The City Bank Limited

Report and Financial Statements as at and for the year ended 31 December 2017

Independent auditor's report to the shareholders of The City Bank Limited

Report on the financial statements

We have audited the accompanying consolidated financial statements of The City Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of The City Bank Limited (the "Bank"), which comprise the consolidated balance sheet and the separate balance sheet as at 31 December 2017, and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements and internal controls

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note 2.1 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and also separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2017, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.1.

Emphasis of matter

We draw attention to note 3.24 to the financial statements where management explained voluntary change in accounting policy for subsequent measurement basis of the Bank's land and building, and reversion from "revaluation model to 'cost model'. Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report the following:

a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
b) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:
   i) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note 50 of the financial statements appeared to be materially adequate; and
   ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities other than matters disclosed in these financial statements;
c) financial statements of the subsidiaries of the Bank have been audited by other auditors and have been properly reflected in the consolidated financial statements;
d) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
f) the expenditure incurred was for the purposes of the Bank's business;
g) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
h) adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
i) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
j) the information and explanation required by us have been received and found satisfactory; and
k) we have reviewed over 80% of the risk weighted assets of the Bank and have spent around 3,500 person hours for the audit of the books and accounts of the Bank.

Dhaka, 30 April 2018

Hoda Vasi Chowdhury & Co
Chartered Accountants

Consolidated Balance Sheet as at 31 December 2017

PROPERTY AND ASSETS	Note	2017 Taka	2016 (Restated) Taka
Cash			
In hand (including foreign currencies)	4	4,447,800,960	3,788,022,776
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4.a.2	19,339,302,948	20,696,275,735
		23,787,103,908	**24,484,298,511**
Balance with other banks and financial institutions	5		
In Bangladesh		12,704,276,112	13,180,057,080
Outside Bangladesh		989,369,438	905,615,423
		13,693,645,550	**14,085,672,503**
Money at call and short notice	6	**89,379,167**	**91,379,167**
Investments	7		
Government		22,099,527,532	22,048,912,713
Others		9,832,026,841	5,847,199,905
		31,931,554,373	**27,896,112,618**
Loans and advances/investments	8		
Loans, cash credits, overdrafts, etc./investments		192,350,678,263	168,770,828,388
Bills purchased and discounted	9	4,722,154,652	7,275,392,955
		197,072,832,915	**176,046,221,342**
Fixed assets including premises, furniture and fixtures	10	3,642,729,555	3,470,156,210
Other assets	11	6,968,167,092	7,723,972,014
Non-banking assets	12	881,668,179	956,925,360
Total assets		**278,067,080,739**	**254,754,737,726**
LIABILITIES AND CAPITAL			
Liabilities			
Tier-II subordinated bond	13	**7,250,000,000**	**3,000,000,000**
Borrowings from other banks, financial institutions and agents	14	**38,729,567,834**	**31,695,262,081**
Deposits and other accounts	15		
Current deposits and other accounts		25,072,617,911	24,384,173,334
Bills payable		1,355,732,100	1,587,153,855
Savings bank deposits		39,082,904,954	34,994,257,334
Fixed deposits		117,391,667,208	113,451,963,172
Bearer certificate of deposit		-	-
		182,902,922,173	**174,417,547,694**
Other liabilities	16	**23,005,504,719**	**25,785,244,407**
Total liabilities		**251,887,994,727**	**234,898,054,183**
Capital/shareholders' equity			
Paid up capital	17	9,218,926,640	8,757,980,310
Statutory reserve	18	7,130,574,430	6,100,191,727
Share premium	19	1,504,388,797	660,857,013
Dividend equalization reserve	20	530,786,631	176,928,877
Other reserve	21	4,848,228,604	1,175,294,835
Surplus in profit and loss account	22	2,946,080,404	2,985,335,511
Total shareholders' equity		**26,178,985,506**	**19,856,588,273**
Non controlling interest	23	100,506	95,268
Total equity		**26,179,086,012**	**19,856,683,541**
Total liabilities and shareholders' equity		**278,067,080,739**	**254,754,737,726**

OFF-BALANCE SHEET ITEMS	Note	2017 Taka	2016 (Restated) Taka
Contingent liabilities			
Acceptances and endorsements		32,956,408,937	18,676,525,600
Letters of guarantee	24.1	13,060,162,726	8,308,768,437
Irrevocable letters of credit	24.2	36,220,551,100	14,504,592,520
Bills for collection	24.3	14,166,143,046	14,667,819,982
Other contingent liabilities		-	-
Total		**96,403,265,809**	**56,157,706,538**
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed	24.4	2,441,633,159	4,862,653,604
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Other commitments		-	-
Total		**2,441,633,159**	**4,862,653,604**
Total Off-Balance Sheet items including contingent liabilities		**98,844,898,968**	**61,020,360,142**

The annexed notes 1 to 50 form an integral part of these financial statements.

Managing Director & CEO | Director | Director | Chairman

As per our report of same date.

Auditor

Dhaka, 30 April 2018

Consolidated Profit and Loss Account for the year ended 31 December 2017

	Note	2017 Taka	2016 (Restated) Taka
Interest income/profit on investments	26	16,819,464,242	16,057,152,921
Interest paid/profit shared on deposits and borrowings etc.	27	(9,280,207,856)	(9,545,962,641)
Net interest income/profit on investments		**7,539,256,385**	**6,511,190,280**
Investment income	28	3,030,038,998	4,823,836,672
Commission, exchange and brokerage	29	3,308,317,471	2,423,967,973
Other operating income	30	1,311,310,878	1,049,681,156
		7,649,667,346	**8,297,485,801**
Total operating income (A)		**15,188,923,731**	**14,808,676,082**
Operating expenses			
Salaries and allowances	31	4,363,800,589	3,758,069,767
Rent, taxes, insurance, electricity, etc.	32	982,785,601	781,216,595
Legal expenses	33	52,845,795	38,273,353
Postage, stamp, telecommunication, etc.	34	83,280,499	92,772,113
Stationery, printing, advertisements, etc.	35	216,463,541	165,524,753
Chief Executive's salary and fees	36	17,594,152	16,939,300
Directors' fees	37	1,992,576	2,662,166
Auditors' fees		2,755,036	2,590,339
Depreciation and repair	38	1,037,214,890	978,189,396
Other expenses	39	1,628,213,112	1,251,169,537
Total operating expenses (B)		**8,386,945,792**	**7,087,407,319**
Profit before provision (C = A-B)		**6,801,977,939**	**7,721,268,763**
Provision for loans and advances/investments	40	(1,227,377,728)	(2,014,646,765)
Provision for off-balance sheet exposures		(180,000,000)	(133,000,000)
Other provision		(280,515,486)	658,880
Total provision (D)		**(1,687,893,215)**	**(2,146,987,885)**
Total profit before tax (E = C+D)		**5,114,084,725**	**5,574,280,878**
Provision for taxation (F)	41		
Current tax expense		(1,892,815,199)	(1,716,485,289)
Deferred tax income/(expense)		237,408,927	146,204,483
Total provision for tax		**(1,655,406,271)**	**(1,570,280,806)**
Net profit after tax (G = E+F)		**3,458,678,453**	**4,004,000,071**
Net profit after tax attributable to:			
Equity holders of the bank		3,458,668,899	4,003,997,676
Non-controlling interest		9,554	2,395
		3,458,678,453	**4,004,000,071**
Appropriations			
Statutory reserve		1,030,382,703	1,093,121,420
General reserve		-	-
		1,030,382,703	1,093,121,420
Retained surplus for the year		**2,428,286,196**	**2,910,876,256**
Earnings per share (EPS)	46	**3.90**	**4.57**

The annexed notes 1 to 50 form an integral part of these financial statements.

Managing Director & CEO | Director | Director | Chairman

As per our report of same date.

Auditor

Dhaka, 30 April 2018

Consolidated Statement of Changes in Equity for the year ended 31 December 2017

Particulars	Attributable to the equity holders of the Bank: Paid up capital	Statutory reserve	Share premium / Share Premium	General reserve	Revaluation gain/(loss) on investments	Dividend Equalization Reserve	Surplus in profit and loss account	Total	Non controlling interest	Total equity
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 1 January 2017	8,757,980,310	6,100,191,727	660,857,013	11,394,928	1,163,899,907	176,928,877	2,985,335,511	19,856,588,273	95,268	19,856,683,541
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	3,672,933,769	-	-	3,672,933,769	-	3,672,933,769
Currency translation differences	-	-	-	-	-	-	9,462,972	9,462,972	-	9,462,972
Adjustment of revaluation reserve with retained earnings for charging depreciation of revalued carrying amount	-	-	-	-	-	-	-	-	-	-
Net profit/(loss) for the year	-	-	-	-	-	-	3,458,668,899	3,458,668,899	9,554	3,458,678,453
Adjustment for inter company (cash dividend receipts)	-	-	-	-	-	-	219,995,684	219,995,684	-	219,995,684
Fresh issue of shares	460,946,330	-	843,531,784	-	-	-	-	1,304,478,114	-	1,304,478,114
Transfer to dividend equalization fund*	-	-	-	-	-	353,857,754	(353,857,754)	-	-	-
Dividend (Cash)	-	-	-	-	-	-	(2,343,142,205)	(2,343,142,205)	(4,316)	(2,343,146,521)
Appropriation made during year	-	1,030,382,703	-	-	-	-	(1,030,382,703)	-	-	-
Balance as at 31 December 2017	**9,218,926,640**	**7,130,574,430**	**1,504,388,797**	**11,394,928**	**4,836,833,676**	**530,786,631**	**2,946,080,403**	**26,178,985,505**	**100,506**	**26,179,086,011**

For the year ended 31 December 2016 (Restated)

Particulars	Attributable to the equity holders of the Bank: Paid up capital	Statutory reserve	Share premium / Share Premium	Asset revaluation reserve	General reserve	Revaluation gain/(loss) on investments	Dividend Equalization Reserve	Surplus in profit and loss account	Total	Non controlling interest	Total equity
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 1 January 2016	8,757,980,310	5,002,816,644	660,857,013	4,690,126,740	11,394,928	3,298,220,345		2,159,706,674	24,581,102,654	2,534,779	24,583,637,433
Adjustment for changing accounting policy for fixed assets		4,253,663		(4,690,126,740)				17,014,654	(4,668,858,423)		(4,668,858,423)
Balance as at 1 January 2016 (restated)	8,757,980,310	5,007,070,307	660,857,013		11,394,928	3,298,220,345		2,176,721,328	19,912,244,231	2,534,779	19,914,779,010
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	(2,134,320,438)	-	-	(2,134,320,438)	-	(2,134,320,438)
Currency translation differences	-	-	-	-	-	-	-	18,444,112	18,444,112	-	18,444,112
Adjustment of revaluation reserve with retained earnings for charging depreciation of revalued carrying amount	-	-	-	-	-	-	-	-	-	-	-
Net profit/(loss) for the year	-	-	-	-	-	-	-	4,003,997,676	4,003,997,676	2,395	4,004,000,071
Adjustment for inter company (cash dividend receipts)	-	-	-	-	-	-	-	79,998,432	79,998,432	-	79,998,432
Minority Interest accusation	-	-	-	-	-	-	-	2,440,339	2,440,339	(2,440,339)	-
Dividend (bonus share)	-	-	-	-	-	-	-	-	-	-	-
Transfer to dividend equalization fund*	-	-	-	-	-	-	176,928,877	(176,928,877)	-	-	-
Dividend (Cash)	-	-	-	-	-	-	-	(2,026,216,078)	(2,026,216,078)	(1,569)	(2,026,217,646)
Appropriation made during year	-	1,093,121,420	-	-	-	-	-	(1,093,121,420)	-	-	-
Balance as at 31 December 2016 (Restated)	**8,757,980,310**	**6,100,191,727**	**660,857,013**	**-**	**11,394,928**	**1,163,899,907**	**176,928,877**	**2,985,335,511**	**19,856,588,273**	**95,268**	**19,856,683,541**

The annexed notes 1 to 50 form an integral part of these financial statements.

Consolidated Cash Flow Statement for the year ended 31 December 2017

		Note	2017 Taka	2016 (Restated) Taka
A)	**Cash flows from operating activities**			
	Interest receipts/investment income receipts in cash		16,683,356,217	16,131,418,614
	Interest payments/profit paid on deposits		(12,108,363,675)	(7,148,073,279)
	Dividend receipts		402,956,965	356,141,846
	Fees and commission receipts in cash		1,945,423,622	1,609,345,890
	Recoveries of loans previously written-off	16.a.1	187,182,883	592,977,114
	Cash payments to employees		(4,383,976,792)	(3,562,576,047)
	Cash payments to suppliers		(131,639,364)	(89,736,106)
	Income taxes paid		(1,638,049,715)	(1,974,674,084)
	Receipts from other operating activities	42	4,646,361,630	5,454,692,081
	Payments for other operating activities	43	(3,304,539,140)	(2,625,900,598)
	Cash generated from operating activities before changes in operating assets and liabilities (i)		**2,298,712,631**	**8,743,615,431**
	Increase/decrease in operating assets and liabilities			
	Loans and advances to customers		(21,026,611,573)	(33,031,549,178)
	Other assets	44	896,547,697	(825,763,692)
	Deposits from other banks/borrowings		7,575,910,722	6,947,916,216
	Deposits from customers		7,946,437,032	33,679,404,658
	Other liabilities	45	(2,145,472,110)	(2,444,283,162)
	Cash generated from operating assets and liabilities (ii)		**(6,753,188,232)**	**4,325,724,842**
	Net cash flow from operating activities (i+ii)		**(4,454,475,601)**	**13,069,340,273**
B)	**Cash flows from investing activities**			
	Proceeds from sale of securities		(273,550,603)	(1,445,267,273)
	Payment for purchase of securities		(5,080,723,720)	1,518,144,258
	Purchase/sale of property, plant and equipment		(1,066,409,434)	(649,372,306)
	Net cash used in investing activities		**(6,420,683,756)**	**(576,495,321)**
C)	**Cash flows from financing activities**			
	Issuance of tier-II subordinated bond		5,000,000,000	-
	Redeemed of tier-II subordinated bond - (i)		(750,000,000)	-
	Receipts for issue of ordinary shares		1,304,478,114	-
	Dividend paid		(2,123,146,521)	(2,029,187,172)
	Net cash from financing activities		**3,431,331,593**	**(2,029,187,172)**
D)	**Net increase in cash and cash equivalents (A+B+C)**		(7,443,827,764)	10,463,657,780
E)	**Effects of exchange rate changes on cash and cash equivalents**		1,381,482,815	831,457,285
F)	**Cash and cash equivalents at beginning of the year**		45,997,979,984	34,702,864,919
G)	**Cash and cash equivalents at end of the year (D+E+F)**		**39,935,635,035**	**45,997,979,984**
	Cash and cash equivalents at end of the year consists of:			
	Cash in hand (including foreign currencies)		4,447,800,960	3,788,022,776
	Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		19,339,302,948	20,696,275,735
	Balance with other banks and financial institutions		13,693,645,550	14,085,672,503
	Money at call and short notice		89,379,167	91,379,167
	Government securities		2,365,506,410	7,336,629,802
			39,935,635,035	**45,997,979,984**

The annexed notes 1 to 50 form an integral part of these financial statements.

Balance Sheet as at 31 December 2017

PROPERTY AND ASSETS	Note	2017 Taka	2016 (Restated) Taka
Cash			
In hand (including foreign currencies)	4.a.1	4,447,677,389	3,787,829,631
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	4.a.2	19,339,302,948	20,696,275,735
		23,786,980,337	**24,484,105,366**
Balance with other banks and financial institutions	5.a		
In Bangladesh		12,125,956,169	12,187,706,470
Outside Bangladesh		603,628,965	661,120,028
		12,729,585,134	**12,848,826,498**
Money at call and short notice	6	**89,379,167**	**91,379,167**
Investments	7.a		
Government		22,099,527,532	22,048,912,713
Others		3,408,912,369	2,383,242,864
		25,508,439,902	**24,432,155,577**
Loans and advances/investments	8.a		
Loans, cash credits, overdrafts, etc./investments		191,873,705,133	167,749,683,704
Bills purchased and discounted	9	4,722,154,652	7,275,392,955
		196,595,859,784	**175,025,076,659**
Fixed assets including premises, furniture and fixtures	10.a	3,277,030,329	3,437,235,921
Other assets	11.a	12,662,485,803	13,500,653,120
Non-banking assets	12	881,668,179	956,925,360
Total assets		**275,531,428,634**	**254,776,357,668**
LIABILITIES AND CAPITAL			
Liabilities			
Tier-II subordinated bond	13	**7,250,000,000**	**3,000,000,000**
Borrowings from other banks, financial institutions and agents	14.a	**37,906,297,408**	**31,695,262,081**
Deposits and other accounts	15.a		
Current deposits and other accounts		25,512,834,069	24,512,543,307
Bills payable		1,355,732,100	1,587,153,855
Savings bank deposits		39,082,904,954	34,994,257,334
Fixed deposits		117,541,293,344	113,601,078,193
Bearer certificate of deposit		-	-
		183,492,764,467	**174,695,032,689**
Other liabilities	16.a	**22,013,024,611**	**24,732,977,227**
Total liabilities		**250,662,086,487**	**234,123,271,997**
Capital/shareholders' equity			
Paid up capital	17.2	9,218,926,640	8,757,980,310
Statutory reserve	18	7,130,574,430	6,100,191,727
Share premium	19	1,504,388,797	660,857,013
Dividend equalization reserve	20	530,786,631	176,928,877
Other reserve	21.a	2,519,404,380	1,112,928,213
Surplus in profit and loss account	22.a	3,965,261,269	3,844,199,530
Total shareholders' equity		**24,869,342,148**	**20,653,085,670**
Total liabilities and shareholders' equity		**275,531,428,634**	**254,776,357,668**

OFF-BALANCE SHEET ITEMS	Note	2017 Taka	2016 (Restated) Taka
Contingent liabilities			
Acceptances and endorsements		32,956,408,937	18,676,525,600
Letters of guarantee	24.1	13,060,162,726	8,308,768,437
Irrevocable letters of credit	24.2	36,220,551,100	14,504,592,520
Bills for collection	24.3	14,166,143,046	14,667,819,982
Other contingent liabilities		-	-
Total		**96,403,265,809**	**56,157,706,538**
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed	24.4	2,441,633,159	4,862,653,604
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Other commitments		-	-
Total		**2,441,633,159**	**4,862,653,604**
Total Off-Balance Sheet items including contingent liabilities		**98,844,898,968**	**61,020,360,142**

The annexed notes 1 to 50 form an integral part of these financial statements.

Managing Director & CEO | Director | Director | Chairman

As per our report of same date.

Auditor

Dhaka, 30 April 2018

Profit and Loss Account for the year ended 31 December 2017

	Note	2017 Taka	2016 (Restated) Taka
Interest income/profit on investments	26.a	16,783,958,930	16,042,227,272
Interest paid/profit shared on deposits and borrowings etc.	27.a	(9,288,627,591)	(9,565,268,460)
Net interest income/profit on investments		**7,495,331,339**	**6,476,958,812**
Investment income	28.a	2,790,987,000	4,745,837,129
Commission, exchange and brokerage	29.a	2,851,849,621	2,125,263,521
Other operating income	30.a	1,777,944,806	1,047,663,376
		7,420,781,427	**7,918,764,026**
Total operating income (A)		**14,916,112,766**	**14,395,722,838**
Salaries and allowances	31	4,209,317,272	3,637,129,519
Rent, taxes, insurance, electricity, etc.	32.a	911,604,504	729,397,902
Legal expenses	33.a	50,601,079	36,338,906
Postage, stamp, telecommunication, etc.	34.a	77,304,848	86,933,721
Stationery, printing, advertisements, etc.	35.a	210,914,296	160,933,282
Chief Executive's salary and fees	36	17,594,152	16,939,300
Directors' fees	37.a	1,758,000	2,203,000
Auditors' fees		2,328,250	2,127,000
Depreciation and repair of Bank's assets	38.a	1,019,049,698	962,903,259
Other expenses	39.a	1,546,153,421	1,223,909,848
Total operating expenses (B)		**8,046,625,520**	**6,858,815,736**
Profit before provision (C = A-B)		**6,869,487,246**	**7,536,907,102**
Provision for loans and advances/investments	40.a	(1,257,823,728)	(1,938,300,000)
Provision for off-balance sheet exposures		(180,000,000)	(133,000,000)
Other provision	40.b	(279,750,000)	-
Total provision (D)		**(1,717,573,728)**	**(2,071,300,000)**
Total profit before taxes (E = C+D)		**5,151,913,517**	**5,465,607,102**
Provision for taxation (F)	41.a		
Current tax expense		(1,765,196,934)	(1,656,130,855)
Deferred tax income/(expense)		241,732,134	146,236,463
Total provision for tax		**(1,523,464,800)**	**(1,509,894,392)**
Net profit after tax (G = E+F)		**3,628,448,718**	**3,955,712,710**
Appropriations			
Statutory reserve		1,030,382,703	1,093,121,420
General reserve		-	-
		1,030,382,703	1,093,121,420
Retained surplus for the year		**2,598,066,015**	**2,862,591,290**
Earnings per share (EPS)	46.a	**4.09**	**4.52**

The annexed notes 1 to 50 form an integral part of these financial statements.

Managing Director & CEO | Director | Director | Chairman

As per our report of same date.

Auditor

Dhaka, 30 April 2018

Statement of Changes in Equity for the year ended 31 December 2017

Particulars	Paid-up capital	Statutory reserve	Share Premium	General reserve	Revaluation gain/(loss) on investment	Dividend Equalization Reserve	Surplus in profit and loss account	Total equity
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 1 January 2017	8,757,980,310	6,100,191,727	660,857,013	11,394,928	1,101,533,285	176,928,877	3,844,199,530	20,653,085,670
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	1,406,476,167	-	-	1,406,476,167
Adjustment for sale of revalued assets	-	-	-	-	-	-	-	-
Adjustment of revaluation reserve with retained earnings for charging depreciation of revalued carrying amount	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	-	3,628,448,718	3,628,448,718
Fresh issue of shares	460,946,330	-	843,531,784	-	-	-	-	1,304,478,114
Transfer to dividend equalization fund*	-	-	-	-	-	353,857,754	(353,857,754)	-
Dividend (Cash)	-	-	-	-	-	-	(2,123,146,521)	(2,123,146,521)
Appropriation made during year	-	1,030,382,703	-	-	-	-	(1,030,382,703)	-
Balance as at 31 December 2017	**9,218,926,640**	**7,130,574,430**	**1,504,388,797**	**11,394,928**	**2,508,009,452**	**530,786,631**	**3,965,261,269**	**24,869,342,148**

For the year ended 31 December 2016 (Restated)

Particulars	Paid-up capital	Statutory reserve	Share Premium	Asset Revaluation reserve	General reserve	Revaluation gain/(loss) on investment	Dividend Equalization Reserve	Surplus in profit and loss account	Total equity
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 1 January 2016	8,757,980,310	5,002,816,644	660,857,013	4,690,126,740	11,394,928	3,298,220,345		3,087,740,110	25,509,136,090
Adjustment for changing accounting policy for fixed assets		4,253,663		(4,690,126,740)				17,014,654	(4,668,858,423)
Balance as at 1 January 2016 (restated)	8,757,980,310	5,007,070,307	660,857,013	-	11,394,928	3,298,220,345		3,104,754,764	20,840,277,667
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	(2,196,687,060)	-	-	(2,196,687,060)
Adjustment for sale of revalued assets	-	-	-	-	-	-	-	-	-
Adjustment of revaluation reserve with retained earnings for charging depreciation of revalued carrying amount	-	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	-	-	3,955,712,710	3,955,712,710
Dividend (bonus share)	-	-	-	-	-	-	-	-	-
Transfer to dividend equalization fund*	-	-	-	-	-	-	176,928,877	(176,928,877)	-
Dividend (Cash)	-	-	-	-	-	-	-	(1,946,217,647)	(1,946,217,647)
Appropriation made during year	-	1,093,121,420	-	-	-	-	-	(1,093,121,420)	-
Balance as at 31 December 2016 (Restated)	**8,757,980,310**	**6,100,191,727**	**660,857,013**	**-**	**11,394,928**	**1,101,533,285**	**176,928,877**	**3,844,199,530**	**20,653,085,670**

The annexed notes 1 to 50 form an integral part of these financial statements.

