DHAKA BANK LIMITED

UN-AUDITED FINANCIAL STATEMENTS

For the period ended 30 September 2018

Q3

Dhaka Bank Limited and its Subsidiaries

Consolidated Balance Sheet
As at 30 September 2018

Particulars	30.09.2018 Taka	31.12.2017 Taka
PROPERTY AND ASSETS		
Cash	**13,726,613,000**	**13,684,691,050**
Cash In Hand (Including foreign currencies)	2,524,217,419	1,839,941,316
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	11,202,395,581	11,844,749,734
Balance With Other Banks & Financial Institutions	**16,173,100,117**	**11,394,521,216**
In Bangladesh	13,142,157,427	10,190,843,071
Outside Bangladesh	3,030,942,690	1,203,678,144
Money at call and on short notice	**11,300,000**	**11,300,000**
Investments	**29,153,329,897**	**26,040,501,710**
Government	22,771,949,571	19,706,422,487
Others	6,381,380,326	6,334,079,223
Loans, advances and lease/investments	**173,642,810,536**	**153,867,641,893**
Loans, cash credits, overdrafts, etc./Investments	170,719,940,346	150,656,808,845
Bills purchased and discounted	2,922,870,190	3,210,833,048
Fixed assets including premises, furniture and fixtures	**4,882,391,885**	**4,269,381,541**
Other Assets	**23,199,611,095**	**21,537,286,973**
Non-Banking Assets	**23,166,033**	**23,166,033**
Total Assets	**260,812,322,563**	**230,828,490,415**
LIABILITIES & CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	**25,077,630,758**	**21,633,548,366**
Deposits and Other Accounts	**185,728,775,446**	**169,729,720,650**
Current Accounts & Other Accounts	22,013,374,921	20,025,396,323
Bills Payable	1,715,533,397	2,826,174,811
Savings Bank Deposits	20,084,669,379	19,061,994,573
Term Deposits	141,915,197,749	127,816,154,943
Non Convertible Subordinated Bond	**8,000,000,000**	**3,000,000,000**
Other Liabilities	**25,152,041,005**	**20,637,340,094**
Total Liabilities	**243,958,447,210**	**215,000,609,110**
Capital / Shareholders' Equity		
Equity attributable to equity holders of the parent company	**16,853,816,752**	**15,827,823,976**
Paid-up Capital	8,125,826,850	7,222,957,200
Statutory Reserve	6,792,564,016	6,418,181,801
Other reserve	683,698,592	684,339,747
Retained earnings	1,251,727,293	1,502,345,228
Non-controlling interest	58,601	57,329
Total Shareholders' Equity	**16,853,875,352**	**15,827,881,305**
Total Liabilities & Shareholders' Equity	**260,812,322,563**	**230,828,490,415**
Off-Balance Sheet Items		
Contingent Liabilities		
Acceptances and endorsements	40,217,159,605	32,868,131,246
Letter of credit	31,373,424,263	27,085,569,676
Letter of guarantee	34,249,811,897	23,083,135,224
Bills for collection	11,666,539,785	11,591,497,583
Other contingent liabilities	6,879,776,361	3,493,879,200
	124,386,711,910	**98,122,212,930**
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	**124,386,711,910**	**98,122,212,930**

