
		Main Operation	Off-shore	Total
A) Cash flows from operating activities				Total
Interest receipts in cash		13,289,823,781	204,833,183	13,494,656,964
Interest payments		(3,725,640,776)	(151,912,661)	(3,877,553,437)
Dividend receipts in cash		5,712,228	-	5,712,228
Gain on sale of shares		-	-	-
Gain on sale of securities		-	-	-
Recoveries of loan previously written-off		494,480	-	494,480
Fee and commission receipts in cash		534,480,803	-	534,480,803
Cash payments to employees		(2,295,548,439)	(3,721,097)	(2,299,269,536)
Cash payments to suppliers		(2,414,933,378)	-	(2,414,933,378)
Income taxes paid		(2,307,471,276)	-	(2,307,471,276)
Receipts from other operating activities		2,143,429,921	346,553	2,143,776,473
Payments for other operating activities		(2,565,774,809)	(548,359)	(2,566,323,168)
<i>Operating profit before changes in operating assets and liabilities</i>		2,664,572,535	48,997,619	2,713,570,154
Increase/(decrease) in operating assets and liabilities				
Statutory deposits		4,549,686,000	-	4,549,686,000
Purchase /sale of trading securities		11,962,475,119	-	11,962,475,119
Loans and advances to other banks		-	-	-
Loans and advances to customers		(8,328,178,563)	(3,382,496,092)	(11,710,674,655)
Other assets		(80,026,319)	-	(80,026,319)
Deposits from other banks		15,596,168	-	15,596,168
Deposits from customers		7,518,387,235	14,068,194	7,532,455,429
Other liabilities account of customers		(1,195,736,569)	6,453,573,024	5,257,836,455
Other liabilities		405,920,989	(3,134,142,745)	(2,728,221,756)
<i>Net cash from operating activities</i>		17,512,696,594	-	17,512,696,594
B) Cash flows from investing activities				
Payments for purchase of securities		(12,689,028,099)	-	(12,689,028,099)
Proceeds from sale of securities		-	-	-
Purchase of property, plant and equipment		(1,268,613,834)	-	(1,268,613,834)
Sale proceeds of property, plant and equipment		6,113,295	-	6,113,295
<i>Net cash used in investing activities</i>		(13,951,528,637)	-	(13,951,528,637)
C) Cash flows from financing activities				
Receipts from issue of loan capital and debt securities		-	-	-
Payment for redemption of loan capital and debt securities		(513,608,750)	-	(513,608,750)
Dividends paid		(680,679,592)	-	(680,679,592)
<i>Net cash from financing activities</i>		(1,194,288,342)	-	(1,194,288,342)
D) Net increase / (decrease) in cash (A+B+C)		2,366,879,615	-	2,366,879,615
E) Cash and cash-equivalents at beginning of the period		57,372,647,157	-	57,372,647,157
F) Cash and cash-equivalents at end of the period (D+E)	44	59,739,526,772	-	59,739,526,772
Net Operating Cash Flow Per Share (NOCFPS)				87.56
				108.21

Dutch-Bangla Bank Limited

Statement of Changes in Equity For the Third Quarter (Q3) ended 30 September 2016 (Main Operation and Off-shore Banking Unit)

Figures in Taka

Particulars	Paid up share capital	Share premium	Statutory reserve	Other reserve	Dividend equalization account	Proposed dividend		Assets revaluation reserve	Revaluation reserve of HTM securities	Retained earnings	Total
						Cash	Bonus share				
Balance at 1 January 2016	2,000,000,000	11,067,500	7,487,588,738	-	1,366,827,195	800,000,000	-	850,413,777	116,544,853	4,121,893,415	16,754,335,478
Changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-
Restated balance	2,000,000,000	11,067,500	7,487,588,738	-	1,366,827,195	800,000,000	-	850,413,777	116,544,853	4,121,893,415	16,754,335,478
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-	-	(75,485,774)	-	(75,485,774)
Currency translation differences	-	-	-	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-	-	-	-	-
Cash dividend paid for the year 2015	-	-	-	-	-	(800,000,000)	-	-	-	-	(800,000,000)
Net profit for the nine months ended 30 September 2016	-	-	-	-	-	-	-	-	-	1,527,223,401	1,527,223,401
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-
Appropriations during the period	-	-	627,237,212	-	-	-	-	-	-	(627,237,212)	-
Balance at 30 September 2016	2,000,000,000	11,067,500	8,114,825,950	-	1,366,827,195	-	-	850,413,777	41,059,079	5,021,879,604	17,406,073,105
Balance at 30 September 2015	2,000,000,000	11,067,500	6,990,785,699	-	966,827,195	-	-	850,413,777	76,047,303	4,561,388,128	15,456,529,602

Dutch-Bangla Bank Limited

Notes to the Financial Statements as of and for the Third Quarter (Q3) ended 30 September 2016 (Main Operation and Off-shore Banking Unit)

1. Status of the Bank

1.1 Dutch-Bangla Bank Limited (the Bank) is a scheduled commercial bank set up as a joint venture between Bangladesh and The Netherlands. Incorporated as a public limited company under the Companies Act 1994, the Bank obtained license from Bangladesh Bank on 23 July 1995 and started its banking business with one branch on 3 June 1996. The number of branches was 155 as at 30 September 2016 all over Bangladesh. The Bank is listed with Dhaka Stock Exchange and Chittagong Stock Exchange as a publicly quoted company.

1.2 Nature of business

Main operation

The principal activities of the Bank are to carry on all kinds of commercial banking business in Bangladesh.

Mobile Banking Services

The Bank obtained the permission for conducting the Mobile Banking services from Bangladesh Bank on 28 April 2010. The Bank started operation of Mobile Banking Services on 31 March 2011.

The principal activities of the Mobile Banking Services are to provide banking services to Mobile Banking customers through Mobile Phone and multiple delivery channels within the applicable rules & regulations and guidelines of Bangladesh Bank.

Mobile Banking Services are part of Main Operation of the Bank.

Agent Banking Services

The Bank obtained the permission for conducting the Agent Banking services from Bangladesh Bank on 27 July 2014. The Bank started operation of Agent Banking Services on 19 January 2015.

The principal activities of the Agent Banking Services are to provide banking services to the Bank customers through engagement of agents who conducts Banking Transaction on behalf of the Bank under a valid agency agreements rather than Bank's own Tellers/Cashiers to deliver the services within the applicable rules & regulations and guidelines of Bangladesh Bank.

Agent Banking Services are part of Main Operation of the Bank.

Off-shore Banking Unit (OBU)

The Off-shore Banking Unit (OBU) of the Bank is the separate business entity governed by the applicable rules & regulations and guidelines of Bangladesh Bank. The Bank obtained the permission for conducting the operations of OBU from Bangladesh Bank on 23 February 2010. The Bank started the operation of OBU on 12 July 2010. The number of OBUs were two as at 30 September 2016 located at Chittagong EPZ Branch-Chittagong and Dhaka EPZ Branch-Dhaka.

The principal activities of the OBUs are to provide commercial banking services through its Units within the rules & regulations and guidelines applicable for the Off-shore Banking Units.

2. Significant accounting policies and basis of preparation of financial statements

2.1 Basis of accounting

The financial statements of the Bank have been prepared under historical cost convention except investments which are measured at present value and in accordance with "First Schedule" of the Bank Companies Act, 1991 as amended under sub-section 38(4) of the Act, relevant Bangladesh Bank Circulars, International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and named as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) respectively, the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other rules and regulations applicable for Banks in Bangladesh.

2.2 Consolidation of financial statements

The consolidated financial statements of the Bank include the financial statements of Dutch-Bangla Bank Limited and the Off-shore Banking Units.

The consolidated financial statements have been prepared on the basis of the consolidated statements of affairs and income and expenditure account of all branches and head office of Main Operations as well as the consolidated statement of affairs and income and expenditure account of all Off-shore Banking Units of the Bank.

All the financial transactions of the OBUs are recorded and maintained separately. A set of financial statements for the Off-shore Banking Units of the Bank are also shown separately.

2.3 Functional and presentation currency

These financial statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.

2.4 Use of estimates and judgments

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

2.5 Foreign currency transactions

Foreign currency transactions are converted into Taka using the exchange rates prevailing on the dates of respective transactions. In terms of instructions contained in Bangladesh Bank's Letter No. BRPD(R)717/2004-959 dated 21 November 2004, foreign currency assets and liabilities are translated into Taka at the weighted average rate as on balance sheet date. Gains and losses arising from foreign currency transactions are credited/charged to profit and loss account.

2.6 Taxation

As per provisions of **Bangladesh Accounting Standard (BAS) 12 'Income Taxes'**, provision for income taxes has been made as under:

2.6.1 Current tax

Provision for current income tax has been made @ 40.00% on taxable profit as per Income Tax Ordinance 1984 and as per Finance Act 2016.

2.6.2 Deferred tax

Deferred tax is accounted for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purpose. Tax rate (@ 40.00%) prevailing at the balance sheet date is used to determine deferred tax.

2.7 Bases for valuation of assets

2.7.1 Loans and advances

a) Loans and advances are stated at gross amount. Provision and interest suspense against loans and advances are shown separately as other liabilities. Interest income is accounted for on accrual basis until the loans and advances are defined as classified accounts as per Bangladesh Bank guidelines.

Interest on classified loans (other than bad/loss loans) are credited to interest suspense account instead of income account. Such interest kept in suspense account is reversed to income account only when respective loan accounts are regularized and /or realized in cash, in accordance with Bangladesh Bank guidelines.

As per Bangladesh Bank directives, interest on loans and advances classified as bad/loss is not accounted for. A separate memorandum record is maintained for such interest on bad/loss loans.

- b) Provision for loans and advances is made on the basis of the year end review by the management of the Bank in line with the instructions contained in BRPD Master Circular No. 14 dated 23 September 2012, BRPD Circular No. 19 dated 27 December 2012, BRPD Circular No. 05 and 06 dated 29 May 2013, BRPD Circular No. 15 dated 23 December 2013, BRPD Circular No. 16 dated 18 November 2014 and BRPD Circular No. 08 dated 02 August 2015 issued by Bangladesh Bank on the following basis:

Category / status of loans and advances	Rates	
	Bangladesh Bank's requirement	Maintained by the Bank
General provisions for unclassified loans and advances :		
All unclassified loans (other than loans under small and medium enterprise financing, consumer financing, loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares, short term agricultural credit and staff loans)	1.00%	1.00%
Small and medium enterprise financing	0.25%	0.25%
Consumer financing (other than housing finance and loans for professionals under consumer financing scheme)	5.00%	5.00%
Consumer financing for housing finance, loans to professionals and loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares etc.	2.00%	2.00%
Short term agricultural credit	2.50%	2.50%
Special mention account		
All loans (other than loans under small and medium enterprise financing, consumer financing, loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares, short term agricultural credit and staff loans)	1.00%	1.00%
Small & Medium enterprise financing	0.25%	0.25%
Consumer financing (other than housing finance and loans for professionals under consumer financing scheme)	5.00%	5.00%
Consumer financing for housing finance, loans to professionals and loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares etc.	2.00%	2.00%
Short term agricultural credit	2.50%	2.50%
Specific provision for classified loans and advances:		
Substandard	20.00%	20.00%
Doubtful	50.00%	50.00%
Bad/loss	100.00%	100.00%

General provision

General provision for all unclassified and SMA loans and advances (other than loans under small and medium enterprise financing, consumer financing, loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares, short term agricultural credit and staff loans) has been maintained @ 1%.

