Annual Report 2016

Faster, Further & Bigger

DHAKA BANK LIMITED

www.dhakabankltd.com

Faster, Further & Bigger

The spread of technologies poses a double-barreled challenge for banks transformation of the existing business and reinvention through development of new business models. Compelling evidence suggests us to thrive, in the coming years if we pursue both strategy at the same time. The bulk of reinvention now occurs outside retail banking, in firms that address customers' financial hassles and attack lazy profit pools.

Customers' traditional needs to borrow, save and make financial transactions remain much the same. But their rapid adoption of digital tools and expectation of using the channel convenient to the moment have prompted us to try to use the best of their digital and physical assets, and thereby transform our existing businesses.

As a bank of future, our strategy is to shift more activities to the web and to mobile applications and to a great deal of data analytics that would give our customers self-service options and speed up processing leading to a robust banking.

LETTER OF TRANSMITTAL

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

Dear Sir(s),

Annual Report of Dhaka Bank Limited for the year ended December 31, 2016

We are pleased to enclose a copy of Annual Report along with the audited financial statements including consolidated and separate balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement for the year ended December 31, 2016 along with notes thereto of Dhaka Bank Limited (the Bank) and its subsidiaries - Dhaka Bank Securities Limited and Dhaka Bank Investment Limited for your kind information and record. We have also enclose separate financial statements of Islamic Banking Branches and Off-shore Banking Unit (OBU) of the Bank.

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

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

Best regards,

Yours truly,



Arham Masudul Huq
Company Secretary

AMARSTOCK

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2016 PERFORMANCE HIGHLIGHTS – THE BANK

Core Business Growth

Amount in Taka

- Operating Profit 5,404 M — 54%
- Assets 202 Bn — 15%
- Loans & Advances 135 Bn — 14%
- Deposits 157 Bn — 13%
- Shareholders' Equity 14 Bn — 8%
- Paid-up Capital 6.9 Bn — 10%
- Inward Remittance 14 Bn — (38%)
- Export 88 Bn — 27%
- Earnings Per Share stood at Tk. 2.13
- NPL Ratio comes down to 4.01%
- Classified Loans 5,403 M — (2%)
- Capital to Risk Weighted Assets Ratio (CRAR) stood at 13.67%

Financial Inclusion Growth (direct & indirect)

- Total Delivery Channels 174 — 6%
- Total Customers' Accounts 460,718 — 5%
- ADCs 74 — 3%
- SME Customers 6,332 — 42%
- SME Financing 21.50 Bn — 76%
- Woman Entrepreneur Finance 127 M — 20%
- No. of Women Entrepreneurs 64 — 5%
- Agri Loan disbursed (Fiscal 2015-16) 2,186 M — 7%
- Total Online Banking Accounts 314,504 — 7%
- Mobile/SMS Banking Accounts 169,980 — 59%

BANK'S PROFILE

About the Bank

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

Our strategy & achievement

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

Our effort, strategy and action put together have made our footprint stronger in 2016 with 94 Branches, 3 SME Service Centres, 1 Business Kiosk, 2 Off-shore Banking Units along with 54 ATMs & 20 ADMs. Total Assets of DBL is around Tk. 202.19 billion, equivalent to USD 2.53 billion as at the close of 2016. With a total of 4,60,718 customer-base (accounts), Tk.157.16 billion in Deposits and Tk.134.69 billion in Advances, Dhaka Bank turns out to be a change agent to contribute to the stand-out economic growth of Bangladesh.

Capital Adequacy and Economic Capital

The Bank has stepped in the regime of Basel-III compliance since January 2015 as an enhanced regulation for capital and liquidity strength. The Bank is engaging with Basel III to position itself competitively in the new post-crisis global financial risk and regulatory landscape. To keep up capital adequacy as per Basel-III requirement, the Bank issued BDT 3,000,000,000 Non Convertible Subordinated Bond in 2016, with consent of BSEC vide letter no. BSEC/CI/DS-34/2015/643 dated 28.12.2015 and subsequently approved by Bangladesh Bank vide letter no. BRPD(BFIS)661/14B(P)2016-2474 dated April 17, 2016 to strengthen the capital base in line with the newly introduced Capital Adequacy Guidelines under BASEL-III Accord. As a result, DBL's regulatory capital as on December 31, 2016 stood at Tk. 21,841 million, whereas, the Capital to Risk Weighted Assets Ratio (CRAR) was 13.67 % under Basel-III, as per Central Bank's minimum capital requirement of 10.625%.

The concept of economic capital has come up to act as a safety cushion for the bank, particularly in the wake of the global credit crisis. Year 2016 still saw the effect of unanticipated losses of banks from credit risks and extent of market volatility. Under such a market it becomes imperative to manage the banking business in a risk-sensitive economic capital framework. So we are carefully considering the potential unexpected losses and thus, bringing up the concept of economic capital that is associated with each individual activity to minimize the risks of the Balance Sheet and safeguard the interest of the stakeholders.

Our concern for people & environment

We are committed to making a better society by working and donating in different sectors such as, education, health, disaster management, sports and some other sectors having national priority. Significant CSR involvement alongside our financial integration over long 21-year journey is a true reflection of our concern for people. On the other side, we have incorporated sustainability principles into day-to-day activities of the Bank. Green Banking Cell has been formed with the task of developing policies, products, planning and overseeing the overall green financing activities of the bank. Green banking considers all the social and environmental factors along with financial priorities with an aim to protect the environment as well as to foster the economic development in a more environment friendly way. In addition, our policy harmonizes green banking initiatives in its in-house management and participating in environment protecting activities.

Commitment towards wider financial inclusion

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

BANK'S PROFILE
Continued

Other information

Chairman	Managing Director & CEO	Company Secretary	Chief Financial Officer (CFO)
Reshadur Rahman	Syed Mahbubur Rahman	Arham Masudul Huq	Darashiko Khasru
Auditors			**Head of Internal Control & Compliance**
ACNABIN, Chartered Accountants			S M Abdullah Hil Kafi
Company Registration No.	**Bangladesh Bank License No.**	**Accounting Year-end**	**Registered Head Office**
C-28146 (1992)/95	BCD (D) 200/57-421/95	December 31	Biman Bhaban: 100, Motijheel C/A Dhaka-1000
Authorized Capital	**Total Capital**	**Web**	**Credit Rating Agency**
Tk. 10,000 million	Tk. 21,841.49 million	www.dhakabankltd.com	Emerging Credit Rating Limited (ECRL)

Credit Rating Report

Dhaka Bank Limited was rated by Emerging Credit Rating Limited (ECRL) on the basis of audited Financial Statements as on December 31, 2016. The summary of Rating is presented below:

Status	2016	2015
Long Term	AA	AA
Short Term	ST-2	ST-2
Outlook	Stable	Stable



In 2016, ECRL awarded "AA" (Pronounced as Double A) rating in the Long Term and "ST-2" in the Short Term to Dhaka Bank Limited. The outlook was "Stable".

Brand DBL

DBL relationship with and beyond banking boosted by superior customer service and good governance culture has given the Bank a proud brand image- EXCELLENCE IN BANKING. With the confidence of a Bank by Choice, DBL is going to emerge as a power brand in the industry. The potential power brand is taking shape in our everyday excellence from improved customer service, corporate governance, innovative products and care for the society.

AMARSTOCK

MILESTONES

April 6 1995 — Date of Incorporation

July 5 1995 — Commencement of Banking Business

Mar 16 1996 — First Dividend Declared

Nov 25 1999 — Initial Public Offering

April 10 2000 — Listing with Dhaka Stock Exchange (DSE) Limited

July 6 2000 — Listing with Chittagong Stock Exchange (CSE) Limited

Mar 11 2001 — First Right Issue

Feb 24 2002 — Introduction of Alternate Delivery Channel (First ATM)

Mar 29 2002 — Launching of Retail Banking (Consumer Banking)

July 2 2003 — Commencement of Islamic Banking

Apr 1 2004 — Real-time Online Banking

Feb 5 2005 — Launching of Brokerage Business

July 5 2005 — Celebrating First Decade of Excellence in Banking

May 22 2006 — Commencement of Off-shore Banking Operation

Mar 1 2007 — Launching of Credit Card

Sept 5 2007 — Launching of Internet Banking

April 1 2009 — Centralization of Trade Operations & Credit Operations

Dec 17 2009 — AAA Guarantee Accorded by ADB under Trade Finance Facilitation Programme (TFFP)

June 30 2010 — Establishment of Islamic Banking Division

July 4 2010 — Enhancement of Authorized Capital (from Tk. 600 crore to Tk. 1,000 crore)

Dec 6 2010 — Basel-II Compliance: Issuance of 1st Subordinated Bond

Feb 13 2011 — Inauguration of Subsidiary 'Dhaka Bank Securities Limited'

Sep 30 2012 — Hosting Credit Card in own software and go live Visa Debit Card

April 29 2013 — Introduction of Automated Deposit Machine (ADM)

Nov 12 2014 — SME Manufacturing Sector-friendly Bank of the Year

July 5 2015 — Celebrating 20 years of Banking Excellence

July 5 2015 — Moving to own Corporate Head Office

April 17 2016 — Basel-III Compliance: Issuance of 2nd Subordinated Bond

EMERGING STOCK

2016 RESULTS SUMMARY

Taka million (unless mentioned otherwise)

Segmented Results of 2016	Dhaka Bank Limited			Subsidiaries		Consolidated
	On-shore	Off-shore	Islamic Banking	Dhaka Bank Securities Ltd.	Dhaka Bank Investment Ltd.	
Operating Income	8,739	218	217	238	8	8,986
Operating Profits	5,404	163	2	165	8	5,577
Assets	198,048	7,101	7,114	4,945	284	203,277
Liability	198,048	7,101	7,114	4,945	284	203,277

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

Shareholders' Value - Consolidated	2016	2015	Change
Earnings Per Share (EPS)	2.26	2.42	(7%)
Price Earning Ratio	7.92	8.14	(3%)
Dividend (%)	10% (Cash) 5% (Stock)	6% (Cash) 10% (Stock)	67% (50%)
Net Asset Value (NAV)	14,446	13,691	6%
NAV per Share	21.68	21.89	(1%)

Profitability & Performance Ratio – The Bank	2016	2015	Change
Return on Assets (ROA)	0.77	0.86	(10%)
Return on Equity (ROE)	10.15	10.74	(5%)
Return on Investment (ROI)	15.38	14.83	(4%)
Operating Profit per Employee	3.24	2.30	41%
Assets Per Employee	121.22	115.72	4%

Balance Sheet Focus – The Bank	2016	2015	Change
Balance Sheet Size	202,192	176,362	15%
Shareholders' Equity	14,446	13,389	8%
Total Deposits	157,162	139,069	13%
Total Loans & Advances	134,689	117,840	14%
Classified Loans	5,403	5,491	(2%)

Capital Adequacy – The Bank (As per Basel III)	2016	2015	Change
Tier-I Capital Ratio	8.62	8.58	0.5%
Capital to Risk Weighted Assets Ratio (CRAR)	13.67	10.46	31%
Total Eligible Capital	21,841	15,408	42%

AMARSTOCK

VISION, MISSION AND CORPORATE VALUES

MISSION

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

CORPORATE VALUES

Customer Focus
Integrity
Quality
Teamwork
Respect for the Individual
Responsible Citizenship



VISION

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

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

STRATEGIC OBJECTIVES

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



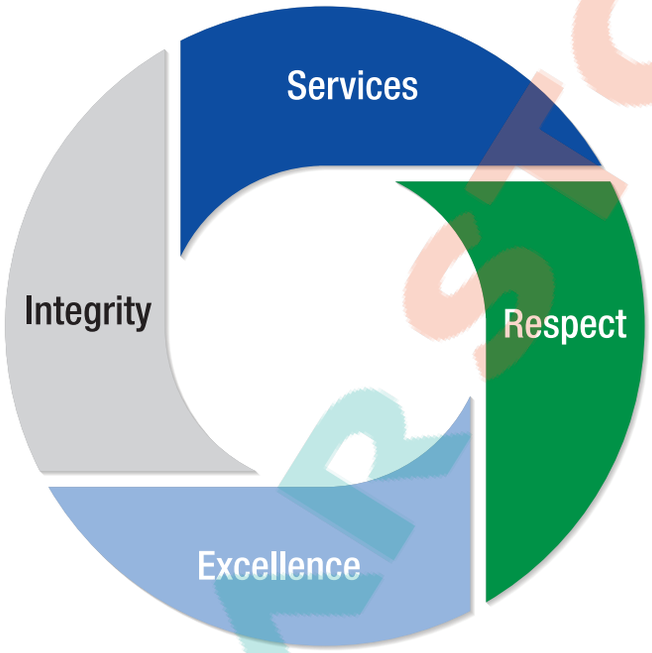
ETHICAL PRINCIPLES

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

AMAR STOCK

CUSTOMER CHARTER

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



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

OUR STRENGTH

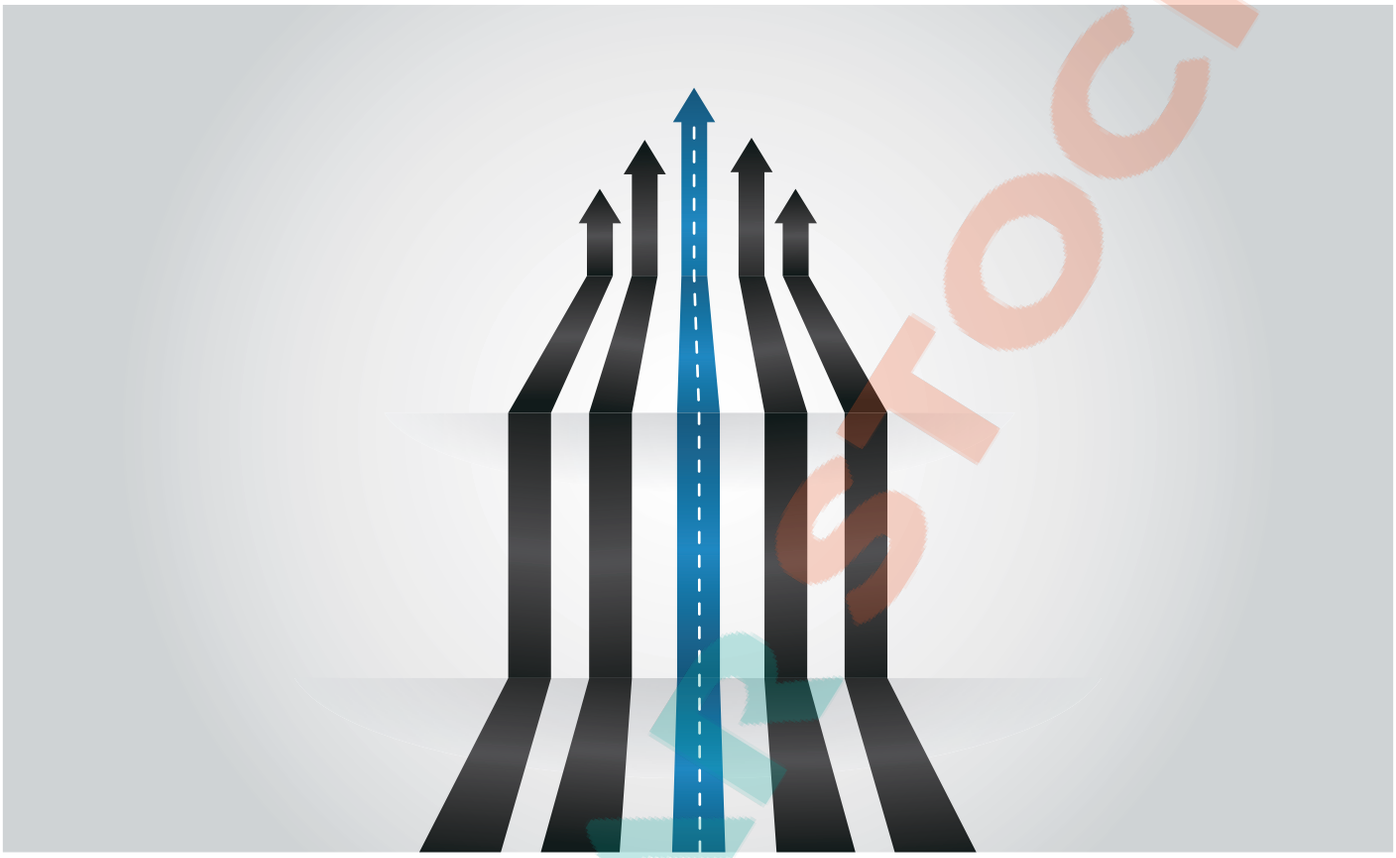


OUR CONFIDENCE

- Ability to lead the competition in a changing business environment.
- A solid business growth to create sustainable shareholder value.
- Spirit to learn, adopt and adapt to the changes around us.
- Right collection of products and services to meet financial needs.
- Enhancement of customer responsiveness by leveraging financial advice.
- Rigorous teamwork to bring out synergy for optimum benefits.
- Strong compliance of the laws and regulations of the state and regulatory bodies.
- Trust by the community as a part of their lives.
- A rewarding work environment for our dedicated employees.
- High ethical standard in all level of operations under a corporate culture par excellence.

EMAS STOCK

OUR STORY:
A JOURNEY TO HISTORY, HERITAGE AND BUSINESS



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

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

The Bank has stood out for its financial strength and operational craftsmanship marking its position as the potential market player in all core areas of banking in the country. It got listed in DSE and CSE in 2000. Alongside a lasting bond with the corporate world, DBL has got hold of a countrywide reach through a larger network of Branches, ATMs, SME channels, agricultural outreach and mobile banking. The Bank is now expanding far and wide to higher market share and big surge in assets. A great total of 460,718 customers' accounts now we serve and seek to make them better-off as best as we can. Strong with 174 delivery centres, the Bank is still going strong with more expansion and inclusive banking programmes. Opening many gateways for financial freedom and services, DBL has made its vibrant presence at 94 locations (including 2 Islamic Banking Branches), 2 Off-shore Banking Units, 3 SME Service Centers, 1 Business Kiosk, 54 ATMs and 20 ADMs across the country. Catering to the needs of Capital Markets, the Bank has established a subsidiary company named 'Dhaka Bank Securities Ltd.' having 6 countrywide Branches. Another subsidiary in the name of 'Dhaka Bank Investment Limited' is yet to start operation. This has strengthened its capital base to Tk. 21,841 million with a Capital to Risk weighted Assets Ratio (CRAR) of 13.67%. Sailing past all odds and uncertainties in 2016, DBL posted an operating profit of Tk. 5,403.65 million.

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

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

BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD



Dhaka Bank today is manifestly a splendid outcome of constant care, creative concern, concerted efforts and progressive performance of its skilled architects, i.e. its sponsor shareholders who worked with crusading zeal for building up a sound financial institution which would hasten the pace of economic development of the country. It is indeed a privilege to have such forward looking group of guides.

BOARD OF DIRECTORS



















Chairman
Mr. Reshadur Rahman

Vice Chairperson
Mrs. Rokshana Zaman

Directors
Mr. Abdul Hai Sarker
Mr. Altaf Hossain Sarker
Mr. Mohammed Hanif
Mr. Md. Amirullah
Mr. Abdullah Al Ahsan
Mr. Khondoker Monir Uddin
Mr. Tahidul Hossain Chowdhury
Mr. Jashim Uddin
Mr. Khondoker Jamil Uddin
Mr. Mirza Yasser Abbas
Mr. Amanullah Sarker
Mr. M. N. H. Bulu

Independent Directors
Mr. Syed Abu Naser Bukhtear Ahmed
Mr. M. A. Yussouf Khan

Managing Director & CEO (ex-officio)
Mr. Syed Mahbubur Rahman

Stock

EXECUTIVE COMMITTEE OF THE BOARD









Chairman

Mr. Abdul Hai Sarker

Members

Mr. Altaf Hossain Sarker
Mr. Md. Amirullah
Mr. Mohammed Hanif
Mr. Abdullah Al Ahsan
Mr. Khondoker Jamil Uddin
Mr. Mirza Yasser Abbas

AUDIT COMMITTEE OF THE BOARD






Chairman

Mr. Syed Abu Naser Bukhtear Ahmed

Members

Mr. Reshadur Rahman
Mrs. Rokshana Zaman
Mr. Tahidul Hossain Chowdhury

AMARSTOCK

RISK MANAGEMENT COMMITTEE OF THE BOARD









Chairman

Mr. Khondoker Monir Uddin

Members

Mr. Reshadur Rahman

Mrs. Rokshana Zaman

Mr. Altaf Hossain Sarker

SHARI'AH SUPERVISORY COMMITTEE



Chairman

Mr. M. Azizul Huq

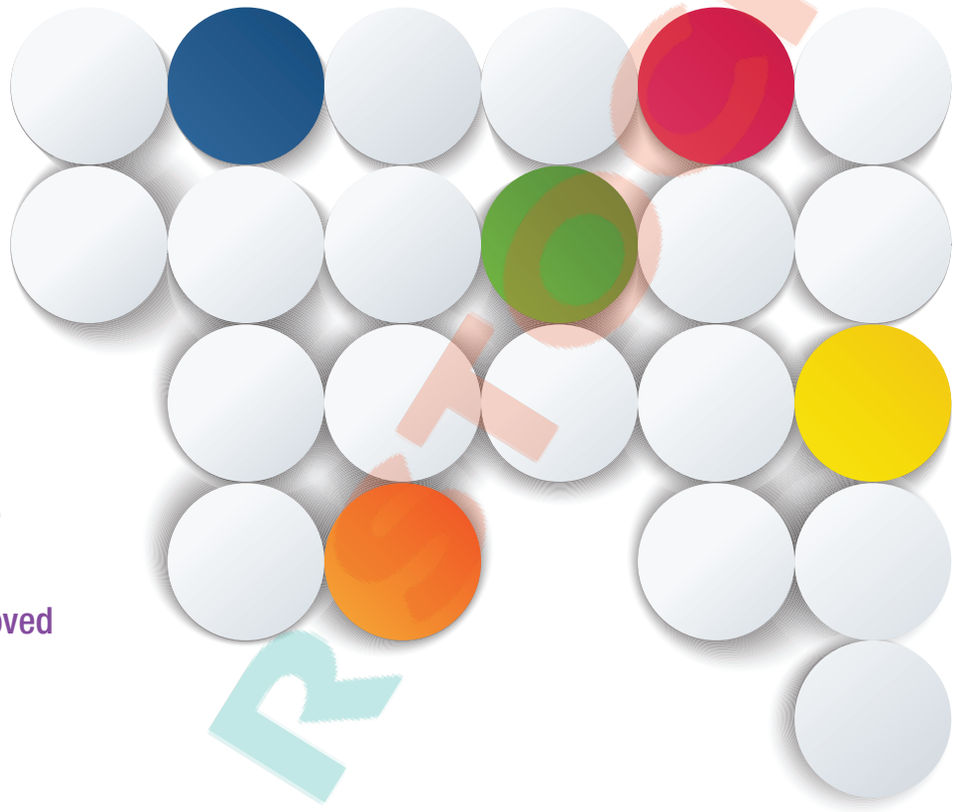
Members & Others

Mr. Mowlana Mohammad Salah Uddin, Member of the Committee & Khatib of National Mosque Baitul Mukarram, (Absent in the picture)
Mr. Md.Fariduddin Ahmed, Member of the Committee
Dr. Mohd. Haroon Rashid, Member of the Committee
Mr. Hafej Mawlana Abdul Gaffer, Member of the Committee
Barrister Omar Sadat, Member of the Committee
Mr. Syed Mahbubur Rahman, Managing Director & CEO, Member ex-officio
Mr. Md. Sirajul Hoque, SEVP & Member Secretary
Mr. Md. Kamaruzzaman, FVP & Muraquib of Shariah Supervisory Committee

BSTOCK

SPONSOR SHAREHOLDERS

OUR GRATITUDE TO THE ARCHITECTS OF DHAKA BANK



We owe a debt of gratitude to all of our Sponsor Directors for envisioning a great corporate voyage, now so admired and loved by the community.

Mr. Abdul Hai Sarker
Mr. A.T.M. Hayatuzzaman Khan
Mrs. Afroza Abbas
Mr. Altaf Hossain Sarker
Mr. Khandaker Md. Shahjahan
Mr. Aminul Islam
Mr. Md. Amirullah
Mr. Reshadur Rahman
Mr. Abdullah Al Ahsan
Mr. Khondoker Monir Uddin
Mr. M.N.H. Bulu
Mrs. Rakhi Das Gupta
Mr. Tahidul Hossain Chowdhury
Mr. Jashim Uddin
Mrs. Kamala Khatun
Mr. Abdul Wahed
Mr. Mohammed Hanif
Mr. Khondoker Jamil Uddin
Mr. Mohammad Ali Sarker
Mr. Suez Islam

Mr. Mirza Abbas Uddin Ahmed
Founder

(Sponsor Shareholder Mr. Mainul Islam expired in 2008 whereupon Mr. Suez Islam succeeded him. Mrs. Kamala Khatun expired in 2011.)

CHRONICLE
OF A RARE VISIONARY



Mirza Abbas Uddin Ahmed
The Founder

Mirza Abbas Uddin Ahmed
The Founder

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

The Founder of Dhaka Bank was born in 1951 in a respectable Muslim family in Kishoreganj. He had his schooling in the local educational institutions and finally obtained B.Com. Degree from Dhaka University. Then he associated himself with his family business named Mirza Enterprize, Dhaka that flourished on his long attachment for 32 years. He was also the Advisor of Dhaka Bank Limited.

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

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

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

AMARSTOCK

DIRECTORS' PROFILE



Reshadur Rahman

Mr. Reshadur Rahman is a prominent industrialist in Bangladesh. As a successful business entrepreneur, he has many achievements to his credit. His able leadership has become more vibrant in banking where Dhaka Bank is an epitome of his continued success. Mr. Rahman is now leading the Bank as Chairman. He was elected the Chairman of the Board of Directors in the 243rd Meeting of the Board of Directors of Dhaka Bank held on May 13, 2015. He was also the Chairman of the Board of Directors during the tenure 2010-2013.

Having accomplished his graduation, Mr. Rahman resolved on making a start in the line of business and succeeded in new ventures one after another over more than three decades of his career. His business grew as an enormous group and diversified into numerous worthy areas. He is also the Chairman of RR Aviation Ltd., Trade Hub Bangladesh Ltd. and Dhaka Bank Securities Ltd.; Managing Director of RR Holdings Ltd.; Proprietor of RR Trading & Co., RR Shipping Lines, RR Architecture & Engineering Co. and National Traders; and Shareholder of Alliance Deep Sea Fishing Ltd., Alliance Bags Ltd., Quality Breeders Ltd. and Quality Grains Ltd.

Mr. Reshadur Rahman has membership in professional organization namely Dhaka Chamber of Commerce & Industry and all elite clubs in Dhaka and Chittagong. He is equally active in many community development and social services programmes. Time and again, he has remained an honourable Donor to BIRDEM Hospital, Cancer Hospital, SEID Trust and a good number of educational institutions. He has been the honorary Consul of the Republic of Poland in Dhaka since 31 August 2008.



Abdul Hai Sarker

Mr. Abdul Hai Sarker is the Founder Chairman and one of the most experienced Board Members of Dhaka Bank Limited. He was the key architect to set the pace of this great corporate voyage for excellence. Today's Dhaka Bank manifests his crusading zeal for a sound banking institution that would be a shining example for all and the best choice of the new generation. Most importantly, he is a big name in the domain of business and industry. He led the Bank as a Chairman for several times. He is now the Chairman of Executive Committee of the Board.

Born in a respectable Muslim family of Sirajgonj District, Mr. Hai accomplished his Post Graduation Degree (M.Com.) from the University of Dhaka in 1970. Soon he involved himself in international trade & business and became a reputed industrialist in the country. His sincere effort and dynamic leadership culminated in a large business conglomerate in the name of Purbani Group. He is the Chairman & CEO of Shohagpur Textile Mills Ltd. & Purbani Synthetic Spinning Mills Ltd., Purbani Fabrics Ltd., Karim Textile Ltd., Karim Spinning Mills Ltd., Purbani Yarn Dying Ltd., Purbani Agro Processing Ltd., Purbani Rotor Spinning Ltd. and Purbani Fashions Ltd.; Proprietor of Purbani Traders and Purbani Fisheries and Director of Dhaka Bank Securities Ltd. He is also the Chairman of Education, Science, Technology and Cultural Development Trust (ESTCDT) of Independent University, Bangladesh (IUB).

Mr. Abdul Hai Sarker is the former Vice Chairman of Bangladesh Association of Banks (BAB), the former President of Bangladesh Textile Mills Association (BTMA) and a former Director of Federation of Bangladesh Chamber of Commerce and Industries (FBCCI). Mr. Hai is the Founder Trustee of Independent University, Bangladesh, Founder Member of the Board of Trustees of Bangladesh Enterprise Institute (BEI) and was an Associate Director of International Cotton Association based in Liverpool, UK. Besides being a leading business personality, he has been playing commendable role in social welfare and community development. Many organizations have awarded him for his outstanding contribution to the society. He has also been accorded Commercially Important Person (CIP) status by the Government.



Rokshana Zaman

Mrs. Rokshana Zaman is an experienced business person and a prominent woman entrepreneur in the country. She has exposure in the line of business for more than 16 years. She is the Proprietress of Dhaka Enterprise, a reputed business firm in Bangladesh and M/s. Manehor Fisheries and Director of Dhaka Bank Securities Ltd.

Mrs. Zaman first involved herself in banking business as an Alternate Director of the Bank back in 1996. Subsequently she was appointed a Director on June 29, 2004. She became the Chairperson of the Board of Directors on June 29, 2004 and continued her tenure till March 28, 2006. She is now a Member of the Audit Committee as well as Risk Management Committee of the Board. Since long, she has been associated with various CSR initiatives.

DIRECTORS' PROFILE
Continued



Altaf Hossain Sarker

A seasoned industrialist Mr. Altaf Hossain Sarker is an admired name in the arena of business in Bangladesh. His brilliance and business foresight has added a new dimension to the industrial revolution in Bangladesh. As his brainchild, many enterprises are there to be named, which in turn have become a change maker not only in the heartland of Sirajgonj where he was born but also around the country as a whole. In his mid twenties, he started off as a businessman with an academic accomplishment of Bachelor of Commerce (B.Com.). The following years saw his sparks of business growth in diversified areas of business.

Mr. Sarker is the CEO of Rahmat Group, a renowned business conglomerate. He is the Chairman of Rahmat Spinning Mills Ltd., Belkuchi Spinning Mills Ltd., China Plastic (BD.) Ltd., Rahmat Plastic and Accessories Ltd. and Rahmat Rotors Ltd.; Managing Director of Rahmat Textiles Ltd. and Rahmat Knit Dyeing & Finishing Ltd.; Director of Rahmat Fashion Wear Ltd., and Dhaka Bank Securities Ltd. and Advisor of Logos Apparels Ltd. Textile and Garment products under Rahmat Group have captured an international market. Most importantly, many of his products have become a part of our everyday life being excellent items for clothing and adornment. Mr. Altaf Hossain is now Director of Dhaka Bank and also a member of Executive Committee and Risk Management Committee of the Board. He is also a sponsor shareholder of the Bank that began its banking operation in 1995. Earlier, he led the Bank as Chairman being elected in the 134th Board Meeting held in April, 2008.

His interest has an extra focus on education and social organizations. He is a Member Trustee of Independent University, Bangladesh (IUB) and Director of Bangladesh Textile Mills Association (BTMA). Mr. Sarker is founder Member of Board of Trustees of Dhaka Bank Foundation. Besides, he is a regular sponsor to different social activities, honourable Donor to BIRDEM Hospital, Cancer Hospital, SEID Trust and a good number of educational institutions.



Mohammed Hanif

An experienced businessman Mr. Mohammed Hanif is a renowned industrialist in the country. He has made remarkable contribution towards business and banking in Bangladesh. The seasoned industrialist has a business career that extends over as long as 52 years. He is the Managing Director of Hanif Steels Ltd., Hanif Spinning Mills Ltd. and National Foundry & Engineering Works (Pvt.) Ltd.

Mr. Hanif is a Sponsor Director and one of the long serving Board Members of Dhaka Bank Limited. He was elected the Vice Chairman of the Bank in the 134th Board Meeting held in April, 2008. He was first appointed as a Director of the Board on April 6, 1995. He is also a Founder Member of the Board of Trustees of Dhaka Bank Foundation and an erstwhile member of Audit Committee of the Bank. He is associated with different socio-cultural activities.



Md. Amirullah

Mr. Md. Amirullah is a seasoned businessman in the country. He has considerable experience in business extending over above 47 years. His long attachment and commitment to business is something worth considering in the pace of economic development of the country. He started young in business and ended up with many achievements to be proud of. He is one of the pioneers in Bangladesh to initiate export of Video Cassettes worldwide. There is high recognition to his credit as a large exporter of chemicals in the international market. He had long been associated with HP Chemicals Ltd. and Orient Craft Ltd. He is one of the Directors of Dhaka Bank Investment Ltd.

Mr. Amirullah associated himself with banking entrepreneurship as a Sponsor Director of Dhaka Bank. He still continues with the Bank as Director and has retained his position for several terms after required intervals. He is now the Member of the Executive Committee of the Board. He has also widened his contribution to education setting through up a university in Dhaka. He has life membership with almost all elite clubs.

DIRECTORS' PROFILE
Continued



Abdullah Al Ahsan

Mr. Abdullah Al Ahsan, Director of Dhaka Bank has a prolific business background. For more than 31 years, his contribution to industry and commerce has remained vibrant. Academically he has completed M.Com. He is also a Sponsor Director of Dhaka Bank. His first appointment as a Director took place in April 6, 1995.

As a business entrepreneur, he has made worthy contribution to Agro Industry, well-recognized as a thrust sector in Bangladesh. He is the Director of Aroma Poultry and Aroma Fisheries Ltd. He has widely travelled across the globe on business trips. He is associated with Gulshan Club, Chittagong Golf & Country Club and Chittagong Seniors Club Ltd. He was pro-VC of USTC.



Khondoker Monir Uddin

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

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

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



Tahidul Hossain Chowdhury

Mr. Tahidul Hossain Chowdhury is a sponsor Director and one of the long serving Members of the Board of Dhaka Bank Limited. He is now holding the position of Director of the Bank. He is also a Member of the Audit Committee of the Board. His first appointment as Director dated April 6, 1995 while his last re-appointment took place on May 11, 2009. Academically, he is a Bachelor of Arts and his professional experience in business extends over more than 37 years.

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

DIRECTORS' PROFILE
Continued



Jashim Uddin

Mr. Jashim Uddin, Director of Dhaka Bank Limited is a prominent businessman of the country. He is also a Sponsor Director of the Bank. Academically, he is a Bachelor of Arts and by profession he is an established businessman having more than 32 years of experience. He is involved in myriad fields of business comprising Banking Services, Insurance, Stock Brokerage, HR Development, Trading and others. He is now the Chairman of Impel Shares & Securities Ltd.; Director of HURDCO International School and Proprietor of Rafid Enterprise.

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



Khondoker Jamil Uddin

Mr. Khondoker Jamil Uddin is a Director and one of the long serving Board Members of Dhaka Bank Limited. He is also a Member of Executive Committee of the Board. Born in a respectable Muslim family in Dhaka, Mr. Jamil accomplished his B.S.S. (Hons), M.S.S. and MPhil from the Department of Sociology, University of Dhaka. He embarked on business in 1995 and the later years proved most prolific earning him the reputation of a distinctive industrialist in Bangladesh. His sincere effort and dynamic leadership culminated in a large business conglomerate in the name of Shanta Group and other renowned business houses. He is the Chairman of JAAZ Concerns Ltd., Executive Attire Ltd., Green Field Tea Estate Ltd., OK Mobile Ltd., Dhaka Bank Investment Ltd. and Shanta Garments Ltd.; Director of STS Holdings Ltd., GDS Chemical Bangladesh (pvt.) Ltd., Universal Business Machines Ltd. and Citizen Securities Ltd. and Sponsor Director of Apollo Hospitals Dhaka Ltd., International School Dhaka., Delhi Public School and STS Education Group Ltd.

Alongside business, he is associated with many social, trade and sports associations. He is a Life Member of BIRDEM. He is the General Secretary to Bangladesh Hockey Federation, Vice President of Bangladesh Olympic Association, President of Bangladesh Rugby Association and Vice President of Dhaka Mohammedan Sporting Club. His excellence in social welfare reached its height when he established a charitable clinic in Ashulia namely CWCH where presently he is the Vice Chairman.



Mirza Yasser Abbas

A young entrepreneur Mr. Mirza Yasser Abbas is the Director of Dhaka Bank Limited. He is also a Member of Executive Committee of the Board. Mr. Yasser has an excellent academic record. He has accomplished his International MBA from Arcadia University, PA, USA and earned worthy expertise on business management affairs. He has been associated with Mirza Enterprise and family business over the last 14 years. He is also the Director of Dhaka Bank Investment Ltd.

Mr. Yasser Abbas was appointed Member of the Board of Directors of Dhaka Bank on May 3, 2012. Since his joining, he has been spearheading many development and restructuring initiatives in the Bank on behalf of the Board. Apart from business, he has considerable social affiliation. He is an Associate Member of Gulshan Club, Dhaka. He has travelled widely across Asia, Europe and North America on business and personal trips. With a compassion for the underprivileged, he is involved in various philanthropic works in the community.

TALLYSTOCK

DIRECTORS' PROFILE
Continued



Amanullah Sarker

Mr. Amanullah Sarker is Director of Dhaka Bank Limited. He was appointed a Member of the Board of the Bank with effect from April 18, 2013. Having an excellent business background for 26 years, he is associated with Rahmat Group, a renowned business group which is one of the leading manufacturers of textiles, spinning, weaving, plastic and accessories in the country.

Mr. Sarker was born on 18th May 1964 and belongs to a respectable Muslim family. He is the son of Alhajj Mohammad Ali Sarker and Mrs. Amina Khatun. Academically he has pursued B.A. (Hons) and M.A. degree at the University of Dhaka. Having accomplished his academic feat, he set out as a promising business entrepreneur in the eighties. Over the next two decades, his career grew on his continuous success leading up to the formation of Rahmat Group. He is the Managing Director of Rahmat Spinning Mills Ltd. and Rahmat Plastic and Accessories Ltd. and Director of Rahmat Textiles Ltd., Belkuchi Spinning Mills Ltd., China Plastic (BD) Ltd., Rahmat Knit Dyeing & Finishing Ltd., Rahmat Sweaters (BD) Ltd. and Logos Appareals Ltd.

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



M. N. H. Bulu

A leading business personality Mr. M. N. H. Bulu is a Director of Dhaka Bank Limited. He is also one of the Sponsor Directors who set the course of the Bank 22 years ago. He wields appreciably long experience in business that shaped up as a large conglomerate with the passage of time. BNS Group of Companies is the epitome of his business leadership and corporate excellence where he is the Honourable Chairman & Managing Director. BNS Group has a magnificent reach in diversified areas of business that contain Banking, Real Estate, Indenting, Telecom, Media (Press & Electronic), Chemicals and many others.

He has interest in a good number of business concerns namely National Chemical Industries Ltd., Nawshin Vinyl Industries Ltd., Abico Industries Ltd., Rumki Industries Ltd., BNS Ceramic Industries Ltd., BNS Chemical Industries Ltd., BNS BOPP Tape and Adhesive Industries Ltd., Shafkat PVC Sole Industries Ltd., BNS DOP & Chemical Industries Ltd., Bulu International, Oishee International Company Ltd., Bulu Trading Corporation, Bulu Enterprise, Bulu Traders, BNS International Co., BOSS PVC Vinyl Industries in the capacity of either Chairman/ Managing Director or Proprietor.

Mr. Bulu has many rewards and recognitions to his credit for his business talent and entrepreneurship. In recognition of his outstanding contribution to business and national development, he won Humane Net Work Bangladesh President's Trophy 1994, Srigyan Atish Dipankar Gold Medal 1998 and Arthakantha Business Award 2004. He also held prestigious positions in various industrial and trade associations. He is the Ex-President, Bangladesh Rexin & Plastic Sheet Manufacturers' Association, Ex-Vice President, Mohammedan Sporting Club and Ex-President, Usha Krira Chakra. Besides, he has a long history of affiliation to various social clubs and organizations.



Syed Abu Naser Bukhtear Ahmed

Mr. Syed Abu Naser Bukhtear Ahmed is the Director of Financial Excellence Ltd. and Managing Director of Trade Hub (Bangladesh) Ltd. An MBA from IBA, University of Dhaka, he is a seasoned banker with over 44 years of international and domestic experience. He worked in formulating policies & guidelines and promulgating laws related to Banking. He has exposure to the World Bank & IMF reform agenda for the nationalized banking sector.

Mr. Ahmed started his career with State Bank of Pakistan in 1970. He then worked with Bangladesh Bank and later joined Central Bank of United Arab Emirates and worked there for 21 years. After serving three Central Banks in Pakistan, Bangladesh and UAE for over 25 years, he served Arab Bangladesh Bank Ltd. and Prime Bank Ltd. He thereafter worked for Southeast Bank Ltd. as the President & CEO and Agrani Bank Ltd. as the Managing Director & CEO. Mr. Ahmed has been awarded several prestigious awards including Nawab Sir Salimullah Gold Medal, Financial News Service Business Gold Medal etc. He was the Chairman of BAFEDA and Member of the Governing Body of ABB, BIBM and IBB. He was the Vice-Chairman of Primary Dealers Association of Bangladesh and President of IBA Alumni Association. Mr. Ahmed was the Director of Bangladesh Commerce Bank Ltd. and ICB. He is currently one of the Independent Directors of Dhaka Bank Ltd. He is associated with various social and cultural organizations & clubs.

DIRECTORS' PROFILE
Continued



M. A. Yussouf Khan

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

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



Syed Mahbubur Rahman

Mr. Syed Mahbubur Rahman joined Dhaka Bank Limited as the Managing Director on November 08, 2015. He has 30 years of experience in Banking Services and Credit related arena. Prior to joining DBL, he was the Managing Director & CEO of BRAC Bank Limited.

Mr. Rahman worked in various roles with some of the biggest names in the financial sector of Bangladesh such as Prime Bank Limited, Citibank NA, Standard Chartered Bank, ANZ Grindlays Bank, IDLC Finance Limited etc. before moving to BRAC Bank Limited in 2008. He started his career in Saudi Bangladesh Agricultural & Industrial Investment Co. (SABINCO). He also served as the Director for BRAC EPL Investments Ltd., BRAC EPL Stock Brokerage Ltd., BRAC Saajan Exchange Ltd., bKash Ltd., BRAC IT Services Ltd. and IIDFC Securities Ltd. Mr. Rahman is also a Member of the Board of Governors at Association of Bankers, Bangladesh Limited. He was accorded with the prestigious 'The Asian Banker Leadership Achievement Award' for Bangladesh for the period 2011-2013.

He obtained his Masters in Business Administration (MBA) from Institute of Business Administration (IBA), University of Dhaka. During his career, he attended numerous trainings, seminars and workshops on different aspects of banking held in the country and abroad.

CHAIRMAN'S STATEMENT



Reshadur Rahman
Chairman, Board of Directors

"It has been a challenging year for the banking industry amidst volatility and uncertainties in the commodity, financial markets as well as global economies coupled with a highly competitive operating landscape. Despite the prevalent headwinds, the Bank has made meaningful strides in delivering a commendable set of financial results whilst ensuring that we continue to focus on creating long-term value for all our stakeholders."

CHAIRMAN'S STATEMENT

Continued

Dear Shareholders,

Thank you for investing in Dhaka Bank Limited. In 2016, your company earned an operating profit of Tk. 5,403.65 million. This progress is the result of continued strong business performance. I am grateful to you for allowing me this opportunity to introduce our Financial Year 2016 Annual Report. It is specially important for us, as it highlights some important milestones for Dhaka Bank Limited. On behalf of the Board of Directors I cordially welcome you all to the 22nd Annual General Meeting (AGM) of Dhaka Bank Limited.

The year 2016 has been a challenging year as we faced a number of economic headwinds in addition to an increasingly dynamic operating environment. Despite these challenges, Dhaka Bank remains committed towards delivering a strong and sustainable financial performance predicated on the core principles of the Bank as well as advancing its key strategic priorities. In short, the Bank will continue to create progressive and substantive business value over time for its shareholders.

The forces shaping the global outlook both those operating over the short term and those operating over the long term point to subdued growth for 2016 and a gradual recovery thereafter, as well as to down-side risks. These forces include new shocks, such as Brexit, the June 23, 2016 U.K. referendum result in favor of leaving the European Union; ongoing realignments, such as rebalancing in China and the adjustment of commodity exporters to a protracted decline in the terms of trade; and slow-moving trends, such as demographics and the evolution of productivity growth; as well as noneconomic factors, such as geopolitical and political uncertainty. The subdued recovery also plays a role in explaining the weakness in global trade and persistently low inflation.

As the year progressed, the world economy began to witness uneven growth across major economies - with the US gaining traction but weak business sentiments manifesting in the Eurozone and Asia.

Growth is projected to pick up from 2017 onward, almost entirely on account of developments in emerging market and developing economies. This reflects primarily two factors: the gradual normalization of macroeconomic conditions in several countries experiencing deep recessions and the increasing weight of fast-growing countries in this group in the world economy.

Growth has held up in developing Asia despite a difficult external environment. The region is expected to grow steadily at 5.7% in 2016 and 2017, the forecasts from Asian Development Outlook 2016.

Bangladesh's GDP growth in FY16, estimated at 7.11 percent by the Bangladesh Bureau of Statistics, has been healthy despite slowing private investment and remittances. This growth is aided by revived exports and sustained domestic consumption. Inflation was lower than projected. Robust public investment and solid consumption have kept the Bangladeshi economy on a solid footing in 2016.

Despite a decrease in remittances from Middle Eastern countries due to the plunge in oil prices, low price pressures and rising wages have bolstered household purchasing power. Bangladesh's growth prospects remain solid due to positive developments in both domestic demand and the external sector. An increasing budget deficit and weak global trade are the main downside risks to growth. According to the World Bank, theeconomy will expand by 6.8% in 2017.

Investors increasingly see Bangladesh as a smart place to put their money. And they are not alone. According to a poll by the U.S.-based International Republican Institute, 83 percent of Bangladeshis surveyed said the security situation in Bangladesh is very good or somewhat good and 77 percent believe the country is politically stable. In addition, 72 percent are optimistic that their personal economic situation will improve.

Top sectors for direct investment last year in Bangladesh included the ready-made garment industry, of course. But investors also poured money into oil and gas, banking, telecommunication and power generation. One reason is, unlike many of its neighbors, Bangladesh has a liberal investment regime that allows 100 percent foreign investment in many sectors and an unrestricted exit policy.

In the Banking sector, interest rates have persistently going in downward trend, but the financial sector continues to be plagued by falling profitability, rising NPLs and capital inadequacy. Another major concern for the financial sector is emerged cyber security.

In the year 2016 Bangladesh Bank took an accommodative monetary policy stance, with some easing of the policy rates in the last half of fiscal year 2016. This led to a large deviation of growth in reserve money from the monetary program target. Excess liquidity continued to swell despite some pick up in the demand for credit in the private sector.

2016 has been a challenging year for the banking industry amidst volatility and uncertainties in the commodity, financial markets as well as global economies coupled with a highly competitive operating landscape. Despite the prevalent headwinds, the Bank has made meaningful strides in delivering a commendable set of financial results whilst ensuring that we continue to focus on creating long-term value for all our stakeholders. It has been a tough operating environment for banks given the global and domestic uncertainties. In addition, across the banking industry, margins remain under pressure with higher capital requirements reducing returns.

Amidst these challenges, the Bank delivered a commendable set of results. This year we witnessed a net profit of Tk. 1,465.93 million, representing a 1.97% year-on-year (YOY) growth. We are now available to more Customers than ever with new 7 branches (total of 94), 2 ATMs (total 54 ATMs) and 1 ADM (total 20 ADMs) across the country.

In closing, I would like to express my appreciation to the Board of Directors, our valued customers, business partners and shareholders for their continuous support and trust. My special appreciation goes to the entire team at the Bank for their passion, commitment, and dedication. My sincere thanks also go to the Bangladesh Bank, Ministry of Finance, Bangladesh Securities and Exchange Commission, Government agencies and other regulatory authorities for their invaluable assistance, continuous guidance and support.



Reshadur Rahman
Chairman, Board of Directors
Dhaka Bank Limited

চেয়ারম্যানের বাণী

প্রিয় শেয়ারহোল্ডারবৃন্দ,

ঢাকা ব্যাংকের পরিচালনা পর্ষদের পক্ষ থেকে সবাইকে ২২তম বার্ষিক সাধারণ সভায় সাদর সম্ভাষণ। ব্যাংকের 'বার্ষিক প্রতিবেদন ২০১৬' আপনাদের হাতে তুলে দিতে পেরে আমি আনন্দিত। সবাইকে সাথে নিয়ে ঢাকা ব্যাংক আরো একটি সফলতার বছর পূর্ণকরল। ক্রমাগত এগিয়ে চলার এই পথে ঢাকা ব্যাংকের প্রতি আপনাদের অবিচল আস্থা রাখার জন্য আমাদের কৃতজ্ঞতার শেষ নেই। আপনাদের ব্যাংক ২০১৬ সালে ৫,৪০৩.৬৫ মিলিয়ন টাকা পরিচালন মুনাফা অর্জন করেছে যা সম্ভবপর হয়েছে ব্যাংকের সাথে সংশ্লিষ্ট সকলের ঐকান্তিক প্রচেষ্টায়।

২০১৬ সাল নানা কারণেই ব্যবসা বাণিজ্যের জন্য চ্যালেঞ্জিং ছিল। তা সত্বেও ঢাকা ব্যাংক নানাবিধ ক্ষেত্রে তার ক্রমোন্নতির ধারা অব্যাহত রাখতে সক্ষম হয়েছে। এর পেছনে রয়েছে ব্যাংকের সুচিন্তিত ব্যবসায় কৌশল এবং তার সঠিক বাস্তবায়ন। শেয়ারহোল্ডারবৃন্দ এবং সংশ্লিষ্ট সকলের কল্যাণে ব্যাংকের এই ক্রমোন্নতির ধারা ভবিষ্যতেও অব্যাহত থাকবে বলেই আমার বিশ্বাস।

বিশ্ব অর্থনীতি গত বছরটিতে বিভিন্ন স্বল্প ও দীর্ঘমেয়াদী প্রভাবের মাধ্যমে প্রবৃদ্ধিকে বাধাগ্রস্ত করেছে। বেশকিছু উল্লেখযোগ্য ঘটনা এর পেছনে নিয়ামক হিসেবে কাজ করেছে। ব্রেক্সিট তার মধ্যে অন্যতম। ২০১৬ সালের ২৩ জুন ব্রিটেনের ইউরোপিয়ান ইউনিয়ন ত্যাগের সিদ্ধান্ত বিশ্ব অর্থনীতিতে নেতিবাচক প্রভাব ফেলেছে। পাশাপাশি চীনসহ বেশকিছু দেশের সার্বিক অর্থনৈতিক পরিস্থিতি, অর্থনৈতিক পুনরুদ্ধার, নানাবিধ ভূ-রাজনৈতিক অনিশ্চয়তা বিশ্ব অর্থনীতিকে প্রত্যক্ষ ও পরোক্ষভাবে প্রভাবান্বিত করেছে। চলতি বছরে বিশ্ব অর্থনীতি ঘুরে দাঁড়াবে বলেই বিশ্লেষকগণ আশা করছেন। বিশেষ করে উদীয়মান ও উন্নয়নশীল দেশসমূহের ক্রমবর্ধমান অর্থনৈতিক প্রবৃদ্ধি বেশ উল্লেখযোগ্যভাবেই ইতিবাচক প্রভাব রাখতে সক্ষম হবে।

আশার কথা হচ্ছে বৈশ্বিক বিরূপ পরিস্থিতি সত্বেও বাংলাদেশ তার অর্থনৈতিক প্রবৃদ্ধির ধারা অব্যাহত রেখেছে। ২০১৫-১৬ অর্থবছরে জিডিপি প্রবৃদ্ধির হার ছিল ৭.১১ শতাংশ। যদিও ব্যক্তিখাতে বিনিয়োগ এবং প্রবাসী আয় খুব একটা আশানুরূপ ছিল না, তবু প্রবৃদ্ধির এ হার আমাদের অর্থনীতির অপেক্ষাকৃত পরিপক্ক ও শক্ত অবস্থানেরই আভাস দেয়। এ প্রবৃদ্ধি অর্জনে রপ্তানি আয়, সরকারি বিনিয়োগের উল্লেখযোগ্য হার এবং অভ্যন্তরীণ বাজারের ক্রমান্বয়ে সক্ষম হয়ে ওঠা গুরুত্বপূর্ণ অনুঘটক হিসেবে কাজ করেছে।

বহুজাতিক বিনিয়োগ প্রতিষ্ঠানগুলো এরই মাঝে বাংলাদেশকে বিনিয়োগের নিরাপদ এবং সম্ভাবনাময় ক্ষেত্র হিসেবে বিবেচনা করতে শুরু করেছে যা আমাদের আশাবাদী করে তোলে। সাম্প্রতিক সময়ে রাজনৈতিক স্থিতিশীলতা, সার্বিক নিরাপত্তা পরিস্থিতি এবং আগামী দিনের সম্ভাবনা তাঁদেরকে বাংলাদেশ সম্পর্কে ইতিবাচক ধারণা পোষণ করতে উৎসাহিত করেছে। বাংলাদেশে সরাসরি বিনিয়োগের ক্ষেত্রে তৈরি পোশাকখাত তো বটেই, পাশাপাশি তেল, গ্যাস, আর্থিক প্রতিষ্ঠান, টেলিযোগাযোগ ইত্যাদি খাতে ক্রমেই বিনিয়োগকারীদের আগ্রহ বাড়ছে। এক্ষেত্রে অন্যান্য প্রতিবেশী দেশের তুলনায় বাংলাদেশের অপেক্ষাকৃত আকর্ষণীয় ও উদার বিনিয়োগনীতি একটি শক্তিশালী নিয়ামক হিসেবে কাজ করছে।

অন্যান্য খাতের তুলনায় সাম্প্রতিক সময়ে বাংলাদেশে আর্থিকখাতের চিত্র আশাবাদী হবার জন্য যথেষ্ট নয়। ঋণখেলাপির ঘটনার পুনরাবৃত্তি, মন্দ ঋণ হারের ক্রমবৃদ্ধি এবং তথ্য ও যোগাযোগখাতের অনিরাপত্তা আমাদের ভাবিয়ে তোলে। উদ্ভূত পরিস্থিতিকে ঢাকা ব্যাংক যথেষ্ট গুরুত্বের সাথে নিয়েছে। মন্দ ঋণের হার কমিয়ে আনাকে সর্বাধিক গুরুত্ব দেয়া হয়েছে। পাশাপাশি তথ্য ও যোগাযোগ নিরাপত্তা নিশ্চিত করার লক্ষ্যে ব্যাংকের সম্পূর্ণ 'সিস্টেম' এর আধুনিকায়ন চলছে। এতে করে নিরাপদ ব্যাংকিং এর পাশাপাশি গ্রাহকগণকে অধিকতর সহজ পদ্ধতির ব্যাংকিং উপহার দেয়া সম্ভব হবে।

২০১৬ সালটি ব্যাংকিং এর জন্য একটি চ্যালেঞ্জিং বছর হওয়া সত্বেও ঢাকা ব্যাংক নিট মুনাফা অর্জনে বেশ ইতিবাচক চিহ্ন রাখতে সক্ষম হয়েছে। গত বছর ঢাকা ব্যাংকের নিট মুনাফা ছিল ১,৪৬৫.৯৩ মিলিয়ন টাকা যা তার আগের বছরের তুলনায় ১.৯৭ শতাংশ বেশি। গ্রাহকগণের আরও কাছাকাছি যাবার প্রত্যয়ে গত বছর আমরা নতুন ৭টি শাখা, ২টি এটিএম এবং ১টি এডিএম স্থাপন করেছি। সব মিলিয়ে এখন ঢাকা ব্যাংক ৯৪টি শাখা, ৫৪টি এটিএম, ২০টি এডিএম, ৩টি এসএমই সেবা কেন্দ্র, ২টি অফশোর ব্যাংকিং কেন্দ্র, ১টি কিয়স্ক এবং ঢাকা ব্যাংক সিকিউরিটিজ লিমিটেড এর অধীন ৬টি শাখার মাধ্যমে দেশজুড়ে তার উপস্থিতি নিশ্চিত করেছে। ভবিষ্যতে সেবাদানের এ পরিধি আরও সুবিস্তৃত হবে।

পরিশেষে ঢাকা ব্যাংকের মূল্যবান গ্রাহক, সম্মানিত শেয়ারহোল্ডার এবং অন্যান্য শুভানুধ্যায়ীদের আবারও জানাই আন্তরিক ধন্যবাদ ব্যাংকটির প্রতি তাঁদের অবিচল আস্থার জন্য। পাশাপাশি বাংলাদেশ ব্যাংক, অর্থ-মন্ত্রণালয়, ব্যাংক ও আর্থিক প্রতিষ্ঠান বিভাগ এবং বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের প্রতি আমাদের গভীর কৃতজ্ঞতা তাঁদের মূল্যবান দিকনির্দেশনার জন্য। স্থানীয় প্রশাসন, আইনশৃঙ্খলা রক্ষাবাহিনী এবং সর্বোপরি সরকারের বিভিন্ন বিভাগের প্রতি আমরা কৃতজ্ঞ তাঁদের নানাবিধ সহযোগিতার জন্য। সবার সহযোগিতা আর শুভ কামনায় ঢাকা ব্যাংক উত্তরোত্তর সমৃদ্ধ হবে বলেই আমি দৃঢ়ভাবে বিশ্বাস করি।

রেশাদুর রহমান
চেয়ারম্যান
ঢাকা ব্যাংক লিমিটেড

STRATEGIC REVIEW OF THE MANAGING DIRECTOR & CEO



Syed Mahbubur Rahman
Managing Director & CEO

"The next-day banking definitely will be more challenging & tough with all its light & shadow. As the number of industry players are increasing, market is saturating, technology is changing fast its face, so we have to come up with maximum potential in the playground. Banking will rely on not merely the rates & charges; it will admire more the brand acceptance, brand reliability & brand positioning amongst the existing & potential customers. The brand Dhaka Bank has already roared as a socially acceptable & reliable one over the long two decades. Now we are working for years-long sustainability & life-long ties with our valued clients & consumers."

STRATEGIC REVIEW OF THE MANAGING DIRECTOR & CEO

Continued

Respectable Shareholders,

I am pleased to have the opportunity to welcome you all at our Bank's 22nd Annual General Meeting to present the performance of our Bank for the year 2016. The bank has completed another eventful year where we have continued our journey towards consolidation and growth and made significant improvements in our key performances.

After a dreary outturn in 2016, economic activity is anticipated to get pace in 2017, particularly in developing economies. In any case, there is a wide scattering of conceivable results around the projections, given vulnerability encompassing the strategy position of the U.S. administration and its worldwide consequences.

The worldwide economy stays trapped in a prolonged period of slow growth and decreasing international trade. Since 2012, world gross product (WGP) has extended at a yearly rate of 2.5 percent, much lower than the normal of 3.4 percent saw in the decade prior to the financial meltdown. In 2016, development in both WGP and world trade dropped to their slowest pace since the Great Recession of 2009. WGP is forecasted to have extended by only 2.2 percent, mirroring a descending revision of 0.7 percentage points relative to forecasts a year ago. The weaker-than-anticipated growth exhibitions in Japan, the United States of America and in a few nations in Africa, the Commonwealth of Independent States (CIS) and Latin America and the Caribbean have added to this descending correction with respect to estimates introduced in the World Economic Situation and Prospects (WESP) 2016 (United Nations, 2016a).

Even with considerable difficulties, the Bangladesh economy kept on showing signs of resilience throughout the FY2015-16 period. The economy profited from various favorable circumstances from the point of view of macroeconomic management. Macroeconomic stability, falling inflation, contained budget deficit, and surpluses in both current and financial accounts in the balance of payments (BOP), which was strengthened by noteworthy growth in export and rising foreign direct investment (FDI), and foreign exchange reserve. Regardless of the macroeconomic steadiness, various concerns kept on plaguing the economy in FY2015-16. Stagnating private investment, declining agricultural growth, appreciation of the real effective exchange rate (REER), weak (particularly public) banking sector performance undermine potential and growth prospects. Government expenditure is giving extra fuel to local demand. Spending arrangements are mostly focused on infrastructure and job training which will be benefited in short term as well as in the long run competitiveness of the economy.