Profit and Loss Account for the year ended 31 December 2017

Statement of Changes in Equity

		Note	2017 Taka	2016 (Restated) Taka
A)	**Cash flows from operating activities**			
	Interest receipts/investment income receipts in cash		16,648,103,419	16,116,492,965
	Interest payments/profit paid on deposits		(12,116,780,235)	(7,167,677,523)
	Dividend receipts		324,926,533	315,128,298
	Fees and commission receipts in cash		1,516,260,624	1,317,072,395
	Recoveries of loans previously written off	16.a.1	187,182,883	592,977,114
	Cash payments to employees		(4,226,329,907)	(3,444,068,819)
	Cash payments to suppliers		(126,913,657)	(85,278,736)
	Income taxes paid	11.a.3	(1,517,697,121)	(1,919,280,323)
	Receipts from other operating activities	42.a	4,412,316,004	5,356,933,457
	Payments for other operating activities	43.a	(3,131,638,762)	(2,534,268,870)
	Cash generated from operating activities before changes in operating assets and liabilities (i)		**1,969,429,780**	**8,548,029,957**
	Increase/decrease in operating assets and liabilities			
	Loans and advances to customers		(21,570,783,126)	(31,937,575,378)
	Other assets	44.a	899,477,189	(726,285,992)
	Deposits from other banks/borrowings		6,752,640,296	6,947,916,216
	Deposits from customers		8,256,126,810	33,633,655,551
	Other liabilities	45.a	(1,925,040,536)	(2,822,881,443)
	Cash generated from operating assets and liabilities (ii)		**(7,587,579,367)**	**5,094,828,954**
	Net cash from operating activities (i+ii)		**(5,618,149,586)**	**13,642,858,911**
B)	**Cash flows from investing activities**			
	Proceeds from sale of securities		419,149,227	548,772,953
	Payment for purchase of securities		(5,080,723,720)	1,518,144,258
	Purchase/sale of property, plant and equipment		(254,645,876)	(642,678,733)
	Investment in subsidiaries		(22,040,421)	(3,603,929,824)
	Net cash used in investing activities		**(4,938,260,791)**	**(2,179,691,346)**
C)	**Cash flows from financing activities**			
	Issuance of tier-II subordinated bond - (ii)		5,000,000,000	-
	Redeemed of tier-II subordinated bond - (i)		(750,000,000)	-
	Receipts for issue of ordinary shares		1,304,478,114	-
	Dividend paid		(2,123,146,521)	(1,946,217,647)
	Net cash from financing activities		**3,431,331,593**	**(1,946,217,647)**
D)	Net increase in cash and cash equivalents (A+B+C)		(7,125,078,784)	9,516,949,918
E)	Effects of exchange rate changes on cash and cash equivalents		1,335,588,997	808,191,126
F)	Cash and cash equivalents at beginning of the year		44,760,940,834	34,435,799,790
G)	**Cash and cash equivalents at end of the year (D+E+F)**		**38,971,451,047**	**44,760,940,834**
	Cash and cash equivalents at end of the year consists of:			
	Cash in hand (including foreign currencies)		4,447,677,389	3,787,829,631
	Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		19,339,302,948	20,696,275,735
	Balance with other banks and financial institutions		12,729,585,134	12,848,826,498
	Money at call and short notice		89,379,167	91,379,167
	Government securities		2,365,

The City Bank Limited

Report and Financial Statements as at and for the year ended 31 December 2017

Profit and Loss Account as at and for the year ended 31 December 2017
Statement of Changes in Equity

1. Reporting entity- The Bank and its activities

1.1 Legal Status and nature of the entity

The City Bank Limited ("the Bank") was incorporated as a public limited company in Bangladesh under The Companies Act 1913. It commenced its banking business from 14 March 1983 under the license issued by Bangladesh Bank. The Bank has 118 (2016:108) branches, 11 (2016: 11) SME/Agri branches and 1 SME centre in Bangladesh as at 31 December 2017. The Bank had no overseas branches as at 31 December 2017. Out of the above 130 branches, 1 branch is designated as Islamic Banking Branch complying with the rules of Islamic Shariah, the modus operandi of which is substantially different from other branches run on conventional basis. It has 339 (2016: 309) ATMs as at 31 December 2017. The Bank was listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded company on 03 February 1987 and 27 December 1995. It is operating as City Group with it's three subsidiaries.

The registered office of the Bank is located at 136, Bir Uttam Mir Shawkat Sarak (Gulshan Avenue), Gulshan-2, Dhaka-1212.

1.2 Principal activities of the Bank

The principal activities of the Bank are to provide wide array of financial products and services that includes all kind of conventional and Islamic banking services to its customers. It offers commercial banking, consumer banking, trade services, cash management, treasury, SME, retail, custodial services clearing services to its customers. These activities are conducted through its branches, SME centres, islamic windows, and vibrant alternative delivery channels (ATM booths, internet banking) in Bangladesh. The Bank also provides off-shore banking services through its Off-Shore Banking Units (OBU) and islami banking services through its Islamic Bank branch .

1.3 Off-Shore Banking

Off-Shore Banking Unit (OBU) is a separate business unit of the Bank, governed under the rules and guidelines of Bangladesh Bank. The Bank obtained the Off-Shore Banking Unit permission vide letter No. BRPD(P-3)744(101)/2010-4129 dated 10 November 2009. OBU provides varied financial needs of 100% foreign owned/joint venture industrial units and foreign entities located in Export Processing Zones of Bangladesh. Separate financial statements of Off-Shore Banking Unit are shown in Annexures J(1) and J(2).

1.4 Islamic Banking

The Bank obtained permission for Islamic Banking Branch from Bangladesh Bank vide letter no. BL/DA/6852/2003 dated 16 July 2003. Through the Islamic Banking Branch the Bank extends all types of Islamic Shariah compliant finance like lease, hire purchase shirkatul melk (HPSM), bai muazzal, household scheme etc. and different types of deposits like mudaraba/manarah savings deposits, mudaraba/manarah term deposits, al-wadeeah current deposits, monthly/ quarterly profit paying scheme etc. Separate financial statements of Islamic Banking Branch are shown in Annexures I(1) and I(2).

1.5 Subsidiaries of the Bank

The Bank has three subsidiaries. All of them have been in operations on the reporting date. These are City Brokerage Limited, City Bank Capital Resources Limited and CBL Money Transfer Sdn. Bhd. Detail of the subsidiaries have been presented in note no. 1.5.1 to 1.5.3.

1.5.1 City Brokerage Limited

The City Brokerage Limited ('the company') was incorporated in Bangladesh as a private limited company on 31 March 2010 vide registration no. C-83616/10 under the Companies Act 1994. The legal status of the Company has been converted into public limited company from private limited company in June 2012 in compliance with Bangladesh Securities and Exchange Commission Rules 2000. Previously the Bank launched its brokerage division on 4 August 2009 which was subsequently separated from the Bank on 15 November 2010. On 31 December 2017 the Bank held 99.9963% shares of the company.

The financial statements, audited by S.F. Ahmed & Co, Chartered Accountants, have been enclosed in Appendix A.

1.5.2 City Bank Capital Resources Limited

City Bank Capital Resources Limited (CBCRL) was incorporated in Bangladesh as a private limited company on 17 August 2009 vide registration no. C-79186/09 under the Companies Act, 1994. The registered office of CBCRL is at 10 Dilkusha Commercial Area, Jibon Bima Tower, Dhaka -1000. CBCRL delivers a whole range of investment banking services including merchant banking activities such as issue management, underwriting, portfolio management and corporate advisory. On 31 December 2017 the Bank held 99.9933% shares of CBCRL.

The financial statements, audited by S.F. Ahmed & Co, Chartered Accountants, have been enclosed in Appendix B.

1.5.3 CBL Money Transfer Sdn. Bhd. (CMTS)

CBL Money Transfer Sdn. Bhd. (CMTS) is a private limited company by shares incorporated under the laws of Malaysia and registered with the Companies Commission of Malaysia with Registration No. 769212M carrying on money services business under the Money Services Business Act 2011 under a Class B License No. 00127 from the Bank Negara Malaysia. CMTS is principally engaged as inbound and outbound remittance service provider.

The Bank entered into an agreement on 4 April 2013 to purchase 75% of ordinary shares of CMTS with an agreement to acquire 100% shares of CMTS ultimately and the company became and started as subsidiary of the Bank since 5 August 2013. On 31 December 2017 the Bank held 100% shares of CMTS.

The financial statements of CMTS, audited by Nasharuddin Wong & Co, Chartered Accountants, have been enclosed in Appendix C.

2. Basis of Preparation:

The separate financial statements of the Bank as at and for the year ended 31 December 2017 comprise those of Domestic Banking Unit (Main operations) and Offshore Banking Unit (OBU), and the consolidated financial statements of the group comprise those of 'the Bank' (parent company) and its subsidiaries.There were no significant changes in the nature of principal business activities of the Bank and the subsidiaries during the financial year.

2.1 Statement of Compliance

The consolidated financial statements of the Bank as at and for the year ended 31 December 2017 have been prepared in accordance with the "First Schedule (Section 38) of the Bank Company Act 1991 as amended by BRPD circular no. 14 dated 25 June 2003, DFIM Circular # 11, dated December 23, 2009 and Bangladesh Financial Reporting Standards (BFRSs), Bangladesh Accounting Standards (BAS), etc. The Bank complied with the requirements of the following rules and regulation:

The Bank Companies (Revised) Act, 2018;
The Companies Act 1994;
Rules, regulations and circulars issued by the Bangladesh Bank from time to time;
The Securities and Exchange Ordinance 1969;
Bangladesh Securities and Exchange Commission Act 1993;
Bangladesh Securities and Exchange Commission (Public Issues) Rules 2015;
Income Tax Ordinance and Rules 1984;
Value Added Tax Act 1991; and
Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE) and Central Depository Bangladesh Ltd. (CDBL) rules and regulations.

In addition to foregoing directives and standards, the operation of Islamic Banking branches are accounted for in accordance with Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions, Bahrain, and BRPD circular no-15, dated November 09, 2009. A separate balance sheet, profit and loss account and a statement of profit paid on deposits are shown in Annexure-I(1) and I(2) and the figures appearing in the annexure have been incorporated in the related heads of these financial statements as recommended by the Central Shariah Board for Islamic Banks in Bangladesh.

In case any requirement of the Bank Companies (Revised) Act, 2018, and provisions and circulars issued by Bangladesh Bank differ with those of BFRS, the requirements of the Bank Companies (Revised) Act, 2018, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of BFRS are as follows:

i) Presentation of Financial Statements

BFRS: As per BAS 1, a complete set of financial statements comprises a statement of financial position, a statement of profit and loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. BAS 1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.

Bangladesh Bank: A format of financial statements (i.e. balance sheet, profit and loss account, cash flows statement, changes in equity, liquidity statement) is prescribed in the "First Schedule" of section 38 of the Bank Company Act 1991 (amended up to 2013) and BRPD circular no. 14 dated 25 June 2003 of Bangladesh Bank. Assets and liabilities are not classified under current and non-current heading in the prescribed format of financial statements.

BFRS: As per BAS 1, a complete set of financial statements comprises a statement of financial position, a statement of profit and loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. BAS 1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.

Bangladesh Bank: A format of financial statements (i.e. balance sheet, profit and loss account, cash flows statement, changes in equity, liquidity statement) is prescribed in the "First Schedule" of section 38 of the Bank Companies (Revised) Act, 2018 and BRPD circular no. 14 dated 25 June 2003 of Bangladesh Bank. Assets and liabilities are not classified under current and non-current heading in the prescribed format of financial statements.

ii) Investment in Shares and Securities

BFRS: As per requirements of BAS 39 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value at the reporting date is taken to profit and loss account or revaluation reserve respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the reporting date at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment on portfolio basis.

iii) Revaluation Gain/Loss on Government Securities

BFRS: As per requirement of BAS 39 where Government treasury securities Treasury bills and Treasury bonds will fall under the category of Held for Trading (HFT), any change in the fair value of held for trading assets is recognized through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortized cost method and interest income is recognized through the profit and loss account.

Bangladesh Bank: HFT securities are revalued on the basis of mark to market and any gains on revaluation of securities which have not matured as at the balance sheet date are recognized in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortization of discount is recognized in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortized and gains or losses on amortization are recognized in other reserve as a part of equity.

iv) Provision on Loans and Advances

BFRS: As per BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD circular no.14 (23 September 2012), BRPD circular no. 19 (27 December 2012), BRPD circular no. 05 (29 May 2013) and BRPD circular no. 16 (18 November 2014) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. And specific provision (other than short -term agricultural and micro-credits) for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Moreover, a provision for Short-Term Agricultural and Micro-Credits has to be provided for 'sub-standard' and 'doubtful' loans at the rate of 5% and a 100% provision for the 'bad/Loss' loans.

Again and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

v) Recognition of interest in suspense

BFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per BAS 39 and interest income is recognized through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognized in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognized as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

vi) Other comprehensive income

BFRS: As per BAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of Other Comprehensive Income are to be included in a Single Comprehensive Income (OCI) Statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which are required to be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a Single Comprehensive Income (OCI) Statement. As such the company does not prepare the other comprehensive income statement. However elements of OCI, if any, are shown in the statements of changes in equity.

vii) Financial instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in BAS 39. As such some disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the financial statements.

viii) Repo transactions

BFRS: When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a deposit as opposed to a sale, and the underlying asset continues to be recognized in the entity's financial statements. Such transactions do not satisfy the derecognition criteria specified in BAS 39. Such transactions will be treated as loan and the difference between selling price and repurchase price will be treated as interest expense. Same rule applies to the opposite side of the transaction (Reverse REPO).

Bangladesh Bank: As per Bangladesh Bank circulars/guidelines, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book.

ix) Financial guarantees

BFRS: As per BAS 39, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD 14, dated 25 June 2003 financial guarantees such as L/C, L/G will be treated as Off-Balance Sheet items. No liability is recognized for the guarantee except the cash margin.

x) Cash and cash equivalents

BFRS: As per BAS 7 cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Therefore, some items like Balance with Bangladesh Bank on account of CRR/SLR are not part of cash and cash equivalent as those are not readily available.

Bangladesh Bank: As per Bangladesh Bank circulars/guidelines, balance with Bangladesh Bank is part of cash and cash equivalent regardless of any restriction. Furthermore, some cash and cash equivalent items such as 'money at call and on short notice', Treasury bills, Prize bond are not presented as cash and cash equivalent. Instead money at call and on short notice is presented as a face item in balance sheet, and Treasury bills, Prize bonds are presented as investment.

xi) Non-banking asset

BFRS: No indication of Non-banking asset is found in any BFRS.

Bangladesh Bank: As per BRPD 14, there must exist a face item named Non-banking asset.

xii) Cash flow statement

BFRS: Cash flow statement can be prepared either in direct method or in indirect method as per BAS 7. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank:
As per BRPD circular no 14, dated 25 June 2003, cash flows statement has been prepared following a mixture of direct and indirect methods.

xiii) Balance with Bangladesh Bank: (CRR)

BFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per BAS-7.

Bangladesh Bank: Balance with Bangladesh Bank is treated as cash and cash equivalents.

xiv) Presentation of intangible asset

BFRS: Intangible asset must be identified and recognized, and the disclosure must be given as per BAS 38.

Bangladesh Bank: There is no requirement for regulation of intangible assets in BRPD 14.

xv) Off-balance sheet items

BFRS: There is no concept of off-balance sheet items in any BFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD 14, off-balance sheet items (e.g. Letter of Credit, Letter of Guarantee etc.) must be disclosed separately on the face of the balance sheet.

xvi) Disclosure of appropriation of profit

BFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.
Bangladesh Bank: As per BRPD 14, an appropriation of profit should be disclosed in the face of profit and loss account.

xvii) Loans and advances net of provision

BFRS: Loans and advances should be presented net of provisions.

Bangladesh Bank: As per BRPD 14, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

2.2 Basis of measurement

The financial statements of the Group have been prepared on historical cost basis except for the following:

-Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' are present at value using marking to market concept with gain crediting to revaluation reserve;

-Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' are carried at amortized cost;
-Investment in shares of listed companies are prepared at market value with gain credited to revaluation reserve;

-Fixed assets (land and building) are carried at revalued amount.

2.3 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (Taka/Tk) which is the Bank's functional currency. Except as otherwise indicated, financial information presented in Taka has been rounded to the nearest integer.

2.4. Use of judgments and estimates

In preparing these consolidated financial statements in conformity with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) management has required to make judgments, estimates and assumptions that affect the application of CBL's accounting policies and the reported amounts of assets liabilities, income and expenses.

The most critical estimates and judgments are applied to the following:
Provision for loan and advances/investments- as explained in note 3.3.3
Employee benefit -as explained in note 3.12
Income tax - as explained in note 3.13
Deferred tax assets/liabilities - as explained in note 11.a.4
Useful lives of depreciable assets regard to noncurrent assets - as stated in Annexure-D

However, Underlying assumptions on estimates are reviewed on a going concern basis and revisions thereon are recognized in the period in which the estimates are revised. It is also required to disclose the contingent assets and liabilities at the date of the financial statements in accordance with the guidelines as prescribed by BAS 37: "Provisions, Contingent Liabilities and Contingent Assets",

Provision

Provisions are liabilities that are uncertain in timing or amount. Provisions are recognized in the following situations:
-the entity has a present (legal or constructive) obligation as a result of past events;
-probable out flow of resources to settle the obligation and the obligation can be measured reliably;
-it is more likely than not that outflow of resources will be required to settle the present obligation exists at the end of reporting period.

Contingent Liability

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events. A contingent liability arises when some, but not all, of the criteria for recognizing a provision are met.

BAS 37 applies prudence by deeming a past event to give rise to a present obligation and an entity shall not recognize a contingent liability. However, if it is possible rather than probable that an obligation exists, a contingent liability will exist, not a provision in the financial statements. An entity shall disclose for each class of transaction of contingent liability at the end of the reporting period if the contingent liability is not remote.

Contingent Assets

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity. Contingent assets are never recognized; rather they are disclosed in the financial statements when they arise.

The most significant areas where estimates and judgments have been applied are to calculate provision for loans, advances and investments as per Bangladesh Bank guideline.

2.5 Reporting period

These financial statements cover one calendar year from 1 January 2017 to 31 December 2017.

2.6 Date of authorization

The Board of directors has authorized this financial statements for public issue on 30 April 2018

2.7 Cash flow statement

The cash flow statement has been prepared in accordance with BAS 7 Cash Flow Statements considering the requirements specified in BRPD circular No. 14 dated 25 June 2003 issued by the Banking Regulation and Policy Department of Bangladesh Bank.

2.8 Statement of changes in equity

The Statement of changes in equity reflects information about the increase or decrease in net assets or wealth. Statement of changes in equity is prepared principally in accordance with BAS-1 "Presentation of Financial Statements" and under the guidelines of Bangladesh Bank's BRPD Circular No. 14 dated 25 June 2003.

2.9 Liquidity statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared on the following basis:

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 respective maturity.
c) loans and advances are on the basis of their repayment maturity schedule.
d) fixed assets are on the basis of their useful lives.
e) other assets are on the basis of their realization/amortization.
f) borrowing from other banks, financial institutions and agents, etc. are as per their maturity/repayments.
g) deposits and other accounts are on the basis of their maturity term.
h) provision and other liabilities on the basis of their repayment/adjustments schedule.

2.10 Financial Statements for Offshore Banking Unit (OBU)

Reporting currency of Offshore Banking Unit is US Dollar. However, foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per BAS 21 'The Effects of changes in Foreign Exchange Rates'. Foreign currency balances held in US Dollar are converted into Taka at weighted average rate of Inter Bank market as determined by Bangladesh Bank on the closing date of the reporting period.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements of the group and those of the bank have been applied consistently except otherwise instructed by Bangladesh Bank as the prime regulator. Certain comparative amounts in the financial statements have been reclassified and rearranged to conform to the current year's presentation.

Accounting policies of subsidiaries

The financial statements of subsidiaries (City Brokerage Limited, City Bank capital Resources Limited, and CBL Money Transfer Sdn. Bhd.) which are included in the Consolidated Financial Statements of the Group have been prepared using uniform accounting policies of the Bank (Parent) for transactions and other events in similar nature. There is no significant restriction on the ability of subsidiaries to transfer funds to the parent in the form of cash dividends or to repay loans and advances. All subsidiaries of the Bank have been incorporated in Bangladesh except for CBL Money Transfer Sdn. Bhd. which is incorporated in Malaysia.

3.1.1 Basis of consolidation

The consolidated financial statements include the financial statements of The City Bank Limited and those of its three subsidiaries (City Brokerage Limited, City Bank Capital Resources Limited and CBL Money Transfer Sdn. Bhd.) prepared as at and for the year ended 31 December 2017. The consolidated financial statements have been prepared in accordance with BFRS 10 'Consolidated Financial Statements'.

Name of Subsidiary	Ownership	Date of incorpora-tion	Country of Operation	Status	Regulator	Year Closing
City Brokerage Limited	99.996%	31-Mar-10	Bangladesh	Majority Owned	BSEC, DSE,CSE	31-Dec
City Bank Capital Resources Limited	99.993%	17-Aug-09	Bangladesh	Majority Owned	BSEC, DSE,CSE	31-Dec
CBL Money Transfer Sdn. Bhd	100.000%	4-Apr-13	Malaysia	Wholly Owned	Bank Negara, Malaysia	31-Dec

3.1.2 Non-controlling interest

The Group elects to measure any non-controlling interests in the subsidiaries either:
at fair value; or
at their proportionate share of the acquirees identifiable net assets, which are generally at fair value.

3.2 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the operation at the spot exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognized in the profit and loss statement.

3.3 Assets and basis of their valuation

3.3.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, ATM, unrestricted balances held with Bangladesh Bank and its agent bank, balance with other banks and financial institutions, money at call and short notice, investments in treasury bills, Bangladesh Bank bill and prize bonds.

3.3.2 Investments

All investments (other than government treasury securities) are initially recognized at cost including acquisition charges associated with the investment. Premiums are amortized and discount accredited using the effective or historical yield method. Accounting treatment of government treasury bills and bonds (categorized as HFT and HTM) are made in accordance with Bangladesh Bank DOS Circular letter no. 05, dated 26 May 2008 and subsequent clarifications DOS Circular letter no. 05 dated 28 January 2009.

Held to Maturity

Investments which have 'fixed or determinable payments' and are intended to be held to maturity are classified as 'Held to Maturity'. These are measured at amortized cost at each year end by taking into account any discount or premium in acquisition. Any increase or decrease in value of such investments are booked under equity and in the profit and loss statement respectively.

Held for Trading

Investments classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or if designated as such by the management. After initial recognition, investments are marked to market weekly and any decrease in the present value is recognized in the Profit and Loss Account and any increase is booked to Revaluation Reserve Account through Profit and Loss Account as per DOS Circular no. 05 dated 28 January 2009.

Investment in quoted shares

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income. These are valued and reported at market price as per Bangladesh Bank's guidelines. Booking of provision for investment in securities (gain/loss net off basis) are made as per DOS Circular no.4 dated 14 November 2011.

Investment in unquoted shares

Investment in unquoted shares are recognized at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unquoted shares.