General provision for all unclassified and SMA loans and advance under small & medium enterprise financing has been maintained @ 0.25%.

General provision for all unclassified and SMA loans and advance under consumer financing for housing finance, loans to professionals and loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares, short term agricultural credit has been maintained @ 2% to 5%.

Specific provision

Specific provision for classified loans and advances has been maintained @ 20% to 100% as prescribed by Bangladesh Bank.

- c) Loans and advances are written-off in line with Bangladesh Bank's BRPD Circular No. 02 dated 13 January 2003 and DOS Circular No. 01 dated 29 December 2004, when prospect of recovery of such loans and advances become non-existent. However, such write-off does not reduce the claim against the borrower. Detailed records for all write-off accounts are separately maintained by the Bank to continue the recovery efforts.

2.7.2 Investments

- a) Investments have been accounted for as follows :

<u>Particulars</u>	<u>Valuation method</u>
Government treasury bills	Present value
Government treasury bonds	Present value
Subordinated bonds	At redemption value
ICB's debenture	At redemption value
Prize bond	Cost price
Shares:	
Quoted	Cost or market price whichever is lower
Unquoted	Cost or Book value as per latest audited accounts whichever is lower

- b) The investment in government securities (Treasury bills and bonds) are classified into **Held to Maturity (HTM)** and **Held for Trading (HFT)** as per Bangladesh Bank's guidelines contained in DOS Circular Letter No. 05 dated 26 May 2008, DOS Circular Letter No. 05 dated 28 January 2009, DOS Circular No. 06 dated 15 July 2010 and under reference Letter No. DOS (SR)1153/120-A/2011-746 dated 29 December 2011. Reclassification of HTM securities into HFT securities are also done in compliance with Bangladesh Bank's guidelines.

The government securities under '**Held to Maturity (HTM)**' category are valued at present value at amortized cost at the end of the period. The Held to Maturity securities are amortized to ensure a constant yield over the remaining period of maturity of the securities. The resulting gains / (losses) are credited to **revaluation reserve account** and shown in the equity. Such gains / (losses) are credited to income account at the time of maturity or sale of the security.

The government securities under '**Held for Trading (HFT)**' category are valued at present value on the basis of marking to market method. The resulting gains / (losses) are transferred to **other reserve account**. The gains / (losses) arising on maturity or sale of such securities are credited to income.

2.7.3 Fixed assets

- a) All fixed assets are stated at cost or revalued amount less accumulated depreciation.
- b) Depreciation is charged over the estimated useful life of fixed assets excepting land on a straight line method. The useful life of fixed assets are reviewed on a yearly basis to determine if there has been any significant change in the expected pattern of consumption resulting in changes in estimated residual value and useful life of the fixed assets and if considered appropriate, adjustment is made at the balance sheet date.

The annual rates of depreciation based on estimated useful life for fixed assets are given below:

Building	2.50%
Interior decoration	15.00%
Furniture and fixtures	10.00%
ATM Booth	10.00%
ATM/Fast Track	12.50%
Computer equipment and software	20.00%
Other machinery and equipment	15.00%
Motor vehicles	20.00%
Books	10.00%

- c) As at 31 December 2010, all immovable properties of the Bank including land, building and ready made floor spaces were revalued by a professionally qualified valuation firm and certified by the external auditors, M/S. A. Qasem & Co., Chartered Accountants.

2.8 Off-balance sheet exposures

In compliance with the instruction contained in BRPD Circular No. 10 dated 18 September 2007 issued by Bangladesh Bank, provision against the off-balance sheet exposures of the Bank as at reporting date has been made as under:

Category / status of Off-balance sheet exposures	Rates	
	Bangladesh Bank's requirement	Maintained by the Bank
General provision for Off-balance sheet exposures		
All types of Off-balance sheet exposures	1.00%	1.00%

2.9 Bases for valuation of liabilities and provisions

2.9.1 Retirement benefits to the employees

The retirement benefits accrued for the employees of the Bank as at the reporting date have been accounted for in accordance with the provisions of **Bangladesh Accounting Standard (BAS) 19, 'Employee Benefits'** as outlined below:

a) Provident fund

There is a Provident Fund Scheme under defined contribution plan. The Fund is operated by a separate Board of Trustees approved by the National Board of Revenue as per Income Tax Ordinance, 1984. All eligible employees contribute 10% of their basic pay to the Fund. The Bank also contributes equal amount of employees' contribution to the Fund. Benefits from the Fund is given to eligible employees at the time of retirement/resignation as per approved rules of the Fund.

b) Gratuity fund

The Bank has a separate Board of Trustees for operating the staff gratuity fund approved by the National Board of Revenue. The provision for the gratuity fund is made in the books of account of the Bank for the eligible employees on the basis of the assessment made by the management at the year / period end [**Note 14.1**]. The amount of provision is transferred to the Board of Trustees of the Fund on a yearly basis.

c) Superannuation fund

The Bank has a separate Board of Trustees for operating the staff superannuation fund approved by the National Board of Revenue. The provision for the superannuation fund is made in the books of account of the Bank for the eligible employees on the basis of the assessment made by the management at the year / period end. The amount of provision is transferred to the Board of Trustees of the Fund on a yearly basis.

2.9.2 Workers' Profit Participation Fund (WPPF)

Consistent with the Industry practice and in accordance with the Bank Company Act, 1991, no provision has been made for WPPF.

2.10 Revenue recognition

The revenues of the Bank during the period have been recognized in terms of the provisions of **Bangladesh Accounting Standard (BAS) 18, 'Revenue'** as outlined below:

2.10.1 Interest income

a) Interest income from loans and advances and lease finance

The policy for accounting of interest income on loans and advances is stated in **2.7.1.a** and **2.7.2** above.

b) Other interest income

Interest income from investments, money at call and short notice and fund placement with other banks and financial institutions is recognized on accrual basis.

2.10.2 Fees and commission income

Fees and commission income arising from different services provided by the Bank is recognized on cash receipt basis. Commission realized on letters of credit and letters of guarantee is credited to income at the time of effecting the respective transactions.

2.10.3 Dividend income

Dividend income from investments in shares is accounted for on cash receipt basis.

2.10.4 Interest paid on deposits and borrowings

Interest paid on deposits, borrowings etc. are accounted for on accrual basis.

2.10.5 Other operating expenses

All other operating expenses are provided for in the books of the accounts on accrual basis.

2.11 Earnings per share

Earnings per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as at 30 September 2016 as per **Bangladesh Accounting Standard (BAS) 33, 'Earnings Per Share'**.

2.12 Cash flow statement

Cash flow statement has been prepared in accordance with the **Bangladesh Accounting Standard (BAS) 7, 'Cash Flow Statement'** under Direct method as recommended in the BRPD Circular No. 14 dated 25 June 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

2.13 Statement of liquidity

The liquidity statement of assets and liabilities as at the reporting date has been prepared on residual maturity term as per the following bases:

- a) Balance with other banks and financial institutions, money at call and short notice etc. are on the basis of their maturity term.
- b) Investments are on the basis of their maturity.
- c) Loans and advances are on the basis of their repayment / maturity schedule.
- d) Fixed assets are on the basis of their useful life.
- e) Other assets are on the basis of their realization/adjustment.
- f) Borrowing from other banks, financial institutions and agents are as per their maturity /repayment term.
- g) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors.
- h) Other long term liabilities are on the basis of their maturity term.
- i) Provisions and other liabilities are on the basis of their payment /adjustment schedule.

2.14 Events after the reporting period

There were no material post balance sheet events which could materially affect the values stated in these financial statements.

2.15 Reconciliation of books of account

Books of account with regard to inter-bank (in Bangladesh and outside Bangladesh) transactions and inter-branch transactions are reconciled in all material respects. There were no un-reconciled entries which could materially affect the financial condition or results of the Bank.

2.16 Reporting period

The reporting period of these financial statements cover six months of the calendar year from 1 January 2016 to 30 September 2016.

2.17 Offsetting

No asset or liability has been offset or reduced by any other asset or liability unless a legal right [10, 28 (revaluation gain on securities), 29.2 and 30.2] of set-off exists and the offsetting represents the expectation as to the realization or settlement of the asset or liability in normal course of business.

2.18 Compliance report on Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs)

The Institute of Chartered Accountants of Bangladesh (ICAB) is the official standard setting body in the country. ICAB has adopted most of the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs). The Bank has complied with all the applicable Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards for preparation and presentation of the financial statements of the Bank as at 30 September 2016 as noted below:

Bangladesh Accounting Standards (BASs)	BAS Number	Status of compliance by DBBL
Presentation of Financial Statements	BAS -1	Complied
Inventories	BAS -2	Complied
Cash Flow Statements	BAS -7	Complied
Accounting Policies, Changes in Accounting Estimates and Errors	BAS -8	Complied
Events After the Reporting Period	BAS -10	Complied
Construction Contracts	BAS -11	Not applicable
Income Taxes	BAS -12	Complied
Property, Plant and Equipment	BAS -16	Complied
Leases	BAS -17	Complied
Revenue	BAS -18	Complied
Employee Benefits	BAS -19	Complied
Accounting for Government Grants and Disclosure of	BAS -20	Not applicable
The Effects of Changes in Foreign Exchange Rates	BAS -21	Complied
Borrowing Costs	BAS -23	Complied
Related Party Disclosures	BAS -24	Complied
Accounting and Reporting by Retirement Benefit Plans	BAS -26	Complied
Consolidated Financial Statements and Accounting for Investments in Subsidiaries	BAS -27	Not applicable
Accounting for Investments in Associates	BAS -28	Not applicable
Financial Reporting of Interests in Joint Ventures	BAS -31	Not applicable
Financial Instruments: Presentation	BAS -32	Complied
Earnings Per Share	BAS -33	Complied
Interim Financial Reporting	BAS -34	Complied
Impairment of Assets	BAS -36	Complied
Provisions, Contingent Liabilities and Contingent Assets	BAS -37	Complied
Intangible assets	BAS -38	Not applicable
Financial Instruments: Recognition and Measurement	BAS -39	Complied
Investment Property	BAS -40	Not applicable
Agriculture	BAS -41	Not applicable

Bangladesh Financial Reporting Standards (BFRSs)	BFRS Number	Status of compliance by DBBL
First-time Adoption of Bangladesh Financial Reporting Standards	BFRS - 1	Complied
Share-based Payment	BFRS - 2	Not applicable
Business Combinations	BFRS - 3	Not applicable
Insurance Contracts	BFRS - 4	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	BFRS - 5	Not applicable
Exploration for and Evaluation of Mineral Resources	BFRS - 6	Not applicable
Financial Instruments : Disclosures	BFRS - 7	Complied
Operating Segments	BFRS - 8	Complied
Consolidated Financial Statements	BFRS - 10	Not applicable
Joint Arrangements	BFRS - 11	Not applicable
Disclosure of Interests in other Entities	BFRS - 12	Not applicable
Fair Value Measurement	BFRS - 13	Complied

2.19 Approval of the financial statements

The Board of Directors of the Bank in its 173rd meeting held on 30 October 2016 approved the financial statements of the Bank for the third quarter ended 30 September 2016.