2016 was a pivotal year for Dhaka Bank Limited (DBL). It was defined by the tangible progress we made in a sustained effort to transform and reshape DBL into a simpler, safer and stronger institution. From a net income perspective, we earned Tk.1,465.93 million in 2016 made it a prosperous year for us and we hope to continue to deliver in the future. Putting that number in context, we generated strong earnings operating as a more focused and responsible financial institution. In 2016, we had strong loan & advances growth of 14.30 percent, and strong deposit growth of 13.01 percent. These loans help fuel the real economy in Bangladesh, helping small, medium and large businesses grow, add jobs and help families prosper.

As we take stock of where DBL stands today, we can see the tangible results of hard work as we have simplified, strengthened and transformed our company. We have a strong foundation, we have a strategy focused on the customers we serve, and all the capabilities we possess have come together as an engine for responsible growth that is producing stronger financial results and momentum.

We are deeply aware that our clients choose who they want to do business with each and every day, and we are gratified that we continue to earn our clients' business and their trust. If you are gaining customers and market share, you have to be doing something right.

Building a sustainable company is about how, at the core of everything we do, we are guided by our principles to make the right decisions that will hold us in good stead today and in the future. We think about this in a variety of ways. It is important to maintain focus on operational excellence, and on the momentum we have built managing expenses.

All of this is made possible by more than 1,600 teammates who come to work every day to serve clients and improve our communities. Together, we will continue to take the company forward and deliver more value to those we serve and to our shareholders.

In terms of how we govern the company, we have a diverse and experienced Board of Directors that provides independent oversight. Our Board constantly looks for ways to ensure its diversity and strength, and monitors corporate governance best practices to adapt and improve when necessary.

Dhaka Bank continues its voyage towards banking excellence. At the year ended 2016, seven new promising locations have seen our footprint, now we have ensured our presence through 94 Branches, 54 ATMs, 20 ADMs, 3 SME Service Centers and 1 Kiosk. We are committed to deliver superior services to our valued customers supported by an excellent team of professionals. We are now at the door step to deliver upgraded Core Banking System (CBS) of the Bank on the road to more hassle free and smooth banking experience for the customers. At the same time we are working on Mobile Application for the convenience of our customers, which will enrich more privatized banking experience for our valued customers.

Finally, and most importantly, being a sustainable company means we value our people and give all employees the support they need to build a career, achieve their goals, and have the resources they need to improve their lives and the lives of their families. All that we are and all that we achieve is because of our employees, and I want to thank them for all they do.

I feel enormously blessed to work for this great organization and with such talented employees. Our management team and employees have built an exceptional organization that is one of the most trusted and respected financial institutions in Bangladesh. It has been their dedication, fortitude and perseverance that made this possible. And it fills me with tremendous pride.



Syed Mahbubur Rahman
Managing Director & CEO
Dhaka Bank Limited

ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী কর্মকর্তার বাণী

প্রিয় শেয়ারহোল্ডারবৃন্দ,

ঢাকা ব্যাংকের ২২তম বার্ষিক সাধারণ সভায় আপনাদের আমন্ত্রণ জানাতে পেরে আমি আনন্দিত। এরই মাঝে আপনাদের প্রিয় এই ব্যাংকটি আরো একটি ঘটনাবহুল বছর অতিক্রম করেছে। বছরটিতে ব্যাংকটি উল্লেখ করবার মত বেশ কিছু অর্জন নিশ্চিত করেছে যা সম্ভব হয়েছে সংশ্লিষ্ট সকলের, বিশেষ করে ঢাকা ব্যাংকের প্রতি এর সম্মানিত শেয়ারহোল্ডারবৃন্দের অবিচল আস্থার ফলে। এ আস্থা ভবিষ্যতে আরো সুদৃঢ় হবে বলেই আমার বিশ্বাস।

বিশ্ব অর্থনীতিতে ২০১৬ সাল আরেকটি শ্লথগতির বছর হিসেবেই প্রতীয়মান হয়েছে যা চলতি বছরে কিছুটা গতি পাবে বলে বিশ্লেষকগণ ধারণা করছেন। প্রবৃদ্ধির মন্থর গতি এবং ক্রমহ্রাসমান আর্ন্তজাতিক বাণিজ্য ছিল বছরজুড়েই উদ্বেগের বিষয়। পাশাপাশি মোট বৈশ্বিক উৎপাদনও খুব একটা আশার সঞ্চার করতে পারেনি। প্রবৃদ্ধির এ মন্থর গতি ভুগিয়েছে যুক্তরাষ্ট্রসহ উল্লেখযোগ্য বেশকিছু অর্থনীতিকে, যার প্রভাব পড়েছে অপেক্ষাকৃত অনুন্নত দেশসমূহের অর্থনীতির উপর। ব্রেক্সিট পরবর্তী প্রভাব এবং বছরের শেষ দিকে এসে যুক্তরাষ্ট্রের নির্বাচন ও তৎপরবর্তী অনিশ্চয়তা বিশ্ব অর্থনীতিতে ব্যাপকভাবে প্রভাব বিস্তার করেছে যা এখনো চলমান।

বৈশ্বিক বিরূপ পরিস্থিতি সত্বেও বাংলাদেশ ২০১৫-১৬ অর্থবছরে ৭.১১ শতাংশ প্রবৃদ্ধি অর্জন করে তার ক্রমোন্নতির ধারা বজায় রাখতে সক্ষম হয়েছে। সামষ্টিক ও ব্যষ্টিক উভয় অর্থনৈতিক চলকের দিক দিয়েই আশাব্যঞ্জক ফলাফল ধরে রেখেছে বাংলাদেশ। অপেক্ষাকৃত স্থিতিশীল অর্থনীতি, ক্রমহ্রাসমান মূল্যস্ফীতি, নিয়ন্ত্রিত বাজেট ঘাটতি, ব্যালেন্স অব পেমেন্ট-এ ভারসাম্য, উল্লেখযোগ্য রপ্তানী আয়, বৈদেশিক মুদ্রার স্থিতি, অভ্যন্তরীণ বাজারের সক্ষমতা বৃদ্ধি ইত্যাদি যে বাংলাদেশকে উপস্থাপন করে তা যথেষ্ট ইতিবাচক। পাশাপাশি বেসরকারি বিনিয়োগে স্থবিরতা, কৃষিখাতের অনুন্নয়ন, অনুন্নত অবকাঠামো এবং শেয়ারবাজার ও আর্থিক খাতের এখনো যথেষ্ট শক্তিশালী না হওয়াটা নানাভাবেই কাঙ্খিত উন্নয়নকে বাধাগ্রস্ত করছে।

২০১৬ সালটি নানা কারণেই ঢাকা ব্যাংকের জন্য গুরুত্বপূর্ণ ছিল। কিছু দৃশ্যমান লক্ষ্য অর্জনের প্রত্যয় নিয়ে আমরা বছরটি শুরু করি। বছর শেষে সংশ্লিষ্ট সকলের সহযোগিতায় লক্ষ্য অর্জনের দিকে আমরা অনেকখানি এগিয়ে যাই। ফলে ঢাকা ব্যাংক এখন সকল মহলের আস্থা অর্জনে আরেক ধাপ এগিয়ে যেতে সক্ষম হয়েছে। ব্যাংকিংকে আরো স্বচ্ছন্দ, নিরাপদ ও গ্রাহকবান্ধব করার ক্ষেত্রে গুরুত্ব দেয়া হয়েছে। টেকসই ব্যাংকিং নিশ্চিতকল্পে বরাবরের মতই ঝুঁকিপূর্ণ ব্যাংকিংকে এড়িয়ে যাওয়া হয়েছে যা ঢাকা ব্যাংকের অন্যতম একটি বৈশিষ্ট্য।

২০১৬ সালে আমরা পরিচালন এবং নিট মুনাফায় উল্লেখযোগ্য প্রবৃদ্ধি অর্জন করতে পেরেছি। বছরশেষে ব্যাংকের পরিচালন ও নিট মুনাফা হয়েছে যথাক্রমে ৫,৪০৩.৬৫ মিলিয়ন ও ১,৪৬৫.৯৩ মিলিয়ন টাকা, যা আগের বছরের তুলনায় যথাক্রমে ৫৪.২১ শতাংশ ও ১.৯৭ শতাংশ বেশি। এছাড়া ব্যাংকের মোট ঋণ ও আমানত বেড়েছে যথাক্রমে ১৪.৩০ ও ১৩.০১ শতাংশ। এ সবকিছুই সম্ভব হয়েছে আমাদের মূল্যবান গ্রাহক, ব্যাংকের প্রতি আস্থাশীল শেয়ারহোল্ডারবৃন্দ, বিচক্ষণ পরিচালনা পর্ষদ, ব্যাংক ব্যবস্থাপনা ও সর্বোপরি আমাদের উদ্যমী ও প্রতিশ্রুতিশীল সহকর্মীদের সম্মিলিত প্রচেষ্টার মাধ্যমে। সামনে এগিয়ে চলার এ প্রচেষ্টা ভবিষ্যতে আরো বেগবান ও বহুমুখী হবে, এতে কোন সন্দেহ নেই।

প্রতিনিয়ত এগিয়ে চলার প্রত্যয়ে ঢাকা ব্যাংক এখন মোট ৯৪টি শাখা, ৫৪টি এটিএম, ২০টি এডিএম, ৩টি এসএমই সেবা কেন্দ্র, ২টি অফশোর ব্যাংকিং কেন্দ্র, ১টি কিয়স্ক এবং ঢাকা ব্যাংক সিকিউরিটিজ লিমিটেড এর অধীন ৬টি শাখার মাধ্যমে দেশজুড়ে গ্রাহকগণকে সেবা দিয়ে যাচ্ছে। এছাড়া আরও ঘনিষ্ঠ সেবাদান নিশ্চিত করতে আমাদের নতুন চালু হওয়া 'আন্তরিক' সেবাটি নিঃসন্দেহে সবার দৃষ্টি কেড়েছে। এর মাধ্যমে বিশেষ ধরণের গ্রাহকগণ যেমন বয়স্ক, শারীরিকভাবে পিছিয়ে পড়া এবং সন্তানসম্ভবা নারীরা পাচ্ছেন লাইনে না দাঁড়িয়েই ব্যাংকিং এর বিশেষ সুবিধা।

পরিশেষে পরিচালনা পর্ষদের সম্মানিত সদস্যবৃন্দ, শেয়ারহোল্ডারবৃন্দ, গ্রাহকসাধারণ এবং সর্বোপরি আমার পরিশ্রমী সহকর্মীদের নিরন্তর সমর্থন নিঃসন্দেহে প্রশংসার দাবী রাখে। সবার যৌথ ও একনিষ্ঠ প্রয়াস ব্যাংকটিকে সামনের দিনগুলিতে এক অন্যরকম উচ্চতায় নিয়ে যাবে বলেই আমার দৃঢ় বিশ্বাস।



সৈয়দ মাহবুবুর রহমান
ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী কর্মকর্তা
ঢাকা ব্যাংক লিমিটেড

REPORT OF THE AUDIT COMMITTEE OF THE BOARD

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

Composition

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

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

The Board Audit Committee of Dhaka Bank Limited was last reconstituted on May 19, 2015. The particulars of the members of the Audit Committee and their attendance in Meetings in the year 2016 are as under:

Sl. No.	Name	Status with the Bank	Status with the Committee	Educational Qualification	No. of Meetings held in 2016	No. of Meetings Attended	Remarks
01.	Mr. Syed Abu Naser Bukhtear Ahmed	Independent Director	Chairman	MBA	07	07	The directors, who could not attend any meetings, were granted leave of absence
02.	Mr. Reshadur Rahman	Chairman	Member	Graduate	07	06	
03.	Mrs. Rokshana Zaman	Vice Chairperson	Member	Intermediate	07	06	
04.	Mr. Tahidul Hossain Chowdhury	Director	Member	Bachelor of Arts	07	06	

The company secretary of the Bank Mr. Arham Masudul Huq acts as the Secretary of the Audit Committee.

Duties and responsibilities

Internal control

- Evaluate whether the bank management has been able to build a compliance culture with respect to bank's internal control system; whether bank employees/workforce have been clearly advised about their duties and responsibilities in this regard and whether management has established full control on their activities;
- Review all initiatives taken by bank management as regards building a suitable Management Information System (MIS) along with the state of computer application in banking system and uses thereof;
- Consider the oversight of bank's compliance on recommendations made from time to time concerning establishment of an internal control mechanism/framework by internal as well as external auditors;
- Apprise the board of any fraud-forgery, internal control lapses found by internal or external auditors and inspection team of regulatory authority or identification of such other areas and remedial measures therein.

Disclosure of financial report

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

Internal Audit

- Review if internal control management is able to conduct its operation independent of bank management;
- Review internal audit activities and its organizational structure and ensure that no untoward hurdles or limitations create bottleneck to internal audit activities;
- Verify the skills and effectiveness of internal audit system;
- Examine appropriateness of management consideration about observations/recommendations of the internal auditors regarding banking operation and mitigation of irregularities identified.

External Audit

- Review auditing activities of external auditors and their audit report;
- Examine appropriateness of management consideration about observations/recommendations of the external auditors regarding

REPORT OF THE AUDIT COMMITTEE OF THE BOARD

Continued

banking operation and mitigation of irregularities identified;
- Submit recommendations for appointment of external auditors to perform audit activities of the bank.

Adherence to existing laws, rules and regulations

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

Meeting of the committee

According to applicable rules and regulations, 07 (Seven) meetings of the Committee were held in the year 2016. The committee from time to time invited the Managing Director, the Head of Internal Control and other responsible officials entrusted with internal control activities or any other personnel to participate in their meeting, as deemed necessary. All the recommendations/ observations of the committee were recorded in minutes form.

Key Activities in 2016

The Audit Committee of the Board, in their 07 (Seven) Meetings held during the year 2016, mainly dealt with the following issues:

- Quarterly Statements of Self-Assessment of Anti-Fraud Internal Controls under DOS Circular Letter No.17 Dated November 07, 2012 of Bangladesh Bank
- Audit Plan for the Year-2016
- Latest Compliance Status of Audit Reports of Different Branches of Dhaka Bank Limited, Audits Conducted from January to December, 2013
- Latest Compliance Status of Audit Reports of Different Branches of Dhaka Bank Limited, Audits Conducted from January to December, 2014
- Latest Compliance Status of Audit Reports of Different Branches of Dhaka Bank Limited, Audits Conducted From January to December, 2015
- Executive Summary Audits conducted during the year 2015
- Summary of loan classification and provision as on 31.12.2015 along with previous quarter
- Issues related with credit facilities of top 15 branches in the year of 2015 raised by Bangladesh Bank Inspection team
- Audited Consolidated Financial Statements of the Company and Financial Statements of the Bank for the year ended 31st December, 2015
- Comprehensive Audit Report of IBB-Muradpur, Hathazari Branches, Dhaka Bank Securities Ltd. and IT Audit of Barisal Branch
- Pending Irregularities of Audits Conducted from January to December 2013
- Revised (February, 2016) Guidelines on Internal Control & Compliance in Banks
- Re-appointment of M/s. ACNABIN, Chartered Accountants as External Auditors of the Bank
- Un-audited Quarterly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 31st March, 2016
- Summary of loan classification and provisioning as on 31.12.2015 (Audited)
- Summary of loan classification and provisioning as on 31.03.2016
- Executive Summary Audits conducted during the year 2016
- Certificate on Effectiveness of Internal Control Policy, Practice and Procedure by MANCOM of Dhaka Bank Ltd. for the year 2015
- Discrepancies in the Loan Documentation Checklist (LDCL) for the quarter ended March 2016
- Deviations in Quarterly Operations Report for the quarter ended March 2016
- Annual ICC Report on the Health of the Bank for the Year 2015
  Gap Analysis between Revised ICC Guideline – 2016 and DBL ICC Policy 2015
- Summary Report on the Audit Findings & Corrective Measures taken thereon of Dhaka Bank Limited for the Year- 2015
- Issues related with credit facilities of top 15 branches in the year 2015 audited by Bangladesh Bank Inspection team
- Un-audited Quarterly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 30th June 2016
- On Site review of Profit/Loss of December 31, 2015, March 31, 2016 & June 30, 2016 of Hathazari Branch, Chittagong
- Summary of loan classification and provisioning as on 30.06.2016
- Issues related with Special Inspection on AML/CFT activities of 10 (ten) branches audited by Internal Control & Compliance Division in August, 2016
- Letter to the Management of Dhaka Bank Limited for the year ended 2015 submitted by ACNABIN, Chartered Accountants
- Branch Audit Rating
- Compliance and responses of 18th Comprehensive Bangladesh Bank Inspection report on Dhaka Bank Ltd., Head Office as on 31.12.2015
- Un-audited Quarterly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 30th September, 2016
- Summary of Loan Classification and Provision as on 30.09.2016

Review of Financial Statements

The Audit Committee reviewed and examined the Bank's Annual Financial Statements for the year ended December 31, 2016 prepared by the Management and audited by External Auditors M/s. ACNABIN, Chartered Accountants with recommendation to the Board for consideration and approval.

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



Syed Abu Naser Bukhtear Ahmed
Chairman
Audit Committee of the Board
Dhaka Bank Limited

REPORT OF THE SHARI'AH SUPERVISORY COMMITTEE

بسم الله الرحمن الرحيم

Salat and Salam are on Hazrat Muhammad (sm), the Greatest Prophet and the last messenger to mankind from the Almighty Allah.

During the year 2016 under review the Shari'ah Supervisory Committee conducted several meetings and reviewed a number of operational issues including those referred to by the Board of Directors and the Bank Management. The Committee gave opinion & provided necessary guidelines and suggestions that they considered relevant to smooth functioning of Islamic Banking Business. As part of their key responsibilities the committee arranged to oversee Islamic Banking activities of the Bank through fruitful discussion sessions and sharing spontaneous opinion of participant members and Shariah Supervisory Committee provide suggestions & recommendations on Shariah related issues of the operations of Islamic Banking Business, the Management of the bank implements those suggestions and recommendations in the operation. In this period Shariah Supervisory Committee has finalized Shariah Audit Guideline/Manual for auditing Islamic Banking Branches & Quard against MTDR Policy and approved the same. The Bank introduced in this period Islamic Deposit Products namely Salary Accounts for employees, Mudaraba Hajj Deposit Scheme Repackage, Mudaraba Silver Deposit Account, Mudaraba Platinum Deposit Account and Mudaraba Gold Deposit Accounts under Mudaraba principles of Islamic Shari'ah. Moreover, the Muraqib of the Shari'ah Supervisory Committee conducted audit in 2 (two) Islamic Banking Branches on sample and test basis of operational activities namely IBB, Motijheel and IBB, Chittagong during the year 2016 and submitted report thereon.

Opinion of the Shari'ah Supervisory Committee over the Shari'ah Inspection Report:

On deep perusal and thorough review of the Shariah Inspection Report done on the basis of Test & Sampling of data of the activities of Islamic Banking Operations, the Shari'ah Supervisory Committee opined and observed that -

1. The Bank has duly complied Shari'ah Principles in conducting Islamic Banking business with respect to Investment, Deposit along with all related transactions during the period under review.
2. Awareness about the Compliance of Shari'ah has increased significantly among the officials responsible for investment operations and also among investment clients.
3. Profits have been announced and distributed in the deposit accounts pursuant to Shari'ah Guidelines.
4. During the Inspection the Muraquib pointed out some aspect of Shariah principle of the operation and the branch officials have complied with.
5. Frequency of inspection to be conducted at least once in every six months at the Islami Banking Branches to strengthen Shai'ah Compliance at Branch level.
6. The Balance Sheet as on 31st December, 2016 and Profit & Loss account for the year 2016 have been prepared on the basis of compliance of Shariah Principle

Recommendations to upgrade Shari'ah practices in Dhaka Bank:

1. Dissemination of Shari'ah based banking knowledge in all tiers of Bank employees through regular training and development program.
2. Careful implementation of Shari'ah principles in every investment transaction and related business operations.
3. Strict adherence to Islamic Banking operation manual in Islamic Banking Branches.
4. Holding of meetings, seminars, Workshops and symposiums for clients and patrons to develop awareness and belongingness about Shari'ah practices in banking.
5. Recruitment, training & placement of personnel having adequate skill in Shari'ah Principle to ensure sustainable work environment, business and banking growth.
6. Proper Implementation of instructions contained in Islamic Banking guidelines circulated by Bangladesh Bank as per BRPD Circular No. 15 dated 9th November 2009.

May Allah give us tawfique to achieve His satisfaction through implementation of Shari'ah in every sphere of our life including those to Islamic Banking.

Ameen,



Md. Sirajul Hoque
Member Secretary



M. Azizul Huq
Chairman

WEMARKSTOCK

DHAKA BANK
MANAGEMENT COMMITTEE



Management Committee

Mr. Syed Mahbubur Rahman, Managing Director & CEO
Mr. Emranul Huq, Additional Managing Director
Mr. Khan Shahadat Hossain, Deputy Managing Director (Risk Management)
Mr. Md. Shakir Amin Chowdhury, Deputy Managing Director (Operations)
Mr. Mohammad Abu Jafar, Deputy Managing Director (International Business)

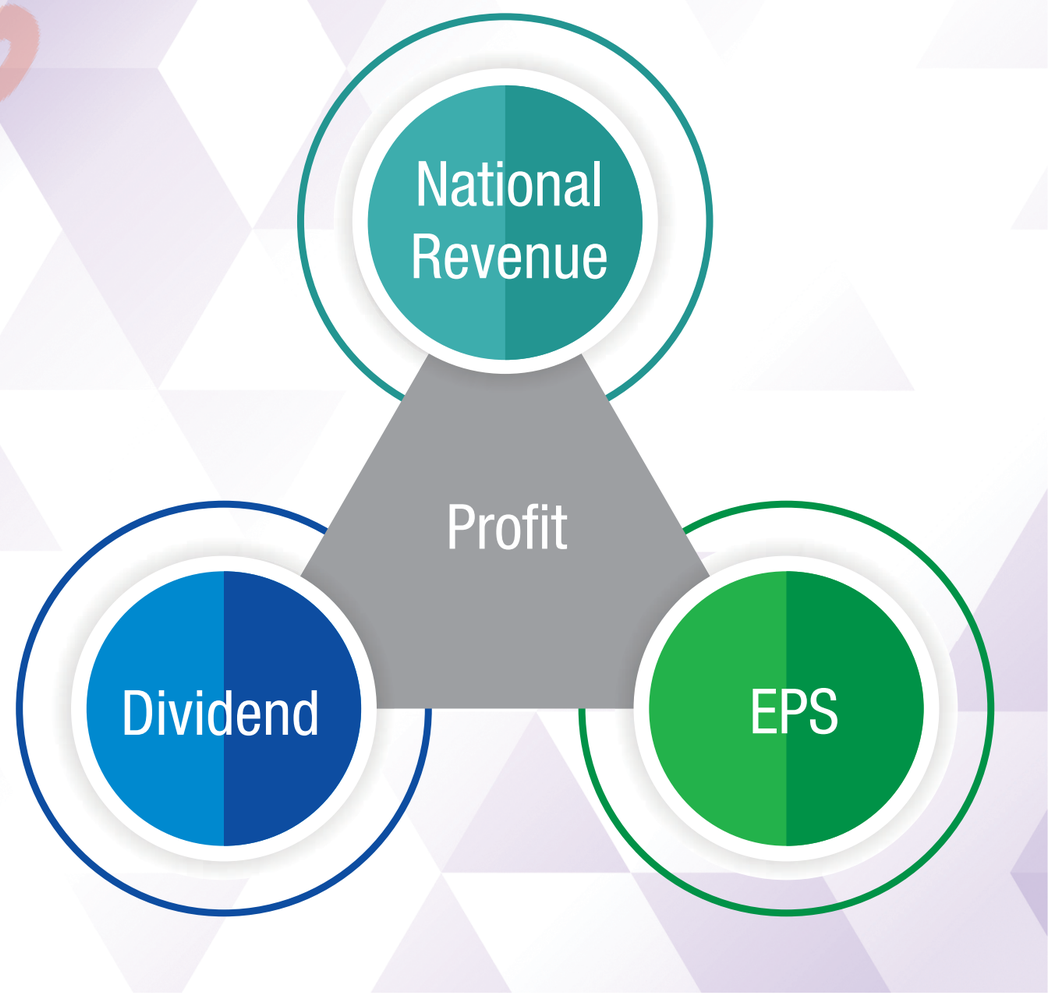
Mr. Arham Masudul Huq, SEVP & Company Secretary
Mr. A M M Moyen Uddin, SEVP & Head of Information Technology Division
Mr. Md. Shafquat Hossain, SEVP & Head of Consumer Banking Division
Mr. Md. Abdul Matin, EVP & Head of Credit Risk Management
Mr. Darashiko Khasru, EVP & Chief Financial Officer (CFO)

Mr. S M Abdullah Hil Kafi, EVP & Head of Internal Control Compliance Division
Mr. Manik Lal Biswas, EVP & Head of Risk Management Division
Mr. Syed Faisal Omar, EVP & Head of International Division
Mr. K.M. Faisal Faruqui, VP & Head of Treasury Division
Mr. M Rezaur Rahman, SVP & Head of Human Resources Division

www.dhakabankltd.com

SHAREHOLDERS' INFORMATION

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

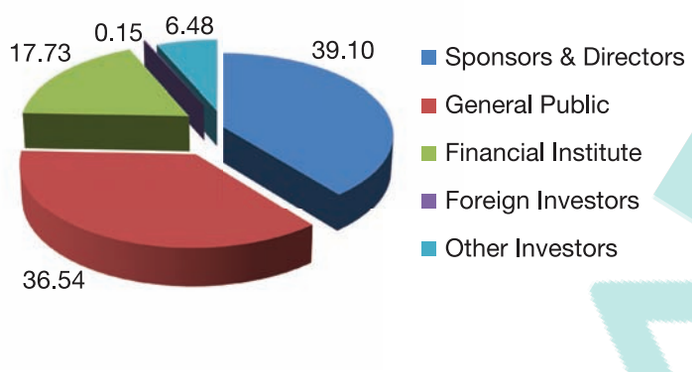


SHAREHOLDERS' INFORMATION

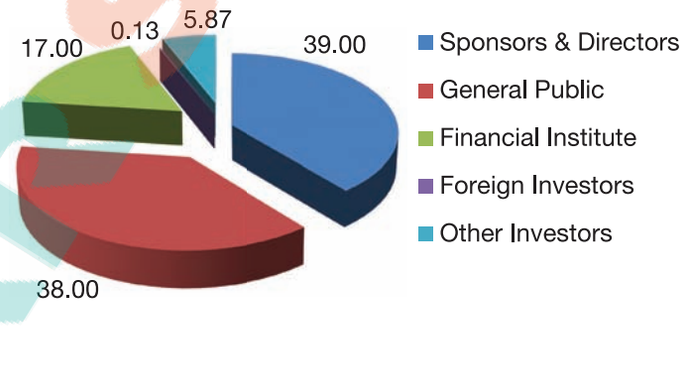
Distribution of Shareholdings in 2016

Shareholders' Group	December 31, 2016			December 31, 2015		
	No. of Shares	% of Shareholding	Value of Shares In BDT	No. of Shares	% of Shareholding	Value of Shares In BDT
Sponsors & Directors	268,965,284	39.0994	2,689,652,840	244,418,277	39	2,444,182,770
General Public	251,328,546	36.5355	2,513,285,460	236,890,440	38	2,368,904,400
Financial Institutions	121,984,219	17.7328	1,219,842,190	105,704,088	17	1,057,040,880
Foreign Investors	1,035,779	0.1506	10,357,790	808,453	0.1287	8,048,530
Others	44,586,858	6.4817	445,868,580	3,754,302	6	375,466,020
Total	**687,900,686**	**100.00**	**6,879,006,860**	**625,364,260**	**100**	**6,253,642,600**

Shareholding Position 2016



Shareholding Position 2015



Financial Calendar 2016

Quarterly Results	Submission Date to BSEC	EPS Annualized
Unaudited result for 1st quarter	May 03, 2016	0.47
Unaudited result for 2nd quarter	July 26, 2016	1.21
Unaudited result for 3rd quarter	October 24, 2016	1.67

Dividends

Particulars	Date	
21st Annual General Meeting	Notice Date	April 21, 2016
Distribution of 6% Cash Dividend and 10% Stock Dividend for the year ended 31 December 2015	Record Date	May 11, 2016
Holding of 21st Annual General Meeting	Held on	May 29, 2016
Cash Dividend	Date of Disbursement	June 20, 2016
Stock Dividend	Date of Disbursement	June 09, 2016

Stock Details

Particulars	DSE	CSE
Stock Symbol	DHAKABANK	DHAKABANK
Company Code	11118	22014
Year of Listing	2000	2000
Market Lot	1	1
Market Category	A	A
Electronic Share	Yes	Yes
Face Value	Tk. 10.00	Tk. 10.00
Market Value as on 31.12.2016	Tk. 17.90	Tk. 17.90

SHAREHOLDERS' INFORMATION
Continued

Information Sensitive to Share Price

Particulars	Disclosure
Corporate Disclosure for approval of Financial Statements for the year 2016, Recommendation of Dividend, Record Date for Dividend entitlement of 22nd AGM of DBL	Date of AGM: Monday, June 12, 2017 at 11:00 a.m. 10% Cash and 5% Stock Record Date: Monday, May 22, 2017

Accessibility of Annual Report 2016

Dhaka Bank Annual Report 2016 and other information about DBL has been made available on Bank's website www.dhakabankltd.com. The Bank has also dispatched Annual Report 2016 through leading Courier Service Companies to respective addresses of the shareholders as per regulatory timeframe. DBL has submitted a required set of copies of Annual Reports to the Securities and Exchange Commission, Bangladesh Bank, Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange(CSE) for their reference. Respectable Shareholders and other Stakeholders may read them at the public reference room or library.

Market Price Information

Month	DSE High (Tk.)	DSE Low (Tk.)	CSE High (Tk.)	CSE Low (Tk.)	Volume DSE (No. of shares)
Jan-16	20.40	19.20	20.20	18.90	1,457,918
Feb-16	19.50	17.10	19.20	17.90	2,789,249
Mar-16	18.50	16.10	18.00	16.90	3,138,595
Apr-16	18.50	14.80	18.10	14.70	1,955,042
May-16	16.50	13.30	16.30	14.00	2,490,400
Jun-16	15.30	13.90	15.00	14.00	1,798,033
Jul-16	16.00	14.00	15.80	14.30	1,456,504
Aug-16	17.70	14.30	17.30	14.50	8,050,047
Sep-16	18.10	16.40	17.70	16.40	6,441,397
Oct-16	18.60	16.00	18.20	16.50	8,226,164
Nov-16	18.40	16.00	18.30	15.90	13,943,095
Dec-16	18.50	17.10	18.30	17.20	8,115,611

AMARSTOCK

SHAREHOLDERS' INFORMATION

Continued

Redressal of Investors' Complaints

DBL always maintains a good relation with investors. Investors play a vital role in building a sustainable brand image among all the stakeholders. We care for our investors with a commitment so that they may carry out the flag of DBL in the front line and thus help us achieve our vision. With this view in mind, we have proper arrangement to hear the voice of investors. Investors have free access to bank and can collect available published information. Our Share Division is always ready to meet the statutory requirement of investors. Any query received from the investors is treated equitably, efficiently and fairly. Queries and complaints from investors are dealt with courtesy and in a timely manner.

Our ways and avenues to redress Investors' Complaints:

- Our corporate website (www.dhakabankltd.com) contains a Complaint Box where respective Officials' contact numbers are given to attend to the investors query and complaints.
- The Bank has designated email address (info@dhakabank.com.bd) where investors can email their complaint which is logged on daily basis and replies are made to the investors.
- Investors can also make a written complaint through letter which is taken care of sincerely and proper actions are taken based on the merits of the complaints.
- As the complaints are received from the investors, responsible Officials are asked to explain the reason and proper actions are taken to address the problem properly.
- Serious complaints are referred to Company Secretary and even to Managing Director of the Bank if so warrants.

For Queries and Complaints

Board Secretariat & Share Division
Dhaka Bank Limited
Corporate Office:
71 Purana Paltan Lane, Dhaka – 1000
Phone: 02-58314424-30
Fax: 88-02-58314419
Email: info@dhakabank.com.bd
Web: www.dhakabankltd.com

Directors' Shareholding Status

Sl. No.	Name of Directors with Designation	2016		2015	
		No. of share	Value of share (Tk.)	No. of share	Value of share (Tk.)
1	Mr. Reshadur Rahman, Chairman	23,218,731	232,187,310	21,107,938	211,079,380
2	Mrs. Rokshana Zaman, Vice Chairperson	13,771,792	137,717,920	12,519,812	125,198,120
3	Mr. Altaf Hossain Sarker, Director	19,184,490	191,844,900	17,440,446	174,404,460
4	Mr. Abdul Hai Sarker, Director	15,266,351	152,663,510	13,605,774	136,057,740
5	Mr. Md. Amirullah, Director	13,759,648	137,596,480	12,508,771	125,087,710
6	Mr. Abdullah Al Ahsan, Director	13,760,832	137,608,320	12,509,848	125,098,480
7	Mr. Tahidul Hossain Chowdhury, Director	13,815,697	138,156,970	12,559,725	125,597,250
8	Mr. Jashim Uddin, Director	13,759,774	137,597,740	12,508,886	125,088,860
9	Mr. Mohammed Hanif, Director	20,953,879	209,538,790	19,048,981	190,489,810
10	Mr. Khondoker Monir Uddin, Director	19,755,585	197,555,850	17,959,623	179,596,230
11	Mr. Khondoker Jamil Uddin, Director	13,759,583	137,595,830	12,508,712	125,087,120
12	Mr. Amanullah Sarker, Director	13,759,651	137,596,510	12,508,774	125,087,740
13	Mr. Mirza Yasser Abbas, Director	25,335,719	253,357,190	23,032,472	230,324,720
14	Mr. M.N.H. Bulu, Director	13,775,765	137,757,650	12,841,605	128,416,050
15	Mr. Syed Abu Naser Bukhtear Ahmed, Independent Director	Nil	Nil	Nil	Nil
16	Mr. M.A. Yussouf Khan, Independent Director	Nil	Nil	Nil	Nil
Total		233,877,497	2,338,774,970	212,661,367	2,126,613,670

SHAREHOLDERS' INFORMATION

Continued

5-year Financial Highlights

(BDT in million unless mentioned otherwise)

Particulars	2012	2013	2014	2015	2016	% change over 2015
INCOME STATEMENT						
Interest Income	13,229	15,131	13,705	12,135	13,166	8%
Interest Expense	10,598	11,823	10,879	10,116	9,453	(7%)
Net Interest Income	2,630	3,308	2,826	2,018	3,713	84%
Investment Income	1,388	1,616	2,542	3,003	3,238	8%
Commission, Exchange and Brokerage	1,084	1,093	1,127	1,316	1,517	15%
Operating Income	5,342	6,395	6,857	6,709	8,739	30%
Operating Expenses	2,119	2,701	3,049	3,205	3,336	4%
Operating Profit (profit before provision and tax)	3,223	3,694	3,808	3,504	5,404	54%
Provision for Loans, Investments and other Assets	1,784	650	587	1,128	2,656	135%
Profit Before Tax	1,439	3,044	3,221	2,376	2,748	16%
Tax Including Deferred Tax	738	1,117	1,192	938	1,282	37%
Profit After Tax	701	1,927	2,029	1,437	1,466	2%
BALANCE SHEET						
Authorized Capital	10,000	10,000	10,000	10,000	10,000	0%
Paid-up Capital	4,668	5,414	5,685	6,254	6,879	10%
Shareholders' Equity	9,683	11,887	12,746	13,389	14,446	8%
Deposits	107,427	115,981	124,854	139,068	157,162	13%
Borrowings	5,696	3,649	9,414	10,635	11,297	6%
Loans & Advances	90,140	99,596	103,132	117,840	134,689	14%
Investments	18,404	18,757	19,699	20,799	21,306	2%
Fixed Assets	1,879	2,518	3,958	4,100	4,194	2%
Earning Assets	110,159	117,624	124,462	144,962	165,096	14%
Total Assets	133,142	144,409	158,748	176,362	202,192	15%
Total Liabilities	1,23,458	1,32,521	1,46,002	162,974	187,746	15%
Total Off-balance Sheet Items	45,265	45,468	48,675	52,255	72,926	40%
FOREIGN EXCHANGE BUSINESS						
Import Business	76,648	73,360	79,774	76,060	101,909	34%
Export Business	48,928	54,212	60,435	69,590	88,050	27%
Inward Foreign Remittance	15,840	21,461	25,770	22,486	13,963	(38%)
Guarantee Business	9,591	9,926	10,731	15,284	27,466	80%
CAPITAL MEASURES						
Risk Weighted Assets	117,412	117,693	137,842	147,343	159,790	8%
Core Capital (Tier-I)	9,000	10,927	12,035	12,643	13,770	9%
Supplementary Capital (Tier-II)	3,606	3,410	3,403	2,765	8,072	192%
Total/Regulatory Capital	12,948	14,817	15,439	15,408	21,841	42%
Statutory Capital (paid up capital and statutory reserves)	8,239	9,595	10,510	11,554	12,729	10%
Capital to Risk weighted Assets Ratio (CRAR) – solo (regulatory capital/RWA)	10.74	12.18	11.20	10.46	13.67	31%
Tier-I Capital Ratio	7.67	9.28	8.73	8.58	8.62	0.5%
RWA to Total Assets	88%	81%	87%	84%	79%	(5%)
CREDIT QUALITY						
Volume of Non-performing Loans	5,656	4,137	5,657	5,491	5,403	(2%)
NPL to Total Loans and Advances (%)	6.28	4.15	5.49	4.66	4.01	(14%)
Provision for Unclassified Loans	899	956	1,449	2342	3,832	64%
Provision for Classified Loans	2,498	2,186	2,120	1,903	2,409	27%

SHAREHOLDERS' INFORMATION

Continued

5-year Financial Highlights

(BDT in million unless mentioned otherwise)

Particulars	2012	2013	2014	2015	2016	% change over 2015
SHARE DISTRIBUTION						
Earnings Per Share (Taka)	1.50	3.56	3.57	2.30	2.13	(7%)
Number of Shares Outstanding	466.76	541.44	568.51	625.36	687.90	10%
Number of Shareholders	44,445.00	46,840.00	41,797.00	32,798.00	28,388.00	(13%)
Net Assets Value (NAV) Per Share (Taka)	21.00	21.95	22.42	21.41	21.68	1%
Market Price Per Share (Taka)	25.00	18.80	18.30	19.70	17.90	(9%)
Price Earnings Ratio	16.50	5.28	5.13	8.57	8.40	(2%)
Price Equity Ratio	1.20	0.86	0.82	0.92	0.83	(10%)
Dividend Per Share						
Cash Dividend (%)	-	17%	14%	6%	10%	67%
Bonus Share (%)	16%	5%	10%	10%	5%	(50%)
Dividend Cover Ratio	6.25	4.55	4.17	6.25	3.91	(37.44)
PROFITABILITY & PERFORMANCE RATIO						
Net Interest Margin (NIM)	4.10	4.32	4.44	4.02	4.58	14%
Credit to Deposit Ratio	83.91	84.22	81.26	84.74	83.87	(1%)
Gross Profit Ratio	24%	24%	28%	29%	30%	4%
Return on Capital Employed	12%	22%	22%	15%	13%	(16%)
Cost to Income Ratio	39.67	42.38	44.47	47.77	38.17	(20%)
Cost of Fund	12.46	12.33	10.96	9.57	7.88	(18%)
Return on Assets (ROA)%	0.59	1.39	1.34	0.86	0.77	(10%)
Return on Equity (ROE)%	7.24	16.21	15.92	10.74	10.15	(5%)
Current Ratio	2.57	3.18	2.66	2.65	2.51	(5%)
Cash Reserve Ratio (at the close of the year)	6.12	6.04	6.63	6.53	6.57	1%
Statutory Liquidity Ratio (at the close of the year)	19.11	21.53	17.64	17.14	14.27	(17%)
Operating Profit Per Employee (mn)	2.22	2.55	2.53	2.30	3.24	41%
Operating Profit Per Branch	45.40	49.91	47.01	40.28	57.49	43%
OTHER INFORMATION						
Number of Branches	71	74	81	87	94	8%
Number of ATMs	46	46	47	53	54	2%
Number of ADMs	3	14	15	19	20	5%
Number of Deposit Accounts	291,452	382,786	407,929	419,620	435,152	4%
Number of Loan Accounts	21,811	20,093	18,801	19,924	25,566	28%
Number of Employees	1,455	1,450	1,503	1,524	1,668	9%
Number of Foreign Correspondents/Banks	425	550	565	563	542	(4%)

ANNUAL STOCK

SHAREHOLDERS' INFORMATION

Continued

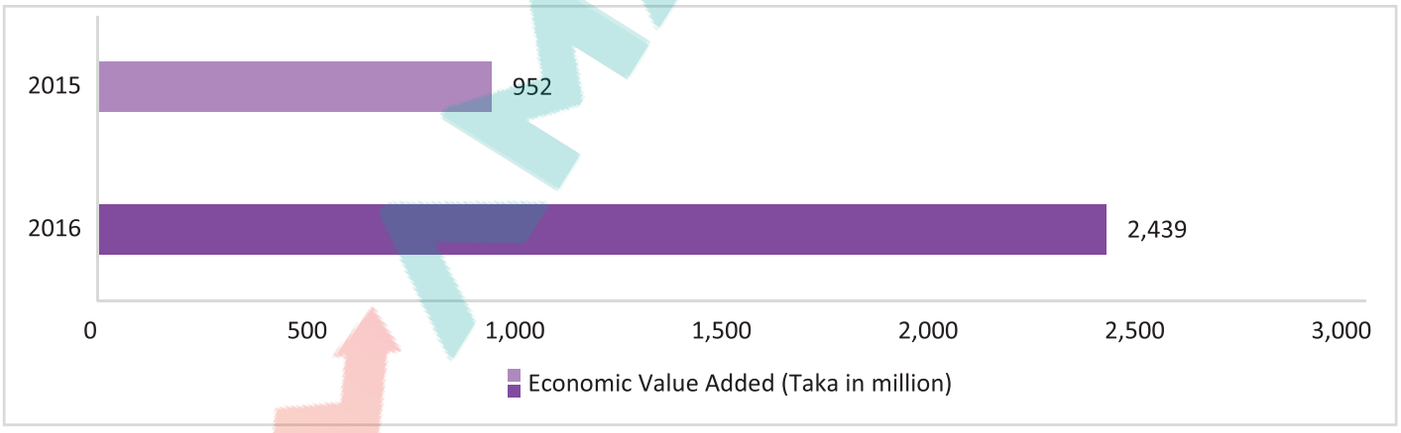
Economic Impact Report

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

Amount in Taka

Economic Value Added (EVA) Statement for the year ended December 31, 2016

Particulars	2016	2015
Shareholders' Equity	14,445,725,858	13,388,671,266
Add: Provision for Loans and Advances	6,241,383,798	4,244,527,272
	20,687,109,656	**17,633,198,537**
Average Shareholders' Equity	**19,160,154,097**	**17,173,536,802**
Earnings		
Profit after Taxation	1,465,928,034	1,437,588,980
Add: Provision made during the year	2,655,665,690	1,128,242,099
	4,121,593,724	**2,565,831,079**
Average cost of Equity (based on weighted average rate of 10 years Treasury Bond issued by Bangladesh Government) plus 2% risk premium	8.78%	9.40%
Average cost of Equity (in Taka)	1,682,261,530	1,614,312,459
Economic Value Added	**2,439,332,194**	**951,518,620**
Economic Value Added (Taka in million)	**2,439**	**952**



AMARSTOCK

SHAREHOLDERS' INFORMATION

Continued

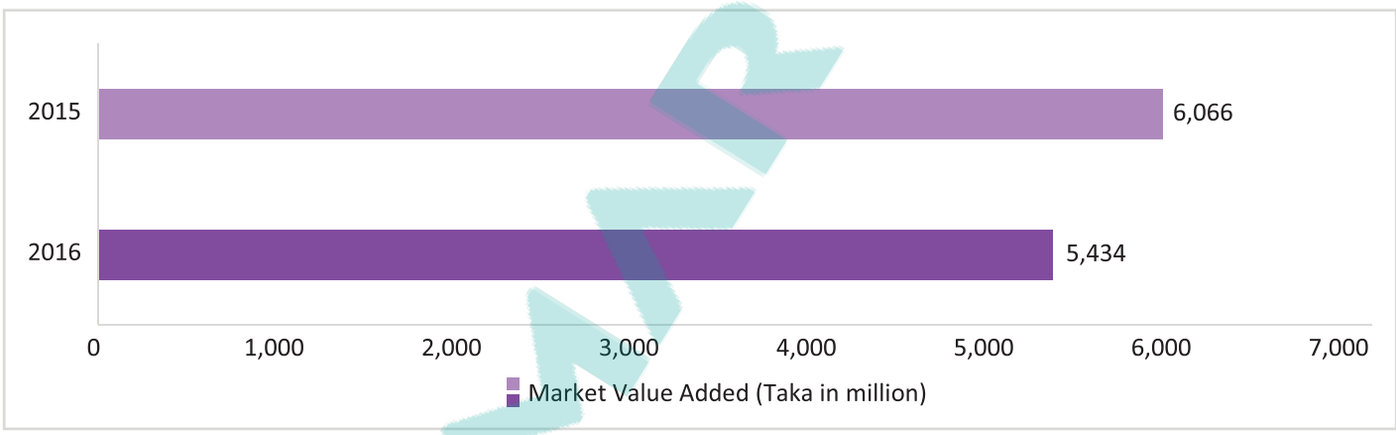
Market Value Added Statement

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

Market Value Added (MVA) Statement for the year ended 31 December 2016

Amount in Taka

Particulars	2016	2015
Face Value per share	10.00	10.00
Market Value per share	17.90	19.70
Number of shares outstanding	687,900,686	625,364,260
Total market capitalization	12,313,422,279	12,319,675,922
Book value of paid up capital	6,879,006,860	6,253,642,600
Market Value Added	**5,434,415,419**	**6,066,033,322**
Market Value Added (Taka in million)	**5,434**	**6,066**



AMAR STOCK

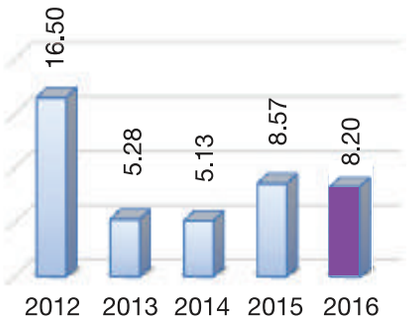
SHAREHOLDERS' INFORMATION

Continued

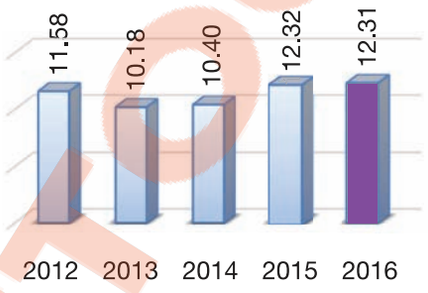
5-Year Essential Performance Graphs-Bank

Market Indicators & Ratios

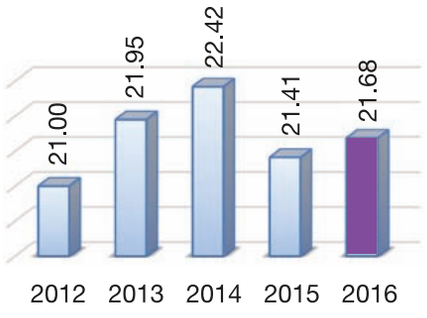
Price Earning Ratio (Times)



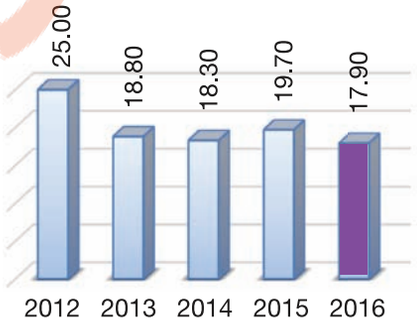
Market Capitalization (in billion)



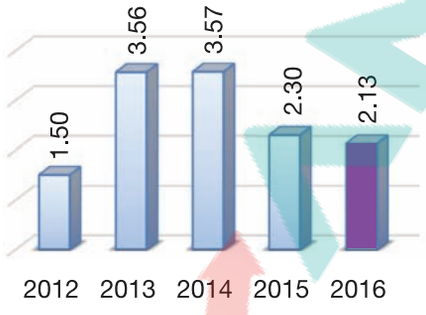
Net Asset Value per share (Taka)



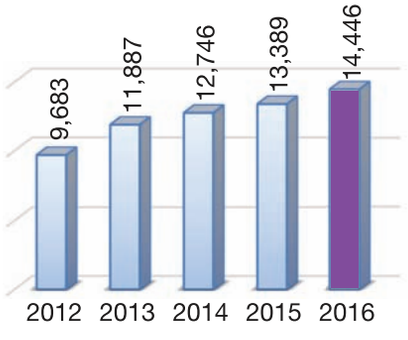
Market Price Per Share (Taka)



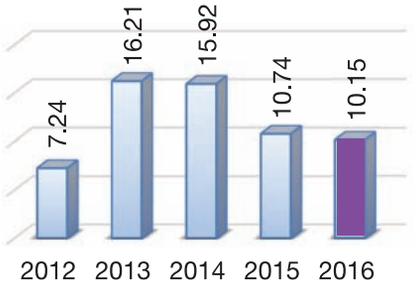
Earnings Per Share (Taka)



Shareholder's Equity (in million)



Return On Equity (%)



AMARSTOCK

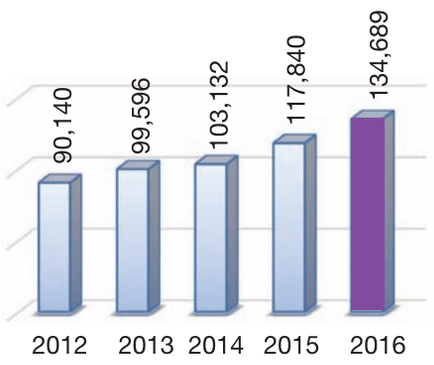
SHAREHOLDERS' INFORMATION

Continued

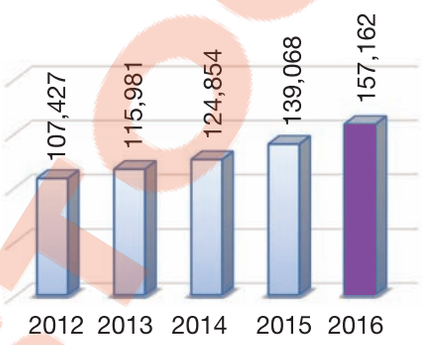
5-Year Essential Performance Graphs-Bank

Balance Sheet

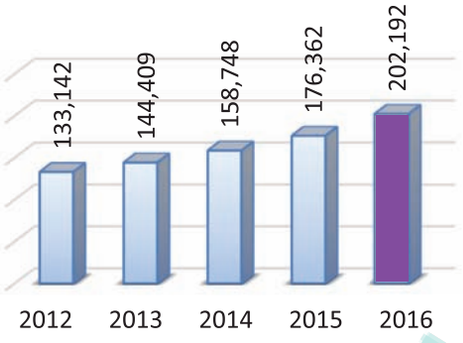
Loans & Advances (Taka million)



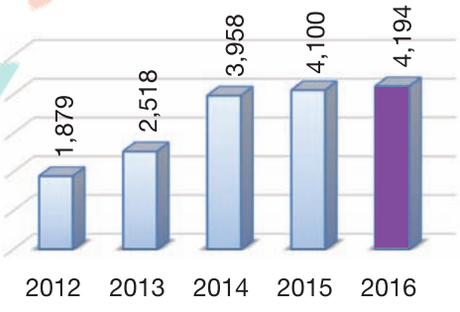
Deposits (Taka million)



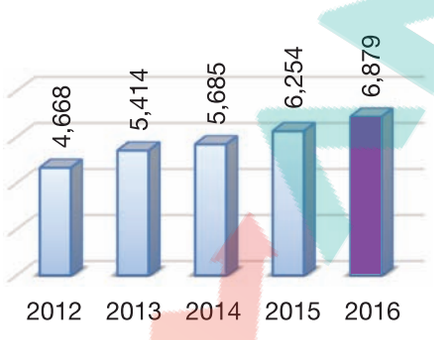
Total Assets (Taka million)



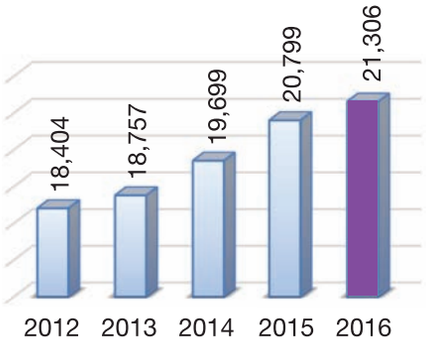
Fixed Assets (Taka million)



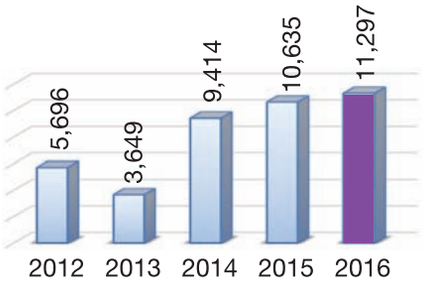
Paid-up Capital (Taka million)



Investments (Taka million)



Borrowings (Taka million)



SHAREHOLDERS' INFORMATION

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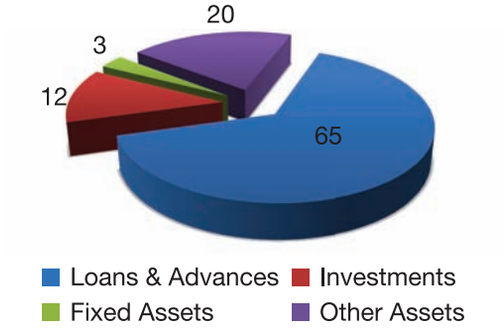
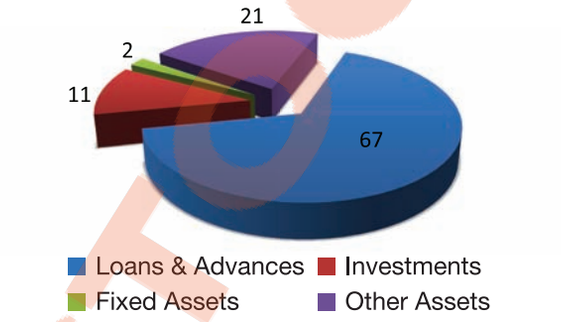
5-Year Essential Performance Graphs-Bank

Balance Sheet Mix

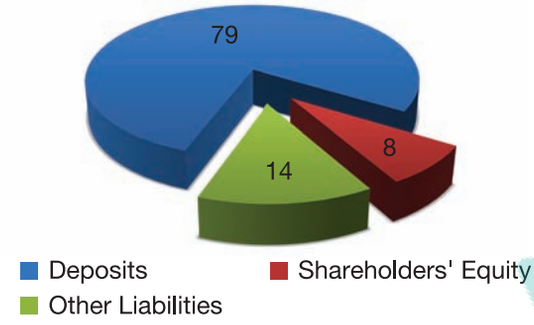
Assets Mix 2015 (%)



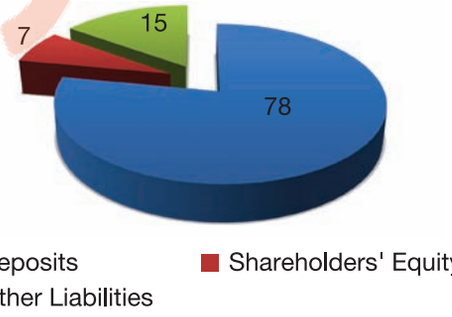
Assets Mix 2016 (%)



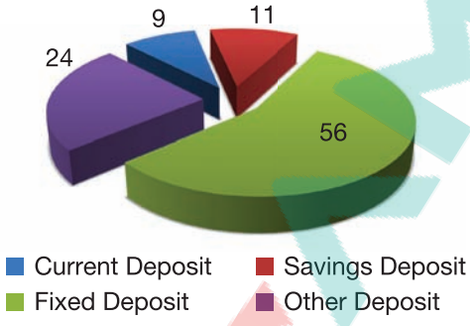
Assets Funding Mix 2015 (%)



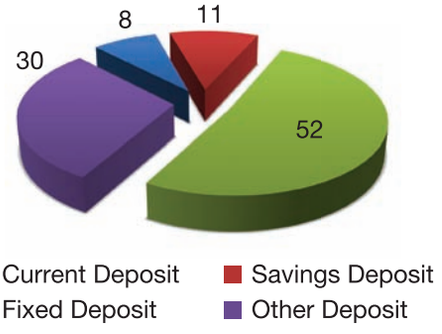
Assets Funding Mix 2016 (%)



Deposits Mix 2015 (%)

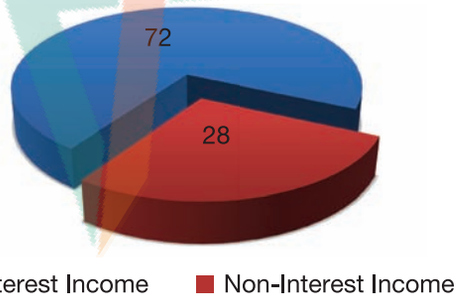


Deposits Mix 2016 (%)

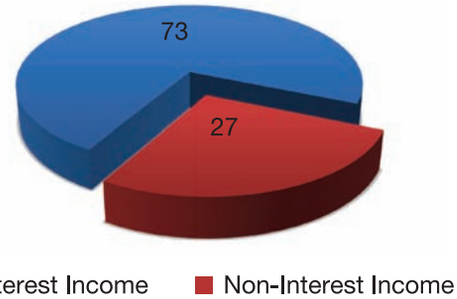


Revenue Mix

Revenue Mix 2015 (%)



Revenue Mix 2016 (%)



SHAREHOLDERS' INFORMATION

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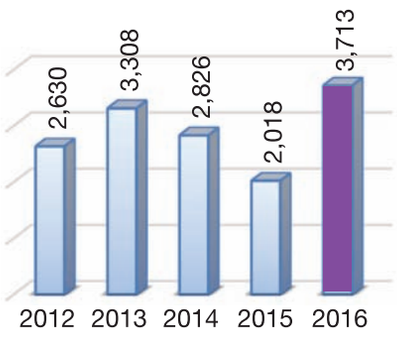
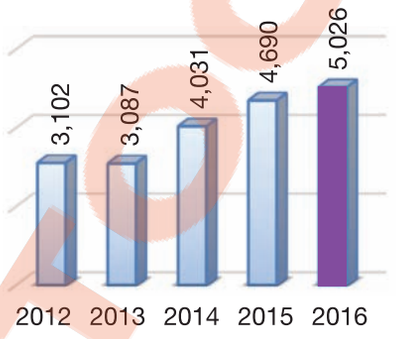
Revenue

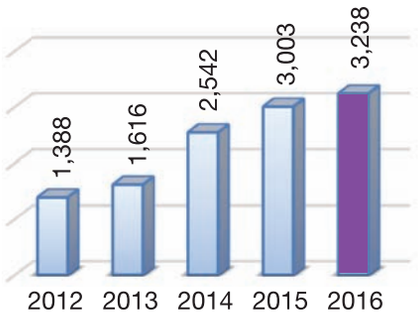
Net Interest Income (Taka million)



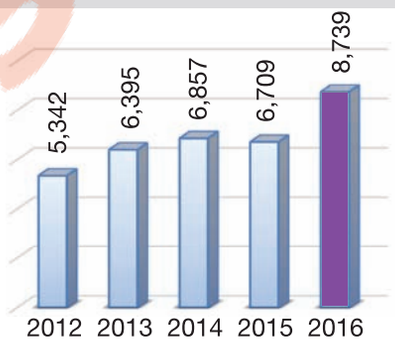
Non-Interest Income (Taka million)



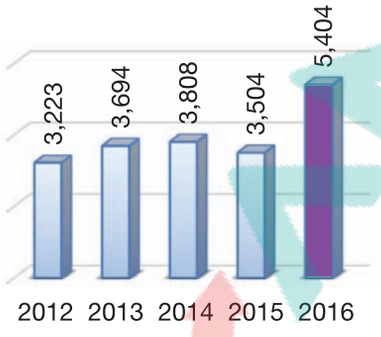
Investment Income (Taka million)



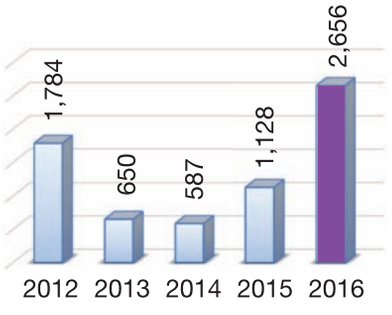
Operating Income (Taka million)



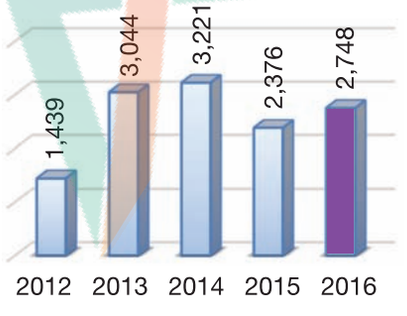
Operating Profit (Taka million)



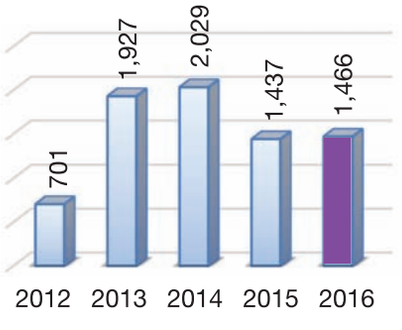
Total Provisions (Taka million)



Profit Before Tax (Taka million)



Profit After Tax (Taka million)



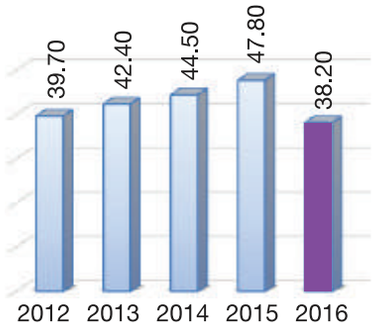
AMARSTOCK

SHAREHOLDERS' INFORMATION

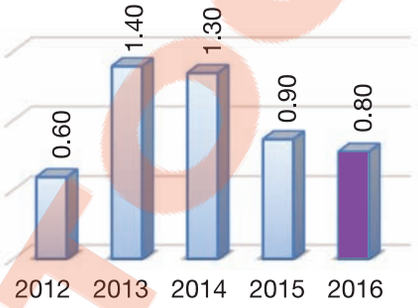
Continued

Key Ratios

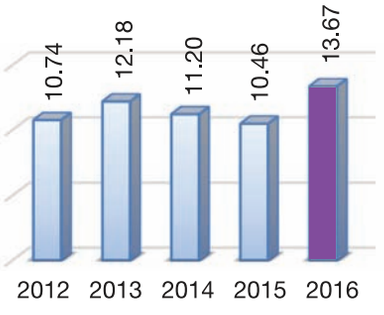
Cost To Income Ratio



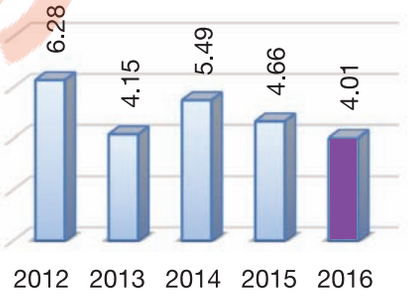
Return On Assets



Capital to Risk weighted Assets Ratio (CRAR) (%)

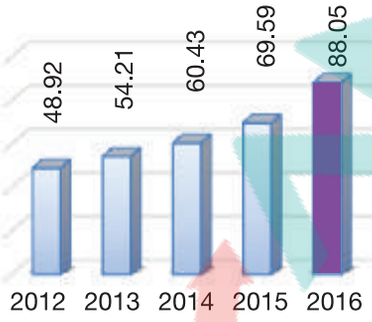


NPL Ratio (%)

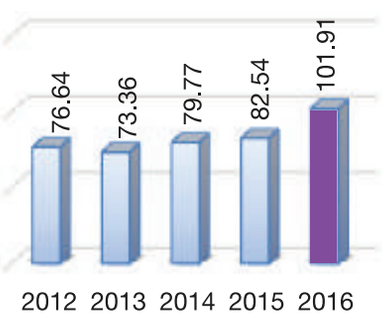


Foreign Exchange Business

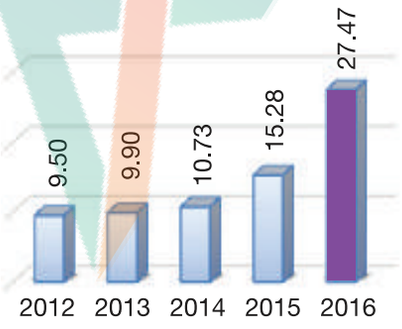
Export (Taka billion)



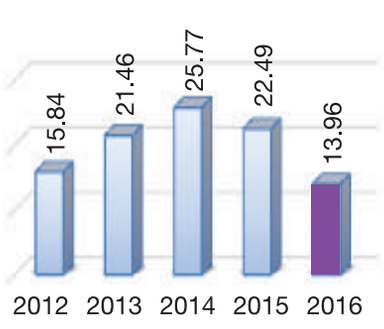
Import (Taka billion)



Guarantee Business (Taka billion)



Inward Foreign Remittance (Taka billion)



SHARESTOCK

SHAREHOLDERS' INFORMATION

Continued

Glimpses of 21st AGM















DIRECTORS' REPORT 2016

Sustainable Growth and Responsible Banking is the call of the hour. Now a days business does not stand with its financial growth and brand embodiment only. Modern school of thought clearly expresses that if you don't move with environment and society someday they will move elsewhere keeping you in wilderness! That's why Green Banking, SME Banking, Financial Inclusion, Corporate Social Responsibility - may not be as lucrative as other immediate business hunting avenues - still hold the key to long term success. Keeping that in mind DBL has turned a corner to widen its focus towards comprehensive and inclusive Banking.