Value of investments has been shown as under:

Investment Class	Initial Recognition	Measurement after initial recognition	Recording of changes
Govt. treasury securities - Held to Maturity (HTM)	Cost	Amortized cost	Increase in value of such investments is booked to equity, decrease to profit and loss account.
Govt. treasury securities - Held for Trading (HFT)	Cost	Fair value	Loss to Profit and Loss Account, gain to Revaluation Reserve through Profit and Loss Account.
Debenture/Bond	Face value	Face value	None
Shares (Quoted) *	Cost	Lower of cost or market value (overall portfolio)	Loss (net off gain) to profit and loss account but no unrealized gain booking.
Shares (Unquoted)*	Cost	Lower of cost or Net Asset Value (NAV)	Loss to profit and loss account but no unrealized gain booking.
Prize bond	Cost	Cost	None

* Provision for shares against unrealized loss (gain net off) has been taken into account according to DOS circular no. 4 dated 24 November 2011 and for mutual funds (closed-end) as per DOS circular letter no. 3 dated 12 March 2015 of Bangladesh Bank.

Investment in Subsidiaries

Investments in subsidiaries are accounted for under the cost method of accounting in the Bank's financial statements in accordance with BAS 27 'Consolidated and Separate Financial Statements' and BFRS 10 "Consolidated Financial Statements". Impairment of investment in subsidiaries (if any) the bank takes it into account made as per the provision of BAS 36 'Impairment of Assets'.

3.3.3 Loans and advances/investments and provisions for loans and advances/investments

a) Loans and advances of conventional Banking/investments of Islamic Banking branches are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not sell in the normal course of business.

b) At each balance sheet date and periodically throughout the year, the Bank reviews loans and advances/investments to assess whether objective evidence that impairment of a loan or portfolio of loans has arisen supporting a change in the classification of loans and advances, which may result in a change in the provision required in accordance with BRPD Circular No.14 (23 September 2012), BRPD Circular No. 19 (27 December 2012), BRPD Circular No. 05 (29 May 2013), BRPD Circular No. 16 (18 November 2014), BRPD Circular No. 12 (20 August 2017), BRPD Circular No. 15 (27 September 2017) and BRPD Circular No. 01 (20 February 2018) . The guidance in the circulars follows a formula based approach whereby specified rates are applied to the various categories of loans as defined in the circular. The provisioning rates are as follows:

Types of loans and advances	Provision				
	STD	SMA	SS	DF	BL
Consumer:					
House building and professional	1.00% - 2.00%	1.00% - 2.00%	20.00%	50.00%	100.00%
Other than housing finance & professionals to setup business	2.00% - 5.00%	2.00% - 5.00%	20.00%	50.00%	100.00%
Provision for loan to broker house, merchant banks, stock dealers,etc	2.00%	2.00%	20.00%	50.00%	100.00%
Short-term agri-credit and micro credit	1.00%	1.00%	5.00%	5.00%	100.00%
Small and medium enterprise finance	0.25%	0.25%	20.00%	50.00%	100.00%
Others	1.00%	1.00%	20.00%	50.00%	100.00%

BRPD Circular No.14 (23 September 2012) as amended by BRPD Circular No. 19 (27 December 2012) also provides scope for further provisioning based on qualitative judgments. In these circumstances impairment losses are calculated on individual loans considered individually significant based on which specific provisions are raised. If the specific provisions assessed under the qualitative methodology are higher than the specific provisions assessed under the formulaic approach above, the higher of the two is recognized in liabilities under "Provision for loans and advances" with any movement in the provision charged/released in the profit and loss account. Classified loans are categorized into sub-standard, doubtful and bad/loss based on the criteria stipulated by Bangladesh Bank guideline.

c) Loans and advances are written off to the extent that
i) there is no realistic prospect of recovery, and
ii) against which legal cases are filed, where required and classified as bad/loss as per guidelines of Bangladesh Bank.

These write off however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such written off accounts are maintained and followed up.

d) Amounts receivable on credit cards are included in advances to customers at the amounts expected to be recovered.

3.3.4 Staff loan

House building and car loan are provided to the permanent staff at a subsidized rate. Criteria and detail of type wise staff loan are given below:

House building loan: A permanent staff completing 5 years of service can avail house building loan subject to getting approval from Managing Director, CEO and recommended by the concerned divisional head.

Car loan: All permanent staff from AVP can avail car loan subject to getting approval from Managing Director, CEO and recommended by the concerned divisional head.

3.3.5 Fixed assets (property and equipment)

Recognition and measurement

As per BAS 16 "Property and Equipment" Items of fixed assets excluding land are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land and building are carried at cost.

Purchase of software that is integral to the related equipment is capitalized as part of that equipment.
Cost includes expenditure that are directly attributable to the acquisition of asset and bringing to the location and condition necessary for it to be capable of operating in the intended manner.

When significant parts of an item of fixed asset have different useful lives, they are accounted for as separate items (major components) of fixed assets.

The gain or loss on disposal of an item of fixed asset is determined by comparing the proceeds from disposal with the carrying amount of the item of fixed asset, and is recognized in other income/other expenses in profit or loss.

Subsequent costs

The cost of replacing a component of an item of fixed asset is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The carrying amount of the replaced parts is derecognized. The costs of the day to day servicing of fixed assets are recognized in the profit and loss statement as incurred.

Depreciation

Depreciation on fixed assets are recognized in the profit and loss statement on straight line method over its estimated useful lives. In case of acquisition of fixed assets, depreciation is charged from the month of acquisition, whereas depreciation on disposed off fixed assets are charged up to the month prior to the disposal. Asset category wise depreciation rates for the current and comparative periods are as follows:

Category of assets	Rate of depreciation
Land	Nil
Building	2.5%
Furniture and fixtures	10%
Office equipment and machinery	20%
Software	5%
Vehicles	20%

3.3.6 Non- banking assets

Non-banking assets were acquired by the entity due to failure of borrowers to repay the loan in time taken against mortgaged property. The Bank was awarded absolute ownership on few mortgaged properties (mostly land) through the verdict of honorable court under section 33 (7) of the Artharin Adalat Act 2003. The value of the properties has been recognized in the financial statements as non-earning assets on the basis of third party valuation report. Party wise details (including possession date) of the properties are separately presented in note 12.

3.3.7 Provisions for other assets

BRPD Circular No.14 (25 June 2001) requires a provision of 100% on other assets which are outstanding for one year and above. The Bank maintains provisions in line with this circular unless it assesses there is no doubt of recovery on items of other assets in which case no provision is kept.

3.3.8 Intangible assets and its amortization

Intangible assets comprise separately identifiable intangible items arising from use of franchise of AMEX and the use of Finacle from Infosys. Intangible assets are recognized at cost. Intangible assets with a definite useful life are amortized using the straight line method over its estimated useful economic life.

3.3.9 Reconciliation of inter-bank and inter-branch account

Account with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled regularly and there are no material differences which may affect the financial statements significantly. Un-reconciled entries/balances in the case of inter-branch transactions on the reporting date are not material.

3.4 Liabilities and basis of their valuation

3.4.1 Tier-II Subordinated Bond

Tier-II Subordinated bond includes fund raised from several banks, financial institutions and other organization through issuance of 6 (six) years Bond during 2014 and 7 (Seven) years Bond during 2017. Details are shown in note 13.

3.4.2 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents includes refinance from Bangladesh Bank against agro-based credit, SME Loan etc., interest-bearing borrowings against securities from Bangladesh Bank and call borrowing from other banks. These items are brought to financial statements at the gross value of the outstanding balance. Details are shown in note 14.

3.4.3 Deposits and other accounts

Deposits and other accounts include non interest-bearing current deposit redeemable at call, interest bearing on demand and short-term deposits, savings deposit and fixed deposit. These items are brought into financial statements are at the gross value of outstanding balance. Details are shown in note 15.

3.4.4 Provision for liabilities

A provision is recognized in the balance sheet when the group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations in accordance with BAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

3.4.5 Provision for Off-balance sheet exposure

BRPD Circular No.14 (23 September 2012) requires a general provision for off-balance sheet exposures to be calculated at 1% on all off-balance sheet exposures as defined in BRPD Circular No.10 (24 November 2002). Accordingly the Bank has recognized a provision of 1% on the following off-balance sheet items:

- Acceptance and endorsements
- Letters of guarantee
- Irrevocable letters of credit
- Foreign exchange contracts

3.4.6 Provisions on balances with other banks and financial institutions (Nostro accounts)

Provision for unsettled transactions on nostro accounts is made as per Foreign Exchange Policy Department (FEPD) circular no. FEPD (FEMO) / 01/2005-677 dated 13 September 2005 of Foreign Exchange Policy Department (FEPD) of Bangladesh Bank and reviewed semi-annually by our management along with duly certified by the external auditor. On the reporting date, the Bank has no unsettled transactions outstanding for more than 3 months and no provision has been made in this regard.

3.4.7 Provision for rebate to good borrower

As per BRPD Circular No. 06 (19 March 2015) and BRPD Circular Letter No 03 (16 February 2016) of the Banking Regulation and Policy Department (BRPD) of Bangladesh Bank, commercial banks are required to provide 10% rebate on the interest closed from "good borrowers" subject to some qualifying criteria.
Accordingly, the Bank has kept provision in the financial statements for the year ended 31 December 2017.

3.4.8 Other liabilities

Other liabilities comprise items such as provision for loans and advances/investments, provision for taxation, interest payable, interest suspense, accrued expenses, obligation under finance lease etc. Other liabilities are recognized in the balance sheet according to the guidelines of Bangladesh Bank, Income Tax Ordinance, 1984 and internal policy of the Bank.

3.5 Capital/Shareholders' equity

3.5.1 Authorized capital

Authorized capital is the maximum amount of share capital that the Bank is authorized by its Memorandum and Articles of Association.

3.5.2 Paid up capital

Paid up capital represents total amount of shareholders' capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding-up of the Bank, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

3.5.3 Share premium

Share premium is the capital that the Bank raises upon issuing shares for a price in excess of the nominal value of shares. The share premium shall be utilized in accordance with provision of section 57 of the Companies Act, 1994 and as directed by Securities and Exchange Commission in this respect.

3.5.4 Statutory reserve

Statutory reserve has been maintained at the rate of 20% of profit before tax in accordance with provisions of section 24 of the Bank Companies (Revised) Act, 2018. Such transfer shall continue until the reserve balance equals its paid up capital together with the share premium.

3.5.5 Revaluation reserve for government securities

Revaluation reserve for government securities arises from the revaluation of treasury bills, Bangladesh Bank bills and treasury bonds (HFT and HTM) in accordance with the DOS Circular no. 5 dated 26 May 2008 and DOS(SR) 1153/120/2010 dated 8 December 2010.

3.5.6 Capital management

The Bank has a capital management process in place to measure, deploy and monitor its available capital and assess its adequacy. This capital management process aims to achieve the following objectives:

To comply with the capital requirements set by the regulators;
To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;

To maintain a strong capital base to support the development of its business.

Capital is managed in accordance with the Board approved Capital Management Planning. Senior management develops the capital strategy and oversee the capital management planning of the Bank. The Bank's finance, treasury and risk management departments are key participators in implementing the Bank's capital strategy and managing capital. Capital is managed using both regulatory capital measures and internal matrix.

3.6 Revenue recognition

3.6.1 Interest income

Interest on loans and advances is calculated on daily product basis and accrued at the end of each month, but charged to customers' accounts on quarterly basis.

In accordance with BRPD Circular No.14 (23 September 2012) as amended by BRPD Circular No. 19 (27 December 2012) interest accrued on sub-standard loans and doubtful loans are credited to an "Interest Suspense Account" which is included within "Other liabilities". Interest from loans and advances ceases to be accrued when they are classified as bad/loss. It is then kept in interest suspense in a memorandum account.

3.6.2 Profit on investment (Islamic Banking)

Mark-up on investment is taken into income account proportionately from profit receivable account. Overdue charge/ compensation on classified investments are transferred to profit suspense account instead of income account.

3.6.3 Investment income

Income on investments are recognized on accrual basis. Investment income includes discount on treasury bills and Bangladesh Bank bills, interest on treasury bonds and fixed deposit with other banks. Capital gain on investments in shares are also included in investment income. Capital gain is recognized when it is realized.

3.6.4 Fees and commission income

The Bank earns commission and fee income from a diverse range of service provided to its customers. Commission and fee income is accounted for as follows:

-income earned on the execution of a significant act is recognized as revenue when the act is completed
-income earned from services provided is recognized as revenue as the services are provided
-Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

3.7 Interest paid on Subordinated Bond, borrowing and other deposits (Conventional banking)

Interest paid and other expenses are recognized on accrual basis.

3.8 Profit shared on deposits (Islamic banking)

Profit shared to mudaraba deposits are recognized on accrual basis.

3.9 Dividend Income

Dividend income is recognized when the right to receive income is established. Dividends are presented under investment income.

3.10 Lease payments

Payments made under operating leases are recognized in the profit and loss statement on a straight-line basis over the terms of the lease.

Lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.11 Others
Foreign exchange gain/ loss

Exchange income includes all gain and losses from foreign currency day to day transactions, conversions and revaluation of non monetary items.

3.12 Employee benefits

3.12.1 Provident Fund

Provident Fund benefits are given to the permanent staff of the Bank in accordance with the registered Provident Fund rules. The Commissioner of Income Tax, Taxes Zone - 4, Dhaka, has approved the Provident Fund as a recognized fund within the meaning of section 2(52) read with the provisions of part - B of the First Schedule of Income Tax Ordinance 1984. The reorganization took effect on 31 October 1987. The Provident Fund is operated by a Board of Trustees consisting of 6 members of the Bank. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription to the Provident Fund. The Bank also contributes equal amount to the Provident Fund. Contributions made by the Bank are charged as expense and the Bank bears no further liability. Interest earned from the investments is credited to the members' account on yearly basis. Members are eligible to get both the contribution after 5 years of continuous service from the date of their membership. By Law the Provident fund is duly audited by Snehasis Mahmud & Co. Chartered Accounts.

3.12.2 Gratuity Fund

Gratuity Fund benefits are given to the staff of the Bank in accordance with the approved Gratuity Fund rules. National Board of Revenue has approved the Gratuity Fund as a recognized gratuity fund with effect from 3 June 2012. The Gratuity Fund is operated by a Board of Trustee consists of 7 members of the Bank. Employees are entitled to get gratuity benefit after completion of minimum 5 years of service in the Bank. Provision for gratuity is made annually covering all its permanent eligible employees. A valuation of gratuity scheme had been made in 2016 by a professional Actuarial & Pension Consultants, Z. Halim & Associates considering the changes in Labour Act 2013 (Amendment) to assess the adequacy of the liabilities provided for the scheme as per BAS 19 '*Employee Benefits*'. On continuing fund basis valuation, the Bank has been maintaining adequate provision against gratuity scheme.

3.12.3 Other employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The Bank has following short term employee benefit schemes:

Hospitalization insurance
The Bank has a health insurance scheme to its confirmed employees and their respective dependents at rates provided in health insurance coverage policy.

Life insurance
The Bank has a group life insurance scheme to its confirmed employees and the benefit of the scheme is available to the family of the employee on the occurrence of natural death of the employee during the tenure of his/her service.

Performance bonus
Provision of Workers' Profit Participation Fund and Welfare Fund mentioned in Bangladesh Labour (Amendments) Act, 2013 contradicts Bank Company Act, 1991 through which Bank Companies are regulated. Section-11 of Bank Company Act, 1991 restricts to employ anyone who receives remuneration or part of remuneration as share of profit of the company and remuneration includes salary and other benefit. Accordingly, we obtained a legal opinion from Nurul Alam & Associates, Advocates and Consultants, wherein it is opined that Worker's Profit Participation and Welfare Fund shall not be applicable for Bank Companies, as there is no non-obstante clause. Unless Government of Peoples Republic of Bangladesh amends section 11 of Bank Company Act or frames rules, giving overriding effect to Bank Company Act, 1991, section 232 of Bangladesh Labour (Amendments) Act, 2013 will not be applicable for banks.

Moreover, in the Bank, performance bonus provision is there, which is distributed among the employees on the basis of individual employee's yearly performance with a view to recognize welfare of the employees and reward their participation and contribution to the company.

3.13 Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in the profit and loss statement except to the extent that it relates to items recognized directly in equity.

3.13.1 Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Details are shown in note 16.a.6.

3.13.2 Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:

temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and

temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.13.3 Tax exposures

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Bank to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.14 Impairment of non-financial assets

The carrying amounts of the Group's and the Bank's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.15 Earnings per share

The Group and the Bank present basic and diluted Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

No diluted earnings per share is required to be calculated for the period.

3.16 Compliance of Bangladesh Financial Reporting Standard (BFRS)

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of International Accounting Standards (IAS) as Bangladesh Accounting Standards (BAS) and International Financial Reporting Standards (IFRS) as Bangladesh Financial Reporting Standards (BFRS). While preparing the financial statements, the Bank applied most of BAS and BFRS as adopted by ICAB. Details are given below:

Name of the standards	BFRS Ref.	Implementation status by the Bank
First-time Adoption of Bangladesh Financial Reporting Standards	BFRS-1	Not applicable
Share-based Payment	BFRS-2	Not applicable
Business Combinations	BFRS-3	Applied
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	Applied with some departure (note 2.1)
Operating Segments	BFRS-8	Applied with some departure (note 3.18)
Consolidated Financial Statements	BFRS-10	Applied
Joint Arrangements	BFRS-11	Not applicable
Disclosure of Interest in Other Entities	BFRS-12	Applied
Fair Value Measurement	BFRS-13	Applied with some departure (note 2.1)
Regulatory Deferral Accounts	BFRS-14	Not applicable
Presentation of Financial Statements	BAS-1	Applied with some departure (note 2.1)
Inventories	BAS-2	Not Applicable
Statement of Cash Flows	BAS-7	Applied with some departure (note 2.1)
Accounting Policies, Changes in Accounting Estimates and Errors	BAS-8	Applied
Events after the Reporting Period	BAS-10	Applied
Construction Contracts	BAS-11	Not Applicable
Income Taxes	BAS-12	Applied
Property, Plant and Equipment	BAS-16	Applied
Leases	BAS-17	Applied
Revenue	BAS-18	Applied
Employee Benefits	BAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	BAS-20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	BAS-21	Applied
Borrowing Costs	BAS-23	Not Applicable
Related Party Disclosures	BAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	BAS-26	Not Applicable
Separate Financial Statements	BAS-27	Applied
Investments in Associates and Joint Venture	BAS-28	Not Applicable
Interests in Joint Ventures	BAS-31	Not Applicable
Financial Instruments: Presentation	BAS-32	Applied with some departure (note 2.1)
Earnings per Share	BAS-33	Applied
Interim Financial Reporting	BAS-34	Applied
Impairment of Assets	BAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	BAS-37	Applied
Intangible Assets	BAS-38	Applied
Financial Instruments: Recognition and Measurement	BAS-39	Applied with some departure (note 2.1)
Investment property	BAS-40	Not Applicable
Agriculture	BAS-41	Not Applicable

In order to comply with certain specific rules and regulations of Bangladesh Bank which are different to BAS/BFRS, some of the requirements specified in these BAS/BFRSs are not applied. Refer to note-2.1 for such recognition and measurement differences that are most relevant and material to the Bank and the group.

The Standard regards a retirement benefit plan as a reporting entity separate from the employers of the participants in the plan. Therefore, it is not applicable for the Bank's annual report as it is the employer and not the retirement benefit plan itself.

The objective of BAS 34 is to prescribe the minimum content of an interim financial report and to prescribe the principles for recognition and measurement in complete or condensed financial statements for an interim period and hence it is not applicable for annual financial statements. However, the Bank being a listed entity in Dhaka and Chittagong Stock Exchanges regularly publishes Interim Financial Report complying with BAS 34.

3.17 Standards issued but not yet effective

The Institute of Chartered Accountants of Bangladesh (ICAB) has adopted following new standards and amendments to standards during the year 2017. All previously adopted reporting standards are consistently applied by the Bank as explained in Note 3.16.

The Bank has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 January 2017 have been considered. However, these amendments have no material impact on the financial statements of the Bank.

In December 2017, ICAB has decided to adopt IFRS replacing BFRS effective for annual periods beginning on or after 1 January 2018. However, since currently issued BFRS have been adopted from IFRS without any major modification, such changes would not have any material impact on financial statements.

A number of standards and amendments to standards are effective for annual periods beginning after 1 January 2017 and earlier application is permitted. However, the Bank has not early applied the following new standards in preparing these financial statements.

(a) BFRS 9 Financial Instruments (to be adopted as IFRS 9)

BFRS 9, published in July 2014, replaces the existing guidance in BAS 39 Financial Instruments: Recognition and Measurement. BFRS 9 includes revised guidance on the classification and measurement of the financial instruments, a new expected credit loss model for calculating impairment of financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from BAS 39. BFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. As per the Bank's assessment, any material impact of BFRS 9 would be primarily on calculation of impairment provision. However, as Bangladesh Bank has not issued any circular to revise its current impairment, classification and measurement policies to align with BFRS 9 the Bank is unable to quantify any potential impact on its financial statements.

(b) BFRS 15 Revenue from Contracts with Customers (to be adopted as IFRS 15)

BFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing recognition guidance, including BAS 18 Revenue, BAS 11 Construction Contracts and BFRI 13 Customer Loyalty Programmes. BFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. Based on preliminary assessment the Bank has determined that BFRS 15 has no material impact on its financial statements.

(c) IFRS 16 Leases
IFRS 16, issued in January 2016 replaces existing leases guidance and effective for reporting period beginning on or after 1 January 2019. It will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The Bank has not yet assessed any potential impact of IFRS 16 on its financial statements.

(d) IFRS 17 Insurance Contracts
IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Bank has not yet assessed in potential impact of IFRS 17 on its financial statements

There are no other standards that are not yet effective and that would be expected to have a material impact on the Bank in the current or future reporting periods and on foreseeable future transactions.

3.18 Offsetting

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the group has a legal right to set off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under BFRSs, or for gains and losses arising from a group of similar transactions such as in the group's trading activity

3.19 Segment reporting

The group and the Bank have no identified operating segment and as such presentation of segmental reporting is not made in the financial statements as per BFRS 8. However, geographical and business segments wise limited disclosures are furnished in note 47.

Inter-segment transactions are generally based on inter-branch fund transfer measures as determined by the management. Income, expenses, assets and liabilities are specifically identified with individual segments. Based on such allocation, segmental balance sheet as on 31 December 2017 and segmental profit and loss account for the year ended 31 December 2017 have been prepared.

3.20 Materiality and aggregation

Each material class of similar items has been presented separately in the financial statements. Items of dissimilar nature also have been presented separately unless they are immaterial in accordance with BAS 1 'Presentation of Financial Statements'.

3.21 Credit rating of the Bank

As per BRPD Circular no. 6 dated 5 July 2006, the Bank has done its credit rating by Credit Rating Agency of Bangladesh (CRAB) based on the financial statements as at and for the year ended 31 December 2016. The following ratings have been awarded:

Particulars	Periods	Date of Rating	Long term	Short term	Rating Valid
Entity Rating	January to December 2016	28-May-17	AA2	ST-2	6/30/2018
Entity Rating	January to December 2015	23-Jun-16	AA2	ST-2	6/30/2017
Entity Rating	January to December 2014	25-Jun-15	AA2	ST-2	6/30/2016

3.22 Related party disclosures

A party is related to the company if:
(i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;
(ii) the party is an associate;
(iii) the party is a joint venture;
(iv) the party is a member of the key management personnel of the Company or its parent;
(v) the party is a close member of the family of any individual referred to in (i) or (iv);
(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
(vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

Details of the related party disclosures presented in note # 48 and Annexure- F

3.23 Events after reporting period

As per BAS -10 "Events after Reporting Period" events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:
(a) adjusting events after the reporting period (those that provide evidence of conditions that existed at the end of the reporting period); and
(b) non adjusting events after the reporting period (those that are indicative of conditions that arose after the reporting period).