3. General

Wherever considered necessary previous period's figures have been rearranged to conform with the current period's presentation.

	30-Sep-16 Taka	31-Dec-15 Taka
4. Cash in hand (including foreign currencies)		
Local currency	11,701,050,518	8,276,489,032
Foreign currencies	19,503,010	20,509,600
	11,720,553,528	8,296,998,632
5. Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		
Bangladesh Bank		
Local currency	13,329,221,762	12,234,960,865
Foreign currencies	7,200,481,984	1,537,323,673
	20,529,703,746	13,772,284,538
Sonali Bank Limited (as an agent of Bangladesh Bank) - Local currency	374,896,148	783,642,327
	20,904,599,894	14,555,926,865

5.1 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 33 of the Bank Companies Act, 1991 and of instructions contained in MPD Circular No. 4 and 5 dated 1 December 2010, DOS Circular No. 1 dated 19 January 2014 and MPD Circular No. 1 and 2 dated 23 June 2014 issued by Bangladesh Bank.

5.1.1 Cash Reserve Requirement (CRR): average 6.5% of average demand and time liabilities with minimum 6% on any date

Required reserve	13,100,974,000	11,584,412,000
Actual reserve maintained		
Balance with Bangladesh Bank-Local currency [Note 5]	13,329,221,762	12,234,960,865
Surplus/(deficit)*	228,247,762	650,548,865

Cash Reserve Maintained: more than 6% throughout the accounting year and 7.09% on the Balance Sheet date

6.61% **6.87%**

5.1.2 Statutory Liquidity Ratio (SLR): 13% of average demand and time liabilities

Required reserve	26,201,948,000	23,168,824,000
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Available for maintenance:

Cash in hand (including foreign currencies)	11,720,553,528	8,296,998,632
Balance with Bangladesh Bank - Foreign currencies	7,200,481,984	1,537,323,673
Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	374,896,148	783,642,327
Unencumbered approved securities (treasury bills and bonds, debentures etc.)	17,789,516,498	19,397,888,074
	37,085,448,159	30,015,852,706
Surplus	10,883,500,159	6,847,028,706
Total surplus (5.1.1+5.1.2)	11,111,747,920	7,497,577,571

Statutory Liquidity Ratio (SLR) Maintained (%)

18.40%

16.84%

	30-Sep-16	31-Dec-15
	Taka	Taka
6. Balance with other banks and financial institutions		
Main Operation [Note 6.1]		
In Bangladesh	20,937,585,743	25,513,227,555
Outside Bangladesh	4,080,764,007	1,154,177,150
	25,018,349,750	26,667,404,705
Off-shore Banking Unit		
In Bangladesh	2,388,102,620	2,078,371,622
Outside Bangladesh	-	-
	2,388,102,620	2,078,371,622
Total Balance with other banks and financial institutions	27,406,452,370	28,745,776,327
6.1 Balance with other banks and financial institutions - Main Operation		
(a) In Bangladesh		
In current deposit accounts with		
Janata Bank Limited	49,066	18,385,520
Sonali Bank Limited	142,068,354	86,552,779
Standard Chartered Bank, Dhaka	196,496,364	15,730,677
Islami Bank Bangladesh Limited	85,000,781	95,710,537
Agrani Bank Limited	228,347	225,551
National Bank Limited	45,448	88,197
The City Bank Limited	43,985	-
Al-Arafah Islami Bank Limited	5,500	-
	423,937,845	216,693,261
In special notice deposit accounts with		
Sonali Bank Limited	1,945,879,423	1,479,578,409
National Bank Limited	35,998,222	24,909,456
The City Bank Limited	4,668	(5,021)
Rupali Bank Limited	5,388,921	4,217,515
Agrani Bank Limited	37,627,224	23,573,171
Janata Bank Limited	36,259,338	136,820,516
Dhaka Bank Limited	1,614,019	1,614,019
Islami Bank Limited	971,799,138	535,850,949
	3,034,570,952	2,206,559,014
In fixed deposit accounts with		
Dhaka Bank Limited	-	2,000,000,000
Brac Bank Limited	-	1,500,000,000
Standard Bank Limited	-	1,000,000,000
	-	4,500,000,000
In fixed deposit accounts (in foreign currency) with		
Off-shore Banking Unit, Agrabad Branch-Chittagong, Dutch-Bangla Bank Ltd	10,079,076,946	9,389,975,280
	10,079,076,946	9,389,975,280
Other financial institutions		
In fixed deposit accounts with		
Investment Corporation of Bangladesh	2,000,000,000	4,500,000,000
Industrial and Infrastructure Development Finance Company Limited (IIDFC)	900,000,000	-
United Finance Limited	750,000,000	950,000,000
Phoenix Finance & Investments Limited	200,000,000	200,000,000
International Leasing & Financial Services Limited	400,000,000	400,000,000
Bangladesh Industrial Finance Company Limited	350,000,000	400,000,000
Fareast Finance & Investment Limited	300,000,000	250,000,000
Lanka Bangla Finance Limited	1,450,000,000	950,000,000
IDLC Finance Limited	-	700,000,000
Premier Leasing & Finance Limited	150,000,000	150,000,000
Prime Finance and Investment Limited	350,000,000	50,000,000
Bay Leasing Company Limited	300,000,000	300,000,000
Union Capital Limited	150,000,000	250,000,000
National Finance Limited	100,000,000	100,000,000
	7,400,000,000	9,200,000,000
Total (a) In Bangladesh	20,937,585,743	25,513,227,555

(b) Outside Bangladesh**In demand deposit accounts (interest bearing) with**

Name of the correspondent Bank	Currency	30-Sep-16			31-Dec-15		
		Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka	Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka
Mashreqbank PSC, New York, USA	USD	9,613,690	77.9750	749,627,446	2,001,267	78.5003	157,100,054
Commerzbank AG, Frankfurt, Germany	EURO	(67,704)	87.2238	(5,905,413)	443,224	85.8008	38,028,933
AB Bank Ltd., Mumbai, India	ACU	337,139	77.9750	26,288,450	361,430	78.5003	28,372,377
Citibank N.A., New York, USA	USD	14,970,623	77.9750	1,167,334,346	4,593,219	78.5003	360,569,100
Unicredit S.P.A., Milano, Italy	EURO	(105,022)	87.2238	(9,160,405)	162,090	85.8008	13,907,432
ICICI Bank Limited, Mumbai, India	ACU	110,087	77.9750	8,584,049	8,503	78.5003	667,480
				1,936,768,473			598,645,376

In demand deposit account (non-interest bearing) with

Name of the correspondent Bank	Currency	30-Sep-16			31-Dec-15		
		Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka	Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka
Standard Chartered Bank, London, UK	GBP	51,803	101.0009	5,232,121	83,649	116.2668	9,725,618
Standard Chartered Bank, New York, USA	USD	22,020,833	77.9750	1,717,074,417	1,928,308	78.5003	151,372,762
HSBC Bank USA N.A., New York, USA	USD	-	77.9750	-	-	78.5003	-
JP Morgan Chase Bank N.A., New York, USA	USD	5,202,601	77.9750	405,672,836	4,374,116	78.5003	343,369,431
Standard Chartered Bank, Colombo, Sri Lanka	ACU	5,063	77.9750	394,816	4,138	78.5003	324,802
Commerzbank AG, Frankfurt, Germany	CHF	28,040	80.2206	2,249,348	60,538	79.4779	4,811,425
The Bank of Tokyo-Mitsubishi UFJ Ltd., Tokyo, Japan	JPY	13,011,444	0.7726	10,052,642	#####	0.6513	9,612,083
The Bank of Nova Scotia, Mumbai, India	ACU	-	77.9750	-	-	78.5003	-
Wells Fargo Bank, N.A., New York, USA	USD	-	77.9750	-	-	78.5003	-
The Bank of Nova Scotia, Toronto, Canada	CAD	-	-	-	26,458	56.5116	1,495,196
HSBC Bank Australia Limited, Sydney, Australia	AUD	-	59.9239	-	20,699	57.1953	1,183,893
Citibank, N.A., Mumbai, India	ACU	-	77.9750	-	-	78.5003	-
Mashreqbank PSC, Mumbai, India	ACU	1,831	77.9750	142,763	2,503	78.5003	196,480
Mashreqbank PSC, Mumbai, India	EUR	683	87.2238	59,611	2,495	85.8008	214,101
Standard Chartered Bank, Mumbai, India	ACU	(12,731)	77.9750	(992,720)	98,425	78.5003	7,726,410
HDFC Bank Limited	ACU	35,545	77.9750	2,771,617	305,929	78.5003	24,015,520
HSBC Bank Middle East Limited, Karachi, Pakistan	ACU	-	77.9750	-	-	78.5003	-
Union de Banques Arabes et Francaises (UBAF), Tokyo, Japan	JPY	-	0.7726	-	-	0.6513	-
Habib Metropolitan Bank, Karachi, Pakistan	ACU	5,648	77.9750	440,402	-	78.5003	533,058
Commerzbank AG, Frankfurt	AUD	1,877	59.9239	112,489	16,627	57.1953	950,995
WESTPAC BANKING	ACU	10,070	77.9750	785,194	-	78.5003	-
				2,143,995,534			555,531,774
Total (b) Outside Bangladesh				4,080,764,007			1,154,177,150
Total (a+b)				25,018,349,750			26,667,404,705