DIRECTORS' REPORT 2016

It is my pleasure to welcome you all to the 22nd Annual General Meeting of Dhaka Bank Limited. I am privileged to be nominated as the Chairperson of the Company. Dhaka Bank is a proud company with a history of serving the nation through strong efforts to provide our customers with best products and services. Our journey is replete with moments of success and we are honored to partner with the people of the country to build a great nation. We have taken this journey with the support of thousands of our shareholders, who have relentlessly stood by our side on our approach to business. I am confident to continue receiving support from our shareholders to develop your Company to greater heights in the coming years. I am delighted to present Bank's 22nd Annual Report to our valued shareholders and other stakeholders. The report mainly comprises Auditors' Report, Directors' Report, Management Analysis of Business, Audited Financial Statements of the Bank and its subsidiary company. General review of this report, unless explained otherwise, is based on the financials of 'The Bank' rather than consolidated financial statements. Moreover, the Directors would like to explain and disclose certain issues, which they deem relevant and important to ensure transparency and good governance practices. We hope, the report will give you a genuine insight into the Bank's performance and continuous growth amid stiff competition in the industry.

Global Economic Situation

Rewinding 2016

Global economic growth remained soft in 2016 for numerous reasons which vary by region. Generally, the culprits include structural adjustments in many countries, efforts to reduce overcapacity, recurring natural disasters, geopolitical events such as Brexit, a coup d'état in Turkey and the ongoing civil war in Syria, among others and heightened uncertainty related to the U.S. presidential election, as well as potential policy changes in the U.S. and a number of other major economies. Comprehensive data showed that the global economy grew 2.6% year-on-year in Q3 (at current exchange rates) and remains on track to have grown 2.5% overall in 2016.

Against this backdrop, many central banks in the developed world have maintained exceptionally accommodative monetary policy in an effort to support household consumption and business investment. Eight years after the acute phase of the global financial crisis, the developed world is still using its central banks as a crutch. Throughout developed economies, interest rates are at, or close to, record lows and several are experimenting with avant-garde policies in the hope of stimulating domestic demand. Although it is reasonably clear that such policies are actually supporting economic growth while introducing distortions in many asset markets it is still hard to see how these economies will wean themselves off such support in the coming years. In the U.S., the scenario of higher interest rates continues to gain strength. At its last monetary policy meeting of 2016, the Fed announced its decision to raise interest rates, while the accompanying projection materials included an increase in the median estimate for rate hikes for 2017.

With these caveats, the outlook for advanced economies has improved for 2017-18, reflecting somewhat stronger activity in the second half of 2016 as well as a projected fiscal stimulus in the United States. Growth prospects have marginally worsened for emerging market and developing economies, where financial conditions have generally tightened. Near-term growth prospects were revised up for China, due to expected policy stimulus, but were revised down for a number of other large economies-most notably India, Brazil, and Mexico.

This estimation is based on the assumption of a changing policy mix under a new administration in the United States and its global spillovers. This projection is consistent with the steepening U.S. yield curve, the rise inequity prices, and the sizable appreciation of the U.S. dollar since the November 8, 2016 election. This estimation also combined a firming of oil prices following the agreement among OPEC members and several other major producers to limit supply.

In Europe, although the latest economic indicators have been resilient, confidence in the Eurozone has continued to be undermined by political risks, the rise of national opt-outs from region-wide policy and the EU's struggle to deal with Brexit. Such are the threats that Europe faces that questions such as the future of Greece, the region's immigration crisis and difficulties in its banking sector are likely to be pushed to the margins for now. In the common currency area, economic growth has been moving slowly at around 1.5% in 2016. The fate of Japan is what European economies are keen to avoid. GDP growth in Japan remained lackluster in 2016, at around 0.5%. The economy continues to be constricted by a shrinking workforce, a rising old-age dependency ratio and tight immigration controls.

UNITED STATES | Signs of economic strength precede new administration

As the dust settles following the presidential election, economic data from the past month have been broadly positive. Steady gains in the labour market, including a post-recession drop in the unemployment rate in November, have made the headlines. Personal disposable income and household spending have remained fairly solid throughout 2016, boosted by buoyant consumer confidence, which jumped to a nine-year high in November. In terms of economic growth, after an extended soft growth patch characterized by five quarters of inventory correction, GDP growth in Q3, at 3.2%, was the fastest in two years. Meanwhile, positive prospects for oil prices and somewhat improving global conditions are supporting U.S. manufacturing activity, with the ISM index rising for a third consecutive month in November.

The signs of strength in the U.S. economy, as Donald Trump assumes office, provide a strong contrast to the difficult context inherited by his predecessor, Barack Obama, who took office at the depths of the financial crisis. Trump has vowed to further boost U.S. growth to about 3.5% a year on average. However, Focus Economics analysts expect the boost that Trump can add to U.S. growth in 2017 and 2018 to be modest. They see GDP growth at 2.2% in 2017–up 0.1 percentage points from last month's estimate–and inching up further to 2.3% in 2018.

DIRECTORS' REPORT 2016
Continued

EURO AREA / Region shows resilience overall in Q4

The Eurozone's growth story continued fearless in the third quarter, as a solid performance in the domestic economy drove a steady expansion. Households benefited from low inflation and an improving labour market, while the external sector and investment were the economy's weak spots. Data for the final quarter point to a modest pick-up in momentum. The unemployment rate inched down in October and economic sentiment rose in November. In addition, the euro fell to the lowest level seen in years following the U.S. Federal Reserve's decision to hike interest rates. The depreciated currency should bode well for the region's exports, which have been hurt by subdued volumes of global trade.

The common-currency region's growth outlook improved by 0.1 percentage points in the recent time and it is expected that the GDP to expand 1.5% in 2017. A solid domestic economy should support the economy's momentum; however, political risks are elevated in the face of a jam-packed election schedule next year.

JAPAN / Recovery remains in question

Economic activity has performed relatively well in Q4 as the weakening of the yen following Donald Trump's victory in the November U.S. presidential election and a modest pick-up in global growth supported business confidence. On the downside, poor gains in wage growth continue to constrain private consumption. Although GDP expanded for the third consecutive quarter in Q3, the reading was revised down due to a worse-than-expected performance in private investment and a sharp destocking process. Moreover, a change in accounting standards and the base year for GDP contributed to the lower figure. The government unveiled the FY 2017 budget on 8 December, which is expected to be approved by the Cabinet on 22 December. The budget intends to rein in social security costs, boost the country's workforce and encourage salary increases. Moreover, the government is set to approve a third supplementary budget for this year, amounting to USD 1.7 billion and focusing on earthquake reconstruction and military spending.

An accommodative monetary policy and a weaker yen are expected to boost growth next year. That said, ambitious economic and social reforms are needed to ensure a healthier and more sustainable growth trajectory. The main downside risk to growth next year will be increased protectionism under Trump's administration. Economists expect the economy will be growing 0.9% next year, which is up 0.1 percentage points from the last month's projection.

UNITED KINGDOM / Calm before the storm in 2017

The United Kingdom's economy continues to hold up well. A complete set of data confirmed that GDP growth had decelerated marginally in the third quarter, but that growth remains robust compared to historical levels. The economy was supported by a rebound in exports while domestic demand disappointed. Economic activity is performing well as the smooth political transition following the resignation of former Prime Minister David Cameron and the accommodative stimulus of the Central Bank are keeping consumer and business confidence at reasonable levels. However, the depreciation of the pound, rising inflation and insufficient wage hikes risk eroding household consumption. Last month, Finance Minister Philip Hammond delivered the first budget statement after the referendum. In the next five years, the government projects higher borrowing and a slower fiscal consolidation compared to the previous budget.

Political uncertainty stemming from the referendum will continue to deter investment. Growth is expected to decelerate in 2017 amid a slowdown in real household income growth. However, accommodative policy action taken by the Bank of England (BoE) will soften the impact.

CHINA

Growth in China is estimated to have slightly decelerated to 6.7 percent in 2016. As part of ongoing economic rebalancing, growth has been concentrated primarily in services, while industrial production has stabilized at moderate levels. The internal rebalancing is also evident on the demand side: consumption growth has been strong, while investment growth has continued to moderate from the post-crisis peak. The decline in investment growth was concentrated in the private sector; investment by the non-private sector accelerated in 2016. Fiscal and credit-based stimulus measures supported growth in 2016, focusing on infrastructure investment and on efforts to stimulate household credit.

Growth is projected to moderate to 6.5 percent in 2017, reflecting soft external demand, heightened uncertainty about global trade prospects, and, critically, slower private investment. Macroeconomic policies are expected to continue supporting activity to help smooth the adjustment of output in overcapacity sectors (World Bank 2016). Rebalancing from industry to services, and from investment to consumption, is expected to moderate. Progress in reducing financial excesses will likely be modest, barring deep structural reforms with respect to state-owned enterprises (SOEs) and corporate restructuring (IMF 2016).

EMERGING AND DEVELOPING ECONOMIES

EMDEs grew by an estimated 3.4 percent in 2016, slightly below June projections. Among commodity exporters, output expanded an estimated 0.3 percent, as some improvement in Brazil and Russia and a modest increase in commodity prices was offset by further weakness in other exporters. In commodity importers, growth in 2016 is estimated at 5.6 percent, reflecting resilient domestic demand and generally accommodative macroeconomic policies. EMDE growth is projected to pick up to 4.2 percent in 2017, mainly on a recovery in commodity exporters supported by a gradual increase in commodity prices. However, a number of factors including advanced economy policy uncertainty and slowing productivity growth are expected to weigh on the medium and long term EMDE outlook.

LOW INCOME COUNTRIES

Growth in low-income countries (LICs) remained subdued in 2016, slowing marginally to an estimated rate of 4.7 percent. Low commodity prices, adverse weather conditions, and political and security difficulties were significant factors holding back output in various countries. Growth slowed among commodity exporters, while remaining unchanged from 2015 for commodity importers. Despite some modest improvement

DIRECTORS' REPORT 2016
Continued

in 2016, commodity prices are expected to remain low, and fiscal adjustment needs remain large in commodity-exporting LICs, putting an additional damper on their growth. Overall growth in LICs is expected to recover moderately, to 5.6 percent in 2017, as commodity exporters continue to adjust. Risks to the outlook remain tilted to the downside. The main external risk is that the modest expected increase in commodity prices might not materialize, while the main domestic risks lie in worsening drought conditions and deterioration in political and security situations. Maintaining macroeconomic stability and boosting per capita growth remain key policy challenges.

INFLATION / Global inflation maintains upward trend

Global inflation continued to rise in November, edging up from 3.4% in October to 3.5%. November's print marked the highest inflation rate in more than two years. Although the increase stemmed mainly from higher commodities prices, the cost of global raw materials remains low, given that most commodities markets remain oversupplied.

Disinflationary pressures are still strong in a number of advanced economies. Against this backdrop, most central banks are implementing largely accommodative monetary policies, which include, in some cases, ultra-low interest rates even below zero and quantitative easing programs. The use of such unconventional measures in the developed world is expected to continue next year and still loose monetary policies continue to be priced in by analysts, apart from for the U.S. economy. The U.S. Fed hiked interest rates for a second time since the financial crisis in December 2016. The Fed's previous interest rate increase was in December 2015.

Global inflation is likely to rise to 4.1% in 2017 which was revised up by 0.1 percentage points from last month's Consensus from an expected 3.5% in 2016, mainly due to higher energy prices in the wake of a recovery in crude oil prices.

MONETARY POLICY AND INTEREST RATES/ Central banks holds their limits

The U.S. Federal Reserve is likely to pursue a dovish tightening, raising rates to 1.5% in 2017 while leaving the federal funds rate below 2% through at least 2018. Elsewhere, further monetary stimulus seems possible, but its benefits may be waning and, in the case of negative interest rates, potentially harmful to the very same credit-transmission channel that monetary policy attempts to stimulate. Even so, the European Central Bank (ECB) and Bank of Japan (BoJ) could yet add to the quantitative easing implemented in 2016.

Chinese policymakers have arguably performed the most difficult task of engineering a "soft landing" by lowering real borrowing costs and the real exchange rate without accelerating capital outflows. The margin of error is fairly slim, and policymakers should continue to provide fiscal stimulus to the economy this year to avert a hard landing. The most important policy measure we are monitoring is the pace of reforms for China's state-owned enterprises, which are currently key sources of over-investment and deflationary excess capacity.

GLOBAL TRADE

Global trade growth in 2016 recorded its weakest performance since the global financial crisis. Stagnant goods trade for most of 2016 was exacerbated by a cyclical drawdown in inventories across advanced economies and contracting imports in China and in major commodity exporters. The sharp drop in oil prices from mid-2014 to early 2016 could have contributed to the weakness in global trade over that period, as income losses were highly concentrated among a few countries, while gains were diffused among many import demand is generally more sensitive to large changes in income than to smaller changes (World Bank 2015). The observed slowdown in global investment in 2015-16 played an important role as well as capital goods account for about one third of world goods trade.

The maturation of global value chains also contributed to a lower income elasticity of trade (the additional trade generated by an increase in global GDP). This trend, which had been observed prior to the global financial crisis, has intensified in recent years. Among major advanced economies, the slowdown in global value chain participation is particularly visible in the United States and Japan. Among EMDEs, China's move toward more mature domestic intermediate production has also contributed in lowering its trade elasticity. However, most EMDEs still have a large untapped potential to move up the value chain, by shifting to more complex and higher domestic value-added products.

Services trade continued to show greater resilience than goods trade because of its nature. Services cannot be stored, often represent a fixed cost in production processes, and are less sensitive to changes in credit and trade finance conditions.

A gradual recovery in global trade is still expected in 2017, supported by a projected rebound in import demand from large EMDEs. However, the pace of the recovery is slower than previously expected because of downward revisions to growth prospects in major advanced economies, persistent weakness in global investment, and slower or stalled trade liberalization amid uncertainty about trade policy in the United States and Europe.

COMMODITIES

Crude oil prices have recovered from a low of $30 per barrel (bbl) at the start of 2016, but are still half of their pre-2015 levels. The oil market continues to rebalance, as consumption rises while non-OPEC supply declines notably in the United States, where oil output is down 12 percent from its peak in early 2015. However, global oil inventories remain high, particularly in the United States. After averaging $43/bbl in 2016 an annual decline of 15 percent relative to 2015, despite the gradual increase throughout the year oil prices are expected to average $55/bbl in 2017, up 28 percent from 2016 levels.

Metals prices have risen from lows in early 2016 on strong demand, partly from China's stimulus to the property and construction sectors. Supply reductions for a few commodities including zinc and nickel have also been a factor. Average annual metals prices dropped in 2016, but are expected to rise marginally in 2017 as markets slowly tighten.

DIRECTORS' REPORT 2016
Continued

Metals price risks depend critically on demand from China, given that the country accounts for more than half of global metals consumption. Supply risks entail further outages in Asia, and China's attempt to reduce excess capacity in steel, aluminum, and coal. The direction of U.S. policies after the elections might also induce some volatility in metal prices. Greater emphasis on infrastructure could lead to higher metal consumption in the United States, putting some upward pressure on prices; however, more protectionist trade policies might negatively affect metals demand, particularly from China.

Agricultural prices are projected to remain broadly stable in 2016 and 2017. Supplies for most commodities are adequate. Fears of supply disruptions in the Southern Hemisphere earlier in the year due to La Niña have diminished. 2 Stocks for the three key grains (maize, wheat, and rice) are at multi-year highs. Global crop conditions have improved for most grains and oilseeds. Since agricultural production is energy intensive, lower energy costs continued to have a dampening effect on prices in 2016. In addition, low oil prices reduce the incentive to divert land use away from food to biofuels. Indeed, global biofuel production grew at an annual rate of just 1 percent in the past 2 years, versus 17 percent during the preceding decade (World Bank 2016). However, the expected recovery in energy prices in 2017 could halt these downward pressures.

Bangladesh Economy

Monetary Policy July – December 2016

On July 26, 2016 Bangladesh Bank (BB) has announced Monetary Policy Statement (MPS) for the first six months of FY 2016-17. Central Bank is continuing the same policies stressing on taming inflation at 5.80% level and encouraging private sector credit growth to achieve GDP growth target of 7.20% for FY'17. Policy rates kept unchanged after 50 bps cut in last MPS first time in last calendars.

Along with the growth supportive policies streamlining, central bank will continue its motivational efforts and supervisory inspection to focus on inclusive, productive use of credit; with particular attention to adequacy of credit flows to agriculture, SMEs, and environmentally benign 'green' output initiatives.

Macroeconomic Management

The macroeconomic management of the economy has been fraught with lack of farsightedness in policy making, besides the recent contested terrain of politics which augments lack of confidence in investment decision.

As regards the other indicators of macroeconomic development, the economy is experiencing a trend of downturn vis-à-vis the previous fiscal years as well. The growth of export has tended to decelerate in recent period. The rate of inflow of remittance has also decelerated recently posing serious challenges to the consumption in rural economy since remittance comprises almost one fifth of the total income of rural households. The economy also lags far behind in attracting Foreign Direct Investment (FDI) vis-à-vis the economies of the same structural characteristics due mainly to inadequate infrastructural and utility services along with current political uncertainties in the country.

Growth in Gross Domestic Product

Several policy-induced macroeconomic challenges have restricted sustainability of the rate of growth in the recent fiscal years and the continuation of progress in different social sectors. The challenges have partly been the result of lack of farsightedness and creativity in policy making, and partly the outcome of adhocism and expediency of the political class.

The target of growth in the budget for FY 2016-17 has been set at 7.2 percent. This target appears to be ambitious like the previous year's target of growth because of several reasons. Historical track record shows that we failed to achieve such high rate of growth in its previous budgets. The target of growth in FY 2013-14 and FY 2014-15 fell short by 1.08 and 0.79 percentage points from the targeted 7.2 and 7.3 percent growth. With regard to the provisional growth estimate of 6.51 percent in FY 2014-15, the target of growth for FY 2016-17 would require an increase in rate of growth by 0.69 percentage point whereas the highest increment in the last 10 years has been observed at 0.8 percentage points in FY 2010-11. Mainly due to the supply side constraints in the economy caused mainly by poor infrastructural facilities and lack of business confidence the achievement of lower rate of growth than target. In FY2015-16 target was set to 7%, achieved where the actual was 7.05% and for FY 2016-17 target is 7.2 percent.

Fiscal Deficit

The overall budget deficit in FY 2016-17 has been estimated at Tk. 97,853 crore (excluding grants), which is five percent of GDP. To finance the deficit, Tk. 30,789 crore will be collected from foreign sources, whereas Tk. 61,548 crore will be collected from domestic sources. As far as the domestic sources of financing deficit are concerned, Tk. 38,938 crore will be collected from the banking system and Tk. 22,610 crore will be collected from the non-banking source (of which Tk. 19,610 crore will come from savings certificates and Tk. 3,000 crore from other sources). The projected revised deficit in FY 2016-17, however, stands at Tk. 100,485.5 crore.

In order to finance the deficit, the government relies on both domestic and foreign sources. In FY 2016-17, deficit in Budget is estimated at Tk. 97,853 crore (excluding grants) crore, of which Tk. 61,548 crore is supposed to come from domestic sources and Tk. 30,789 crore is supposed to come from foreign ones (including grants). Borrowing from banking sector is planned at Tk. 38,938 crore in FY 2016-17.

Savings, Investment, and Illicit Capital Flow

The rates of savings and investment to the GDP have remained stagnant over the years and the gap between savings and investment has assumed an increasing trend lately, suggesting that the macroeconomic strategies of government fall short of converting the savings into investment, resulting large amount of capital flight. In the FY 2015-16, the gap between savings and investment was calculated as 0.7 percent of GDP. Under the Medium Term Macroeconomic Framework (MTMF) of 2014-18, the target of investment has been set at 34 percent of

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GDP comprising the private investment of 25.6 percent and the public investment of 8.5 percent by the FY2017-18, and the domestic savings were projected to increase to 24.2 percent of GDP by the FY 2017-18 from the present 20.9 percent, whereas the national savings were projected to reach 33.3 percent of GDP by FY 2017-18 from the present 27.6 percent.

These seem to be unachievable in the present circumstances of low savings and investment. Total national savings stood at 30.08 percent in FY 2015-16, and warns that such trend may induce national output to decline. Private investment has been remaining stagnant and has stood at 21.78 percent in FY 2015-16, while increase in public investment from 6.82 percent in FY 2014-15 to 7.6 percent in FY 2015-16 has not succeed to create much needed crowding in of private investment. Thus, there is a downward pressure on aggregate demand which may induce a fall in national output or growth slowdown, especially if growth in exports decelerates.

Public Investment, Private Investment and ICOR

Not only the quantity, but the quality of investment has not been satisfactory in the country either. In comparison to countries like China and India which have posted rate of growth in double digit in the last decade, the investment is acting as a limiting factor for future growth prospect. In the case of investment, the rate of total investment as percentage of GDP has been increasing, though the share of private investment has been on decreasing trend since the FY 2011-12. In FY 2011-12, total investment was 28.26 percent of GDP, whereas investment reached 29.38 percent in FY 2015-16.

Investment in private sector, however, occupies the primary role, which has traditionally accounted for more than 70 percent of total investment. While investment in the private sector has been stagnant since FY 2011-12, the investment in public sector has increased from 5.76 percent in FY 2011-12 to 7.6 percent in FY 2015-16.

However, this increase could not raise the total rate significantly as the share of public sector in total investment is meager and is largely spent to meet the non-development expenditure. Continuous sliding down of private investment from 21.39 percent in FY 2013-14 to 22.07 percent in FY 2014-15 to 21.78 percent in FY 2015-16 implies that public investment from 6.64 percent in FY 2012-13 to 6.55 percent in FY 2013-14, to 6.90 percent in FY 2014-15 and to 7.6 percent in FY 2015-16 has failed to create much needed crowding in of private investment.

Moreover, the Incremental Capital Output Ratio (ICOR) of the country has deteriorated continuously in the past few years, indicating that the country has not been able to boost productivity of investment. The government would require total investment to rise at approximately 35 percent of GDP in FY 2016-17 in order to achieve the proposed rate of growth of 7.2 percent if the ICOR remains constant at the previous fiscal year's level.

Export Earnings

According to Export Promotion Bureau exports in December fell 3 percent from a year earlier to $3.1 billion, and seven percent below the target. For July-December, the first half of the country's 2016-17 financial year, exports rose 4.4 percent to $16.8 billion from a year earlier. Shipments of readymade garments, comprising knitwear and woven items, total $13.7 billion in July-December, which is 4.4 percent higher than previous year. Exports in the last financial year that ended in June 2016 hit a record $34.24 billion, 9.7 percent higher from the previous year, on the back of stronger garment sales.

Lack of product diversification in export is posing serious challenge to the commitment toward maintaining a healthy balance in external sector. Data for the period of January-March' 2016 suggests that the dependence on readymade garments for export earning has been rising day by day. As high as 84.6 percent of the total export earnings came from readymade garments during this period implying the challenge of putting all eggs into one basket.

Import

The country's import increased by 14.58 percent in the first five months of the current fiscal year (FY) mainly due to increased purchase of capital machinery. The actual import in terms of settlement of letters of credit (LCs) rose to US$19.02 billion during the July-November of FY 2016-17 from $16.60 billion in the same period of the previous fiscal. In contrast, opening of LCs increased by 6.95 percent to $18.69 billion in the first five months of FY 17 from $17.48 billion a year ago. Import of capital machinery or industrial equipment used for production jumped by nearly 81 percent to $2.50 billion in the first five months against $1.38 billion of the same period of FY16.

At the same time, import of industrial raw materials increased by 8.35 percent to $6.73 billion during the period under review from $6.21 billion in the same period of the FY 16. On the other hand, import of intermediate goods, like coal, hard coke, clinker and scrap vessels, decreased by 1.39 percent to $1.41 billion in the first five months of this fiscal from $1.43 billion in the same period of the FY 16.

However, due to lower prices of the fuel oil on the global market import of petroleum products dropped by 8.14 percent to $1.01 billion during the July-November period of FY 17 from $1.10 billion in the same period of the previous fiscal. Food grain imports, mainly of rice and wheat, dropped by nearly 15 percent to $477.74 million during the period of the FY 17 from $561.54 million in the same period of the previous fiscal.

Remittances

A declining trend is observed in the inflow of workers' remittance in the first five months of FY 2016-17 compared to the corresponding period of the previous fiscal year. This declining trend has been observed all around the year. The annual remittance inflow dropped by 11.15 percent or US$1.71 billion in 2016 despite a significant rise in overseas jobs of Bangladesh nationals. Bangladeshi expatriate workers sent home $13.61 billion in calendar year 2016 against $15.32 billion a year before.

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Among different initiatives, Bangladesh Bank had already relaxed policy for establishment of drawing arrangement between the overseas exchange houses and the banks operating in Bangladesh to facilitate the inflow of remittances. Under the relaxations, the amount of security deposit for drawing arrangement came down to US$10,000 from $25,000 while security deposit for Non-Resident Taka (NRT) account got trimmed down to Tk 0.20 million from Tk 0.50 million.

The central bank earlier took a series of measures to encourage the expatriate Bangladeshis to send their hard-earned money through the formal banking channel, instead of the illegal "hundi" system, to help boost the country's foreign-exchange reserves. About 0.75 million Bangladeshi workers migrated to different countries in 2016, 35 percent higher over the previous year.

Inflation

Inflation came down to 5.03 percent in December, the lowest in 53 months. A steady decline in non-food prices since June as well as a lack of supply disruption helped to decline in inflation. Overall, inflation went down 35 basis points in the last month of the year from November's 5.38 percent. This was led by the fall in non-food inflation, which dropped to 4.49 percent in December, a decline of 88 basis points from 5.33 percent a month earlier. Food inflation fell slightly to 5.38 percent from 5.41 percent in November. The steady decline in non-food inflation since June 2016 through December 2016 has to do with the weakening of aggregate demand caused by a large decline in remittances.

Banking Sector

Of late crisis in the banking sector has made the financial sector in Bangladesh worst among the emerging Asian countries reflecting the poor risk management ability. A strong financial system is needed for successful implementation of monetary policy. The running crisis in the banking sector mainly due to increase in default loan reflects the institutional weakness of the financial system in the country. Recent consecutive heists in banking sector again shake the financial system as well as the economy. Continuous default loans, scams, and heist cause increased cost of fund and shortfall in capital in the banks.

The banking sector indicators showed some concerns during the last quarter of FY 2015-16 compared to that of the preceding quarter. The ratio of gross Non Performing Loan (NPL) to total outstanding loans of the banking sector increased from 9.92 percent at the end of third quarter of FY16 to 10.06 percent at the end of the fourth quarter of FY16. The gross NPL ratio for State Owned Commercial Banks (SCBs), Specialized Banks (SBs), and Foreign Commercial Banks (FCBs) increased from 24.3 percent, 23.2 percent, and 7.5 percent respectively at the end-March 2016 to 25.7 percent, 26.1 percent and 8.3 percent respectively at the end-June 2016. However, the ratio of PCBs marginally decreased from 5.8 percent to 5.4 percent during the same period.

Bad loans, the worst types of defaulted loans, in the country's banking sector increased by 24.57 percent to Tk.54,173.35 crore in the first nine months of this year because of the scheduled banks' failure in recovering classified loans amid a rise in financial scams. Bangladesh Bank data showed the bad loans increased to Tk 54,173.35 crore as of September 30, 2016 from Tk. 43,485.71 crore as of December 31, 2015. As of September 30, 2016, the bad loans accounted for 82.41 per cent of the total classified loans Tk 65,731.11 crore in the banking sector. The non-performing loans in the banking sector increased by Tk 14,359.89 crore in the first nine months of this year as the central bank had recently unearthed a number of scams in different banks that fuelled the overall defaulted loan figures of the banks.

The spread between the weighted average interest rate on advances and deposits of all banks narrowed further and stood at 4.65 percent in November, 2016 from which was 4.70 percent in October 2016. The weighted average rate on advances reached at single digit (9.94 percent) in November 2016, 0.09% lower than previous month. In a similar trend the weighted average deposit rate has also declined to 5.29 percent in November 2016 which was 5.33 percent in October 2016.

Making the story of endeavour and success

Dhaka Bank is reminiscent of another 'Dhaka Bank' that dated back in the history in the city of Dhaka under the British Empire. A passion for heritage with the velocity of technological excellence set the pace of DBL in 1995 amidst great expectation of the countrymen. Now at the height of success, Dhaka Bank celebrates two decades of banking excellence in the country. We call it a tale of prosperity and financial triumph with many petals to look around.

DBL formally launched its operation in July, 1995 with a Branch at Motijheel, Dhaka. Islamic Banking window was opened in July of 2003. The company got listed with DSE and CSE in April 2000. Subsequently, DBL embarked on capital market services which amounted to the establishment of a subsidiary 'Dhaka Bank Securities Limited' in 2011. DBL opened up new avenues for foreign investors in the country by setting up Offshore Banking Unit in 2006. DBL network is now strong with 94 Branches including 2 Islamic Banking Branches, 54 ATMs, 20 ADMs, 3 SME service centres, 6 Brokerage Branches (DBL Securities), 2 Off-shore Banking Units and 1 Business Kiosk brightened with cutting edge delivery system, internet banking and mobile banking operation.

We have left behind a track with an illustration of prosperity for 21 long years. With unbound joy and ecstasy we have celebrated our 21st birthday on July 5, 2016 taking the pride of a balance sheet size of Tk.202 billion, deposits of Tk.157 billion and advances of Tk.134 billion along a sustainable profit track of approximately Tk.5,403 million as on December 31, 2016. It is the perseverance and tenacity of the Board and our fellow colleagues who have made our presence indispensable to the community. In our ultimate goal, we want to be a powerful voice for country's economic development with a melody that we want to be heard even from the distant borders.

Scopes of business

Dhaka Bank acts as a trusted custodian of customers' deposit and a true financier of their wants. Apart from financial intermediation,

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DBL undertakes a series of financial services in exchange of fees and commissions. The mode of banking operation includes both conventional and Islamic Banking based on Shari'ah principles. DBL runs its business with a country-wide reach through state-of-the-art delivery system supported by real-time online banking. The Bank has established its own subsidiary named "Dhaka Bank Securities Ltd." on February 13, 2011 to provide brokerage services and margin loans in the capital market. DBL has offshore banking unit to provide banking services in Non-Resident foreign currency denominated assets and liabilities.

Core areas of DBL business and banking

- Care for customers' deposit as a trusted custodian
- Honour cash withdrawal by depositors on demand
- Extend credit to large corporate business
- Finance small and medium enterprise (SME)
- Organize syndicated deals and structured finance
- Conduct retail business
- Finance import and export business (trade finance)
- Take on project financing
- Carry out lease and hire purchase financing
- Issue local and international credit cards
- Deliver Islamic banking services based on Shariah principles
- Channel remittance from abroad
- Provide off-shore banking service

We value our customers

Customers are our first priority and driving force. Superior customer service through the integration of the state-of-the-art technology is our motto. Our customers come from all walks of life. They are professionals, businessmen, large companies, small enterprises, public servants, entrepreneurs, homemakers, marginal farmers, residents and non-residents maintaining local and foreign currency accounts comprising men and women. Introducing new products and upgrading existing ones are the strategies we adopt to serve our customers. We are aware of natural consequences of globalization, liberalization, privatization, reforms, foreign investment, economic policy and infrastructure development. We have a long-term sustainable bond with our customers caring and sharing with their values.

To serve the millions in multiple forms of relationship, we have resolved to guide our way through the flashes of good governance and ethical practices on the top. Forces of globalizations, global challenges and changes all around have cast a shadow of volatility and uncertainties ahead. As a trusted custodian of people's hard-earned money, we cannot shake their confidence. It is unwarranted too to put depositor's interests at whims just for windfall gains. So Dhaka Bank activities have turned out to be a promising engagement and a reward of binding relationship. Our corporate responsibilities always look forward to sustainable means.

Highlights of Financial Performance

Profitability and performance of Dhaka Bank

Dhaka Bank Limited recorded profit after tax of Tk.1,465.93 million in 2016 in comparison with Tk. 1,437.59 million in 2015 as a result of critical market condition. Bank focused on protection of shareholders' equity through building up remarkably higher Provision against Loans & Advances. Though the growth is notably not very significant considering earlier profitability of the Bank, the positive & significant movement in Provision built up depicts a cautionary outlook taken by the Bank during this time of drastic decrease in asset quality in the banking industry. Bank's performance was accomplished mainly from downsizing of loan loss, sticking to core banking business, consolidation of business mix with expanded pie on SMEs, efficient cost management as well as appropriate strategic choice.

Our overall business performance for the year 2016 suggests that our achievement particularly revenue basket was more viable than we have expected especially in the category of investment income and fees & commission income. We have every reason to explain our position under most difficult circumstances that banking sector got through in 2016. Bank's net interest income increased by 83.90%, total operating income was sustained by reasonable growth in investment income (7.82%) and commission, fees & brokerage income (15.29%).

Thus the Bank secured an amount of Tk.8,739.42 million in Operating Income. On the balance sheet side, the Bank shaped an amazing balance in assets of Tk.202 billion showing up an increase of Tk.26 billion from Tk.176 billion of 2015. The growth was achieved on the wings of 14.30% growth in Loans and Advances. Deposits also showed a growth of 13.01% from higher mobilization of retail and corporate deposits. The Bank continued to have notable capital adequacy at 13.83% in accordance with Basel-III requirement. Total Shareholders' Equity increased to Tk.14.45 billion in 2016 from Tk.13.38 billion in 2015. Liquidity maintained a comfortable position with liquid assets (cash, balance with other banks and financial institutions, money at call, treasury bonds and tradable securities) forming 24.85% of total assets. During such condition of low investment demand, the Bank successfully improved its portfolio of Loans & Advances through increasing Loan to Deposit ratio at 83.87% at the year-end 2016 which was 84.74% in 2015.

Appropriation of profit

Profit after Tax (PAT) stood at Tk. 1,465 million. Profit available for distribution among shareholders is Tk. 942 million after a mandatory transfer of statutory reserve of Tk. 550 million (@20% on PBT). Directors have recommended cash dividend @10% accompanied by stock dividend @5% for the year 2016 (5 shares out of 100 shares held on record date) subject to approval in the AGM.

Payment of dividend

Optimizing shareholders' value always gets priority here in Dhaka Bank Limited. During the period more than a decade, Bank's dividend rate was as minimum as 1 share for 4 shares each (25% in stocks) and as maximum as 3 shares for 10 shares each (30% in stocks) in addition to cash dividend. In almost all occasions, Bank's dividend was paid largely in stocks with a marginal proportion in cash. The initiative enhanced Bank's solvency through capital adequacy.

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Capital adequacy

Dhaka Bank is a firm follower of guidelines of the Bangladesh Bank regarding capital adequacy and its policy is to maintain regulatory capital at a level which is higher than the minimum required capital. Bank's strength in capital base is also significant in the fact that the ratio of eligible capital to Risk Weighted Assets (RWA) was 13.83% as of Dec 31, 2016. The Bank has already entered the Basel III regime since January 2015 as an enhanced regulation for capital adequacy, liquidity and stability and remains committed to compliance of the requirement in phases till 2020.

BDT Million

Particulars	Year 2016	Year 2015
Profit after Tax (PAT)	**1,465.93**	**1,437.59**
Retained earnings brought forward	1,000.58	1,364.43
To be appropriated		
Transfer to statutory reserve	**549.60**	**475.20**
Transfer to general reserve	(38.19)	-
Dividend for the year 2016 (recommended)		
Stock dividend	5%	10%
Cash dividend	10%	6%
Retained earnings to be carried forward	942.27	962.39
Dividend	1,000.58	1,364.43

Credit rating vis-à-vis capital adequacy

Dhaka Bank is keen to ensure proper credit rating by fair banking practices. Bank kept up efforts to pursue its corporate and SME-mid customers to get credit rated by eligible External Credit Assessment Institutions (ECAI). Credit rating by eligible rating agencies played an important role in decreasing Bank's capital requirement. In accordance with Bangladesh Bank BRPD Circular No. 05 dated April 29, 2009 and BRPD Circular No. 31 dated October 25, 2010, Dhaka Bank has nominated 8 (Eight) recognized External Credit Assessment Institute (ECAI) namely, (i) Credit Rating Information & Services Ltd. (CRISL), (ii) Credit Rating Agency of Bangladesh (CRAB), (iii) National Credit Rating Ltd., (iv) Emerging Credit Rating Ltd, (v) ARGUS Credit Rating Services Ltd., (vi) WASO Credit Rating company (BD) Ltd., (vii) Alpha Credit Rating Limited & (viii) Bangladesh Rating Agencies Limited (for SME clients only).

Bank believes that the credit rating has a healing impact on the risky assets of Bank. Minimum capital requirement decreases significantly with a safer portfolio. Credit rating gives the Bank an economical advantage in holding minimum capital as the measure for risk weighted assets unloads risks from the rated exposure. As per regulatory practice, funded exposure to a customer having external rating of at least double B (BB) with Bangladesh Bank rating grade 4, requires risk weight of 100% whereas exposure to any unrated customers is risk weighted by 125%. Since external rating of most of our rated corporate customers falls in the range of A to AAA (BB rating grade 1 & 2) bearing risk weight of 50% or below, the more our customers do their entity rating, the less will be the capital requirement of Dhaka Bank. We will move forward with this vision to place the Bank on a sound financial footing in 2017 and coming days ahead.

History of raising capital

Dhaka Bank Limited started its operation as a private commercial bank in the country on July 5, 1995 with a start-up authorized capital of Tk.1,000 million and paid-up capital of Tk.100 million. The Bank strengthened its authorized capital base in 2005 by raising the same from Tk.1,000 million to Tk.2,650 million and Tk.6,000 million in 2007. Authorized capital was further enhanced to Tk.10,000 million by passing a special resolution in the Bank's 4th Extra Ordinary General Meeting (EGM) held on July 4, 2010. Out of the total issued, subscribed and paid-up capital, 1,320,000 ordinary shares of Tk.100 each amounting to Tk.132,000,000 was raised through Initial Public Offering (IPO) of shares held in 24 February 2000. The Bank has increased it s paid-up capital twice by issuance of 2:1 right share at par on April 15, 2003 and November 30, 2005 respectively. As on December 31, 2016, equity of the Bank including retained earnings reflected a balance of Tk. 14,445.73 million. Equity as a percentage of total assets was 7.14%. Bank's paid-up capital increased by Tk.625 million at the year ended 2016. The statutory reserve also increased by Tk.550 million due to transfer of 20% of pre-tax profit under regulatory compliance.

Special assets management

Growing trend of Non-Performing Loan (NPL) again was a headache for banks in 2016 due to which the industry experienced remarkable pressure in deteriorating asset quality. In a year span, classified loans amounted to Tk.540 crore from Tk.549 crore of 2015. Fortunately we have reduced the amount of NPL Tk.40 crore in 2016. In 2016, non-performing loans (NPL) to total loans ratio reached to 4.01% compared to 4.66% of the year 2015. Financial malpractices by a few groups, dull performance of the industry sector as well as extra cautious regulatory control on classification were some of the key players in shaping such the industry scenario in 2016.

Non Performing Assets by Segments

BDT Million

Particulars	As on 31.12.2016	As on 31.12.2015	Change
Unclassified Loans	**129,286**	**112,349**	**15.08%**
Standard (Including Staff Loan)	124,365	108,070	15.08%
Special Mention Accounts (SMA)	4,921	4,279	15.00%
Classified Loans	**5,403**	**5,490**	**(1.58%)**
Sub-standard (SS)	257	1,236	(79.21%)
Doubtful (DF)	288	265	8.68%
Bad/Loss (BL)	4,858	3,989	21.78%
Total Loans	134,689	117,840	14.30%
Non Performing Loans	4.01	4.66	(0.65%)

Summary of Segmented Performance

The Bank operates under the following business segments along with a fully owned subsidiary of the Bank. The operations of these segments are specifically identified by income, expenses, assets and liabilities. Based on such allocation, segmented balance sheet as on December 31, 2016, segmented profit and loss account for the year ended December 31, 2016 have been prepared.

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Conventional Banking (Main banking operations)

Conventional Banking Operation is the major growth engine of the Bank with respect to business resources and profitability. As usual, this segment remained vibrant in all areas of banking business. Assets under conventional banking accounted for 99.47% of consolidated assets in 2016 totaling Tk.202 billion. Profit before Tax & Provision (Operating Profit) was Tk.5,403 million contributing 97% share of consolidated profits.

Islamic Banking

Dhaka Bank Limited has been providing Islamic Banking services through its 2 (two) branches to adhere to the Islamic values & Integrity. One is Islamic Banking Branch, Motijheel, Dhaka inaugurated on July 02, 2003 and second one is Islamic Banking Branch, Agrabad, Chittagong opened on May 22, 2004. This IBB Branch was later relocated at Muradpur, Chittagong in the name of IBB Muradpur. We may mention here that Dhaka Bank Limited is the pioneer to establish Shariah based banking operations through Islamic Banking branches in the country. At the end of the year 2016, the deposit and investment of Islamic Banking operations of Dhaka Bank Ltd. stood at Tk.6,473 million & Tk.5,036 million respectively.

Off-Shore Banking Business

We have come a long way since we launched our Off-shore Banking operations in Dhaka Export Processing Zone nine years ago. We are one of the pioneers among local banks in Bangladesh to set up an Off-shore Banking Unit, which went operation in the year of 2006 in Dhaka Export Processing Zone. As a second generation private commercial Bank, Dhaka Bank's Off-shore Banking Unit has earned enormous confidence of the foreign investors due to its strong commitment and dedication over the years. Currently, the bank has been providing offshore banking services to several Types-A industrial units of the EPZ through its OBU in Dhaka Export Process Zone and CEPZ. We, in the Off-shore Banking unit, pride ourselves in our ability to provide premier Off-shore Trade solutions to our clients, while ensuring that highest levels of professionalism are practiced by our colleagues. Though the country's offshore banking market is dominated by the foreign banks, Dhaka Bank has been able to make its presence felt by attracting a good number of customers in a short period of time through effective marketing, competitive pricing of its offshore banking products and ensuring highest levels of professionalism and excellent customer services backed by quality human and technological supports. OBU invested around USD 51 million in offshore market to support Type-A industries, local entrepreneurs as well as to strengthen its asset portfolios.

Subsidiary: Dhaka Bank Securities Limited

The capital market of Bangladesh was in bearish mood almost all the year around. It started to bounce back after the mid of November 2016. Despite of the bearish mood of the market around the year, the trade volume of the company increased in last year. Total market trade value increased by 13.31% in 2016 from the year 2015 whereas the growth of trade volume generated by DBSL was 25.86%. The company generated total Trade Volume of BDT 21,595.50 million in the year 2016 and captured 1.70% market share in 2016 where it was 1.53% in 2015. DBSL Management's careful selection of customer and strict credit disbursement immune the company from taking risky approach to increase market share and enable it to keep the asset quality good.

With prudent managerial capacities, DBSL has done satisfactorily well to remain in profitability. Company's total operating income is BDT 238.22 million in 2016 which was BDT 272.86 million in the previous year. Company's Net profit stood at BDT 81.05 million in 2016, which was BDT 76.08 million in the previous year. This increase of 6.53% in net profit figure is due to this year's higher amount of brokerage commission & lower amount of provision for unrealized loss.

Green Banking

Decades of careless handling of environment lured by unchecked industrial competition have let loose a Pandora's Box, known as "Global Warming". Global warming also called as "Green House Effect" is a global issue that calls for a global response. Realizing the importance of green banking and policy guidelines from Bangladesh Bank, the Central Bank, Dhaka Bank Limited has already formulated its Green Banking Policy and gets it approved from its Board of Directors. The Board of Directors of Dhaka Bank Limited has approved budget for "Green Finance" and "Climate Risk Fund" and working closely for its utilization. The bank is actively looking to finance green projects such as ETP, Hybrid Hoffman Kiln (HHK), Zigzag or equivalent Technology in Brick Field, Bio-Gas Plant, Solar Power System etc.

Green Finance:

The Bank has undertaken the following green finance project up to December 31, 2016

BDT million

Particulars		Number	Amount
ETP	For Installation of ETP (Amount Disbursed)	1	12.00
	Projects financed having ETP (Full amount disbursed)	89	6,605.30
Bio-gas Plant		1	0.50
Hybrid Hoffman Kiln (HHK)		18	166.10
Green Finance at reduced rate of interest		2	1.00

SME

SMEs are believed to be key driving force for private sector development in Bangladesh. Government of Bangladesh and Bangladesh Bank (BB) are relentlessly working to boost SME sector. Dhaka Bank recognizes that SMEs as a core part of financial integration is key to achieving sustainable growth of a financial institution. Considering the prospects and growing opportunities of SME Finance, Dhaka Bank made a strategic shift in SME portfolio. Dhaka Bank has formally stepped into financing SMEs in the country in 2003. At present, the Bank is catering SME banking services through its 94 regular Branches, 3 SME Service Centers and 1 KIOSK.

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DBL recognizes that SMEs as a core part of financial integration is key to achieving sustainable growth of a financial institution. Considering the prospects and growing opportunities of SME Finance, Dhaka Bank made a strategic shift in SME portfolio. The threshold (loan limit) for SME finance has been enhanced to Tk. 15 crore under manufacturing, Tk.7.50 crore under trade and service. Under the new arrangements along with our continued support for promotion of SME business, Bank's total SME loan portfolio has increased by 75.92% to Tk.21,509 million. The change also contributed to Bank's profitability that resulted from the reduction in provision requirement for the Bank.

Syndication & Project Finance

In 2016, the Unit raised a dual currency Syndicated Term Loan comprising of USD 26.00 million and BDT 460.77 million for Mahmud Fabric's & Finishing Limited - a LEED certified 100% export oriented woven fabrics manufacturing factory at Kaliakoir, Gazipur which has an estimated project cost of BDT 3,842.82 million. The Unit also raised Syndicated Short Term Loan of BDT 1,000.00 million for KYCR Coil Industries Limited, a concern of KDS Group. In the year under review, the Unit successfully arranged 'Financial Closure' of the LARGEST EVER Syndicated IPFF Term Loan of USD 58.50 million for United Ashuganj Energy Limited, a 200 MW Combined Cycle Modular Power Plant at Ashuganj. Later, the project won 'Asian Power Awards - 2015' under 3(three) different categories viz. (a) 'GOLD' award for 'Combined Cycle Power Plant of 2015' (b) 'SILVER' award for 'Fast-Track Power Plant of 2015' and (c) 'BRONZE' award for 'Gas Power Project of 2015'.

In the later part of 2016, the Bank signed an MoU with Public Private Partnership Authority, Prime Minister's Office, Bangladesh to get priority access to the upcoming PPP projects of Bangladesh.

The Bank continued project financing in support of entrepreneurship, innovative schemes and ventures profitable in terms of commercial, economic and environmental outlook. Project finance undertaken by the Bank exclusive of Syndications and Structured Finance, Export Finance and General Credit Unit was significant in number of deals and in volume that spanned industrial, power & energy, social and physical infrastructure as well as ICT sectors. The initiative has opened up new avenues and opportunities for pioneering entrepreneurship in the recent times.

Retail Banking Division

Dhaka Bank's Retail Division started its operation in the year 2002. Since then the business has approved total retail loans amounting to Tk.1,000 crore. More recently we have given renewed focus on our Retail business. In the year 2016 we have witnessed a growth of 11.38% in our Retail Asset portfolio (including Credit Card), and during the same time the classification figure of our Retail Asset has been reduced by 64.06%.

On the liability side we have witnessed encouraging growth in our CASA book, 62% growth from year end 2016. During 2016 we have mainly focused on the following areas:

- Building the Retail team
- Working on the infrastructure, for instance launching our 24hrs Contact Centre
- Restructuring of our Legal & Recovery team
- Identifying the target market segments in which to operate
- Getting our Product Policies and Guidelines approved and aligned with our target market
- Building up strategic alliance with different stakeholders

Major Retail Banking Initiatives/Campaign in 2016

- Boishakhi Campaign (Car Loan)
- Insta Money (SOD Campaign)
- Drive Fast (CASA Acquisition Campaign)

Business & Operational Highlights

Service network enhancement

Dhaka Bank has made its vibrant presence all over the country with a strong web of networks dotted by 174 delivery points. In 2016, the Bank has opened 07 new Branches including 03 rural Branches, added 02 more ATMs and 01 more ADMs to the existing delivery channel of Dhaka Bank. Presently we are available with our 94 Branches (Including 2 Islamic Branches), 54 ATMs, 20 ADMs, 3 SME Service Centres, 6 Brokerage Branch under Dhaka Bank Securities Limited, 2 Off-shore Banking Units and 1 Business Kiosk.

Remittance arrangement with two new Exchange Houses

Remittances in the world represent one of major international financial resources, which sometimes they exceed the flows of foreign direct investment (FDI). There is empirical evidence that remittances contribute to economic growth, through their positive impact on consumption, savings, or investment. Remittances provide the catalyst for financial market and monetary policy development in developing countries. Remittances improve credit constraints on the poor, improve the allocation of capital, substitute for the lack of financial development and thus accelerate economic growth.

To facilitate the wage earners remittance, Dhaka Bank Ltd has tied up with 22 remittances agencies all over the world. Some of the partners are, Western Union Money Transfer (Global), Continental Exchange Solution (RIA), UAE Exchange, Express Money, Al Ansari Exchange, UAE, Index Exchange, UAE UK & UAE, Al Noor Exchange, Al Ahalia Exchange, Al mullah Exchange, Kuwait, Brac Saajan (Global), Lari Exchange, Oman International Exchange, Sunman Global Express (USA) etc.

Introducing Real Time Gross Settlement (RTGS)

Customers' comfort is the thing we always put top priority. Towards smooth and fast inter-bank transactions, Bangladesh Bank initiated the RTGS system in Bangladesh. As always, Dhaka Bank took initiative to introduce the new system in its operation. On October 29, 2015 the Bank inaugurates the RTGS system in its several Branches. RTGS is a continuous (real-time) settlement of funds transfers individually on an order by order basis (without netting). 'Real Time' means the processing of instructions at the time they are received rather than at some later time; 'Gross Settlement' means the settlement of funds transfer instructions occurs individually (on an instruction by instruction basis).

DIRECTORS' REPORT 2016
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Meeting & Business Review

21st Annual General Meeting

The 21st Annual General Meeting of Dhaka Bank Limited was held on May 29, 2016 at the Utsab Hall, Radission Blu Dhaka Water Garden, Dhaka. All members of the Board of the Bank as well as a good number of shareholders participated in the meeting and shared their comments and recommendation for the overall progress of the Bank. The AGM approved 10% bonus share and 6% cash dividend for the year ended 2015.

Meeting of Shariah Supervisory Committee

43rd Meeting of the Dhaka Bank Limited Shari'ah Supervisory Committee held on December 2016. During the year 2016 the Shari'ah Supervisory Committee conducted several meetings and reviewed a number of operational issues including those referred to by the Board of Directors and the Bank Management. In those meetings, among important agenda, discussed and approved final rates of Mudaraba Deposits under Islamic Banking wing. The committee also reviewed implementation of the rules of profit distribution system, prospects of Income Sharing Ratio (ISR) among the Mudaraba Depositors and other related issues.

Quarterly Business Review

Dhaka Bank held quarterly Business Review with due participation of Board Members and Bank Management at quarterly intervals to evaluate Bank's position on yearly business target and discussed immediate issues that affected banking business.

Strategic Alliance

Signing Ceremony Green Transformation Fund

Managing Director and CEO of Dhaka Bank Limited Syed Mahbubur Rahman and General Manager of Sustainable Finance Department of Bangladesh Bank Manoj Kumar Biswas recently signed an agreement at Head Office, Bangladesh Bank for Long Term Financing Facility in order to accelerate sustainable growth in export oriented textile and leather sectors conducive to transformation of green economy in the country on behalf of their respective organizations. S. K. Sur Chowdhury, Deputy Governor of Bangladesh Bank and Mohammad Abu Jafar, Deputy Managing Director (International Business) were also present at the occasion.

Research & Development

Alternative to research is nothing but the research itself. Difference comes by default in doing business by analyzing the facts and not doing that. One is embracing the golden rule 'look before you leap', the other is apparently not. To instill added excellence in our banking products and services, we have specialized team of banking expert under the umbrella of Research & Development to carry out extensive research to add, reshape and innovate new products and services. 2016 was an eventful year for R&D. Its areas of activities grown in many folds through diversified projects it undertook. In 2016 we introduced BASKET, a non-interest bearing savings account for interest-averse customers of the conventional banking. Besides some other liability products were redesigned round the year for the comfort of our customers and businesses. Round the year R&D was involved in feasibility study for setting-up new branch and re-relocation of existing loss-making branches of the bank. These studies immensely helped the management to take the right capital investment decision. R&D developed few policy guidelines for the bank, few of them are: Social Media Usage Policy for the Dhaka Bank Employees, Customer Service Assessment Guideline, Research & Development policy etc. After the ATM skimming incidents early last year which jolted the banking industries digital payment system, Dhaka Bank is the first bank that started showing "Safe ATM Usage Guideline" in the welcome screen of the its proprietary ATMs. R&D was the architect of this initiative. As per the business need, R&D prepared detail sector reports where the bank has already exposure or interested to have exposure. These end-to-end reports helped both of our CRM and Corporate Business units to make right investment decision at the right time. This R&D was also actively involved in its BAU activities like publishing annual report, quarterly publication INSIGHT and corporate website maintenance. R&D proudly owns the honour of arranging first-ever within the bank knowledge contest branded as "i-Quiz" based on the latest published INSIGHT. This employee engagement initiative is applauded internally and externally. Another milestone initiative taken by R&D in 2016 was, arranging Personal Social Responsibility (PSR) campaign for the first time in the bank. This motto of that campaign was to engage our employees and customers, their family and friends, digital connect of the bank to donate semi-used and new clothes for the cold-hit poor people. The campaign was titled as "আসুন শীতার্তদের পাশে দাঁড়াই". The campaign was a huge success through its innovative promotion, total twenty five thousand plus clothes were collected which is equivalent to approximately more than Tk. 2.5 million. These clothes were distributed in 15 spots of 7 extremely poor and cold-prone district of the country. You will be happy to know that the bank is the 3rd largest facebook fan-following bank of the country. It was possible as a result of well coordination by R&D. In addition R&D was actively involved in providing a series of in-depth insights on various macro and micro events to the management. It worked as wakeup calls for the management and SBUs in various instances. R&D of the bank has now publications of time frequencies like daily, weekly, fortnightly, monthly, quarterly, half-yearly and annually. In 2017, R&D has many more plans to execute and many more areas to explore. I am confident that I shall write few extra words for R&D activities in next annual report.