Details of the Events after reporting period presented in note # 50

3.24 Voluntary change in accounting policy

In 2008, the Bank changed the subsequent measurement basis of its land & building portfolio, and adopted 'revaluation model' replacing the 'cost model' as allowed by BAS 16. Accordingly, the Bank has appointed professional valuer for conducting fair value the Bank's entire portfolio of land and building and on the basis of these valuations, land and buildings owned by the Bank have been stated at fair value with resultant revaluation surplus taken to as a component of equity. The Bank has also used this revaluation surplus as 'tier 2' capital for calculating capital adequacy ratio.

As per BAS 16, if the revaluation model is adopted, such revaluations shall be carried out regularly, so that the carrying amount of an asset does not differ materially from its fair value at the balance sheet date. The Bank determines fair value of its land and building based on valuation undertaken by external valuers. Such valuations were conducted in 2008, 2011 and 2014 and revaluation surplus were duly recognized as per revaluation model.

However, since the adoption of BFRS 13: Fair Values, which emphasizes on the observable Level 1 and Level 2 inputs to determine the fair value for an asset, the Bank and its valuers are facing challenges to determine fair value of land and buildings as per BAS 16/BFRS 13. Because of many limiting factors fair value is being determined mostly on the basis of Level 3 inputs or unobservable data.

Furthermore, BSEC has also adopted the International Valuation Standards ("IVS") as issued by the International valuation Standards Council ("IVSC") to ensure that such valuations are undertaken properly and results in a fair approximation of market price. Both BFRS 13 and IVS prescribes the use of three commonly accepted valuation methodology namely:

Market approach- using prices and other relevant information generated by market transactions involving identical or comparable assets

Cost approach – reflecting the amount that would be required currently to replace service capacity of an asset

Income approach – converting future amounts (cash flow/income) to a current (discounted) amount, reflecting current market expectations about these future amounts.

The determination of fair value of land & buildings has a range of limitations including unavailability of reliable information under the above approaches, which are generally faced by both the management and external valuers, such as:

Unavailability of readily available information especially to support Level 1 and 2 inputs;

Registry of land is done at below the market rate;

Minimum value fixed by Government for land registration are not in line with market rate;

Varied level of judgments applied by different valuers resulting wide range of fair value of same property;

Level of subjectivity in determining the income potential of property; and

Slowdown in actual buy-sale transactions in real estate sector.

Since fair presentation of financial statements is the responsibility of management and as per the Governance policy of the Bank, management is required to provide a formal sign off to the Board about fairness of all critical estimates and judgments used in preparation of financial statements, continue use of revaluation model for land and building has created challenges for the Bank.

Furthermore, after the implementation of Basel III Capital Framework, a portion of revaluation reserve currently being allowed as Tier-ii capital is also gradually reducing and shall be fully eliminated from 2019 onwards. Therefore, any measurable benefits associated with revalued assets in the form of regulatory capital is also diminishing.

Finally, due to inclusion of revalued amounts, the Bank's fixed assets base has breached the regulatory limits of holding immovable assets up to 30% of capital and reserves as prescribed by BRPD Circular and hence created challenges for further business expansion. As such the fair value of its fixed assets as reported under revaluation model in true sense is not adding any real value to the Bank and instead impediment for its future growth through this breach.

Considering all the above factors, management has decided to change the subsequent measurement basis of its land and building, and decided to revert back from "fair value" model to "cost" model under BAS 16. Management has also assessed this change in accounting policy in line with 'BAS 8: Accounting policies, changes in accounting estimates and errors' and concluded that this change in accounting policy results in the financial statements providing reliable and more relevant information due to elimination of subjectivity and judgment associated with determining fair value of land and building which are not relevant to cost model.

Management has also concluded that since judgment and estimates are not used in cost model and also other constraints of revaluation model as stated above, it would provide reliable measurement basis, better information about the nature and amounts of the Bank's economic resources as well as ensure faithful representation and verifiability as outlined in Conceptual Framework for Financial Reporting 2010.

In particular, management has assessed compliance with BFRS Framework requirement of comparability and as required by BAS 8, retrospective application of this change in accounting policy has been made which ensures consistency in all amounts/numbers provided in the financial statements for the year ended 31 December 2017. For ease of reference amounts restated from 2016 audited financial statements for this change are given below:

Amount In BDT

Items	Previously reported amount	Restated amount
Balance sheet:		
Fixed assets including premises, furniture and fixtures	8,084,826,026	3,437,235,921
Other reserve	5,781,786,635	2,519,404,380
Net assets value per share	28.89	23.58
Profit and loss account:		
Depreciation and repair of Bank's assets	984,171,575	962,903,259
Earnings per share	4.49	4.52

4 Consolidated cash in hand

Profit and Loss Account		2017 Taka	2016 (Restated) Taka
Statement	The City Bank Limited (note 4.a)	4,447,677,389	3,787,829,631
	City Brokerage Limited	77,500	77,500
	City Bank Capital Resources Limited	128	11,769
	CBL Money Transfer Sdn. Bhd.	45,943	103,876
		4,447,800,960	**3,788,022,776**
4.a	**Cash - The City Bank Limited**		
	In hand - including foreign currencies(note 4.a.1)	4,447,677,389	3,787,829,631
	Balance with Bangladesh Bank and its agent bank (s) - including foreign currencies (note 4.a.2)	19,339,302,948	20,696,275,735
		23,786,980,337	**24,484,105,366**
4.a.1	**Cash in hand**		
	Local currency	4,329,389,888	3,731,432,078
	Foreign currency	118,287,501	56,397,553
		4,447,677,389	**3,787,829,631**
4.a.2	**Balance with Bangladesh Bank and its agent bank(s)**		
	Local currency	13,606,320,435	13,590,293,951
	Foreign currency	5,164,707,048	6,578,617,682
		18,771,027,483	20,168,911,633
	Sonali Bank Limited as agent of Bangladesh Bank (local currency)	568,275,465	527,364,103
		19,339,302,948	**20,696,275,735**

The above balance represents amount as per Bank book. The difference due to reconciling items with Bangladesh Bank are subsequently adjusted.

4.a.2 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 33 of Banking Companies Act, 1991, BRPD circular no.11 and 12, dated 25 August 2005, MPD circular no.116/2010-1713 dated 1 December 2010 and MPD Circular No. 1 dated 23 June 2014.

The minimum Cash Reserve Ratio on the Bank's time and demand liabilities at the rate of 6.5% on bi-weekly basis has been calculated and maintained with Bangladesh Bank in current account and 13% Statutory Liquidity Ratio, excluding CRR, on the same liabilities has also been maintained in the form of treasury bills, bonds and debentures including foreign currency balances with Bangladesh Bank (CRR and SLR of December 2017 is based on weekly average time and demand liabilities balance of October 2017). Both reserves maintained by the Bank are in excess of the statutory requirements, as shown below:

a) Cash Reserve Ratio (CRR)		
Required reserve	11,974,841,584	11,424,931,989
Actual reserve maintained	13,700,605,110	13,564,388,695
Surplus	**1,725,763,526**	**2,139,456,706**
b) Statutory Liquidity Ratio (SLR)		
Required reserve	23,690,908,758	22,612,381,937
Actual reserve maintained (note 4.a.3)	28,855,868,506	28,509,761,693
Surplus	**5,164,959,748**	**5,897,379,756**

4.a.3 Held for Statutory Liquidity Ratio (SLR)

Cash in hand	4,447,677,389	3,787,829,631
Sonali Bank Limited as agent of Bangladesh Bank as per statement balance	582,900,058	533,562,643
Surplus of CRR - balance with Bangladesh Bank	1,725,763,526	2,139,456,706
Government securities and bonds	22,099,527,532	22,048,912,713
	28,855,868,506	**28,509,761,693**

5 Consolidated balance with other banks and financial institutions

	2017 Taka	2016 (Restated) Taka
In Bangladesh		
The City Bank Limited (note 5.a)	12,125,956,169	12,187,706,470
City Brokerage Limited	1,202,747,029	1,497,234,522
City Bank Capital Resources Limited	333,028,905	600,001,749
	13,661,732,103	14,284,942,741
Mutual indebtedness:		
Deposit with The City Bank Limited - City Brokerage Limited	(807,820,818)	(953,833,542)
Deposit with The City Bank Limited - CBL Money Transfer Sdn. Bhd.	-	-
Deposit with The City Bank Limited - City Bank Capital Resources Limited	(149,635,173)	(151,052,119)
	(957,455,991)	(1,104,885,661)
Adjustments for Consolidation - City Brokerage Limited	-	-
Total in Bangladesh	**12,704,276,112**	**13,180,057,080**
Outside Bangladesh		
The City Bank Limited (note 5.a)	603,628,965	661,120,028
CBL Money Transfer Sdn. Bhd.	385,740,473	244,495,395
Total outside Bangladesh	**989,369,438**	**905,615,423**
Grand total	**13,693,645,550**	**14,085,672,503**

5.a Balance with other banks and financial institutions - The City Bank Limited

In Bangladesh (note 5.a.1)	12,125,956,169	12,187,706,470
Outside Bangladesh (note 5.a.2)	603,628,965	661,120,028
	12,729,585,134	**12,848,826,498**

5.a.1 In Bangladesh

Current accounts		
Janata Bank Limited	902,860	903,435
Agrani Bank Limited	20,780,354	56,521,510
Sonali Bank Limited	54,679,341	73,588,778
Sub total	**76,362,555**	**131,013,723**
Short notice deposit accounts		
Social Islami Bank Limited	1,508,373	1,489,983
Dutch-Bangla Bank Limited	11,986	83,952
Standard Chartered Bank	129,563,788	37,625,878
Rupali Bank Limited	53,251,994	96,079,807
AB Bank Limited	8,644,172	6,853,688
Trust Bank Limited	6,555,095	2,131,856
Bank Al-Falah Limited	2,096,175	641,641
Prime Bank Ltd.	718,750	-
Southeast Bank Limited	9,921,282	9,633,943
Sub total	**212,271,614**	**154,540,747**
Savings accounts		
Social Islami Bank Limited	-	-
Southeast Bank Limited	-	-
Sub total	**-**	**-**
Fixed deposit receipts		
National Bank of Pakistan	80,000,000	410,000,000
Modhumoti Bank Limited	153,822,000	154,252,000
BRAC Bank Limited	-	1,023,100,000
Mutual Trust Bank Limited	-	118,050,000
Bank Al-Falah Limited	-	196,750,000
Trust Bank Limited	413,500,000	-
Lankabangla Finance Limited	1,300,000,000	500,000,000
IDLC Finance Limited	2,590,000,000	3,000,000,000
United Finance Limited	300,000,000	-
Industrial and Infrastructure Development Finance Company Limited	200,000,000	-
Uttara Finance and Investment Limited	400,000,000	-
International Leasing and Financial Services Limited	-	300,000,000
Investment Corporation of Bangladesh	4,500,000,000	5,500,000,000
Phoenix Finance & Investments Limited	300,000,000	200,000,000
Industrial Promotion and Development Company of Bangladesh Limited	1,500,000,000	500,000,000
National Housing Finance and Investment Limited	100,000,000	-
Sub total	**11,837,322,000**	**11,902,152,000**
Total	**12,125,956,169**	**12,187,706,470**

5.a.2 Outside Bangladesh (Nostro accounts)

Current accounts	Currency	2017 Taka	2016 (Restated) Taka
Mashreq Bank, New York, USA	USD	79,846,502	112,754,211
Habib American Bank, New York, USA	USD	64,149,207	39,502,741
Citibank N.A. New York, USA	USD	(120,697,185)	(80,460,879)
Standard Chartered Bank, New York, USA	USD	(98,664,261)	226,078,118
Standard Chartered Bank, Frunkfurt	EURO	(38,359,898)	328,049
Deutsche Bank, Frankfurt, Germany	EURO	-	8,460,223
Bank of Tokyo Mitsubishi Ltd., Japan	JPY	14,027,335	5,854,826
Deutsche Bank Trust Comp. USA	USD	-	43,067,313
Bank of Tokyo Mitsubishi Ltd., New Delhi, India	ACUD	704,057	665,319
AB Bank Ltd., Mumbai, India	ACUD	(3,121,480)	3,074,547
Sonali Bank Ltd., Kolkata, India	ACUD	1,759,959	795,362
NIB Bank Limited, Karachi, Pakistan	ACUD	21,879,514	11,017,913
Standard Chartered Bank, Nepal	ACUD	177,775	169,177
Commerz Bank AG. Frankfurt, Germany	USD	54,631,685	32,089,373
Commercial Bank of Ceylon, Colombo, Sri Lanka	ACUD	7,654,797	5,559,289
Bank of Bhutan, Bhutan	ACUD	765,595	1,768,011
Commerz Bank AG. Frankfurt, Germany	EURO	83,273,839	14,523,708
Commerz Bank AG. Frankfurt, Germany	CHF	473,341	589,488
Mashreq Bank, Mumbai, India	ACUD	13,669,557	67,354,519
Mashreq Bank, Mumbai, India	EURO	163,430	136,414
HDFC Bank Ltd, Mumbai, India	ACUD	6,887,665	8,417,698
Banca Popolare Di Vicenza, Italy	EURO	-	8,957,268
Standard Chartered Bank, London	GBP	2,112,619	5,044,344
Mashreq Bank, London	GBP	4,750,598	2,043,658
Kookmin Bank, Korea	USD	3,286,720	3,577,126
Commerz Bank AG. Frankfurt	AUD	2,578,515	3,970,484
Standard Chartered Bank,Mumbai, India	ACUD	21,766,098	27,770,071
Mashreq Bank, Dubai	AED	5,669	899
Habib Bank Limited, Pakistan	ACUD	-	1,999,790
Mashreq Bank, New York, USA (For OBU Operation)	USD	444,049,578	60,109,809
Commerz Bank AG. Frankfurt, Germany (For OBU Operation)	USD	14,468,337	3,735,065
Commerz Bank AG. Frankfurt, Germany (For OBU Operation)	EURO	20,716,811	2,176,039
Sub total		**602,956,379**	**621,129,973**
Term deposits			
Mashreq Bank Limited, New York, USA	USD	-	39,350,000
Sonali Bank, Kolkata, India	ACUD	672,586	640,055
Sub total		**672,586**	**39,990,055**
Total		**603,628,965**	**661,120,028**

Details are shown in Annexure-B.

5.a.3 Maturity grouping of balance with other banks and financial institutions

Payable on demand	540,880,280	590,603,740
Up to 1 month	1,844,535,114	2,022,877,663
Over 1 month but not more than 3 months	9,826,749,764	10,221,174,616
Over 3 months but not more than 1 year	517,419,975	14,170,480
Over 1 year but not more than 5 years	-	-
Over 5 years	-	-
	12,729,585,134	**12,848,826,498**

6 Money at call and short notice

Banking companies		
ICB Islamic Bank Limited (note 6.1)	89,379,167	91,379,167
	89,379,167	**91,379,167**

6.1 This represents a call loan with ICB Islamic Bank Limited, formerly The Oriental Bank Limited, since 2007. Bangladesh Bank has issued a notification dated 2 August 2007- BRPD(R-1)651/991002007-447 and approved a scheme of reconstruction of the former The Oriental Bank Limited in which payment of liabilities of the bank has been finalized and based on earlier issued and recent (BRPD circular letter no. 15 dated 03 November 2016) schedule and of payment the Bank (CBL) has already received first 18th installments.

7 Consolidated Investments

Government securities		
The City Bank Limited (note 7.a.ii.a)	22,099,527,532	22,048,912,713
	22,099,527,532	**22,048,912,713**
Others		
The City Bank Limited (note 7.a.ii.b)	3,408,912,369	2,383,242,864
City Brokerage Limited (note 7.b)	2,853,030,414	1,680,187,538
City Bank Capital Resources Limited (note 7.c)	3,570,084,058	1,783,769,503
	9,832,026,841	**5,847,199,905**
	31,931,554,373	**27,896,112,618**

7.a Investments - The City Bank Limited

Government (note 7.a.1.i)	22,099,527,532	22,048,912,713
Others (note 7.a.1.ii)	3,408,912,369	2,383,242,864
	25,508,439,902	**24,432,155,577**

7.a.1 Investment securities are classified as follows

i) Government bonds

Prize bonds	3,048,500	3,551,600
Government bonds - (note 7.a.4)	22,096,479,032	22,045,361,113
	22,099,527,532	**22,048,912,713**

ii) Other investments

Debenture of Bangladesh Welding Electrodes Limited	122,273	122,273
Mutual fund	64,379,557	53,875,876
Shares (note 7.a.5)	3,344,410,539	2,329,244,715
	3,408,912,369	**2,383,242,864**
	25,508,439,902	**24,432,155,577**

7.a.2 Investment classified as per Bangladesh Bank Circular

Held for Trading (HFT)	2,416,197,264	7,528,699,323
Held to Maturity (HTM)	19,683,330,269	14,520,213,390
Reverse Repo	-	-
Other Securities	3,408,912,369	2,383,242,864
	25,508,439,902	**24,432,155,577**

Disclosure relating to REPO & Reverse REPO is presented in Annexure - G

7.a.3 Maturity grouping of investments

	2017 Taka	2016 (Restated) Taka
On demand	3,048,500	3,551,600
Over 1 month but not more than 3 months	8,172,580,804	1,276,361,847
Over 3 months but not more than 1 year	1,017,734,439	3,613,954,775
Over 1 year but not more than 5 years	7,177,188,167	3,577,925,055
Over 5 years	9,137,887,992	15,960,362,300
	25,508,439,902	**24,432,155,577**

7.a.4 Government bonds

Name of the bonds

30 days Bangladesh Bank bills	-	-
91 days Treasury bills	2,978,567,746	-
182 days Treasury bills	4,014,345,874	-
364 days Treasury bills	-	-
6 months Islamic bonds	150,000,000	250,000,000
2 Years Islamic bonds	-	-
2 years Treasury bonds	1,792,321,857	-
5 years Treasury bonds	983,804,843	2,002,871,858
10 years Treasury bonds	9,978,655,898	17,530,001,872
15 years Treasury bonds	2,032,828,021	1,862,402,525
20 years Treasury bonds	165,954,793	400,084,858
	22,096,479,032	**22,045,361,113**

7.a.5 Investment in shares

	2017 Taka	2016 (Restated) Taka
Quoted		
AB Bank Limited	14,781,099	13,570,219
Dhaka Bank Limited	40,240,002	31,181,657
Mercantile Bank Limited	34,516,178	18,802,112
Mutual Trust Bank Limited	26,804,190	15,383,306
Pubali Bank Limited	12,824,422	9,374,592
Rupali Bank Limited	-	1,048,872
Shahjalal Islami Bank Limited	8,006,955	3,466,215
Standard Bank Limited	20,224,152	14,692,775
United Commercial Bank Limited	48,830,170	373,362,205
Trust Bank Limited	87,823,052	44,604,984
Investment Corporation of Bangladesh	2,292,800	1,497,485
Pragati Life Insurance Company Limited	-	2,785,528
Pravati Insurance Company Limited	-	2,121,239
Mercantile Insurance Company Limited	-	1,412,136
Peoples Insurance Company Limited	-	1,803,600
Continental Insurance Company Limited	-	1,068,396
Agrani Insurance Company Limited	-	1,016,256
Sonar Bangla Insurance Limited	-	1,337,628
Power Grid Company of Bangladesh Limited	10,440,000	41,461,200
Saif Powertec Limited	1,660,000	19,582
Dhaka Electricity Supply Company Limited	-	21,007,931
Summit Power Limited	-	242,165
Shahjibazar Power Co. Ltd.	2,322,000	-
BSRM Steels Limited	-	15,142,176
Beximco Limited	-	25,140,934
Matin Spinning Mills Ltd	33,254,711	35,091,505
Heidelberg Cement Bangladesh Limited	10,622,500	6,925,290
M.I. Cement Factory Ltd.	847,000	-
Premier Cement Mills Limited	-	9,185,755
Mobil Jamuna Lubricants Bangladesh Limited	2,182,000	20,874,506
United Power Generation & Distribution Company Limited	-	1,416,000
Square Pharmaceuticals Limited	4,866,525	40,105,100
The ACME Laboratories Limited	2,850,000	2,970,000
Grameenphone Limited	-	10,767,390
Bata Shoe Company (Bangladesh) Limited	5,976,180	5,710,000
AFC Agro Biotech Limited	-	43,458,762
IDLC Finance Limited	2,894,640,317	1,432,792,926
Perfume Chemical Ind. Limited	1,652	1,652
Raspit Inc. (BD) Limited	695,400	695,400
Rangamati Food Products Limited	890,100	890,100
German Bangla Joint Venture Foods Limited	75,600	75,600
Somorita Hospital Limited	11,944	9,946
	3,267,678,949	**2,252,513,125**

	2017 Taka	2016 (Restated) Taka
Unquoted Ordinary Shares		
Central Depository Bangladesh Limited	6,277,770	6,277,770
KARMA Sangsthan Bank Limited	10,000,000	10,000,000
Industrial & Infrastructural Development Finance Company Limited	42,453,820	42,453,820
Venture Investment Partners Bangladesh Limited	18,000,000	18,000,000
	76,731,590	**76,731,590**
Total	**3,344,410,539**	**2,329,244,715**

Details are shown in Annexure-C.

7.b Investments - City Brokerage Limited

Membership (note 7.b.1)		
Dhaka Stock Exchange Limited (DSE)	580,999,000	580,999,000
Chittagong Stock Exchange Limited (CSE)	19,001,000	19,001,000
	600,000,000	**600,000,000**
Investments in shares (note 7.b.2)	2,253,030,414	1,050,187,538
Investments in unlisted securities	-	30,000,000
	2,253,030,414	**1,080,187,538**
	2,853,030,414	**1,680,187,538**

7.b.1 As per the provision of the Exchange Demutualization Act, 2013, DSE and CSE allotted 7,215,106 and 4,287,330 shares respectively at a face value of Tk. 10 each. As there is no active market for these shares, these are stated at cost.

7.b.2 This represents investment made by the City Brokerage Limited in purchase of shares of various companies listed in Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited(CSE) through its dealer account. Cost price of the investment is Taka 1,488,686,057 (2016: 1,058,722,711) as on 31 December 2017.

7.c Investments - City Bank Capital Resources Limited

Government securities:		
Treasury bonds	-	-
	-	-
Others		
Investments in quoted shares (note 7.c.1)	3,481,084,058	1,674,769,503
Investments in unlisted securities (note 7.c.2)	89,000,000	109,000,000
	3,570,084,058	**1,783,769,503**
	3,570,084,058	**1,783,769,503**

7.c.1 This represents investment made by the City Bank Capital Resources Limited in purchase of shares of various companies listed in Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited(CSE) through its dealer account. Cost price of the investment is Taka1,911,890,751 (2016: 1,633,208,828) as on 31 December 2017.

7.c.2 This represent investment made by CBCRL in purchase of equity shares of ADN Telecom Limited and preference shares of Regent Energy and Power Co. Limited.

8 Consolidated Loans and advances/investments

Loans/investments, cash credits, overdrafts, etc.		
The City Bank Limited (note 8.a)	191,873,705,133	167,749,683,704
City Brokerage Limited (note 8.b)	1,375,650,682	2,163,478,751
City Bank Capital Resources Limited (note 8.c)	382,424,192	323,661,381
	193,631,780,007	170,236,823,836
Mutual indebtedness:		
Loan from The City Bank Limited - City Brokerage Limited*	(1,095,219,173)	(1,322,484,373)
Loan from City Brokerage Limited - City Bank Capital Resources Limited	-	(2,471,226)
Loan from The City Bank Limited - CBL Money Transfer Sdn. Bhd.	(185,882,570)	(141,039,850)
	(1,281,101,743)	(1,465,995,449)
	192,350,678,263	168,770,828,388
Bills purchased and discounted (note 9)		
The City Bank Limited	4,722,154,652	7,275,392,955
	197,072,832,915	**176,046,221,342**

*City Brokerage Limited availed loan facilities @7.50% p.a. from its parent company for extending margin financing to its customers.