	30-Sep-16 Taka	31-Dec-15 Taka
7. Money at call and short notice		
a) With banks		
Mercantile Bank Limited	500,000,000	-
Midland Bank Limited	20,000,000	-
The City Bank Limited	350,000,000	
NRB Bank Limited	-	290,000,000
Bank Alfalah	-	200,000,000
Brac Bank Limited	-	1,100,000,000
AB Bank Limited	-	750,000,000
National Credit and Commerce Bank Limited	50,000,000	400,000,000
	920,000,000	2,740,000,000
b) With non bank financial institutions		
Investment Corporation of Bangladesh	-	1,300,000,000
Union Capital Limited	80,000,000	40,000,000
Fareast Finance & Investment Limited	200,000,000	250,000,000
Delta Brac Housing Finance Corporation Limited	-	90,000,000
United Finance Limited	310,000,000	50,000,000
Industrial and Infrastructure Development Finance Company Limited	90,000,000	370,000,000
Lanka Bangla Finance Limited	40,000,000	210,000,000
Premier Leasing & Finance Limited	50,000,000	40,000,000
Bangladesh Industrial Finance Limited	50,000,000	40,000,000
Phoenix Finance & Investment Limited	-	50,000,000
International Leasing & Financial Services Limited	90,000,000	90,000,000
Prime Finance & Investment Ltd	170,000,000	-
Bangladesh Finance & Investment Co. Ltd.	90,000,000	-
	1,170,000,000	2,530,000,000
Total (a+b)	2,090,000,000	5,270,000,000
8. Investments		
In Government securities		
Treasury bills		
91-day treasury bills	-	-
182-day treasury bills	-	-
364-day treasury bills	-	-
30-day Bangladesh Bank bills	-	2,574,924,555
	-	2,574,924,555
Treasury bonds		
2-year treasury bonds	84,703,614	84,703,614
5-year treasury bonds	5,783,318,008	5,783,318,007
10-year treasury bonds	9,632,816,238	8,666,263,259
15-year treasury bonds	1,994,497,291	1,994,497,291
20-year treasury bonds	294,181,348	294,181,348
	17,789,516,498	16,822,963,519
Total treasury bills and bonds	17,789,516,498	19,397,888,074
Prize bonds	6,023,600	7,392,400
	17,795,540,098	19,405,280,474
Other investments		
Subordinated bonds [Note 8.2]	553,700,000	793,700,000
Shares [Note 8.3]	11,283,434	11,283,434
	564,983,434	804,983,434
	18,360,523,532	20,210,263,908
8.1 Classification of investments		
Government treasury bills and bonds		
Held for trading (HFT)	-	-
Held to maturity (HTM)	17,789,516,498	19,397,888,074
Total investments in government securities	17,789,516,498	19,397,888,074
Prize bonds	6,023,600	7,392,400
Other investments	564,983,434	804,983,434
	18,360,523,532	20,210,263,908

	30-Sep-16 Taka	31-Dec-15 Taka
8.2 Other investments -Subordinated Bonds		
Prime Bank 7 Years Bond	200,000,000	400,000,000
Mutual Trust Bank Bond	112,500,000	112,500,000
Dhaka Bank Bond	70,000,000	70,000,000
National Bank Bond	51,200,000	51,200,000
First Security Islami Bank Mudaraba Bond	120,000,000	160,000,000
	553,700,000	793,700,000
8.3 Other investments - shares		
In shares (quoted and unquoted)		
Quoted		
RAK Ceramics (Bangladesh) Limited	5,664	5,664
	5,664	5,664
Unquoted		
Central Depository Bangladesh Limited	6,277,770	6,277,770
Market Stabilization Fund (MSF) Asset Management Company Limited	5,000,000	5,000,000
	11,277,770	11,277,770
	11,283,434	11,283,434
9. Loans and advances		
Main Operation [Note 9.1]		
Loans, cash credits, overdrafts, etc.	150,964,049,480	141,916,487,380
Bills purchased and discounted	3,692,613,616	4,435,153,728
	154,656,663,096	146,351,641,108
Off-shore Banking Unit		
Loans, cash credits, overdrafts, etc.	841,653,043	-
Bills purchased and discounted	3,382,496,092	5,918,359,357
	4,224,149,135	5,918,359,357
Total loans and advances	158,880,812,231	152,270,000,465
9.1 Loans, cash credits, overdrafts etc. - Main operation		
In Bangladesh		
Overdraft	21,638,343,326	20,799,012,656
Cash credit	46,139,775,254	40,721,204,430
Export cash credit	10,311,966,206	11,381,634,576
Transport loan	1,733,683,317	1,628,922,673
House building loan	1,141,923,942	1,015,454,534
Loan against trust receipt	6,040,725,887	7,249,482,303
Term loan - industrial	38,601,357,322	39,308,844,576
Term loan - other	17,554,026,095	15,570,227,158
Payment against document - cash	58,673,656	56,829,166
Payment against document - EDF	4,365,313,056	1,523,653,000
Consumer finance	2,789,722,705	2,103,959,432
Staff loan	588,538,716	557,262,876
	150,964,049,480	141,916,487,380
Outside Bangladesh	-	-
	150,964,049,480	141,916,487,380
Bills purchased and discounted		
Payable in Bangladesh		
Inland bills purchased	3,602,466,234	4,342,400,803
Payable outside Bangladesh		
Foreign bills purchased and discounted	90,147,382	92,752,925
	3,692,613,616	4,435,153,728
	154,656,663,096	146,351,641,108
Total loans and advances	154,656,663,096	146,351,641,108

	30-Sep-16 Taka	31-Dec-15 Taka
9.2 Net loans and advances including bills purchased and discounted		
Total loans, advances and lease receivables [Note 9.1]	154,656,663,096	146,351,641,108
Less : Provision against loans and advances (specific and general) [Note 9.4(b)]	5,166,259,336	4,218,507,456
Less : Cumulative balance of interest suspense account [Note 14.1.4]	1,981,518,772	1,552,447,367
	147,508,884,988	140,580,686,285

9.3 Loans and advances including bills purchased and discounted are classified into the following broad categories

a) Loans and advances

In Bangladesh

Loans

Cash credit

Overdraft

83,185,930,901	80,396,270,294
46,139,775,254	40,721,204,430
21,638,343,326	20,799,012,656

150,964,049,480 **141,916,487,380**

Outside Bangladesh

- -

150,964,049,480 **141,916,487,380**

b) Bills purchased and discounted

Payable in Bangladesh

Payable outside Bangladesh

3,602,466,234	4,342,400,803
90,147,382	92,752,925

3,692,613,616 **4,435,153,728**

Total (a+b)

154,656,663,096 **146,351,641,108**

9.4 a) Classification of loans and advances including bills purchased and discounted

Status of loans and advances	Year					
	30-Sep-16			Mix (%)	31-Dec-15	
	Outstanding amount (Taka)				Total Outstanding amount (Taka)	Mix (%)
	Main Operation [Note 9.4.b]	Off-shore Banking Unit	Total			
Unclassified loans and advances						
Standard (including staff loans)	142,526,712,641	4,224,149,136	146,750,861,777	92.37%	140,317,638,920	92.15%
Special mention account	5,608,326,607	-	5,608,326,607	3.53%	6,327,504,475	4.16%
Total unclassified loans and advances	148,135,039,248	4,224,149,136	152,359,188,384	95.90%	146,645,143,395	96.31%
Classified loans and advances						
Substandard	404,995,514	-	404,995,514	0.25%	1,215,748,451	0.80%
Doubtful	101,153,586	-	101,153,586	0.06%	191,276,743	0.13%
Bad/loss	6,015,474,748	-	6,015,474,748	3.79%	4,217,831,876	2.77%
Total classified loans and advances	6,521,623,848	-	6,521,623,848	4.10%	5,624,857,070	3.69%
Total loans and advances	154,656,663,096	4,224,149,136	158,880,812,232	100.00%	152,270,000,465	100.00%

b) Classification and provisioning of loans and advances including bills purchased and discounted

b.1) Main Operation

Classification / Status of loans and advances	Amount of outstanding loans and advances as at 30 September 2016	Base for provision (Taka)	Percentage (%) of provision required as per Bangladesh Bank's directives	Amount of provision required as at 30 September 2016 (Taka)	Amount of provision required as at 31 December 2015 (Taka)
Unclassified loans and advances					
All unclassified loans (other than loans under small and medium enterprise, consumer financing and short term agricultural credit)	113,116,769,378	112,528,230,661	1%	1,145,942,894	1,091,065,803
Small and medium enterprise financing	21,364,908,169	21,364,908,169	0.25%	53,412,270	51,922,342
Consumer financing (other than housing finance under consumer financing scheme)	3,178,514,789	3,178,514,789	5%	158,925,739	138,586,059
Consumer financing (for housing finance)	1,645,011,137	1,645,011,137	2%	32,900,223	25,514,284
Loans to BHs/MBs/SDs	257,189,393	257,189,393	2%	5,143,788	8,167,397
Short term agricultural credit	2,964,319,775	2,964,319,775	2.5%	74,107,994	58,574,586
	142,526,712,641	141,938,173,924		1,470,432,908	1,373,830,471
Special mention account					
All unclassified loans (other than loans under small enterprise and consumer financing)	5,321,600,634	5,321,600,634	1%	53,216,006	56,659,856.73
Small & Medium enterprise financing	210,074,423	210,074,423	0.25%	525,186	1,466,810.60
Consumer financing (other than housing finance under consumer financing scheme)	64,399,388	64,399,388	5%	3,219,969	3,195,132
Consumer financing (for housing finance)	12,252,162	12,252,162	2%	245,043	217,838.48
	5,608,326,607	5,608,326,607		57,206,204	61,539,638
	148,135,039,248	147,546,500,531		1,527,639,112	1,435,370,109
Classified loans and advances					
Substandard	404,995,514	85,842,428	20%	17,168,486	156,189,527
Doubtful	101,153,586	33,410,231	50%	16,705,115	31,153,150
Bad /loss	6,015,474,748	3,604,714,735	100%	3,604,714,735	2,397,793,779
	6,521,623,848	3,723,967,394		3,638,588,336	2,585,136,456
Total-Main Operation	154,656,663,096	151,270,467,925		5,166,227,448	4,020,506,565
b.1.1) Main Operation					
Provision required				5,166,227,448	4,020,506,565
Provision maintained				5,166,259,336	4,218,507,456
Provision surplus (i)				31,888	198,000,891
b.2) Off-shore Banking Unit					
Provision required				42,241,491	59,183,594
Provision maintained				59,183,628	59,183,628
Provision surplus (ii)				16,942,137	34
Provision surplus					
Main Operation (i)				31,888	198,000,891
Off-shore Banking Unit (ii)				16,942,137	34
Total provision surplus (i+ii)				16,974,025	198,000,925