Dhaka Bank Limited and its Subsidiaries

Consolidated Profit & Loss Account
For the period ended 30 September 2018

Particulars	01-Jan-18 to 30-Sep-18 Taka	01-Jan-17 to 30-Sep-17 Taka	01-Jul-18 to 30-Sep-18 Taka	01-Jul-17 to 30-Sep-17 Taka
Operating Income				
Interest income/profit on investments	13,562,257,866	9,797,624,935	4,723,293,203	3,398,413,721
Interest paid/profit on deposits and borrowings, etc.	(9,880,818,848)	(7,258,270,714)	(3,495,102,332)	(2,591,146,480)
Net Interest Income	**3,681,439,018**	**2,539,354,222**	**1,228,190,871**	**807,267,241**
Investment income	1,699,279,608	2,375,440,776	591,448,979	1,075,984,570
Commission & exchange earnings	1,832,030,456	1,989,409,241	648,355,164	608,817,459
Other operating income	161,359,982	150,855,430	42,168,197	20,485,157
Total operating income (a)	**7,374,109,064**	**7,055,059,669**	**2,510,163,210**	**2,512,554,427**
Operating Expenses				
Salary and allowances	1,651,937,256	1,634,441,274	543,540,992	630,197,131
Rent, taxes, insurance, electricity, etc.	494,643,328	465,934,148	167,588,520	169,970,022
Legal expenses	37,910,724	11,072,571	12,389,842	2,420,700
Postage, stamps, telecommunication, etc.	69,008,393	58,502,392	26,103,853	10,659,790
Stationery, printing, advertisement, etc.	123,687,538	101,554,653	33,726,632	34,014,908
Chief executive's salary and fees	11,943,500	11,915,000	4,324,000	3,950,000
Directors' fees	3,054,370	3,106,741	888,540	846,880
Auditors' fees	1,361,250	1,346,250	1,138,750	1,138,750
Charges on Loan Losses	175,460,319	-	69,364,517	-
Depreciation and repairs of Bank's assets	351,928,784	268,350,940	115,445,388	88,522,826
Other expenses	499,635,984	492,458,296	191,424,516	168,905,874
Total operating expenses (b)	**3,420,571,447**	**3,048,682,265**	**1,165,935,550**	**1,110,626,881**
Profit before provision & Taxes (c = (a-b))	**3,953,537,617**	**4,006,377,404**	**1,344,227,660**	**1,401,927,546**
Provision against loans and advances	1,809,418,970	1,801,854,874	564,731,569	477,368,888
Provision against good borrower	-	-	-	-
Provision for diminution in value of investments	-	-	-	-
Other Provisions	238,035,596	232,238,817	56,677,626	75,852,054
Total provision (d)	**2,047,454,566**	**2,034,093,691**	**621,409,195**	**553,220,942**
Profit before taxation (c-d)	**1,906,083,051**	**1,972,283,713**	**722,818,465**	**848,706,604**
Provision for taxation	879,447,849	892,254,731	294,092,152	363,795,228
Provision for Current Tax	823,877,594	889,054,731	241,221,897	360,595,228
Provision for Deferred Tax	55,570,255	3,200,000	52,870,255	3,200,000
Net profit after taxation	**1,026,635,202**	**1,080,028,982**	**428,726,312**	**484,911,376**
Appropriations				
Statutory reserve	374,382,215	365,221,070	138,974,232	157,338,694
General reserve	-	(115,519,953)	-	-
Investment Fluctuation Fund	-	9,100,000	-	5,000,000
Dividends etc.	902,869,650	1,031,851,026	-	-
Retained earnings	1,251,727,293	1,174,942,252	289,751,264	322,568,049
	2,528,979,159	**2,465,594,396**	**428,725,495**	**484,906,743**
Consolidated Earning per Share (CEPS) [Restated]	**1.26**	**1.33**	**0.53**	**0.60**