8.a Loans and advances/investments - The City Bank Limited

Loans/investments, cash credits, overdrafts, etc. (note 8.a.1)	191,873,705,133	167,749,683,704
Bills purchased and discounted (note 8.a.2)	4,722,154,652	7,275,392,955
	196,595,859,784	**175,025,076,659**

8.a.1 Loans/investments, cash credits, overdrafts, etc.

	2017 Taka	2016 (Restated) Taka
Inside Bangladesh		
Secured overdrafts	3,457,663,844	2,098,430,056
Cash credits	22,016,790,686	20,362,827,842
House building loans	4,966,381,342	2,270,889,778
Loans against trust receipt	1,189,159,255	1,598,054,066
Loans against imported merchandise	12,671,186	12,671,186
Payment against document	70,948,313	57,045,974
Lease finance/Izara (note 8.a.5)	15,623,381	22,588,196
Hire purchase shirkatul melk	542,322,858	342,780,206
Industrial credits	104,824,195,871	87,271,881,233
Export development fund	11,937,226,725	8,203,972,586
Staff loans (note 8.a.15)	3,540,514,195	3,170,320,863
City card loans	7,114,920,855	6,187,424,888
Small and medium enterprise loans	10,320,280,962	10,851,135,926
Transportation loans	1,017,538,100	1,258,666,369
Bai-muajjal, Bi Salam, Murabah	1,768,890,785	10,105,596,651
City Drive	696,644,110	283,565,515
City solution	11,315,841,281	7,036,552,207
City Express	3,125,076,606	3,437,479,179
City Gems	2,408,873	1,987,817
Loan against Payroll	1,949,984,249	853,129,530
Other loans and advances	1,988,621,654	2,322,683,637
	191,873,705,133	**167,749,683,704**
Outside Bangladesh	-	-
	191,873,705,133	**167,749,683,704**

8.a.2 Bills purchased and discounted

Payable Inside Bangladesh		
Inland bills purchased	2,026,541,594	1,683,284,333
Payable Outside Bangladesh		
Foreign bills purchased and discounted	2,695,613,058	5,592,108,622
	4,722,154,652	**7,275,392,955**

8.a.3 Performing loans and advances/investments

Gross loans and advances/investments	196,595,859,784	175,025,076,659
Non-performing loans and advances/investments (note 8.a.3.1)	(10,677,894,989)	(10,581,921,664)
	185,917,964,795	**164,443,154,995**

8.a.3.1 Non-performing loans and advances/investments

Opening balance	10,581,921,664	10,844,779,615
Addition during the year	8,100,118,353	7,728,867,037
Reduction during the year	(8,004,145,028)	(7,991,724,987)
Closing balance	**10,677,894,989**	**10,581,921,664**

8.a.4 Residual maturity grouping of loans and advances/investments including bills purchased and discounted

Repayable on demand	15,454,739,218	1,282,943,297
Not more than 3 months	57,255,955,096	47,417,542,839
More than 3 months but not more than 1 year	46,371,847,621	57,328,687,001
More than 1 year but not more than 5 years	55,047,527,758	50,544,213,286
More than 5 years	22,465,790,092	18,451,690,234
	196,595,859,784	**175,025,076,659**

8.a.5 Lease finance/Izara

Lease rental receivable within 1 year	11,489,327	1,232,430
Lease rental receivable within 5 years	5,511,349	23,714,021
Lease rental receivable after 5 years	-	-
Total lease/Izara rental receivable	**17,000,676**	**24,946,451**
Unearned interest receivable	(1,377,295)	(2,358,255)
Net lease/Izara finance	**15,623,381**	**22,588,196**

8.a.6 Loans and advances/investments

	2017 Taka	2016 (Restated) Taka
Loans	166,399,250,603	145,288,425,806
Cash credits	22,016,790,686	20,362,827,842
Overdrafts	3,457,663,844	2,098,430,056
	191,873,705,133	**167,749,683,704**
Bills purchased and discounted (note 8.a.2)	4,722,154,652	7,275,392,955
	196,595,859,784	**175,025,076,659**

8.a.7 Concentration of loans and advances/investments including bills purchased and discounted

Advances to allied concerns of directors	465,954,221	440,394,751
Advances chief executive and other senior executives	146,707,969	115,253,963
Advances to customer groups	25,648,697,952	20,000,296,576
Industrial loans and advances/investments	153,157,701,883	139,721,851,831
Others loans and advances/investments	17,176,797,760	14,747,279,537
	196,595,859,784	**175,025,076,659**

8.a.8 Business segment wise concentration of loans and advances/investments including bills purchased and discounted

Corporate	102,401,855,214	97,003,312,366
SME	39,373,156,732	39,600,330,566
Off-shore Banking Unit (OBU)	21,495,344,894	14,784,046,934
Retail	29,784,988,750	20,467,065,929
Staff loan	3,540,514,195	3,170,320,863
	196,595,859,784	**175,025,076,659**

8.a.9 Sector wise concentration of loans and advances/investments including bills purchased and discounted

	2017		2016 (Restated)	
	% of total loan	Taka	% of total loan	Taka
Agri & micro-credit through NGO	5.11%	10,036,257,735	2.41%	4,217,464,118
Readymade garments industry	15.73%	30,917,033,140	15.04%	26,325,749,589
Consumer credit	14.00%	27,517,712,506	11.70%	20,478,350,098
Trade service	12.20%	23,978,877,276	11.63%	20,353,942,495
Steel industry	6.85%	13,464,976,000	8.33%	14,586,928,276
Textile & spinning mills	5.44%	10,690,140,282	5.59%	9,780,416,679
Real estate financing	4.95%	9,736,178,203	4.73%	8,287,112,831
Energy and power industry	4.08%	8,022,468,354	3.92%	6,865,947,618
Edible oil and food processing	3.24%	6,377,029,277	6.40%	11,206,875,343
Pharmaceuticals industry	3.14%	6,179,455,829	2.06%	3,603,534,528
Assembling industry	2.77%	5,439,693,487	2.45%	4,280,875,984
Transport, Storage & Communication	2.62%	5,144,725,850	3.42%	5,983,215,949
Service industry	1.58%	3,098,256,722	1.32%	2,315,963,890
Ship breaking & building	1.18%	2,329,559,658	1.44%	2,512,002,997
Construction	0.51%	1,009,397,563	1.36%	2,377,495,932
Chemical industry	0.20%	393,495,887	0.28%	494,336,674
Hospitals	0.14%	284,921,759	0.17%	300,629,103
Other manufacturing industry	12.48%	24,535,703,658	10.90%	19,073,046,954
Others	3.78%	7,439,976,599	6.85%	11,981,187,600
	100.00%	**196,595,859,784**	**100.00%**	**175,025,076,659**

8.a.10 Geographical location-wise loans and advances

Inside Bangladesh Urban:	2017		2016 (Restated)	
	% of total loan	Taka	% of total loan	Taka
Dhaka	79.44%	156,170,896,890	77.10%	134,949,729,620
Chattogram	13.00%	25,553,412,917	15.84%	27,725,443,569
Sylhet	0.41%	804,549,605	0.34%	589,354,821
Rajshahi	2.37%	4,655,923,803	2.05%	3,589,601,414
Khulna	1.18%	2,328,606,018	1.16%	2,026,987,880
Rangpur	1.00%	1,972,758,144	1.03%	1,800,541,455
Barishal	0.18%	348,078,108	0.16%	285,059,620
Mymensingh	0.13%	248,209,574	0.12%	208,726,896
	97.70%	192,082,435,059	97.80%	171,175,445,275
Rural:				
Dhaka	1.68%	3,308,163,198	1.28%	2,243,176,003
Chattogram	0.37%	718,006,145	0.34%	594,990,902
Sylhet	0.08%	147,649,152	0.08%	133,039,201
Rajshahi	0.17%	339,606,231	0.50%	878,425,279
	2.30%	4,513,424,725	2.20%	3,849,631,384
Total inside Bangladesh	**100.00%**	**196,595,859,784**	**100.00%**	**175,025,076,659**
Outside Bangladesh	0.00%	-	0.00%	-
Grand total	**100.00%**	**196,595,859,784**	**100.00%**	**175,025,076,659**

8.a.11 Sector-wise loans and advances

	2017		2016 (Restated)	
	% of total loan	Taka	% of total loan	Taka
Public sector	0.08%	167,036,829	0.19%	333,111,970
Private sector	99.92%	196,428,822,955	99.81%	174,691,964,689
	100.00%	**196,595,859,784**	**100.00%**	**175,025,076,659**

8.a.12 Securities against loans/investments including bills purchased and discounted

	2017 Taka	2016 (Restated) Taka
Collateral of movable/immovable assets	148,914,322,167	135,072,501,355
Local banks and financial institutions guarantee	4,722,154,652	7,275,392,955
Foreign banks guarantee	-	-
Export documents	12,008,175,039	8,261,018,560
Fixed Deposit Receipts (FDR)	4,423,582,708	4,752,150,786
FDR of other banks	-	-
Government guarantee	167,036,829	333,111,970
Personal guarantee	12,505,000,536	8,634,606,273
Other securities	13,855,587,854	10,696,294,761
	196,595,859,784	**175,025,076,659**

8.a.13 Detail of large loan/investments

As at 31 December 2017 there were 41 (31 December 2016: 36) borrowers or group with whom amount of outstanding loans and advances/investments exceeded 10% of the total capital of the Bank. Total capital of the Bank was Taka 29,754.51 million as at 31 December 2017 (Taka 23,422.25.16 million as at 31 December 2016).

	2017 Taka	2016 (Restated) Taka
Number of borrowers or groups	41	36
Amount of outstanding advances/investments (Taka)	54,773,825,612	54,665,284,651
Amount of classified advances/investments therein (Taka)	-	-

8.a.14 Particulars of loans and advances/investments

		2017 Taka	2016 (Restated) Taka
i)	Loans/investments considered good in respect of which the Bank is fully secured	170,235,271,394	155,694,175,625
ii)	Loans/investments considered good against which the Bank holds no security other than the debtors' personal guarantee	12,505,000,536	8,634,606,273
iii)	Loans/investments considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	13,855,587,854	10,696,294,761
iv)	Loans/investments adversely classified; provision not maintained there against	-	-
		196,595,859,784	**175,025,076,659**
v)	Loans/investments due by directors or officers of the banking company or any of them either separately or jointly with any other persons	4,006,468,416	3,610,715,614
vi)	Loans/investments due from companies or firms in which the directors of the Bank have interest as directors, partners or managing agents or in case of private companies as members	465,290,246	438,614,820
vii)	Maximum total amount of advances/investments, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either separately or jointly with any other person.	4,006,468,416	3,610,715,614
viii)	Maximum total amount of advances/investments, including temporary advances/investments granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in the case of private companies, as members	-	-
ix)	Due from other banking companies	-	-
x)	Classified loans and advances/investments		
	(a) Classified loans and advances/investments on which interest has not been charged	9,428,420,334	9,239,971,089
	Increase of specific provision	(475,355,015)	(414,487,918)
	Amount of loans written off	2,705,265,571	3,486,267,624
	Amount realized against loans previously written off	202,041,593	613,863,574
	(b) Provision on classified loans and advances/investments	3,737,096,846	4,212,451,861
	(c) Provision kept against loans/investments classified as bad debts	3,502,452,854	3,989,934,311
	(d) Interest credited to Interest Suspense Account	1,087,929,519	1,302,725,093
xi)	Cumulative amount of written off loans/investments		
	Opening balance	13,837,230,896	10,964,826,846
	Amount written off during the year	2,705,265,571	3,486,267,624
	Amount realized against loans/investments previously written off	(202,041,593)	(613,863,574)
	Closing balance	16,340,454,874	13,837,230,896
	The amount of written off/classified loans/investments for which law suits have been filed	39,568,596,000	28,326,613,000

8.a.15 Staff loan

Provident fund	566,435,625	484,706,966
House building scheme	2,411,853,912	2,235,843,225
Vehicle scheme	488,165,802	387,167,199
Consumer credit and other scheme	74,058,856	62,603,473
	3,540,514,195	**3,170,320,863**

8.a.16 Classification of loans and advances/investments

	2017		2016 (Restated)	
	% of total loan	Taka	% of total loan	Taka
Unclassified				
Standard including staff loan	92.33%	181,509,548,949	90.64%	158,646,015,656
Special mention account (SMA)	2.24%	4,408,415,846	3.31%	5,797,139,339
	94.57%	**185,917,964,794**	**93.95%**	**164,443,154,995**
Classified				
Sub-standard	0.41%	804,154,826	0.42%	733,615,499
Doubtful	0.23%	445,319,829	0.35%	608,335,076
Bad/Loss	4.80%	9,428,420,334	5.28%	9,239,971,089
	5.43%	**10,677,894,989**	**6.05%**	**10,581,921,664**
	100.00%	**196,595,859,784**	**100.00%**	**175,025,076,659**

8.a.17 Particulars of required provision for loans and advances/investments

	2017 Taka	2016 (Restated) Taka
General provision on unclassified loans		
Loans/investments (excluding SMA)	2,239,364,409	1,957,634,599
Special mention account (SMA)	50,008,314	64,364,498
Required provision for unclassified loans and advances/investments	2,289,372,723	2,021,999,097
A. Total provision maintained for unclassified loans	2,310,060,198	2,090,560,000
B. Excess provision	**20,687,475**	**68,560,903**

Specific provision on classified loans	2017 Base for provision Taka	2017 % of required provision	2017 Required provision Taka	2016 (Restated) Required provision Taka
Sub-standard	543,577,345	5% - 20%	107,726,136	66,521,764
Doubtful	259,262,100	5% - 50%	126,897,873	154,768,770
Bad/Loss	3,502,452,854	100%	3,502,452,854	3,989,934,311
Required provision for classified loans and advances/investments			3,737,076,863	4,211,224,845
C. Total provision maintained for classified loans			3,737,096,846	4,212,451,861
D. Excess provision			**19,983**	**1,227,016**
Total required provision for loans and advances/investments			6,026,449,587	6,233,223,942
Total provision maintained for loans and advances/investments (A+C)			6,047,157,044	6,303,011,861
Total excess provision (B+D)			**20,707,458**	**69,787,919**

8.a.18 During the year 2017, no loan having outstanding Taka 500 crore or more was restructured.

8.b Loans and advances/investments - The City Brokerage Limited

Margin loan was given to several individuals and institutions for doing share trading business through the City Brokerage Limited.

8.c Loans and advances/investments - City Bank Capital Resources Limited

Margin loan was given to several individuals and institutions for doing share trading business through CBCRL.

9 Bills purchased and discounted (note 8.a.2)

	2017 Taka	2016 (Restated) Taka
Payable in Bangladesh	2,026,541,594	1,683,284,333
Payable outside Bangladesh	2,695,613,058	5,592,108,622
	4,722,154,652	**7,275,392,955**

9.1 Maturity grouping of bills purchased and discounted

Payable within one month	1,976,647,520	2,388,942,566
Over one month but less than three months	337,979,542	1,334,265,001
Over three months but less than six months	2,407,527,591	3,552,185,388
Six months or more	-	-
	4,722,154,652	**7,275,392,955**

10 Consolidated fixed assets including premises, furniture and fixtures

The City Bank Limited (note 10.a)	3,277,030,329	3,437,235,921
City Brokerage Limited (note 10.b)	310,038,186	16,180,736
City Bank Capital Resources Limited (note 10.c)	511,116,677	6,000,688
CBL Money Transfer Sdn. Bhd. (note 10.d)	14,496,323	10,738,865
	4,112,681,515	3,470,156,210
Inter-company transactions		
City Bank Capital Resources Limited with The City Bank Limited	(276,812,532)	-
City Brokerage Limited with The City Bank Limited	(193,139,428)	-
	3,642,729,555	**3,470,156,210**

10.a Fixed assets including premises, furniture and fixtures - The City Bank Limited

Cost/Revaluation		
Land	168,630,265	208,117,665
Building	1,789,452,122	1,904,121,594
Work-in progress - building	82,285,716	190,550,514
Furniture and fixtures	1,215,170,895	1,093,652,476
Office equipment and machinery	2,525,784,475	2,263,713,817
Bank's vehicles	356,505,046	292,383,257
Software	397,097,880	296,360,249
Work-in progress - software	40,564,506	62,484,862
	6,575,490,905	**6,311,384,434**
Accumulated depreciation and amortization	**(3,298,460,576)**	**(2,874,148,513)**
Written down value	**3,277,030,329**	**3,437,235,921**

See Annexure - D for details.

10.b Fixed assets including premises, furniture and fixtures - City Brokerage Limited

Cost		
Furniture and fixtures	21,377,353	21,377,353
Office equipment and machinery	34,406,780	29,057,877
Vehicles	5,041,586	5,041,586
Lease Hold Property	850,000	850,000
Land and Building	292,849,538	-
Software	4,147,609	4,147,609
	358,672,866	**60,474,425**
Accumulated depreciation and amortization	**(48,634,680)**	**(44,293,689)**
Written down value	**310,038,186**	**16,180,736**

10.c Fixed assets including premises, furniture and fixtures - City Bank Capital Resources Limited

Cost		
Furniture and fixtures	3,578,043	3,432,764
Office equipment and machinery	1,654,578	1,654,578
Software	2,200,000	2,200,000
Land and Building (Capital work in progress)	499,886,319	-
Vehicle	11,201,065	7,153,744
	518,520,005	**14,441,086**
Accumulated depreciation and amortization	**(7,403,328)**	**(8,440,398)**
Written down value	**511,116,677**	**6,000,688**

10.d Fixed assets including premises, furniture and fixtures - CBL Money Transfer Sdn. Bhd.

Cost		
Furniture and fixtures	14,425,163	10,201,372
Office equipment and machinery	12,124,853	8,333,563
Vehicle	2,096,943	1,814,187
	28,646,959	**20,349,122**
Accumulated depreciation	(14,150,636)	(9,610,257)
Written down value	**14,496,323**	**10,738,865**

11 Consolidated other assets

The City Bank Limited (note 11.a)	12,662,485,803	13,500,653,120
City Brokerage Limited (note 11.b)	189,553,599	161,648,566
City Bank Capital Resources Limited (note 11.c)	128,321,021	158,788,856
CBL Money Transfer Sdn. Bhd. (note 11.d)	8,743,304	8,298,507
	12,989,103,727	13,829,389,049
Goodwill arising on investment in subsidiaries	34,790,917	30,524,211
Mutual indebtedness:		
Pay

		2017 Taka	2016 (Restated) Taka
11.a.2	**Investment in subsidiary**		
	In Bangladesh		
	City Brokerage Limited	3,400,000,000	3,400,000,000
	City Bank Capital Resources Limited	2,550,000,000	2,550,000,000
		5,950,000,000	5,950,000,000
	Outside Bangladesh		
	CBL Money Transfer Sdn. Bhd.	89,050,718	67,010,297
		6,039,050,718	**6,017,010,297**
11.a.3	**Advance payment of tax**		
	Opening balance	2,918,221,017	998,940,694
	Paid during the year	1,517,697,121	1,919,280,323
	Adjustment for previous years tax liability	(1,687,704,585)	-
	Closing balance	**2,748,213,553**	**2,918,221,017**
11.a.4	**Deferred tax assets**		
	Deferred tax asset	**1,108,157,974**	**866,425,840**

Detail calculation on deferred tax assets:

	Book value Taka	Tax base Taka	Taxable/ (deductible) temporary difference Taka	Deferred tax (assets)/ liability Taka
Fixed assets	2,906,557,208	2,636,858,987	269,698,221	107,879,288
Unrealized gain on share	49,753,230	-	49,753,230	4,975,323
Receivable on Interest income- T bond	449,921,394	-	449,921,394	179,968,557
Provision against classified loan	(3,502,452,854)	-	(3,502,452,854)	(1,400,981,142)
Deferred tax liability/(asset)				**(1,108,157,974)**
Deferred tax asset up to last year				**866,425,840**
Deferred tax (income)/expense				**(241,732,134)**

11.a.5	**Accounts receivables:**		
	Advance against remittance	216,259,018	220,309,660
	Receivable against card operation	373,801,905	829,713,740
	Receivable against fraud forgeries	24,076,333	23,835,307
	Receivable against sales proceeds of shares	2,066,170	2,005,644
	Receivable against encashment -SP/BSP/PSC	290,140,465	1,070,813,891
	Advance to vendor for expense	21,671,949	22,356,927
	Unreconciled nostro entry	8,691,904	8,691,904
	Receivable under VAT current account	2,782,301	6,299,986
	Advance to staff for expense	2,474,676	4,156,375
	Sundry debtors	16,486,245	18,883,826
		958,450,966	**2,207,067,261**
11.a.6	**Intangible assets**		
	Users license	24,188,743	28,011,476
	Royalty	254,283,830	-
		278,472,573	**28,011,476**
11.a.6.1	**Movement of intangible assets**		
	Opening balance	28,011,476	28,011,476
	Addition during the year	327,544,682	-
	Amortization during the year	(77,083,585)	-
	Closing balance	**278,472,573**	**28,011,476**
11.b	**Other assets - City Brokerage Limited**		
	Advances, deposits and prepayments	33,366,672	12,531,748
	Receivable from DSE	47,942,619	84,853,347
	Receivable from CSE	-	-
	Advance payment of tax	108,244,308	64,263,471
		189,553,599	**161,648,566**
11.c	**Other assets - City Bank Capital Resources Limited**		
	Advances, deposits and prepayments	8,761,869	360,887
	Advance income tax	52,484,738	10,059,767
	Deferred tax assets	10,661	4,333,867
	Stamps in hand	21,500	34,430
	Account receivable	67,042,253	143,999,905
		128,321,021	**158,788,856**
11.d	**Other assets - CBL Money Transfer Sdn. Bhd.**		
	Advances, deposits and prepayments	**8,743,304**	**8,298,507**
12	**Non - banking assets**		
	Income generating:		
	Share (note 12.a)	150,700,000	130,057,059
	Non-income generating:		
	Land (note 12.b)	730,968,179	826,868,301
		881,668,179	**956,925,360**

The City Bank Limited has been awarded absolute ownership on 47 mortgage properties through verdict of honourable Court under section 33 (7) of Artha Rin Adalat Ain, 2003. The Bank also acquired some lien shares as settlement of loan. Theses have been recorded at Taka 881,668,178 as non-banking assets.