Corporate Social Responsibility

DBL actively embraces its role as a corporate citizen. It regards CSR not as a charity, but an investment in society and in its own future. DBL's goal as a responsible corporate citizen is to build social capital. In the reporting year the bank has contributed Tk. 80.30 million for various social and philanthropic causes. Some of the mentionable CSR activities of the bank are: the bank donated Tk.1.5 Crore at Prime Minister's Relief Fund on June 27, 2016. The cheque was ceremoniously handed over to the Hon'ble Prime Minister Sheikh Hasina at Gono Bhaban. The bank signed a Memorandum of Understanding (MoU) with Holy Family Red Crescent Medical College Hospital to provide financial support of Tk.66 Lac for renovation and beautification works of outdoor Department of the hospital. The bank donated a Microbus to 'Rainbow Valley' – a Learning Hub for Early Childhood Development and donated Tk. 6.00 Lacs to SEID

DIRECTORS' REPORT 2016
Continued

for the welfare and development of autistic (Disable) children. The Bank signed a MoU with Underprivileged Children Education Program (UCEP) to provide financial support of Tk.30 Lacs in establishing Electrical Laboratory in UCEP Institute of Science & Technology (UIST). In addition to above activities, like every year the bank distributed blankets to the poor and distressed communities of Araihazar Thana, Narayanganj as a part of its Corporate Social Responsibility (CSR).

Personal Social Responsibility

The time has come to think more about the Personal Social Responsibility (PSR) together with the CSR. PSR can be viewed as a sub set of CSR where every individual contributes to the society as a responsible member of it. Under the framework of PSR, the Bank recently arranged a cloth collection campaign titled "আসুন শীতার্তদের পাশে দাঁড়াই" through its Corporate Office, its extensions and Branches. The motto of the Campaign was to collect the clothes from the employees, valued customers and digital connects of the Bank and to distribute these to the underprivileged cold-hit people across the country. Participation in this campaign was almost 100% from branches and corporate office. This campaign able to collect more than 25,000 clothes worth Tk. 2.5 million and distributed to approximately 25,000 benefeciries in 15 areas of 7 districts viz Dhaka, Rangpur, Nilphamari, Dinajpur, Rajshahi, Chuadanga and Faridpur. In this PSR initiative, employees were seen amazingly involved and motivated.

AGM

The 22nd Annual General Meeting of the Bank will be held on Monday, June 12, 2017, at Grand Ball Room, Pan Pacific Sonargaon, 107, Kazi Nazrul Islam Avenue, Dhaka at 11:00 A.M.

Dividend

This is a great pleasure for the Board of Directors has recommended 10% cash and 5% stock dividend for the year ended on December 31, 2016 subject to approval of shareholders in the 22nd Annual General Meeting.

Election of Directors

As per the Company Act 1994 and the Articles of Association of the Bank, 1/3 (one third) of the Directors of the Bank will retire in the 22nd Annual General Meeting and they are eligible for re-election, subject to approval of Bangladesh Bank.

Appointment of Auditors

The shareholders of Dhaka Bank Ltd., in the 21st AGM held on Sunday, May 29, 2016 re-appointed ACNABIN, Chartered Accountants the statutory auditor of the company for the year 2016. As per Bangladesh Bank circular letter no. 33 dated December 23, 1992, ACNABIN was eligible for conducting audits for 3-year term ended in 2016. As such, the new auditor will be appointed in the 22nd AGM of the Bank.

Way forward 2017

Appraising the outcomes of the days behind is essential for framing the future in a golden shape. And this is significant at least to envision the future roadmap. As banking business and industry growth depends on lot many internal and external factors, it is always not possible to predict the growth and way towards upfront. Still Dhaka Bank appreciates the fact that there have to be plans and strategies based on which we will continue our tracking to the height of excellence.

Challenges:

- Finding the way out the excessive liquidity by exploring newer sectors for quality asset products
- Ensuring sophisticated IT system towards safe and lawful transactions
- Uncertainty stillprevails in the political frontier. Unless there is any political stability, economic stability is less feasible
- Addressing NPL issue, as we perceive, will be the top most challenge for banks. The banks would face more hurdles in recovering loans
- With decreasing industrial production, business can be affected and defaulted. So asset quality may not improve further
- Under continuous business stagnancy, business community might seek more cut in lending rates from banks which may cause further decline in income from lending activities

Opportunities

- Upgraded to the Lower Middle Income Country, continuous over 6 percent growth for a decade and tolerable inflation have made us believe that the days ahead will open the door of enormous opportunities
- Prudential policies taken by Bangladesh Bank to strengthen the quality of banks' assets will continue in 2016 and beyond so that the progressive trend in the financial sector can be retained, in accordance with the needs for sustained growth and expansion
- Resilient exports have brought optimism over achieving fiscal 2015-2016 export targets. Export achievement proves our resilience against domestic challenges. Demand for the country's garment product is still very good due to its competitive price well liked by international retailers. This uptrend will boost banks' income as banks have the highest exposure in this sector
- Market diversification of garment products is growing at a rapid pace, though some incidents are there, and the new markets are performing very well. India, Japan, Russia, Mexico, Brazil, South Africa, South Korea, Malaysia, China and Australia are strong new destinations making up for the loss from suspension of GSP finance
- Foreign remittance has become an unswerving hand to take the responsibility of Bangladesh economy. Every year, inward remittance is perched on a historic high strengthening country's position to meet foreign exchange demand. Banks will have ample scopes ahead to capture earnings from trade finance and channeling remittance from abroad
- Infrastructural development like the construction of Padma Bridge definitely will make a floor to boost up the investment situation in coming days

DIRECTORS' REPORT 2016
Continued

Goals set for 2017

Towards safe & sound transactions

Safety in banking transactions has become an alarming issue all over the world. In line with the massive application of information technology in banking arena, the fraud and forgery has emerged as the evil side of the coin. Believing in excellence in banking, we promise to ensure maximum safeguard in banking transactions for the sake of the hard earned public money. We are now upgrading the Core Banking System (CBS) to ensure safer and more hassle-free banking experience for the customers.

Achieving cost effectiveness

This year we are focusing on appropriating Profit after Tax at a higher level than the forgone years. Unless we hold back expenses in phases, we can hardly expedite our earnings towards our goal. In three stages, we will try to do that:

- Controlling the cost of fund by healthy deposit mix enhancing share of low cost deposit and refinancing from Bangladesh Bank
- Controlling the operating expenses by boosting HR productivity, competitive bidding with the suppliers and rational promotion of banking business
- Controlling provisions against bad loans by accelerating recovery mechanism both on-going and alternative

Betterment of asset quality

Asset quality remains always a biggest challenge for the banking industry. Our main focus in the year is to reduce the NPL. We are developing in-built capacity in the Bank to help expedite loan recovery process. We are considering appointment of more loan recovery agents and new mechanism to avoid lengthy, expensive and cumbersome procedures and too much dependence on the court for recovering loans.

Sound business mix

Focusing on inclusive finance, at the end of December 31, 2016, Bank's total SME loan portfolio was increased by 75.92% to Tk. 21,509 million from Tk. 12,226.73 million in 2015. Year 2017 will see more flourishes small ticket loans in the focus sectors of SMEs, cluster based finance, green projects, woman entrepreneurs finance, agriculture and others. Cluster development strategy has been chosen as one of the priorities. Bangladesh Bank & SME Foundation are influencing all the banks to be involved in this 'single-area single-product multiple-entrepreneurs' financing. Though Dhaka Bank Limited invested a substantial amount in 12 clusters of 40 regions, financing was not made on 'single-area single-product multiple-entrepreneurs' basis. To comply with the Cluster Development Policy of the Central Bank, we, Dhaka Bank Limited, SME Unit decided to finance 'Kaluhati Footwear Cluster' at Rajshahi, which had developed over the years with the help of SME Foundation.

In financing this cluster, we for the first time made a tie up with SME Foundation. SME Foundation agreed to help us through providing 'Refinance' against our financing this cluster at a nominal rate of interest (@4.00%) under the Credit Wholesaling Program (CWP). Initially Tk. 10.00 million has been obtained from SME Foundation under CWP to disburse the same among the cluster members of 'Kaluhati Footwear Cluster of Rajshahi'. So far we have disbursed Tk. 4.00 million among 14 members. We are hopeful to continue this relationship in coming days and to finance new clusters with the help of SME Foundation. On the corporate sides, we will try to focus on growth supportive sectors including large infrastructure and PPP in the economy. For a sound business mix, we will introduce a bundle of new products and services in tandem with rising demand and need.

Internal control & risk management

Ensuring a healthy banking business largely depends on Banks' internal soundness. In 2016 and beyond, we will stay most vigilant about financial scams, irregularities and other operational failures. We will ensure stable well-integrated operating process, new equipment to support work volume as well as strong customer complaint resolution process and Anti-money Laundering & Combating Financing of Terrorism mechanism. To control credit losses, we will ensure appropriate debt rating models, rigorous monitoring of portfolio performance and timely and effective response to changes.

HR productivity & efficiency

We will give more concentration on HR productivity this year based on our experience and output in the last five years. We believe, heightened efficiency of HR forces adds more values to banking development than any other factors. We are committed to give every try to achieve the target by a combination of talent management, including expert bankers and brilliant chunk of business graduates, sharpening job efficiency, increasing learning curve and motivating through more reward and retribution.

Business ethics to reign supreme

Whatever growth we achieve, we have to get back to the root: Ethical Standard in every sphere of business for a sustainable growth. Business ethics is more oriented with culture than administrative response, as we have experienced for long. To establish a good ethics culture, we have formed Ethics Committee comprising the Senior Management. This year we will focus on building loyalty to the organization, training on ethical practices, recognizing ethical precedence in performance appraisal and transparency in all banking operation.

Shareholders' value

All of our actions must lead to an ultimate goal-maximization of shareholders' value for what we exist and excel. With this in mind, we will concentrate on enhancing profitability to raise Earnings per Share, Dividend as well as confidence of the Shareholders.

DBL as a Power Brand

Together with you and our great team of banking excellence, we dream to build Dhaka Bank as a Power Brand in the country and even beyond across the border. Convincingly, a power brand caries enough strength to weather difficult times. The Board of Directors of Dhaka Bank aspires to honour your dream to make the Bank 'The First Choice of the Customers' in the not too distant future.

On behalf of the Board of Directors,



Reshadur Rahman
Chairman of the Board of Directors
Dhaka Bank Limited

পরিচালকগণের প্রতিবেদন ২০১৬

ঢাকা ব্যাংকের পরিচালনা পর্ষদের পক্ষ থেকে ব্যাংকের ২২তম বার্ষিক সাধারণ সভা উপলক্ষে আপনাদের জানাই উষ্ণ অভ্যর্থনা। 'বার্ষিক প্রতিবেদন ২০১৬' আপনাদের হাতে তুলে দিতে পেরে আমরা আনন্দিত। সুবিন্যস্তভাবে সাজানো এ প্রতিবেদনটি ২০১৬ সালে ঢাকা ব্যাংকের নানাবিধ কর্মকান্ড এবং অর্জন সম্পর্কে আপনাদের একটি স্পষ্ট ধারণা দেবে। এছাড়া বিশ্ব ও বাংলাদেশ অর্থনীতির সার্বিক পরিস্থিতির একটি সংক্ষিপ্ত ধারণা উপস্থাপনের পাশাপাশি ব্যাংকের নানাবিধ বিষয়ের একটি বিশদ বর্ণনা এই আর্থিক প্রতিবেদনটি আপনাদের সামনে তুলে ধরবে। ২০১৭ সালে আমরা আপনাদের প্রিয় এই ব্যাংকটিকে কোন অবস্থানে দেখতে চাই তার একটা সংক্ষিপ্ত চিত্রও এখানে দৃশ্যমান হবে।

বিশ্ব অর্থনীতি ২০১৬

বিশ্ব অর্থনীতি আরো একটি মিশ্র ফলাফলের বছর অতিক্রম করল যেখানে প্রবৃদ্ধির গতি ছিল ঠিক তার আগের বছরের মতোই মন্থর। পরিস্থিতির প্রেক্ষাপটে উন্নত অর্থনীতির অনেক দেশের কেন্দ্রীয় ব্যাংকই অভ্যন্তরীণ ভোগ ও বিনিয়োগকে যথাযথ রাখার প্রয়াসে সমন্বয়শীল মুদ্রানীতি ঘোষণা করে। উল্লেখযোগ্য হারে না হলেও উন্নয়নশীল এবং উদীয়মান অর্থনীতি তাদের প্রবৃদ্ধির ধারা বজায় রাখতে সক্ষম হয়। তবে ২০১৬ সালের শেষের দিকে এসে যুক্তরাষ্ট্রের সাধারণ নির্বাচন এবং তৎপরবর্তী ফলাফল খোদ যুক্তরাষ্ট্রের তো বটেই, অন্যান্য দেশের সার্বিক অর্থনৈতিক গতি প্রকৃতিকেও বিশেষভাবে প্রভাবিত করে। অপরদিকে ব্রেক্সিট ও ততপরবর্তী ইউরোপের অর্থনীতির বিভিন্ন চলকের ক্রমহ্রাসমান গতি বছরের শেষ অবধি আলোচনার টেবিলে জায়গা দখল করে থাকে। বিশ্বের বিভিন্ন দেশে ব্রেক্সিট পরবর্তী প্রভাব তাই ২০১৬ সালের বিশ্ব অর্থনীতির ফলাফল নির্ধারণে একটি শক্তিশালী নিয়ামক হিসেবে ভূমিকা রাখে। অন্যান্য দেশের মধ্যে জাপান তার অর্থনৈতিকভাবে ঘুরে দাঁড়ানোর প্রচেষ্টা, চীন অর্থনীতি এবং বিশ্ব রাজনীতির মিশেলে তার আধিপত্য বিস্তারের দৌড়, তার নতুন বিশ্বশক্তি হবার স্বপ্ন বাস্তবায়নের প্রয়াস ২০১৬ সালেও অব্যাহত রাখে। এ সবকিছুই প্রত্যক্ষ ও পরোক্ষভাবে ২০১৬ সালের বাংলাদেশ অর্থনীতির গতিপথ নির্ধারণে প্রভাব রাখে।

বাংলাদেশ অর্থনীতি ২০১৬

বাংলাদেশ অর্থনীতির বিভিন্ন চলকের প্রবৃদ্ধির ক্রমবর্ধমান ধারা ২০১৬ সালেও নানা ভাবেই দৃশ্যমান হয়েছে যদিও দুশ্চিন্তা করবার মত যথেষ্ট কারণও ছিল। সামষ্টিক ও ব্যষ্টিক অর্থনীতির নানা চলকের ওঠানামা ছিল প্রায় বছর জুড়েই। ২০১৫-১৬ অর্থবছরে দেশের জিডিপি প্রবৃদ্ধি ছিল ৭.১১ শতাংশ যা চলতি ২০১৬-১৭ অর্থবছরে প্রাক্কলন করা হয়েছে ৭.২০ শতাংশ। এ সময়ের মধ্যে মূল্যস্ফীতি ৫.৮ শতাংশ থাকবে বলে আশা করা হয়েছে। তবে বছরের বেশীরভাগ সময়েই মূল্যস্ফীতি কমতির দিকে ছিল। ২০১৬ সালের ডিসেম্বর মাসে মূল্যস্ফীতি ছিল ৫.০৩ শতাংশ যা বিগত ৫১ মাসের মধ্যে সর্বনিম্ন। আমদানি ও রপ্তানি আয়েও আশাব্যঞ্জক চিত্র দেখা গেছে। লক্ষ্যমাত্রা ছাড়িয়ে ২০১৫-১৬ অর্থবছরে রপ্তানি আয় হয়েছে ৩,৪২৪ কোটি মার্কিন ডলার যা গত অর্থবছরের রপ্তানি আয়ের তুলনায় ৯.৭২ শতাংশ বেশি। দেশীয় মুদ্রায় এর পরিমাণ প্রায় ২ লাখ ৭৩ হাজার ৯৩৪ কোটি টাকা। এক অর্থবছরে দেশের ইতিহাসে এটিই সর্বোচ্চ পণ্য রপ্তানি আয়, বরাবরের মতোই যার সিংহভাগ অর্জন করেছে তৈরি পোশাক খাত। তবে রপ্তানি আয়ে প্রবৃদ্ধি অর্জন করলেও প্রবাসী আয়ে ছিল হতাশার ছাপ। ২০১৬ সালে প্রবাসীরা ১ হাজার ৩৬১ কোটি ডলার প্রবাসী আয় বা রেমিট্যান্স পাঠিয়েছেন, যা ২০১৫ সালের তুলনায় ১১ দশমিক ১৬ শতাংশ কম। বিগত বছরটিতে সরকারি বিনিয়োগ বাড়লেও বেসরকারি বিনিয়োগে ছিল তার আগের বছরের মতোই স্থবিরতা। বছরের শেষের দিকে এসে সরাসরি বিদেশী বিনিয়োগেও দেখা যায় ক্রমহ্রাসমান গতি। আর এ সবকিছুই বাংলাদেশের ব্যাংকিং খাতকে নানাভাবে প্রভাবিত করে। ২০১৬ সালে বেশীরভাগ ব্যাংকের পরিচালন মুনাফা বাড়লেও সার্বিক বিবেচনায় আর্থিক খাতের চিত্র আশানুরূপ ফলাফল বয়ে আনতে পারেনি। বরাবরের মতোই ২০১৬ সালেও মন্দ ঋণ বাংলাদেশের ব্যাংক খাতকে ভুগিয়েছে। পরিস্থিতি উন্নয়নে সংশিষ্ট সকলের সদিচ্ছার কোন বিকল্প নেই। একটি সুষ্ঠু ও নিরাপদ ব্যাংক খাত দেশের অর্থনীতিকে অনন্য উচ্চতায় পৌঁছে দিতে পারে।

ঢাকা ব্যাংকঃ প্রতিনিয়ত এগিয়ে চলার প্রত্যয়

প্রতিনিয়ত এগিয়ে চলার প্রত্যয় নিয়ে ঢাকা ব্যাংক সফলতার সাথে আরো একটি বছর অতিক্রম করল।

এগিয়ে যাবার এই পথে নানাবিধ অর্জন যেমন আমাদের আপ্লুত করেছে, তেমনি পাড়ি দিতে হয়েছে কঠিন কিছু সময়। তবে ঢাকা ব্যাংকের প্রতি সম্মানিত শেয়ারহোল্ডারবৃন্দ এবং গ্রাহকগণের নিরবচ্ছিন্ন আস্থা ও বিশ্বাস কঠিন পরিস্থিতিতেও আমাদের পথ দেখিয়েছে। অনুপ্রেরণা জুগিয়েছে বাধা পেরিয়ে আত্মবিশ্বাসের সাথে সামনে এগিয়ে যেতে। এ আস্থা ও বিশ্বাস ভবিষ্যতেও আমাদের পথ দেখাবে বলেই আমরা দৃঢ়ভাবে বিশ্বাস করি। এরইমাঝে দেশজুড়ে ৯৪টি শাখা (২টি ইসলামী শাখাসহ), ৫৪টি এটিএম, ২০টি এডিএম, ৩টি এসএমই সেবা কেন্দ্র, ২টি অফশোর ব্যাংকিং কেন্দ্র, ১টি কিয়স্ক ও ঢাকা ব্যাংক সিকিউরিটিজের অধীন ৬টি ব্রোকারেজ শাখার মাধ্যমে আমরা আমাদের উপস্থিতি নিশ্চিত করেছি। প্রতিনিয়ত নতুন মানুষদের আর্থিক সেবার আওতায় নিয়ে আসতে ঢাকা ব্যাংকের উদ্যমের কোন কমতি নেই। ভোক্তাগণের দোরগোড়ায় গুণগত মানসম্পন্ন আর্থিক সেবা পৌঁছে দিতে আমরা বদ্ধপরিকর। এছাড়া দেশে অনলাইন ব্যাংকিং সেবার পথপ্রদর্শক হিসেবে ঢাকা ব্যাংক এক অত্যাধুনিক ও যুগোপযোগী তথ্য-প্রযুক্তি সমৃদ্ধ নিরবচ্ছিন্ন নেটওয়ার্ক এর মাধ্যমে সকল গ্রাহকগণকে সেবাদান নিশ্চিত করে আসছে। ২০১৬ সালে বিশেষ শ্রেণির গ্রাহকদের কথা মাথায় রেখে ঢাকা ব্যাংক বাংলাদেশের ব্যাংক খাতে প্রথম বারের মত একটি অনন্য সেবা চালু করেছে। 'আন্তরিক' নামের এই সেবার অধীন এখন ঢাকা ব্যাংকের প্রতিটি শাখায় বয়স্ক, শারীরিক প্রতিবন্ধী ও সন্তানসম্ভবা নারীদের জন্য ওয়ান স্টপ ব্যাংকিং সেবা দেয়া হচ্ছে। এতে করে এই বিশেষ শ্রেণির গ্রাহকগণকে আর কষ্ট করে লাইনে দাঁড়াতে হচ্ছে না। আমরা বিশ্বাস করি গ্রাহকদের জন্য এই ভালবাসাই আমাদের সবচেয়ে বড় শক্তি।

এক নজরে আর্থিক প্রতিবেদন ২০১৬

প্রতিটি নতুন বছরে আমাদের লক্ষ্য থাকে ঠিক এর আগের বছরের ঢাকা ব্যাংককে ছাড়িয়ে যেতে। বছরের শুরু থেকেই আমাদের সকল কর্মকান্ড ওই পথেই পরিচালিত হয়। সে ধারাবাহিকতায় ডিসেম্বর ৩১, ২০১৬ পর্যন্ত ঢাকা ব্যাংকের মোট আমানতের পরিমাণ দাঁড়ায় ২০২ বিলিয়ন টাকা যা তার আগের বছরের তুলনায় ১৪.৬৫ শতাংশ বেশি। অপরদিকে বছর শেষে লোন ও অ্যাডভান্সের পরিমাণ ছিল ১৩৪ বিলিয়ন টাকা যা আগের বছরের ১১৭ বিলিয়ন টাকার তুলনায় ১৪.৩০ শতাংশ বেশি। বেশ চ্যালেঞ্জিং পরিস্থিতি সত্ত্বেও গত বছর ঢাকা ব্যাংকের পরিচালন মুনাফা ছিল ৫,৪০৩ মিলিয়ন টাকা যা তার আগের বছরের ৩,৫০৪ মিলিয়ন টাকার তুলনায় ৫৪.২০ শতাংশ বেশি। বছর শেষে ঢাকা ব্যাংক নিট মুনাফা অর্জন করে ১,৪৬৫.৯৩ মিলিয়ন টাকা যা তার আগের বছরের ১,৪৩৭.৫৯ মিলিয়ন টাকার

পরিচালকগণের প্রতিবেদন ২০১৬

তুলনায় ১.৯৭ শতাংশ বেশি। পরিচালকগণ ২০১৬ সালের জন্য নগদ ১০ শতাংশ এবং স্টক হিসেবে ৫ শতাংশ লভ্যাংশ সুপারিশ করেছেন।

২০১৬ সালের শেষে আমাদের মোট গ্রাহক হিসাবের সংখ্যা দাঁড়ায় ৪৬০,৭১৮ টি। ২০১৬ সাল শেষ এ মোট এসএমই ঋণের পরিমাণ ছিল ২১,৫০৯ মিলিয়ন টাকা।

ঢাকা ব্যাংক সিকিউরিটিজ লিমিটেড ২০১৬ সালে নিট মুনাফা অর্জন করেছে ৮১.০৫ মিলিয়ন টাকা যা ২০১৫ সালে ছিল ৭৬.০৮ মিলিয়ন টাকা। অপরদিকে ২০১৬ সাল শেষে ঢাকা ব্যাংকের ইসলামী ব্যাংকিং-এর মোট আমানত এবং বিনিয়োগের পরিমাণ দাঁড়িয়েছে যথাক্রমে ৬,৪৭৩ ও ৫,০৩৬ মিলিয়ন টাকায়।

প্রাতিষ্ঠানিক সামাজিক দায়বদ্ধতাকে ঢাকা ব্যাংক সব সময়ই গুরুত্ব দিয়ে এসেছে। সমাজের শ্রেণিগত বৈষম্য দূর করতে এবং সমাজের বৃহত্তর কল্যাণার্থে এর কোন বিকল্প নেই। ঢাকা ব্যাংক এর প্রাতিষ্ঠানিক সামাজিক দায়বদ্ধতা কার্যক্রমে শিক্ষা ও চিকিৎসাকে বরাবরই প্রাধান্য দিয়ে থাকে। এছাড়া সমাজের দারিদ্রপীড়িত দুঃস্থ মানুষের পাশে দাঁড়ানোকেও এক অন্যতম দায়িত্ব হিসেবেই গণ্য করে ২০১৬ সালে নানা খাতে ঢাকা ব্যাংক সামাজিক দায়বদ্ধতা কার্যক্রমে অবদান রেখেছে মোট ৮০.৩০ মিলিয়ন টাকার যার মধ্যে মাননীয় প্রধানমন্ত্রীর ত্রাণ তহবিলে দেয়া হয় ১৫ মিলিয়ন টাকা।

লক্ষ্য ২০১৭

সময় এখন আরও সামনে তাকানোর। ২০১৭ সালটি ঠিক অন্য আরেকটি বছরের মতোই সম্ভাবনা এবং চ্যালেঞ্জ, এ দুইয়ের সমন্বয়েই তার পথ সাজাবে। চ্যালেঞ্জগুলোকে মোকাবেলা করে সম্ভাবনার সবটুকু কাজে লাগানোর ক্ষেত্রে আমাদের প্রচেষ্টা থাকবে সর্বোচ্চ। এরই মাঝে আমরা পোর্টফোলিওতে বৈচিত্র আনার প্রতি যথেষ্ট গুরুত্ব দিয়েছি যা ২০১৭ সালেও অব্যাহত থাকবে। বৃহৎ ব্যবসার পাশাপাশি ক্ষুদ্র ক্ষুদ্র সম্ভাবনাকে কাজে লাগানোর ক্ষেত্রেও আমাদের সমান নজর থাকবে। টেকসই ব্যাংকিং এর কথা মাথায় রেখে ঋণ প্রদানের ক্ষেত্রে ঢাকা ব্যাংক বরাবরই সুবিবেচনার নীতি অনুসরণ করে। সামনের দিনগুলিতে এ ধারা অব্যাহত রাখার পাশাপাশি মন্দ ঋণের পরিমাণ কমিয়ে আনার ক্ষেত্রে বিশেষ নজর দেয়া হবে। গ্রাহক স্বার্থকে প্রাধান্য দিয়ে তাঁদের কাঙ্ক্ষিত সেবাপ্রাপ্তি নিশ্চিতকরণে ঢাকা ব্যাংকের বহুদিনের সুনাম অক্ষুন্ন রাখার তৎপরতা অব্যাহত থাকবে। পাশাপাশি ব্যাংকের উদ্যমী ও সৃষ্টিশীল কর্মীদের নিয়ে একটি অত্যাধুনিক, লাভজনক, স্থিতিশীল, নিরাপদ ও সর্বোপরি সুষ্ঠু ব্যাংকিং নিশ্চিত করার প্রয়াস ২০১৭ সালে আরো এক ধাপ এগিয়ে যাবে বলেই আমরা বিশ্বাস করি।

গ্রাহকগণ, শেয়ারহোল্ডারবৃন্দ, পরিচালনা পর্ষদ, ব্যাংক ব্যবস্থাপনা, কর্মীবৃন্দ এবং অন্যান্য সকল শুভানুধ্যায়ীদের নিয়ে সামনের দিনগুলিতে ঢাকা ব্যাংকের পথচলা আরো মসৃণ হয়ে উঠুক। একটি সুন্দর বাংলাদেশ গড়ার মহোৎসবে ঢাকা ব্যাংক তার সর্বোচ্চ অবদান রাখুক, এই আমাদের প্রত্যাশা।

রেশাদুর রহমান
চেয়ারম্যান
পরিচালনা পর্ষদ, ঢাকা ব্যাংক লিমিটেড

COMPLIANCE REPORT ON BSEC'S NOTIFICATION



COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

The Bangladesh Securities and Exchange Commission (BSEC) has made it mandatory for all listed companies to report on the compliance of the conditions described in BSEC's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 on 'comply' basis.

The Notification requires that the company shall obtain a certificate from a practicing professional Accountant/Chartered Accountant/ Chartered Secretary/ Cost and Management Accountant regarding compliance of conditions of corporate governance guidelines of the commission. The issuer company should not engage its' External /Statutory Auditors to perform Audit/ Certification Services on compliance of corporate governance as required under condition number 7. In compliance with the Notification, Dhaka Bank Limited has appointed M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants for certification in this regard.

The Board of Directors of Dhaka Bank Limited has taken appropriate steps to comply with the conditions as detailed in Annexure-I, II & III below:

Annexure-I

25 (Twenty Five) Meetings of the Board of Directors were held from January 01, 2016 to December 31, 2016. Attendance of the Directors in these Meetings is given below:

Name of Directors	Position	Number of Meetings Held	Meetings Attended *	Remarks
Mr. Reshadur Rahman	Chairman	25	23	
Mrs. Rokshana Zaman	Vice Chairperson	25	16	
Mr. Abdul Hai Sarker	Director	25	21	
Mr. Altaf Hossain Sarker	Director	25	23	
Mr. Md. Amirullah	Director	25	25	
Mr. Abdullah Al Ahsan	Director	25	22	
Mr. Khondoker Monir Uddin	Director	25	14	
Mr. Tahidul Hossain Chowdhury	Director	25	21	
Mr. Jashim Uddin	Director	25	14	
Mr. Mohammed Hanif	Director	25	22	
Mr. Khondoker Jamil Uddin	Director	25	21	
Mr. M.N.H. Bulu	Director	25	18	
Mr. Mirza Yasser Abbas	Director	25	18	
Mr. Amanullah Sarker	Director	25	14	
Mr. Syed Abu Naser Bukhtear Ahmed	Independent Director	25	19	
Mr. M. A. Yussouf Khan	Independent Director	24	16	w.e.f. 12.01.2016
Mr. Syed Mahbubur Rahman	Managing Director & CEO	25	25	

*The directors who could not attend any Meeting were granted leave of absence.

AMAR STOCK

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

Annexure-II

The pattern of shareholding of Dhaka Bank Limited as on 31.12.2016 as per BSEC's Notification No.SEC/CMRRCD/2006-158/129/Admin/43 dated August 07, 2012 is as under:

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

b) Shareholding by:

1. Directors & their Spouses:

SL No.	Name of Directors	No. of shares held	Name of spouse	No. of shares held
01.	Mr. Reshadur Rahman	23,218,731	Mrs. Shamsi Rahman	2,236,295
02.	Mrs. Rokshana Zaman	13,771,792	Mr. A.T.M. Hayatuzzaman Khan	1,620,340
03.	Mr. Altaf Hossain Sarker	19,184,490	Mrs. Nilufar Hossain	1,046,513
04.	Mr. Abdul Hai Sarker	15,266,351	Mrs. Selina Hai	856,071
05.	Mr. Md. Amirullah	13,759,648	Mrs. Ayesha Amir	3,272
06.	Mr. Abdullah Al Ahsan	13,760,832	Mrs. Amena Begum	843,001
07.	Mr. Tahidul Hossain Chowdhury	13,815,697	Mrs. Jesmin Sultana Chowdhury	65,550
08.	Mr. Jashim Uddin	13,759,774	Mrs. Mamtaj Begum	1,156,834
09.	Mr. Mohammed Hanif	20,953,879	Mrs. Rowshan Ara Hanif	570,445
10.	Mr. Khondoker Monir Uddin	19,755,585	Mrs. Jasmine Sultana	4,646,615
11.	Mr. Khondoker Jamil Uddin	13,759,583	Mrs. Afroza Begum	Nil
12.	Mr. Amanullah Sarker	13,759,651	Mrs. Nasrin Aman	Nil
13.	Mr. Mirza Yasser Abbas	25,335,719	Mrs. Yakut Binte Sadek	Nil
14.	Mr. M.N.H. Bulu	13,775,765	Mrs. Hosne Ara Naz	Nil
15.	Mr. Syed Abu Naser Bukhtear Ahmed	Nil	Mrs. Mahin Ahmed	Nil
16.	Mr. M.A. Yussouf Khan	Nil	Mrs. Syeda Rowshan Ara Begum	Nil

2. Managing Director & CEO: Nil
3. Company Secretary: Nil
4. Chief Financial Officer: Nil
5. Head of Internal Control and Compliance: Nil
6. Spouses of above Executives: Nil

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

1. Mr. Emranul Huq, Deputy Managing Director: Nil
2. Mr. Khan Shahadat Hossain, Deputy Managing Director: Nil
3. Mr. Md. Shakir Amin Chowdhury, Deputy Managing Director: Nil
4. Mr. Md. Shafquat Hossain, Senior Executive Vice President: Nil
5. Mr. A M M Moyen Uddin, Senior Executive Vice President: Nil

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

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

Annexure-III

Statement of Status of Compliance of Corporate Governance Guideline:

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification no. SEC CMRRCD/2006-158/134/Admin/44 dated 7th August 2012 and subsequent modification SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013; issued under section 2CC of the Securities & Exchange Ordinance, 1969 by Dhaka Bank Limited as at 31st December 2016.

SEC Checklist: (Report under Condition No.7)

SL No.	Title	Compliance Status		Remarks
		Complied	Not complied	
1	**Board of Directors (BoD)**			
1.1	Board's size shall not be less than 5 (five) and more than 20 (twenty) members	√		
1.2	**Independent Director:**			
1.2 (i)	At least one fifth (1/5) of the total number of Directors in the company's Board shall be Independent Directors.		√	As on 31.12.2016, the Board of Directors consists of 16 (sixteen) members including 02 (two) Independent Directors, which is in conformity with the Bank Company (Amendment) Act, 2013 [Section 15(9)].
1.2 (ii)	**Independent Director means a Director**			
1.2 (ii) (a)	Who either does not hold any share in the company or holds less than one (1%) percent shares of the total paid-up shares of the company.	√		
1.2 (ii) (b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid up shares of the company on the basis of family relationship. His/ Her family memebers also should not hold above mentioned shares in the company.	√		
1.2 (ii) (c)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	√		
1.2 (ii) (d)	Who are not the members, Directors or officers of any Stock Exchange(s).	√		
1.2 (ii) (e)	Who is not a shareholder, Director or Officer of any member of Stock Exchange or an Intermediary of the capital market.	√		
1.2 (ii) (f)	Who is/was not a partner or an executive during the preceding 3 (three) years of concerned company's statutory audit firm.	√		
1.2 (ii) (g)	Who shall not be an Independent Director in more than 3 (three) listed companies.	√		
1.2 (ii) (h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a non bank financial institution (NBFI).	**N/A**		

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

SL No.	Title	Compliance Status		Remarks
		Complied	Not complied	
1.2 (ii) (i)	Who has not been convicted for a criminal offence involving moral turpitude.	N/A		
1.2 (iii)	Independent Director (s) shall be appointed by the Board of Directors (BoD) and approved by the shareholders in the Annual General Meeting (AGM).	√		
1.2 (iv)	The post of Independent Director(s) can not remain vacant for more than 90 days.	√		
1.2 (v)	The Board shall lay down a Code of conduct for all Board members and annual compliance of the Code to be recorded.	√		
1.2 (vi)	Tenure of office Independent Director (ID) shall be for a period of 3 years , may be extended for 1(one) term only.	√		
1.3	**Qualification of Independent Director (ID):**			
1.3 (i)	Independent Director shall be knowledgeable individual with integrity and able to ensure compliance with financial, regulatory and corporate law and required compliance.	√		
1.3 (ii)	Independent Director should be Business Leader/ Corporate Leader/ Bureaucrat/University Teacher with Economics or Business Studies or Law background / Professionals (like CA, CMA,CS) and must have at least 12 years of corporate management/professional experiences.	√		
1.3 (iii)	In special cases qualifications of Independent Director may be relaxed subject to prior approval of Security Exchange Commission (SEC).	N/A		
1.4	**Individual Chairman & Chief Executive Officer (CEO):**			
	The Chairman of the Board and the Chief Executive Officer (CEO) shall be different individulas. The Chairman shall be clected from among the directors. The Board of Directors shall clearly define respective roles and responsibilites of the Chairman and Chief Executive Officer (CEO).	√		
1.5	**The director's report shall include the following additional statements:**			
1.5 (i)	Industry outlook and possible future development in the industry.	√		
1.5 (ii)	Segment-wise or product-wise performance.	√		
1.5 (iii)	Risk and concerns.	√		
1.5 (iv)	A discussion on cost of goods sold, Gross profit margin and net profit margin.	√		Information relevant to the Banking Industry are provided.
1.5 (v)	Discussion on Continuity of any extraordinary gain or loss.	N/A		
1.5 (vi)	Basis for related party transaction- a statement of all related party transactions should be disclosed in the annual report.	√		

MYMARSTOCK

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

SL No.	Title	Compliance Status		Remarks
		Complied	Not complied	
1.5 (vii)	Utilization of proceeds from public issues, right issues and/or through any other instrument.	N/A		
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO).	N/A		
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	N/A		
1.5 (x)	Remuneration of Directors including Independent Directors.	√		
1.5 (xi)	The financial statements present fairly its state of affairs, the result of its operations, cash flow and changes in equity.	√		
1.5 (xii)	Maintenance of proper books of account by the company.	√		
1.5 (xiii)	Adaptation of appropriate accounting policies and estimates.	√		
1.5 (xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS) as applicable in Bangladesh, have been followed in adequate disclosure for any departure.	√		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1.5 (xvi)	Going Concern (ability to continue as going concern).	√		
1.5 (xvii)	Highlight and explain significant deviations from the last year's operating result.	√		
1.5 (xviii)	Key operating and financial data at least preceding 5 (five) years shall be summerised.	√		
1.5 (xix)	Reason for non declaration of dividend.	N/A		
1.5 (xx)	The number of Board meetings held during the year and attendance by each director.	√		
1.5 (xxi)	**Pattern of shareholding and name wise details (disclosing aggregate number of shares):**			
1.5 (xxi)(a)	Parent/Subsidiary/Associated companies and other related parties.	√		
1.5 (xxi)(b)	Directors, Chief Executive Officer (CEO) , Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit (HIA) and their spouses and minor children.	√		
1.5 (xxi)(c)	Executives.	√		
1.5 (xxi)(d)	Shareholders holding of 10 % or more voting interest in the company.	√		
1.5 (xxii)	**In case appointment/re-appointment of director, disclose:**			

AMARSTOCK

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

SL No.	Title	Compliance Status		Remarks
		Complied	Not complied	
1.5 (xxii)(a)	A brief resume of director	√		
1.5 (xxii)(b)	Nature of the propose Directors' expertise in specific functional areas.	√		
1.5 (xxii)(c)	Name of companies in which the person also held the directorship and membership of committees of the board.	√		
2	**Chief Financial Officer (CFO), Company Secretary (CS) and Head of Internal Audit (HIA):**			
2.1	Chief Financial Officer (CFO), Company Secretary (CS) and Head of Internal Audit (HIA) and defining their respective roles, responsibilities and duties.	√		
2.1(i)	Appointment of Company Secretary & Head of Internal Audit and defining of their roles, responsibilities and duties.	√		
2.2	Chief Financial Officer (CFO)& Company Secretary (CS) shall attend the meeting of Board of Directors.	√		
3	**Audit Committee (AC):**			
3(i)	Audit Committee shall be a subcommittee of the Board of Directors (BoD).	√		
3(ii)	Audit Committee shall assist the Board of Director (BoD)s in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a monitoring system within the business.	√		
3(iii)	Audit Committee shall be responsible to the Board of Directors (BoD) and the duties of the Committee clearly defined in writing.	√		
3.1	**Constitution of Audit Committee:**			
3.1(i)	The Audit Committee shall be composed of at least 3 members.	√		
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) Independent director.	√		
3.1(iii)	All members of Audit Committee should be "Financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	√		
3.1(iv)	Expiration of the term of service of Audit Committee members making the number lower than 3 (three) and fill up the vacancy(ies) by the Board not later than 1 (one) month from the date of vacancy(ies)	√		
3.1(v)	Company Secretary (CS) shall act as the Secretary of the Committee.	√		
3.1(vi)	The quorum of Audit Committee meeting shall not constitute without at least 1 (one) Independent Director.	√		
3.2	**Chairman of the Audit Committee**			

DMARSTOCK

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

SL No.	Title	Compliance Status		Remarks
		Complied	Not complied	
3.2(i)	Chairman of the Audit Committee shall be an Independent Director (ID).	√		
3.2(ii)	Chairman of the Audit Committee shall remain present in the the Annual General Meeting (AGM).	√		
3.3	**Role of Audit Committee:**			
3.3 (i)	Oversee the financial reporting process.	√		
3.3(ii)	Monitor Choice of accounting policies and principles.	√		
3.3(iii)	Monitor Internal Control Risk Management Process.	√		
3.3(iv)	Oversee hiring and performance of external auditors.	√		
3.3(v)	Review along with the management, the annual financial statements before submission to the Board for approval.	√		
3.3(vi)	Review the the quarterly , half yearly and annual financial statements before submission to the board for approval.	√		
3.3(vii)	Review the adequacy of internal audit function.	√		
3.3(viii)	Review significant of significant related party transactions submitted by the management.	√		
3.3(ix)	Review Management Letters/ Letter of Internal Control weakness issued by the statutory auditors.	√		
3.3(x)	Disclosure to the Audit Committee about the uses/ application of Initial Public offering (IPO)funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further on an annual basis, shall prepare a statement of funds utilized for the purpose other than those stated in the prospectus.	**N/A**		
3.4	**Reporting of the Audit Committee:**			
3.4.1	Reporting to the Board of Directors.	√		
3.4.1(i)	Reporting to the Board of Directors (BoD) on the activities of Audit Committee.	√		
3.4.1(ii) (a)	Report on conflict of interest.	**N/A**		
3.4.1(ii) (b)	Reporting to the Board of Director (BoD) on any fraud or irregularity or material defect in the internal control system.	**N/A**		
3.4.1(ii) (c)	Reporting to the Board of Director (BoD) on suspected infringement of laws.	**N/A**		
3.4.1(ii) (d)	Reporting the Board of Director on any other matter.	**N/A**		
3.4.2	Reporting of anything having material financial impact to the Commission.	**N/A**		
3.5	Reporting of activities of the Audit committee to the Shareholders and General investors.	**N/A**		
4	**Engagement of External Auditors (EA):**			
4.00(i)	Non-engagement in appraisal or valuation services or fairness opinions.	√		
4.00(ii)	Non-engagement in designing and implementation of Financial Information System.	√		
4.00(iii)	Non-engagement in Bookkeeping or other services related to the accounting records or financial statements.	√		
4.00(iv)	Non-engagement in Broker/ dealer services.	√		

MARSTOCK

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Continued

SL No.	Title	Compliance Status		Remarks
		Complied	Not complied	
4.00(v)	Non-engagement in acturial Services.	√		
4.00(vi)	Non-engagement in Internal Audit services.	√		
4.00(vii)	Non-engagement in any other services that the Audit Committee determines.	√		
4.00(viii)	No partner or employees of its external audit firms shall possess any share during the tenure of their audit assignment.	√		
4.00 (ix)	Audit / Certification services on compliance of corporate governance as required under clause (i) of condition No.7.	√		
5	**Subsidiary Company:**			
5.00(i)	Provisions relating to the coposition of the Board of Directors (BoD) of the holding company shall be made applicable to the composition of the Board of Directors (BoD) of the subsidiary company.	√		
5.00(ii)	At least 1 (one) Independent Director on the Board of Directors (BoD) of the holding company shall be a Director in the Board of Directors (BoD) the subsidiary company.	√		
5(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	√		
5(iv)	The minutes of the respective Board Meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	√		
5(v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company also.	√		
6	**Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO):**			
6(i)	The CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief.	√		
6(i)(a)	These statements do not certain any materially untrue statement or omit any material fact or cintain statements that might be misleading.	√		
6(i)(b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		
6(ii)	There are, to the best knowledge and belief, no transactions entered into by the company during the year which are fradulent, illegal or violation of the company's code of conduct.	√		
7	**Reporting and Compliance of Corporate Governance Guidelines:**			
7(i)	Obtaining certificate from a Professional Accountant/ Secretary (CA, CMA or CS) regarding compliance of conditions of Corporate Governance Guidelines of the BSEC and include in the Annual Report.	√		
7(ii)	Directors statement in the director's report whether the company has complied with these conditions.	√		

AMARSTOCK

Hoda Vasi Chowdhury & Co.
Chartered Accountants
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BTMC Bhaban (7th & 8th Level)
7-9 Karwan Bazar, Commercial Area
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Hoda Vasi Chowdhury & Co.

Certificate on Compliance of Conditions of Corporate Governance Guidelines to the Shareholders of Dhaka Bank Limited

We have examined the compliance of condition of corporate governance guidelines of the Bangladesh Securities and Exchange Commission ("BSEC") by Dhaka Bank Limited (the "Bank") as stipulated in the BSEC notification no SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012 and subsequent modification SEC/CMRRCD/2006-158/147/Admin/48 dated 21st July 2013 as at 31st December 2016.

The Bank's Responsibilities

Those charged with governance and management of the Bank are responsible for complying with the conditions of corporate governance guidelines as stated in the aforesaid notification and reporting of the status of compliance in the annual report.

Our Responsibilities

Our examination for the purpose of issuing this certification was limited to the checking of procedures and implementations thereof, adopted by the Bank for ensuring the compliance of conditions of corporate governance and correct reporting of compliance status on the attached statement on the basis of evidence gathered and representation received.

Conclusion

To the best of our information and according to the explanations given to us, we certify that, except the condition related to "Independent Directors", the Bank has complied with the conditions of corporate governance stipulated in the above mentioned BSEC notification and reported thereon.

Hoda Vasi Chowdhury & Co.

Manzoor Alam, FCA
Senior Partner
ICAB Enrolment Number 132
For **Hoda Vasi Chowdhury & Co.**
Chartered Accountants

Dhaka,
7 March 2017

AMARSTOCK

CEO'S & CFO'S DECLARATION TO THE BOARD OF DIRECTORS

Date: April 20, 2017

To
The Board of Directors
Dhaka Bank Limited

Certification of Financial Statements by the CEO & CFO

In accordance with the notification of Bangladesh Securities and Exchange Commission No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 we declared the followings regarding the financial statements of Dhaka Bank Limited for the year ended 31 December 2016:

i) We have reviewed the financial statements for the year and that to the best of our knowledge and belief:

   a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   b. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;

There are, to the best of knowledge and belief, no transactions entered into by the Bank during the year which are fraudulent, illegal or violation of the Bank's code of conduct.

Darashiko Khasru
Executive Vice President &
Chief Financial Officer (CFO)

Syed Mahbubur Rahman
Managing Director &
Chief Executive Officer (CEO)

AMARSTOCK

SUSTAINABILITY

Steering the wheel for 21 years Dhaka Bank always values heritage, upholds tradition and looks forward to brighter future. Keeping stakeholder's interest intact we are eager to perform our social responsibility and love to build a strong economic platform for Generation next. We focus on stable approach, solid ground and steady growth.

Our focus on



AMARSTOCK

SUSTAINABILITY

Continued

Sustainability

We are rebuilding a stronger and safer Dhaka Bank. The work we are doing on sustainability is an integral part of this, contributing to the long-term performance of the Bank and the return to ongoing profitability, steering the Bank towards its corporate targets with a direction of growth that meets expectations of shareholders, customers, employees, investors, international financial institutions, regulators, business partners, above all the community we operate in. Our stakeholder engagement approach allows us to understand the issues that matter most to those who have an interest in our business: treating customers fairly, being good employer, keeping customers' money and data safe. In addition, managing our wider ethical, social and environmental impacts remain among the key concerns of our stakeholders.

Our Approach

Dhaka Bank is firmly committed to being good corporate citizen and to helping clients and other key stakeholders achieve sustainable success. Bank's central sustainability theme, Generation next and beyond, reflects the essence of its ambition: Dhaka Bank here for the long term and takes into account the legitimate interest of its stakeholders-not only for today's world, but for future generations too. Three key elements shape this theme:

Entrepreneurship: A sustainable business model is based on the pursuit of a socially responsible and environmentally friendly market opportunities and supporting clients in becoming more sustainable themselves.

Stewardship:Taking responsibility for clients, suppliers, employees and reducing the environmental impact

Inclusion: Dhaka Bank encourages community involvement throughout its 21 years of operation; Dhaka Bank has pledged its commitment to build long-term sustainability through business transparency, eco-friendly innovations, and community development for a better quality of life and sustainable well-being for the next generation. We believe that responsible banking addressing social, environmental and financial conditions are key to long term success and beneficial for immediate community that includes our clients, employees and place where we operate.

Fair Banking

We are working to provide a simple, accessible and innovative service for our customers in response to their requirements. Banking is central to the daily lives of almost everyone, and it's important that we understand their needs. In 2016 we have taken steps to proactively identify people who may get into financial difficulty so we can work with customers to improve their situation. We have reviewed our rates structure (for corporate, SME and retail) as we aim to place customers at the heart of our business decision.

Supporting Enterprise

Giving support to the enterprise in the economies in which we operate is a cornerstone of our customer offering. The health of Dhaka Bank is directly influenced by the health and success of the business it supports. Whether it's continuing to serve our existing clients in the best way possible or working to give start ups the help they need to become successful-we are here to support the growth of viable businesses. We provide advice and guidance to businesses through our Branch Managers and online courses. We know it is a difficult time for some organizations and that's why we created specialist team under 'Mentorship Programme" to provide that support.

Employee Engagement

Being good employer is fundamental to our success as a business body. Our employees are a diverse and talented group which we support and encourage through internal networks and training. We highly value our employees and seek to support them through this process with a range of tools and services to help them find other roles, either inside or outside the Bank. We also offer emotional and practical challenges that they may experience.

Safety and Security

Managing safety and security of our employees and customers is one of our fundamental responsibilities. We have adopted continued vigilance approach to keep up with challenging and changeable environment that we operate in, and continually review and innovate the way we face. In 2016, we invested good sum to cover Branch security and operational risks.

Citizenship and Environmental Sustainability

As a large organization we have a responsibility to manage our internal and external impacts. A core part of this is the way we govern our environmental, social and ethical risks, not only within our own operations, but also in relation to companies we lend to. In 2016, we implemented sector policies which clearly define our lending criteria in certain sensitive industries. In 2017, will also see the launch of revised and more stretching targets to reduce our environmental footprint across our travel and energy waste, water and paper use. These targets will drive forward the management of our own footprint, and allow our stakeholders to track our progress.

Financial Inclusion

Multitudes of people across the country still remain unbanked or have limited access to banking services. We remain committed to agricultural and rural credit (micro finance) as a means of increasing financial inclusion in the country. Our approach is to support this sector by providing a range of financial services to microfinance institutions (MFIs) as well as through our own branch network. Small and Medium Enterprises played crucial role in generating jobs and economic growth in Bangladesh.

SUSTAINABILITY

Continued

Tackling Financial Crime

To guard against the risk of financial crime within our business, we focus in training our employees, strengthening our screening system and ensuring that our policies and procedures are effective and up to date. We devote our efforts to minimize the damaging effects of financial crimes on our business, our customers, and community. We focus on the following key areas:

1. Compliance with all applicable laws, regulations, and sanctions.
2. Actions to prevent Money laundering and terrorism financing.
3. Prevention of fraud.

Employee awareness about fraud trends and combating technique is the key to successful financial crime prevention. Our effort to train up the staff regarding money laundering continued in 2016. We have prioritized fraud prevention in coming years; hence planned to launch comprehensive fraud prevention strategy and training for our employees.

Suspicious Transaction Reporting (STR) and KYC (Know Your Customer) procedure are tools Bank is presently executing to prevent financial crimes and money laundering. Our core fraud combating units are security, compliance and internal audit, IT security, human resource, and risk management unit. These units are working together to strengthen fraud prevention management system in the bank.

Promoting Sustainable Finance

Our main impact on people and the environment stems from the business activities we finance. Our approach is to manage the environment, social and governance risks that come with our financing decisions, working with our client to encourage compliance with international standards. **During the fiscal year 2015-2016, we have disbursed agri-loan of Tk. 218 crore exceeding the target of Bangladesh Bank by 12%.** In addition to social and environmental policies outlined above, Dhaka Bank makes every effort to ensure that its own operations and activities are minimal in their environmental impact. Board of Directors of the bank also approved Green Banking Policy for overall governance of green banking initiatives. In line with the said policy, Dhaka Bank and its subsidiary will comply with all laws and regulations related to environmental protection, green banking and other regulatory requirements.

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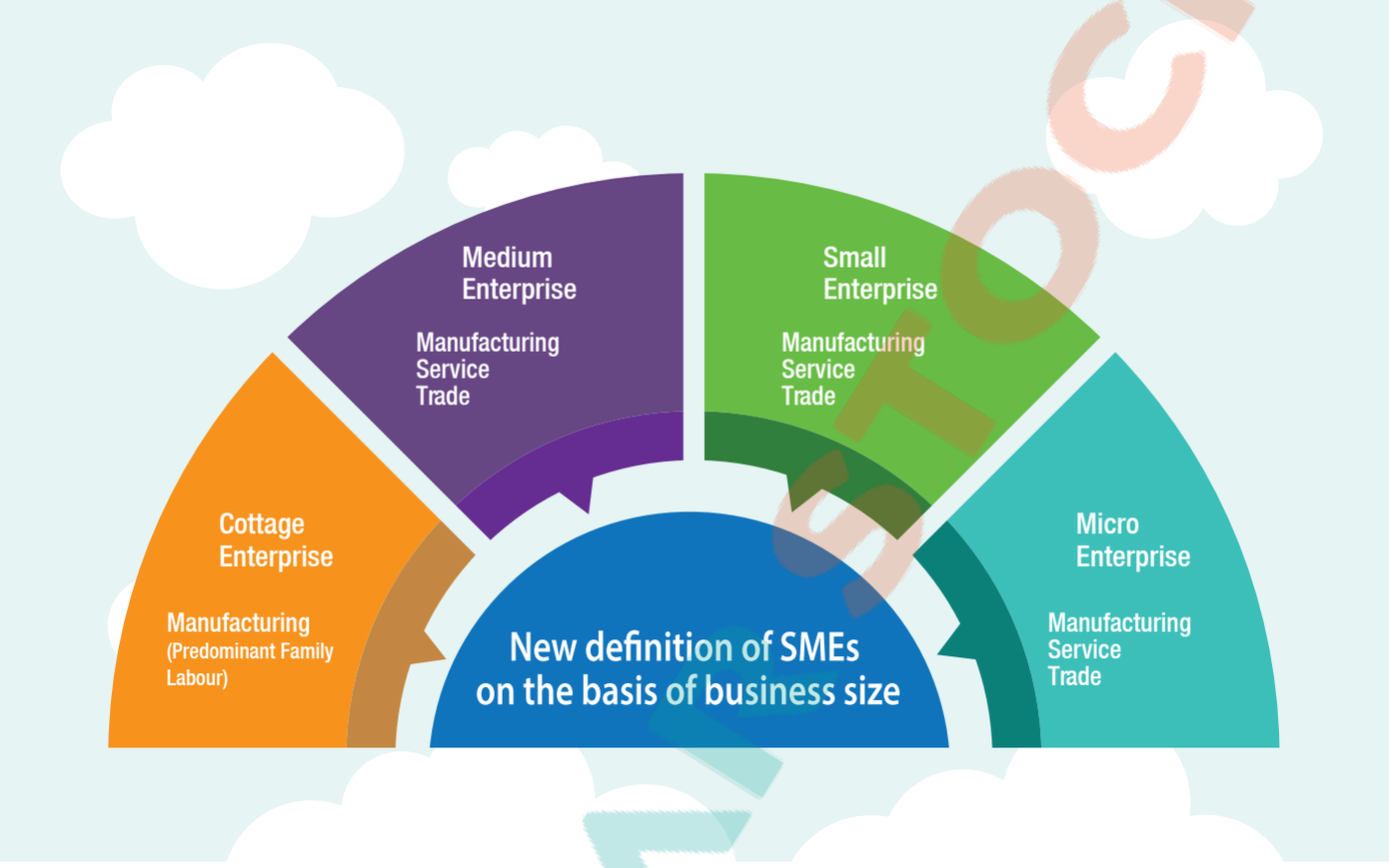
SUSTAINABILITY
SME BANKING



We need to pour water to the root of the tree to expect better outcome. Bangladesh Bank has already expanded landscape of SME by including Micro and cottage segment recently. NGOs' used to nurse those segments earlier. Now commercial banks' have given directions to focus on micro and cottage segment for the greater benefit of the nation. "Missing middle" is gradually being made history because of the different programs of Government and Bangladesh Bank. Dhaka Bank also pledges its commitment to contribute to the development of MSMEs to align with central bank's lending strategy. We aim to have sustainable and visible footage in MSME and would like to keep this journey moving forward.

SUSTAINABILITY
SME BANKING
Continued

Present Context

The Year 2016 was challenging for Banks and NBFIs for financing in MSME sector of the country. Lending rate has fallen down to 9.94% and Non Performing Loan (NPL) has been in increasing trend round the year. As a consequence, maintaining the existing portfolio health and fresh financing in MSME sector became a challenge for the banks. On the other hand, better macroeconomic indicators and political stability of the country indicating a good year ahead. Moreover, Bangladesh Bank has directed all Banks and NBFIs to emphasize to grow lending in this sector with innovative products to address the special needs of MSMEs. Bangladesh bank has given certain guideline like 20% of the total loan book of the bank has to be in SME, 10% of the total SME Loan has to be in Women Enterprise sector, 50% of total SME loan has to be in Cottage, Micro, Small segment, CAMELS rating, new branch opening decision to have impact on SME performance of the Bank etc.

In the light of positive macroeconomic indicators and political stability of the country back by special care of Bangladesh Bank to develop MSMEs of Bangladesh, we are very much optimistic about MSMEs in the year 2017 and ahead.

Business Segment	Sector	Business Size (Tk.) Fixed Asset other than Land & Building	Employed Manpower (Not above)
Cottage Enterprise	Manufacturing (Predominant Family Labour)	Up to 500,000	10
Micro Enterprise	Manufacturing	500,000 - 5,000,000	10 - 24
	Service	Less than 500,000	10
	Trade	Less than 500,000	5
Small Enterprise	Manufacturing	5,000,000 - 100,000,000	25 - 99
	Service	500,000 - 10,000,000	10 - 49
	Trade	500,000 - 10,000,000	6 - 10
Medium Enterprise	Manufacturing	100,000,000 - 300,000,000	100 - 250
	Service	10,000,000 - 150,000,000	50 - 100
	Trade	10,000,000 - 150,000,000	11 - 50

(Source: Bangladesh Bank SMESPD Circular No. 01, dated 19 June 2011)

Note: *If a firm belongs to one more categories (business segment) on any criterion, the same will be deemed as belonging to the 'larger' category.*

Our Approach

Dhaka Bank has formally stepped into financing SMEs in the country in 2003. At present, the Bank is catering SME banking services through its 94 regular Branches, 3 SME Service Centers and 1 KIOSK. The Bank focuses on diversification, differentiation, and segmentation in SME business. To this effect, manufacturing and service sectors as well as women entrepreneurs are given considerable focus. The Bank, in principle and as per guidance of the Board, has advised all small Branches to focus singly or preferably on SME business with a view to serving the underserved segment of the enterprises. The Bank targets manufacturing and service sector with more concentration on area based cluster industries. Bank's exposure to SME business is well diversified among as many as 6,332 clients cum entrepreneurs in varied sectors such as light engineering, handy crafts, cottage, power loom, agro-processing industries, poultry, dairy, boutiques, embroidery and so on. Dhaka Bank already developed innovative and tailor-made products to grow financing in this sector in coming years. We will focus on developing this sector of the country with appropriate banking facilities while combating the NPL ratios.

The Bank helps create database of SME clients, carry out survey and other necessary actions by providing relevant information to Bangladesh Bank, SME Foundation, FBCCI, DCCI, BIBM and other institutions.

The Bank was visible in almost all SME programmes such as SME Fair, Workshop, Seminar, Symposium, Focus Group Discussion (FGD) organized by Bangladesh Bank, SEDF, IFC and many other national and international agencies to disseminate expertise, knowledge and information. SME Monitoring Unit has been equipped to oversee SME loan target, supervise delinquent SME accounts and enforce remedial effects as and when necessary and to maintain liaison with branches and SME clients. Area wise focal persons are working to meet SME related queries, share information and register complaints from SME clients.

MSME Objective of the bank:

Offering innovative and need based solution to customer to ensure speedy and sustainable growth, catering new entrepreneurs, increasing financial inclusion and empowering women entrepreneurs' in the country.