	30-Sep-16 Taka	31-Dec-15 Taka
10. Fixed assets at cost or revalued amount including land, building, furniture and fixtures		
Main Operation [Note 10.1]		
Total cost	11,096,106,266	9,864,578,033
Less: Accumulated depreciation	6,114,457,628	5,345,284,259
	4,981,648,638	4,519,293,774
Off-shore Banking Unit		
Total cost	101,633	101,633
Less: Accumulated depreciation	101,551	90,617
	82	11,016
Total Fixed assets at cost or revalued	4,981,648,720	4,519,304,790
10.1 Fixed assets at cost or revalued amount including land, building, furniture and fixtures - Main Operation		
Land	748,360,000	748,360,000
Building	399,543,957	399,543,957
Interior decoration	938,326,620	834,792,761
Furniture and fixtures	307,232,210	286,839,559
Other machinery and equipment	1,539,075,538	1,321,069,745
Computer equipment and software	3,267,907,675	2,961,879,713
Motor vehicles	406,179,903	390,860,145
ATM Booth	947,812,092	819,303,882
ATM and Fast Track (ATM & Deposit Machine)	2,541,473,680	2,101,733,680
Books	194,591	194,591
	11,096,106,266	9,864,578,033
Less: Accumulated depreciation	6,114,457,628	5,345,284,259
	4,981,648,638	4,519,293,774
11. Other assets		
Main Operation [Note 11.1]	12,788,692,263	10,180,005,187
Off-shore Banking Unit	11,846,551	9,294,150
Total Other assets	12,800,538,814	10,189,299,337
11.1 Other assets		
Income generating other assets (Note 11.1.a)	-	-
Non-income generating other assets (Note 11.1.b)	12,788,692,263	10,180,005,187
	12,788,692,263	10,180,005,187
11.1.a Income generating other assets		
i) Investment in shares of subsidiary companies:		
In Bangladesh	-	-
Outside Bangladesh	-	-
	-	-
11.1.b Non-income generating other assets		
i) Stationery, stamps, printing materials in stock	162,833,819	176,985,243
ii) Advance rent and advertisement	546,280,322	489,739,629
iii) Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable	577,757,340	794,217,023
iv) Security deposits	12,632,436	11,907,787
v) Preliminary, formation and organization expenses, renovation/development expenses and prepaid expenses	1,597,896,131	1,392,556,605
vi) Branch adjustment (net)	-	5,856,274
vii) Suspense account	(2,102,389)	1,915,683
viii) Silver	-	-
ix) Others [Note 11.2]	9,893,394,604	7,306,826,943
	12,788,692,263	10,180,005,187
11.2 Break-up of others		
Encashment of Sanchaya Patra (awaiting realization)	321,019,985	185,402,332
Advance tax [Note 11.2.1]	7,438,038,306	5,130,567,030
Deferred tax [Note 11.2.2]	1,345,375,266	1,155,454,898
Sundry assets [Note 11.2.3]	788,961,047	835,402,683
	9,893,394,604	7,306,826,943

	30-Sep-16 Taka	31-Dec-15 Taka
11.2.1 Advance tax		
The amount is stated after adjustment of advance income tax against final assessment orders for the accounting years 1996, 1997, 2001, 2002, 2003, 2004, 2005, 2006 and 2007. [Note 14.1.2 and 14.1.2.2]		
11.2.2 Deferred tax		
Opening balance	1,155,454,898	1,179,446,527
Add: Deferred tax assets / (liability) for the period	189,920,368	(23,991,629)
Closing balance	1,345,375,266	1,155,454,898
11.2.3 Sundry assets		
Sundry debtors	83,328,354	72,800,461
Cash remittance	42,075,331	162,728,877
Others	663,557,363	599,873,345
	788,961,047	835,402,683
12. Borrowings from other banks, financial institutions and agents		
Main Operation [Note 12.1]	11,271,269,572	12,467,006,141
Off-shore Banking Unit	6,453,573,024	7,816,530,583
	17,724,842,596	20,283,536,724
12.1 Borrowings from other banks, financial institutions and agents- Main operation		
a) In Bangladesh		
Secured		
Refinance from Bangladesh Bank		
Housing [Note 12.3]	15,760,534	7,357,136
Investment Promotion and Financing Facility (IPFF) [Note 12.3]	5	450,458,795
Export Development Fund (EDF)	8,693,804,448	9,877,692,229
Small and Medium Enterprise (SME) [Note 12.2 , 12.3]	45,214,196	26,260,714
	8,754,779,184	10,361,768,874
Unsecured		
Call Money Borrowing		
From other Banks, Financial Institutions and Agents	-	-
Credit lines		
From Rupantarita Praktitik Gas Company Limited (RPGCL)	82,451,639	111,915,691
	82,451,639	111,915,691
	8,837,230,823	10,473,684,565
b) Outside Bangladesh		
Secured		
Unsecured		
Credit lines		
FMO local currency loan for five years bearing interest rate at prevailing bank rate plus 2.90% margin. The effective rate of interest as of the reporting date was 7.90% in BDT.	-	-
From others	2,434,038,749	1,993,321,576
	2,434,038,749	1,993,321,576
	2,434,038,749	1,993,321,576
Total (a+b)	11,271,269,572	12,467,006,141
12.2 Small and Medium Enterprise (SME)		
Refinance facility (ies) availed from Bangladesh Bank under the following schemes for Small and Medium Enterprises :		
Asian Development Bank Fund [Note 12.3]	13,170,000	16,312,500
International Development Agency (IDA) and Enterprise Growth and Bank Modernization Programme (EGBMP) Fund [Note 12.3]	57,143	357,143
Women Entrepreneur Fund [Note 12.3]	31,987,054	9,591,071
	45,214,196	26,260,714

	30-Sep-16 Taka	31-Dec-15 Taka
12.3 Assets pledged as security for liability		
As at the reporting date of these financial statements, the Bank had no assets pledged as security except the Balance with Bangladesh Bank (local currency) against liability of refinance facility availed from Bangladesh Bank under the Housing Loan, Investment Promotion and Financing Facility (IPFF), Small & Medium Enterprising Financing under Asian Development Bank Fund, International Development Agency (IDA) and Enterprise Growth and Bank Modernization Programme (EGBMP) Fund and Women Entrepreneur Fund by the Bank. [Note 12.1]		
13. Deposits and other accounts		
Main Operation [Note 13.1]		
Current deposits and other accounts	52,635,196,450	47,428,518,228
Bills payable	2,386,580,950	2,827,945,083
Savings bank deposits	81,036,510,353	70,609,619,683
Term deposits	63,095,143,876	65,842,511,008
	199,153,431,630	186,708,594,002
Off-shore Banking Unit		
Current deposits and other accounts	14,068,194	56,407,536
Bills payable	-	-
Savings bank deposits	-	-
Term deposits	-	-
	14,068,194	56,407,536
	199,167,499,824	186,765,001,538
13.1 Deposits and other accounts - Main Operation		
Current deposits and other accounts		
Current deposits	41,114,538,660	36,413,812,227
Foreign currency deposits	1,276,805,374	1,064,391,111
Sundry deposits [Note 13.1.1]	10,243,852,416	9,950,314,890
	52,635,196,450	47,428,518,228
Bills payable		
Payment order	2,361,272,392	2,781,866,148
Demand draft	25,308,558	46,078,935
	2,386,580,950	2,827,945,083
Savings bank deposits	81,036,510,353	70,609,619,683
Term deposits		
Fixed deposits	45,162,474,253	45,035,754,514
Special notice deposits	17,780,472,284	20,600,546,972
Non resident foreign currency deposits	2,694,531	2,698,932
Resident foreign currency deposits	54,643,062	41,584,230
Monthly term deposits	94,859,746	161,926,360
	63,095,143,876	65,842,511,008
	199,153,431,630	186,708,594,002
13.1.1 Details of sundry deposits		
Margin on irrevocable letters of credit	811,536,040	716,946,661
Margin on letters of guarantee	243,742,848	227,851,317
Margin on inward foreign documentary bills for collection (IFDBC)	418,169,503	562,524,062
Sundry deposit on foreign bills purchased awaiting for realization (FBPAR)	6,138,478,283	5,903,097,850
Sundry deposit - withholding tax -IT	168,726,486	271,611,404
Sundry deposit - excise duty	3,701,564	434,803,318
Sundry deposit - withholding tax -VAT	86,509,044	114,299,930
Sundry deposits-sale proceeds of Sanchay Patra	33,258,403	144,902,183
Interest payable on deposit accounts	1,085,905,699	724,737,474
Deposits on lease finance	200,000	200,000
Others sundry deposits	1,253,624,545	849,340,691
	10,243,852,416	9,950,314,890

	30-Sep-16 Taka	31-Dec-15 Taka
13.1.2 Segregation of deposits and other accounts		
Other than inter-bank deposits	199,113,394,357	186,684,152,897
Inter-bank deposits [Note 13.3]	40,037,273	24,441,105
	199,153,431,630	186,708,594,002

13.1.3 Details of inter-bank deposits

In current deposits account

Al-Arafah Islami Bank Limited	21,748,968	8,249,543
Dhaka Bank Limited	-	77,705
Prime Bank Limited	6,133	-
Southeast Bank Limited	10,550	11,125
	21,765,651	8,338,373

In special notice deposits account

Janata Bank Limited	56,269	56,102
Dhaka Bank Limited	16,876,570	8,435,280
Mutual Trust Bank Limited	65,052	64,454
National Credit and Commerce Bank Limited	152,846	154,985
Prime Bank Limited	843,355	6,333,612
ICB Islami Bank Limited	107,268	106,111
Bank Asia Limited	206	770
The City Bank Limited	83,952	80,328
First Security Islami Bank Limited	2,206	2,731
The Trust Bank Limited	83,898	868,359
	18,271,622	16,102,732
	40,037,273	24,441,105

14. Other liabilities

Main Operation [Note 14.1]	18,858,078,112	15,727,054,320
Off-shore Banking Unit	100,342,047	125,740,107
	18,958,420,159	15,852,794,427