	Name of Parties	Type of assets	Booking Date	2017 Taka	2016 (Restated) Taka
12.a	***Income generating:***				
	Abrar Steel Mills Ltd.	Prime Bank Ltd.'s share	15/Nov/12	150,700,000	97,350,000
	Globe International	Bank Asia Ltd.'s share	28/Dec/14	-	32,707,059
				150,700,000	**130,057,059**
12.b	***Non-income generating:***				
	M/S Overseas Liner Agency	953 decimal land	29/Dec/11	11,436,000	11,436,000
	M/S Habib Bastra Bitan	16.50 decimal land	29/Dec/11	1,485,000	1,485,000
	M/S Misti enterprise	16.50 decimal land	29/Dec/11	819,523	819,523
	M/S World Resources Ltd	10 katha 1 chattak land	29/Dec/11	-	69,466,379
	M/S Chowdhury Electronics	2.7 decimal land	29/Dec/11	1,657,880	1,657,880
	M/S Silva Synthetic Fabrics	67.5 Dec Land in Narayangong	29/Dec/11 & 29/Dec/15	27,000,000	211,670,625
	L.J.S Enterprise	181.96 decimal land	29/Dec/11	3,677,959	3,677,959
	M/S Sikder Construction	14 decimal land	29/Dec/11	12,131,206	12,131,206
	M/s. Nan Business Associates	5 decimal land & 1,518 sft floor	27/Dec/12	8,340,000	8,340,000
	Mr. Sharifuzzaman (Nawab)	20.5 decimal land	27/Dec/12	2,950,867	2,950,867
	M/s. Ananna Enterprise	17.32 decimal land	27/Dec/12	10,240,097	10,240,097
	Shibpur Rice Mill	150.75 decimal land	27/Dec/12	1,829,498	1,829,498
	Taijel Store	5.80 decimal land	27/Dec/12	2,461,873	2,461,873
	Rahman Traders	22.00 decimal land	27/Dec/12	1,171,273	1,171,273
	M/s. Chand & Sons	6.60 decimal land	10/Oct/13	1,850,139	1,850,139
	M/s. Ashraf Traders	12 decimal land	20/Oct/13	3,352,735	3,352,735
	M/s. Rafique Repairing & Motor Machinery Parts	8 acre land	20/Oct/13	1,371,088	1,371,088
	Friends International	225.35 decimal land	3/Mar/14	14,888,087	14,888,087
	Lucky Trade Concern	7.89 decimal land	29/Jun/15	130,326,220	130,326,220
	M/s Mostafa Store	2.7 decimal land	20/Dec/15	747,144	747,144
	M/s General Services	375.5 decimal land	20/Dec/15	1,905,964	1,905,964
	M/s Galeeb International	8.25 decimal land	22/Dec/15	3,507,045	3,507,045
	M/s Balaka Industries	7 katha land	22/Dec/15	6,390,367	6,390,367
	Alif Builders & Co.	4.51 decimal land	22/Dec/15	13,647,649	13,647,649
	M/s Dhaka Eylet & Bartack Center	34 decimal land	23/Dec/15	4,710,476	4,710,476
	M/s Alamin Engineering	2.50 katha land and 8.25 decimal land	23/Dec/15	2,340,929	2,340,929
	M/s S S Poultry Feed	12.32 decimal land	23/Dec/15	4,152,867	4,152,867
	M/s Sathi Foods & Oil Industries	15 decimal land	23/Dec/15	10,683,879	10,683,879
	M/s G T Corporation	1.75 katha land	24/Dec/15	658,713	658,713
	M/s MIM Pictures International	51.5 decimal land	24/Dec/15	1,763,421	1,763,421
	M/s Shaans Denim	1670 sft Flat	24/Dec/15	34,880,000	34,880,000
	M/s Apparel King Limited	16.34 decimal land	24/Dec/15	7,189,924	7,189,924
	M/s Suchi Enterprise	50.24 decimal land	24/Dec/15	3,602,354	3,602,354
	M/s A B Traders	3.63 acre land	24/Dec/15	899,503	899,503
	M/s The Media Advertising	17.50 decimal land and 5 katha land	24/Dec/15	1,627,948	1,627,948
	M/s Mondira Medico	12.20 decimal land and 3 acre land	24/Dec/15	4,496,291	4,496,291
	M/s. Nan Business Associates	256 decimal land	28/Dec/15	55,181,250	55,181,250
	M/s Tajco Ltd	1.60 acre land	30/Dec/15	15,049,194	15,049,194
	Atlas food and Beverage Limited	233.68 decimal land	29/Jun/16	65,366,934	65,366,934
	Sristr Traders	21.50 decimal land	29/Jun/16	25,800,000	25,800,000
	Rafty Sweaters Limited	100 Decimal Land and 02 storied building measuring -+42,000 sft	29/Dec/16	71,140,000	71,140,000
	Saleh Fashion Ltd.	14.56 Dec Land and 30 Dec Land	21/Jun/17	17,592,323	-
	M/S Hasnat Enterprise	4.587 dec land with building and 0.0412.50 Dec land	30/Dec/17	21,055,559	-
	M/s. Noor Enterprise	84.87 decimal land	30/Dec/17	79,884,000	-
	M/s. McCoy Knitwear	22.50 decimal land and 5.00 decimal land. Total 27.5 decimal land	30/Dec/17	2,625,000	-
	M/s. Rupchanda Food Products	21 decimals vacant land at Sreemongal	30/Dec/17	1,680,000	-
	M/s. Unique Steel	75.5 decimal land	30/Dec/17	35,400,000	-
				730,968,179	**826,868,301**

13	**Tier-II subordinated bond**		

Tier-II Subordinated bond includes fund raised from several banks, financial institutions and other organization through issuance of 6 (six) years Bond during 2014 and 7 (Seven) years Bond during 2017. Institution wise subscription towards the bonds are:

City Bank subordinated bond - (i)		
Mercantile Bank Limited	587,250,000	783,000,000
BRAC Bank Limited	411,000,000	548,000,000
Meghna Bank Limited	234,750,000	313,000,000
NRB Bank Limited	234,750,000	313,000,000
IDLC Finance Limited	234,750,000	313,000,000
NRB Commercial Bank Limited	147,000,000	196,000,000
Pubali Bank Ltd.	147,000,000	196,000,000
Saudi-Bangladesh Industrial and Agricultural Investment Company Limited	135,000,000	180,000,000
Dhaka Bank Limited	59,250,000	79,000,000
United Finance limited	59,250,000	79,000,000
	2,250,000,000	**3,000,000,000**
City Bank subordinated bond - (ii)		
ONE Bank Limited	1,000,000,000	-
Janata Bank Limited	750,000,000	-
Sonali Bank Limited	500,000,000	-
Pubali Bank Limited	500,000,000	-
Uttara Bank Limited	350,000,000	-
Agrani Bank Limited	200,000,000	-
Dhaka Bank Limited	100,000,000	-
Standard Bank Limited	100,000,000	-
Rupali Bank Limited	800,000,000	-
Mercantile Bank Limited	400,000,000	-
Dhaka stock exchange Limited	300,000,000	-
	5,000,000,000	**-**
	7,250,000,000	**3,000,000,000**

14	**Consolidated borrowings from other banks, financial institutions and agents**		
	The City Bank Limited (note 14.a)	37,906,297,408	31,695,262,081
	City Brokerage Limited (note 14.b)	1,395,219,173	1,322,484,373
	City Bank Capital Resources Limited (note 14.c)	523,270,426	-
	CBL Money Transfer Sdn. Bhd. (note 14.d)	185,882,570	141,039,850
		40,010,669,578	33,158,786,304
	Mutual indebtedness:		
	Loan from The City Bank Limited-City Brokerage Limited	(1,095,219,173)	(1,322,484,373)
	Loan from The City Bank Limited- CBL Money Transfer Sdn. Bhd.	(185,882,570)	(141,039,850)
		38,729,567,834	**31,695,262,081**
14.a	**Borrowings from other banks, financial institutions and agents**		
	In Bangladesh (note 14.a.1)	22,276,084,547	21,242,463,062
	Outside Bangladesh (note 14.a.2)	15,630,212,861	10,452,799,019
		37,906,297,408	**31,695,262,081**

		2017 Taka	2016 (Restated) Taka
14.a.1	**In Bangladesh**		
	Dhaka Bank Limited	2,894,500,000	3,648,000,000
	National Bank Limited	-	800,000,000
	Sonali Bank Limited	2,190,000,000	600,000,000
	State Bank of India	380,000,000	370,000,000
	BASIC Bank	-	700,000,000
	Trust Bank Limited	-	490,000,000
	HSBC	380,000,000	370,000,000
	Bangladesh Commerce Bank Limited	-	157,400,000
	Mutual Trust Bank Limited	600,000,000	-
	Commercial Bank of Ceylon PLC	280,000,000	-
	Modhumoti Bank Limited	90,970,000	-
	Janata Bank Limited	1,900,000,000	-
	IFIC Bank Limited	150,000,000	-
	Prime Bank Limited	800,000,000	-
	Southeast Bank Limited	600,000,000	-
	Refinance against EDF loan from Bangladesh Bank	11,194,380,474	7,493,652,404
	Refinance against SME loan from Bangladesh Bank	816,234,073	613,410,659
	Borrowings from Bangladesh Bank	-	6,000,000,000
		22,276,084,547	**21,242,463,062**
14.a.2	**Outside Bangladesh**		
	International Finance Corporation	3,239,083,361	3,541,500,000
	Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V (FMO)	2,481,000,000	393,500,000
	Global Climate Partnership Fund S.A.Sicav-Sif (GCPF).	2,481,000,000	2,378,345,152
	Mashreq Bank, Hong Kong	1,168,661,607	-
	United Bank of UAE	298,254,650	782,244,759
	Habib Bank Limited, Afganistan	-	109,192,883
	Emirates NBD Bank PJSC ,Dubai	458,744,479	136,839,026
	Habib Bank AG,Dubai	-	333,620,442
	CaixaBank, S.A	-	2,393,949,364
	Habib Bank AG Zurich,Switzerland	-	212,988,275
	RAK Bank Dubai	1,427,855,506	8,435,007
	First Gulf Bank, Dubai, UAE	-	162,184,110
	Standard Chartered Bank, Singapore	2,023,093,117	-
	First Abu Dhabi Bank, Dubai	435,779,869	-
	Habib Finance International Ltd., Hong Kong	147,197,504	-
	Bank One , Mauritius	807,942,769	-
	Bank Muscat S.A.O.G	661,600,000	-
		15,630,212,861	**10,452,799,019**
14.a.3	**Borrowings secured/unsecured from other banks, financial institutions and agents**		
	Secured	-	-
	Unsecured	37,906,297,408	31,695,262,081
		37,906,297,408	**31,695,262,081**
14.a.4	**Maturity grouping of borrowings from other banks, financial institutions and agents**		
	Payable on demand	7,280,448,929	3,871,968,778
	Up to 1 month	4,052,120,888	4,979,443,117
	Over 1 month but within 3 months	4,864,888,410	2,829,738,148
	Over 3 months but within 1year	13,199,702,903	13,227,647,291
	Over 1 year but within 5 years	8,509,136,278	4,425,464,760
	Over 5 years	-	2,360,999,987
		37,906,297,408	**31,695,262,081**

14.b City Brokerage Limited is enjoying overdraft facilities from The City Bank Limited for extending margin financing to its customers and supporting prefunding facilities to its foreign clients. Rate of interest of the availed facility is currently 7.50% p.a. which is subject to revisions by the banks' management from time to time. Brokerage is also enjoying term loan facilities of Tk. 30.00 crore for ten years from Lanka Bangla Finance Ltd. @10.00% interest p.a..

14.c City Bank Capital Resource Ltd. has taken term loan facility of Tk. 52.33 crore for ten years at the rate of 7.5% from IPDC Finance Ltd. for acquiring and developing own asset.

14.d CBL Money Transfer Sdn Bhd. has taken overdraft facility from The City Bank Ltd. For prefunding support for remitting foreign currency from Malaysia @ 4.00%

		2017 Taka	2016 (Restated) Taka
15	**Consolidated deposits and other accounts**		
	The City Bank Limited (note 15.a)	183,492,764,467	174,695,032,689
	City Brokerage Limited	301,121,152	768,220,100
	City Bank Capital Resources Limited	76,434,831	59,180,567
	CBL Money Transfer Sdn. Bhd.	-	-
	Inter-company indebtedness (note 15.b)	(967,398,277)	(1,104,885,661)
	Adjustments for Consolidation - City Brokerage Limited	-	-
	Adjustments for Consolidation - City Bank Capital Resources Limited	-	-
		182,902,922,173	**174,417,547,694**
15.a	**Deposits and other accounts - The City Bank Limited**		
	Local bank deposits (note 15.a.1)	2,750,538,052	2,208,933,084
	Customer and other deposits	180,742,226,415	172,486,099,605
		183,492,764,467	**174,695,032,689**

15.a.1 Local bank deposits

	2017				
Name of Bank	**CD Taka**	**SND Taka**	**FDR Taka**	**Manarah SND Taka**	**Total Taka**
Trust Bank Limited	-	-	-	6,770,704	6,770,704
Dutch-Bangla Bank Limited	-	112,462	-	-	112,462
Prime Bank Limited	269,414	-	-	-	269,414
Islami Bank Bangladesh Limited	-	-	-	22,473,035	22,473,035
Southeast Bank Limited	370,301	1,377,889	-	-	1,748,190
Al Arafah Islami Bank Limited	-	-	-	3,501,029	3,501,029
Jamuna Bank Limited	-	-	-	273,235	273,235
Bangladesh Krishi Bank	486	-	2,500,000,000	-	2,500,000,486
Bank Asia Limited	-	216,762	-	-	216,762
Pubali Bank Limited	-	863,787	-	-	863,787
BRAC Bank Limited	-	4,926,600	-	-	4,926,600
Social Islami Bank Limited	-	-	-	11,993	11,993
Export Import Bank of Bangladesh Ltd.	-	-	-	1,966,355	1,966,355
AB Bank Limited	-	-	-	339,655	339,655
Standard Bank Limited	-	81,197	-	-	81,197
Shahjalal Islami Bank Limited	-	-	-	1,176,591	1,176,591
Modhumoti Bank Limited	-	5,530,541	-	-	5,530,541
The Farmers Bank Limited	-	276,016	-	-	276,016
Standard Chartered Bank Limited	-	-	200,000,000	-	200,000,000
	640,201	**13,385,254**	**2,700,000,000**	**36,512,596**	**2,750,538,052**

		2017 Taka	2016 (Restated) Taka
15.a.2	**Deposits and other accounts**		
	Current deposits and other accounts		
	Current, Al-wadeeah, and Manarah current deposits	15,622,112,915	14,485,633,670
	Foreign currency deposits	2,033,748,971	1,950,107,425
	Security deposits receipts	3,637,381	3,831,446
	Sundry deposits (note 15.a.3)	7,853,334,801	8,072,970,766
		25,512,834,069	**24,512,543,307**
	Bills payable		
	Pay orders issued	1,341,780,384	1,572,770,687
	Pay slips issued	3,744,808	4,009,885
	Demand draft	10,206,908	10,373,283
		1,355,732,100	**1,587,153,855**
	Savings bank deposits (note 15.a.4)	**39,082,904,954**	**34,994,257,334**
	Fixed deposits		
	Fixed deposits, Mudaraba, and Manarah fixed deposits	88,131,231,852	85,646,977,247
	Short notice deposits, Mudaraba, and Manarah short notice deposits	22,071,302,805	21,820,266,229
	Non resident deposits	334,152,224	274,029,300
	Scheme deposits (note 15.a.5)	7,004,606,464	5,859,805,417
		117,541,293,344	**113,601,078,193**
	Total deposits and other accounts	**183,492,764,467**	**174,695,032,689**
15.a.3	**Sundry deposits**		
	Sundry creditors	808,343,005	1,247,180,089
	Foreign currency	799,525	799,525
	Margin on letters of credit	1,039,892,623	934,593,820
	Margin on letters of guarantee	411,982,712	251,402,841
	Interest payable on three stage deposits	2,866,680	3,098,143
	Sanchaypatra	1,300,000	1,300,000
	Unclaimed foreign DD	3,512,675	3,796,133
	Security money- suppliers	39,358,641	29,151,095
	Security money- staff	1,013,810	1,013,810
	Security deposits NRB	22,883,897	35,897,018
	Unclaimed balances	201,499	229,265
	Hajj deposits	194,597	194,597
	Margin on inland bills purchased	185,000	185,000
	Foreign bills purchased awaiting remittance	4,339,826,328	4,263,828,440
	Imprest fund - cash incentive	778,684	2,351,468
	Key deposits	993,750	1,045,750
	Risk fund (Consumer Credit Schemes and lease finance)	80,428	80,428
	Lease deposits	346,592	346,592
	Agent commission on consumer credit schemes	232,757	232,757
	CIB service charges	3,530,690	3,531,598
	Auto debit receipt/payment (Credit Card)	112,980	230,608
	Sundry deposit - ATM	186,864,143	703,214,707
	Charges against credit rating	1,753,962	5,107,173
	Payable against cash advance	808,838	867,264
	Payable against legal expenses	6,588,451	7,814,897
	Payable against SP and others	391,857,000	229,370,000
	Sundry deposits - City Card - local	34,235,901	32,496,052
	Sundry deposits - City Card - international	72,011,575	42,172,609
	Sundry deposits - Amex Card- local	426,690,482	225,373,591
	Charge Back - Amex Card - international	2,665,185	2,826,338
	Sundry deposits - Master Cards	41,286,645	33,416,797
	Charge back - Master Cards	901,529	1,097,698
	Others	9,234,217	8,724,661
		7,853,334,801	**8,072,970,766**
15.a.4	**Savings bank deposits**		
	Savings bank deposits	38,382,401,956	34,505,133,270
	Mudaraba/manarah savings deposits	700,502,998	489,124,064
		39,082,904,954	**34,994,257,334**
15.a.5	**Scheme deposits**		
	City Bank Sanchaya scheme	1,315,657	1,621,064
	Bonus deposit scheme	-	200,000
	Deposit pension scheme (note 15.a.5.1)	1,911,500	574,328
	Three stage scheme deposit	8,928,292	11,838,734
	Monthly benefit scheme	8,200,000	8,600,000
	Education savings scheme	243,677	243,677
	Junior savers scheme	7,416,933	72,825,568
	Lakpati savings scheme	572,683	572,683
	Marriage savings scheme	2,003,067	14,641,874
	Mudaraba monthly deposit scheme	271,426,938	227,791,060
	City Shomriddhi	6,436,100,509	5,283,181,952
	City Projonmo	261,626,396	233,649,894
	Manarah Hajj deposit scheme	4,860,811	4,064,583
		7,004,606,464	**5,859,805,417**

15.a.5.1 Deposit pension scheme was closed from the year 1995 and its interest was 15% p.a.

15.a.6	**Sector-wise deposits**		
	Government	1,713,429,811	1,945,411,760
	Deposit money banks	2,750,538,052	2,208,933,084
	Other public	8,774,224,380	5,491,560,656
	Foreign currency	2,033,748,971	1,950,107,425
	Private	168,220,823,253	163,099,019,764
		183,492,764,467	**174,695,032,689**
15.a.7	**Maturity analysis of inter-bank deposits**		
	Payable on demand	872,258	8,217,151
	Up to 1 month	2,703,121,425	603,891,630
	Over 1 month but within 3 months	8,045,611	1,505,687,334
	Over 3 months but within 1 year	38,498,757	91,136,969
		2,750,538,052	**2,208,933,084**
15.a.8	**Maturity analysis of deposits**		
	Bills payable:		
	Payable on demand	13,320,139	17,729,699
	Up to 1 month	319,774,563	374,362,052
	Over 1 month but within 6 months	1,022,637,399	1,195,062,104
	Over 6 months but within 1 year	-	-
	Over 1 year but within 5 years	-	-
	Over 5 years but within 10 years	-	-
	Over 10 years	-	-
		1,355,732,100	**1,587,153,855**

	Other deposits:		
	Payable on demand	5,599,001,446	7,029,020,146
	Up to 1 month	16,635,481,628	13,962,401,173
	Over 1 month but within 6 months	50,163,668,369	45,379,077,310
	Over 6 months but within 1 year	32,906,451,834	30,871,435,770
	Over 1 year but within 5 years	72,007,507,664	69,931,215,658
	Over 5 years but within 10 years	3,315,168,741	4,110,753,258
	Over 10 years	1,509,752,685	1,823,975,518
		182,137,032,367	**173,107,878,834**
		183,492,764,467	**174,695,032,689**

15.b City Brokerage Limited and City Bank Capital Resource Limited maintained current deposit and fixed deposit receipt accounts with its parent company, The City Bank Limited. Account wise outstanding balances are as follows:

	2017 Taka	2016 (Restated) Taka
Inter-company indebtedness among Holding company & Subsidiaries:		
City Brokerage Limited - current accounts	810,411,359	953,833,542
City Brokerage Limited - fixed deposits receipt accounts	-	-
	810,411,359	**953,833,542**
City Bank Capital Resources Limited - current accounts	86,017	1,937,098
City Bank Capital Resources Limited -fixed deposits receipt accounts	149,626,136	149,115,021
	149,712,153	**151,052,119**
Inter-company indebtedness among Subsidiaries:		
Payable to City Bank Capital Resources Limited - City Brokerage Limited	7,274,765	-
Total inter-company indebtedness	**967,398,277**	**1,104,885,661**

16	**Consolidated other liabilities**		
	The City Bank Limited (note 16.a)	22,013,024,611	24,732,977,226
	City Brokerage Limited (note 16.b)	653,620,733	906,402,361
	City Bank Capital Resources Limited (note 16.c)	172,501,055	163,672,957
	CBL Money Transfer Sdn. Bhd. (note 16.d)	175,760,385	105,888,227
		23,014,906,785	**25,908,940,771**
	Mutual indebtedness:		
	Payable to City Bank Limited - City Brokerage Limited	(109,839)	(42,687)
	Payable to City Bank Limited - City Bank Capital Resources Limited	(1,151,394)	(54,752,889)
	Payable to City Bank Limited - CBL Money Transfer SDN BHD	-	(2,294,190)
	Payable to City Bank Capital Resources Limited - City Bank Limited	-	-
	Payable to City Brokerage Limited - City Bank Capital Resources Limited	(8,140,833)	(66,606,598)
		(9,402,065)	**(123,696,364)**
	Total consolidated other liabilities	**23,005,504,719**	**25,785,244,407**
16.a	**Other liabilities - The City Bank Limited**		
	Provision for loans and advances/investments (note 16.a.1)	6,047,157,044	6,303,011,860
	Provision for outstanding off-balance sheet exposures (note 16.a.2)	824,563,933	644,563,933
	Provision for non banking assets	279,750,000	-
	Interest suspense account (note 16.a.3)	1,087,929,519	1,302,725,093
	Other provision (note 16.a.5)	429,784,624	648,144,735
	Provision for income tax (note 16.a.6)	4,224,885,976	4,147,393,628
	Interest and other expenses payable	8,233,725,634	11,010,886,673
	Provision for nostro account	8,692,635	8,692,635
	Payable to CBL Money Transfer SDN BHD	2,028,917	2,294,190
	Others	874,506,329	665,264,480
		22,013,024,611	**24,732,977,226**
16.a.1	**Provision for loans and advances/investments**		
	Movement in specific provision on classified loans/investments:		
	Provision held at the beginning of the year	4,212,451,861	4,626,939,779
	Fully provided debts written off during the year	(1,900,861,427)	(2,467,205,032)
	Fully waived during the year	-	-
	Recoveries of amounts previously written off	187,182,883	592,977,114
	Specific provision made during the year	1,238,323,530	1,459,740,000
	Transfer from provision for unclassified accounts		
	Provision held at the end of the year	**3,737,096,846**	**4,212,451,861**
	Movement in general provision on unclassified loans/investments:		
	Provision held at the beginning of the year	2,090,560,000	1,612,000,000
	Transfer to provision for classified accounts	-	-
	Transfer from other provision	200,000,000	-
	General provision made during the year	19,500,199	478,560,000
	Provision held at the end of the year	**2,310,060,198**	**2,090,560,000**
		6,047,157,044	**6,303,011,860**

The Bank maintained provision against loans / investments accounts under writ petition of Taka 284.03 million (2016: Taka 177.59 million) against requirement of Taka 284.03 million (2016: Taka 177.59 million) as at 31 December 2017. These required and maintained provisions included in total required and maintained provisions of loans / investments, disclosed above.