Dhaka Bank Limited and its Subsidiaries

Consolidated Cash Flow Statement
For the period ended 30 September 2018

Particulars	Jan-18 to 30 Sep-18 Taka	Jan-17 to 30 Sep-17 Taka
Cash Flows from Operating Activities		
Interest / Profit receipts	15,306,859,807	12,101,564,679
Interest / Profit payments	(9,540,799,464)	(7,164,312,865)
Dividend receipts	25,158,686	32,986,982
Recovery of loans previously written off	20,237,245	17,644,646
Fee and commission receipts	1,286,407,436	1,063,037,816
Payments to employees	(1,663,880,756)	(1,668,809,711)
Payments to suppliers	(247,925,760)	(159,676,337)
Income taxes paid	(1,308,944,118)	(1,142,070,294)
Receipts from other operating activities	168,138,017	168,377,403
Payments for other operating activities	(1,056,248,910)	(1,000,465,531)
(i) Operating profit before changes in operating assets & liabilities	**2,989,002,184**	**2,248,276,789**
Changes in operating assets and liabilities		
Purchase / Sale of trading securities	(257,942,258)	(390,134,692)
Loans and advances to customers	(19,771,948,203)	(11,981,316,981)
Other assets	(3,434,890,123)	(6,136,295,217)
Deposits from other banks	(2,556,660,014)	4,779,876,121
Deposits from customers	18,250,014,533	4,900,076,240
Other liabilities account of customers	(16,859,256)	(93,233,910)
Other liabilities	2,301,883,481	1,033,922,394
(II) Cash flow from opeerating assets and liabilities	**(5,486,401,841)**	**(7,887,106,044)**
Net cash flow from operating activities (a)= (i+ii)	**(2,497,399,657)**	**(5,638,829,256)**
Cash Flows from Investing Activities		
Proceeds from sale of securities	58,913,515	811,202
Sale/ (Purchase) of securities	(2,856,203,639)	(3,131,010,999)
Purchase of property, plant & equipment	861,151,411	(219,566,918)
Sale of property, plant & equipment	369,626	311,640
Purchase / sale of subsidiary	-	-
Net cash flow from investing activities (b)	**(1,935,769,087)**	**(3,349,455,075)**
Cash Flow from Financing Activities		
Borrowing from other banks	3,440,861,951	11,680,865,619
Issuance of Non Convertible Subordinated Bond	5,000,000,000	-
Redemption of Non Convertible Subordinated Bond	-	-
Dividends paid	-	(687,900,686)
Net cash flow from financing activities (C)	**8,440,861,951**	**10,992,964,933**
Net increase/ (decrease) in cash and cash equivalents (a+b+c)	**4,007,693,207**	**2,004,680,602**
Add: Effects of exchange rate changes on cash & cash equivalent	507,071,968	857,487,225
Add: Cash and cash equivalents at 01 January, 2018	25,400,107,442	29,000,627,043
Closing Cash and cash equivalents at end of period (*)	**29,914,872,617**	**31,862,794,870**
(*) Cash and cash equivalents		
Cash in Hand	2,524,217,419	2,015,567,536
Balance with Bangladesh Bank & Sonali Bank	11,202,395,581	14,062,614,122
Balance with other banks & Financial Institutions	16,173,100,117	15,768,252,712
Money at call & Short Notice	11,300,000	11,300,000
Prize Bond	3,859,500	5,060,500
Total	**29,914,872,617**	**31,862,794,870**
Net Operating Cash Flow per Share (NOCFPS)	**(3.07)**	**(6.94)**

Dhaka Bank Limited and its Subsidiaries

Consolidated Statement of Changes in Equity
For the period ended 30 September 2018

(Amount in Taka)

Particulars	Paid up capital	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment revaluation reserve	Investment Fluctuation Fund	Non-controlling Interest	Retained Earnings	Total
Balance as at 1 January 2018	7,222,957,200	6,418,181,801	6,560,631	622,516,800	21,562,316	33,700,000	57,329	1,502,345,228	15,827,881,305
Changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance	**7,222,957,200**	**6,418,181,801**	**6,560,631**	**622,516,800**	**21,562,316**	**33,700,000**	**57,329**	**1,502,345,228**	**15,827,881,305**
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(641,155)	-	-	-	(641,155)
Currency transaction differences	-	-	-	-	-	-	-	-	-
Share Capital of subsidiary company									-
Net Profit for the period	-	-	-	-	-	-	-	1,026,635,202	1,026,635,202
Stock dividend paid by Subsidiary Company	-	-	-	-	-	-	-	-	-
Transfer to reserve									-
Dividend:						-			-
Stock dividend	902,869,650	-	-	-	-	-	-	(902,869,650)	-
Cash dividend						-		-	-
Changes in reserve	-	374,382,215	-	-	-	-	-	(374,382,215)	-
Non-controlling interest	-	-	-	-	-	-	1,272	(1,272)	-
Balance as at 30 September 2018	**8,125,826,850**	**6,792,564,016**	**6,560,631**	**622,516,800**	**20,921,161**	**33,700,000**	**58,601**	**1,251,727,293**	**16,853,875,352**