14.1 Other liabilities- Main operation

Notes

Unclaimed dividends		247,407,449	128,087,041
Provision for expenses		137,368,592	249,540,269
Contribution to Dutch-Bangla Bank Limited Employees' Superannuation Fund		-	10,000,000
Contribution to Dutch-Bangla Bank Limited Employees' Gratuity Fund		115,200,000	280,000,000
Provision for interest on credit lines, refinance scheme and subordinated debt		125,197,196	159,211,122
Branch adjustment (net)		28,319,920	-
Provision for classified assets	14.1.1	84,893,000	84,893,000
Provision for taxation	14.1.2	10,039,017,552	8,240,134,526
Accumulated provision for loans and advances including off-balance sheet exposures	14.1.3	5,821,056,202	4,768,657,005
Cumulative balance of interest suspense account	14.1.4	1,981,518,772	1,552,447,367
Others		278,099,428	254,083,990
		18,858,078,112	15,727,054,320

	30-Sep-16 Taka	31-Dec-15 Taka
14.1.1 Other provisions		
Provision for other classified assets [Note 14.1.1.1]	84,893,000	84,893,000
Provision for nostro accounts [Note 14.1.1.2]	-	-
	84,893,000	84,893,000

14.1.1.1 Provision for other classified assets

As per BRPD Circular No. 14 dated 25 June 2001, the following amount has been provided in the financial statements of the Bank as provision for other classified assets (legal expenses recoverable from the defaulted borrowers):

Opening balance	84,893,000	60,763,000
Add: Provision made for the period	-	24,130,000
Closing balance	84,893,000	84,893,000

14.1.1.2 Provision for nostro accounts

As per instructions contained in the Circular Letter No. FEPA (FEMO)/01/2005-677 dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, following provision has been made against the un-reconciled debit balance of nostro accounts:

Opening balance	-	-
Add: Adjustment during the period	-	-
Closing balance	-	-

14.1.2 Provision for taxation

Current tax

Opening balance	8,240,134,526	11,503,373,078
Add: Provision made for the period [Note 14.1.2.1]	1,798,883,026	3,223,066,022
Less: Adjustment made against Advance Tax/Adjustment made against final assessment orders by the Deputy Commissioner of Taxes or the Appellate Authority	-	6,486,304,574
Closing balance [Note 14.1.2.2]	10,039,017,552	8,240,134,526

14.1.2.1 Current tax - Provision for the period

Provision made for the current period on taxable income	1,798,883,026	3,223,066,022
Adjustment for the previous period	-	-
	1,798,883,026	3,223,066,022

14.1.2.2 Assessment of income tax has been finalized with the tax authority for the accounting years 1996, 1997, 2001, 2002, 2003, 2004, 2005, 2006 and 2007. [Note 11.2.1]

Final assessment of income tax for accounting years 1998, 1999, 2000 and 2010 are pending with Appellate Authorities. Full tax provision has been made in the accounts for the respective years based on the latest assessment orders made by the Deputy Commissioner of Taxes or Appellate Authorities.

30-Sep-16	31-Dec-15
Taka	Taka

14.1.3 Accumulated provision for loans and advances and Off-balance sheet exposures

(A) Specific provision for bad and doubtful loans and advances

Opening balance	2,783,136,456	3,036,086,501
Less : Fully provided debt written-off	-	-
Add: Recoveries of amounts previously written-off	494,480	6,299,930
Add: Specific provision for the period	854,957,400	(259,249,975)
Less: Provision no more required for advances realized	-	-
Add: Net charge to profit and loss account	-	-
Provision held at the end of the period [Note 9.4(b)]	3,638,588,336	2,783,136,456

(B) General provision

General provision against unclassified loans and advances

Opening balance	1,435,371,000	1,165,569,800
General provision for the period	92,300,000	269,801,200
Provision held at the end of the period [Note 9.4(b)]	1,527,671,000	1,435,371,000

General provision against Off-balance sheet exposures

As per the instructions contained in BRPD Circular No. 8 dated 7 August 2007 and BRPD Circular No. 10 dated 18 September 2007, following provision has been made against the Off-balance sheet exposures of the Bank:

Opening balance	550,149,549	472,799,305
Add: Provision made for the period	104,647,317	77,350,244
Provision held at the end of the period	654,796,866	550,149,549
	2,182,467,866	1,985,520,549
	5,821,056,202	4,768,657,005

Total (A) + (B)

(C) General provision against unclassified loans and advances

Main Operation	1,527,671,000	1,435,371,000
Off-Shore Banking Unit	59,183,628	59,183,628
	1,586,854,628	1,494,554,628

14.1.4 Cumulative balance of interest suspense account

Opening balance	1,552,447,367	1,062,236,453
Add: Amount transferred to interest suspense account during the period	534,312,451	1,135,833,214
Less: Amount transferred from interest suspense account during the period	105,226,528	631,418,754
Less: Amount written-off/waived during the period	14,518	14,203,546
Balance at the end of the period	1,981,518,772	1,552,447,367

	30-Sep-16	31-Dec-15
	Taka	Taka
15. Subordinated debt		
Subordinated debt - Taka 492,884,500		
The Bank arranged a subordinated debt from FMO, the Netherlands of Taka 492,884,500 equivalent to EURO 5 million for a term of nine years to strengthen the capital base of the Bank. Principal amount of Taka 457,678,464 has been restructured in 2010 with the approval of Bangladesh Bank. The principal amount is repayable in five (5) equal yearly installments, last installment of which is payable on 15 December 2016.		
The interest rate for the subordinated debt is determined on the basis of the weighted average yield of 364-day treasury bills plus 3.90% margin. The effective rate of interest of which as at the reporting date was approximately 7.99%.	91,535,693	91,535,693
Subordinated debt - Taka 642,252,440		
The Bank arranged a subordinated debt from FMO, the Netherlands totaling Taka 642,252,440 equivalent to EURO 6.6 million for a term of ten years to strengthen the capital base of the Bank. Principal amount of Taka 642,252,440 has been restructured in 2010 with the approval of Bangladesh Bank. The principal amount is repayable in five (5) equal yearly installments, last installment of which is payable on 15 December 2018.	385,351,464	385,351,464
The interest rate for the Subordinated debt is fixed at 7%.		
Subordinated debt - Taka 1,934,375,000		
The Bank arranged a subordinated debt from FMO, the Netherlands for USD 25 million equivalent to Taka 1,934,375,000 for a term of six years to strengthen the Tier-2 capital as well as total capital of the Bank during December 2013 with the approval of Bangladesh Bank. The principal amount is repayable in eight (8) equal half-yearly installments with two years moratorium, last installment of which is payable on 15 February 2020.	1,705,703,125	1,962,507,500
The interest rate for the subordinated debt is six (6) month LIBOR plus 5% margin.		
Subordinated debt - Taka 1,934,375,000		
The Bank arranged a subordinated debt from DEG, Germany for USD 25 million equivalent to Taka 1,934,375,000 for a term of six years to strengthen the Tier-2 capital as well as total capital of the Bank during June 2014 with the approval of Bangladesh Bank. The principal amount is repayable in eight (8) equal half-yearly installments with two years moratorium, last installment of which is payable on 15 August 2020.	1,705,703,125	1,962,507,500
The interest rate for the subordinated debt is six (6) month LIBOR plus 5% margin.		
Total	3,888,293,407	4,401,902,157

As per BRPD Circular No. 13 dated 14 October 2009, BRPD Circular No. 35 dated 29 December 2010 and Letter No. BRPD(BIC)661/14B(P)/2010-340 dated 22 December 2010, FEPA (external debts & grants section)/701/K-1/2013-463 dated 17 December 2013 and Letter No. BRPD(BIC)661/148(P)/2013/2560 dated 30 December 2013 issued by Bangladesh Bank, the above noted debt capital (Subordinated debt - 1, 2, 3, 4 and 5 is considered as a component of supplementary capital (Tier 2 capital) of the Bank within the regulatory limits.

	30-Sep-16	31-Dec-15
	Taka	Taka
16. Share capital		
16.1 Authorized share capital		
400,000,000 ordinary shares of Taka 10 each	4,000,000,000	4,000,000,000
16.2 Issued, subscribed and fully paid up share capital		
200,000,000 ordinary shares of Taka 10 each	2,000,000,000	2,000,000,000
16.2.1 Raising of capital		
The paid-up share capital of the Bank was raised in the following manner:		
From the sponsor shareholders before IPO		
By issuing of 1,800,000 ordinary shares of Taka 100 each	180,000,000	180,000,000
Through Initial Public Offering (IPO)		
The Bank raised Taka 22,135,000 through initial public offering in the year 2001 against issuance of 221,350 ordinary shares of Taka 100 each	22,135,000	22,135,000
The premium of Taka 50 was also applied for 221,350 shares against face value of Taka 100 each [Note 17]		
Bonus shares		
Bonus shares @3.94719 against 1 existing share of Taka 100 each for the year 2007	797,865,000	797,865,000
Bonus shares @0.50 against 1 existing share of Taka 100 each for the year 2008	500,000,000	500,000,000
Bonus shares @0.333 against 1 existing share of Taka 100 each for the year 2009	500,000,000	500,000,000
	2,000,000,000	2,000,000,000

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Taka **Taka**

16.3 Capital to Risk Weighted Assets Ratio (CRAR) under Basel III:

As per Section 13 of the Bank Company Act, 1991 (Amended upto 2013) and instructions contained in BRPD Circular No. 18 dated 21 December 2014, [Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)], the risk based capital (eligible regulatory capital) of the Bank as of 30 September 2016 stood at Taka 21,546,984,999 against the risk based capital requirement of Taka 17,436,922,886. As a result, there was a capital surplus of Taka 4,110,062,113 in risk based capital adequacy ratio as on 30 September 2016.

As per Section 13(2) of the Bank Company Act, 1991 (Amended upto 2013) and the instruction contained in BRPD Circular Letter No. 11 dated 14 August 2008, the paid-up share capital and statutory reserve should be at least Taka 4,000,000,000, in which, the paid-up share capital should be minimum Taka 2,000,000,000. Against that, the paid-up share capital and statutory reserve of the Bank was Taka 10,114,830,000 (Paid-up share capital, Taka 2,000,000,000 and statutory reserve, Taka 8,114,830,000) as on 30 September 2016.