16.a.2 Provision on off-balances sheet exposures

As per BRPD circular no. 14 dated 23 September 2012 banks are advised to maintain 1% general provision against outstanding off balance sheet exposures. In addition to the said circular, Bangladesh Bank through BRPD circular letter no.1 dated 3 January 2018 allows waiver of maintaining 1% general provision against off balance sheet exposures to fast track power plant project with effect from 31 December 2017. This waiver is applicable for the said exposures to be taken till 30 September 2018. As on 31 December 2017 bank's outstanding off balance sheet exposures against fast track power projects was Taka 17,860,129,471. With compliance of the mentioned circular and circular letter reference, the Bank maintained provision of Taka 824,563,933 (2016: Taka 644,563,933) against requirement of Taka 824,368,298 (2016: Taka 622,065,418) as at 31 December 2017.

Opening balance	644,563,933	511,563,933
Addition during the year	180,000,000	133,000,000
Transfer from other provision	-	-
Closing balance	**824,563,933**	**644,563,933**

16.a.3	**Interest suspense account**		
	Interest suspense account on classified loans and advances	945,131,858	1,094,918,892
	Interest suspense on special mention account	22,045,440	77,484,277
	Interest suspense on standard loans	120,752,222	130,321,924
		1,087,929,519	**1,302,725,093**
16.a.4	**Movement of interest suspense account**		
	Opening balance	1,302,725,093	1,610,706,655
	Amount transferred to "interest suspense" account during the year	1,123,029,564	1,846,965,145
	Amount recovered from "interest suspense" account during the year	(522,506,592)	(765,092,661)
	Amount waived during the year	(111,812,401)	(413,104,714)
	Amount written off during the year	(703,506,144)	(976,749,333)
	Closing balance	**1,087,929,519**	**1,302,725,093**
16.a.5	**Other provision**		
	Provision against employee bonus	263,256,581	284,160,472
	Provision against investment	21,150,000	121,100,000
	Provision against other assets	84,530,220	187,283,340
	Provision against interest receivable	3,535,547	2,347,636
	Provision against good borrower (note 16.a.5.2)	51,469,389	47,410,400
	Provision against protested bills	5,842,887	5,842,887
		429,784,624	**648,144,735**
16.a.5.1	**Movement of other provision**		
	Opening balance	648,144,735	533,086,395
	Addition during the year	65,580,000	270,000,000
	Adjustment during the year	(283,940,111)	(154,941,660)
	Closing balance	**429,784,624**	**648,144,735**
16.a.5.2	**Movement of Provision against good borrower**		
	Opening balance	47,410,400	20,000,000
	Addition during the year	40,000,000	30,000,000
	Rebate allowed to Good Borrower	(35,941,011)	(2,589,600)
	Closing balance	**51,469,389**	**47,410,400**
16.a.6	**Provision for income tax**		
	Opening balance	4,147,393,628	2,491,262,773
	Adjustment for settlement of tax	(1,687,704,585)	-
	Provision during the year (note 16.a.6.1)	1,765,196,934	1,656,130,855
	Adjustment of deferred tax liability/(asset) (note 16.a.6.2)	-	-
	Closing balance	**4,224,885,976**	**4,147,393,628**

16.a.6.1 Provision for current tax of Taka 1,765,196,934 @ 40% and provision for prior year Taka 1,656,130,855 have been made, as prescribed by Finance Act, of the accounting profit of the bank after considering some of the add backs to income and disallowances of expenditure as per Income Tax Ordinance, 1984.

Corporate tax position of the bank has been shown in Annexure-E

16.b	**Other liabilities - City Brokerage Limited**		
	Interest suspense	166,005,080	166,005,081
	Provision for loans and advances	260,769,167

Although face value of paid up capital was split into Taka 10 from Taka 100 during the year 2011, we considered face value of share @ Taka 10 from the inception of the bank for this statement.

17.3.a Percentage of shareholdings at the closing date

Particulars	2017 Taka	2017 Percentage(%)	2016 (Restated) Taka	2016 (Restated) Percentage(%)
Sponsors and general public	7,502,092,080	81.38%	7,181,369,810	82.00%
Financial institutions	1,716,834,560	18.62%	1,576,610,500	18.00%
	9,218,926,640	**100.00%**	**8,757,980,310**	**100.00%**

17.4 Classification of shareholders by holding

	2017 Number of share holders	2017 No. of Shares	2017 % of total holding	2016 (Restated) Number of share holders	2016 (Restated) % of total holding
01 - 500 shares	20,447	2,791,235	0.30%	26,014	0.68%
501 - 5,000 shares	10,645	19,134,542	2.08%	13,693	4.69%
5,001 - 10,000 shares	1,535	11,543,206	1.25%	1,573	2.29%
10,001 - 20,000 shares	874	12,879,558	1.40%	840	2.33%
20,001 - 30,000 shares	307	7,714,366	0.84%	314	1.31%
30,001 - 40,000 shares	141	5,024,040	0.54%	119	0.89%
40,001 - 50,000 shares	126	5,906,022	0.64%	109	0.89%
50,001 - 100,000 shares	232	17,558,815	1.90%	198	1.88%
100,001 - 1,000,000 shares	282	92,534,733	10.04%	232	9.33%
Over 1,000,000 shares	111	746,806,147	81.01%	124	75.70%
	34,700	**921,892,664**	**100.00%**	**43,216**	**100.00%**

17.5 Consolidated Capital Adequacy Ratio

As per Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III), all scheduled banks are required to calculate Capital Adequacy Ratio based on 'Solo' basis as well as on 'Consolidated' basis. Capital Adequacy Ratio is calculated in accordance with the phase-in arrangements for Basel III implementation in 2015 and in accordance with Basel II in 2014. All amounts are stated in Taka crores except for those, if any, stated otherwise.

Common Equity Tier 1 Capital (CET1)	Taka in crore	Taka in crore
Paid up capital	921.89	875.80
Non-repayable share premium account	150.44	66.09
Statutory reserve	713.06	610.02
General reserve	1.14	1.14
Retained earnings (note 22)	294.61	298.53
Dividend equalization reserve	53.08	17.69
Minority interest in subsidiaries	0.01	0.01
	2,134.23	**1,869.28**
Regulatory Adjustments / Deductions from CET1		
Deferred tax assets	(110.82)	(86.21)
60% of Excess Investment in equity of other banks, FI and Ins. Co.	(360.11)	(99.37)
Book value of goodwill and value of any contingent assets which are shown as assets	(3.48)	(3.05)
	1,659.82	**1,680.65**
Tier 2 Capital		
Tier-II subordinated bond	725.00	300.00
General provision (note 17.5.2)	313.46	273.51
Revaluation reserve for equity instruments (up to 10%)	28.27	28.27
Revaluation reserve for HTM securities (up to 50%)	1.10	1.10
Revaluation reserve for HFT (up to 50%)	20.33	20.33
	1,088.16	**623.21**
Regulatory Adjustments / Deductions from Tier 2 capital		
60% of Tier-II subordinated bond	(135.00)	(120.00)
60% of revaluation reserve for fixed assets and securities	(29.82)	(19.88)
	923.34	**483.33**
Total capital	**2,583.16**	**2,163.98**
Total assets	**27,806.71**	**25,475.47**
Total risk weighted assets (note 17.5.1)	**20,324.37**	**17,714.90**
Required capital with capital conservation buffer (11.25% of risk weighted assets)	**2,286.49**	**1,882.21**
Surplus	**296.67**	**281.77**
Total Capital Ratio	**12.71%**	**12.22%**
T-1 Capital Ratio	**8.17%**	**9.49%**
Leverage Ratio	**5.19%**	**6.09%**
Liquidity Coverage Ratio	**132.63%**	**170.72%**
Net Stable Funding Ratio	**107.77%**	**101.31%**

17.5.1 Risk weighted assets

	Taka in crore	Taka in crore
A. Credit Risk		
On-Balance sheet	13,689.96	12,569.00
Off-Balance sheet	3,251.42	2,128.63
	16,941.38	**14,697.63**
B. Market Risk	**1,228.78**	**1,084.60**
C. Operational Risk	**2,154.21**	**1,932.67**
Total Risk weighted assets (A+B+C)	**20,324.37**	**17,714.90**

17.5.2 General provision maintained against unclassified loan/investments & outstanding off-balance sheet exposures

General provision maintained against unclassified loan/investments (note 16.a.1)	231.01	209.06
General provision maintained against outstanding off balance sheet exposures (note 16.a.2)	82.46	64.46
	313.46	**273.51**

17.5.a Capital Adequacy Ratio - The City Bank Limited

	Taka in crore	Taka in crore
Common Equity Tier 1 Capital (CET1)		
Paid up capital	921.89	875.80
Non-repayable share premium account	150.44	66.09
Statutory reserve	713.06	610.02
General reserve	1.14	1.14
Dividend equalization reserve	53.08	17.69
Retained earnings (note 22.a)	396.53	384.42
	2,236.13	**1,955.16**
Regulatory Adjustments / Deductions from CET1		
Deferred tax assets	(110.82)	(86.64)
60% of Excess Investment in equity of other banks, FI and Ins. Co.	(73.08)	(9.42)
	2,052.24	**1,859.09**
Tier 2 Capital		
Tier-II subordinated bond	725.00	300.00
General provision (note 17.5.a.2)	313.46	273.51
Revaluation reserve for equity instruments (up to 10%)	27.93	27.93
Revaluation reserve for HTM securities (up to 50%)	1.10	1.10
Revaluation reserve for HFT (up to 50%)	20.33	20.33
	1,087.83	**622.88**
Regulatory Adjustments / Deductions from Tier 2 capital		
60% of Tier-II subordinated bond	(135.00)	(120.00)
60% of revaluation reserve for fixed assets and securities	(29.62)	(19.75)
	923.21	**483.13**
Total capital	**2,975.45**	**2,342.23**
Total assets	**27,553.14**	**25,477.64**
Total risk weighted assets (note 17.5.a.1)	**20,224.67**	**17,798.49**
Required capital with capital conservation buffer (11.25% of risk weighted assets)	**2,275.28**	**1,891.09**
Surplus	**700.18**	**451.14**
Total Capital Ratio	**14.71%**	**13.16%**
T-1 Capital Ratio	**10.15%**	**10.45%**
Leverage Ratio	**6.37%**	**6.72%**
Liquidity Coverage Ratio	**131.90%**	**163.22%**
Net Stable Funding Ratio	**110.55%**	**102.27%**

17.5.a.1 Risk weighted assets

	Taka in crore	Taka in crore
A. Credit Risk		
On- Balance sheet	14,208.77	13,053.09
Off-Balance sheet	3,251.42	2,128.63
	17,460.19	**15,181.72**
B. Market Risk	**656.04**	**713.51**
C. Operational Risk	**2,108.45**	**1,903.26**
Total Risk weighted assets (A+B+C)	**20,224.67**	**17,798.49**

17.5.a.2 General provision maintained against unclassified loan/investments & outstanding off balance sheet exposures

General provision maintained against unclassified loan/investments (note 16.a.1)	231.01	209.06
General provision maintained against outstanding off balance sheet exposures (note 16.a.2)	82.46	64.46
	313.46	**273.51**

18 Statutory reserve

Opening balance	6,100,191,727	5,007,070,307
Addition during the year (20% of pre-tax profit)	1,030,382,703	1,093,121,420
Closing balance	**7,130,574,430**	**6,100,191,727**

19 Share premium

Opening balance	660,857,013	660,857,013
Adjustment for issuance of stock dividend	843,531,784	-
Closing balance	**1,504,388,797**	**660,857,013**

During the period 46,094,633 no. of fresh ordinary shares issued to International Finance Corporation (IFC) @ Tk. 28.30 each which includes Face value of Tk. 10 andas premium of Tk. 18.30 per share). On the issuance of said share bank received Tk. 843,531,784 as Premium.

20 Dividend equalization reserve

BRPD circular letter no. 18 dated 20 October 2002, states that banks require to create Dividend Equalization Fund if declared cash dividend is more than 20%. As per said circular, creation of Dividend Equalization Fund is to be equal of excess amount of cash dividend over 20% . For the year 2015 and 2016 bank's declared cash dividend rates were 22% and 24% respectively.

Opening balance	176,928,877	-
Addition during the year	353,857,754	176,928,877
Closing balance	-	-
	530,786,631	**176,928,877**

21 Consolidated other reserve

The City Bank Limited (note 21.a)	2,519,404,380	1,112,928,213
City Brokerage Limited	764,344,357	21,464,827
City Bank Capital Resources Limited	1,564,479,866	40,901,795
	4,848,228,604	**1,175,294,835**

21.a Other reserve - The City Bank Limited

General reserve	11,394,928	11,394,928
Revaluation reserve for HTM securities	82,978,919	585,761
Revaluation reserve for HFT securities	50,690,857	192,069,521
Revaluation reserve for equity Shares (note 21.1)	2,374,339,676	908,878,003
	2,519,404,380	**1,112,928,213**

21.1 Quoted shares were valued at market price as per guidelines of Bangladesh Bank and due to valuation at market price, revaluation reserve for equity shares were created. As the revaluation reserve for equity shares is unrealized gain, this is booked as a component of shareholders' equity.

22 Consolidated surplus in profit and loss account

The City Bank Limited (note 22.a)	3,965,261,269	3,844,199,530
Post acquisition retained surplus from City Brokerage Limited	(580,617,466)	(899,764,047)
Non-controlling interest	10,246	15,878
	(580,607,220)	(899,748,169)
Post acquisition retained surplus from City Bank Capital Resources Limited	38,365,783	58,478,628
Non-controlling interest	(752)	(1,147)
	38,365,030	58,477,481
Post acquisition retained deficit from CBL Money Transfer Sdn. Bhd.	926,004	278,926
Non-controlling interest	-	-
	926,004	278,926
Inter-company transactions		
City Bank Capital Resources Limited with The City Bank Limited	(276,812,532)	-
City Brokerage Limited with The City Bank Limited	(193,139,428)	-
Add: Foreign exchange revaluation effect	(7,912,720)	(17,872,257)
	2,946,080,404	**2,985,335,511**

22.a Movement of surplus in profit and loss account-The City Bank Limited

Opening balance	3,844,199,530	3,104,754,764
Transfer from asset revaluation reserve (note 22.a.1)		
Profit for the year	3,628,448,718	3,955,712,710
Transfer to statutory reserve	(1,030,382,703)	(1,093,121,420)
Cash dividend paid	(2,123,146,521)	(1,946,217,647)
Transfer to dividend equalization reserve	(353,857,754)	(176,928,877)
Closing balance	**3,965,261,269**	**3,844,199,530**

Profit for the year includes net deferred tax income of Taka 146,236,463 which is not distributable as dividend as per BRPD circular no. 11 dated 12 December 2011.

23 Non controlling interest

	2017 Taka	2016 (Restated) Taka
Share capital	110,000	110,000
Surplus in profit and loss account/retained earnings	(9,494)	(14,732)
	100,506	**95,268**

24 Contingent liabilities

24.1 Letters of guarantee

Local	11,039,526,972	6,629,763,731
Foreign	1,599,363,225	1,654,867,365
Shipping guarantee	833,255,241	275,540,183
	13,472,145,439	8,560,171,278
Margin on guarantee	(411,982,712)	(251,402,841)
	13,060,162,726	**8,308,768,437**
Money for which the Bank is contingently liable in respect of guarantees given favoring:		
Government	8,910,924,070	4,439,501,940
Banks and other financial institutions	2,021,282,796	1,722,180,256
Others	2,539,938,573	2,398,489,082
	13,472,145,439	**8,560,171,278**
Margin on guarantee	(411,982,712)	(251,402,841)
	13,060,162,726	**8,308,768,437**

24.2 Irrevocable Letters of Credit

In land	163,664,988	170,264,072
General	31,055,137,187	10,492,835,129
Back to Back LC	6,041,641,549	4,776,087,139
	37,260,443,723	**15,439,186,340**
Margin on LC	(1,039,892,623)	(934,593,820)
	36,220,551,100	**14,504,592,520**

24.3 Bills for collection

Outward local bills for collection	-	-
Outward foreign bills for collection	3,972,457,188	4,069,481,226
Inward local bills for collection	4,243,713,103	4,423,110,140
Inward foreign bills for collection	5,950,157,756	6,175,413,616
	14,166,328,046	**14,668,004,982**
Margin on bill collection	(185,000)	(185,000)
	14,166,143,046	**14,667,819,982**

24.4 Forward assets purchased and forward deposits placed

Forward sales/contracts	2,441,633,159	4,862,653,604
	2,441,633,159	**4,862,653,604**

24.5 Suit filed by the bank

No law suit has been filed by the bank against contingent liabilities.

25 Income statement - The City Bank Limited

Profit and Loss Account	2017 Taka	2016 (Restated) Taka
Income:		
Statement Interest, discount and similar income (note 25.1)	18,376,269,270	18,450,577,578
Dividend income	404,924,965	315,128,298
Fees, commission and brokerage (note 25.2)	1,516,260,624	1,317,072,395
Gains less losses arising from dealing in securities (note 28.a)	502,500,251	399,167,516
Gains less losses arising from investment securities (note 28.a)	291,251,444	1,623,191,010
Gains less losses arising from dealing in foreign currencies (note 29.a)	1,335,588,997	808,191,126
Other operating income (note 30.a)	1,777,944,806	1,047,663,376
Profit less losses on interest rate changes	-	-
	24,204,740,357	**23,960,991,298**
Expenses:		
Interest/profit paid on deposits, borrowings etc.	9,288,627,591	9,565,268,460
Administrative expenses (note 25.3)	5,989,720,509	5,125,006,942
Other operating expenses (note 39.a)	1,546,153,421	1,223,909,848
Depreciation on bank's assets (note 38.a)	510,751,590	509,898,946
	17,335,253,111	**16,424,084,196**
Income over expenditure	**6,869,487,246**	**7,536,907,102**

25.1 Interest, discount and similar income

Interest income (note 26.a)	16,783,958,930	16,042,227,272
Interest income on treasury bills/reverse repo/bonds (note 28.a)	1,592,310,340	2,408,350,305
	18,376,269,270	**18,450,577,578**

25.2 Fees, commission and brokerage

Commission (note 29.a)	1,516,260,624	1,317,072,395
Brokerage	-	-
	1,516,260,624	**1,317,072,395**

25.3 Administrative expenses

Salary and allowances	4,209,317,272	3,637,129,519
Rent, taxes, insurance, electricity, etc. (note 32.a)	911,604,504	729,397,902
Legal expenses (note 33.a)	50,601,079	36,338,906
Postage, stamp, telecommunication, etc. (note 34.a)	77,304,848	86,933,721
Stationery, printing, advertisement, etc. (note 35.a)	210,914,296	160,933,282
Chief Executive's salary and fees (note 36)	17,594,152	16,939,300
Directors' fees (note 37.a)	1,758,000	2,203,000
Auditors' fees	2,328,250	2,127,000
Repair of Bank's assets (note 38.a)	508,298,108	453,004,313
	5,989,720,509	**5,125,006,942**

26 Consolidated interest income/profit on investment

The City Bank Limited (note 26.a)	16,783,958,930	16,042,227,272
City Brokerage Limited	81,484,909	102,236,448
City Bank Capital Resources Limited	60,892,699	71,773,541
CBL Money Transfer Sdn. Bhd.	-	-
	16,926,336,538	**16,216,237,262**
Inter-company transactions		
The City Bank Limited with City Brokerage Limited	(95,411,476)	(135,702,485)
The City Bank Limited with CBL Money Transfer Sdn. Bhd.	(3,003,341)	(4,017,244)
City Bank Capital Resources Limited	(8,457,480)	(19,364,611)
	(106,872,297)	**(159,084,340)**
	16,819,464,242	**16,057,152,921**

26.a Interest income/profit on investment - The City Bank Limited

Interest on loans against imported merchandise/Murabaha	260	560,220
Interest on loans against trust receipts	56,904,797	41,609,612
Interest on packing credits	65,162,652	39,513,114
Interest on Interest on EDF	153,224,759	145,346,869
Interest on house building loans	393,873,077	166,498,395
Interest on industrial credits	4,062,735,927	3,697,470,454
Interest on transport loans	117,493,064	102,695,086
Interest on lease finance/izara	2,091,171	3,833,662
Interest on demand loans	472,306,460	228,223,861
Interest on payment against documents	7,082,863	3,424,417
Interest on cash credits/bai-muajjal	1,982,761,973	2,125,620,732
Interest on hire purchase shirkatul melk	13,931,713	12,427,707
Interest on fully and partly secured overdrafts	233,777,891	204,390,888
Interest on consumer credit schemes	3,800	-
Interest on small and medium enterprise loans	1,203,919,515	1,111,364,079
Interest on staff loans	153,395,418	164,084,015
Interest on documentary bills purchased	730,369,450	1,086,358,150
Interest on credit cards	1,531,936,537	1,424,916,057
Interest on Commercial Paper	-	15,463,890
Interest on city drive	64,397,625	46,179,270
Interest on city solution	1,262,505,133	889,215,683
Interest on city express	294,356,010	308,849,123
Interest on double loans	434,995	897,606
Interest on short term loan	3,343,624,582	3,457,426,164
Total interest/profit on loans and advances/investments	**16,146,289,673**	**15,276,369,054**
Less: Allowable rebate for Good Borrower (note 26.a.1)	40,000,000	30,000,000
Total interest/profit on loans and advances/investments after rebate for good borrower	**16,106,289,673**	**15,246,369,054**
Interest on balance with other banks and financial institutions	54,453,178	8,258,576
Interest on call loans	609,007,699	784,454,611
Interest on foreign bank accounts	14,208,380	3,145,031
Total interest/profit on placement of funds	**677,669,257**	**795,858,218**
	16,783,958,930	**16,042,227,272**

26.a.1 Provision for rebate to good borrower

Provision for rebate to the eligible good borrowers has been maintained as per Bangladesh Bank, BRPD circular letter no. 3 dated 16 February .