Dhaka Bank Limited

Balance Sheet
As at 30 September 2018

Particulars	30.09.2018 Taka	31.12.2017 Taka
PROPERTY AND ASSETS		
Cash	**13,726,513,000**	**13,684,591,050**
Cash in Hand (including foreign currencies)	2,524,117,419	1,839,841,316
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	11,202,395,581	11,844,749,734
Balance With Other Banks & Financial Institutions	**16,022,578,141**	**11,224,922,706**
In Bangladesh	12,991,635,451	10,021,244,562
Outside Bangladesh	3,030,942,690	1,203,678,144
Money at call and on short notice	**11,300,000**	**11,300,000**
Investments	**26,060,952,712**	**23,181,794,347**
Government	22,771,949,571	19,706,422,487
Others	3,289,003,140	3,475,371,860
Loans, advances and lease/investments	**173,740,772,584**	**154,017,029,266**
Loans, cash credits, overdrafts, etc./Investments	170,817,902,394	150,806,196,218
Bills purchased and discounted	2,922,870,190	3,210,833,048
Fixed assets including premises, furniture and fixtures	**4,877,108,693**	**4,262,893,303**
Other Assets	**24,875,108,083**	**23,047,157,792**
Non-Banking Assets	**23,166,033**	**23,166,033**
Total Assets	**259,337,499,246**	**229,452,854,497**
LIABILITIES & CAPITAL		
Liabilities		
Borrowings from other banks, financial institutions and agents	**24,977,630,758**	**21,533,553,426**
Deposits and Other Accounts	**186,095,500,981**	**170,035,420,927**
Current Accounts & Other Accounts	22,013,374,921	20,025,396,323
Bills Payable	1,715,533,397	2,826,174,811
Savings Bank Deposits	20,084,669,379	19,061,994,573
Term Deposits	142,281,923,284	128,121,855,220
Non Convertible Subordinated Bond	**8,000,000,000**	**3,000,000,000**
Other Liabilities	**24,005,846,083**	**19,638,634,359**
Total Liabilities	**243,078,977,822**	**214,207,608,713**
Capital/Shareholders' Equity		
Total Shareholders' Equity	**16,258,521,424**	**15,245,245,785**
Paid-up capital	8,125,826,850	7,222,957,200
Statutory reserve	6,792,564,016	6,418,181,801
Other reserve	649,998,592	650,639,747
Retained earnings	690,131,965	953,467,037
Total Liabilities & Shareholders' Equity	**259,337,499,246**	**229,452,854,497**
Off-Balance Sheet Items		
Contingent Liabilities	**124,386,711,910**	**98,122,212,930**
Acceptances and endorsements	40,217,159,605	32,868,131,246
Letter of credit	31,373,424,263	27,085,569,676
Letter of guarantee	34,249,811,897	23,083,135,224
Bills for collection	11,666,539,785	11,591,497,583
Other contingent liabilities	6,879,776,361	3,493,879,200
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	**124,386,711,910**	**98,122,212,930**