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SUSTAINABILITY
SME BANKING
Continued

Performance highlight of SME Banking in 2016:

Year 2016 was challenging for the MSME in the country. High trend of non performing loan was imposing threat to the growth in SME. Changed approach of Dhaka Bank has helped us to achieve the following heights in 2016:

1. Dhaka bank is nominated as one of the top 10 commercial banks in Bangladesh for the 1st half of 2016 in SME
2. We managed to meet 113.05% disbursement target in SME segment
3. Expanded exposure in Kaluhati Footwear Cluster of Rajshahi
4. Participated in 01 fair to display our products and services
5. Total exposure on SME has grown upto 15.97% of total loan book
6. Lending to Women Entrepreneurs has grown by 19.30%
7. Have received 43.41% more SME Refinance from Bangladesh Bank
8. Our rural exposure in MSME is 28.34% of total SME book
9. Our exposure in Micro segment is 6.11% of total SME book, in Small segment is 76.39% of total SME book and in Medium segment is 16.66% of total SME book.
10. Our exposure in Trading sector is 42.25% of total SME book, in Service sector is 39.50% of total SME book and in Manufacturing sector is 18.25% of total SME book.

Objectives 2017

- Revamping SME wing to have sustainable growth in SME segment
- We are in a process to implement technology based tools to make the MSME functions more efficient and faster
- New need based solutions to give quick service to clients
- Strengthening supervisory functions to cut down classification in SME
- Give more focus in Supply chain finance, agro based industry, backward linkage industry, environment friendly Brick fields, Bio Gas, Handloom/Power loom, Ready made garments, Show making Industry, Light engineering, Commercial housing for work force of industries, work order assistance etc
- To become the fastest SME loan processing centre in country without compromising with risk elements
- Giving more focus on rural areas than metropolitan areas
- Focusing loan to new borrowers having no borrowing experience
- Sustainable improvement in recovery of SME

Operating Highlights and destination:

DBL recognizes that SMEs as a core part of financial integration is key to achieving sustainable growth of a financial institution. Considering the prospects and growing opportunities of SME Finance, Dhaka Bank made a strategic shift in SME portfolio. The threshold (loan limit) for SME finance has been enhanced to Tk. 15.00 crore under manufacturing, Tk. 7.50 crore under trade and service. Under the new arrangements along with our continued support for promotion of SME business, Bank's total SME loan portfolio has increased by 75.91% to Tk. 21,509.00 million. The change also contributed to Bank's profitability that resulted from the reduction in provision requirement for the Bank. We are committed to keep our strong footage in contributing to the economical development of the bank by extending credit to MSMEs.

Financial Highlights

Dhaka Bank's current SME portfolio stands at Tk. 21,509.00 million as on December 31, 2016. Bank's disbursement to SME sector during 2016 aggregated Tk. 19,218.40 million against the budgetary target of Tk. 17,000.00 million. Percentage of Non Performing Loans to total SME portfolio has gone a bit high to 13.79% at the close of December 2016 from 11.96% of 2015. During 2016, the Bank has achieved refinance for Tk. 136.10 million from respective funds of BB, ADB, WE, EGBMP, SOLAR and BIO-GAS.

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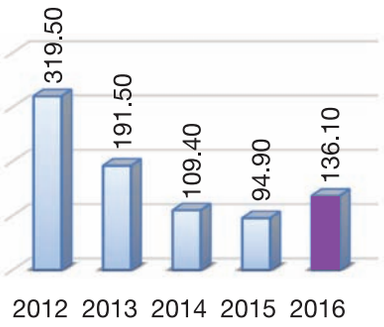
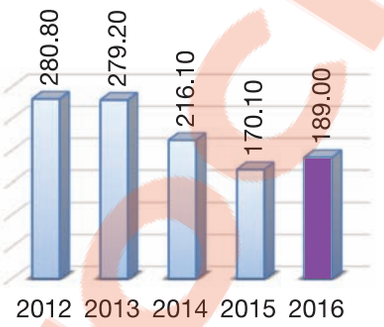
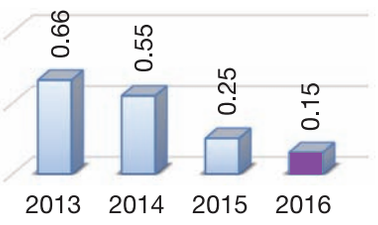
SUSTAINABILITY
SME BANKING
Continued



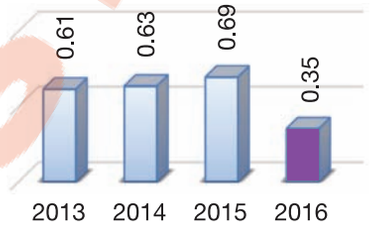
SME Refinance Gain History Year Wise (Tk. in million)



SME Refinance Outstanding Year Wise (Tk. in million)



Green Refinance Gain History Year Wise (Tk. in million)



Green Refinance Outstanding Year Wise (Tk. in million)

Focus on Small Enterprise and Manufacturing Sector:
We are specially focused on financing to Small Segment of the economy. Our exposure in small segment is 76.39% of our total SME portfolio as on 31st December, 2016.We are also giving special focus to manufacturing segment. Our exposure in manufacturing segment is 18.25% of our total SME portfolio.

Focus on Women Entrepreneur (WE) Finance:
We are giving special focus in financing women entrepreneurs. Our lending to Women Entrepreneurs has grown by 19.30% and Total WE Outstanding stood at Tk. 126.70 million at the end of the year 2016. We are expecting that in 2017, we will be able to grow further in this sector so that we can contribute towards empowering women entrepreneurs' in the country.

Key Attributes of WE Finance
a) Available at all DBL Branches and SME Service Centers
b) Easy terms and conditions
c) Rate of interest only at 10.00% under Women Entrepreneur Refinance Scheme (BB)
d) Quick approval process
e) Unsecured facility for a certain limit

Operating Highlights (as on December 31, 2016)
The banks total exposure in WE Finance stood at Tk. 126.70 million as of 31st December, 2016 indicating a growth of 19.30% over the last year. The Bank has extended loan to 64 Women Entrepreneurs up to 2016 under Women Entrepreneur Refinance Scheme by Bangladesh Bank. Products and services offered by Women Entrepreneurs included Boutiques, Readymade garments, Cookery Items, Embroidery and Designing, Fisheries, Agro Products, Personal Care, Training Center and so forth.

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SUSTAINABILITY
SME BANKING
Continued

Footage on some other special clusters:

We are also focused on some areas where some specialized clusters have developed such as Power loom factories for manufacturing of lungi in Sirajgonj zone and Power loom factories of Narayangonj zone for manufacturing of gray fabrics, trading business of construction materials in Aminbazar area and RMG manufacturing factories in Keranigonj area. Our exposure in these special clusters is 13.49% of our total SME portfolio, as on 31st December, 2016. We are also focused on financing backward linkage concerns of RMG sectors who are involved in supplying garments accessories to various export oriented garments factories of Bangladesh. During 2nd half of 2016, we have financed Tk. 34.99 Crore by discounting 531 nos. of bills through our product LABA (Loan Against Banker's Acceptance).

Bangladesh Bank recognition:

Recently, Dhaka Bank has been rated as the 6th Best SME Lender of the country by Bangladesh Bank. Bangladesh Bank has done this rating on the basis of various parameters of SME lending activities of all the banks of the country up to 30th June, 2016. Mainly this rating has been done on the basis of some major criteria like SME loan disbursement against yearly budget for this sector, Classification status, lending to women entrepreneurs, Manufacturing sector and in rural areas of Bangladesh. This rating proves that Dhaka Bank is devoted for the betterment of the SME sector of this country.

Cluster Financing

To comply with the Cluster Development Policy of the Central Bank, we, Dhaka Bank Limited, SME Unit decided to finance 'Kaluhati Footwear Cluster' at Rajshahi, which had developed over the years with the help of SME Foundation. In financing this cluster, we for the first time made a tie up with SME Foundation. SME Foundation agreed to help us through providing 'Pre-finance' against our financing this cluster at a nominal rate of interest (@4.00%) under the Credit Wholesaling Program (CWP).

Initially, SME Foundation agreed to provide Tk. 10.00 million under CWP to disburse the same among the cluster members of 'Kaluhati Footwear Cluster of Rajshahi'. So far we have disbursed Tk. 5.10 million among 14 members. We are hopeful to continue this relationship in coming days and to finance new clusters with the help of SME Foundation.

New Products to be launched soon:

NEW PRODUCTS TO BE LAUNCHED SOON

- DBL Reverse Factoring
- DBL Commercial Vehicle Loan
- DBL SME Distribution Loan
- DBL Grihayon Loan
- DBL SME Seasonal /Festival Loan
- DBL Machinery Lease Loan

SUSTAINABILITY
GREEN BANKING



Global warming, ozone layer and continuous ice-breaking in the earth poles are big time concern of the environmentalists. First world economy, may not be to the justified range, trying to invest a portion of their budget to negate these climate issues. The wave of climate change touched the periphery of Bangladesh a few years ago. Being guided and self-driven, Banking Industry also puts its due emphasis. We value the eco-stability and try to paint our business with green.

SUSTAINABILITY
GREEN BANKING

Green Banking

Decades of careless handling of environment lured by unchecked industrial competition have let loose a Pandora's Box, known as "Global Warming". Global warming, also called as "Green House Effect", is a global issue that calls for a global response. The warming, an effect of certain man-made gas emissions (such as carbon-di-oxide, methane, nitrous oxide and hydro-fluro carbon), is found responsible for distortion of balance in the environment and climate changes. Green Banking is a component of the global initiative by a group of stakeholders to save environment. Bangladesh is one of the most climate change vulnerable countries. In line with global development and response to the environmental degradation, financial sector in Bangladesh should play an important role as one of the key stakeholders. Dhaka Bank Limited, as part of financial sector of Bangladesh, is also responsible for safeguarding the environment.

Green Banking Activities

Green Banking calls for banking business in such areas and in such a manner that helps the overall reduction of external carbon emission and internal carbon footprint. To aid the reduction of external carbon emission, banks should finance green technology and pollution reducing projects. Internally the banking operations have considerably increased the carbon footprint of banks due to their massive use of energy e.g. lighting, air conditioning, electronic / electrical equipments, IT, high paper wastage, lack of green buildings etc. Therefore, to adopt green banking, bank should adopt technology, process, and products which result in substantial reduction of their carbon footprint as well as develop sustainable business.

Green Banking as a Safeguard against Risk

Green banking is potential to shield against certain risks. Green banking can act as a tool to mitigate some form of credit risk, legal risk, reputation risk, security risk etc.

Green Banking Initiatives of Dhaka Bank

- Realizing the importance of green banking, Dhaka Bank Limited has already formulated its Green Banking Policy as per Bangladesh Bank guidelines and have had it approved from its Board of Directors.
- Green Banking Financial Products: Dhaka Bank Ltd. has developed innovative green banking financial products which can directly or indirectly contribute to the reduction of carbon emissions.
- The Board of Directors of Dhaka Bank Limited has approved budget for "Green Finance" and "Climate Risk Fund" and working closely for its utilization. The bank is actively looking to finance green projects such as ETP, Hybrid Hoffman Kiln (HHK), Zigzag or equivalent Technology in Brick Field, Bio-Gas Plant, Solar Power System etc.
- Recently a participation agreement for "Refinancing in Hybrid Hoffman Kiln (HHK) or equivalent Technology of Brick Field" between Bangladesh Bank and Dhaka Bank Limited has been singed at the conference room of Bangladesh Bank. Under this agreement, Dhaka Bank Limited will finance brick field using environment friendly technology and will obtain refinancing facility from Bangladesh Bank in this respect.
- Online banking, mobile banking, internet banking facilities for our clients to encourage paper less banking.
- Use of e-mail and IP message system for internal communication throughout the bank.

In-House Green Banking Activities

In light of Green Banking Policy of Dhaka Bank Limited, a general instruction has been issued on the followings green activities/practices as part of in-house environment management and to promote Green Banking within the bank:

Electricity Consumption

- Ensure economic use of electricity;
- Use energy saving lights in bank premises;
- Shutdown your computer properly and switch off your computer monitor before leaving office each day;
- Ensure that light, fans, air conditioner have been switched off before leaving office each day; and
- Use energy efficient electronic equipments;

Fuel Consumption

- Ensure economic use of fuel;
- Buy energy efficient cars to reduce gas and petroleum consumption.

Paper Consumption

- Where possible use online communication (e-mail, IP message etc.) instead of printed communication;
- Think twice before taking a print;
- Take print on the both side of paper to save paper consumption;
- Use scrap paper for taking draft print and as note pads;

Water Consumption

- Do not misuse drinking water; and
- Ensure economic use of water in all other cases.

Others

- Avoid use of disposable cups/glasses to become more eco-friendly;

Green Mortgages

Dhaka Bank Ltd. will offer special discount to the borrower who will provide mortgage of land and buildings which are greener. This initiative will induce use of more energy-efficient materials and building plans. Dhaka Bank will not allow the land as mortgage that is prone to environmental impacts by virtue of its geographical location and polluted by the operation business activities. As a mortgage preference will be given to the buildings those are designed and constructed with energy efficient items such as solar panels and improved insulation.

DHAKA BANK STOCK

SUSTAINABILITY
GREEN BANKING
Continued

Carbon Footprint Reduction
Dhaka bank has taken the following measures to reduce the carbon footprint: (a) paperless banking (b) energy consciousness, (c) establishment of green building for its own use etc.

Environmental Risk
The bank use Environmental Risk Rating (EnvRR) for both financing for new, green field projects as well as those pertaining to existing facilities. The scenario of environmental rating of the Bank is as under as of December 31, 2016:

Tk. in million

Particulars		Total
No. of Projects applicable for Environmental Due Diligence (EDD)		724.00
No. of Projects Rated (Environmental Risk Rating)		724.00
	Low	624.00
	Moderate	100.00
	High	-
Rated Projects financed	Total Number	1,262.00
	Low	1,135.00
	Moderate	127.00
	High	-
	Total Amount Disbursed (in million Taka)	9,547.28
	Low	7,002.90
	Moderate	2,544.38
	High	-

Social Responsibility Services
As part of the green banking strategies, Dhaka Bank has initiated a number of social responsibility services like tree plantation campaign, park development, etc. As a token of the initiatives Dhaka Bank Ltd. has already developed a green square in front of the High Court named “Kadam Fountain” and another small park in front of the Dhaka Bank head office. Dhaka Bank also decorated the road island from Central Idgah to Kakrail Mosque with plantation of tree and flower plant as part of the Government beatification program.

Green Finance
The Bank has undertaken the following green finance project up to December 31, 2016:

Tk. in million

Particulars		Number	Amount
ETP	For Installation of ETP (Amount Disbursed)	1	12.00
	Projects financed having ETP (Full amount disbursed)	89	6,605.30
Bio-gas Plant		1	0.50
Hybrid Hoffman Kiln (HHK)		18	166.10
Green Finance at reduced rate of interest		2	1.00

AMAR STOCK

SUSTAINABILITY
GREEN BANKING
Continued

Online Banking

Dhaka Bank is pioneer bank of the country for conducting banking online. The online banking effort of the Bank is as under (Up to December 31, 2016):

Particulars		Total
No. of ATM	Own	54
	Shared	54
Online Banking	No. of Total Branches	94
	No. of Branches with online coverage	94
No. of Total Accounts		314,504
Internet Banking	No. of Accounts facilitated with Internet Banking	12,437
	% of Accounts facilitated with Internet Banking	4.00%
Mobile/SMS Banking	No. of Accounts facilitated with Mobile/SMS Banking	158,104
	% of Accounts facilitated with Mobile/SMS Banking	50.27%

AMARSTOCK

SUSTAINABILITY
CORPORATE SOCIAL RESPONSIBILITY (CSR)

Every business has three major goals: sustaining profit, sustaining the brand and sustaining the staff. And a business has to strive for earning profit as it is essential for its survival and growth as an enterprise. The survival of any business will be a day-dream without profit. But the profit has other dimensions too. Socially responsible business practices reduce a company's financial profit but could potentially enhance its value. Sustainable Corporate Social Responsibility (CSR) initiatives are embedded in the viable business strategy of organization. The role of CSR, especially from the viewpoint of company, is important in bridging the economic divide that exists in the country. The businesses themselves alone cannot largely carry out the CSR initiatives. They need to create their own patrons for this. The more there is a linkage between business and the patron organization, the more likely is that CSR initiatives will be sustainable for a longer period. The contemporary CSR agenda is founded in recognition that businesses are part of the society and they have the potential to make positive contribution towards social goals and aspirations.

Corporate Social Responsibility (CSR) in DBL

The word sustainability has become essential in business terminology, with implications much more far-reaching than environmental friendliness. Savvy leaders understand that in order to gain a competitive edge, they must incorporate sustainable business practices to ensure the long-term success of their companies. The phrase corporate social responsibility (CSR) gained popularity throughout the late 1960s and early 1970s, referring to companies that emphasized a new paradigm in business: the triple bottom line. Businesses focusing on the components of the triple bottom line - people, planet, profit - stress a commitment to business practices that ensure the long-term health of their company, employees, the environment and the community. The paradigm is rooted in the belief that businesses have an obligation to care for their surroundings and by doing so, will realize greater success.

No matter the size of the company, demonstrating good corporate citizenship will likely result in significant business benefits. A successful CSR endeavor enhances a company's reputation by positioning it as a business that is interested in more than just the bottom line. This philosophy can be very attractive, not just to customers or clients, but also to vendors, partners, investors and employees. When people's values align, it can often lead to better working relationships and increased loyalty, which often results in increased financial gain.

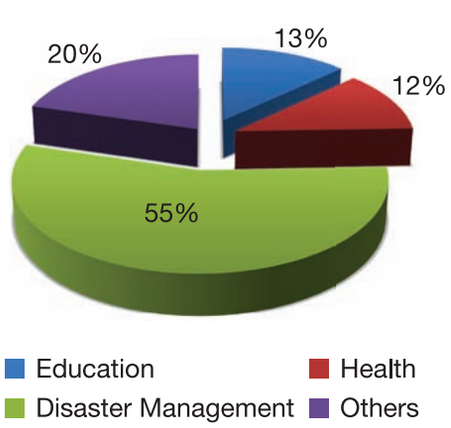
DBL actively embraces its role as a corporate citizen. It regards CSR not as a charity, but an investment in society and in its own future. DBL's goal as a responsible corporate citizen is to build social capital. The Bank leverages its core competencies in five areas of activities through social investments it aims to create opportunities; with its involvements in art & culture it fosters creativity; via its educational grant programme it enables talent; through its commitment towards sustainability it ensures long term viability and the Bank's employees regularly participate in activities that provide social support.



Mr. Altaf Hossain Sarker, Former Chairman and Director of Dhaka Bank Limited along with Mr. Mohammed Hanif, Director of Dhaka Bank Limited recently donated Tk. 1.00 Crore at the Relief Fund of Hon'ble Prime Minister of Peoples' Republic of Bangladesh on December 8, 2016 for Cold Affected Underprivileged People of the Country. The cheque was ceremoniously handed over to the Hon'ble Prime Minister Sheikh Hasina at Prime Minister's Office.

Dhaka Bank Foundation

The endowment of Dhaka Bank Foundation, which was founded in 2004, has grown to a significant size since its inception. The funding policy has focused on some major areas: education and research, healthcare, art and culture and social projects. Dhaka Bank wants to eliminate the impropriety in the society, to create fellow feeling among the citizens of the country, motivate people to do good works and conserve nature. Thus education, healthcare, human resource development, conservation of nature, creation of social awareness, rehabilitation of destitute, communication and address human sufferings arising out of man-made & natural causes are some of the important areas where Dhaka Bank has been carrying out its social



Sector wise CSR contribution

SUSTAINABILITY

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Continued

Corporate Social Responsibility

and philanthropic responsibilities. In the reporting year Tk. 80.30 million was contributed for social and philanthropic causes.
Area of our corporate philanthropy and social obligation is not limited at all. Since our take-off in 1995, we have been taking part in diversified social activities. In recognition of active participation in social development activities, DBL won the Standard Chartered-Financial Express CSR Award 2005 followed by many more accolades till date.

Dhaka Bank Donated Tk.1.50 Crore at Prime Minister's Relief Fund

Mr. Abdul Hai Sarker, Founder Chairman and Director of Dhaka Bank Limited along with Mr. A.T.M. Hayatuzzaman Khan, Former Chairman and Sponsor of Dhaka Bank Limited recently donated Tk. 1.50 Crore at the Relief Fund of Hon'ble Prime Minister of Peoples' Republic of Bangladesh on June 27, 2016. The cheque was ceremoniously handed over to the Hon'ble Prime Minister Sheikh Hasina at Gono Bhaban.



Cheque handed over to the Hon'ble Prime Minister's Relief Fund.

Dhaka Bank Donated Blankets to Distressed People of Araihazar Thana, Narayanganj

Like every year, Dhaka Bank Limited distributed blankets to the poor and distressed communities of the country as a part of Corporate Social Responsibility (CSR) of the Bank. Former Chairman of Dhaka Bank Limited Mr. A.T.M. Hayatuzzaman Khan donated the blankets to the poor and distressed people of Araihazar Thana, Narayanganj on behalf of the Bank on Friday, January 1, 2016. Managing Director & CEO of the Bank Mr. Syed Mahbubur Rahman, Additional Managing Director Mr. Emranul Huq along with Deputy Managing Directors namely Mr. Khan Shahadat Hossain, Mr. Md. Shakir Amin Chowdhury, Mr. Mohammad Abu Jafar and Branch Managers of Narayanganj zone were also present in the event.



Donated Blankets to Distressed People of Araihazar Thana, Narayanganj.

SUSTAINABILITY

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Continued

Dhaka Bank Limited signed a Memorandum of Understanding (MoU) with Holy Family Red Crescent Medical College Hospital

Dhaka Bank Limited signed a Memorandum of Understanding (MoU) with Holy Family Red Crescent Medical College Hospital to provide financial support of Tk.66 Lac for renovation and beautification works of outdoor Department at Holy Family Red Crescent Medical College Hospital, Dhaka.

The MoU was signed by Mr. Emranul Huq, Additional Managing Director of Dhaka Bank and Brigadier General (Retd.) Dr. Md. Showkat Ali, Director, HFRCMCH. While the cheque handed over by Mr. Reshadur Rahman, Chairman, Dhaka Bank Ltd. to Mr. Hafiz Ahmed Mazumder, Chairman, Holy Family Red Crescent Medical College Hospital. Mr. A.T.M. Hayatuzzaman Khan, Former Chairman and Mr. Altaf Hossain Sarker, Director, Dhaka Bank Limited and Mr. Syed Mahbubur Rahman, Managing Director & CEO of Dhaka Bank were present.

Among others, Mr. Arham Masudul Huq, SEVP & Company Sectary, Dhaka Bank Limited, Advocate Tawhidur Rahman, Treasurer, BDRCS, BMM Mazharul Huq, Secretary General of BDRCS with other senior officials both the organization were Present on the delightful occasion.



Mr. Reshadur Rahman, Chairman of Dhaka Bank Ltd. handing over the cheque of Tk.66 lac to Mr. Hafiz Ahmed Mazumder, Chairman of HFRCMCH for contribution towards renovation and beautification works of outdoor Department at Holy Family Red Crescent Medical College Hospital Under the Corporate Social Responsibility.

Dhaka Bank Donates Microbus to 'Rainbow Valley'

Dhaka Bank Limited donated a Microbus to 'Rainbow Valley' – a Learning Hub for Early Childhood Development as a part of Corporate Social Responsibilities of the Bank on November 30, 2016. The Microbus was ceremoniously handed over to Ms. Zinia Jesmin Karim, Head, Rainbow Valley by Mr. Syed Mahbubur Rahman, Managing Director & CEO of Dhaka Bank Limited. Among others, Additional Managing Director Mr. Emranul Huq, Mr. Md. Altamas Nirjhar, VP, General Services Division, Mr. Khandaker Anwar Ehtesham, FVP & Head, Communications & Branding Division of the Bank along with the representatives from both Dhaka Bank and Rainbow Valley were also present.



Donates Microbus to 'Rainbow Valley'.

SUSTAINABILITY

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Continued

Dhaka Bank Donate Tk. 6.00 Lac towards SEID

Recently, Dhaka Bank Limited donated a cheque of Tk.6.00 lac to SEID (an autistic children welfare & development organization) at its Corporate Office.

Mr. Syed Mahbubur Rahman, Managing Director & CEO of Dhaka Bank Limited handed over the Cheque to Mr. Ranjan Karmaker, Chairperson of SEID for the welfare and development of autistic (special) children under corporate social responsibility.

Mr. Emranul Huq, Additional Managing Director and Mr. Shakir Amin Chowdhury, Deputy Managing Director of Dhaka Bank Ltd., Mr. Khandaker Anwar Ehtesham, SAVP & Head of Communications & Branding of Dhaka Bank Ltd. and other officials of both organizations were present on this handover ceremony.



Mr. Syed Mahbubur Rahman, Managing Director & CEO of Dhaka Bank Ltd. handing over a cheque of Tk. 6.00 Lac to Mr. Ranjan Karmaker, Chairperson of SEID for the welfare and development of autistic (Disable) children.

Dhaka Bank is Supporting UCEP to improve Quality of Technical Education

Dhaka Bank Limited signed a Memorandum of Understanding (MoU) with Underprivileged Children Education Program (UCEP) to provide financial support of Tk. 30.00 lac in establishing Electrical Laboratory in UIST (UCEP Institute of Science & Technology) Dhaka. UIST offers 4 year diploma program in engineering. The planned laboratory would help UIST students to learn about the latest electrical technologies and become high quality technical graduates.

The MoU was signed by Mr. Emranul Huq, Additional Managing Director of Dhaka Bank and Mr. Zaki Hasan, Chairman & CEO of UCEP Bangladesh while the agreement papers were exchanged by Mr. Syed Mahbubur Rahman, Managing Director & CEO of Dhaka Bank and Mr. A Matin Chowdhury, Chairperson of UCEP Board of Governors.

Among others, Deputy Managing Directors of Dhaka Bank Mr. Khan Shahadat Hossain and Mr. Md. Shakir Amin Chowdhury, SEVP & Company Secretary of Dhaka Bank Mr. Arham Masudul Huq, Vice Chairperson of UCEP Board of Governors Mr. A Q Siddique along with senior officials of both the organizations were present.



Mr. Syed Mahbubur Rahman, Managing Director & CEO of Dhaka Bank and Mr. A Matin Chowdhury, Chairperson of UCEP Board of Governors exchanging documents while Mr. Emranul Huq, Additional Managing Director of Dhaka Bank and Mr. Zaki Hasan, Chairman & CEO of UCEP Bangladesh signed the agreement on behalf of respective organizations.

MANAGEMENT DISCUSSION & ANALYSIS



Everything is entirely inter-connected in the business arena. Good or bad happens to any part consequently affects the others in a straight line. As together we drive for excellence, each and every part of our business matters a lot in what we achieve collectively. We scrutinise, analyse and further adjust our business strategies as and when required to cope up with newly demanding and diversified realities. Meanwhile, Dhaka Bank always cares the value and upholds the tradition as we believe; every skyscraper firmly stands on its deep-rooted pillars.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Another challenging year has gone reflecting the diverse effects all around. The world economy continued the same stagnant pace of the previous year in 2016 again. Continuance of declining crude oil price, Brexit issue, slow growth in major developed economies, refugee issue and violence in some regions summed up the year 2016. After a lacklustre outturn in 2016, economic activity is projected to pick up pace in 2017 and 2018, especially in emerging markets and developing economies, the IMF stated. Here in Bangladesh, the economy was on the right track to grow with relatively stable GDP growth (7.11% in FY'16) amid the global economic stagnancy. Inflation was also seen declining (5.03% P2P on Dec'16; 51 month lowest) throughout the year mainly because of low oil price in the international market. The export saw a notable upturn (4.44%) while the remittance left a bit bad notion, decreased by 11.16%.

Banking in 2016 was mixed bag again. Banks were perplexed with all its idle money finding safe baskets nowhere to invest. Deposit and Advance were in a good position; saw around 13% and 14% growth respectively. The private sector credit growth was moderately fine than the previous year. Though the industry was relatively stable, but the reserve heist and ATM scam were two major indicatives urging us to be more cautious about the use of information technology. Dhaka Bank was on the go in ensuring its market share under the challenging market setting in 2016. Amid the challenging scenario, Dhaka Bank so far covered those negatives and sustained its voyage to the prosperity using its manifold potentials; competitive pricing of the products and services and definitely highly skilled and trained human resources and a state of the art IT infrastructure to remain vibrant in the race. Our major focus in 2016 was ensuring more customer satisfaction, employee engagement, process re-engineering and maintaining regulatory compliance keeping in mind the long-term sustainability.

Corporate Banking

Since the inception, the business portfolio of Dhaka Bank Limited has been dominated by all sorts of Corporate Banking, to which the bank is fully acquainted. Efficiency in addressing the sophistication of the corporate lending modalities and introducing tailored services to its corporate customers ensuring the cost efficiency have lifted this bank to the current position in the industry. Backed up by the strong corporate strategy as well as the state of the art online banking platform, DBL has gained its reputation among the corporate conglomerates of the country, which is reflected by all the big names of almost all the business sectors of the country, who are satisfactorily enjoying our products and services.

Business Portfolio segregation

At the end of the balance sheet period, total corporate lending stood at around BDT 112 billion, which comprises approximately 83% of the entire lending portfolio of the bank.

Fig. in million BDT

Sector	Amount	% of Portfolio
Corporate	111,588	82.89%
Syndication	4,564	3.39%
SME	14,796	10.99%
Consumer	1,403	1.04%
Others	2,266	1.68%

Corporate Credit Portfolio

Corporate portfolio of the Bank is governed by Head Office Credit Committee with segregation of responsibilities under three essential parts namely assessment of risks, credit administration and monitoring function.

At the end of 2016, credit portfolio of the Bank increased to reach the total of Tk. 134,689.31 million against Tk. 117,840.17 million of 2015, with a growth of 14 per cent over the preceding year. Bank's credit to deposit ratio was maintained at 83.87 percent on an average during the year. DBL adopts a cautious and selective approach in choosing borrowers so as to maintain a quality credit portfolio. Thus as a whole the Bank represented a quality credit portfolio.

Our Credit line-up comprises core exposures to business, industry, service and trade sectors. DBL has been keeping its loan portfolio well diversified with the blend of corporate lending, project finance, trade finance, SME loans, agriculture credit, house building loan, staff loan, retail and credit card to the deserving clients.

Commercial Loans

Commercial Loans hold the major portion of corporate lending comprising a complete range of banking products namely working capital finance, trade finance and other loans intended to serve commercial purpose. This segment of financing extends supports to large and thriving business entities in Bangladesh including commodity trading, financing in infrastructures like roads, bridges, transportations, etc and lots of industrial undertakings.

Export Finance

Export earnings and inward remittances from abroad have a telling effect upon the Balance of Payment (BoP) of the country and are the main sources of foreign exchange. A significant part of Bank's lending portfolio belongs to export financing. DBL has tailored a complete solution to its export driven customers with a countrywide network of 18 Authorized Dealer (AD) Branches, 1 offshore banking unit and other 76 Non - AD branches. DBL has got several big names among the large exporters of the country in its portfolio and the volume of direct exports in 2016 was worth Tk. 88,050 million approximately against the preceding year's figure of Tk. 69,492 million with a growth of 27%. Bank's total volume of export encompassed the area of RMG, home-textile, fisheries, leather, ceramics, pharmaceuticals, jute, natural rubber and others.

Project Finance

Dhaka Bank financing window to pioneering but non-conventional undertakings was wide open during the year 2016. The Bank continued project financing in support of entrepreneurship, innovative schemes and ventures profitable in terms of commercial, economic and environmental outlook. Project finance undertaken by the Bank exclusive of Syndication and Structured Finance, Export Finance and General Credit Unit was significant in number of deals and in volume that spanned industrial, energy, social and physical infrastructure as well as ICT sectors. The initiative has opened up new avenues and opportunities for pioneering entrepreneurship in the recent times.

Strategic Priorities – 2017

Centralization of Corporate Banking

Shifting from the traditional branch banking concept, Dhaka Bank is on the verge of introducing fully centralized corporate banking through an organized and structured formation for ensuring one-stop solution for the valued clients that will add significant value in the client service as well as boost up efficiency. The entire shift is planned to take place in phases so that uninterrupted service to the existing clients can be ensured.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

In order to ensure custom-made services for the valued clients, corporate banking activities will be compartmentalized as per the size and the nature of the clients, i.e. Large Corporate, Mid Corporate and Commercial segment along with wide scale Cash Management Services.

Focusing on the Thrust Sectors:

Dhaka Bank's business portfolio is already well diversified and a number of big names covering all the sectors are doing business with us since long. Still we believe there are some untapped areas in the Pharmaceuticals sector, Chemical and Engineering sector, Leather and Leather Goods as well as the FMCGs, for which we have special concern. Besides, Bangladesh's all time major contributing RMG & Textile sector is also in the spotlight.

Supporting upward shifting within the business sectors:

Dhaka Bank always believes in creating new entrepreneurs for the greater good of the country, set aside the business prospect of the bank. In addition, as a trusted financial partner we have observed the gradual development of many concerns from their beginning. In the coming year DBL will be focusing more on this area and will emphasize on boosting up the emerging corporate to large ones and also the medium enterprises to the corporate. In line with the centralization of the Corporate Banking Division, the mid corporate and emerging corporate customers will be supervised and looked after through dedicated units so that necessary effective services are ensured for all the customer segments.

Ensuring proper blend in various services:

In today's banking processes, customers are offered various services ranging from direct funded facilities to advisory services along with other services like, cash management services, payroll accounts, credit cards, personal loans and so on. DBL is and will be focusing on a perfect blend in these services depending on the nature and requirement of each client. In order to do so, we have put a segregated unit to look after cash management and other corporate relationships under the centralized corporate banking command. In the coming year we positively hope to render complete services to our valued clients.

Passionate and committed people and culture

Our people and culture are critical links in our effort to strengthen client service. We are striving to establish an identity for Dhaka Bank, built on a culture of confidence and client excellence while developing the capability of our people, providing competitive and fair compensation and living by common values.

We are focused on delivering the people and culture pillar of our strategy by ensuring that we achieve the following:

- Empower and trust our people to act responsively and do the right thing.
- Promote a common set of values which align with the bank's value.
- Encourage sustainability and transformation, which should reflect in our identity, image, and culture being socially relevant.
- Create a team which feels collectively responsible for performance, and is coherent and united in representing Dhaka Bank to the best effect.

Syndications & Structured Finance Unit

Dhaka Bank Limited (DBL) has started its syndications and structured finance initiatives as a separate Unit in 2004. Since its inception, the Unit has maintained market best practices. The Unit has been diligent in client selection and has seen a steady growth in its portfolio, garnering respect from the peer Banks & FIs in the market and has upheld its position as a strong market player. The Unit has built strong relationship with its partner Banks, FIs, regulators, stakeholders, etc. The bank has catered the needs of reputed corporate houses and has also assisted clients who are new to the arena of loan Syndications. Till 2016, the Bank's performance is summarized as under:

- As 'Lead Arranger' – Raised over BDT 18.00 billion and USD 90.00 million Syndicated Term Loan for 23 different projects
- As 'Arranger' – Raised around BDT 2,500.00 million through Commercial Paper for different concerns.
- Participated over 50 projects, arranged by other Banks / Financial Institutions.
- Provided Agency and Security Trustee functions for a good nos. of transactions.
- Have access to specialized funds i.e. IPFF and FSSP of Bangladesh Bank. The Bank has also access to AKA Fund for Long Term financing in Foreign Currency.

For more details please visit our website at http://dhakabankltd.com/syndications-structured-finance/

In 2016, the Unit raised a dual currency Syndicated Term Loan comprising of USD 26.00 million and BDT 460.77 million for Mahmud Fabric's & Finishing Limited - a LEED certified 100% export oriented woven fabrics manufacturing factory at Kaliakoir, Gazipur which has an estimated project cost of BDT 3,842.82 million. The Unit also raised Syndicated Short Term Loan of BDT 1,000.00 million for KYCR Coil Industries Limited, a concern of KDS Group. In the year under review, the Unit successfully arranged 'Financial Closure' of the LARGEST EVER Syndicated IPFF Term Loan of USD 58.50 million for United Ashuganj Energy Limited, a 200 MW Combined Cycle Modular Power Plant at Ashuganj. Later, the project won 'Asian Power Awards - 2015' under 3(three) different categories viz. (a) 'GOLD' award for 'Combined Cycle Power Plant of 2015' (b) 'SILVER' award for 'Fast-Track Power Plant of 2015' and (c) 'BRONZE' award for 'Gas Power Project of 2015'.

In the later part of 2016, the Bank signed an MoU with Public Private Partnership Authority, Prime Minister's Office, Bangladesh to get priority access to the upcoming PPP projects of Bangladesh.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Project Pictures



United Ashuganj Power Ltd.



KDS Logistics



Epyllion Fabrics Limited



JMS Garments Limited



Dana Sweater Industries Limited



Fakir Apparels Limited



Agami Fashions Limited



Saif Power Tec

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Business Operations

Anti-Money Laundering (AML) & Combating Financing of Terrorism (CFT) Compliance

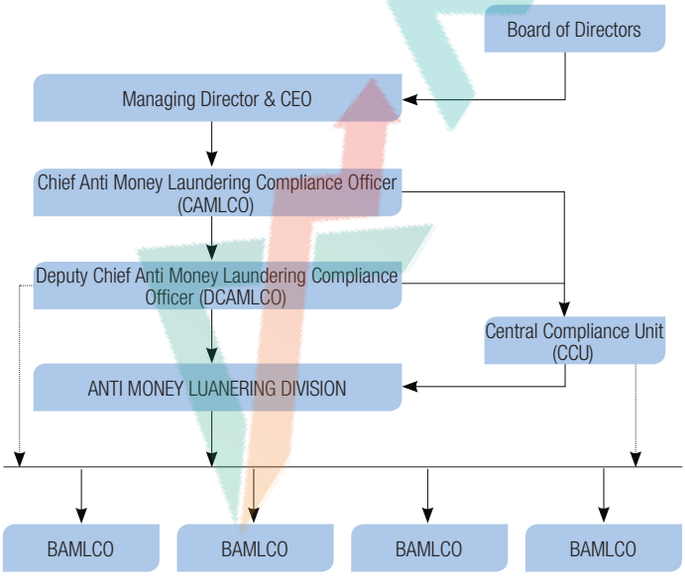
Perspective

In view of prevailing ML & TF scenario in Bangladesh, Bangladesh Bank has given strong message to the banking sector to strengthen AML & CFT compliance to safeguard the interest of the banks as well as the country as a whole. Banks have been instructed to cast new focus to stem illicit flow of fund from Trade Based Money Laundering. In ensuring compliance of prevailing AML rules and regulations, the Central Bank advised all commercial banks to be stricter. Besides, cyber security of banks is an essential point to focus in order to prevent money launderer from taking advantage of country's open economy and digitalized banking system. Among the emerging threats of banks, foreign terrorist fighters and proliferation financing (financing weapons of mass destruction) are worth considering. Low reporting of STR is also a major challenge for AML risk assessment in the country. In response to present AML & CFT perspectives of 2016, Dhaka Bank made all-out effort to maintain AML compliance standard as required by BFIU and international supervisors.

DBL Organizational set-up to deal with AML activities

Anti-Money Laundering activities of the Bank is run and supervised by Central Compliance Unit (CCU), Head Office, headed by the DMD (Operations) & Chief Anti Money Laundering Compliance Officer (CAMLCO). The SVP & Deputy CAMLCO looks after the day-to-day AML functions and assists the CAMLCO in devising AML strategies, policies and programmes. Usually Branch Manager-Operations are assigned as Branch Anti Money Laundering Compliance Officer (BAMLCO) at Branch level to ensure compliance on AML rules and regulations. The BAMLCOs are mainly responsible for KYC of Customers, risk categorization of business, transaction monitoring, screening of sanction list, arranging AML training for all Branch personnel, record keeping as well as identifying and reporting of suspicious transaction/activity (STR/SAR) to CCU/CAMLCO for assessing and onward submission to BFIU. CCU also provides AML updates/progress report to Senior Management/Board as periodic interval.

Functional Organogram of AML activities



Report on progress of AML/CFT compliance in 2016

MD's Statement of Commitment

'MD's Alert Notice on Prevention Money Laundering & Combating Financing of Terrorism' has been communicated to All Executives, Officers and Staff of DBL on January 31, 2016 with a clear message that Money Laundering and terrorist financing is a punishable offence. An Employee will be individually liable for penalty/punishment caused due to his/her fault or ignorance. Ignorance in this respect is not excusable by law. In his message, the Managing Director and CEO has underscored the need for healthy balance between business and compliance.

Policy/ Guidelines

a. Central Compliance Unit (CCU) has formulated Money Laundering & Terrorist Financing Risk Management Guidelines as per instruction of BFIU which have been approved in the 270th Meeting of the Board of Directors held on Feb 16, 2016. Further revision has been made in the Guidelines as per BFIU advice and submitted to the same for their kind vetting.
b. Customer Acceptance Policy has been formulated and circulated to all Branches/Divisions/Units for implementation.
c. Operations Manual for General Banking, Cash Operations, ATM Service, BACH & BEFTN Operations, Real Time Gross Settlement (RTGS) System and others has been prepared and duly approved by the Board of Directors. The Manual has taken cognizance of compliance of AML/CFT issues and mitigation of associated AML/CFT risks.

Procedures

a. **nScreening Software:** The Bank has purchased a software called 'nScreening' for real time screening of Bank's transactions and accounts against the UN sanction list/ domestic sanction list to prohibit terrorist entities/individuals to use formal financial system. The software went live at all Branches/Service Centres for checking of KYC of Customers & Inward Remittance while foreign trade related check will come under its purview shortly.
b. **Central Verification Desk (CVD) to verify NID/smart card information:** We have established a Central Verification Desk (CVD) at Head Office to verify NID/ smart card information of customers through Election Commission national database online. In 2016, the desk delivered a good number of NID checks online every day received from our Branches and different divisions. Now the Branches of the Bank can verify the NID card prior to establishing banking relation with anyone which will certainly minimize the AML risk of the Bank.

Reformation of Central Compliance Unit (CCU)

In line with changing pattern of ML & TF as well as increasing size of business, diversified customer base, products & services, technology used and new dimension of risks, the Bank Management reorganized CCU by incorporating Expert Management Team from various core business segments of the Bank namely HR, Operations, Credit, Trade, IT, Cards, Retail and so forth.

AML/ CFT Training

CCU conducted considerable number of training/ workshop/ discussion

MANAGEMENT DISCUSSION & ANALYSIS

Continued

session on AML & CFT focusing AML & CFT fundamentals, relevant provisions of Money Laundering Prevention Act (MLPA) & Anti-Terrorist Act (ATA), regulatory guidelines, STR/SAR reporting procedure and ongoing monitoring. CCU also provided training on Trade Based Money Laundering, UNSCR screening through Bank's own automated software 'nScreening', assessment of AML/CFT risks, fraud and forgeries, etc. In the second half of 2016, CCU widely covered AML training for HO employees. Most of the key Divisions/Units have been brought under the training programme. In November 2016, Dhaka Bank as the Lead Bank selected by BFIU conducted AML/CFT training to all Branches of schedule commercial banks in and around Syedpur, Nilphamari.

Banks' response to 2016 terrorist attacks in Bangladesh

The terrorist attacks in Dhaka and elsewhere in the country sent a shock wave around the nation and called for immediate response from banks to curb terrorist financing. Dhaka Bank responded instantly by (a) transmitting 'MD's Alert Message' to all Employees of the Bank to stay vigilant against any untoward incidence and follow all instructions of BFIU meticulously (b) doing regular check on the names of terrorists appearing in the electronic and print media (c) instructing all BAMLCOs to follow the media report on terrorists/militants and carry out account check & (d) enhancing CCU monitoring of media news on terrorism.

Transaction Monitoring:

CCU has started regular transaction monitoring centrally on the basis of Cash Transaction Report (CTR), Exception Report and high risk customer groups. Whenever our monitoring team found any suspicion or abnormality, it was conveyed to concerned branches immediately for close monitoring and justification. For example, CCU has obtained the database of Housewife accounts and student accounts from IT Division for monitoring purposes. As per requirement of internal and regulatory auditors, a Checklist of Files has been provided to Branches for regular maintenance and monitoring of transactions. The checklist includes among others CASA Exception Report, KYC Review, Review of Online Transaction, STR/SAR Report, Positive Payment Instruction (PPI) Register, CTR and Review of Media Report.

Reporting of Suspicious Transaction Report (STR)/ Suspicious Activity Report (SAR)

In line with recommendation of BFIU for increasing the turnout of STR/ SAR, the Bank exerted hard drive in the 2nd half of 2016 by introducing central oversight system to detect and report STR ignored by the Branches. At the same time, CCU created STR reporting awareness among Branches through repeated communication. As a result, CCU was successful to increase the number of STR reported to BFIU during 2016 compared to the preceding year.

Cash Transaction Report

CCU has been generating, processing and uploading Cash Transaction Report (CTR) to Bangladesh Bank goAML server using Bank's goAML middewire. During 2016, a total of 35,000 - 40,000 CTRs approx. have been uploaded to BB goAML server. CCU obtained CTR compliance certificate from all Branches of the Bank each month where the Branches certify regarding the correctness of CTR data related to their Branch and assessment of CTR for any suspicious transactions.

Risk Based Approach

a. As required by FATF recommendations & BFIU instructions, CCU has initiated categorization of risks across the business lines and banking operations at Branches and core business segments at Head Office. To that end, CCU has developed a database of High Risk Accounts to segregate those accounts from regular accounts and perform close monitoring and Enhanced Due Diligence (EDD) on transactions.

b. Compliance has been ensured regarding obtaining approval in a prescribed format prior to opening any account belonging to Influential Persons (IPs) and Politically Exposed Persons (PEPs).

c. The Bank has developed Risk Matrix (vetted by BFIU) to measure AML/CFT risks across customers, products & services, delivery channels, geographical exposures as well as regulatory compliance with a prescription to manage, mitigate and monitor assessed risks.

d. Introduction of online NID/Smart Card check through Election Commission database has enabled the Bank to minimize KYC risks associated with different groups of customers. From February 2016 on 70 no. of requests on an average from Branches is being processed on daily basis.

e. The Bank followed spot media reports about terrorist activities and made immediate check about accounts of terrorists.

Prevention of Trade Based Money Laundering (TBML)

Available sources substantiate that bulk of the money laundering activities is carried out through cross border trade under various methods using banking channel. The most exploited money laundering tools are over invoicing, under invoicing, multiple invoicing of same goods, over and under shipment and falsely described goods and so forth. To prevent the Bank from trade based money laundering risk, Branches and related HO Divisions/Units have been instructed to ensure proper check and screening on buyer, supplier, indenter, port, ship, country of origin, product/commodity. All of our AML trainings/workshops focused on TBML and included special session on the topic in the 2nd half of 2016.

Terrorist Financing (TF) & Proliferation Financing (PF)

The country entered a new context in 2016 after the terrorist attack in Gulshan, Dhaka. Foreign Terrorist Fighters travelling to conflict zones like Syria, Yemen, Jordan became a new challenge. To counter the challenges, the Bank has started training and communication to Branches/Divisions/Units to examine the source of fund of teenagers who want to travel to conflict zones and other intermediate countries. Cards & ADC operations, IT Division, etc have been made aware of possible ATM cash withdrawals and other card/ Internet banking transaction in conflict zone of the world.

AML Audit/ Inspection

BFIU conducted System Check Audit/Inspection on AML/CFT compliance activities at the Central Compliance Unit (CCU), Head Office based on the position of June 30, 2016. The subsequent System Check Inspection Report of BFIU reflects Bank's progress in AML compliance and the

MANAGEMENT DISCUSSION & ANALYSIS

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highlighted areas for further improvement are being implemented gradually. As an immediate response to BFIU instruction consequent upon terrorist attacks in Gulshan, Dhaka, IC&CD conducted Special AML/CFT Inspection at 10 (Ten) selected Branches. In line with the recommendations of the Inspection Report, Branches were advised to regularize the lapses on immediate basis most of which have been rectified at the end of 2016.

Self-Assessment Statement

The CCU has evaluated the self-assessment statements received from our Branches and prepared a consolidated Self-Assessment review report for submission to Bangladesh Bank. CCU has reviewed the twenty questions filled by all Branches and prepared the consolidated report. The report is prepared from the replies of the Branches found in the self-assessment replies. Those twenty questions have been set by BFIU so that the Branches can assess themselves on AML/CFT aspects. The Self Assessment Statement submitted to BFIU is enclosed herewith for kind perusal of the Board.

Independent Testing Procedure (ITP)

As per the instruction given in BFIU master circular 10 dated December 28, 2014, IC&CD conducted the system check on AML/CFT on selected Branches during the year as per ITP check list. Low scoring Branches were given reminder to improve their rating in the following Independent Testing Procedure to be conducted by IC&CD.

Customer Awareness

In line with present perspectives and regulatory instruction, AML Posters/ Leaflets have updated and circulated to Branches for proper display at suitable location. Short KYC has been introduced for walk-in customers. The Bank is extending services to Customers with a clear message that the Customers must provide complete and accurate information all through their relationship with the Bank for mutual benefit. More awareness programs are under process to educate Customers.

Role of Senior Management and the Board of Directors

All Members of Senior Management are made aware of having clear and prolific knowledge on AML & CFT as well as Trade Based Money Laundering so that AML/CFT risks may be considered regarding any decision related to business and banking operations. Decisions on entering or maintain high-risk business relationships are escalated to Senior Management. Special attention is paid to new and developing technologies. The Board is also aware about the money laundering consequence of the Bank. The Board is updated about AML activities of the Bank at periodic rest.

Bangladesh Automated Clearing House (BACH) Operation

Bangladesh Automated Clearing House (BACH) is a sophisticated and high tech based module for handling clearing cheques and EFT transaction to facilitate smoother customer services all over the country under the leadership of Bangladesh Bank. Dhaka Bank Limited has started participating in BACH Operation on October 05, 2010 when Bangladesh Bank implemented the process in the country and has been running the payment system with good reputation since then. During the period of 2016, Dhaka Bank Limited has successfully processed clearing cheques (Inward& Outward) and EFT transactions (Inward & Outward). The key statistics are as follows:

Items& Period	Number of Transactions	Amount in Taka
Outward Clearing – 2016	406,655	341,081,998,747.14
Inward Clearing – 2016	422,884	355,457,328,174.51
Outward EFT – 2016	223,334	11,660,848,765.09
Inward EFT – 2016	143,947	12,154,105,638.53

Besides, all Branches of the Bank are constantly motivating/ educating customers to do more and more transactions through EFT to mitigate fraud and forgery in the banking system.

Customer Services and Complaint Management System

As per BB FICSD Circular No. 01/2014 dated July 13, 2014, the Bank has renamed Head Office Complaint Cell as Central Customer Services and Compliant Management Cell (CCS&CMC) and reformed it to supervise overall complaint management activities of the Bank. During the year 2016, the Bank took steps to implement 'Guidelines for Customer Services & Complaint Management' issued by FICSD of Bangladesh Bank. The key focus was to establish complaint management system at Branch-level and Zonal Office, enhance complaint lodgment procedures through various means and expedite complaint resolution process.

Dhaka Bank has taken following initiatives for ensuring better customer service and complaint management process:

1. Reviewed the status of implementation of Guidelines for Customer Service & Complaint Management, Employees' Code of Conduct, Customer Charter & Service Standard which have been formulated by the Bank and approved by the Board;
2. Assessed systematic deficiencies in this regard and take corrective measures thereon;
3. Discussed communication mechanism of 'Employees' Code of Conduct in delivering services', & 'Customer Charter' as formulated by the Bank;
4. Reformed Central Customer Service & Complaint Management Cell by including the Head of Retail Banking considering the relevance of Retail Banking capturing major portion of the complaints belonging to the retail customer- base;
5. Reviewed customer complaints received every month and reported to FICSD, Bangladesh Bank and the progress of outstanding complaints; Discussed thoroughly the nature and background of outstanding complaint and reason for its pending status;
6. Advised Internal Compliance & Control Division (IC&CD) to include audit activities in complaint management system at the Branch level and check particularly complaint register, complaint box, formation of Branch Complaint Cell & Complaint Handling Officer displayed at the Notice Board as well as preservation of records related to Customer Complaints;
7. Discussed the process of filtering and channeling huge customer queries/ requests received from online Complaint Box to appropriate authorities for necessary action;
8. Reviewed suggestions/recommendations/decisions to improve Bank's complaint management system

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Journey to Real Time Gross Settlement

After shaping up the country's retail payment, it was both a demand and necessity to develop the large value time critical payment system like Real Time Gross Settlement (RTGS) in our country. It may be mentioned that under present system high value interbank payments are done on same day. But under RTGS, interbank high value claims and obligations are being settled instantly. Thus it brings Bangladesh's payment system to the international standard and creates an environmental in which more options and channels for sending money with quicker settlement encourages migrant workers to remit money through Official channel.



RTGS enhances the use of formal remittance channels such as banks by migrant workers, thus provide better investment opportunities for migrant workers as well as encourage investments by Non Resident Bangladeshi (NRBs). Establishing RTGS will also give anew signal to both Resident & non Resident Bangladeshi in line with the vision of Digital Bangladesh. However, a significant number of transactions have been settled in 2016 under RTGS System:

Particulars	No. of Instructions	Amount in Crore (BDT)
Inward Remittance	3.371.00	14,283.48
Outward Remittance	6,963.00	5,860.77

Cash Management Operations

With a view to maintaining sufficient liquidity of Clients and maximizing their return, Dhaka Bank Ltd has introduced a range of Cash Management Solutions that has enabled Corporate group to manage their cash flows efficiently and effectively by optimizing liquidity, reducing default risk and lowering operating cost. Our Cash Management product and services provide transactional value by automating collection and payments of our customers that creates a win-win situation.



In line with this, a number of following worthy initiatives have been made during the year 2016:

1. Collection arrangement has been made with DESCO/DPDC/ Dhaka WASA /PDB Titas Gas and one of the largest enterprises in the Power Sector viz-Rural Electrification Board.
2. Central Software is going to be developed in order to settle Cash dividend/Payables of various Insurance Companies and Corporate clients
3. DBL successfully initiated a number of depository relationship with Bangladesh Telecom Regulatory Commission (BTRC), Grameen Phone Ltd, Banglalink , RobiAxiata ,bKash etc.

In addition to that, DBL signed a number of agreements with a corporate group, Garments Industries and Institutional Clients to disburse monthly salary under Cash Management Operations.

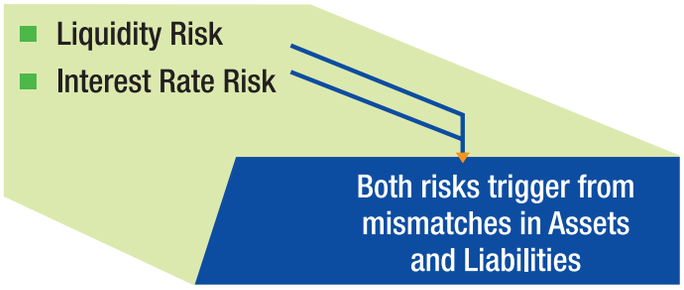
Asset Liability Management (ALM)

The Asset Liability Management has structured a systematic process to earn a sufficient return while maintaining a comfortable surplus of Assets beyond Liabilities. The Dhaka Bank has an Asset Liability Committee (ALCO) comprised with senior management. This committee should meet at least once every month to analyze, review and formulate strategy to manage the Asset and Liability of the Bank.

Asset Liability Committee (ALCO) evaluates liquidity requirement and the pricing strategy of the bank. One of the most important objectives of the ALCO is to maintain a contingency plan to equivocate significant market volatility like Interest Rate Risk. It also emphasizes on maximizing return and minimizing risk by acquiring assets that have a low rate of default risk and by diversifying asset holding. The techniques for assessing Asset Liability risk have come to include GAP Analysis and Duration Analysis. These have facilitated techniques of GAP management and Duration matching of Asset and Liability.

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

ALM primarily manages two types of risks



ALCO takes necessary market information from Treasury Division, Finance & Accounts Division and from all other well conversant members of the committee to take strategic decisions. ALCO also includes invitees to enrich

MANAGEMENT DISCUSSION & ANALYSIS

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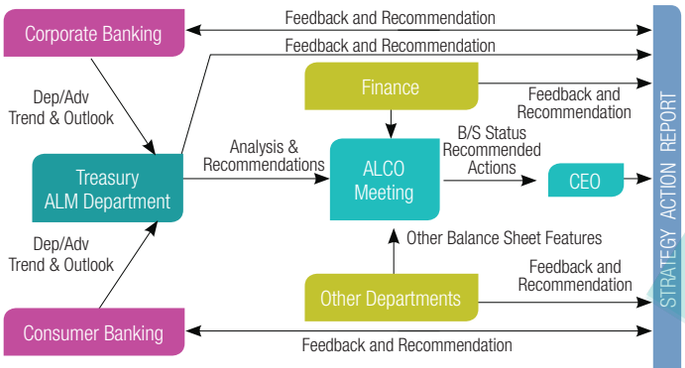
the decision making process by their valuable understanding. The members of the ALCO committee are:

- The Managing Director & CEO
- The Additional Managing Director
- The Deputy Managing Director - Risk Management
- The Deputy Managing Director - Operations
- The Deputy Managing Director - International Business
- The Head of Retail Banking,
- The Chief Financial Officer (CFO)
- The Head of Credit Risk Management
- The Head of Risk Management Division
- The Head of Treasury

ALM Process



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

Money Market Scenario

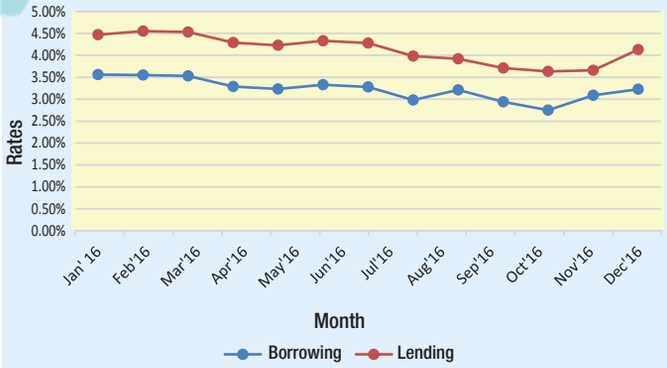
In the year 2016, Bangladesh was experienced with no significant political turbulences; overall macroeconomic situation was in a positive mode with revenue collection as per target, increased spending on annual development programme, and high investment. Economic growth forecast in FY2016 see, growth coming at 7.20% for the year, outperforming the 7.05% reading recorded in FY2015. These developments come on the back of stronger performance by industries serving the domestic market, supported in turn by healthy exports growth, despite the negative growth trend in remittance inflows. Investment growth also continued, with public investment rising strongly.

Mostly, throughout the year 2016, Money market experience with excess liquidity supply due to poor private sector credit growth and lower import payments. Imports of Bangladesh decreased to 2,941.50 USD Million in July 2016 from 3,816.00 USD Million in June 2016, in converse exports increased 3,303.50 USD Million in August 2016 from 2,534.31 USD Million in July 2016. Inflation moderated @ 5.71% in the month of September 2016 (12 months average) compared to its previous month, August 2016 reading @5.77%, although higher public sector wages and upward adjustments to administered prices for natural gas and electricity exerted inflationary pressure, the easing of supply constraints, a cautious monetary policy, and a better crop outlook kept inflation in check.

DBL Average Call Money Rate:

Month	Borrowing	Lending
Jan'16	3.56%	4.47%
Feb'16	3.55%	4.55%
Mar'16	3.53%	4.53%
Apr'16	3.29%	4.29%
May'16	3.23%	4.23%
Jun'16	3.33%	4.33%
Jul'16	3.28%	4.28%
Aug'16	2.98%	3.98%
Sep'16	3.21%	3.92%
Oct'16	2.94%	3.71%
Nov'16	2.75%	3.63%
Dec'16	3.09%	3.66%
Average	3.23%	4.13%

DBL Average Call money Rate- 2016



Foreign Exchange Reserve:

Foreign Exchange Reserve, a country holds to buffer out imbalances foreign receipts and payments. Main objectives of the Central bank for holding foreign exchange reserves include maintenance and safety of adequate level of reserve to meet foreign obligations, liquidity of reserve for the purpose of monetary and exchange rate management and finally, optimal return from the reserves assuming controlled risks in a prudent manner that will preserve the nominal value of the reserve.