27 Consolidated interest/profit paid on deposits, borrowings etc.

The City Bank Limited (note 27.a)	9,288,627,591	9,565,268,460
City Brokerage Limited	95,411,476	135,702,485
CBL Money Transfer Sdn. Bhd.	3,041,086	4,076,036
	9,387,080,153	**9,705,046,981**
Inter-company transactions		
City Brokerage Limited	(95,411,476)	(19,364,611)
City Bank Limited with City Bank Capital Resources Limited	(8,457,480)	(135,702,485)
CBL Money Transfer Sdn. Bhd.	(3,003,341)	(4,017,244)
	(106,872,297)	**(159,084,340)**
	9,280,207,856	**9,545,962,641**

27.a Interest/profit paid on deposits, borrowings etc. - The City Bank Limited

a) Interest/profit paid on deposits:		
Current bank deposits	11,234,433	-
Savings bank deposits	780,244,479	1,006,715,470
Mudaraba/Manarah savings deposits	10,614,274	28,999,855
Short notice deposits	962,884,830	666,502,133
Mudaraba short notice deposits	2,659,126	3,368,764
Fixed deposits	4,948,298,447	5,647,169,393
Mudaraba term deposits	140,171,744	90,945,066
Deposits under scheme	689,995,502	636,010,452
Mudaraba monthly benefit scheme	9,992,465	10,877,707
b) Interest/profit paid on Repurchase agreement (REPO)	1,129,446	115,939,694
c) Interest/profit paid on local bank accounts	559,259,790	383,131,120
d) Interest/profit paid on borrowing from Bangladesh Bank	47,048,017	184,386,411
e) Interest paid on subordinate bond	560,628,496	375,000,024
f) Interest paid on borrowings from outside Bangladesh for off-shore banking	564,466,542	416,222,373
	9,288,627,591	**9,565,268,460**

28 Consolidated investment income

The City Bank Limited (note 28.a)	2,790,987,000	4,745,837,129
City Brokerage Limited	212,008,578	108,095,870
City Bank Capital Resources Limited	241,823,476	39,349,511
	3,244,819,054	4,893,282,510
Inter-company transactions		
City Bank Limited with City Bank Capital Resources Limited	(214,780,057)	(69,445,838)
	3,030,038,998	**4,823,836,672**

28.a Investment income - The City Bank Limited

Interest on treasury bills/Reverse repo/bonds	1,592,310,340	2,408,350,305
Dividend on shares	404,924,965	315,128,298
Gain on Government securities	502,500,251	399,167,516
Gain on sale of shares and debentures	291,251,444	1,623,191,010
	2,790,987,000	**4,745,837,129**

29 Consolidated commission, exchange and brokerage

The City Bank Limited (note 29.a)	2,851,849,621	2,125,263,521
City Brokerage Limited	331,393,432	208,652,822
City Bank Capital Resources Ltd	60,631,405	42,282,563
CBL Money Transfer Sdn. Bhd.	69,658,643	58,321,661
	3,313,533,100	2,434,520,567
Inter-company transactions		
City Bank Capital Resources Limited with The City Bank Limited	(5,215,630)	(10,552,594)
City Bank Limited with CBL Money Transfer Sdn. Bhd.	-	-
	3,308,317,471	**2,423,967,973**

29.a Commission, exchange and brokerage - The City Bank Limited

Letters of credit	334,390,784	237,093,785
Letters of guarantee	95,634,658	84,008,283
Export related services	33,890,563	34,523,772
Bills purchased	7,647	-
Accepted bills	251,160,636	200,914,305
OBC, IBC etc.	336,810	463,680
PO, DD, TT, TC, etc.	576,488	571,820
NRB operation	15,410,158	14,124,077
Other fees and charges (note 29.a.1)	739,825,981	713,849,903
Other commissions	45,026,898	31,522,771
	1,516,260,624	1,317,072,395
Exchange gain including gain from foreign currency dealings (note 29.a.2)	1,335,588,997	808,191,126
	2,851,849,621	**2,125,263,521**

29.a.1 Other fees and charges

	2017 Taka	2016 (Restated) Taka
Service and other charges	692,675,307	680,652,912
Structured finance fee	43,359,007	25,682,288
Commitment fee	3,791,667	7,514,703
	739,825,981	**713,849,903**

29.a.2 Net exchange gain

Exchange gain	1,350,810,455	819,411,882
Exchange loss	(15,221,458)	(11,220,756)
	1,335,588,997	**808,191,126**

30 Consolidated other operating income

The City Bank Limited (note 30.a)	1,777,944,806	1,047,663,376
City Brokerage Limited	152,000	98,500
City Bank Capital Resources Ltd	1,481,846	29,000
CBL Money Transfer Sdn. Bhd.	1,684,185	1,890,280
	1,781,262,838	1,049,681,156
Inter-company transactions		
City Bank Capital Resources Limited with The City Bank Limited	(276,812,532)	-
City Brokerage Limited with The City Bank Limited	(193,139,428)	-
	1,311,310,878	**1,049,681,156**

30.a Other operating income - The City Bank Limited

Rental income	12,864,238	11,086,318
Swift recoveries	53,423,911	47,249,558
Profit from sale of fixed assets	516,669,123	9,348,149
Credit card income (note 30.a.1)	1,118,685,514	917,737,812
Rebate received from foreign banks	64,037,435	54,316,401
Others	12,264,584	7,925,139
	1,777,944,806	**1,047,663,376**

30.a.1 Credit card income

Card issue fees	287,794,109	252,896,414
Late payment fees	136,588,316	120,966,184
Merchant commission	591,437,824	411,110,124
Interchange fees	27,669,257	42,465,845
Mark-up, excess limit, cash advance fees etc.	75,196,008	90,299,246
	1,118,685,514	**917,737,812**

31 Consolidated salaries and allowances

The City Bank Limited	4,209,317,272	3,637,129,519
City Brokerage Limited	68,187,305	52,673,920
City Bank Capital Resources Limited	48,669,209	39,851,002
CBL Money Transfer Sdn. Bhd.	37,626,803	28,415,326
	4,363,800,589	**3,758,069,767**

32 Consolidated rent, taxes, insurance, electricity etc.

The City Bank Limited (note 32.a)	911,604,504	729,397,902
City Brokerage Limited (note 32.b)	46,668,216	31,912,096
City Bank Capital Resources Limited	9,365,571	6,028,213
CBL Money Transfer Sdn. Bhd.	15,147,311	13,878,385
	982,785,601	**781,216,595**

32.a Rent, taxes, insurance, electricity etc. - The City Bank Limited

Rent	498,625,154	419,419,918
Rates and taxes	98,390,695	39,536,793
Insurance	188,714,385	153,149,974
Power and electricity	125,874,269	117,291,217
	911,604,504	**729,397,902**

32.b Rent, taxes, insurance, electricity etc. - City Brokerage Limited

Rent	17,217,029	12,421,754
Rates and taxes	25,012,963	14,578,960
Insurance	329,945	343,512
Power and electricity	4,108,279	4,567,869
	46,668,216	**31,912,096**

33 Consolidated legal expenses

The City Bank Limited (note 33.a)	50,601,079	36,338,906
City Brokerage Limited	987,745	728,543
City Bank Capital Resources Limited	846,086	349,910
CBL Money Transfer Sdn. Bhd.	410,885	855,994
	52,845,795	**38,273,353**

33.a Legal expenses - The City Bank Limited

Legal expenses	50,208,657	36,034,073
Others	392,422	304,833
	50,601,079	**36,338,906**

34 Consolidated postage, stamps, telecommunication etc.

The City Bank Limited (note 34.a)	77,304,848	86,933,721
City Brokerage Limited (note 34.b)	3,267,426	3,152,896
City Bank Capital Resources Limited	1,141,331	713,014
CBL Money Transfer Sdn. Bhd.	1,566,894	1,972,482
	83,280,499	**92,772,113**

34.a Postage, stamps, telecommunication etc. - The City Bank Limited

Postage/courier service	24,973,477	25,089,249
Telegram, telex, fax & swift charge	6,264,774	3,615,779
Telephone - office	36,669,593	50,220,792
Telephone - residence	9,397,004	8,007,900
	77,304,848	**86,933,721**

34.b Postage, stamps, telecommunication etc. - City Brokerage Limited

Postage	16,234	9,439
Telegram, telex, fax and e-mail	2,381,080	2,343,825
Telephone bill	870,112	799,632
	3,267,426	**3,152,896**

35 Consolidated stationery, printing and advertisements etc.

The City Bank Limited (note 35.a)	210,914,296	160,933,282
City Brokerage Limited	2,373,154	1,684,161
City Bank Capital Resources Limited	1,762,016	1,075,685
CBL Money Transfer Sdn. Bhd.	1,414,075	1,831,625
	216,463,541	**165,524,753**

35.a Stationery, printing and advertisements etc. - The City Bank Limited

Office and security stationery (note 35.a.1)	110,901,380	77,383,956
Computer consumable stationery	16,012,277	7,894,780
Publicity and advertisement (note 35.a.2)	84,000,639	75,654,546
	210,914,296	**160,933,282**

35.a.1 Office and security stationery

Office stationery	77,263,595	46,998,945
Security stationery	33,637,785	30,385,011
	110,901,380	**77,383,956**

35.a.2 Publicity and advertisement

Advertisement Sponsorship-Magazine	35,578,091	35,456,030
Advertisement Sponsorship-Others	27,587,765	13,581,098
Advertisement-Television and radio	18,496,480	21,547,531
Advertisement-Miscellaneous	2,338,303	5,069,887
	84,000,639	**75,654,546**

36 Chief Executive's salary and fees

Basic salary	9,048,542	8,320,500
Festival bonus and other allowances	8,545,610	8,618,800
	17,594,152	**16,939,300**

37 Consolidated Directors' fees

The City Bank Limited (note 37.a)	1,758,000	2,203,000
City Brokerage Limited	115,000	215,000
City Bank Capital Resources Limited.	119,576	244,166
CBL Money Transfer Sdn. Bhd.	-	-
	1,992,576	**2,662,166**

37.a Directors' fees - The City Bank Limited

Meeting fees	**1,758,000**	**2,203,000**

As per BRPD Circular No. 3, dated 18 January 2010, each director was entitled to have Taka 5,000 as honorarium for attending each meeting till 3 October 2015. After issuing Bangladesh Bank's Circular, BRPD Circular No. 11, dated 4 October 2015, directors' entitlement as honorarium for attending each meeting was revised to Taka 8,000.

38 Consolidated depreciation and repair

The City Bank Limited (note 38.a)	1,019,049,698	962,903,259
City Brokerage Limited (note 38.b)	8,714,410	7,699,823
City Bank Capital Resources Limited (note 38.c)	5,744,862	4,362,390
CBL Money Transfer Sdn. Bhd.	3,705,921	3,223,924
	1,037,214,890	**978,189,396**

38.a Depreciation and repair of bank's assets - The City Bank Limited

Depreciation	**510,751,590**	**509,898,946**
Repairs and maintenance:		
Fixed Assets	501,622,715	445,664,007
Others	6,675,392	7,340,306
	508,298,108	**453,004,313**
See Annexure D for details of depreciation.	**1,019,049,698**	**962,903,259**

38.b Depreciation and repair - City Brokerage Limited

Depreciation:		
Furniture and fixtures	2,009,622	2,354,422
Office equipment	1,228,127	1,669,987
Vehicle	84,037	361,317
Building	610,103	-
Software	409,102	409,102
	4,340,991	**4,794,828**
Repairs and maintenance:		
Fixed Assets	4,373,419	2,904,995
	4,373,419	**2,904,995**
	8,714,410	**7,699,823**

38.c Depreciation and repair - City Bank Capital Resources Limited

Depreciation:		
Furniture and fixtures	32,016	298,261
Office equipment	619,114	801,397
Vehicle	2,074,988	1,430,748
Building	268,284	-
Software	328,464	328,464
	3,322,866	**2,858,870**
Repairs and maintenance:		
Fixed Assets	2,421,996	1,503,520
	2,421,996	**1,503,520**
	5,744,862	**4,362,390**

39 Consolidated other expenses

The City Bank Limited (note 39.a)	1,546,153,421	1,223,909,848
City Brokerage Limited	22,938,050	17,505,203
City Bank Capital Resources Limited	51,909,973	4,667,358
CBL Money Transfer Sdn. Bhd.	7,211,668	5,087,128
	1,628,213,112	**1,251,169,537**

39.a Other expenses - The City Bank Limited

Entertainment	23,991,610	16,954,787
Books, magazines and newspapers etc.	1,456,805	1,392,775
Medical	1,338,481	1,047,780
Cash carrying charges	22,469,009	19,917,187
Subscription to institutions	8,766,851	7,623,969

Royalty adjustment	75,473,028	31,891,537
CIB Charges	1,394,748	2,329,577
Remittance charges	72,520	187,716
Fuel	31,403,518	24,713,599
Loss from sale of fixed assets	9,670,625	-
Others (note 39.a.2)	89,048,242	113,594,350
	1,546,153,421	**1,223,909,848**

39.a.1 Credit card expenses

Card processing and personalization	33,213,757	25,801,681
VISA international expenses	83,706,941	62,676,560
ATM expenditure - IT support	6,288,398	5,110,069
Other expenditure - cards	279,199,844	230,797,153
	402,408,938	**324,385,463**

39.a.2 Others include Capital raising expenses, Staff recruitment expenses, NRB bank charges etc.

40 Consolidated provision for loans and advances/investments

The City Bank Limited (note 40.a)	1,257,823,728	1,938,300,000
City Brokerage Limited	(30,446,000)	76,346,765
	1,227,377,728	**2,014,646,765**

40.a Provision for loans and advances/investments - The City Bank Limited

Provision for classified loans and advances/investments	1,238,323,530	1,459,740,000
Provision for unclassified loans and advances/investments	19,500,199	478,560,000
	1,257,823,728	**1,938,300,000**

40.b Other provision - The City Bank Limited

During 2017 an amount of Tk. 279,750,000 was charged for maintaining provision against non-banking assets.

41 Consolidated provision for taxation

	2017 Taka	2016 (Restated) Taka
Current tax:		
The City Bank Limited (note 41.a)	1,765,196,934	1,656,130,855
City Brokerage Limited	87,605,558	36,521,946
City Bank Capital Resources Limited	40,012,707	23,832,488
	1,892,815,199	**1,716,485,289**
Deferred tax:		
The City Bank Limited (note 41.a)	(241,732,134)	(146,236,463)
City Bank Capital Resources Limited	4,323,207	31,980
	(237,408,927)	**(146,204,483)**
Income tax on profit	**1,655,406,271**	**1,570,280,806**

41.a Provision for Taxation - The City Bank Limited

Current tax:
Provision for income tax has been made according to Income Tax Ordinance, 1984. During the year, an amount of Taka 1,765,196,934 for prior year (: Taka 1,656,130,855) has been kept as provision for income tax.

Deferred tax:
Deferred tax is provided using the Balance sheet method for timing difference arising between the tax base of assets and liabilities and their carrying values for reporting purposes as per Bangladesh Accounting Standard (BAS) - 12. During the year, net amount of Taka 241,732,134 (2015: Taka 146,236,463) has been recognized as deferred tax income.

The charge for taxation is based upon profit for the year comprises:

Current tax on taxable income @ 40%	1,765,196,934	1,656,130,855
Adjustment for prior year	-	-
	1,765,196,934	1,656,130,855
Net deferred tax liability/(asset) originated for temporary differences	(241,732,134)	(146,236,463)
Income tax on profit	**1,523,464,800**	**1,509,894,392**

42 Consolidated receipts from other operating activities

The City Bank Limited (note 42.a)	4,412,316,004	5,356,933,457
City Brokerage Limited	127,463,908	84,601,728
City Bank Capital Resources Limited	104,755,931	11,405,011
CBL Money Transfer Sdn. Bhd.	1,825,788	1,751,885
	4,646,361,630	**5,454,692,081**

42.a Receipts from other operating activities - The City Bank Limited

Interest on bonds, debentures and treasury bills	2,634,371,197	4,309,270,081
Rent recovered	12,864,238	11,086,318
Postage/telex/fax/swift charge recoveries	53,423,911	47,249,558
Income from sale of Bank's property	516,669,123	9,348,149
Credit card income	1,118,685,514	917,737,812
Rebate received from foreign banks	64,037,435	54,316,401
Miscellaneous earnings	12,264,584	7,925,139
	4,412,316,004	**5,356,933,457**

43 Consolidated payments for other operating activities

The City Bank Limited (note 43.a)	3,131,638,762	2,534,268,870
City Brokerage Limited	78,919,254	56,488,733
City Bank Capital Resources Limited	66,379,814	14,024,900
CBL Money Transfer Sdn. Bhd.	27,601,310	21,118,095
	3,304,539,140	**2,625,900,598**

43.a Payments for other operating activities - The City Bank Limited

Rent, taxes, insurance and electricity	900,921,353	749,973,577
Legal expenses	53,481,900	34,591,377
Postage, stamp and telecommunication	71,605,939	76,444,470
Advertisement expenses	90,863,089	80,480,589
Directors' fees	1,762,000	1,382,000
Auditors' fees	1,060,000	756,750
Repair to Bank's assets	501,429,538	438,079,038
Other expenses	1,510,514,943	1,152,561,069
	3,131,638,762	**2,534,268,870**

44 Consolidated (increase) / decrease of other assets

The City Bank Limited (note 44.a)	899,477,189	(726,285,992)
City Brokerage Limited	16,075,804	(36,691,008)
City Bank Capital Resources Limited	68,569,599	(75,788,555)
CBL Money Transfer Sdn. Bhd.	848,593	(2,372,504)
	984,971,185	(841,138,058)
Adjustment for consolidation-The City Bank Ltd.	(88,423,488)	15,374,366
	896,547,697	**(825,763,692)**

44.a (Increase) / decrease of other assets - The City Bank Limited

Stationery and stamps	(2,282,444)	1,880,630
Advance deposits and advance rent	(60,672,505)	(47,760,283)
Prepaid expenses	(42,568,152)	(24,289,982)
Branch adjustment account	(17,549,539)	3,255,851
Account receivables	1,248,616,295	(716,512,751)
Security deposits	(4,046,523)	(498,312)
Receivable from City Brokerage Ltd.	(112,105)	(42,689)
Receivable from City Bank Capital Resources Ltd.	28,553,260	25,790,008
Intangible assets	(250,461,097)	31,891,537
	899,477,189	**(726,285,992)**

45 Consolidated increase/ (decrease) of other liabilities

The City Bank Limited (note 45.a)	(1,925,040,536)	(2,822,881,443)
City Brokerage Limited	(276,144,399)	312,423,244
City Bank Capital Resources Limited	(111,950,094)	17,532,842
CBL Money Transfer Sdn. Bhd.	53,368,624	62,066,205
	(2,259,766,405)	(2,430,859,152)
Adjustment for consolidation-The City Bank Ltd.	114,294,296	(13,424,010)
	(2,145,472,110)	**(2,444,283,162)**

45.a Increase/ (decrease) of other liabilities - The City Bank Limited

Loans written off and waived	(1,900,861,427)	(2,467,205,032)
Interest suspense account	(214,795,574)	(307,981,562)
Other provision	(18,360,111)	(124,941,660)
Branch adjustment account	-	-
Payable to CBL Money Transfer SDN BHD	(265,273)	(896,224)
Others	209,241,849	78,143,035
	(1,925,040,536)	**(2,822,881,443)**

46 Consolidated Earnings per share (EPS)

(i) Net profit after tax - Taka	3,458,668,899	4,003,997,676
Weighted average number of shares	887,321,689	875,798,031
Consolidated earnings per share - Taka (i/ii)	**3.90**	**4.57**

Bonus factor has been considered for previous year's EPS computation.

46.a Earnings per share (EPS) - The City Bank Limited

(i) Net profit after tax - Taka	3,628,448,718	3,955,712,710
(ii) Weighted average number of shares	887,321,689	875,798,031
Earnings per share - Taka (i/ii)	**4.09**	**4.52**

47. Segment reporting

2017	Conventional Taka	Islamic Taka	Offshore Taka	Total Taka
Total operating income (profit before unallocated expenses and tax)	14,470,487,678	181,631,791	263,993,297	14,916,112,766
Allocated expenses	(7,982,744,641)	(57,336,190)	(6,544,689)	(8,046,625,520)
Provision against loans and advances	(1,261,195,919)	71,207,777	(67,835,587)	(1,257,823,728)
Provision against off-balance sheet exposures	(163,555,453)	3,123,549	(19,568,096)	(180,000,000)
Other provision	(279,750,000)	-	-	(279,750,000)
Profit before tax	4,783,241,665	198,626,927	170,044,925	5,151,913,517
Provision for taxation				(1,523,464,800)
Net profit				3,628,448,718
Segment assets	248,550,913,975	4,323,030,603	22,657,484,056	275,531,428,634
Segment liabilities	248,550,913,975	4,323,030,603	22,657,484,056	275,531,428,634

48. Related Party Disclosures

Profit i) **Particulars of Directors of the Bank as on 31 December 2017**

Statement of Changes in Equity

Sl. no.	Name of the persons	Designation	Present Address	Percentage (%) of shares as at 31 December 2017
1	Mr. Mohammed Shoeb	Chairman	23 Shyamoli, Road No.2, Mohammadpur, Dhaka-1207	2.37%
2	Ms. Tabassum Kaiser	Vice-Chairperson	Blumingdale 24 Dutabas Road Baridhara, Dhaka - 1212	2.10%
3	Mr. Rubel Aziz	Director	"Stone House" House no.8, Road no.62, Gulshan-2, Dhaka-1212	2.37%
4	Mr. Aziz Al Kaiser	Director	Blumingdale 24 Dutabas Road Baridhara, Dhaka-1212	2.77%
5	Mr. Hossain Mehmood (Representative of A-One Polymer Limited)	Nominated Director	House No-20, Road No-6 Dhanmondi R/A, Dhaka-1205	2.00%
6	Mr. Hossain Khaled	Director	Anwar Group of Industries Baitul Hossain Building 27, Dilkusha C/A, Dhaka-1000.	2.19%
7	Mr. Rajibul Huq Chowdhury	Director	688/3, Boro Mogbazar Dhaka-1217	2.11%
8	Mr. Deen Mohammad	Director	23 Shyamoli, Road No.2, Mohammadpur, Dhaka-1207	4.73%
9	Mr. Rafiqul Islam Khan	Director	House no.67, Road no.8/A Dhanmondi, Dhaka -1205	2.00%
10	Mrs. Syeda Shaireen Aziz	Director	"Stone House" House no.8, Road no.62, Gulshan-2, Dhaka-1212	2.00%
11	Mrs. Savera H. Mahmood (Representative of Partex Corporate Limited)	Nominated Director	House no.12, Road no.01, Baridhara, Dhaka.	2.00%
12	Mr. Tanjib-Ul Alam	Independent Director	House No. 83, Road No.12A Dhanmondi R/A, Dhaka-1209	Nil
13	Mr. Farooq Sobhan	Independent Director	Royal Concord, House # 54, Apt. # 402, Road # 84, Gulshan - 2, Dhaka	Nil
14	Mr. Sohail R K Hussain	CEO & MD	The City Bank Ltd. 136 Gulshan Avenue, Gulshan-2 Dhaka-1212	0.01%

For directors interest in different entities refer to Annexure-F.

ii) **Related party transactions**

Profit and Loss Account

During the period 1 January 2017 to 31 December 2017, the Bank concluded business deals with the following organizations in which the directors had interest:

Statement of Changes in Equity

Name of organization	Relationship	Nature of transactions	Transaction value for the period ended 31 Dec 2017 Taka	Transaction value for the period ended 31 Dec 2016 Taka	Balance outstanding as at 31 Dec 2017 Taka	Balance outstanding as at 31 Dec 2016 Taka
City Brokerage Ltd.	Subsidiary Company	Share Capital	-	1,800,000,000	3,400,000,000	3,400,000,000
City Brokerage Ltd.	Subsidiary Company	Loan	1,750,751,976	3,447,946,521	1,095,219,173	1,322,484,373
City Brokerage Ltd.	Subsidiary Company	Interest on Loan	95,411,476	135,702,485	N/A	N/A
City Brokerage Ltd.	Subsidiary Company	Sale of Fixed Assets	263,235,000	N/A	N/A	N/A
City Brokerage Ltd.	Subsidiary Company	Inter Company Expenses	14,163,145	1,115,957,237	154,794	87,642
City Bank Capital Resources Ltd	Subsidiary company	Share Capital	-	1,800,000,000	2,550,000,000	2,550,000,000
City Bank Capital Resources Ltd	Subsidiary Company	Sale of Fixed Assets	407,498,298	N/A	N/A	N/A
City Bank Capital Resources Ltd	Subsidiary Company	Cash Dividend	219,995,686	79,998,431	79,998,431	N/A
City Bank Capital Resources Ltd	Subsidiary company	Interest on Deposits	8,457,480	19,364,611	N/A	N/A
City Bank Capital Resources Ltd	Subsidiary company	Inter Company Expenses	9,729,080	39,201,806	1,536,264	33,279,812
CBL Money Transfer Sdn. Bhd.	Subsidiary company	Share Capital	22,040,421	3,929,824	89,050,718	67,010,297
CBL Money Transfer Sdn. Bhd.	Subsidiary company	Loan	2,931,957,490	3,523,070,032	201,247,746	153,392,214
CBL Money Transfer Sdn. Bhd.	Subsidiary Company	Interest on Loan	3,136,990	4,771,343	N/A	N/A
CBL Money Transfer Sdn. Bhd.	Subsidiary company	Inter Company Expenses	737,462,556	721,846,800	(2,028,917)	(2,294,190)
Janata Insurance Company Ltd.	Director Interest	Insurance Coverage	11,873,497	8,617,276	N/A	N/A
City General Insurance Company Ltd.	Director Interest	Insurance Coverage	8,351,083	5,914,159	N/A	N/A
Phoenix Insurance Company Ltd.	Director Interest	Insurance Coverage	18,389,018	12,462,292	N/A	N/A