Dhaka Bank Limited

Profit & Loss Account
For the period ended 30 September 2018

Particulars	01-Jan-18 to 30-Sep-18 Taka	01-Jan-17 to 30-Sep-17 Taka	01-Jul-18 to 30-Sep-18 Taka	01-Jul-17 to 30-Sep-17 Taka
OPERATING INCOME				
Interest income/profit on investments	13,581,125,999	9,829,957,019	4,792,304,868	3,416,174,750
Interest paid/profit on deposits and borrowings, etc.	(9,875,521,673)	(7,251,585,928)	(3,548,802,414)	(2,588,053,425)
Net Interest Income	**3,705,604,326**	**2,578,371,090**	**1,243,502,455**	**828,121,326**
Investment income	1,621,633,407	2,159,939,400	544,003,587	987,158,101
Commission & exchange earnings	1,782,079,262	1,891,588,225	622,626,988	574,976,349
Other operating income	160,107,814	149,933,888	41,566,857	19,873,540
Total operating income (a)	**7,269,424,809**	**6,779,832,604**	**2,451,699,886**	**2,410,129,317**
Operating Expenses				
Salary and allowances	1,618,947,982	1,602,307,785	531,963,973	618,965,239
Rent, taxes, insurance, electricity, etc.	482,997,085	455,326,426	163,643,439	166,320,139
Legal expenses	37,885,597	11,044,071	12,384,715	2,392,200
Postage, stamps, telecommunication, etc.	68,387,595	57,879,839	25,926,182	10,518,657
Stationery, printing, advertisement, etc.	122,521,399	100,328,318	33,529,402	33,499,104
Chief executive's salary and fees	11,943,500	11,915,000	4,324,000	3,950,000
Directors' fees	2,305,540	2,408,130	772,800	624,640
Auditors' fees	1,050,000	1,035,000	1,035,000	1,035,000
Charges on Loan Losses	175,460,319	-	69,364,517	-
Depreciation and repairs of Bank's assets	346,031,858	261,933,030	113,457,394	86,199,827
Other expenses	492,528,291	485,455,963	189,018,110	166,710,101
Total operating expenses (b)	**3,360,059,167**	**2,989,633,561**	**1,145,419,532**	**1,090,214,906**
Profit before provision & Taxes (c = (a-b))	**3,909,365,642**	**3,790,199,043**	**1,306,280,354**	**1,319,914,411**
Provision against loans and advances	1,809,418,970	1,801,854,874	564,731,569	477,368,888
Provision against good borrower	-	-	-	-
Provision for diminution in value of investments	-	-	-	-
Other Provisions	228,035,596	162,238,817	46,677,626	55,852,054
Total provision (d)	**2,037,454,566**	**1,964,093,691**	**611,409,195**	**533,220,942**
Profit before taxation (c-d)	**1,871,911,076**	**1,826,105,352**	**694,871,159**	**786,693,469**
Provision for taxation	857,994,282	847,120,620	283,410,082	348,120,319
Provision for Current Tax	802,424,027	843,920,620	230,539,827	344,920,319
Provision for Deferred Tax	55,570,255	3,200,000	52,870,255	3,200,000
Net profit after taxation	**1,013,916,794**	**978,984,732**	**411,461,077**	**438,573,150**
Appropriations				
Statutory reserve	374,382,215	365,221,070	138,974,232	157,338,694
General reserve	-	(115,519,953)	-	-
Dividends etc.	902,869,650	1,031,851,026	-	-
Retained earnings	690,131,965	639,701,861	272,486,845	281,234,456
	1,967,383,831	**1,921,254,005**	**411,461,077**	**438,573,150**
Earning per Share (EPS) [Restated]	**1.25**	**1.20**	**0.51**	**0.54**