Foreign Exchange Reserves reached at USD 32.09 Billion at the end of December 2016 and initially it was USD 27.14 Billion, at the January 2016. It seems that the reserve continued to grow in the backdrop of lower imports as well as increasing export earnings.

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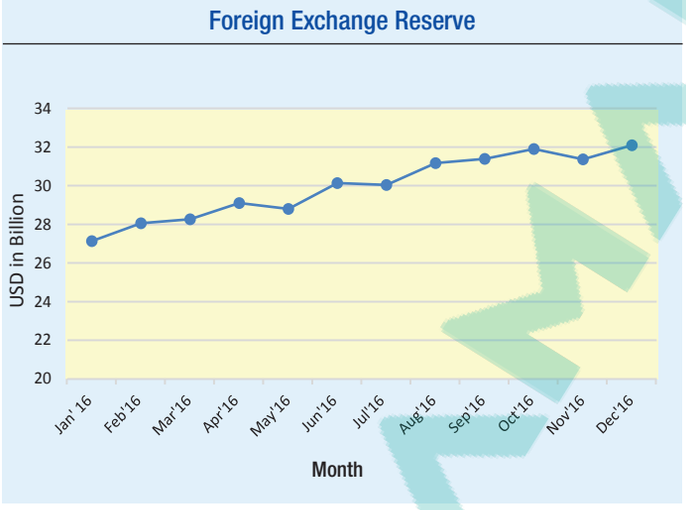
Foreign Exchange Reserves:

Months	USD in Billion
Jan' 16	27.14
Feb'16	28.06
Mar'16	28.27
Apr'16	29.11
May'16	28.80
Jun'16	30.14
Jul'16	30.04
Aug'16	31.17
Sep'16	31.39
Oct'16	31.90
Nov'16	31.37
Dec'16	32.09



Source: Bangladesh Bank

Human Resources (HR)

Human resource is one of the major components that drives an organization to newer height. As the service intensive business, Banks need a skilled and properly trained team of human resources to guarantee the service excellence. A vital key to our success is nothing but a smart, skilled and motivated team of employees. Our employee commitment, qualifications and loyalty toward the Bank give us a strong competitive edge. We want to reinforce our leading position in the long-run. That is why we combine modern banking and innovative strategies with traditional values such as fairness, trust and professionalism. Our employees act as the dominant element in achieving this aspiration, so we continuously develop and expand the skills and knowledge of our employees by providing timely training and other HR programmes.

HR Vision

Team Dhaka Bank represents and upholds the brand of Dhaka Bank through their customer centric services. To strengthen the team spirit, Dhaka bank Human Resources Division has set its own vision towards a splendidly managed, most productive and well equipped workforce among local Banks in Bangladesh.

Recruitment, Selection & Hiring

Dhaka Bank has a well reputation in pulling the most intelligent, smart and creative professionals in the Banking arena in Bangladesh. We constantly seek innovative ways to attract talented young people to our Bank, provide opportunities for the fresh and talented graduates from different reputed Universities. Through different communication channels, Dhaka Bank arranges talent hunts to include best caliber within its workforce. It invites best talents, experts to work in an excellent environment where they can flourish their knowledge, skills and abilities. To help many young people enjoy successful career, we provide them on-the-job and off-the-job training through Management Trainee Development Programme.

Dhaka Bank has a well organized Code of Conduct and employees are not permitted to solicit or accept any inducements, which are likely to conflict with their duties to clients. Appraisal of their individual performance is done in a rating scale against objectives and the Bank's prescribed core values.

Dhaka Bank recruits fresher and experienced employees on a permanent basis as per yearly manpower planning considering the attrition and expansion requirements of the bank. This year we have recruited 222 people. In the year 2016 employee turnover rate is 4.79%.

DBL Team at a glance				
Particulars	2016	2015	2014	2013
Number of Employees	1668	1524	1501	1400
Female Representation	364	345	345	319
Average Employee Age	36.33	37.69	37.70	37.35
Average Length of Service	7.58	7.66	7.30	8.13

Compensation & Benefit

In making decisions around compensation, we had to balance between the Bank's existing funds with the commercial necessity of attracting and retaining the talents we need to generate profit for all our shareholders. In terms of facilitating employees with the competitive package to maintain the centre of excellence we are fully compliant with regulatory body.

We have market driven salary package which includes Hospitalization Benefits as short term benefits and provident funds, gratuity, superannuation fund as long term benefits. Under corporate agreement with different renowned hospitals in Bangladesh and abroad, employees of Dhaka Bank also enjoy health care facilities at a discounted rate and priority services. In addition, we also offer our employees soft loans like employee house building loan and provident fund loan.

Training & Development

We are keen advocates of training and strive continuously and systematically to develop the skills and attainments of our employees, since they are the human capital of our corporate success. In the year

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under review, we enhanced our integrated and diversified training and development program at Dhaka Bank Training Institute. Providing employees with training and development opportunities not only contributes to the quality and effectiveness of the organization it also serves to motivate and retain employees. Here in Dhaka Bank, we consider training as not an expense but an investment.

The followings are the methods we follow in providing training:

- Orientation Program
- Foundation Training Program
- Job Specific Training Program
- Need based Local/Foreign Training
- Peer or supervisors' coaching

In the year 2016 Dhaka bank Human Resources Division arranged in-house, local and foreign training programmes. We try to ensure 30 hours of training for each employee. It covers areas like Basic Foundation Course for the freshers; specialized training courses i.e. Credit Appraisal and Management, Foreign Exchange and Foreign Trade, BASEL Implementation, Corporate Social Responsibility, Retail Banking, SME, Corporate Banking, Green Banking etc. Beyond the local and in-house training program, Human Resources Division also arranged foreign training in Germany, Malaysia, Thailand, Netherlands, USA, India and Bahrain.

Training	Programmes	Participants
In House (DBTI)	69	1,803
Local/Outsource	86	267
Foreign Training Program	8	13

Our Strategic Objectives for training

- Capture training based on competence framework
- More effective instructional method for learning retention
- Develop employees for succession
- Provide continuous learning opportunity for all

Information Technology (IT)

Banking environment has become highly competitive today. In order to compete this intense rivalry Bank needs to create a culture of innovation, efficiency and automation. Hence it is essential to have a strong Information Technology framework to achieve the strategic goal. Understanding this key requirement, Dhaka Bank has already started to invest high in the Information Technology as a target to strengthening and standardizing bank's IT infrastructure so that bank can deliver it services to customer efficiently with least possible time frame thus enabling them to get happy customer service.

Key Performance in 2016

Automated Call Centre-IVR

Dhaka Bank Limited has, through the Call Centre, introduced still another uninterrupted 24x7x365 banking service to its customers. The Bank is now just a call away from the public in general and its customers in particular, for their banking needs. The Call Centre being one of the delivery channels, will offer banking facilities through Interactive Voice Response (IVR) as well as through a human interface by connecting the customer to the Call Centre executive. The IVR will provide certain banking services e.g. Account Information, Current Balance etc to those customers who have registered with a PIN, without requiring them to speak to an agent.

The Call centre services are broadly classified into the following segments.

Retail Deposits:

- Banking Services which include account related information like balance, last 5 transactions, Retail product and process related information, Services Requests etc.
- Debit Card Services which include Reporting loss of debit card and blocking, Blocking the card by the customer, lodge complaint for failed debit card transactions and generation of duplicate debit card PIN.
- Credit Card Services are also available to view customer's balance, last 5 transactions in automated fashion and also further services may be available my having a conversation directly with our agents.

We are also bringing the following services very soon to Call Centre as well:

- Mobile Top-Up
- Utility Bill payment (Electricity, Water, Gas etc.)
- Fund Transfer (with-in Dhaka Bank and also any other Bank in Bangladesh)

Core Banking Software Up-gradation

Dhaka Bank is one of the pioneers in introducing a modern customer centric core banking solution named Flexcube (Oracle) in early 2004 which has served both the bank and the customer to the fullest extent. Time has changed, so the definition of faster operation and customers' convenience. To be more modernized, Dhaka Bank decided to upgrade the Core Banking Software to keep the bank abreast of the foreseeable technology change. Started in February 2016, a significant portion has already been done. We are hopeful to go live in minimum possible time.

Green Banking

94 Branches under real time online banking, 54 own ATMs and shared around 4,000, generating E-statement for all Account holders and ever increasing e-communication keep our focus on track as far as paperless banking is concerned. There are 20 ADMs (Automated Deposit Machine) are there as another green banking initiative.

RTGS

To facilitate a safe secured and efficient interbank payment system, Dhaka Bank Limited introduced the Real Time Gross Settlement (RTGS) system. it opens a new horizon in the arena of payment and settlement system in Bangladesh.

RTGS is an electronic settlement system where transfer of funds or securities takes place from one bank to another or one account to another on a real-time and gross basis. Real-time means transaction does not need any waiting period. Transaction is settled as soon as they are produced. It is now capable to instant settlement of high value local currency transactions as well as foreign currency based transactions.

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Central Bank and Internal Business Reporting

Bangladesh Bank has introduced a large number of reports from each commercial bank under various interval frequencies, such as, Monthly, Quarterly etc. Major portion of data in preparing these reports are extracted from the Core Banking Solution and forwarded to the respective divisions/branches to verify and place to the Central Bank.

RIT (Rationalized Input Template)

Central Bank of Bangladesh (Bangladesh Bank) has automated most of its departments and they have instructed all Banks and NBFIs to upload specific Reports with a pre-defined unique format, which is called RIT (Rationalized Input Template) provided by Bangladesh Bank.
IT Division is working relentlessly to supply these data to the concerned divisions, so that it can be accommodated with the central bank system. It is to be noted here that Central Bank has introduced 250+ (approximately) RIT till now.

Mobile App (Upcoming)

To ensure a faster customer friendly Banking, a well-designed secured Mobile App is about to arrive very soon. It enables the customers with some fantastic services instantaneously like:

- Balance Inquiry (Account & Credit Card)
- Last 5 transactions (Account & Credit Card)
- Branch & ATM Locations
- Mobile Top-Up
- Utility Bill payment (Electricity, Water, Gas etc.)

Documentation Management System (DMS)

Document Management Systems (DMS), is the use of a computer system and software to store, manage and track electronic documents and electronic images of paper based information captured through the use of a document scanner. For better monitoring of banking activities, increasing paperless banking Dhaka Bank Limited has already started the DMS project piloting CPC Trade and Card Operations Division. It will also ensure better archiving, save time and reduce manual intervention.

E-Advice & E-Statement

Dhaka Bank Ltd. is now sending daily and monthly e-statements in full swing to potential customers as per their requirements through e-mail in a secured and signed PDF format. Also Dhaka Bank is now sending different e-advices to our valued trading customers via e-mail in PDF format. New e-advices will be upcoming every now and then to keep our customers well informed all the time throughout the year. These services ensure saving substantial amount of time and man hours, customer convenience and maintaining Green Banking.

Looking Forward 2017

We are committed to introduce our upgraded Core Banking Solution (CBS) by 2017. Our internet banking service will be enhanced with utility bill payments, mobile top up, fund transfer and many more exciting facilities, the project of which is ongoing. We are always committed to our customers to provide them innovative, effective and fast technology enhanced banking experience and we are relentlessly working on it.

Internal Control System

The Bank's internal control system comprises a well-established organizational structure and comprehensive policies and standards. Areas of responsibilities for each business and functional unit are clearly defined to ensure effective checks and balances. Procedures have been designed for safeguarding assets against unauthorized use or disposition; for maintaining proper accounting records; and for ensuring the reliability of financial information used within the business or for publication.

The procedures provide reasonable but not absolute assurance against material errors, losses or fraud. Procedures have also been designed to ensure compliance with applicable laws, circulars, rules and regulations. Systems and procedures are in place in the Bank to identify, control and report on the major types of risks the Bank encounters.

Subject to certain matters reserved for the Board, the MD & CEO has been delegated authority limits and powers within which to manage the day-to-day affairs of the Bank, including the right to sub-delegate those limits and powers. Delegation of authority from the Board requires those individuals to maintain a clear and appropriate apportionment of significant responsibilities and to oversee the establishment and maintenance of systems of control that are appropriate to their business or function.

Effectiveness of internal controls

The Board of Directors, through the Senior Management Team (SMT) and the Audit Committee of the Board, have conducted an annual review of the effectiveness of our system of risk management and internal control. The Audit Committee of the Board has received confirmation that management has taken or is taking the necessary actions to remedy any failings or weaknesses identified through the operation of our framework of controls.

Internal Control & Compliance Division (ICCD) of DBL

In order to establish the efficient, effective and compliant internal control system in the Bank, Internal Control & Compliance Division segregated its functions into 03 (Three) separate units:

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

Major Aspects developed in ICCD during 2016

- Full audit coverage of audit universe ;
- Continuous monitoring has been established in major risk attributes;
- Regulatory compliance has been improved;
- Pursued respective Divisions/Units to update and develop Guidelines/ Manuals/Policies to run the operations smoothly
- Assurance and advisory service internal stakeholders
- Managing effective regulatory relationship

Audit & Inspection Unit

The Bank's Internal Audit function provides an independent assurance to its Board of Directors and Senior Management on the quality and effectiveness of its internal controls, risk management systems, governance systems and process on an on-going basis. This is to ensure that the audited entities comply with both internal and regulatory guidelines. In line with the Bangladesh Bank's guideline on Internal Control & Compliance, the bank has adopted a robust audit policy. The policy has a well defined architecture for conducting Risk Based Internal Audit (RBIA) across all audit entities. The audit policy drives for a concerted focus on strategic and inherent business risks. The audit frequencies are in-sync with the risk profile of each unit to be audited.

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This is in alignment with guideline relating to RBIA of the bank. The scope of RBIA includes examining the adequacy and effectiveness of internal control systems, external compliances and also evaluates the risk residing at the audit entities. The RBIA has been designed taking into account regulatory guidelines and also international best practices.

The Internal Audit independently functions under the supervision of Audit Committee of the board, thereby ensuring its independence. The board reviews the efficacy of the internal audit function, effectiveness of control laid down by the bank and compliance with regulatory guidelines. This is in alignment with the best global practices on corporate governance.

Compliance Unit

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

Bangladesh Bank Inspection and Compliance:

Dhaka Bank Ltd. received 158 reports and letters from Bangladesh Bank during the year 2016 and successfully submitted compliance of all reports and letters within stipulated timeline. Bangladesh Bank inspection team conducted a total number of 47 inspections that includes 40 Branches during 2016.

Monitoring Unit

The Monitoring Unit of the division monitors effectiveness of the Bank's internal control system on an ongoing basis through follow-up of compliances and regularization of deficiencies that are identified by Audit & Inspection teams throughout the year. In addition, off-site monitoring of selected risk attributes by the unit has already been introduced which aided to improve the control environment of the Bank.

Research & Development (R&D)

Alternative to research is nothing but the research itself. Difference comes by default in doing business by analyzing the facts and not doing that. One is embracing the golden rule 'look before you leap', the other is apparently not. Where the race is in its peak, there the sight through the everyday window seems like a catastrophe. Innovation, analysis and foresight are the factors dominating the business success today. Keeping in mind the industry need, Dhaka Bank is on move to dig into deep with its versatile R&D initiatives.

Performance Highlights in 2016

- **Annual Report 2015**

  A heavy weight venture that Research & Development accomplish every year is the Bank's Annual Report. In 2016, one of our major tasks was to prepare the Bank's Annual Report 2015 for its various stakeholders. In publishing the Report, we seriously maintained the regulatory compliance where the standard disclosure issues were met meticulously.

- **Feasibility study on Branch Relocation**

  A comprehensive feasibility study was done in order to relocate the Bank's New Market Branch, Chittagong keeping in mind customer convenience and also the sustainable business prospect.

- **Product Repackaging**

  Considering the market scenario, we time to time repackage the both asset & liability products. In 2016, we repackaged the Mudaraba Hajj Deposit Scheme.

- **Publication of INSIGHT**

  Dhaka Bank's quarterly flagship magazine INSIGHT is a R&D initiative to make our stakeholders update about the con-current business moves. In 2016, 04 (four) issues of INSIGHT were published and distributed to Regulatory bodies, Govt. offices, Foreign embassies, Public & University libraries, Trade & business bodies, All banks along with our all employees.

- **i-Quiz**

  For the first time, we started arranging a quiz programme based on the INSIGHT namely i-Quiz among our employees with a view to give them an amusement in their every day busy banking life. Awards and e-certificates are given to them by the Hon'ble Managing Director & CEO. It inspired our colleagues to have some fun and also learn about the industry context.

- **Winter Clothes Collection Campaign**

  A campaign was taken and successfully accomplished in 2016 for helping the under-privileged people of the society with clothes collected from our colleagues and customers.

- **Business Analysis**

  Regular (daily, weekly, monthly, quarterly and yearly) analysis in terms of industry perspective was presented to Management to take decision more prudentially. Reviews on monetary policy, national budget, etc. were also made.

New Initiatives in 2016

- i-Quiz
- Winter Clothes Collection Campaign

Regulatory Compliance Maintained/Regulatory Disclosure

We prepared several regulatory reports and submitted to the Bangladesh Bank. We also prepared reports for the parties like MoF, BIBM, CPD etc.

Challenges & Prospects

- Adapting with the changed and highly competitive market context
- Assisting Top Management in formulating plans & programmes backed by empirical data
- Developing new asset and liability products
- Repackaging existing products based on the market demand and regulatory compliance
- Introducing new line of service for priority segment of customers
- Exploring market opportunities
- Corporate/Retail products to be developed in line with the Annual Business Plan, performance monitored and products withdrawn/ re-packaged if deemed necessary
- SME Debit Card to ease SME cash flow and transaction
- New products for agriculture and green finance

BDNAR STOCK

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Looking Forward 2017

As we go through a series of brainstorming session in the process of development every day, we try to open up new avenues of business. With the learning curve, we have achieved through the just concluded year, we are much confident of its upsurge in future. However, our actions and assertions are not conclusive and warrant management review and recommendation so as to pick the best. And that would eventually complement our standard and capabilities. To take our R&D mission to a newer height, we want to translate R&D resource and support into a tangible gain. We draw inspiration on our achievements of 2016 and turn our sails to more ambitious feat of 2017.

Islamic Banking

Introduction

Islamic Banking & Finance has turned into well accepted to the people and its' suitability has been rising in the country and all over the world enormously. Islamic Banking & Finance has already been proved it's significance in the field of economy caring almost 30% business volume of the whole banking business. The sector is also standing at leading point by discharging its responsibilities in Corporate Social Responsibility (CSR). Highlighting on elevated ethical standards it builds a society with the honest, responsible, caring & trustworthy people. The well structured Liability & Assets products based on Islamic Shariah principle save the banks from the rapid raising of non-performing resources and ensures quality of the assets. Islamic banking asset products confirm real transaction instead of only financial transaction which role is high productivity, employment etc. Thus, it has been effectively crossing the financial crisis broaden out all over the world following latest economic depression. Now Islamic Banking & Finance are well competent to meet the emerging demand of the people who are interested with Riba free banking and also eager to manage their assets by this holistic system. These successes are achieved only for following the divine principles of banning interest.

Dhaka Bank Limited has been providing Islamic Banking services through its 2 (two) branches with adhere to the Islamic values & Integrity. One is Islamic Banking Branch, Motijheel, Dhaka inaugurated on July 02, 2003 and second one is Islamic Banking branch Muradpur, Chittagong was opened in May 22, 2004.

We may mention here that Dhaka Bank Limited is the pioneer to establish Shariah based banking operations through Islamic Banking branches in the country.

At the end of the year 2016, the deposit and investment of Islamic Banking operations of Dhaka Bank Ltd. stand at 62,198.73 & 50,358.93 lac respectively.

Objectives of Islamic Banking Operations

- To eliminate oppression & disparity from the economic field ensuring equitable distribution of wealth.
- To establish honesty & justice.
- To earn welfare by best utilization of assets without keeping idle.
- To invest with caring welfare of individual & whole together and avoid uncertainty in the society.
- To prioritize the welfare & necessity of the society instead of profit only.
- To invest in comparative least developed & deprived area prioritizing common demand along with agriculture, Industry & Commerce.
- To work for earning economic stability.
- To meet basic needs & develop status of human life by ensuring proper utilization of human resources & wealth.
- To assist legitimate business & financial transaction along with Riba free commodity base transaction.
- To help in balanced development of the Society.
- To engage small & big capital in business & create fastness in economy.
- To avoid uncertainty in the society improving financial strength of distressed people with more confidence standing on Islamic Financial System.
- To create various products derivatives considering modern economies demands.
- To improve & develop life standard of Poor people caring their quality in main stream of Society.
- To play role for alleviation of the poverty from the Society.

Shariah Supervisory Committee

Islamic Banking Operations of Dhaka Bank Limited is being conducted under keen supervision of Shariah Supervisory Committee. Shariah Supervisory Committee of Dhaka Bank Limited consist of a team of Shariah Scholars & Experts, renowned Islamic Banker, Lawyer along with personalities having outstanding strength in Qur'an, Hadith & Fiqh. The Shariah Supervisory Committee meeting is being held at least once in a quarter and reviews the Islamic Banking activities and provides their expert opinion on various Shariah related issues of Islamic Banking Operations. The Member Secretary is discharging his duty as chief of the Shariah Supervisory Committee Secretariat and Muraquib is working in the Secretariat under Member Secretary & helps the Shariah Supervisory Committee for its regular activities. A short intrtoduction of Shariah Supervisory Committee is given below:

Sl.	Name	Designation	Qualification
1	M. Azizul Huq	Chairman	M Com (Renowned Islamic Banker)
2	Prof. Mowlana Mohammad Salah Uddin	Member (Faqih)	Kamil, MA (Khatib of Baitul Mukarram National Mosque)
3	Md. Fariduddin Ahmed	Member (Expert in Islamic Banking)	B.Com, DAIBB
4	Dr. Mohd. Haroon Rashid	Member (Faqih)	Fazil (Hadith), MA, PhD
5	Hafej Mawlana Abdul Gaffar	Member (Faqih)	Takmil (Dawrah)
6	Barrister Omar Sadat	Member (Lawyer)	Bar-at-law, LL.M, LL.B,
7	Syed Mahbubur Rahman	Member (Ex-Officio)	MSC, MBA
8	Md.Sirajul Hoque	Member Secretary	M Com, C.A. (Intermediate)
9	Md. Kamaruzzaman	Muraquib	Kamil, MA, MBA, LL.B

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Activities of Islamic Banking Division

As per Guideline on Islamic Banking issued by Bangladesh Bank BRPD Circular No.15 dated 09.11.2009, a full fledged separate division namely "Islamic Banking Division" established in Head Office headed by an Senior Executive Vice President having experience in Islamic Banking & Finance. The duty & responsibility of the Division is exclusively as follows:

- Framing Islamic Banking rules, regulations and Guideline ensuring their implementations.
- Maintaining co-ordination with the Shariah Supervisory Committee and the other divisions of the bank.
- To hold Shariah Supervisory Committee meeting at least once in a quarter and various Shariah related issues are being discussed, reviewed & resolved.
- Confirm investment of the Funds received for Islamic Banking Business under modes approved by Islamic Shariah.
- A good numbers of employees have been received Islamic Banking Training during the year.
- Submission of required statements to the Central Bank.
- Compliance of any other responsibility (ies), the Central Bank may assign from time to time.
- Supervise the Islamic Treasury Function (Fund Management of Bangladesh Government Islamic Investment Bond, SLR/CRR maintenance etc.)
- Conduct Shariah Audit/Inspection of the Islamic Banking Branches.
- Supervise & monitoring 3 Islamic Mudaraba deposit products namely "Tawfeer Mudaraba Savings Bond Account-TMSBA, Tawfeer Mudaraba Deposit Pension Scheme-TMDPS, Tawfeer Mudaraba Foreign Remittance Account-TMFRA.
- Other responsibilities/activities as and when assigned by the management & day to day activities.

Dhaka Bank Ltd. has been maintaining following deposit products under Al Wadeeah & Mudaraba principle of Islamic Shariah under Islamic Banking Operations:

- Al-Wadeeah Current Account
- Mudaraba Savings Account
- Mudaraba Term Deposit Account
- Mudaraba Special Notice Deposit Account
- Mudaraba Hajj Savings Account
- Mudaraba Pension Scheme Account
- Mudaraba Special Deposit Scheme Account
- Mudaraba Foreign Currency Deposit Account
- Tawfeer Mudaraba Deposit Pension Scheme-T- MDPS
- Tawfeer Mudaraba Savings Bond Account-T- MSBA
- Tawfeer Mudaraba Foreign Remittance Account-T- MFRA
- Mudaraba Gold Deposit Account
- Mudaraba Platinum Deposit Account
- Mudaraba Silver Deposit Account
- Mudaraba Residence Foreign Currency Account
- Mudaraba Ratib (Salary) Account

Dhaka Bank Limited Islamic Banking Branches offer to the customers the following Investment products:

- Murabaha Purchase Order
- Bai-Muazzal Industrial
- Bai-Muazzal Others
- Murabaha Post Import Trust Receipt
- Murabaha Term Finance Industrial
- Murabaha Term Finance Others
- Hire Purchase Shirkatul Meelk
- Ijarah Transport
- Ijarah Machinary & Equipment
- Quard against MTDR

Besides these Selling of Payment Order, Demand Draft, issuance of Bank Guarantee, Performance Guarantee, Bid bond, Certificates and other necessary banking services are also available in the 2 (two) Islamic Banking Branches under Islamic Banking Operation of Dhaka Bank Ltd.

Retail Business

Retail Business is a division which caters the needs of retail customers only. Retail customers include individuals, doctors, engineers, teachers, bankers, self-employed individuals high net worth account holders.

Financial Highlights in 2016

Figure in crore

Particulars	Pan Bank	Retail Banking	Retail Share %
Loans & Advance	Tk. 13,468.93	Tk. 147.65	1.10%
Deposits	Tk. 15,716.16	Tk. 7,290.20	46.39%

Retail Business Progress in 2016

In 2016, we further strengthened our focus on customer segment through proper channeling of variety of innovative retail products and services to ensure the quality of asset and liability. Beside this we have also focused on changing the deposit composition by acquiring new to bank CASA accountsand No/Low cost deposit. The business progresses of Retail Business Division in 2016 are as follows:

- 44,555 new CASA Account opened
- 16,290 new Debit Card issued
- 1,052 new Credit Card issued
- Retail Loan (Personal/Car/Home) disbursement amount is Tk. 71.00 crore
- Retail Loan (Personal/Car/Home) outstandingamount is Tk. 148.00 crore
- Retail Loan (Personal/Car/Home) classification amount 14.92 crore
- Retail Loan (Personal/Car/Home) classification percentage 10.13%

Major Business Initiatives in 2016

- "Drive Fast - 2016" CASA Deposit Mobilization Campaign

MANAGEMENT DISCUSSION & ANALYSIS

Continued

- "Insta Money" - Secured overdraft against DPS
- "New Year - New Car" - Boishakhi Car loan Campaign
- 1% promotional Credit Card interest discount during Ramadan
- 5% Cash Back on "Swipe It" at 0% EMI for purchase of freezer during Eid-Ul-Azha
- Launching of RFCD Account opening campaign

Major Events

- Meet the Payroll Customers event organized at Baridhara Branch
- Managers meting comprising of Branch Managers from Retail focused branches, held at RBD
- Four day long School Banking campaign organized at United International University campus
- Training on FCY accounts for the AD branches

Signing Agreement

Payroll Agreement signed with the following companies:

- Gemcon
- Navana
- UPS
- Homebound
- Nexim
- Inn Star

Introduction of New Product & Services

- 24/7 IVR based "Contact Center" (16474)
- "BASKET" - Savings Account with Zero Interest
- "RATIB" - Islamic Banking Payroll Account
- Islamic Banking RFCD Account
- Dhaka Bank as a Payment gateway-Malaysian online E-Visa payment facility

Special Arrangement for Dhaka Bank Credit & Debit Cardholders

Discount Agreement signed with the following companies:

- Air Asia
- Royal Tulip
- Simon Beach Resort
- Hotel Peninsula
- Best Western (Cox's Bazar)
- Best Electronics
- Pran RFL
- Esquire Electronics
- Flora Limited
- Partex Furniture
- Rangs Electronics
- Transcom Mobile
- Butterfly Marketing

Collection & Recovery

- Restructured the Retail Recovery team
- Recovered significant amount from the written off retail loans

Business Strategy

We are in the process of revamping the Retail Business and as such all our effort will be directed to:

- Establishing the target market segment, for instance payroll, other bank payroll DBL corporate clients
- Building a robust asset portfolio
- Focus on cross selling to existing customers
- Bring down the cost of deposit
- Create new value propositions for asset, cards and deposit customers
- Establishing Dhaka Bank Retail Business as one of the top retail brand in the country

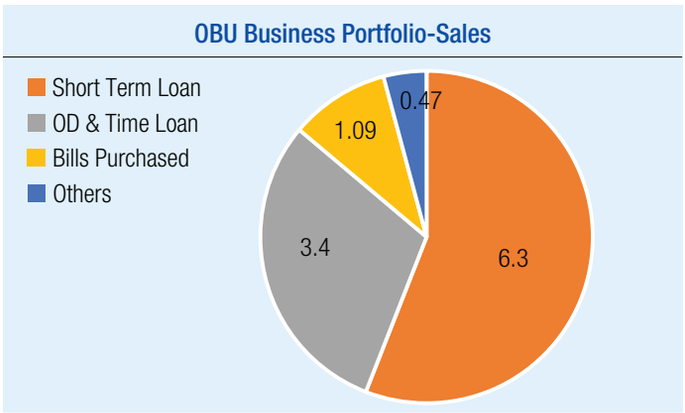
Off-Shore Banking Unit

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

Though the country's offshore banking market is dominated by the foreign banks, Dhaka Bank has been able to make its strong and delightful presence by attracting a good number of customers in a short period of time through effective marketing, competitive pricing and ensuring highest levels of professionalism along with excellent customer services backed by quality human and technological supports. OBU has invested around USD 88.23 million in Off-shore market in the year of 2016 to support Type-A industries, local entrepreneurs as well as to strengthen its asset portfolios. Portfolio of the unit during December, 2016 is shown in the following info graph:

OBU Business Portfolio - Sales

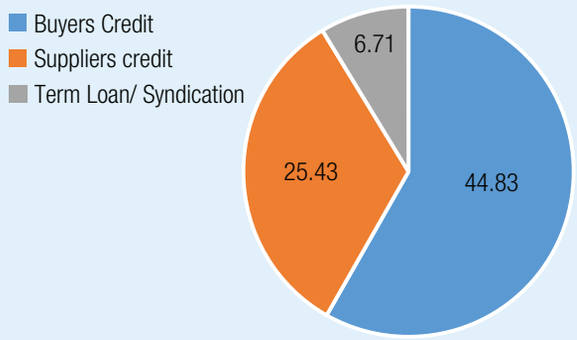
A - type Industries	USD million
Short Term Loan	6.30
OD & Time Loan	3.40
Bills Purchased	1.09
Others	0.47



MANAGEMENT DISCUSSION & ANALYSIS
Continued

To Local Industries	USD million
Buyers Credit	44.83
Suppliers credit	25.43
Term Loan/ Syndication	6.71

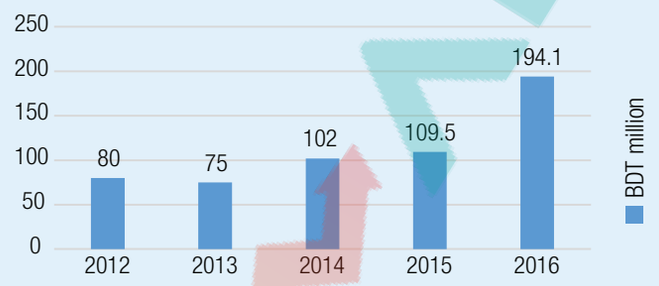
To Local Industries-Sales



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

OBU Profitability (5 Years)	BDT million
2012	80.00
2013	75.00
2014	102.00
2015	109.50
2016	194.10

OBU Profitability



Nature of OBU facilities extended to the enterprises

Dhaka Bank OBU extends the following funded, non-funded and working capital facilities to the Type "A" industries of EPZ:

- EXP Certifying
- LC Advising
- Export Bill Negotiation
- Export Bill Discounting
- LC Opening
- LTR creation
- Short Term Loan
- OD for working capital
- Guarantee
- NFCD Deposit
- Current FC Account Deposit
- FC Term Deposit

We also extend the following facilities to the bonafide local entrepreneurs for their business growth as well as employment generation:

- UPAS LC Financing
- Suppliers Credit facilities
- Exporters Financing, etc.

International Division

International Division of Dhaka Bank Ltd. is working for ensuring smooth foreign trade business, foreign exchange transactions and channelizing wage earners remittance. This division consists of 2 separate units:

- Financial Institutions (FI) Unit
- Remittance Unit

Financial Institution (FI) Unit

Trade finance business is one of the major concentration areas of Dhaka Bank Limited. Presently this sector is more focused and it is expected that export-import transactions will be increasing with a substantial amount under the present capable management. Financial Institutions Unit has been playing a key role as facilitator to overall trade finance and foreign exchange transactions under prevailing local and international laws. Financial Institutions Unit mainly manages the correspondence banking relations with the different banks and financial institutions in home and abroad. In this regard, it needs to maintain Relationship Management Applications (RMA), Nostro Accounts and different correspondent banking arrangements.

Financial Institutions arranges correspondent banking network, credit lines and other facilities required for 19 Authorized Dealer (AD) branches, Two Central Processing Centers (CPCs) and one Off-shore Banking unit of DBL. It mainly provides customized supports to the following areas of Dhaka Bank Trade Finances:

1. Import Letter of Credits
2. Export Letter of Credits
3. Negotiation and Documentary Collection
4. Confirmation and Discounting
5. Arranging Credit Lines for funded and non-facilities
6. Monitoring reporting of foreign trade and foreign exchange transactions

In the year of 2016, International Division's FI Unit has been engaged in strengthening its correspondent networks to facilitate the Bank's trade finance business. Dhaka Bank has routed 23,786 LCs through its correspondent banks with total value USD 1.30 billion. Clients were offered multiple options in routing their LCs with confirmation and discounting facilities without any major hurdle. Moreover, geographical coverage with correspondent banks is continuously being increased ensuring smooth LC issuance service for our import clients.

This year Dhaka Bank has obtained 2 new Authorized Dealership (AD)

DRAMA STOCK

MANAGEMENT DISCUSSION & ANALYSIS
Continued

license from Bangladesh Bank for Savar EPZ Branch and Head Office. Dhaka Bank's clients of Non-AD Branches all over the country will now get better service for their export-import transactions. This year, Dhaka Bank is planning to increase its exposure in Offshore Banking Unit by covering EPZs situated in various parts of the country.

Dhaka Bank achieved 60% growth in rebate income from worldwide correspondent network through efficient routing of its trade transactions.

Remittance Unit

DBL has correspondent relationship and agency arrangements with internationally reputable major banks, financial institutions and exchange houses throughout the world. As a part of its continuous endeavor to facilitate international transactions including trade facilitations and remittance services, DBL is continuing its efforts to maintain relationship with banks and exchange houses in all important financial centers of the world to cater to the growing needs of its clients at home and abroad.

At present, DBL has agency arrangements with total 22 exchange houses located in USA, UAE, UK, Oman, Italy, Kuwait, France and so on to facilitate remittance of expatriate Bangladeshis working abroad. Outlets of DBL's NGO partners (PAGE and Padakhep Manabik Unnayan Kendra that have more than 230 branches) have been used significantly to facilitate remittance recipients locating across the country. Arrangement with mobile financial services like bKash enables Dhaka Bank to reach to the remittance beneficiary living in remotest area.

Dhaka Bank Training Institute (DBTI)

Our Centre for Excellence

Training is by far the most important and crucial event for organizational advancement. Human Resource development through training is a perpetual process that enhances the competency of personnel as well as the organization. Human Resource development is the most important part in any organizational growth and sustainability. The need for professional excellence at Dhaka Bank was duly recognized by its Board of Directors leading to the creation of Dhaka Bank Training Institute (DBTI) in 2000. DBTI located to its present premises at Sara Tower in Motijheel Commercial Area in January 2004.

DBTI is committed to develop the human resources, the driving force of the Bank through structured modular training programs. With a view to achieving professional excellence in Banking, DBTI conducts various courses, workshops, executive development programs mainly for Officers and Executives of the Bank. Since August 2000 till December 2016, DBTI trained as many as 18,807 participants through 650 different training programs covering diverse courses in banking, finance, management, law etc. In the year of 2016 DBTI conducted 69 training programs covering 33 diverse courses for 1,803 Officers and Executives.

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

Academic & Logistics:

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

DBTI Library

For its participants, DBTI has a library containing books on banking, economics and other disciplines and different local and international journals and periodicals. At present we have around 1,500 books in our library.

Preparation of Course Plan

While designing & formulating a Course, DBTI gathers general information regarding the course, identifies target groups, and code of conduct for them to follow. While drawing up a list of programs/courses, we include need-based programs in addition to basic/core banking courses. We have already conducted 3/4 Training Need Assessment (TNA) sessions in this connection. We interact with the training institutes of others Banks as well as the Bangladesh Institute of Bank Management (BIBM) for curriculum development.

Liaisons

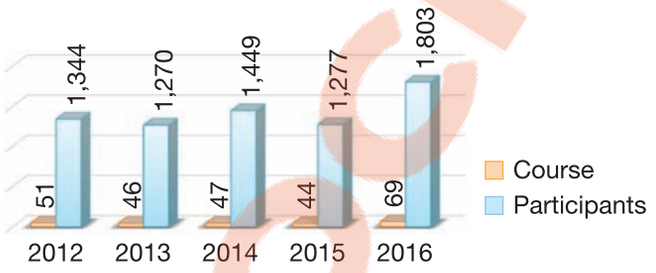
The DBTI maintains constant liaison with universities, other organizations, training institutions for keeping itself updated with changes and development in relevant areas and also for necessary dissemination thereof among our staff working at field level.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

DBTI conducted the following courses for the last five years:

Year	Number of Course	Number of Participants
2012	51	1,344
2013	46	1,270
2014	47	1,449
2015	44	1,277
2016	69	1,803



Year wise number of Training Course & Participants

Dhaka Bank also believes in bringing holistic approach in training and development area. Human Resources Division sent handful of participants to attend various courses both at home and abroad to attain special skills.

DBTI Hostel

Dhaka Bank Training Institute Hostel is operative since September 09, 2012 with full board residential accommodation for 27 participants (mainly non-Dhaka Branches). The hostel is located at Shahidbagh, Dhaka.

DBTI Update: Training Workshop/Executive Development Program/Training Course in 2016

Sl. No.	Name of The Training Course / Workshop	Number of Courses	Number of Participants
01	Proper Way of Sorting Bank Notes and Malpractices in Cash Management (On Call)	02	72
02	Orientation Program for Newly recruited MTOs (On Call)	04	135
03	Internal Control & Compliance, Business Development and Operational Risk	13	140
04	AML / CFT Risk Assessment	12	344
05	Online CIB	03	100
06	CL and SBS - 3 Reporting	03	90
07	Integrated Supervision System (ISS)	03	85
08	DBL Direct Banking (New Version of Internet Banking System)	03	65
09	Handling of Disciplinary Cases & Labor Laws Amendment 2013	02	47
10	Malpractices in Banks for Cash Department	01	29
11	Malpractices in General Banking	01	24
12	Malpractices in Banks for Credit	01	37
13	Credit : Financing SME Business	01	35
14	Flexcube (Retail Module) - (On Call)	01	13
15	Basic Islamic Knowledge (On Call)	01	50
16	Branch System Administration	01	37
17	Foreign Trade	01	19
18	Branch Level Reconciliation Process of Cash Held in ATM	01	52
19	Universal Banking Solution (UBS) for Cash & GB	01	12

AMARSTOCK

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Sl. No.	Name of The Training Course / Workshop	Number of Courses	Number of Participants
20	DPDC Electricity Bill Collection	01	21
21	ICC Risk, BASEL III and Operation Risk	01	10
22	Development of Credit Skill in Consumer Banking	01	23
23	Foundation Training - 50th Batch	01	18
24	Basic Credit Management	01	38
25	Risk Management and Capital Adequacy in Banking Sector	01	37
26	Delivering Happiness	01	35
27	DESCO Online Bill Collection	01	18
28	ICT Security Awareness	01	36
29	System Audit in Banks	01	36
30	Analysis/Preparation of Credit Proposal & Corporate Account Management	01	32
31	Foreign Currency Account & Travel Related Services (at H.O)	01	51
32	Corporate Grooming, Etiquettes and Manners	01	28
33	Self Leadership, Advanced Managerial Communication & 21st Century Managerial Mindset	01	72
	Grand Total	**69**	**1,803**

Other Initiative

Dhaka Bank Training Institute has been relentlessly working for both personal and professional development of the human resources of DBL. DBTI assists people to enhance their efficiency and effectiveness at respective workstations and offers regular Foundation Course to freshers.

A Month long Foundation Training Program for the 50th Batch of Management Trainee Officers of Dhaka Bank was inaugurated at the Dhaka Bank Training Institute (DBTI) on May 08, 2016. The Program was formally inaugurated by Mr. Kaiser A. Chowdhury, Principal(former) of DBTI. The Inaugural Session was conducted by Mr. Md. Abdul Motaleb Miah, FVP, DBTI.

Communications and Branding

Customers recognize a company, a product or a service through its brand image. A strong brand image not only helps an organization to make profit but also ensures sustainable growth. The objective of branding is no longer about creating a space in the customers' mind. Rather it is about winning customers' hearts. Based on this core understanding, Communications and Branding Division was formed to uphold the face of the Bank. This division is considered as the face of Bank since it deals with the externals which include customers, shareholders, regulatory bodies, etc. Since the inception of this division, it has been contributing towards corporate image building through various marketing tools and techniques. The core functions of this division include brand management, advertising, public relations, event management, media planning and buying, activation, etc.

Key Performance Highlights

Major Sponsorship Events

- 2nd Dhaka International Folk Fest 2016
- 1st Dhaka International Weaver Fest 2016
- 5th Dhaka Bank Victory Day Golf Tournament 2016 at BGCC
- 2nd Dhaka Bank Golf Tournament at AGC 2016
- Sponsoring Rajshahi Kings in BPL 2016

Major Celebration with Clients

- 21st Anniversary of the Bank
- Celebration of Bengali New Year
- Eid-Ul-Fitre 2016
- New Year Calendar 2016

Launching and Repackaging Products

- Launch of InstaMoney
- Launching of 24/7 Contact Center

IFMR STOCK

MANAGEMENT DISCUSSION & ANALYSIS

Continued

- Repackage Mileage Points
- Pohela Boishakh Car Loan Campaign

Major CSR Events

- Donation towards Prime Minister's Relief Fund
- Distributed Blankets to poor and distressed People in different parts of Bangladesh
- Donation towards SEID
- Donation towards UCEP
- Donation towards Holy Family Red Crescent Medical College Hospital
- Donation towards International Chamber of Commerce (ICC)

Media Channel Utilization

- Television (Program Sponsorship)
- Newspaper (Advertisement and Articles)
- Magazine (Advertisement and Articles)
- Out-Of-Home (Billboard, Hoarding, Airport Counter, Beautification Projects, etc.)
- Online Newspaper (Advertisement and Articles)
- Social Media (Facebook, Twitter, LinkedIn)
- Viral Marketing (#tag)

Major Programmed Events

- Annual Manager's Conference 2016
- 21st Annual General Meeting 2016
- Half Yearly Business Review Meetings

Newly Introduced

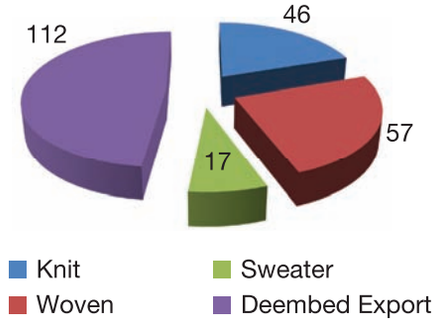
- E-mail Marketing
- Umbrella Branding of DMP North
- DBL Instagram Page
- Dhaka Bank YouTube Channel
- Personal Social Responsibility (PSR) Program for aiding cold affected underprivileged people of the country

RMG Financing

RMG clients are major source of fee and interest based income for the Bank. Total number of clients of Dhaka Bank Ltd. involved in direct & deemed export of RMG were 232 by the end of December 2016, of which, 37 new clients have been included in total portfolio during 2016. Clients involved in direct export were 120 (Knit: 46, Woven: 57 & Sweater: 17) & deemed exported 112 (consists of accessories, spinning, interlining, fabrics, textile, dyeing, printing etc.).

Total export reflected by RMG concerns of Dhaka Bank Ltd. was US$ 1,123.23 million (~Tk.88,050.40 million) in 2016, that was ~83.02% of yearly export target of 2016 & showing ~26.53% growth from total export of previous year.

Total funded exposure of RMG concerns as on 31.12.2016 was Tk. 29,184.10 million, representing ~21.67% of the Bank's total funded exposure (showing ~25.84% growth from last year). Total funded and non funded exposure as on 31.12.2016 was Tk. 49,001.20 million, Representing ~24.84% of the Bank's total exposure (showing ~16.73% growth from last year).



Clients Involved in Direct & Deemed Export of RMG

RISK MANAGEMENT



Risk and convenience are always inversely proportionate. Making perfect balance between these two aspects is a classical predicament to successful growth of business. We focus on transparency of contracts between parties, accountability to stakeholders and proper mix of assets and liabilities to make sure risk is duly addressed and effectively minimized.

RISK MANAGEMENT

Risk Management of Dhaka Bank Limited

Identifying, measuring, monitoring and controlling various type of risks are paramount important for ensuring the health of a bank as well as the whole financial systems.

Dhaka Bank Limited has established Risk Management Division (RMD), complying the direction of Bangladesh Bank (DOS(RMSS)/1154/1/2013-61, dated 24-01-2013), integrating the Existing 'Risk Management Unit' and 'Basel Implementation Unit' for strengthening risk management activities of the bank with effect from February 26, 2013. RMD looks after effectiveness of the Core Risks Management of the Bank and also ensure the capital management of the Bank under Basel Accords in association with the directives of Bangladesh Bank time to time.

RMD is responsible to manage and measure risk on the basis of the bank's approved risk parameters, independently of regulatory requirements and category. It is responsible for designing risk management strategy, establishing risk management policies & procedure, communicating views of Board & Senior Management regarding risk issues throughout the bank, informing Board & All Risk Committee about appetite for risk, measuring & monitoring risk, identifying & quantifying bank's exposure to material loss, independently monitor limits, developing & implementing loss prevention/retention programs, securing & maintaining adequate loss coverage, periodic stress testing, preparation of monthly & half-yearly risk management paper & holding meeting of All Risk Committee and Sub-risk Committee.

Presently the Chief Risk Officer (CRO) of the Bank is Mr. Khan Shahadat Hossain, Deputy Managing Director (Risk Management) of the Bank. RMD is working as secretary of All Risk Committee (which comprised of heads of all core risk owners and previously known as RMD Committee) of the bank. Members (by designation) of All Risk Committee are as given below:

All Risk Committee

Sl.	Name of the Employee	Designation	Position in the Committee
1.	Mr. Khan Shahadat Hossain	DMD-Risk Management and Chief Risk Officer	Chairman
2.	Mr. A M M Moyen Uddin	SEVP & Head of IT	Member
3.	Mr. Darashiko Khasru	EVP & CFO	Member
4.	Mr. S M Abdulla Hil Kafi	EVP & Head of ICC Division	Member
5.	Mr. Manik Lal Biswas	EVP & Head of Risk Management Division	Member Secretary
6.	Mr. Md. Abdul Matin	EVP & Head of CRM Division	Member
7.	Mr. Md. Fakhrul Islam	SVP & Head of Business Operations Division and AML	Member
8.	Mr. K. M. Faisal Faruqui	VP & Head of Treasury Division and FX	Member

The Bank has recently formed a Sub Risk Committee constituting the second in command and other officials of the respective divisions in Head Office as follows :

Sl.	Name of the Employee	Designation
1.	Mr. H. M. Mostafizur Rahaman	SVP, Card Business Unit
2.	Mr. Mohammad Mokhlesuzzaman Khan	VP, RMD
3.	Mr. Azfar Ahmed	VP, SAMD
4.	Mr. Sanjib Kumar Dey	VP, SME
5.	Mr. Sahabub Alam Khan, FCA	VP, F&AD
6.	Mr. Md. Mohibullah Khan	VP, CRM
7.	Mr. Mahbubur Rahman	VP, Business Operations
8.	Mr. Md. Rafiquzzaman	FVP, Treasury
9.	Mr. Mohammed Istiaq Parvez	FVP, IT
10.	Mr. Emdad Hossain	FVP, ICCD
11.	Mr. Saifuddin Ahmed	SAVP, CPC-Credit
12.	Mr. Mahamudur Rahman	AVP, Basel Unit
13.	Mr. Md. Nahid Ul Hasan	SPO, RMD
14.	Mr. Md. Yashin Arafat	SPO, RMG

RISK MANAGEMENT
Continued

Reporting by Risk Management Division:

In compliance with Bangladesh Bank directives, Risk Management Division conducted the following reporting and taken actions accordingly:

Sl.	Deliverables	Format/Method	Compliance Status	Remarks
1.	Stress Testing Report	Bangladesh Bank Guideline	Complied	Stress Testing Report is submitted on quarterly basis starting from June 2010.
2.	Risk Management Paper (RMP)	Bangladesh Bank Guideline	Complied	Monthly reporting to Bangladesh Bank.
3.	Comprehensive Risk Management Report	Bangladesh Bank Guideline	Complied	Half-yearly reporting to Bangladesh Bank.

Risk Management Paper (RMP)

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

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

Subsequently, the RMP is submitted to the Risk Management Committee of the Board and the decisions are communicated to relevant divisions of the bank for implementation. The report also submitted to Bangladesh Bank on monthly & half-yearly basis. Bangladesh Bank also determines the status of risk management of the bank on the basis of RMP and provides Risk Management rating bi-annually which is ultimately considered in the CAMELS rating of the Bank.

Stress Testing:

Stress testing is a risk management technique used to evaluate the potential effects on an institution's financial condition of a specific event and/or movement of a set of financial variables. This involves several shocking events e.g. increase of NPLs, change of interest rates, change of exchange rates, market price changes, decrease in forced sale value of collaterals etc. Each shocking events contains Minor, Moderate, Major levels of shock.

Objective of Stress Testing:

The Stress Testing report provides a structured way of assessing the vulnerability of a Bank to extreme but plausible market condition. The Stress Testing report also enable Banks to accurately assess the impact of risks and define the 'risk appetite' of the organization and also provide critical information to the top Management as well to Board of Directors for decisions around capital allocation and contingency planning.

Our stress testing framework is designed to

- Contribute to the setting and monitoring of risk appetite
- Identify key risks to our strategy, financial position and reputation
- Examine the nature and dynamics of the risk profile and assess the impact of stresses on our profitability and business plans
- Ensure effective governance, processes and systems are in place to co-ordinate and integrate stress testing information to senior management
- Ensure adherence to regulatory requirements

Dhaka Bank conducts the stress testing of the Bank on quarterly basis and reports the same to Bangladesh Bank. The Stress Testing report provides a structured way of assessing the vulnerability of a Bank to extreme but plausible market condition. The Stress Testing report also enable Banks to accurately assess the impact of risks and define the 'risk appetite' of the organization and also provide critical information to the top Management as well to Board of Directors for decisions around capital allocation and contingency planning.

TRUESTOCK

RISK MANAGEMENT
Continued

BASEL III

Basel III reforms are the response of Basel Committee on Banking Supervision (BCBS) to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spillover from the financial sector to the real economy. Basel III reforms strengthen the bank-level i.e. micro prudential regulation, with the intention to raise the resilience of individual banking institutions in periods of stress. Besides, the reforms have a macro prudential focus also, addressing system wide risks, which can build up across the banking sector, as well as the procyclical amplification of these risks over time. These new global regulatory and supervisory standards mainly addressed the following areas:

- raise the quality and level of capital to ensure banks are better able to absorb losses on both a going concern and a gone concern basis;
- increase the risk coverage of the capital framework;
- introduce leverage ratio to serve as a backstop to the risk-based capital measure;
- raise the standards for the supervisory review process (Pillar 2); and
- Public disclosures (Pillar 3) etc.

Consequently, Basel III capital regulations would be fully implemented as on January 1, 2019. The framework of Basel III Capital Accord consists of three pillars:

Pillar-1: Minimum Capital Requirements

Provide approaches to the calculation of Minimum Capital Requirements (MCR). MCR is based on credit risk, market risk and operational risk to:

- reduce risks of failure by cushioning against losses;
- provide continuing access to financial markets to meet liquidity need; and
- provide incentives to prudent risk management

Pillar-2: Supervisory Review Process

Provides the framework to ensure that each Bank has sound internal processes to enable it to perform a thorough evaluation of its risks and therefore assess the required capital. The Supervisory Review Process (SRP) recognizes the responsibility of Bank management in developing an internal capital assessment process and setting capital targets that are commensurate with the Bank's risk profile and control environment.

The Basel Committee has identified four key principles of supervisory review:

- Banks should have a process for assessing their overall capital adequacy in relation to their risk profile and a strategy for maintaining their capital levels;
- Supervisors should review and evaluate Bank's internal capital adequacy assessments and strategies, as well as their ability to monitor and ensure their compliance with regulatory capital ratios;
- Supervisors should expect Banks to operate above the minimum regulatory capital ratios and should have ability to require Banks to hold capital in excess of the minimum; and
- Supervisors should seek to intervene at an early stage to prevent capital from falling below the minimum levels required to support the risk characteristics of a particular Bank and should require rapid remedial action if capital is not maintained or restored.

Pillar-3: Market Discipline

The purpose of Pillar-3, market discipline, is to complement the minimum capital requirements (Pillar-1) and the supervisory review process (Pillar-2). The Basel Committee aims to encourage market discipline by developing a core set of disclosure requirements which will allow market participants to assess key pieces of information on the scope of application, capital, risk exposure, risk assessment process, and hence the capital adequacy of the institution.

In principle Banks' disclosure should be consistent with how senior management and the Board of Directors (BoDs) of the Bank assesses and manage different risks of the Bank.

Capital Charge Method for Risks

As per the requirement of Basel III accords, Banks have to determine minimum capital for three major types of risks faced by the banking industry as described below:

- **Credit Risk** – risk of losses resulted from debtor's non-payment of a loan, double default etc.
- **Operational Risk** – risk of losses resulted from inadequate and failed internal processes, systems, people and external events like information technology, fraud & forgery, money laundering, legal contracts etc.
- **Market Risk** – risk of losses in on- and off-balance sheet items arising from movements in the market prices of interest rate, foreign exchange rate, equity securities, commodities etc.

Rationale for Basel III

To cope with the international best practices and to make the Bank's capital more risk-sensitive as well as more shock-resilient, Bangladesh Bank has made it mandatory to comply with Risk Based Capital Adequacy (RBCA) under Basel III. Accordingly, capital requirement for Banks those hold risky assets in their investment portfolio shall be higher compared to Banks that hold safer portfolio.

Basel III: Dhaka Bank Perspective

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

Accordingly, Dhaka Bank has taken the issue of Risk Based Capital Adequacy for Banks under Basel III accord, as one of its topmost priorities. Dhaka Bank has established an independent Basel Unit (BU) at Head Office on January 10, 2016 for effective implementation of the new capital accord and ensuring Board & Senior Management oversight. The BU, is exclusively responsible for planning & reviewing the implementation of Basel III accord as per Bangladesh Bank's Road Map, for liaison about issues of Basel III with top management of DBL, for capacity building of concerned Bank personnel and for planning & developing process for assessing overall capital adequacy.

RISK MANAGEMENT
Continued

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

Basel Unit (BU)

Dhaka Bank has a 14-member Basel Unit, having cross-functional representations, to ensure effective implementation of Risk Based Adequacy requirements under the new capital accord named Basel III. However, to supervise the implementation more closely and sincerely a Core Team for Basel III was formed on January 10, 2016 with members from the existing Basel Unit under supervision of Mr. Syed Mahbubur Rahman, Managing Director & CEO of the Bank and Chairman of the Team.

The Basel Unit consists of the following members representing Senior Management from different cross-functional Divisions:

SL. No.	Name	Designation	Position in the Committee
1	Mr. Syed Mahbubur Rahman	Managing Director & CEO	Chairman
2	Mr. Emranul Huq	Additional Managing Director	Member
3	Mr. Khan Shahadat Hossain	DMD - RM & CRO	Member
4	Mr. Md. Shakir Amin Chowdhury	DMD-Operations	Member
5	Mr. Mohammad Abu Jafar	DMD- International Business	Member
6	Mr. A. M. M. Moyen Uddin	SEVP & Head, IT Division	Member
7	Mr. Darashiko Khasru	EVP & CFO	Member
8	Mr. S.M. Abdullah Hil Kafi	EVP & Head, ICC Division	Member
9	Mr. Md. Abdul Matin	EVP & Head, CRM Division	Member
10	Mr. Manik Lal Biswas	EVP & Head, Risk Management Division	Member
11	Mr. Fakhrul Islam	SVP & Head, Business Operations Division	Member
12	Mr. K.M. Faisal Faruqui	VP & Head, Treasury Division	Member
Working Team:			
13	Mr. Ahmed Arefin, ACA	FVP & In Charge, Basel Unit	Member Secretary
14	Mr. Mahamudur Rahman	AVP, Basel Unit	Member

The BU members meet on regular basis, to monitor the implementation status of Risk Based Capital Adequacy for the Bank and, also to discuss issues which may directly influence capital requirement.

Supervisory Review Process (SRP) Team

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

SL. No.	Name	Designation	Position in the Committee
1	Mr. Syed Mahbubur Rahman	Managing Director & CEO	Chairman
2	Mr. Emranul Huq	Additional Managing Director	Member
3	Mr. Khan Shahadat Hossain	DMD - RM & CRO	Member
4	Mr. Md. Shakir Amin Chowdhury	DMD -Operations	Member
5	Mr. Mohammad Abu Jafar	DMD - International Business	Member
6	Mr. A. M. M. Moyen Uddin	SEVP & Head, IT Division	Member
7	Mr. Darashiko Khasru	EVP & CFO	Member
8	Mr. S.M. Abdullah Hil Kafi	EVP & Head, ICC Division	Member
9	Mr. Md. Abdul Matin	EVP & Head, CRM Division	Member
10	Mr. Manik Lal Biswas	EVP & Head, Risk Management Division	Member
11	Mr. Fakhrul Islam	SVP & Head, Business Operations Division	Member
12	Mr. Mir Saidul Islam	SVP & Head, CPC- Credit Operations Division	Member
13	Mr. Ahmed Arefin, ACA	FVP & In-charge, Basel Unit	Member Secretary

AMARSTOCK

RISK MANAGEMENT
Continued

The SRP Team regularly review and assess overall capital adequacy in line with the Bank's risk profile and strategy for maintaining Bank's capital at an adequate level, i.e., enough capital to compensate all the risks in the Bank's business, and to develop & practice better risk management techniques in monitoring and managing risks. The SRP Team of the Bank is responsible to ensure that the Bank has adequate capital to support its risks beyond the minimum regulatory requirements.

The SRP Team is entrusted with responsibility to move gradually towards more advanced approaches of calculating risk-weighted assets against credit risk, capital charge against market risk and operational risk.

Reporting Under Basel III by Dhaka Bank Limited

Sl.	Deliverables	Compliance Status	Remarks
1	Quantitative Impact Analysis (QIS)	Complied	–
2	Nomination Of Recognized ECAIs	Complied	–
3	Pillar-1: MCR Reporting	Complied	MCR Report is regularly submitting on quarterly basis
4	Pillar-2: Statement Of Capital Adequacy Under SRP (ICAAP)	Complied	Submitting regularly on yearly basis.
5	Pillar-3: Market Discipline A Disclosure Framework (Qualitative & Quantitative)	Complied	Market Disclosure is given on yearly basis started from the year- 2009.

Internal Capital Adequacy Assessment Process (ICAAP)

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

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

The bank conducts ICAAP reporting each year to incorporate the additional capital requirement under Pillar 2 Supervisory Review Process. The assessment started from the year 2011 based on the year end figure of 2010 and completed the assessment up to the year 2015. The assessment for the year 2016 is under process.