The details of capital to risk-weighted asset ratio are furnished below:

Total assets (excluding off-balance sheet assets)	257,145,129,090	244,057,570,324
Total off-balance sheet assets	65,479,686,634	55,014,954,855
Total Risk weighted assets [RWA] against		
i. Credit Risk		
On-balance sheet	130,813,090,095	121,909,787,575
Off-balance sheet	7,491,186,962	8,152,196,806
	138,304,277,057	130,061,984,381
ii. Market Risk	1,366,248,868	1,682,183,868
iii. Operational Risk	24,441,689,474	22,804,436,976
A) Total Risk weighted assets (RWA) [i+ii+iii]	164,112,215,399	154,548,605,224
B) Minimum Capital Requirement (MCR) [10% of risk weighted assets]	17,436,922,886	15,454,860,522
C) Common Equity Tire 1 (CET1) capital		
Paid -up share capital	2,000,000,000	2,000,000,000
Share premium	11,067,500	11,067,500
Statutory reserve	8,114,825,950	7,487,588,738
Dividend equalization account	1,366,827,195	1,366,827,195
Proposed dividend	-	800,000,000
Retained earnings (Including OBU)	5,021,879,604	4,121,893,415
	16,514,600,249	15,787,376,848
Less : Deferred tax asset	1,382,663,568	1,057,591,853
	15,131,936,681	14,729,784,995
D) Additional Tier-1 Capital		
Non-cumulative irredeemable preference shares	-	-
Instruments issued by the banks that meet the qualifying criteria for AT1	-	-
Others (if any item approved by Bangladesh Bank)	-	-
Less Regulatory Adjustments from AT-1 Capital	-	-
	15,131,936,681	14,729,784,995
E) Tier 1 Capital [C+D]		
F) Tier 2 Capital		
General provision maintained against unclassified loans and off-balance sheet exposures	2,241,651,494	1,625,774,805
Subordinated debt capital	3,888,293,407	4,401,902,157
Assets revaluation reserves	425,206,889	425,206,889
Revaluation reserves of HTM securities	49,965,473	49,965,473
	6,605,117,262	6,502,849,324
Less : 40% Revaluation Reserves for Fixed Assets, Securities	190,068,944	95,034,472
	6,415,048,318	6,407,814,852
G) Total Eligible Regulatory Capital (Tier 1 and 2) [E+F]	21,546,984,999	21,137,599,847
Total capital surplus [G - B]	4,110,062,113	5,682,739,325
Capital to Risk Weighted Assets Ratio (CRAR):		
Common Equity Tier-1 to RWA (C/A)*100	9.22%	9.53%
Tier-1 Capital to RWA (E/A)*100	9.22%	9.53%
Tier-2 Capital to RWA (F/A)*100	3.91%	4.15%
Capital to Risk Weighted Assets Ratio (CRAR) (G/A)*100	13.13%	13.68%

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17. Share premium		
Taka 50 per share on 221,350 ordinary shares of Taka 100 each at the time of issuing shares through initial public	11,067,500	11,067,500
* In compliance with Securities and Exchange Commission (SEC) Order No. SEC /CMRRCD/2009-193/109 dated 15 September 2011 and with the approval of shareholders in the 3rd Extra-ordinary General Meeting (EGM) held on 13 November 2011, the denomination of shares (face value) has been changed from Taka 100 each to Taka 10 each with effect from 4 December 2011 and accordingly the number of shares have been restated.		
18. Statutory reserve		
As per Section 24 (1) of the Bank Companies Act, 1991, an amount equivalent to 20% of profit before taxes for the period has been transferred to the statutory reserve fund as under:		
Opening balance	7,487,588,738	6,234,120,766
Add: Transferred from profit during the period	627,237,212	1,253,467,972
Closing balance	8,114,825,950	7,487,588,738
19. Other reserve		
Revaluation reserve of HFT securities [Note 19.1]	-	-
	-	-
19.1 Other reserve		
In terms of First Schedule (Section 38) of the Bank Companies Act, 1991, and instructions contained in BRPD Circular No. 5 dated 26 May 2008 and Letter No. DOS (SR)1153/120-A/2011-746 dated 29 December 2011 the revaluation reserve for HFT securities has been made as under:		
Opening balance	-	-
Add: Reserve made for the period	-	-
Less: Adjustment during the period	-	-
Closing balance	-	-
20. Dividend equalization account		
As per BRPD Circular Letter No. 18 dated 20 October 2002 issued by Bangladesh Bank, ' <i>Dividend Equalization Account</i> ' has been created by transferring the amount from the profit that is equal to the cash dividend paid in excess of 20%.		
Opening balance	1,366,827,195	966,827,195
Add: Transferred from profit for the period	-	400,000,000
Closing balance	1,366,827,195	1,366,827,195
21. Assets revaluation reserve		
In terms of Bangladesh Accounting Standard (BAS) 16, 'Property, Plant and Equipment' , and instructions contained in BRPD Circular No. 10 dated 25 November 2002 issued by Bangladesh Bank, all the immovable properties of the Bank has been revalued by a professionally qualified valuation firm of the country. The rationale of the valuation has also been certified by the Bank's external auditors, M/s. A. Qasem & Co., Chartered Accountants. Accordingly, revaluation surplus of Taka 850,413,777 has been included in equity.		
Opening balance	850,413,777	850,413,777
Add : Addition during the period (net)	-	-
Closing balance	850,413,777	850,413,777
22. Revaluation reserve of HTM securities [Note 2.7.3(b)]		
Opening balance	116,544,853	99,930,945
Add: Reserve transferred to Income Account during the period	(75,485,774)	16,613,908
Closing balance	41,059,079	116,544,853

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23. Calculation of Earnings Per Share (EPS)

The earnings per share of the Bank has been calculated in accordance with the **Bangladesh Accounting Standard (BAS) 33, 'Earnings Per Share'** under Basic Earning Per Share method as follows:

Basic earnings (net profit after tax) [numerator]	1,527,223,401	3,020,282,208
Number of ordinary shares outstanding (denominator)	200,000,000	200,000,000
Earnings Per Share (Taka)	7.64	15.10

24. Contingent liabilities

Main Operation [Note 24.1]	65,476,884,873	55,014,954,855
Off-shore Banking Unit	2,801,761	-
	65,479,686,634	55,014,954,855

24.1 Contingent liabilities - Main Operation

a) Acceptances and endorsements	10,688,777,500	-
b) Letters of guarantee		
Local	4,228,905,812	3,663,282,326
Foreign	181,387,412	207,652,260
	4,410,293,224	3,870,934,586
c) Irrevocable letters of credit		
Local		
Cash	554,666,946	819,015,833
Usance	136,046,737	53,276,575
Back to back	3,290,084,112	3,320,263,794
	3,980,797,795	4,192,556,202
Foreign		
Cash	5,519,855,479	4,639,037,920
Usance	9,248,957,597	5,840,900,252
Back to back	1,165,896,208	1,310,433,397
	15,934,709,284	11,790,371,569
	19,915,507,080	15,982,927,771
d) Bills for collection		
Inward	25,227,956,504	31,223,459,998
Outward	76,932	19,630
	25,228,033,436	31,223,479,628
e) Other contingent liabilities		
Travelers' cheques	-	-
Export Development Fund	2,794,208,633	2,115,817,870
Bangladesh Shanchaya Patra	2,440,065,000	1,821,795,000
	5,234,273,633	3,937,612,870
Total (a+b+c+d+e)	65,476,884,873	55,014,954,855

		30-Sep-16	30-Sep-15
		Taka	Taka
25. Particulars of profit and loss account			
Income	<u>Notes</u>		
Interest, discount and other similar income	26	11,744,655,992	11,888,215,522
Dividend income	28	5,712,228	425
Fees, commission and brokerage	29.1	534,480,803	576,493,965
Gains less losses arising from dealing securities		-	-
Gains less losses arising from investment securities	28	1,510,384,715	1,547,021,688
Gains less losses arising from dealing in foreign currencies	29.2	566,622,042	507,952,616
Income from non-banking assets		-	-
Other operating income	30	1,577,776,193	1,561,257,032
Profit less losses on interest rate changes		-	-
		15,939,631,973	16,080,941,248
Expenses			
Interest, fee and commission	27	4,204,707,736	4,684,256,193
Charges on loan losses	41	357,439,118.07	-
Directors' fees	39	196,000	142,543
Administrative expenses	31	3,974,393,960	3,744,400,084
Other operating expenses	43	2,414,027,311	2,204,856,389
Depreciation on banking assets	42	800,777,071	744,409,865
		11,751,541,197	11,378,065,073
Profit before provision		4,188,090,776	4,702,876,175
26. Interest income			
Interest income - Main Operation [Note 26.1]		11,539,822,809	11,799,199,324
Interest income - Off-Shore Banking Unit		204,833,183	89,016,198
		11,744,655,992	11,888,215,522
26.1 Interest income - Main Operation			
Interest on loans and advances			
House building loan		65,376,199	39,543,375
Transport loan		124,885,079	115,202,070
Term loan - industrial		2,785,425,653	3,065,142,659
Term loan - others		348,514,313	400,887,879
Secured overdraft		1,452,568,430	983,972,073
Cash credit		2,694,582,723	2,918,729,494
Payment against document - cash		2,695,462	11,313,361
Payment against document EDF- others		211,497,153	190,928,743
Loan against trust receipts		184,595,243	351,053,409
Export cash credit		72,541,307	54,477,060
Loan against accepted bills		250,241,896	283,824,064
Staff loan		22,736,013	23,005,991
SME and consumer finance		2,391,642,963	2,464,407,789
		10,607,302,434	10,902,487,968
Interest on balance with other banks and financial institutions			
Fixed deposits		570,131,389	497,498,403
Special notice deposits		2,322,371	1,991,724
Nostro accounts		3,654,282	641,105
Money at call and short notice		356,412,333	396,580,124
		932,520,375	896,711,356
		11,539,822,809	11,799,199,324

	30-Sep-16	30-Sep-15
	Taka	Taka
27. Interest paid on deposits and borrowings etc.		
Main Operation [Note 27.1]	4,052,795,075	4,612,350,671
Off-shore Banking Unit	151,912,661	71,905,522
	4,204,707,736	4,684,256,193
27.1 Interest paid on deposits- Main Operation [Note 27.2]	3,781,162,106	4,316,600,412
Interest paid on borrowings- Main Operation [Note 27.3]	271,632,970	295,750,259
	4,052,795,075	4,612,350,671
27.2 Interest paid on deposits- Main Operation		
Savings deposits	1,309,752,311	1,437,625,821
Special notice deposits	458,134,541	439,418,956
Fixed deposits	2,011,320,190	2,404,265,083
Non-resident foreign currency deposits	11,988	34,071
Resident foreign currency deposits	164,486	31,462
Monthly term deposits	1,778,590	35,225,019
	3,781,162,106	4,316,600,412
27.3 Interest paid on borrowings- Main Operation		
Interest on call loan borrowing	7,713,008	12,297,439
Interest on credit lines	2,098,047	2,273,843
Interest paid on subordinated debt	196,008,742	209,136,957
Interest on borrowing under REPO and Re-financing facilities with Bangladesh Bank	65,813,172	72,042,019
Interest on borrowing under REPO with other banks	-	-
	271,632,970	295,750,259
28. Investment income		
Dividend on shares	5,712,228	425
Interest on treasury bills, bonds and debentures		
Interest on treasury bills and bonds	1,456,646,908	1,455,946,620
Interest on reverse REPO with other banks	-	11,075,342
Interest on subordinated bonds	53,737,807	79,999,725
Interest on debenture	-	-
	1,510,384,715	1,547,021,688
Gain on sale of shares	-	-
	1,516,096,942	1,547,022,113
29. Commission, exchange and brokerage		
Commission [Note 29.1]	534,480,803	576,493,965
Exchange earnings (net) [Note 29.2]	566,622,042	507,952,616
	1,101,102,845	1,084,446,582