Dhaka Bank Limited

Cash Flow Statement
For the period ended 30 September 2018

Particulars	Jan-18 to 30 Sep-18 Taka	Jan-17 to 30 Sep-17 Taka
Cash Flow From Operating Activities		
Interest / Profit receipts	15,322,948,644	11,951,382,369
Interest / Profit payments	(9,535,502,288)	(7,157,628,079)
Dividend receipts	-	-
Recovery of loans previously written off	20,237,245	17,644,646
Fee and commission receipts	1,236,456,242	965,216,800
Payments to employees	(1,630,891,482)	(1,636,676,222)
Payments to suppliers	(229,844,592)	(142,052,847)
Income taxes paid	(1,271,055,962)	(1,109,715,341)
Receipts from other operating activities	178,051,994	167,455,861
Payments for other operating activities	(1,056,692,987)	(992,764,587)
Operating profit before changes in current assets & liabilities	**3,033,706,816**	**2,062,862,600**
Increase / Decrease in operating assets and liabilities:		
Purchase / Sale of trading securities	(24,272,435)	11,794,635
Loans and advances to customers	(19,723,743,318)	(12,135,910,289)
Other assets	(3,021,352,157)	(6,211,026,157)
Deposits from other banks	(2,556,660,014)	4,779,876,121
Deposits from customers	18,616,740,068	5,011,407,048
Other liabilities account of customers	(49,672,237)	(93,233,910)
Other liabilities	1,601,608,548	973,256,582
Net cash flow from operating activities (A)	**(2,123,644,729)**	**(5,600,973,371)**
Cash Flow From Investing Activities		
Proceeds from sale of securities	6,426,000	811,202
Sale/ (Purchase) of securities	(2,856,203,639)	(3,131,010,999)
Purchase of property, plant & equipment	861,445,428	(218,689,210)
Proceeds from sale of fixed assets	369,626	311,640
Purchase / sale of subsidiary	-	-
Net cash used in investing activities (B)	**(1,987,962,585)**	**(3,348,577,367)**
Cash Flow From Financing Activities		
Borrowing from other banks	3,444,077,332	11,718,449,293
Issuance of Non Convertible Subordinated Bond	5,000,000,000	-
Redemption of Non Convertible Subordinated Bond	-	-
Dividends paid	-	(687,900,686)
Net cash flow from financing activities (C)	**8,444,077,332**	**11,030,548,607**
Net increase / (Decrease) in cash (A+B+C)	**4,332,470,017**	**2,080,997,870**
Effects of exchange rate changes on cash & cash equivalent	507,071,968	857,487,225
Opening cash & cash equivalent as at 1 January, 2018	24,924,708,656	28,941,560,751
Closing Cash and cash equivalents at end of period (*)	**29,764,250,641**	**31,880,045,845**
Closing cash & cash equivalents		
Cash in Hand	2,524,117,419	2,015,477,536
Balance with Bangladesh Bank & Sonali Bank	11,202,395,581	14,062,614,122
Balance with other banks & Financial Institutions	16,022,578,141	15,785,593,687
Money at call & Short Notice	11,300,000	11,300,000
Prize Bond	3,859,500	5,060,500
Total	**29,764,250,641**	**31,880,045,845**
Net Operating Cash Flow per Share (NOCFPS)	**(2.61)**	**(6.89)**

Dhaka Bank Limited

Statement of Changes in Equity
For the period ended 30 September 2018

(Amount in Taka)

Particulars	Paid up capital	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment Revaluation Reserve	Retained Earnings	Total
Balance as at 1 January 2018	7,222,957,200	6,418,181,801	6,560,631	622,516,800	21,562,316	953,467,037	15,245,245,785
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	**7,222,957,200**	**6,418,181,801**	**6,560,631**	**622,516,800**	**21,562,316**	**953,467,037**	**15,245,245,785**
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(641,155)	-	(641,155)
Currency transaction differences	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	20,921,161	-	-
Net Profit for the period	-	-	-	-	-	1,013,916,794	1,013,916,794
Adjustment for deferred tax	-	-	-	-	-	-	-
Transfer to reserve							-
Dividend:							-
Stock dividend	902,869,650	-	-	-	-	(902,869,650)	-
Cash dividend	-	-	-	-	-	-	-
Changes in reserve	-	374,382,215	-	-	-	(374,382,215)	-
Balance as at 30 September 2018	**8,125,826,850**	**6,792,564,016**	**6,560,631**	**622,516,800**	**20,921,161**	**690,131,965**	**16,258,521,424**

Dhaka Bank Limited and its Subsidiaries

Notes to the Consolidated & Separate Financial Statements
As at and for the period ended 30 September 2018

1. Dhaka Bank Limited: A Brief Profile

The Dhaka Bank Limited (the "Bank") was incorporated in Bangladesh as a public limited company as on 06 April 1995 under the Companies Act, 1994 and commenced commercial operation on 05 July 1995. Now it has 100 branches all over Bangladesh which includes 63 urban and 37 rural branches, two offshore banking units at DEPZ & CEPZ, and 03 SME Service Centers. Out of the above, 2 branches of the bank are run under Islamic Shariah, the modus operandi of which is substantially different from other non-Islamic branches.