The bank developed 'Internal Capital Adequacy Assessment Process-ICAAP' document following the 'Revised Process Document for SRP-SREP Dialogue on ICAAP, 31-May-2014' of Bangladesh Bank. This document covers capital charge process under Pillar II Supervisory Review Process (SRP) for nine risks areas namely residual risk, concentration risk, liquidity risk, reputation risk, strategic risk, settlement risk, core risk, environmental & climate change risk & other material risks, if any.

Besides the Credit Risk, Market Risk and Operational Risk under Pillar-1 bank has to assess additional capital under Pillar-2 Supervisory Review Process for the following risk areas:

Sl.	Types of Risks	Risk Area
1	Residual Risk	Error in documentation Error in valuation of collateral
2	Evaluation of Core Risk Management	Ratings of Core Risks implementation
3	Credit Concentration Risk	Credit Concentration Risk Market Concentration Risk
4	Liquidity Risk	Cash Reserve Ratio (CRR) Statutory Liquidity Ratio (SLR) Medium Term Funding (MTFR) Maximum Cumulative Outflow (MCO) Advance Deposit Ratio (ADR)
5	Reputation Risk	Credit Rating conducted by ECAIs Internal Fraud External Fraud Non-Payment or Delayed payment of accepted bills
6	Settlement Risk	Issues of foreign trade settlement All types of receivables that have not been realized or have been realized lately

RISK MANAGEMENT
Continued

Sl.	Types of Risks	Risk Area
7	Strategic Risk	CAMELS rating Operating expenses Classified loans ratio Recovery of classified loan Written-off loans Interest waiver Cost of fund
8	Environmental & Climate change Risk	Damage of assets due to adverse change of environment
9	Other Material Risk	Other risks that may jeopardize bank's assets or income.

Issuance of Non Convertible Subordinated Bond

The Board of Directors of Dhaka Bank Limited in their 255th meeting held on 16 August 2015 approved issuance of Non-convertible 2nd Subordinated Bond for Tk. 300.00 crore to strengthen Bank's capital base and expansion of business in line with BASEL-III accord. Subsequently, in the 6th Extra-ordinary General Meeting of Dhaka Bank Limited held on 08 October 2015 approved the issuance of the bond. Accordingly, we have got the approval of Subordinated 2nd Bond from Bangladesh Securities & Exchange Commission (BSEC) as well as from Bangladesh Bank. The subscription of BDT 300.00 Crore Non-convertible 2nd Subordinated Bond of Dhaka Bank Limited has been closed on 15th May, 2016.

Borrowers' Rating

Capital Management is one of the key strategic issues these days in the banking business. Borrower rating not only plays an important role in improving capital adequacy of the bank through capital relief but also helps the bank to understand the risk associated with the borrowers. In this regard, RMD calculates capital relief on the basis of rated customers quarterly.

The Bank has already recognized the fact that minimum capital requirements under Basel III Accord increases significantly if it holds risky assets and decreases significantly with a safer portfolio. The Bank is consistently persuading its clients for credit rating. We have arranged a Seminar on 'Importance of Credit Rating for Better Access to Finance' on January 16, 2010 and subsequently take rigorous steps to get the client rated by the external rating agencies (especially for corporate client having exposure of Tk. 1.00 Crore and above). As a result of vigorous effort and continuous persuasion, out of total 1,115 nos. of eligible borrowers of Dhaka Bank Ltd. having exposures of BDT 10 million and above, rating of 805 nos. of borrowers has been completed till December 31, 2016 among which 563 borrowers have valid rating.

Dhaka Bank has nominated 8 (eight) recognized External Credit Assessment Institutions operating in Bangladesh namely:

1. Credit Rating Information & Services Ltd. (CRISL)
2. Credit Rating Agency of Bangladesh (CRAB)
3. National Credit Rating Limited
4. Emerging Credit Rating Limited
5. ARGUS Credit Rating Service Limited (ACRSL)
6. WASO Credit Rating Company (BD) Limited
7. Alpha Credit Rating Ltd. and
8. The Bangladesh Rating Agency Limited (BDRAL)

DHAKA BANK SECURITIES LIMITED
REPORT OF THE BOARD OF DIRECTORS



Emranul Huq
Acting Managing Director

Bangladesh is running after a robust economic growth supported by declining interest rate, strong currency and calm political situation. This much expected growth is also fueled by the declining commodity and oil prices. Positive macroeconomic indicators and stable political scenario boosted local and foreign investors' confidence to increase their positions in the Bangladesh stock market. Net foreign investment in Dhaka Stock Exchange was almost BDT. 9,000 million during 2016. Dhaka Bank Securities Ltd. being one of the largest brokerage houses of Bangladesh drove strongly in line with the market and ensured maximum return for the stakeholders.

Dhaka Bank Securities Management Team

Mr. Emranul Huq, Acting Managing Director
Mr. Mohammad Ali, FCA, Senior Vice President & COO
Mr. Md. Shahjahan Miah, Company Secretary
Mr. Md. Kamrul Aziz, Business Development Manager
Mr. Forhad Hossain Khandaker, ACMA, Head of Finance & Accounts
Mr. Md. Reazur Rahman, Head of Operations
Mr. Md. Juel Reza, Head of Compliance & Trade Administration

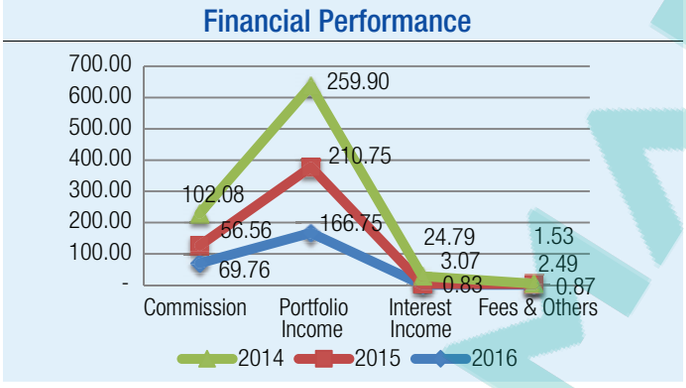
DHAKA BANK SECURITIES LIMITED
REPORT OF THE BOARD OF DIRECTORS
Continued

Dear Shareholders,

It is an immense pleasure on the part of the Board of Directors in presenting the Audited Financial Statements of your Company for the year ended 31st December 2016 together with the Auditors' Report thereon, for your kind consideration and approval. Additional disclosures and explanations relating to certain issues have been given by the Directors, which they consider relevant and vital to ensure transparency and good governance practices. It is our firm conviction that the report will give an insight into the Company's past performance and future strategies.

Financial Performance

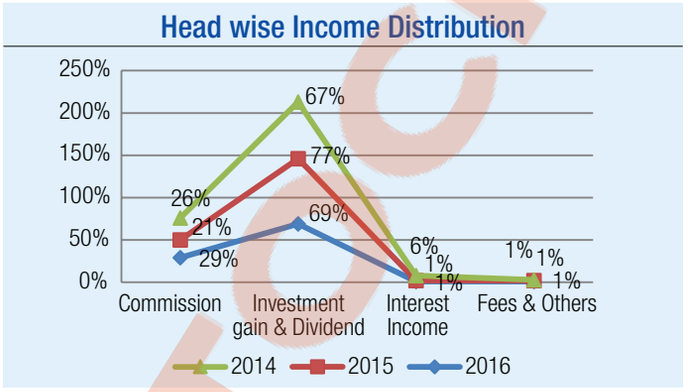
Our capital market was in bearish mood almost all the year around. It started to bounce back after the mid of November 2016. Despite of the bearish mood of the market around the year, DBSL posted more profit after tax in 2016 than in 2015 because of the persistent effort of all the employees of the company. Due to existing low growth opportunities in capital market, DBSL faced tremendous competitive pressures and increasing regulatory compliances in last year. But with prudent managerial capacities DBSL has done satisfactorily well to remain in profitability. Company's total operating income is BDT 238.22 million in 2016 which was BDT 272.86 million in the previous year.



The capital market faced extreme downward pressure around the year 2016 and generated poor total market turnover. In response to this plunge, DBSL was able to earn reasonable income. Income from brokerage commission increased by 22.50% from the last year. Capital gain and dividend income from dealer operation is BDT 166.75 million in 2016 compared to BDT 210.74 million in the year 2015. Company's Net profit stood at BDT. 81.05 million in 2016, which had been BDT. 76.08 million in the previous year. This increase of 6.53% in net profit figure is due to this year's higher amount of brokerage commission & lower amount of provision for unrealized loss.

Head wise Income Distribution

Income Heads	2016	2015	2014
Commission	29%	21%	26%
Investment gain & Dividend	69%	77%	67%
Interest	1%	1%	6%
Fees & Others	1%	1%	1%



Operations & Business Activities of the Company

Dhaka Bank Securities Limited (DBSL) is a subsidiary of Dhaka Bank Limited and one of the top stock brokers of Bangladesh and provider of state-of-the-art trading facilities. Professional workforces have engaged within the company to ensure quality services towards local and foreign clients, which include cash trading, margin trading, on-line trading and other DP related services. DBSL has extended its services to different areas in and outside of Dhaka through six existing branches and extended information services through different branches of Dhaka Bank Limited. In 2016, DBSL participated in Trade Fair organized by Chittagong Stock Exchange to promote offered product and services.

Infrastructure & Facilities

DBSL possesses a proficient setup of Infrastructures including advanced broker and back office software, efficient Human Resources, own mail server, well informative website, superior customer Service, regular research update with other facilities. DBSL has all kinds of IT & electronic capability which give customers the choice to enter prices and execute trades electronically, directly via one of DBSL's electronic trading systems, and/or to engage with a broker to execute his/her trades.

Client Base

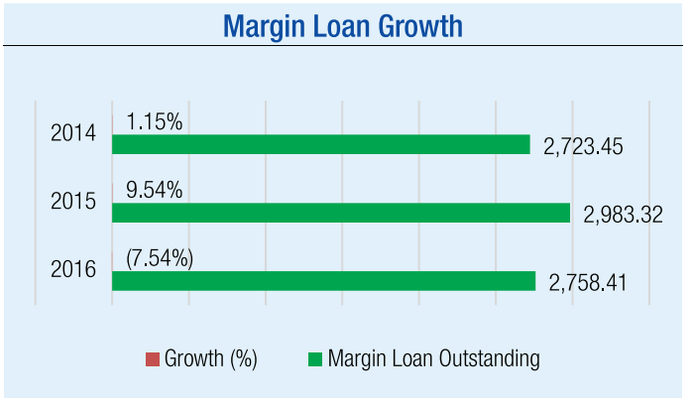
DBSL has a large client base of around 7,500 accounts in which almost 5,025 accounts are regular in trade. Both Individual and institutional clients are maintaining their account with DBSL. Moreover, DBSL has a good number of Foreign and NRB clients who have sizable portfolio investment.

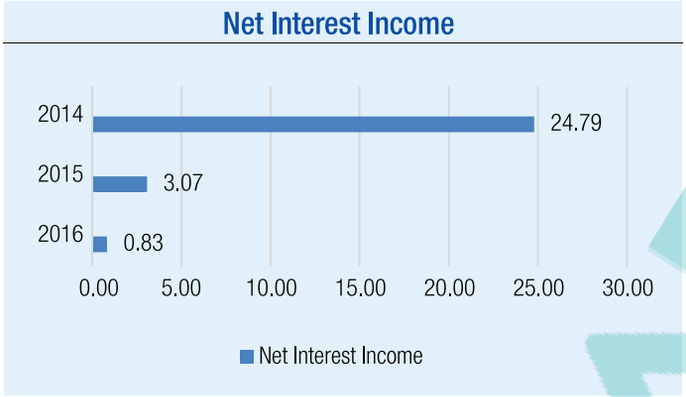
Growth in Trade Volume and Brokerage Commission

The trade volume of the company experienced positive trend in the last year because of extreme marketing drive & active participation of corporate and retail investors. Total market trade volume increased by 16.97% in 2016 from the year 2015 and the daily average trade volume generated by DBSL followed the similar pattern. The company generated brokerage turnover of BDT 21,595.50 million in the year 2016 which was BDT 17,157.99 million in 2015 and captured almost 1.70% market share in 2016 which was 1.53% in 2015. DBSL Management's proper marketing strategy helped the company to increase market share.

DHAKA BANK SECURITIES LIMITED
REPORT OF THE BOARD OF DIRECTORS
Continued

Growth in Margin Loan and Interest Income





Dhaka Bank Securities Limited continues to achieve its business growth with sensible execution of business development strategies. The loan facilities are restricted only to selection of credit customer with few fundamentally sound instruments in accordance with the instructions of the Regulatory Bodies. DBSL has 821 margin clients with portfolio value of BDT 2,401.58 million. The interest income from margin loan dropped due to increased amount in interest suspense account.

As on 31 December 2016, outstanding loan provided to the clients stood at BDT 2,057.52 million whereas it was BDT 2,403.41 million in 2015 and net interest earned from the margin loan during year 2016 is BDT 0.83 million, which was BDT 3.02 million in the previous year. Both Margin Loan and Net Interest Income decreased in 2016 because DBSL remained very cautious towards providing margin loan.

Ratio Analysis

DBSL has managed to book daily average Trade Volume of BDT 89.61 million in the year 2016 compared to BDT 70.32 million in the year 2015, which was in line with the overall market trade volume growth. DBSL captured 1.80% of market share in DSE's trade in 2016 compared to 1.64% in 2015. The Earning per Share posted a growth of 6.82%, thanks to the dealer portfolio management team for outperforming the market again and generating most of the income for the company. In line with this, other financial ratios have improved satisfactory.

		2016	2015
i.	**Activity Ratio**		
	Daily Average Trade Volume with DSE	89.19	69.12
	Daily Average Trade Volume with CSE	0.42	1.20
	Market Share in DSE (%)	1.80%	1.64%
	Market Share in CSE (%)	0.13%	0.33%
ii.	**Profitability Ratio**		
	Earnings Per Share (EPS)	0.47	0.44
	Return on Equity (%)	4.25	4.15
	Return on Assets (%)	1.63	1.58
iii.	**Liquidity Ratio**		
	Current Ratio	1.33	1.28
	Quick Ratio	0.76	0.61
iv.	**Financial Ratio**		
	Asset - Liability Ratio	1.66	1.59
	Total Debt - Equity Ratio	1.51	1.70

Dividend

The company earned Earning Per Share (EPS) of Tk. 0.47 in 2016 compared to Tk. 0.44 (restated) in 2015. The Board of Directors of the company has recommended 5% stock dividend i.e. 05 (five) bonus shares for every 100 (one hundred) shares held for the year 2016.

Observance of BAS, BFRS & Applicable Laws

Company keeps accounting records, which disclose with reasonable accuracy the financial position of the Company and it is the responsibility of the directors to ensure that the financial statements comply with the Companies Act, 1994 and the Securities and Exchange Rules, 1987. The Directors also confirm that the financial statements have been prepared in accordance with the Bangladesh Accounting Standards, Bangladesh Financial Reporting Standards and other applicable rules and regulations.

Accounting Policies and Maintenance of Books of Accounts

The Directors consider that in preparing the Financial Statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates and that all International Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) have been followed. In preparing financial statements, information has been obtained from the books of accounts, which have been maintained properly as required by the applicable rules and regulations.

Internal Control

The internal control system provides reasonable but not absolute assurance against material misstatements, losses and fraud of safeguarding of the assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate rules and regulations and best practices and the identification and management of business risk. Our internal control department is supported by professional staffs who conduct periodic

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DHAKA BANK SECURITIES LIMITED
REPORT OF THE BOARD OF DIRECTORS
Continued

audits of all aspects of DBSL's operations. The Board retaining ultimate responsibility for its operations, has delegated the review of the effectiveness of the system of internal controls to the Audit Committee.

Auditors

M/S. ACNABIN, Chartered Accountants was reappointed as the independent auditor of the Company in the sixth Annual General Meeting held on May 19, 2016. The auditor will retire in the seventh Annual General Meeting. Being eligible under Section 212 of the Company's Act, 1994 and the Financial Institutions Act, 1993, the Auditors have expressed their willingness to continue their office for the year 2017. A resolution proposing the re-appointment of M/S. ACNABIN, Chartered Accountants, as the independent auditor of the Company will be proposed at Annual General Meeting of DBSL.

Directors to Retire and Re-Appointment

As per the Company Act 1994 and the Articles of Association of the company, 1/3 (one third) of the Directors of the company shall retire by rotation in the 7th Annual General Meeting and they expressed their willingness to be reappointed.

Outlook

The "Outlook" part in this document is based on the DBSL's views & expectations and thus the actual outcome is not certain. Stakeholders should consider the above-noted factors when reviewing these sections. The Board remains very excited with the prospects of DBSL. We will maintain our growth and diversity in our revenue and earning flows. We are working hard to bring innovative approaches into regular business operations as well as mixing up the resources we have to fetch themaximum output from existing opportunities. Expenses will be vigilantly handled and initiatives will be taken to improve customer satisfaction. The DBSL's net interest income is expected to increase as robust effort has been taken for realization of accrued interest. Growth in brokerage commission income will be accelerated and provisions for credit losses will remain relatively stable in 2017. It is expected that 2017 will be the year of recovery. In 2017, we expect that all departments would experience a transformation and contribute to the overall profitability of DBSL. We will devote our full efforts to accomplish the target to reward our shareholders and the community in coming year.

Acknowledgement

On behalf of the Board of Directors, I would like to express my gratitude to our customers, business partners and shareholders for their continuous support and confidence in DBSL. A special note of appreciation goes to the Management team and all the employees for their devotion, integrity, hard work and professionalism. My sincere thanks also go to Bangladesh Securities and Exchange Commission, Bangladesh Bank, Dhaka Stock Exchanges Limited and Chittagong Stock Exchanges Limited, all retail & institutional investors, who were the partners in the growth of this Company for their invaluable assistance, support, guidance and counsel.



Reshadur Rahman
Chairman
Dhaka Bank Securities Limited

Auditor's Report & Audited Financial Statements



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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Dhaka Bank Limited and its subsidiaries namely Dhaka Bank Securities Limited and Dhaka Bank Investment Limited ("the Group") as well as the separate financial statements of Dhaka Bank Limited ("the Bank"), which comprise the consolidated balance sheet of the Group and the separate balance sheet as at 31 December 2016 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 the separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note # 2.1.1 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 (Amended in 2013) 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 control 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 the 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 the 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 2016, 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 # 2.1.1.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Company Act, 1991, (Amended in 2013) and the rules and regulations issued by Bangladesh Bank, we also report that:

(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 separate financial statements of the Bank and considering the reports of the management to Bangladesh Bank on anti-fraud internal control and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements Financial Statements and Internal Control:

  i) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note # 2.36 to the financial statements appeared to be materially adequate;

  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;

(c) financial statements of the subsidiaries of the Bank have been audited by us 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

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

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 we have spent around 3,200 person hours for the audit of the books and accounts of the Bank.

Dhaka,
30 April 2017

ACNABIN
Chartered Accountants

AMARSTOCK

Dhaka Bank Limited and its Subsidiaries
Consolidated Balance Sheet
As at 31 December 2016

	Notes	31.12.2016 Taka	31.12.2015 Taka
PROPERTY AND ASSETS			
Cash	3(a)	**16,715,758,759**	**14,966,422,109**
Cash in hand (including foreign currencies)	3.1(a)	1,797,462,755	1,543,708,584
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	14,918,296,004	13,422,713,525
Balance with other banks and financial institutions	4(a)	**11,229,483,485**	**10,212,560,426**
In Bangladesh	4.1(a)	8,640,709,728	6,724,351,465
Outside Bangladesh	4.2(a)	2,588,773,757	3,488,208,961
Money at call and on short notice	5(a)	**1,051,300,000**	**15,300,000**
Investments	6(a)	**23,783,240,894**	**23,072,924,090**
Government	6.1(a)	18,805,722,760	19,637,850,305
Others	6.2(a)	4,977,518,134	3,435,073,785
Loans, advances and lease/investments	7(a)	**134,833,390,731**	**118,184,480,515**
Loans, cash credits, overdrafts, etc./ Investments	7.1(a)	131,707,113,368	115,789,830,575
Bills purchased and discounted	8(a)	3,126,277,363	2,394,649,940
Fixed assets including premises, furniture and fixtures	9(a)	**4,201,264,375**	**4,109,853,726**
Other assets	10(a)	**11,439,308,527**	**6,630,271,559**
Non-banking assets	11(a)	**23,166,033**	**23,166,033**
Total Assets		**203,276,912,804**	**177,214,978,459**
LIABILITIES & CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	12(a)	**11,496,873,150**	**10,834,730,420**
Deposits and other accounts	13 (a)	**156,756,948,352**	**138,591,501,745**
Current accounts & other accounts		21,093,467,455	15,782,686,124
Bills payable		2,047,637,778	1,267,436,384
Savings bank deposits		16,735,239,732	14,564,284,031
Term deposits		116,880,603,387	106,977,095,206
Non Convertible Subordinated Bond	14	**3,800,000,000**	**1,400,000,000**
Other Liabilities	15(a)	**16,308,113,207**	**12,677,174,983**
Total Liabilities		**188,361,934,709**	**163,503,407,149**
Capital/Shareholders' Equity			
Equity attributable to equity holders of the parent company		**14,914,932,104**	**13,711,533,955**
Paid-up capital	16	6,879,006,860	6,253,642,600
Statutory reserve	17	5,850,338,779	5,300,741,818
Other reserve	18(a)	800,010,946	892,096,065
Retained earnings	19(a)	1,385,575,519	1,265,053,471
Non-controlling interest	19.1(a)	45,991	37,355
Total Equity		**14,914,978,095**	**13,711,571,310**
Total Liabilities & Shareholders' Equity		**203,276,912,804**	**177,214,978,459**

	Notes	31.12.2016 Taka	31.12.2015 Taka
Off-Balance Sheet Items			
Contingent Liabilities	21		
Acceptances and Endorsements		25,263,660,677	14,225,611,128
Letter of Credit		17,447,623,500	14,238,167,995
Letter of Guarantee		19,928,711,771	14,194,068,714
Bills for Collection		8,250,158,750	7,608,526,452
Other Contingent Liabilities		2,036,246,400	1,988,427,743
		72,926,401,097	**52,254,802,031**
Other Commitments			
Documentary credit and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
Total off-balance sheet items including contingent liabilities		**72,926,401,097**	**52,254,802,031**

The annexed notes form an integral part of these consolidated financial statements.

Syed Mahbubur Rahman
Managing Director & CEO

Altaf Hossain Sarker
Director

Mohammed Hanif
Director

Reshadur Rahman
Chairman

This is the consolidated balance sheet referred to in our separate report of even date.

Dhaka,
30 April 2017

ACNABIN
Chartered Accountants

Dhaka Bank Limited and its Subsidiaries

Consolidated Profit and Loss Account

For the year ended 31 December 2016

	Notes	2016 Taka	2015 Taka
Operating Income			
Interest income/profit on investments	22(a)	13,173,471,870	12,146,219,663
Interest paid/profit on deposits and borrowings, etc.	23(a)	(9,451,375,496)	(10,124,160,206)
Net interest income		**3,722,096,375**	**2,022,059,457**
Investment income	24(a)	3,404,981,086	3,214,203,256
Commission, exchange and brokerage	25(a)	1,587,140,031	1,372,701,795
Other operating income	26(a)	271,693,740	385,037,898
		5,263,814,856	**4,971,942,949**
Total operating income (a)		**8,985,911,231**	**6,994,002,406**
Operating Expenses			
Salary and allowances	27(a)	1,744,368,347	1,668,303,553
Rent, taxes, insurance, electricity, etc.	28(a)	528,706,421	474,877,645
Legal expenses	29(a)	17,792,303	10,539,131
Postage, stamps, telecommunication, etc.	30(a)	40,674,152	50,265,745
Stationery, printing, advertisement, etc.	31(a)	149,468,134	202,509,445
Chief executive's salary and fees	32(a)	12,890,167	10,422,334
Directors' fees	33(a)	4,639,000	4,203,240
Auditors' fees	34(a)	1,782,500	1,495,000
Depreciation and repairs of Bank's assets	35(a)	345,278,702	308,421,863
Other expenses	36(a)	563,526,474	544,338,145
Total operating expenses (b)		**3,409,126,200**	**3,275,376,103**
Profit before provision (c = (a-b))		**5,576,785,031**	**3,718,626,303**
Provision against loans and advances	37(a)	2,444,517,209	1,095,173,902
Provision against good borrower	15.2	8,200,000	1,254,000
Provision for diminution in value of investments	38(a)	-	4,075,897
Other Provisions	39(a)	252,948,481	121,059,710
Total provision (d)		**2,705,665,690**	**1,221,563,509**
Profit before taxation (c-d)		**2,871,119,341**	**2,497,062,794**
Provision for taxation		1,318,839,116	975,634,095
Current tax		1,352,164,621	973,201,002
Deferred Tax		(33,325,504)	2,433,093
Net profit after taxation		**1,552,280,224**	**1,521,428,700**
Net profit after tax attributable to:			
Equity holders of DBL		1,552,271,589	1,521,420,338
Non-controlling interest		8,635	8,362
		1,552,280,224	**1,521,428,700**
Appropriations			
Statutory reserve		549,596,961	475,198,202
General reserve		(38,192,034)	-
Investment Fluctuation Fund		5,700,000	8,700,000
Dividends etc.		1,000,582,816	1,364,431,110
Retained earnings		1,385,575,519	1,265,053,471
		2,903,263,261	**3,113,382,783**
Consolidated Earning per Share (CEPS)	40(a)	**2.26**	**2.21**

The annexed notes form an integral part of these consolidated financial statements.

Syed Mahbubur Rahman	**Altaf Hossain Sarker**	**Mohammed Hanif**	**Reshadur Rahman**
Managing Director & CEO	Director	Director	Chairman

This is the consolidated profit and loss account referred to in our separate report of even date.

Dhaka,
30 April 2017

ACNABIN
Chartered Accountants

Dhaka Bank Limited and its Subsidiaries
Consolidated Cash Flow Statement
For the year ended 31 December 2016

	Notes	2016 Taka	2015 Taka
Cash Flow From Operating Activities			
Interest / Profit receipts		14,468,057,834	14,937,145,272
Interest / Profit payments		(9,418,911,699)	(10,409,383,282)
Dividend receipts		67,205,591	17,224,307
Recovery of loans previously written off		50,461,881	-
Fee and commission receipts		1,144,854,688	907,896,707
Payments to employees		(1,757,258,514)	(1,636,454,240)
Payments to suppliers		(234,541,734)	(262,456,314)
Income taxes paid		(772,709,861)	(1,126,541,634)
Receipts from other operating activities	41(a)	370,515,201	687,609,836
Payments for other operating activities	42(a)	(1,164,121,478)	(1,157,057,813)
(i) Operating profit before changes in operating assets & liabilities		**2,753,551,908**	**1,957,982,838**
Changes in operating assets and liabilities			
Purchase / Sale of trading securities		5,899,422,270	(565,253,785)
Loans and advances to customers		(16,357,597,702)	(14,761,366,258)
Other assets	43(a)	(3,872,807,928)	837,356,509
Deposits from other banks		(1,273,265,661)	4,829,331,120
Deposits from customers		19,438,712,268	8,908,611,290
Other liabilities account of customers		22,681,744	(40,640,900)
Other liabilities	44(a)	(564,279,276)	1,338,331,940
(ii) Cash flow from operating assets and liabilities		**3,292,865,715**	**546,369,916**
Net cash flow from operating activities (a)= (i+ii)		**6,046,417,624**	**2,504,352,754**
Cash Flow From Investing Activities			
Proceeds from sale of securities		988,590,387	404,528,325
Sale/ (Purchase) of securities		(5,655,342,471)	(844,313,107)
Purchase of property, plant & equipment		(317,060,803)	(332,751,208)
Proceeds from sale of fixed assets		4,018,467	12,300
Purchase / sale of subsidiary		-	-
Net cash used in investing activities (b)		**(4,979,794,421)**	**(772,523,690)**
Cash Flow From Financing Activities			
Borrowing from other banks		370,830,215	1,451,143,061
Issuance of Non Convertible Subordinated Bond		3,000,000,000	-
Redemption of Non Convertible Subordinated Bond		(600,000,000)	(600,000,000)
Dividends paid		(375,218,556)	(795,918,150)
Net cash flow from financing activities (c)		**2,395,611,659**	**55,224,911**
Net increase in cash and cash equivalents (a+b+c)		**3,462,234,862**	**1,787,053,975**
Add: Effects of exchange rate changes on cash & cash equivalent		339,485,945	372,968,125
Add: Cash and cash equivalents at beginning of the year		25,198,906,236	23,038,884,136
Cash and cash equivalents at end of the year (*)		**29,000,627,043**	**25,198,906,236**
(*) Cash and cash equivalents			
Cash in Hand		1,797,462,755	1,543,708,584
Balance with Bangladesh Bank & Sonali Bank		14,918,296,004	13,422,713,525
Balance with other banks & Financial Institutions		11,229,483,485	10,212,560,426
Money at call & Short Notice		1,051,300,000	15,300,000
Prize Bond		4,084,800	4,623,700
		29,000,627,043	**25,198,906,236**

The annexed notes form an integral part of these consolidated financial statements.

Dhaka,
30 April 2017

Syed Mahbubur Rahman
Managing Director & CEO

Altaf Hossain Sarker
Director

Mohammed Hanif
Director

Reshadur Rahman
Chairman

Dhaka Bank Limited and its Subsidiaries

Consolidated Statement of Changes in Equity

For the year ended 31 December 2016

(Amount in Taka)

Particulars	Paid up capital	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment Revaluation Reserve	Investment Fluctuation Fund	Non-controlling interest	Retained Earnings	Total Equity
Balance as at 1 January 2016	6,253,642,600	5,300,741,818	160,272,618	648,455,000	63,168,447	20,200,000	37,355	1,265,053,471	13,711,571,310
Changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance	**6,253,642,600**	**5,300,741,818**	**160,272,618**	**648,455,000**	**63,168,447**	**20,200,000**	**37,355**	**1,265,053,471**	**13,711,571,310**
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(33,654,885)	-	-	-	(33,654,885)
Currency transaction differences	-	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	**29,513,562**	-	-	-	-
Net Profit for the year	-	-	-	-	-	-	-	1,552,280,224	1,552,280,224
Adjustment made during the year	-	-	-	(25,938,200)	-	-	-	85,938,200	60,000,000
Transfer to reserve									
Dividend:						-			
Stock dividend	625,364,260	-	-	-	-	-	-	(625,364,260)	-
Cash dividend	-	-	-	-	-	-	-	(375,218,556)	(375,218,556)
Changes in reserve	-	549,596,961	(38,192,034)	-	-	5,700,000	-	(517,104,927)	-
Non-controlling interest	-	-	-	-	-	-	8,635	(8,635)	-
Balance as at 31 December 2016	**6,879,006,860**	**5,850,338,779**	**122,080,584**	**622,516,800**	**29,513,562**	**25,900,000**	**45,991**	**1,385,575,519**	**14,914,978,095**

AMARSTOCK

Dhaka Bank Limited and its Subsidiaries

Consolidated Statement of Changes in Equity

For the year ended 31 December 2015

(Amount in Taka)

Particulars	Paid up capital	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment Revaluation Reserve	Investment Fluctuation Fund	Non-controlling interest	Retained Earnings	Total Equity
Balance as at 1 January 2015	5,685,129,640	4,825,543,616	160,272,618	648,455,000	61,681,637	11,500,000	28,994	1,591,962,445	12,984,573,950
Changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance	**5,685,129,640**	**4,825,543,616**	**160,272,618**	**648,455,000**	**61,681,637**	**11,500,000**	**28,994**	**1,591,962,445**	**12,984,573,950**
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	1,486,810	-	-	-	1,486,810
Currency transaction differences	-	-	-	-	-		-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	**63,168,447**		-	-	-
Net Profit for the year	-	-	-	-	-		-	1,521,428,700	1,521,428,700
Transfer to reserve									
Dividend:									
Stock dividend	568,512,960	-	-	-	-	-	-	(568,512,960)	-
Cash dividend	-	-	-	-	-	-	-	(795,918,150)	(795,918,150)
Changes in reserve	-	475,198,202	-	-	-	8,700,000	-	(483,898,202)	-
Non-controlling interest	-	-	-	-	-	-	8,362	(8,362)	-
Balance as at 31 December 2015	**6,253,642,600**	**5,300,741,818**	**160,272,618**	**648,455,000**	**63,168,447**	**20,200,000**	**37,355**	**1,265,053,471**	**13,711,571,310**

Dhaka,
30 April 2017

Syed Mahbubur Rahman
Managing Director & CEO

Altaf Hossain Sarker
Director

Mohammed Hanif
Director

Reshadur Rahman
Chairman

AMARSTOCK

Dhaka Bank Limited
Balance Sheet
As at 31 December 2016

	Notes	31.12.2016 Taka	31.12.2015 Taka
PROPERTY AND ASSETS			
Cash	3	**16,715,649,259**	**14,966,312,609**
Cash in hand (including foreign currencies)	3.1	1,797,353,255	1,543,599,084
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	14,918,296,004	13,422,713,525
Balance with other banks and financial institutions	4	**11,170,526,692**	**10,180,026,192**
In Bangladesh	4.1	8,581,752,935	6,691,817,231
Outside Bangladesh	4.2	2,588,773,757	3,488,208,961
Money at call and on short notice	5	**1,051,300,000**	**15,300,000**
Investments	6	**21,305,722,760**	**20,799,087,940**
Government	6.1	18,805,722,760	19,637,850,305
Others	6.2	2,500,000,000	1,161,237,635
Loans, advances and lease/investments	7	**134,689,308,364**	**117,840,165,963**
Loans, cash credits, overdrafts, etc./Investments	7.1	131,563,031,001	115,445,516,023
Bills purchased and discounted	8	3,126,277,363	2,394,649,940
Fixed assets including premises, furniture and fixtures	9	**4,193,540,105**	**4,099,983,356**
Other Assets	10	**13,042,382,648**	**8,438,430,047**
Non-Banking Assets	11	**23,166,033**	**23,166,033**
Total Assets		**202,191,595,861**	**176,362,472,141**
LIABILITIES & CAPITAL			
Liabilities			
Borrowings from Other Banks, Financial Institutions and Agents	12	**11,296,873,150**	**10,634,730,420**
Deposits and Other Accounts	13	**157,161,630,521**	**139,068,899,318**
Current accounts & other accounts		21,093,467,455	15,782,686,124
Bills payable		2,047,637,778	1,267,436,384
Savings bank deposits		16,735,239,732	15,041,681,604
Term deposits		117,285,285,556	106,977,095,206
Non Convertible Subordinated Bond	14	**3,800,000,000**	**1,400,000,000**
Other Liabilities	15	**15,487,366,332**	**11,870,171,137**
Total Liabilities		**187,745,870,003**	**162,973,800,875**
Capital / Shareholders' Equity			
Total Shareholders' Equity		**14,445,725,858**	**13,388,671,265**
Paid-up capital	16	6,879,006,860	6,253,642,600
Statutory reserve	17	5,850,338,779	5,300,741,818
Other reserve	18	774,110,946	871,896,065
Retained earnings	19	942,269,273	962,390,782
Total Liabilities & Shareholders' Equity		**202,191,595,861**	**176,362,472,141**

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OFF BALANCE SHEET ITEMS	Notes	31.12.2016 Taka	31.12.2015 Taka
Contingent liabilities	21	**72,926,401,097**	**52,254,802,031**
Acceptances and endorsements		25,263,660,677	14,225,611,128
Letter of credit		17,447,623,500	14,238,167,995
Letter of guarantee		19,928,711,771	14,194,068,714
Bills for collection		8,250,158,750	7,608,526,452
Other contingent liabilities		2,036,246,400	1,988,427,743
Other commitments		-	-
Documentary credit and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		**72,926,401,097**	**52,254,802,031**

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

Syed Mahbubur Rahman
Managing Director & CEO

Altaf Hossain Sarker
Director

Mohammed Hanif
Director

Reshadur Rahman
Chairman

This is the balance sheet referred to in our separate report of even date.

Dhaka,
30 April 2017

ACNABIN
Chartered Accountants

Dhaka Bank Limited
Profit & Loss Account
For the year ended 31 December 2016

	Notes	2016 Taka	2015 Taka
Operating Income			
Interest income/profit on investments	22	13,165,602,608	12,135,286,236
Interest paid/profit on deposits and borrowings, etc.	23	(9,452,611,371)	(10,116,296,447)
Net interest income		**3,712,991,237**	**2,018,989,789**
Investment income	24	3,238,231,845	3,003,455,981
Commission, exchange and brokerage	25	1,517,376,553	1,316,145,294
Other operating income	26	270,819,482	370,836,561
		5,026,427,880	**4,690,437,836**
Total operating income (a)		**8,739,419,116**	**6,709,427,625**
Operating Expenses			
Salary and allowances	27	1,711,533,723	1,636,454,240
Rent, taxes, insurance, electricity, etc.	28	508,410,393	459,716,648
Legal expenses	29	17,395,303	10,263,756
Postage, stamps, telecommunication, etc.	30	40,064,088	49,624,780
Stationery, printing, advertisement, etc.	31	148,276,067	201,302,778
Chief executive's salary and fees	32	12,890,167	10,422,334
Directors' fees	33	3,700,186	3,556,195
Auditors' fees	34	1,380,000	1,265,000
Depreciation and repairs of Bank's assets	35	337,001,950	298,178,696
Other expenses	36	555,116,746	534,410,087
Total operating expenses (b)		**3,335,768,622**	**3,205,194,514**
Profit before provision (c = (a-b))		**5,403,650,494**	**3,504,233,111**
Provision against loans and advances	37	2,444,517,209	1,095,173,902
Provision against good borrower	15.2	8,200,000	1,254,000
Provision for diminution in value of investments	38	-	4,075,897
Other provisions	39	202,948,481	27,738,300
Total provision (d)		**2,655,665,690**	**1,128,242,099**
Profit before taxation (c-d)		**2,747,984,804**	**2,375,991,012**
Provision for taxation		1,282,056,770	938,402,032
Current tax		1,314,967,979	934,833,819
Deferred tax income		(32,911,209)	3,568,213
Net profit after taxation		**1,465,928,034**	**1,437,588,980**
Profit available for distribution			
Appropriations			
Statutory reserve		549,596,961	475,198,202
General reserve		(38,192,034)	-
Dividends etc.		1,000,582,816	1,364,431,110
Retained earnings		**942,269,273**	**962,390,782**
		2,454,257,016	**2,802,020,094**
Earning per Share (EPS)	40	**2.13**	**2.09**

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

Syed Mahbubur Rahman
Managing Director & CEO

Altaf Hossain Sarker
Director

Mohammed Hanif
Director

Reshadur Rahman
Chairman

This is the profit and loss account referred to in our separate report of even date.

Dhaka,
30 April 2017

ACNABIN
Chartered Accountants

Dhaka Bank Limited
Cash Flow Statement
For the year ended 31 December 2016

	Notes	2016 Taka	2015 Taka
Cash Flow From Operating Activities			
Interest / Profit receipts		15,334,485,309	14,709,915,483
Interest / Profit payments		(9,420,147,575)	(10,185,223,161)
Dividend receipts		14,750,000	17,224,307
Recovery of loans previously written off		50,461,881	-
Fee and commission receipts		1,075,091,210	848,851,082
Payments to employees		(1,724,423,890)	(1,636,454,240)
Payments to suppliers		(207,115,457)	(262,456,314)
Income taxes paid		(725,025,033)	(1,126,541,634)
Receipts from other operating activities	41	369,640,943	465,150,348
Payments for other operating activities	42	(1,154,772,936)	(1,092,764,963)
(i) Operating profit before changes in operating assets & liabilities		**3,612,944,452**	**1,737,700,908**
Changes in operating assets and liabilities			
Purchase / Sale of trading securities		6,103,104,253	(253,527,813)
Loans and advances to customers		(16,849,142,401)	(14,708,646,689)
Other assets	43	(3,812,918,811)	880,562,594
Deposits from other banks		(1,273,265,661)	4,829,331,120
Deposits from customers		19,365,996,863	9,386,008,863
Other liabilities account of customers		22,681,744	(40,640,900)
Other liabilities	44	(453,614,536)	1,337,285,264
(ii) Cash flow from operating assets and liabilities		**3,102,841,453**	**1,430,372,440**
Net cash flow from operating activities (a)= (i+ii)		**6,715,785,904**	**3,168,073,347**
Cash Flow from Investing Activities			
Proceeds from sale of securities		988,590,387	404,528,325
Sale/ (Purchase) of securities		(6,643,932,858)	(844,313,107)
Purchase of property, plant & equipment		(315,573,767)	(331,703,774)
Proceeds from sale of fixed assets		4,018,467	12,300
Purchase / sale of subsidiary		-	-
Net cash used in investing activities (b)		**(5,966,897,771)**	**(771,476,256)**
Cash Flow from Financing Activities			
Borrowing from other banks		662,142,729	1,220,045,361
Issuance of Non Convertible Subordinated Bond		3,000,000,000	-
Redemption of Non Convertible Subordinated Bond		(600,000,000)	(600,000,000)
Dividends paid		**(375,218,556)**	**(795,918,150)**
Net cash flow from/(used in) financing activities (c)		**2,686,924,173**	**(175,872,788)**
Net increase in cash and cash equivalents (a+b+c)		**3,435,812,306**	**2,220,724,303**
Add: Effects of exchange rate changes on cash & cash equivalent		339,485,944	372,968,125
Add: Cash and cash equivalents at beginning of the year		25,166,262,501	22,572,570,073
Cash and cash equivalents at end of the year (*)		**28,941,560,751**	**25,166,262,501**
(*) Cash and cash equivalents			
Cash in Hand		1,797,353,255	1,543,599,084
Balance with Bangladesh Bank & Sonali Bank		14,918,296,004	13,422,713,525
Balance with other banks & Financial Institutions		11,170,526,692	10,180,026,192
Money at call & Short Notice		1,051,300,000	15,300,000
Prize Bond		4,084,800	4,623,700
		28,941,560,751	**25,166,262,501**

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

Dhaka,
30 April 2017

Syed Mahbubur Rahman	Altaf Hossain Sarker	Mohammed Hanif	Reshadur Rahman
Managing Director & CEO	Director	Director	Chairman

Dhaka Bank Limited
Statement of Changes in Equity
For the year ended 31 December 2016

(Amount in Taka)

Particulars	Paid up capital	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment Revaluation Reserve	Retained Earnings	Total Equity
Balance as at 1 January 2016	6,253,642,600	5,300,741,818	160,272,618	648,455,000	63,168,447	962,390,782	13,388,671,266
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	**6,253,642,600**	**5,300,741,818**	**160,272,618**	**648,455,000**	**63,168,447**	**962,390,782**	**13,388,671,266**
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(33,654,885)	-	(33,654,885)
Currency transaction differences	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	**-**	**-**	**-**	**-**	**29,513,562**	**-**	**-**
Net Profit for the year	-	-	-	-	-	1,465,928,034	1,465,928,034
Adjustment for made during the year	-	-	-	(25,938,200)	-	25,938,200	-
Transfer to reserve							
Dividend:							
Stock dividend	625,364,260	-	-	-	-	(625,364,260)	-
Cash dividend	-	-	-	-	-	(375,218,556)	(375,218,556)
Changes in reserve	-	549,596,961	(38,192,034)	-	-	(511,404,927)	-
Balance as at 31 December 2016	**6,879,006,860**	**5,850,338,779**	**122,080,584**	**622,516,800**	**29,513,562**	**942,269,273**	**14,445,725,858**

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Dhaka Bank Limited
Statement of Changes in Equity
For the year ended 31 December 2015

(Amount in Taka)

Particulars	Paid up capital	Statutory Reserve	General Reserve	Asset Revaluation Reserve-Restated	Investment Revaluation Reserve	Retained Earnings-Restated	Total Equity
Balance as at 1 January 2015	5,685,129,640	4,825,543,616	160,272,618	648,455,000	61,681,637	1,364,431,114	12,745,513,625
Changes in accounting policy							
Restated balance	**5,685,129,640**	**4,825,543,616**	**160,272,618**	**648,455,000**	**61,681,637**	**1,364,431,114**	**12,745,513,625**
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	1,486,810	-	1,486,810
Currency transaction differences	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	**-**	**-**	**-**	**-**	**63,168,447**	**-**	**-**
Net Profit for the year	-	-	-	-	-	1,437,588,980	1,437,588,980
Dividend:							
Stock dividend	568,512,960	-	-	-	-	(568,512,960)	-
Cash dividend	-	-	-	-	-	(795,918,150)	(795,918,150)
Changes in reserve	-	475,198,202	-	-	-	(475,198,202)	-
Balance as at 31 December 2015	**6,253,642,600**	**5,300,741,818**	**160,272,618**	**648,455,000**	**63,168,447**	**962,390,782**	**13,388,671,265**

Dhaka,
30 April 2017

Syed Mahbubur Rahman
Managing Director & CEO

Altaf Hossain Sarker
Director

Mohammed Hanif
Director

Reshadur Rahman
Chairman

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Dhaka Bank Limited
Liquidity Statement
(Asset and Liability Maturity Analysis)
As at 31 December 2016

(Amount in Taka)

Particulars	Upto 01 month	1 - 3 months	3 - 12 months	1 - 5 years	more than 5 years	Total
Assets:						
Cash in hand	16,715,649,259	-	-	-	-	16,715,649,259
Balance with other banks and financial institutions	3,302,251,040	2,138,000,000	5,697,090,000	33,185,652	-	11,170,526,692
Money at call on short notice	1,040,000,000	-	-	-	11,300,000	1,051,300,000
Investment	-	776,000,000	2,027,780,996	6,594,033,425	11,907,908,339	21,305,722,760
Loans and Advances	14,064,801,005	41,766,327,624	48,373,318,373	25,341,474,123	5,143,387,240	134,689,308,364
Fixed assets including premises, furniture and fixtures	-	-	-	620,486,351	3,573,053,753	4,193,540,105
Other assets	5,877,434,932	-	3,801,553,791	1,591,405,439	1,771,988,486	13,042,382,648
Non-banking assets	-	-	-	23,166,033	-	23,166,033
Total Assets	**41,000,136,236**	**44,680,327,624**	**59,899,743,160**	**34,203,751,023**	**22,407,637,818**	**202,191,595,861**
Liabilities:						
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	-	-	(8,530,677,315)	(2,766,195,834)	-	(11,296,873,150)
Deposits & Other Accounts	(23,173,505,150)	(29,526,840,399)	(74,877,899,539)	(17,750,031,260)	(11,833,354,174)	(157,161,630,521)
Non Convertible Subordinated Bond	-	-	(800,000,000)	(1,800,000,000)	(1,200,000,000)	(3,800,000,000)
Other liabilities	(3,964,571,803)	-	(11,522,794,529)	-	-	(15,487,366,332)
Total Liabilities	**(27,138,076,953)**	**(29,526,840,399)**	**(95,731,371,383)**	**(22,316,227,095)**	**(13,033,354,174)**	**(187,745,870,002)**
Net Liquidity Gap	**13,862,059,283**	**15,153,487,226**	**(35,831,628,223)**	**11,887,523,928**	**9,374,283,644**	**14,445,725,859**

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Dhaka Bank Limited and its Subsidiaries
Notes to the Consolidated & Separate Financial Statements
For the year ended 31 December 2016

1.0 Status of the Bank and Principal Activities

1.1 Legal form of the bank

The Dhaka Bank Limited (the "Bank") was incorporated in Bangladesh as a public limited company as on 06 April 1995 under the Companies Act, 1994 and commenced commercial operation on 05 July 1995. The Bank went for the public issue of shares on 18 November 1999 and its shares are listed with the Stock Exchanges of Bangladesh. Now it has 94 branches all over Bangladesh which includes 60 urban and 34 rural branches, an offshore banking unit at EPZ, Dhaka and 03 SME Service Centers. Out of the above, 2 branches of the bank are run under Islamic Shariah, the modus operandi of which is substantially different from other non-Islamic branches. The Bank has two subsidiary companies in the name of Dhaka Bank Securities Limited and Dhaka Bank Investment Limited. The Bank has been holding 99.99% shares of Dhaka Bank Securities Limited with 6 branches in Dhaka, Chittagong and Sylhet and Dhaka Bank Investment Limited. Moreover the Bank has a dedicated philanthropic unit named Dhaka Bank Foundation which has been operating since 28 July 2004.

The principal place of business is the registered office at 100, Motijheel Commercial Area, Biman Bhaban, Dhaka-1000, Bangladesh.

1.2 Nature of business/principal activities of the bank

1.2.1 Conventional banking

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

1.2.2 Islamic banking

The Bank operates Islamic Banking in two branches designated for this purpose in complying with the rules of Islamic Shariah. A separate balance sheet, income statement and a statement of profit paid on deposits are shown in **Annexure-I** and the figures appearing in the annexure have been incorporated in the respective heads of these financial statements as recommended by the Central Shariah Board for Islamic Banks in Bangladesh. A separate unit for Islamic Banking has been formed in Head Office to monitor and comply with the rules of Islamic Shariah and other Regulatory bodies.

1.2.3 Off-shore banking unit

The Off-shore banking unit is a separate business unit of Dhaka Bank Limited and maintains its accounting records in USD. A separate balance sheet, profit and loss accounts are shown in **Annexure-J** The Bank obtained the Off-shore Banking Unit permission vide letter no. BRPD(P)744(92)/2005-2181 dated 18 June 2005. The Bank commenced the operation of its Off-shore Banking Unit with effect from 10 May 2006. The unit is located at Savar EPZ, Dhaka. Separate financial statements of Off-shore Banking Unit are also presented.

1.2.4 SME service center

The main functions of SME Service Centers are to render services only for receiving application, disbursement, monitoring, and recovery of SME/Retail loans. They also serve the customers for opening of account, payments of foreign remittance etc.

1.2.5 Central processing center (CPC)

Dhaka Bank has established the central processing center (CPC) for trade & credit operations. The center maintains its accounting records in the general ledger of the respective branches. The Import/Export related processing & Credit Operations are centrally controlled and monitored by the CPC for efficient and effective decision-making and reduction of cost as well.

1.2.6 Subsidiaries of the bank

1.2.6.1 Dhaka Bank Securities Limited (Former DBL Securities Limited)

As per decision of the 153rd meeting of the Board of Directors of Dhaka Bank Limited, a separate subsidiary company in the name of DBL Securities Limited was formed to carry out the stock broker and stock dealer activities of Capital Market Services Division of the Bank. The Board of Directors of Dhaka Bank Limited in its 208th meeting renamed the subsidiary company as "Dhaka Bank Securities Limited" instead of "DBL Securities Limited". Dhaka Bank subscribed Tk.149,999,990 divided into 14,999,999 shares @Tk.10 each with 99.99% of contribution to Equity participation. Further, Tk.1,350,000,000 were injected by Dhaka Bank Limited as Fresh Capital during the year 2011. 05 (five) new Directors were inducted in the Board of Dhaka Bank Securities Limited by transferring 05 (five) share certificates @Tk.10.00 each of Dhaka Bank Securities Limited held by Dhaka Bank Limited. Now, the total number of Shareholding in Dhaka Bank Securities Limited is 171,599,994 shares after considering the stock dividend of Tk.60,000,000 & Tk.156,000,000 issued respectively in 2011 and 2014. Financial Statements of this subsidiary are portrayed in **Annexure-K.**

1.2.6.2 Dhaka Bank Investment Limited

As per approval of the Board of Directors of Dhaka Bank Limited in its 190th meeting, a separate subsidiary company in the name and style of "Dhaka Bank Investment Limited" was formed with Authorized Capital of Tk . 2,000,000,000 and Paid-up Capital of Tk. 250,000,000, amongst other, to conduct Merchant Banking Activities, to act as Issue Managers, Securities Management and Brokerage, Custodian Service, Investment and Asset Management, Portfolio Management, Capital Market operation etc. Dhaka Bank subscribed Tk.249,999,940 divided into 24,999,994 shares @Tk.10 each with 99.99% of contribution to Equity participation. The company is yet to receive the license from Bangladesh Securities and Exchange Commission (BSEC) to commence its operation. Financial Statements of this subsidiary are given in **Annexure-L.**

2.0 Significant accounting policies and basis of preparation of the financial statements

2.1 Basis of accounting

2.1.1 Statement of compliance

The financial statements of the Bank and its subsidiaries (the "Group") as at and for the year ended 31 December have been prepared in accordance with the first schedule of Bank Companies Act, 1991, BRPD Circular No. 14 dated 25 June 2003, other Bangladesh Bank circulars, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Listing Regulations of the Stock Exchanges, the Securities and Exchange Rules 1987 and other laws and rules applicable in Bangladesh. In case the requirement of Bangladesh Bank differs with those of BAS/BFRS, the requirement of Bangladesh Bank has been applied.

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

Material departures from the requirement of BFRS are as follows

i) 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 (as measured in accordance with BFRS 13) at the year end 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 year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; otherwise investments are recognised at cost.

ii) Revaluation gains/losses on government securities

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

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

iii) Provision on loans and advances/investments

BFRS: As per requirement of 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 individual or collective (portfolio) basis.

Bangladesh Bank: As per BRPD circular no. 14 (23 September 2012), BRPD circular no. 19 (27 December 2012) and BRPD circular no. 05 (29 May 2013) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for substandard 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. Again, as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

iv) 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 recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised 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 recognised 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.

v) Other comprehensive income

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

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

vi) Financial instruments – presentation and disclosure

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

vii) Repo transactions

BFRSs: When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock dealing), the arrangement is accounted for as a collateralized borrowing and the underlying asset continues to be recognized in the entity's financial statements. This transaction will be treated as borrowing and the difference between selling price and repurchase price will be treated as finance cost.

Bangladesh Bank: As per BB circular/guidelines, when a Bank sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock dealing), the arrangement is accounted for as a normal sale transaction and the financial asset should be derecognized in the seller's book and recognized in the buyer's book.

viii) 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 recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised 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 circular no. 14 dated 25 June 2003, financial guarantees such as letter of credit, letter of guarantee will be treated as off-balance sheet items. No liability is recognised for the guarantee except the cash margin.

ix) Cash and cash equivalent

BFRS: Cash and cash equivalent items should be reported as cash item as per BAS 7.

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call and on short notice', treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments.

x) Non-banking asset

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

Bangladesh Bank: : As per BRPD circular no. 14 dated 25 June 2003, there must exists a face item named Non-banking asset.

xi) Cash flow statement

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

Bangladesh Bank: : As per BRPD circular no. 14 dated 25 June 2003, cash flow is the mixture of direct and indirect methods.

xii) Balance with Bangladesh Bank: (Cash Reserve Requirement)

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.

xiii) Presentation of intangible asset

BFRS: An intangible asset must be identified and recognised, and the disclosure must be given as per BAS 38.

Bangladesh Bank: There is no regulation for intangible assets in BRPD circular no. 14 dated 25 June 2003.

xiv) 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 circular no. 14 dated 25 June 2003, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

xv) Loans and advances/Investments net of provision

BFRS: Loans and advances/Investments should be presented net of provision.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, provision on loans and advances/investments are presented separately as liability and cannot be netted off against loans and advances.

2.1.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items:

- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' are measured weekly using 'mark to market' concept with gain credited to revaluation reserve but loss charged to Profit and Loss Account.
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' are amortized each year with resulting gain credited to revaluation reserve but loss charged to Profit and Loss Account.
- Land is recognized at cost at the time of acquisition and

subsequently measured at fair value as per BAS-16 'Property Plant & Equipment' and BSEC notification SEC/ CMRRCD/2009-193/150/Admin dated 18 August 2013.

2.1.3 Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected. The most significant areas where estimates and judgements have been made are on provision for loans and advances, income tax, deferred tax, employee benefits and liquidity statement. Key estimates include

- Provision for loan and advances
- Deferred tax assets/liabilities
- Provision for gratuity and superannuation fund
- Depreciation of fixed assets
- Amortization of Intangible assets

2.2 Basis of consolidation

The consolidated financial statements include the financial statements of Dhaka Bank Limited, the Off-shore Banking Unit and its two subsidiaries i.e. Dhaka Bank Securities Limited and Dhaka Bank Investment Limited made up to the end of the financial year.

The consolidated financial statements have been prepared in accordance with BFRS-10 based on a common financial year ended 31 December 2016.

A Banking software system 'FLEXCUBE' produces consolidated Balance Sheet and Profit & Loss Account including Offshore Banking and Islamic Banking operation. These consolidated records are maintained at the Head Office of the Bank based on which these financial statements have been prepared.

Transaction eliminated on consolidation

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profits (losses) resulting from transactions within Group are also eliminated on consolidation.

2.3 Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value and are used by the Bank Management for its short-term commitments.

2.4 Loans and advances and provision thereon

Interest is calculated on a daily basis in product level, but charged or capitalized on quarterly basis. Interests due against classified loans (up to DF) are usually keeping in interest suspense account as per Bangladesh Bank guidelines, and such interest is not accounted for income realization, until the same is recovered from borrowers. Interest is not charged on Bad/ Loss loans, as per guidelines of Bangladesh Bank.

Provision for Loans and Advances is made on the basis of year end review by the Management and of instructions contained in Bangladesh Bank BRPD Circular No. 14 dated 23.09.2012, BRPD Circular No. 19 dated 27.12.2012, BRPD Circular No. 05 dated 29.05.2013, BRPD Circular No. 16 dated 18.11.2014 and BRPD Circular No. 8 dated 02.08.2015. A provision of Tk. 2,444,517,209 has been made during the year 2016 which has been found to be adequate. The total volume of non-performing loan is Tk. 5,402,949,193 as of 31.12.2016.

The provisioning rates are given below:

Business unit		Provision in %				
		UC	SMA	SS	DF	BL
Consumer	House Building and Professional	2%	2%	20%	50%	100%
	Other than House Building and Professional	5%	5%	20%	50%	100%
Brokerage Houses/ Merchant Banks/ Stock Dealers against shares		2%	2%	20%	50%	100%
Small and Medium Enterprises		0.25%	0.25%	20%	50%	100%
Agriculture		2.5%	2.5%	5%	5%	100%
Others		1%	1%	20%	50%	100%

Written off against classified Loans and Advances are considering to the extent that there is no realistic prospects of recovery and. Legal cases those were unsettled for more than five years as per guidelines of Bangladesh Bank.

However, write off application will not reduce the total claim against the borrower and detailed records of such write off accounts are generally maintained in a separate ledger.

2.5 Investments

Investments are initially recognized at cost, including acquisition charges associated with the investment. Premiums are amortized and discount accredited, using the effective or historical yield method. Accounting treatment of government treasury securities and bonds (categorized as HFT or/and HTM) is made following Bangladesh Bank DOS Circular Letter No. 05, dated 26 May 2008. The valuation methods of investments used are:

a) Held to maturity (HTM)

Investments which are intended to be held till maturity are classified as "Held to Maturity". These are measured at amortized cost at each year end by taking into account any

discount or premium on acquisition. Premiums are amortized and discount accredited, using the effective or historical yield method. Any increase or decrease in value of such investments is booked to equity and in the profit and loss statement respectively.

b) Held for trading (HFT)

Investment classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or designated as such by the management. After initial recognition, investments are measured at fair value and any change in the fair value is recognized in the profit and loss statement and revaluation reserve as per Bangladesh Bank DOS Circular no. 05 dated 28 January 2009.

c) Investment in listed shares and securities

These securities are bought and held primarily for the purpose of selling them in future or holding for dividend income. These are reported at cost. Unrealized gains are not recognized in the profit and loss account. But provision for diminution in value of investment is provided in the financial statements which market price is below the cost price of investment as per Bangladesh Bank guideline **(Note-6.2.1).**

d) Investment in unquoted shares and securities

Investment in unlisted securities is reported at cost under cost method **(Note-6.2.1).**

e) Investment in Commercial Paper

Investment in Commercial Papers is reported at cost and are bought and held for a short term maturity. Interest income on Commercial Papers is recognized in Profit & Loss Statement on accrual basis. Repayment of principal with capitalized interest is made at maturity.

f) REPO and Reverse REPO

Since 1 September 2010 transactions of REPO and Reverse REPO are recorded based on DOS Circular no. 06, dated 15 July 2010 of Bangladesh Bank. In case of REPO of both coupon and non-coupon bearing (Treasury bill) securities, the Bank adjusts the Revaluation Reserve Account for HFT securities and stops the weekly revaluation (if the revaluation date falls within the REPO period) of the same security. For interest bearing security, the Bank does not accrue interest during REPO period.

g) Investment in subsidiary

Investment in subsidiaries is accounted for under the cost method of accounting in the Bank's financial statements in accordance with the Bangladesh Accounting Standard. Accordingly, investments in subsidiaries are stated in the Bank's Balance Sheet at cost, less impairment losses if any.