	30-Sep-16	30-Sep-15
	Taka	Taka
29.1 Commission		
Commission on Remittances-Local	8,876,988	8,835,837
Commission on Remittances-Foreign	34,724,967	32,108,220
Commission on Letter of Credit-Import	78,270,434	82,533,308
Commission on Letter of Credit-Export	356,371,992	400,229,909
Commission on Export Bills	10,418,354	12,521,379
Commission on Letter of Guarantee	38,567,580	35,717,412
Commission on Sale of Government Saving Instruments	6,738,972	3,914,198
Commission on Banker to the issue & underwriting	-	205,051
Other Commission	511,514	428,652
	534,480,803	576,493,965
29.2 Exchange earnings (net)		
From commercial bills	298,613,754	432,304,973
From dealing operations	268,008,288	75,647,644
	566,622,042	507,952,616
30. Other operating income		
Main Operation [Note 30.1]	1,577,429,641	1,560,132,126
Off-shore Banking Unit	346,553	1,124,905
	1,577,776,193	1,561,257,032
30.1 Other operating income		
Charges for service	26,895,052	18,535,356
Income from IT service	1,074,102,719	1,037,737,809
Recoveries from client	82,089,651	81,542,191
Service charges on deposit accounts	200,609,583	188,570,247
Income from Export-Import	94,517,206	108,521,019
Examination and appraisal fees	-	-
Document handling charges-Export	649,168	172,622
Locker Rent	7,452,733	5,442,504
Gain on sale of fixed assets	621,762	-
Income from Mobile Banking Services	29,658,227	35,858,777
Other earning	60,833,540	83,751,602
	1,577,429,641	1,560,132,126
30.2 Gain on sale of fixed assets		
Some impaired items of fixed assets were sold during the period as under:		
Gain on sale of fixed assets [Note 30.3]	621,762	-
	621,762	-
30.3 Calculation of income from sale of fixed assets		
Sale proceeds [A]	6,114,594	-
Cost price of the sold items	37,085,600	-
Less: Accumulated depreciation	31,592,768	-
Written down value [B]	5,492,832	-
Net gain [A - B]	621,762	-

31. Administrative expenses	Notes	30-Sep-16 Taka	30-Sep-15 Taka
Salary and allowances	32	2,167,769,668	2,073,236,709
Rent, taxes, insurance, electricity, etc.	34	992,741,604	822,292,756
Legal expenses	35	2,234,711	5,478,042
Postage, stamp, telecommunications, etc.	36	207,959,325	181,860,484
Stationery, printings, advertisements etc.	37	252,559,554	259,890,722
Managing Director's salary and allowances	38	7,982,000	8,482,000
Auditors' fees	40	202,000	190,500
Repair and maintenance	42	342,945,098	392,968,872
		3,974,393,960	3,744,400,084
32. Salary and allowances			
Main Operation [Note 32.1]		2,164,048,571	2,069,561,863
Off-shore Banking Unit		3,721,097	3,674,846
		2,167,769,668	2,073,236,709
32.1 Salary and allowances-Main Operation			
Basic salary		989,953,437	928,970,668
House rent allowance		495,098,511	465,156,473
Conveyance allowance		110,881,702	108,566,856
Other allowances		20,860,438	3,919,500
Bank's contribution to provident fund		89,453,673	84,563,513
Medical expenses		104,693,536	95,257,625
Bonus		237,907,276	233,127,227
Gratuity		115,200,000	150,000,000
Superannuation		-	-
		2,164,048,571	2,069,561,863
33. Number of employees and remuneration thereof			
As per the Schedule XI of the Companies Act, 1994, the number of employees (including contractual employees) engaged for the whole year or part thereof who received a total remuneration of Taka 36,000 per annum or Taka 3,000 per month were 5,929 as at 30 September 2016 compared to 5,013 as at 30 September 2015.			
34. Rent, taxes, insurance, electricity, etc.			
Rent			
Office premises		530,044,517	435,300,664
ATM Booths and other installations		79,607,708	63,559,702
		609,652,225	498,860,366
Rates and taxes			
Rates		1,078,360	1,016,163
Taxes		5,013,821	3,875,996
		6,092,181	4,892,158
Insurance			
Cash		22,709,444	34,082,634
Vehicles		2,173,016	2,260,536
Deposits		85,783,405	78,259,391
Other properties		8,017,076	6,191,520
		118,682,941	120,794,081
Electricity and sanitation			
Light and power		251,812,614	192,081,830
Water and sewerage		5,014,553	4,623,488
Utilities		1,487,090	1,040,832
		258,314,258	197,746,150
		992,741,604	822,292,756
35. Legal expenses			
Legal expenses		2,234,711	5,478,042
		2,234,711	5,478,042

	30-Sep-16	30-Sep-15
	Taka	Taka
36. Postage, stamp, telecommunications, etc.		
Main Operation [Note 36.1]	207,954,466	181,860,484
Off-shore Banking Unit	4,859	40,038
	207,959,325	181,900,522
36.1 Postage, stamp, telecommunications, etc.-Main Operation		
Postage	19,451,427	19,762,914
Telephone	11,407,776	11,694,745
Radio link	168,181,965	138,602,081
Swift, Reuters, internet, etc.	8,913,298	11,800,744
	207,954,466	181,860,484
37. Stationery, printings, advertisements etc.		
Printing and stationery:		
Printed stationery	32,172,096	24,948,326
Security stationery	14,598,636	21,350,934
Petty stationery	62,160,494	50,116,257
	108,931,226	96,415,517
Publicity and advertisement	143,628,327	163,475,205
	252,559,554	259,890,722
38. Managing Director's salary and allowances		
Basic salary	5,220,000	5,220,000
House rent allowance	270,000	270,000
House maintenance	180,000	180,000
Bank's contribution to provident fund	522,000	522,000
Leave fare assistance	270,000	270,000
Other allowances	360,000	360,000
Bonus	1,160,000	1,660,000
	7,982,000	8,482,000
39. Directors' fees		
Honorarium for attending meeting	195,000	141,620
Incidental expenses for attending meeting	1,000	923
	196,000	142,543
40. Auditors' fees		
Statutory annual audit fees	52,500	52,500
Special audit fees	149,500	138,000
Fees for various certification	-	-
	202,000	190,500
41. Charges on loan losses		
Loan written-off	357,439,118	-
Interest waived	-	-
	357,439,118	-
42. Depreciation and repair of bank's assets		
Depreciation on fixed assets including building, furniture and fixtures		
Main Operation [Note 42.1]	800,767,436	744,394,623
Off-shore Banking Unit	9,635	15,242
	800,777,071	744,409,865
Repair and maintenance		
Main Operation [Note 42.2]	342,719,177	392,734,633
Off-shore Banking Unit	225,921	234,239
	342,945,098	392,968,872
	1,143,722,169	1,137,378,737

	30-Sep-16	30-Sep-15
	Taka	Taka
42.1 Depreciation on fixed assets including land, building, furniture and fixtures		
Land	-	-
Building (including lease hold property)	7,454,500	7,491,449
Interior decoration	65,840,049	65,549,325
Furniture and fixtures	18,739,428	17,267,086
Other machinery and equipment	131,133,520	113,356,689
Computer equipment and software	279,647,365	285,180,162
Motor vehicles	29,051,691	36,755,872
ATM Booth	66,799,340	54,664,828
ATM and Fast Track (ATM & Deposit Machine)	202,087,947	164,115,616
Books	13,596	13,596
	800,767,436	744,394,623
42.2 Repair and maintenance		
Premises	128,644,168	112,218,553
Vehicles	33,766,041	25,932,120
Computers	180,308,968	254,583,960
	342,719,177	392,734,633
43. Other expenses		
Main Operation [Note 43.1]	2,413,478,952	2,204,428,680
Off-shore Banking Unit	548,359	427,709
	2,414,027,311	2,204,856,389
43.1 Other expenses- Main Operation		
Entertainment expenses	31,207,312	24,313,676
Fuel and lubricant	36,574,340	35,674,005
Subscription and donations	6,448,388	7,820,969
Annual general meeting	1,127,325	1,222,240
Casual wages and allowances	536,707,899	453,247,264
Travelling expenses and allowances	191,089,409	201,924,426
Petty conveyance	23,894,018	24,679,720
Credit rating fees	345,000	345,000
News papers, periodicals, learning materials etc.	1,030,837	975,913
Crockeries	477,718	481,444
Debit and Credit Card expenses	273,188,724	213,195,745
ATM expenses	15,235,054	15,480,182
Tele Banking Expenses	930,959	31,227,778
Cash carrying charges	23,894,976	21,585,187
ATM cash replenishment charges	329,000,000	207,006,600
Recruitment, training, seminar and workshop	13,656,705	9,910,128
Service charge on nostro account and others	49,010,121	45,971,167
Consultancy fees	1,735,782	4,312,426
Business promotion and development	753,024,063	805,495,599
Laundry and cleaning	280,019	316,662
Other expenses for Mobile Banking Services	90,463,489	54,925,133
Other expenses for Agent Banking Services	31,906,323	432,891
Fixed Assts written-off	-	34,848,262
Miscellaneous	2,250,491	9,036,262
	2,413,478,952	2,204,428,680

44. Cash and cash-equivalents

	<u>30-Sep-16</u> Taka	<u>31-Dec-15</u> Taka
Cash in hand (including foreign currencies)	11,720,553,528	8,296,998,632
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	20,904,599,894	14,555,926,865
Balance with other banks and financial institutions	25,018,349,750	26,667,404,705
Treasury bills and bonds	-	2,574,924,555
Prize bonds	6,023,600	7,392,400
Money at call and short notice	2,090,000,000	5,270,000,000
	<u>59,739,526,772</u>	<u>57,372,647,157</u>



Chairman



Director



Managing Director



Chief Financial Officer



Company Secretary

Dhaka, 30 October 2016