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

The principal place of business is the registered office at 100, Motijheel Commercial Area, Biman Bhaban, Dhaka-1000, Bangladesh. Its corporate office is located at 71, Purana Paltan Lane, Dhaka-1000.

1.1 Subsidiaries of the Bank

Bank has two subsidiaries of which Dhaka Bank Securities Limited has been in operations. It was formed to carry out the stock broker and stock dealer activities of Capital Market Services Division of the Bank. The other subsidiary, Dhaka Bank Investment Limited, is yet to start full-fledged business operations which will be commenced after getting license from BSEC. DBIL is intended 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.

1.2 Dhaka Bank Foundation

The Bank has a dedicated philanthropic unit named Dhaka Bank Foundation which has been operating since 28 July 2004.

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

2.1 Statement of compliance

The financial statements of the Bank and its subsidiaries (the "Group") as at and for the period ended 30 September 2018 have been prepared in accordance with the first schedule of Bank Companies Act, 1991, BRPD Circular No. 14 dated 25 June 2003, other Bangladesh Bank circulars, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Listing Regulations of the Stock Exchanges, the Securities and Exchange Rules 1987 and other laws and rules applicable in Bangladesh. In case the requirement of Bangladesh Bank differs with those of BAS/BFRS, the requirement of Bangladesh Bank has been applied.

The operations of Islamic Banking branches are accounted for in accordance with Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions for which a separate set of books and records are being maintained.

2.2 Functional and presentation currency

These consolidated financial statements of the Group and the separate financial statements of the Bank are presented in BDT which is the Group's and the Bank's functional currency except OBU where functional currency is US Dollar (USD). All financial information presented in BDT has been rounded to the nearest integer, except when otherwise indicated.

2.3 Use of estimates and judgments

The preparation of the consolidated financial statements of the Group and the separate financial statements of the Bank in conformity with BFRSs require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected.

Significant accounting policies

The accounting policies set out have been applied consistently to all periods presented in these financial statements, and have been applied consistently by group entities, except otherwise instructed by the Central Bank as prime regulator.

The financial statements of subsidiaries which are included in 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.

Certain comparative amounts in these financial statements have been reclassified and rearranged to conform to the current period's presentation.

2.4 Basis of consolidation

Subsidiaries (investees) are entities controlled by the parent (the bank). Control exists when the bank has the power over the subsidiaries that give right to direct relevant activities, exposure, or rights, to variable returns from its involvement with these subsidiaries, and the ability to use its power over the subsidiaries to affect the amount of the bank's returns.

The consolidated financial statements incorporate the financial statements of the Bank and those of its subsidiaries from the date that control commences until the date that control ceases. The financial statements of such subsidiary companies are incorporated on a line by line basis and the investments held by the bank are eliminated against the corresponding share capital of subsidiaries in the consolidated financial statements.

Intra-group balances and transactions, and any incomes and expenses arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements.

2.5 Cash Flow Statement

Cash Flow Statement is prepared in accordance with Bangladesh Accounting Standard (BAS) 7 'Cash Flow Statement' and under the guideline of Bangladesh Bank BRPD Circular No. 14 dated 25 June 2003. The Statement shows the Structure of Changes in cash and cash equivalents during the period.

2.6 Statement of Changes in Equity

Statement of changes in Equity is prepared in accordance with Bangladesh Accounting Standard (BAS) 1 'Presentation of Financial Statements' and relevant guidelines of Bangladesh Bank.

2.7 Earnings per share

Earnings per share (EPS) has been computed by dividing the profit after tax (PAT) by the number of ordinary shares outstanding as on 30 September 2018 as per BAS- 33 "Earnings Per Share". Diluted earnings per share were not required to calculate as there were no dilution possibilities during the period.

2.8 Others

2.8.1 Reporting Period

The reporting period of these financial statements of the Group and the Bank cover from 01 January 2018 to 30 September 2018.

2.8.2 Review of the Financial Statements

These financial statements were reviewed by the Audit Committee of the Board in its 86th meeting held on October 23, 2018 and was subsequently approved by the Board of Directors in its 336th meeting held on October 30, 2018.

2.8.3 Variance in Net Interest Income

Net Interest Incomeof the Bank for the period of Jan-Sep '18 was 370. 56 Crore against 257.84 Crore BDT for the corresponding period of 2017 and depicted 44% growth. 13% growth in Loans & Advances contributed most in this period-over-period year growth.

2.8.4 Variance in Net Cash Flow from Operating Activities

Net Cash Flow from Operating Activities of the Bankfor the period of Jan-Sep '18 was (212.36) Crore BDT against (560.10) Crore BDT for the corresponding period of 2017 and depicted significant growth. Increase of 1,861 Crore BDT & 160 Crore BDT respectively in Depositsfrom Customers and Other Liabilities contributed most in this growth.

Disclosures related to Q3 Financial Statements: September 30, 2018

SL	Particulars	30.09.2018 Taka	30.09.2017 Taka
1	**Composition of Shareholders' Equity:**		
	Solo:	**16,258,521,424**	**14,735,185,683**
	Paid-up capital	8,125,826,850	7,222,957,200
	Statutory reserve	6,792,564,016	6,215,559,850
	General reserve	6,560,631	6,560,631
	Assets revaluation reserve	622,516,800	622,516,800
	Investment revaluation reserve	20,921,161	27,889,341
	Retained earnings	690,131,965	639,701,861
	Consolidated:	**16,853,875,352**	**15,305,482,169**
	Paid-up capital	8,125,826,850	7,222,957,200
	Statutory reserve	6,792,564,016	6,215,559,850
	General reserve	6,560,631	6,560,631
	Assets revaluation reserve	622,516,800	622,516,800
	Investment revaluation reserve	20,921,161	27,889,341
	Investment Fluctuation Fund	33,700,000	35,000,000
	Retained earnings	1,251,727,293	1,174,942,252
	Non-controlling interest	58,601	56,095
	No. of Ordinary Shares Outstanding (Tk.10 each)	**812,582,685**	**722,295,720**
2	**Net Asset Value Per Share**		
	Shareholders' Equity (Solo) [A1]	16,258,521,424	14,735,185,683
	Shareholders' Equity (Consolidated) [A2]	16,853,875,352	15,305,482,169
	No. of Ordinary Shares Outstanding (Tk.10 each) [B]	812,582,685	722,295,720
	Net Asset Value (NAV) per Share (Solo) [Restated] [A1/B]	20.01	18.13
	Net Asset Value (NAV) per Share (Consol) [Restated] [A2/B]	20.74	18.84
3	**Earnings per Share [EPS]**		
	Net profit after taxation [Solo] [E1]	1,013,916,794	978,984,732
	Net profit after taxation [Consolidated] [E2]	1,026,635,202	1,080,028,982
	No. of Ordinary Shares Outstanding (Tk.10 each) [B]	812,582,685	722,295,720
	Basic EPS:		
	Earnings per Share [EPS] [Solo] [E1/B]	1.25	1.36
	Earnings per Share [EPS] [Consolidated] [E2/B]	1.26	1.50
	Restated EPS:		
	Earnings per Share [EPS] [Solo] [E1/812,582,685]	1.25	1.20
	Earnings per Share [EPS] [Consolidated] [E2/812,582,685]	1.26	1.33
4	**Net Operating Cash Flows per Share (NOCFPS)**		
	Net cash flow from operating activities- Solo [A1]	(2,123,644,729)	(5,600,973,371)
	Net cash flow from operating activities- Consolidated [A2]	(2,497,399,657)	(5,638,829,256)
	No. of Ordinary Shares Outstanding (Tk.10 each) [B]	812,582,685	722,295,720
	NOCFPS [Solo-Restated] [A1/B]	(2.61)	(6.89)
	NOCFPS [Consol-Restated] [A2/B]	(3.07)	(6.94)
5	**Reconciliation of Net Profit after Taxation with Cash Flows from Operating Activities before changes in Operating Assets & Liabilities as on 30.09.2018:**	**Solo**	**Consolidated**
	Net profit after taxation	1,013,916,794	1,026,635,202
	Provision for taxation	857,994,