Value of Investment has been enumerated as follows:

Investment Class	Initial Recognition	Measurement after initial recognition	Recording of changes
Held for Trading (T Bills, T Bonds, etc.)	Cost	Fair Value	Loss to Profit and Loss Account, gain to Revaluation Reserve through Profit and Loss Account.
Held to Maturity (T Bills, T Bonds etc.)	Cost	Amortized Cost	Increase or decrease in value to equity and in the profit and loss statement respectively.
Prize Bond	Cost	Cost	None
Shares(Quoted)	Cost	Market value	Loss (gain net off) to Profit and Loss Account but no unrealized gain booking.
Shares(Unquoted)	Cost	At cost or book value as per last audited balance sheet, whichever is lower	Loss to Profit and Loss Account but no unrealized gain booking.
Investment in Islamic Bond	Cost	Cost	None
Commercial Paper	Cost	Amortized cost	None

2.6 Property, plant and equipment and depreciation

Property, plant & equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Bank and the cost of the assets can be reliably measured.

i) All fixed assets are stated at cost less accumulated depreciation as per BAS-16. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

ii) The Bank recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance, is normally charged off as revenue expenditure in the period in which it is incurred.

iii) Depreciation is charged on straight-line method at the following rates on cost of assets from the month of their purchase as per revised policy with effect from the year 2012.

Name of the Assets	Rate of Depreciation (p.a)
Land	Nil
Building	2.50% p.a.
Furniture & Fixtures	10.00% p.a.
Office Appliances & Equipment	20.00% p.a.
Computer and Software	20.00% p.a.
Vehicles	20.00% p.a.

2.7 Impairment of assets

The policy for all assets or cash-generating units for the purpose of assessing such assets for impairment is as follows:

The Bank assesses at the end of each reporting period or more frequently if events or changes in circumstances indicate that the carrying value of an asset may be impaired, whether there is any indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the bank makes an estimate of the assets recoverable amount. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount by debiting to profit and loss account.

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may be impaired. During this reporting period there is an indication of impairment in the carrying amount of the floor space in BGMEA Building owned by Dhaka Bank Limited for which provision will be kept within 2017. **[For detail please see Note-9 & 18.2].**

2.8 Asset revaluation reserve

Dhaka Bank Limited re-valued the Land during the year 2011 by an independent valuation firm according to Paragraph 36 of BAS-16 as per approval of the Board of Directors of the Bank. As per Risk Based Capital Adequacy Guidelines for Banks under BASEL - III, the Revaluation Reserve for Assets and Securities will diminish at 20% per year on the base amount of 31 December 2015 so that the whole revaluation reserve amount will not get capital treatment after the end of five years (starting from January 2015). **[For detail please see Note-18.2].**

2.9 Other assets

As per BRPD Circular No. 14 dated 25 June 2003, all balance sheet accounts not covered specifically in other areas of the supervisory activity and such accounts may be quite insignificant in the overall financial condition of the Bank has been shown in other assets. These assets are grouped into income and non income generating activities. Other assets include investment in subsidiaries, Capital work in progress, prepaid expenses security deposits and other branch adjustments etc.

2.10 Receivables

Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity.

2.11 Non-banking assets

Non-banking assets are acquired on account of the failure of a debtor to repay the loan in time after receiving the decree from the Court regarding the right & title of mortgaged property during the year 2010. The value of the properties has been incorporated in the books of accounts on the basis of third party valuation report.

2.12 Leased assets

Leases are classified as Finance Lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as Operating Leases.

a) The Bank as lessor

Amounts due from leases under finance lease are recorded in the assets side of the Balance Sheet at the amount of the bank's net investment in the leases. Finance lease rental income is allocated to accounting periods so as to reflect a constant periodic rate of return on the bank's net investment outstanding in respect of the leases. No depreciation has been charged for such lease in the account.

b) The Bank as lessee

Assets held under finance leases are recognized as assets of Bank at fair value at the date of acquisition or if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a Finance Lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Assets held under Finance Leases are depreciated over their expected useful lives on the same basis as owned assets.

2.13 Share capital

The Ordinary shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets.

2.14 Statutory reserve

Under section 24.1 of The Bank Companies Act, 1991 (amended 2013) Banks are required to transfer 20% of its current year's profit before tax to reserve until such reserve equals to its paid up capital.

2.15 Non-controlling interest in subsidiaries

Non-controlling interest in business is an accounting concept that refers to the portion of a subsidiary company's stock that is not owned by the parent company. The magnitude of the non-controlling interest in the subsidiary company is always less than 50% of outstanding shares, else the company would cease to be a subsidiary of the parent.

2.16 Non convertible subordinated bond

i) The Bank issued Redeemable Non Convertible Subordinated Bond of Tk.2,000,000,000.00 as Supplementary Capital (Tier-2) of the Bank for a term of 07 (seven) years to strengthen the capital base of the Bank on the consent of Bangladesh Securities and Exchange Commission Vide Letter No. SEC/CI/CPLC-10/2001-256 dated 09.09.2010.

ii) The Bank issued another tranche of Non Convertible Subordinated Bond of Tk. 3,000,000,000 with consent of BSEC vide letter no. BSEC/CI/DS-34/2015/643 dated 28.12.2015 and subsequently approved by Bangladesh Bank vide letter no. BRPD (BFIS) 661/14B (P) 2016-2474 dated April 17, 2016 to strengthen the capital base in line with the newly introduced Capital Adequacy Guidelines under BASEL-III Accord.

2.17 Deposits and other accounts

Deposits by customers and banks are recognized when the Bank enters into contractual provisions of the arrangements with the counterparties, which is generally on trade date and initially measured at the consideration received.

2.18 Borrowings from other banks, financial institutions and agents

Borrowed funds include call money deposits, borrowings, re-finance borrowings and other term borrowings from banks. These are stated in the balance sheet at amounts payable. Interest paid/ payable on these borrowings is charged to the profit and loss account.

2.19 Interest suspense account

Interests on classified loans were not taken into income account. The amount was credited to Interest Suspense Account. Interest/profit on classified advances is accounted for on a cash receipt basis.

2.20 Retirement benefits to the employees

a) Provident fund: Provident Fund benefits are given to the employees of the bank in accordance with the locally registered Provident Fund Rules. The Commissioner of Income Tax, Tax Zone-5, Dhaka has approved the provident fund as a recognized provident fund as per section 2(1) of part-B of the first schedule of Income Tax Ordinance, 1984. The recognition took effect from 1st July 1996. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription of the fund. The Bank also contributes equal amount of the employees' contribution to the fund. Interest earned from the investments is credited to the members account annually.

b) Superannuation fund: The bank operates a Superannuation Fund Trust by a Board of Trustees consisting of seven members at present. The death–cum survival benefits are given to the employees as per the eligibility narrated in the Trust Rules. The fund got recognition from the National Board of Revenue (NBR) with effect from 1st January 2001 under section 3 & 4 of part- A of first schedule of Income Tax Ordinance 1984. During this year Dhaka Bank Limited has appointed an actuary and as per The Bank contributes to the fund annually as per Superannuation Fund Rules of the bank. Bank has conducted an actuarial valuation for the said Superannuation Fund on 18 May 2016 and contributions to the fund will be maintained onward as per actuary report.

c) Gratuity: The bank operates an Employee Gratuity Fund Trust by a Board of Trustees consisting of seven members at present. All confirmed employees who have been in the service of the bank for a minimum of five years without break, should be eligible to have the benefit under the gratuity scheme. The Gratuity Trust Rules got recognized from the National Board of Revenue (NBR) with effect from 25.04.2006 under section 2 & 3 of part-C of first schedule of Income Tax Ordinance 1984. The bank has started making provision against gratuity from the year 2004. Bank has conducted an actuarial valuation for the said Gratuity Fund on 18 May 2016 and contribution to the gratuity fund will be made onward as per actuary report.

2.21 Revenue recognition

The revenue is recognized complying with the conditions of revenue recognition as provided in **BAS 18 "Revenue Recognition".**

a) Interest income/Profit received: The interest/profit receivable on unclassified loans and advances/investments is recognized quarterly on accrual basis. Interest/profit on classified advances is accounted for on a cash receipt basis.

Interest on Credit Card outstanding is calculated on daily product balance but charged on monthly basis. Interest is charged on Credit Card up to 28 December 2016. Monthly bill of Credit Card is issued on 28th day of each month.

b) Investment income: Interest income on investments is recognized on accrual basis.

c) Fees and commission income: Fees and commission income arises on services provided by the Bank and recognized on a cash receipt basis. Commission charged to customers on letter of credit and letter of guarantee are credited to income at the time effecting the transactions.

d) Dividend income: Dividend income from shares is recognized at the time it is realized.

e) Interest/profit paid and other expenses: The interest/ profit paid on deposits, borrowings and other expenses are recognized on accrual basis.

2.22 Foreign currency transactions

i) Functional and presentational currency-Financial statements of the Bank are presented in Taka, which is the Bank's functional and presentational currency.

ii) Foreign currency transactions are converted into equivalent Taka currency at the ruling exchange rates on the respective date of such transactions as per BAS-21 "The Effects of Changes in Foreign Exchange Rates".

iii) Assets and liabilities as at 31 December 2016 in foreign currencies are converted into Taka currency at the average of the prevailing selling and buying rates of the relevant foreign currencies at that date except "Balances with other Banks and Financial Institutions" which have been converted as per directives of Bangladesh Bank vide its circular no. BRPD 717/2004-959 dated 21 November 2004.

Effects of exchange rate differences (rates at which transactions were initially recorded and the rate prevailing on the reporting date/date of settlements) applied on the monetary assets or liabilities of the Bank are recorded in the Profit and Loss Account as per BAS 21 'The Effect of changes in foreign exchange rates'.

Commitment: Commitments for outstanding forward foreign exchange contracts (SWAP) disclosed in these Consolidated Financial Statements and Financial Statements are translated at contracted rates. Contingent liabilities/commitments for letter of credit, letter of guarantee and acceptance denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance sheet date.

2.23 Taxation

a) Provision for taxation

The Bank is considered as a publicly traded company as per the Income Tax Ordinance, 1984. Provision for Current Income Tax has been made at the existing rate of 40.00% as prescribed in the Finance Act, 2016 of the business income of the Bank after considering some of the taxable add backs of income and disallowances of expenditures.

b) Deferred tax

Deferred tax arises due to temporary difference deductible or taxable for the events or transaction recognized in the income statement. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The Bank has recognized deferred tax in accordance with the Bangladesh Accounting Standard (BAS)-12. (See Note: 15.8).

2.24 Earnings per shares (EPS)

Earnings per share has been calculated in accordance with **BAS 33 "Earnings per Share"** which has been shown on the face of Profit and Loss Account. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year. Previous year's figures have been adjusted as per guidelines of BAS 33. (See Note: 40).

2.25 Off-balance sheet items & provisions

As per Bangladesh Bank Guidelines Off-balance sheet items have been disclosed under contingent liabilities & other commitments. Dhaka Bank Limited has maintained provision @ 1% against off-balance sheet exposures (L/C, Guarantee and Acceptances & Endorsements) as per BRPD Circular #14 dated 23 September 2012.

2.26 Memorandum items

Memorandum items are maintained to have control over all items of importance and for such transactions where the Bank has only a business responsibility and no legal commitment. Bills for Collection, Stock of Travellers cheques, Savings Certificates, Wage Earner Bonds fall under the memorandum items. However, Bills for Collection is shown under contingent liabilities as per Bangladesh Bank's format of reporting.

2.27 Cash flow statement

Cash Flow Statement is prepared principally in accordance with **BAS 7 "Cash Flow Statement"** and under the guidelines of Bangladesh Bank BRPD Circular No.14 dated 25 June 2003. The cash flow statement shows the structure of changes in cash and cash equivalents during the financial year.

2.28 Statement of changes in equity

Statement of Changes in Equity is prepared principally in accordance with **BAS-1 "Presentation of Financial Statements"** and under the guidelines of Bangladesh Bank BRPD Circular No.14 dated 25 June 2003.

2.29 Statement of liquidity

The liquidity statement has been prepared in accordance with the remaining maturity grouping of the value of the assets and liabilities as on 31 December 2016 and under the guidelines of Bangladesh Bank BRPD Circular No.14 dated 25 June 2003.

Particulars	Basis used
Balance with Other Banks and Financial Institutions	Maturity Term
Investments	Respective Maturity Terms
Loans and Advances	Repayment schedule basis
Fixed Assets	Useful life
Other Assets	Realization/Amortization basis
Borrowing from Other Banks, Financial Institutions and Agents	Maturity/Repayment terms
Deposits and Other Accounts	Maturity term
Other Liabilities	Payments/Adjustments schedule basis

2.30 Reconciliation of inter-bank/books of accounts

Books of accounts in regard to inter-bank (in Bangladesh and outside Bangladesh) and inter-branch are reconciled and no material difference was found which might effect the financial statements significantly.

Un-reconciled entries in case of inter-branch transactions as on the reporting date are not mentionable due to the time gap before finalizing the same.

2.31 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.32 Reporting period

These financial statements cover one calendar year from 01 January to 31 December 2016.

2.33 Post Balance sheet event

The Board of Directors of the company in its 299th meeting held on 30th April 2017 approved the financial statements of the company for the year ended 31 December 2016 and authorized the same for the issue. The Board of Directors also recommended 5% stock and 10% cash dividend for public shareholders only for the year ended 31 December 2016 subject to approval in the next Annual General Meeting.

2.34 General

a) Wherever considered necessary figures of previous year have been rearranged to conform to current year's presentation;

b) The expenses, irrespective of capital or revenue nature, accrued/due but not paid have been provided for in the books of the bank; and

c) Figures appearing in these financial statements have been rounded off to the nearest Taka.

2.35 Number of employees

The number of employees engaged for the whole year or part thereof was 1,668 (Male- 1,304 & Female-364). The Bank recruited 222 numbers of staff during the year. Attrition rate is 4.79% in 2016 compared to 5.70% in 2015.

2.36 Compliance of disclosure on risk management with related pronouncement of Bangladesh Bank (Annexure-M)

i. Risk management

The financial sector of emerging economies like that of Bangladesh is undergoing a monumental and persistent change. The premier reasons for this rapid evolution are increased interaction with world economies, diversification of services and products of the clients which are of newer genre and advancement of intra-division initiatives of the financial organizations for achievement of enhanced efficiency. The resultant effect for the financial sector is a newer facet of risk phenomena, which are unique at source and requires innovative approach to deal with.

Dhaka Bank is addressing these ever-developing risk phenomena through a coordinated model of identifying the sources, assessment and control mechanism of the following core risks-

- Internal Control & Compliance Risk;
- Market Risk Management;
- Foreign Exchange Risk;
- Interest Rate Risk;
- Equity Risk;
- Credit Risk;
- Asset Liability Management Risk;
- Money Laundering Risk;
- Information and Communication Technology Security Risk;
- Internal Audit;
- Fraud and Forgeries.

The prime objective of the risk management is that the bank takes credit and business risks while safeguarding the Bank's interest from the possibility of losses, financial or otherwise. The Bank's risk management ensures internal control and compliance are adhered by all branches and divisions of Head Office. The Bank has Management Committee (MANCOM), Asset Liability Committee (ALCO), Cost Containment Committee and Credit Risk Management Committee for assessment of credit risk, foreign exchange risk, market risk, money laundering risk, reduction of operating cost etc. at Head Office level on regular basis. Above that, the Executive Committee and Audit Committee comprising of members of the Board of Directors conduct the Risk Assessment at Board level.

ii. Internal control and compliance risk management

With the advent of globalization vis-à-vis technological changes, banking has become more and more diversified. As the banking function entails high risk, effective internal control system, good corporate governance, transparency and accountability have become more important for banking sector worldwide. Internal control system identifies the risk inherent in the process, adopts mitigation measures and ensures compliance thereof.

As per guidelines issued by Bangladesh Bank, Dhaka Bank established an organizational structure which allows segregation of duties among key functional units. Internal Control & Compliance Division (ICCD) has been reconstructed into 4 (four) units, i.e., (i) Compliance Unit, (ii) Monitoring Unit (iii) Audit & Inspection Unit and (iv) IS/IT Audit Unit.

iii. Internal control & compliance

- Integral part of the daily activities of a bank;
- Identifies the risks associated with the process followed in the effectiveness and efficiency of operations;
- Risk of compliance with applicable laws, regulations and internal policies;
- In order to mitigate the risks, effective internal controls are developed and monitored along with the Compliance Standards.

The Compliance Unit ensures that bank complies with all regulatory requirements while conducting its business. They maintain liaison with the regulators at all level and notify the other units regarding regulatory changes.

The Monitoring Unit monitors the operational performance of various branches. They collect relevant data and analyze those to assess the risks of individual unit. In case they find major deviation, they recommend to the Head of ICCD for sending Audit & Inspection Team for thorough review.
The Audit & Inspection Unit performs periodic and special audit when required. Dhaka Bank has different section within this team responsible for carrying out specific tasks.

The IS/IT Audit Unit conducts regular IS/IT audit in all branches/ divisions/departments/Units of Head Office.

To achieve these objectives Dhaka Bank is gradually moving towards risk based internal audit to evaluate the risk management system and control procedures prevailing in various areas of its operation. Dhaka Bank already introduced risk based internal audit and continues the same with necessary improvements when felt necessity. In risk based audit, the audit team evaluates the level of inherent risk of individual borrower as well as the level of a particular branch on the basis of a risk matrix. The Audit Committee of the Board subsequently reviews all audit/inspections reports and instructed to take corrective measures.

iv. Market risk management

a) Foreign exchange risk

To address the issue of Foreign Exchange Risk Management, all foreign exchange activities have been segregated between

Front and Back Office. The issue is being addressed through various techniques so that no exposure is uncovered in any time. Dhaka Bank follows all prudential procedures for covering foreign exchange risks as per guidelines of Bangladesh Bank. Treasury Division always monitors the market scenario of risks and manages the foreign exchange operations in a way so that earnings are not hampered against any adverse movement in market prices. The foreign exchange risk is at minimum level as all the transactions are carried out on behalf of the customers against L/Cs and foreign remittances. All Nostro accounts are reconciled on monthly basis and outstanding entry beyond 30 days is reviewed by the management for its settlement.

b) Interest rate risk

Interest rate risk may arise either from trading portfolio or non-trading portfolio. The trading portfolio of the Bank consists of Government treasury bills and bonds of different maturities. Interest risk arises from mismatches between the future yield of an asset and their funding costs. Asset Liability Committee of the Bank regularly monitors the interest rate movement and Treasury division actively manages the Balance Sheet gap profitability on a regular basis.

c) Equity risk

Equity risk arises from movement in market value of equities held. The risks are monitored by the Basel Unit of the Bank under a well-defined prudent investment framework

v. Credit risk management

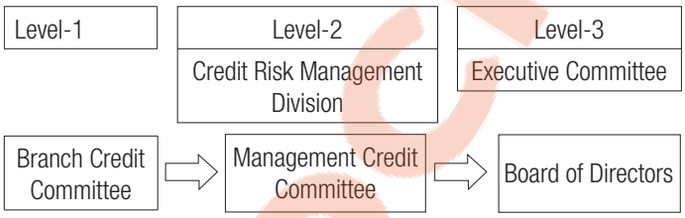
Credit Risk, broadly adverted as the uncertainty to meet financial obligations as per agreed terms and condition by the borrowers during the tenor of the credit facilities, occupies the largest constituent in the risk spectrum of financial institutions. Efficacy in credit risk management is demanded to secure the bank's asset quality as well as market reputation. Credit Risk Management largely controls the risk appetite of financial institutions as an effective risk management process of the credit facilities brings up the constancy of the growth even in the dire market situation.

Dhaka Bank Limited has formulated 2 (two) phases in managing credit risk as depicted below:

a) Pre approval phase

- Identifying the sources of risk;
- Assessment of the magnitude of the risk;
- Devising the terms and condition to control the risk (if feasible and supported by the Credit Risk Management Policy of the Bank).

Credit risk management process flow at pre approval phase:



b) Post approval phase

- Implementation of risk control process i.e. documentation and securitization;
- Supervision of extended facilities;
- Identification of the Red Flag borrowers;
- Addressing the Red Flag borrowers according to the prevailing regulatory framework.

Recent development in credit risk management

One of the recent developments in the Bank's credit risk management has been the adoption of a revised Credit Risk Management Policy that acknowledges the metamorphosis of the stimulants of credit risk and contriving the scheme to curb the affect of the evolved scenario. The epitome of the revised Credit Risk Management policy are-

- Segregation of the clientele base of the Bank under purview of the existing regulatory framework and client's portfolio.
- Re-script bank's lending strategy i.e. expansion or contraction to various industry.
- Re-fixing the industry-wise exposure ceiling in view of the industry life cycle, economic importance and repayment record.
- Revision of the product-wise i.e. Demand, Continuous and Term Loan exposure cap.
- Restructure of the approving authority related to different types credit facilities.

vi. Asset liability management risk

Dhaka Bank meets at least once a month to analyze, review and formulate strategy to manage the balance sheet of the Bank. Dhaka Bank formed Asset Liability Committee (ALCO) in March 2003. The Asset Liability Committee (ALCO) of the Bank monitors market risk and liquidity risk and at the same time it interprets the market views and competition. ALCO prepares the liquidity plan as per the maturity profile of Assets & Liabilities, review rate of interest on deposits and advances, foreign exchange position and analyzes the different financial ratios. The ALCO comprises of the Managing Director, Deputy Managing Directors, CFO, Head of IT, Head of Credit, Head of Retail, Head of Treasury and Head of Risk Management Division.

vii. Money laundering risk management

Reputational Risk arises from non compliance of relevant laws and regulations related to Money Laundering by the reporting agencies as the loss of reputation and expenses incurred as penalty. Every branch has a nominated AML compliance officer who will review and evaluate the daily transactions of his branch and report to Deputy CAMLCO or CAMLCO if any abnormal / suspicious activities is detected for further analysis and reporting to Bangladesh Bank. The Bank has a Chief Anti Money Laundering Compliance Officer (CAMLCO) who is also the Deputy Managing Director-Operations at Head Office. The Bank has a Central Compliance Unit (CCU), Head Office for ensuring the compliance related to AML/CFT of all branches. CCU collects the mandatory statements related to AML/CFT from branches and submits to Bangladesh Bank after confirming the statements are in order and as per the prescribed format.

In compliance with the Money Laundering Prevention Act 2012 & Anti Terrorism Act 2009 (amended in 2012, 2013) Dhaka Bank Limited has revised its AML/CFT policy in due course. Branches has been instructed or guided to review the KYC and TP of their clients as and when requires depending upon the nature and volume of the transaction of their client to mitigate the AML risk.

Bank has prepared its money-laundering manual for applications. Training has been continuously given to all officers and executives for developing awareness and skill for identifying suspicious transactions/activities.

viii. Information and communication technology security risk

Banking environment has become highly competitive now-a-days. Being able to grow and sustain in the ever-changing market scenario, banks have to use latest technologies and tools which can help in developing learner and more flexible structure that can react or respond as per the dynamics of the situation of the market. IT is also acting as an instrument of cost efficiency and effective communication with people and institutions associated with the banking business. Moreover, IT is moving from a back office function to a prime assistant in increasing the value of a bank over time. In line with these, IT Division of Dhaka Bank Ltd., has taken pro-active measures such as strengthening and standardizing banks infrastructure in respect of security, communication and networking, achieving inter branch connectivity, moving towards Real Time gross settlement (RTGS) environment etc. to face the fierce competition locally and globally.

To continue fulfilling these objectives, we have made some significant changes to IT functions so far.

a) Core banking software up gradation

Dhaka Bank Limited is one of the forerunners in introducing a modern customer centric core banking solution named Flexcube (Oracle) in early 2004 which has served both the bank and the customer to the fullest extent. It is very evident that technology in the banking arena has been changing rapidly over the years which enabled the client reaching the bank via their handheld devices. In light of these, Dhaka Bank Limited decided to upgrade the Core Banking Software to keep the bank abreast of the foreseeable technology change. The preparatory works and the work plan have been finalized by the Bank and the vendor. The up gradation is expected to be completed within 2017. We view this as an opportunity to cater our services to the doorstep of our client.

b) Central bank and internal business reporting

Bangladesh Bank (The Central Bank of Bangladesh) has introduced a large number of reports from each commercial bank under various interval frequencies, such as, Monthly, Quarterly etc. Major portion of these reports data are extracted from the Core Banking Solution and forwarded to the respective divisions/branches to verify and place to the Central Bank.

- **RIT (Rationalized Input Template):** Bangladesh Bank are maintaining a SAP solution based on RS/400 system for importing data from a very critical and unique format, which is called RIT (Rationalized Input Template). IT Division is working restless to supply these data to the concerned divisions, so that it can be accommodated with the central bank system.
- **go-AML:** Anti-Money Laundering is a very big challenge to Bangladesh Government to support the local and international compliance. The Central Bank already changed its major architecture in both physical and software system. New software is in the project pilot phase, which requires data each month. Dhaka Bank IT prepares Cash Transaction data, Customer Data and relevant stakeholder's data each month for due submission to Bangladesh Bank.
- **Online CIB:** CIB is one of the most important reports for each and every Commercial Bank in Bangladesh, which reflects the borrowers' position with the Bank. Dhaka Bank IT Division extracts these data through some complex process each month and publishes it into intra-net portal.
- **Import and export reporting:** IT has developed application integrated with the core banking system for batch uploading of import and export information of the clients so that man-hour can be reduced and efficiency of reporting can be increased.
- **Green banking activities:** We have been using a high performance automated core banking software and e-mail for intra bank correspondence where no more manual banking is required. With a view to reducing the usage of hard copy statement as well as to popularize paperless banking, Dhaka Bank introduced e-statements, M-Banking, Internet Banking, ATM, ADM. Through e-statements client can view, download or print an electronic version of the statement that looks just like the paper version.

  Dhaka Bank Limited is using twenty-first century's technology virtualization for Data center Server &

Application. With the help of VM server Administration, scalability and recourse management has improved tremendously. Also the cost of power, cooling, space has reduced significantly.

c) Network hardware redundancy at Data Center

- Dhaka Bank IT has initiated a project to reduce network downtime at zero level by implementing auto switching between redundant hardware in the Data Center. The project will be executed in 2 phases.
- 1st Phase: In this phase network team is working to install 2 core routers where all the links from vendors will be connected. The configuration between these two routers is arranged in such a way that in case one router goes down, the other will take over all the traffic.
- 2nd Phase: In this phase 2 core firewall will be installed at Data Center with Intrusion Prevention System. After completion of this phase current firewall will be transferred to Disaster Recovery Site.

d) Utilities bill payment

Dhaka Bank Limited being a tech-savvy bank supported by state-of-the-art technology always prioritizes digitalized financial and banking services that we have been doing for more than a decade. Although we carry out formal banking operations through our 94 branch locations but virtually we are present here and there across the globe through real-time online banking, card services, internet banking, utility bill collection units, MRP & MRV Fee, WASA bill, mobile bill and remittance network.

ix. Internal audit

The internal audit function which is centrally controlled, monitors compliance with policies and standards and the effectiveness of internal control structure of the Bank. Internal Control and Compliance Division of the Bank carries out internal audit with a view to enrich the compliance culture and full control on the exertion of the Banking operations. The division directly report simultaneously to the Board Audit Committee and the Managing Director. Sometimes internal audit team conducts surprise visit to the branches. Regular monitoring has been done for the effectiveness of the control and compliance policies and procedures with the effect to evaluate the application of Internal Control System, and Internal Audit Policy, Policy for financial risk, existing rules and regulations, other obligation from regulatory authority etc.

x. Fraud and forgeries

The Bank is operating its business with the public money. As a custodian of such money, bank has to set up strong internal control structure, introduced corporate governance, practicing ethical standards in the bank for safeguard and interest of the stakeholders. Public confidence has been shaken when different types of malpractice, fraud and forgeries occurred in the banking sector. Dhaka Bank is fully aware of its responsibility towards stakeholders specially depositors.

2.37 Audit committee of the board of directors

i) Particulars of audit committee

The Audit Committee of the Board was duly constituted by the Board of Directors of the Bank in accordance with the BRPD Circular Letter No. 11 dated 27 October 2013 issued by Bangladesh Bank. The Committee was formed with the following 4 (four) members of the Board:

Sl. No.	Name	Status with the Bank	Status with the Committee	Educational Qualification
1	Mr. Syed Abu Naser Bukhtear Ahmed	Independent Director	Chairman	MBA
2	Mr. Reshadur Rahman	Chairman	Member	Graduate
3	Mrs. Rokshana Zaman	Vice Chairperson	Member	Intermediate
4	Mr. Tahidul Hossain Chowdhury	Director	Member	Bachelor of Arts

ii) Meeting held with audit committee

During the year 2016, 07 (seven) Meetings of the Audit Committee of the Board were held. The Committee in these Meetings discussed the following issues and made relevant recommendations/ instructions to the Management for compliance:

- Quarterly Statements of Self-Assessment of Anti-Fraud Internal Controls under DOS Circular Letter No.17 Dated November 07, 2012 of Bangladesh Bank
- Audit Plan for the Year-2016
- Latest Compliance Status of Audit Reports of Different Branches of Dhaka Bank Limited, Audits Conducted from January to December, 2013
- Latest Compliance Status of Audit Reports of Different Branches of Dhaka Bank Limited, Audits Conducted from January to December, 2014
- Latest Compliance Status of Audit Reports of Different Branches of Dhaka Bank Limited, Audits Conducted From January to December, 2015
- Executive Summary Audits conducted during the year 2015
- Summary of loan classification and provision as on 31.12.2015 along with previous quarter
- Issues related with credit facilities of top 15 branches in the year of 2015 raised by Bangladesh Bank Inspection team
- Audited Consolidated Financial Statements of the Company and Financial Statements of the Bank for the year ended 31st December, 2015
- Comprehensive Audit Report of IBB-Muradpur, Hathazari Branches, Dhaka Bank Securities Ltd. and IT Audit of Barisal Branch
- Pending Irregularities of Audits Conducted from January to December 2013
- Revised (February, 2016) Guidelines on Internal Control & Compliance in Banks
- Re-appointment of M/s. ACNABIN, Chartered Accountants as External Auditors of the Bank

- Un-audited Quarterly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 31st March, 2016
- Summary of loan classification and provisioning as on 31.12.2015 (Audited)
- Summary of loan classification and provisioning as on 31.03.2016
- Executive Summary Audits conducted during the year 2016
- Certificate on Effectiveness of Internal Control Policy, Practice and Procedure by MANCOM of Dhaka Bank Ltd. for the year 2015
- Discrepancies in the Loan Documentation Checklist (LDCL) for the quarter ended March 2016
- Deviations in Quarterly Operations Report for the quarter ended March 2016
- Annual ICC Report on the Health of the Bank for the Year 2015
- Gap Analysis between Revised ICC Guideline – 2016 and DBL ICC Policy 2015
- Summary Report on the Audit Findings & Corrective Measures taken thereon of Dhaka Bank Limited for the Year- 2015
- Un-audited Quarterly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 30th June 2016
- On Site review of Profit/Loss of December 31, 2015, March 31, 2016 & June 30, 2016 of Hathazari Branch, Chittagong
- Summary of loan classification and provisioning as on 30.06.2016
- Issues related with Special Inspection on AML/CFT activities of 10 (ten) branches audited by Internal Control & Compliance Division in August, 2016
- Letter to the Management of Dhaka Bank Limited for the year ended 2015 submitted by ACNABIN, Chartered Accountants
- Branch Audit Rating
- Compliance and responses of 18th Comprehensive Bangladesh Bank Inspection report on Dhaka Bank Ltd., Head Office as on 31.12.2015
- Un-audited Quarterly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 30th September, 2016
- Summary of Loan Classification and Provision as on 30.09.2016

Steps taken for implementation on effective internal control procedure of the Bank

The Committee placed its reports regularly to the Board of Directors of the Bank mentioning its review results and recommendations on internal control system, compliance of rules and regulations and establishment of good governance within the organization.

2.38 Shariah supervisory committee

The name of Shariah Council Committee has been changed as Shariah Supervisory Committee according to BRPD Circular No.15 dated 09.11.2009 of Bangladesh Bank. The Executive Committee of the Board of Directors constituted the Shariah Supervisory Committee of Dhaka Bank Limited. The members are as follows:

Sl. No	Name	Designation	Status	Date of Birth	Education Qualification
1	M. Azizul Huq	Chairman	1st CEO of IBBL	16.10.1935	MA (Economics)
2	Prof. Mowlana Mohammad Salah Uddin	Member (Faqih)	Khatib of National Mosque, Baitul Mukarram	01.11.1944	Kamil, MA
3	Dr. Mohd. Haroon Rashid	Member (Faqih)	Member Secretary, Shariah Supervisory Committee, AB Bank Ltd.	11.06.1969	Fazill, MA, PhD
4	Hafej Mawlana Abdul Gaffar	Member (Faqih)	Imam & Khatib, Shahidbag Jame Mosque	05.11.1960	Takmil, Darul Ulum Dewband, UP, India
5	Md. Fariduddin Ahmed	Member (Expert in Islamic Banking)	Ex Managing Director, IBBL	16.02.1962	B.Com, DAIBB
6	Omar Sadat	Member (Lawyer)	Lawyer & Head of Chamber: Sadat Sarwat & Associates	20.08.1974	Bar-at-law, LL.M, LL.B (Hons.)
7	Syed Mahbubur Rahman	Member (Ex-Officio)	Managing Director, Dhaka Bank Ltd.	16.02.1962	MBA, IBA, University of Dhaka
8	Md. Sirajul Hoque	Member Secretary	EVP & Head of Islamic Banking Division	18.10.1960	B Com (Honours) M Com (Accounting) CA, CC

During the year 2016, the following issues were discussed in the meetings:

- Approval of Islamic Liability Products i) Mudaraba Gold Deposit Account, ii) Mudaraba Platinum Deposit Account & iii) Mudaraba Silver Deposit Account of Islamic Banking Operations
- Discussion & Approval on Quard Policy against Mudaraba Term Deposit of Islamic Banking
- Discussion on Shariah Inspection Report of Islamic Banking Branches (IBBs) as on dated 31.12.2015
- Discussion on development of publishing a Booklet on Muamalat of Daily lives regarding Islamic Solutions
- Approval of Shariah Supervisory Committee Opinion for publication in Bank's Annual Report, 2015
- Approval of final rates on various Mudaraba Deposits on the basis of weight age for the Year 2015
- Discussion on Islamic Banking Software UBS for Islamic Banking Operations.
- Maintenance of Compensation GL separately from Income Account.
- Approval on Shariah Audit Guideline of Islamic Banking Operations.

2.39 Information about segment reporting

The bank operates under the following business segments:

(Figure in '000)

Particulars	Conventional	Islamic	OBU	DBL Securities	Dhaka Bank Investment	Total
Total Operating Income	8,739,419	217,012	217,776	238,215	8,276	8,985,911
Allocated Expenses	3,335,769	53,822	20,663	73,237	120	3,409,126
Operating Profit (Before Tax & Provision)	5,403,650	1,498	163,190	164,978	8,156	5,576,785
Total Provision (Loans/Advances & Others)	2,655,666	-	14,205	50,000	-	2,705,666
Profit Before Tax	2,747,985	163,190	182,907	114,978	8,156	2,871,119
Provision for Income Tax	1,282,057	-	-	33,927	2,854	1,318,839
Net Profit	1,465,928	163,190	182,907	81,050	5,301	1,552,280
Segment Assets	198,048,192	7,113,509	7,101,321	4,944,981	283,738	203,276,912
Segment Liabilities	198,048,192	7,113,509	7,101,321	4,944,981	283,738	203,276,912

The operations of these segments are specifically identified by Income, expenses, assets and Liabilities. Based on such allocation, segment balance sheet as at 31 December 2016 and segmental profit and loss account for the year ended 31 December 2016 have been prepared.

2.40 Compliance with financial reporting standards as applicable in Bangladesh

The Institute of Chartered Accountants of Bangladesh (ICAB) in the sole authority for adoption of Bangladesh Financial Reporting Standards (BFRS). While reporting the financial statements, Dhaka Bank Limited applied all the applicable of BAS and BFRS as adopted by ICAB. Details are given below:

Sl. No.	BAS No.	BAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied *
2	2	Inventories	Not Applicable
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Balance Sheet Date	Complied
6	11	Construction Contracts	Not Applicable
7	12	Income Taxes	Complied
8	16	Property, Plant & Equipment	Complied
9	17	Leases	Complied
10	18	Revenue	Complied
11	19	Employee Benefits	Complied
12	20	Accounting for Government Grants and Discloser of Government Assistance	Not Applicable
13	21	The Effects of Changes in Foreign Exchanges Rates	Complied
14	23	Borrowing Costs	Complied
15	24	Related Party Disclosures	Complied
16	26	Accounting and Reporting by Retirement Benefit Plans	Complied
17	27	Separate Financial Statements	Complied
18	28	Investment in Associates	Not Applicable
19	31	Interest in Joint Venture	Not Applicable
20	32	Financial Instruments: Presentation	Complied *
21	33	Earnings per Share	Complied
22	34	Interim Financial Reporting	Complied
23	36	Impairment of Assets	Complied
24	37	Provisions, Contingent liabilities and Contingent Assets	Complied
25	38	Intangible Assets	Complied
26	39	Financial Instruments: Recognition and Measurement	Complied *
27	40	Investment Property	Not Applicable
28	41	Agriculture	Not Applicable

Sl. No.	BFRS No.	BFRS Title	Compliance Status
1	1	First-time Adoption of Bangladesh Financial Reporting Standards	Not Applicable
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Not Applicable
4	4	Insurance contracts	Not Applicable
5	5	Non-Current Assets Held for Sale and Discontinued Operations	Complied
6	6	Exploration for and Evaluation of Mineral	Not Applicable
7	7	Financial Instruments: Disclosures	Complied *
8	8	Operating Segments	Complied
9	10	Consolidated Financial Statements	Complied
10	11	Joint Arrangements	Not Applicable
11	12	Disclosure of Interest in other Entities	Complied
12	13	Fair Value Measurement	Complied

* Subject to departure disclosed in note no. 2.1.1

* In order to comply with certain specific rules and regulations of the Central Bank (Bangladesh Bank) which are different from BAS/BFRS, some of the requirements specified in these BAS/BFRSs are not applied.

2.41 Approval of Financial Statements

These financial statements were reviewed by the Audit Committee of the Board of the Bank in its 76th meeting held on 27 April 2017 and was subsequently approved by the Board in its 299th meeting held on 30 April 2017.

			31.12.2016 Taka	31.12.2015 Taka
3.	**Cash**			
	Cash in hand	(Note: 3.1)	1,797,353,255	1,543,599,084
	Balance with Bangladesh Bank and its agent bank(s)	(Note: 3.2)	14,918,296,004	13,422,713,525
			16,715,649,259	**14,966,312,609**
3(a)	**Consolidated Cash**			
	Dhaka Bank Limited	(Note: 3)	16,715,649,259	14,966,312,609
	Dhaka Bank Securities Limited		109,500	109,500
	Dhaka Bank Investment Limited		-	-
			16,715,758,759	**14,966,422,109**
3.1	**Cash in hand**			
	In local currency		1,776,810,310	1,507,169,880
	In foreign currencies		20,542,945	36,429,204
			1,797,353,255	**1,543,599,084**

Cash in hand (local currency) includes balance of Cash held at Automated Teller Machine (ATM) of Tk.94,219,500 as on 31.12.2016.

3.1(a)	**Consolidated Cash in hand**			
	Dhaka Bank Limited	(Note: 3.1)	1,797,353,255	1,543,599,084
	Dhaka Bank Securities Limited		109,500	109,500
	Dhaka Bank Investment Limited		-	-
			1,797,462,755	**1,543,708,584**
3.2	**Balance with Bangladesh Bank and its agent bank(s)**			
	Balance with Bangladesh Bank			
	In local currency		9,994,344,869	8,717,693,496
	Conventional		9,568,380,071	8,277,058,032
	Al-Wadiah current account		425,964,798	440,635,463
	In foreign currencies		4,816,003,831	4,577,955,675
			14,810,348,700	13,295,649,171
	Balance with Sonali Bank as agent of Bangladesh Bank		107,947,304	127,064,354
			14,918,296,004	**13,422,713,525**

As per Bangladesh Bank circulars/guidelines, balance with Bangladesh Bank is part of cash and cash equivalent regardless of any restriction. However, to meet up the foreign currency liabilities of the bank, the cover fund against the liabilities has been kept and booked in Bangladesh Bank FC Clearing account as well as Nostro Bank Accounts.

3.2(a)	**Consolidated Balance with Bangladesh Bank and its agent bank(s)**			
	Dhaka Bank Limited	(Note: 3.2)	14,918,296,004	13,422,713,525
	Dhaka Bank Securities Limited		-	-
	Dhaka Bank Investment Limited		-	-
			14,918,296,004	**13,422,713,525**

3.3 Statutory deposits

Cash Reserve Ratio and Statutory Liquidity Ratio have been calculated and maintained as per Section 33 of the Bank Companies Act 1991 and MPD Circular No. 04, dated 01.12.2010, MPD Circular No.05 dated 01.12.2010 and MPD Circular No.01 dated 23.06.2014.

3.3.1	**Cash Reserve Ratio (CRR)**		
	Conventional Banking		
	(6.50% of Average Demand and Time Liabilities)		
	Required reserve	9,357,849,072	8,034,850,226
	Actual reserve maintained	9,457,561,409	8,066,948,979
	Surplus	**99,712,337**	**32,098,753**
	Required	**6.50%**	**6.50%**
		6.57%	**6.53%**

		31.12.2016 Taka	31.12.2015 Taka
	Daily Requirement		
	(6.00% of Average Demand and Time Liabilities)		
	Required Reserve	8,638,014,528	7,416,784,820
	Actual reserve maintained	9,583,022,093	8,274,504,548
	Surplus	**945,007,565**	**857,719,728**
	Required	**6.00%**	**6.00%**
	Maintained	**7.21%**	**6.53%**
	Islamic Banking		
	Bi-weekly Requirement		
	(6.50% of Average Demand and Time Liabilities)		
	Required reserve	414,438,359	365,513,083
	Actual reserve maintained	425,964,798	394,164,875
	Surplus	**11,526,439**	**28,651,792**
	Required	**6.50%**	**6.50%**
	Maintained	**6.68%**	**7.01%**
	Daily Requirement		
	(6.00% of Average Demand and Time Liabilities)		
	Required Reserve	382,558,485	337,396,690
	Actual reserve maintained	425,964,798	420,635,463
	Surplus	**43,406,313**	**83,238,773**
	Required	**6.50%**	**6.50%**
	Maintained	**7.24%**	**7.01%**
3.3.2	**Statutory Liquidity Ratio (SLR)**		
	Conventional Banking		
	(13% of Average Demand & Time Liabilities)		
	Required Reserve	18,715,698,144	16,069,700,452
	Actual reserve maintained	20,539,335,533	21,183,070,043
	Surplus	**1,823,637,389**	**5,113,369,591**
	Required	**13.00%**	**13.00%**
	Maintained	**14.27%**	**17.14%**
	Islamic Banking		
	(5.50% of Average Demand and Time Liabilities)		
	Required Reserve	350,678,611	309,280,301
	Actual reserve maintained	404,213,491	415,540,383
	Surplus	**53,534,880**	**106,260,082**
	Required	**5.50%**	**5.50%**
	Maintained	**6.34%**	**7.39%**
	Held for Statutory Liquidity Ratio (Conventional)		
	Cash in Hand	1,774,666,204	1,513,181,000
	Balance with Bangladesh Bank and its agent Bank(s) over CRR	333,031,369	366,662,438
	Government Securities (excluding Assured Liquidity Support)	18,431,637,960	19,303,226,605
		20,539,335,533	**21,183,070,043**
	Held for Statutory Liquidity Ratio (Islamic)		
	Cash in Hand	22,687,052	30,418,000
	Balance with Bangladesh Bank and its agent Bank(s) over CRR	11,526,440	55,122,383
	Government Securities (excluding Assured Liquidity Support)	370,000,000	330,000,000
		404,213,491	**415,540,383**

Dhaka Bank Limited has maintained the above SLR and CRR requirement based on weekly average total demand and time liabilities (ATDTL) of the base month which is two months back of the reporting month.

As per DOS Circular No. 05 dated 26 May 2008, all the Government treasury bond and bill will be open for SLR requirement and Dhaka Bank Limited has maintained the minimum SLR as per said circular.

			31.12.2016 Taka	31.12.2015 Taka
3.4	**Maturity grouping of cash**			
	On Demand		16,715,649,259	14,966,312,609
	Upto 1 month		-	-
	Over 1 month but not more than 3 months		-	-
	Over 3 months but not more than 6 months		-	-
	Over 6 months but not more than 1 year		-	-
	Over 1 year but not more than 5 years		-	-
	Over 5 years		-	-
			16,715,649,259	**14,966,312,609**
4.	**Balance with other banks and financial institutions**			
	In Bangladesh	(Note: 4.1)	8,581,752,935	6,691,817,231
	Outside Bangladesh	(Note: 4.2)	2,588,773,757	3,488,208,961
			11,170,526,692	**10,180,026,192**
4(a)	**Consolidated Balance with other banks and financial institutions**			
	In Bangladesh	(Note: 4.1(a)	8,640,709,728	6,724,351,465
	Outside Bangladesh	(Note: 4.2(a)	2,588,773,757	3,488,208,961
			11,229,483,485	**10,212,560,426**
4.1	**In Bangladesh**			
	Current Deposit			
	Sonali Bank Limited		58,165,306	88,186,671
	Janata Bank Limited		201,772,652	1,759,766
	Southeast Bank Limited		214,164	222,814
	Standard Chartered Bank (Visa Settlement)		4,291,243	6,165,219
	Brac Bank Limited		70,398	540,786
	Agrani Bank Limited		21,911,904	29,985,615
	Dutch Bangla Bank Limited		-	85,780
	Islami Bank Bangladesh Limited		14,797,440	11,754,284
	United Commercial Bank Limited		1,009,564	1,781,939
			302,232,671	**140,482,874**
	Special Notice Deposit (SND)			
	Janata Bank Limited		2,783,215	5,250,723
	Dutch Bangla Bank Limited		6,695,550	8,182,060
	Sonali Bank Limited		65,363	63,293
	AB Bank Limited		1,055,132	169,029
	Agrani Bank Limited		5,056,083	8,202,643
	National Bank Limited		589,270	990,958
			16,244,612	**22,858,705**
	Fixed Deposit			
	Commercial Banks			
	Social Islami Bank Limited		790,000,000	395,000,000
	Eastern Bank Limited		2,054,000,000	1,580,000,000
	AB Bank Limited		1,185,000,000	2,370,000,000
	Premier Bank Limited		395,000,000	395,000,000
	BRAC Bank Limited		-	395,000,000
	Trust Bank Limited		-	395,000,000
	The City Bank Limited		3,160,000,000	790,000,000
			7,584,000,000	**6,320,000,000**
	Financial Institutions			
	Phoenix Finance and Investment Limited		179,275,652	193,475,652
	Prime Finance		200,000,000	-
	International Leasing & Financial Service Limited		200,000,000	-
	Peoples Leasing Company Limited		100,000,000	15,000,000
			679,275,652	**208,475,652**
			8,581,752,935	**6,691,817,231**

			31.12.2016 Taka	31.12.2015 Taka
4.1(a)	**Consolidated In Bangladesh**			
	Dhaka Bank Limited	(Note: 4.1)	8,581,752,935	6,691,817,231
	Dhaka Bank Securities Limited		184,272,326	238,008,858
	Dhaka Bank Investment Limited		279,366,635	271,922,950
			9,045,391,896	7,201,749,038
	Less: Inter company transaction		404,682,168	477,397,573
			8,640,709,728	**6,724,351,465**
4.2	**Outside Bangladesh (Nostro Accounts)**			
	Current Deposits			
	Standard Chartered Bank, New York		962,431,530	1,481,455,651
	Mashreq Bank, New York		145,374,604	129,576,119
	Habib American Bank, New York, OBU		85,320,047	-
	Commerz Bank, Frankfurt		78,943,983	65,502,249
	Habib American Bank		127,679,181	156,064,898
	Wells Fargo Bank N.A., New York		115,934,702	214,703,944
	Standard Chartered Bank, New York, OBU		-	522,548,757
	United Bank of India		14,984,824	-
	JP Morgan Chase Bank NA		208,065,167	147,730,957
	Standard Chartered Bank, Mumbai		70,323,669	65,887,763
	Sonali Bank, Kolkata		3,685,539	9,664,979
	AB Bank Mumbai		44,084,152	36,081,514
	Nepal Bangladesh Bank		641,776	641,776
	Sampath Bank, Srilanka		9,175,831	10,780,910
	Bhutan National Bank		1,128,212	1,128,212
	Bank of Bhutan		2,025,524	2,438,694
	Habib Metropolitan Bank Ltd. Pakistan		29,960,673	21,216,962
	Dhaka Bank OBU Nostro		474,000,000	474,000,000
	ICICI Bank Limited, India		25,759,300	33,120,644
	Mashreq Bank, Mumbai		37,851,495	12,784,603
	Union Bank of Switzerland		14,711,939	6,579,896
	Commerz Bank, Frankfurt		42,284,738	31,268,456
	Standard Chartered Bank, Frankfurt		3,099,493	10,436,265
	Unicredit S.P.A. Milano		2,296,476	4,002,601
	Commerz Bank, Frankfurt		2,759,720	3,159,217
	Standard Chartered Bank, Japan		17,999,529	7,624,977
	Standard Chartered Bank, London		25,297,397	29,879,383
	United Bank of India		31,462,893	-
	Commerz Bank, Frankfurt		5,746,574	4,184,444
	Al-Rajhi Bank, Kingdom of Saudi Arabia		5,744,788	5,745,088
			2,588,773,757	**3,488,208,961**

(Details are given in **Annexure - A)**

In order to meet up the foreign currency liabilities of the bank, the cover fund against the liabilities has been kept and booked in Nostro Bank Accounts as well as Bangladesh Bank Foreign Currency Clearing Account. All balances of Nostro Accounts have been reconciled.

4.2(a)	**Consolidated outside Bangladesh (Nostro Accounts)**			
	Dhaka Bank Limited	(Note: 4.2)	2,588,773,757	3,488,208,961
	Dhaka Bank Securities Limited		-	-
	Dhaka Bank Investment Limited		-	-
			2,588,773,757	**3,488,208,961**
4.3	**Account-wise/grouping of balance with other banks and financial institutions**			
	Current Deposits		2,891,006,428	3,628,691,835
	Short-Notice Deposits		16,244,612	22,858,705
	Fixed Deposits		8,263,275,652	6,528,475,652
			11,170,526,692	**10,180,026,192**

			31.12.2016 Taka	31.12.2015 Taka
4.4	**Maturity grouping of balances with other banks and financial institutions**			
	On demand		2,891,006,428	3,628,691,835
	Upto 1 month		411,244,612	22,858,705
	Over 1 month but not more than 3 months		2,138,000,000	-
	Over 3 months but not more than 6 months		5,654,025,000	6,320,000,000
	Over 6 months but not more than 1 year		43,065,000	208,475,652
	Over 1 year but not more than 5 years		33,185,652	-
	Over 5 years		-	-
			11,170,526,692	**10,180,026,192**
5.	**Money at call and on short notice**			
	With banking companies	(Note: 5.1)	761,300,000	15,300,000
	With non-banking financial institutions	(Note: 5.2)	290,000,000	-
			1,051,300,000	**15,300,000**
5(a)	**Consolidated money at call and on short notice**			
	Dhaka Bank Limited	(Note: 5)	1,051,300,000	15,300,000
	Dhaka Bank Securities Limited		-	-
	Dhaka Bank Investment Limited		-	-
			1,051,300,000	**15,300,000**
5.1	**With banking companies**			
	Midland Bank ltd		200,000,000	-
	The City Bank Ltd		500,000,000	-
	Mercantile Bank Ltd		50,000,000	
	ICB Islamic Bank Limited		11,300,000	15,300,000
			761,300,000	**15,300,000**

ICB Islamic Bank Limited has been repaying their liabilities phase by phase under "The Oriental Bank Limited (Reconstruction) Scheme, 2007" as per Bangladesh Bank instructions vide Ref : BRPD(R-1)651/9(10)2007-446 dated 02.08.2007.

5.2	**With non-banking financial institutions**			
	International Leasing & Financial Service Limited		90,000,000	-
	Lanka Bangla Finance Ltd.		100,000,000	-
	Prime Finance		100,000,000	-
			290,000,000	**-**
				-
5.3	**Maturity grouping of money at call & short notice**			
	On demand		1,040,000,000	-
	Upto 1 month		-	-
	Over 1 month but not more than 3 months		-	-
	Over 3 months but not more than 6 months		-	-
	More than 6 months but less than 1 year		-	-
	More than 1 year but less than 5 years		-	-
	More than 5 years		11,300,000	15,300,000
			1,051,300,000	**15,300,000**
6.	**Investments**			
	Government securities	(Note: 6.1)	18,805,722,760	19,637,850,305
	Other investments	(Note: 6.2)	2,500,000,000	1,161,237,635
			21,305,722,760	**20,799,087,940**
6(a)	**Consolidated Investments**			
	Dhaka Bank Limited	(Note: 6)	21,305,722,760	20,799,087,940
	Dhaka Bank Securities Limited		2,477,518,134	2,273,836,150
	Dhaka Bank Investment Limited		-	-
			23,783,240,894	**23,072,924,090**

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			31.12.2016 Taka	31.12.2015 Taka
6.1	**Government securities**			
	Treasury bills	(Note: 6.1.1)	-	-
	Treasury bonds	(Note: 6.1.2)	18,431,637,960	19,303,226,605
	Government islamic bond		370,000,000	330,000,000
	Prize bond		4,084,800	4,623,700
			18,805,722,760	**19,637,850,305**
6.1(a)	**Consolidated Government securities**			
	Dhaka Bank Limited	(Note: 6.1)	18,805,722,760	19,637,850,305
	Dhaka Bank Securities Limited		-	-
	Dhaka Bank Investment Limited		-	-
			18,805,722,760	**19,637,850,305**
6.1.1	**Treasury Bills**			
	28 days Treasury Bills		-	-
	30 days Treasury Bills		-	-
	91 days Treasury Bills		-	-
	182 days Treasury Bills		-	-
	364 days Treasury Bills		-	-
			-	**-**
6.1.2	**Treasury Bonds**			
	2 years Bangladesh Government Treasury Bond		12,605,838	1,078,263,045
	5 years Bangladesh Government Treasury Bond		6,082,035,904	6,478,766,460
	10 years Bangladesh Government Treasury Bond		10,169,002,772	9,606,145,066
	15 years Bangladesh Government Treasury Bond		1,941,409,279	1,913,477,026
	20 years Bangladesh Government Treasury Bond		226,584,167	226,575,008
			18,431,637,960	**19,303,226,605**
6.2	**Other investments**			
	Investment in shares	(Note:6.2.1)	226,000,000	239,737,635
	Investment in subordinated bonds	(Note:6.2.2)	1,524,000,000	521,500,000
	Investment in Commercial Paper	(Note: 6.2.3)	750,000,000	400,000,000
			2,500,000,000	**1,161,237,635**
6.2(a)	**Consolidated Other investments**			
	Dhaka Bank Limited	(Note: 6.2)	2,500,000,000	1,161,237,635
	Dhaka Bank Securities Limited		2,477,518,134	2,273,836,150
	Dhaka Bank Investment Limited		-	-
			4,977,518,134	**3,435,073,785**
6.2.1	**Shares**			
	Quoted (Publicly Traded)		26,000,000	13,737,635
	Unquoted		200,000,000	226,000,000
			226,000,000	**239,737,635**
	(Details are given in **Annexure - B**)			
6.2.2	**Investment in subordinated bonds**			
	MTBL Subordinated Bond		95,000,000	142,500,000
	Mercantile Bank Subordinated Bond		300,000,000	300,000,000
	The City Bank Subordinated Bond		79,000,000	79,000,000
	One Bank Limited		300,000,000	-
	Southeast Bank Limited		750,000,000	-
			1,524,000,000	**521,500,000**

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		31.12.2016 Taka	31.12. 2015 Taka

MTBL Subordinated Bond - date of purchase is 23.09.2010 and redemption started on 30.09.2015; Mercantile Bank Subordinated Bond - date of purchase is on 29.06.2014 and redemption will start on 30.06.2017; The City Bank Subordinated Bond - date of purchase is on 21.10.2014 and redemption will start on 21.10.2017; One Bank Limited Subordinated Bond - date of purchase is on 27.10.2016 and redemption will start on 27.10.2019; Southeast Bank Limited Subordinated Bond - date of purchase is on 27.10.2016 and redemption will start on 27.10.2019.

As per DOS Circular No. 02 dated 16 September 2013 and subsequent DOS Circular No. 03 dated 20 December 2015 of Bangladesh Bank, the total market value of investment in the Capital Market of any Bank cannot be exceeded 25% of the total amount of Paid up Capital, Share Premium Account, Statutory Reserve and Retained Earnings of the Bank.. In compliance with the guidelines of the Bangladesh Bank, the portfolio exposure of Dhaka Bank Ltd. is 21.11% as of December 31, 2016.

6.2.3	**Investment in Commercial Paper**		
	Hashem Food Limited	250,000,000	-
	KSRM Billete Industries Limited	500,000,000	-
	Doreen Power Generation and Systems Limited	-	200,000,000
	Butterfly Marketing Limited	-	200,000,000
		750,000,000	**400,000,000**
6.3	**Investment in securities are classified as per Bangladesh Bank Circular**		
	Held for Trading (HFT)		
	28 days Treasury Bills	-	-
	30 days Treasury Bills	-	-
	91 days Treasury Bills	-	-
	182 days Treasury Bills	-	-
	364 days Treasury Bills	-	-
	2 years Bangladesh Government Treasury Bond	12,605,838	1,029,555,070
	5 years Bangladesh Government Treasury Bond	-	1,678,121,262
	10 years Bangladesh Government Treasury Bond	-	2,806,514,632
	15 years Bangladesh Government Treasury Bond	-	607,013,245
		12,605,838	**6,121,204,208**
	Held to Maturity (HTM)		
	28 days Treasury Bills	-	-
	30 days Treasury Bills	-	-
	91 days Treasury Bills	-	-
	182 days Treasury Bills	-	-
	364 days Treasury Bills	-	-
	2 years Bangladesh Government Treasury Bond	-	48,707,976
	5 years Bangladesh Government Treasury Bond	6,082,035,904	4,800,645,198
	10 years Bangladesh Government Treasury Bond	10,169,002,772	6,799,630,434
	15 years Bangladesh Government Treasury Bond	1,941,409,279	1,306,463,781
	20 years Bangladesh Government Treasury Bond	226,584,167	226,575,008
		18,419,032,122	**13,182,022,397**
		18,431,637,960	**19,303,226,605**

As per DOS Circular N0. 01 dated 19 January 2014, the maximum limit of holding approved Securities under Held to Maturity (HTM) is 110% of SLR for all nonprimary dealer banks and Dhaka Bank Limited has invested in Treasury bonds under HTM category as per said circular.

6.4	**Assets pledged as security**		
	Assets in the amounts shown below were pledged as security for the following liabilities		
	Liabilities to bank	-	-
	Liabilities to customers	-	-
		-	-
	Following assets were pledged as security for the above mentioned liabilities		
	Claim on banks	-	-
	Claim on customers	-	-
		-	-

			31.12.2016 Taka	31.12.2015 Taka
6.5	**Maturity grouping of investments**			
	On demand		-	244,361,335
	Over 2 Days but not more than 3 Months		776,000,000	-
	Over 3 months but not more than 6 months		386,690,638	-
	More than 6 months but less than 1 year		1,641,090,358	400,000,000
	Over 1 year but not more than 5 years		6,594,033,425	8,408,529,506
	Over 5 years		11,907,908,339	11,746,197,100
			21,305,722,760	**20,799,087,940**
7.	**Loans, advances and lease/investments including Bills purchased and discounted**			
	Loans, cash credits, overdrafts, etc./Investments	(Note: 7.1)	131,563,031,001	115,445,516,023
	Bills purchased and discounted	(Note: 8)	3,126,277,363	2,394,649,940
			134,689,308,364	**117,840,165,963**
7(a)	**Consolidated Loans, advances and lease/investments including Bills purchased and discounted**			
	Dhaka Bank Limited	(Note: 7)	134,689,308,364	117,840,165,963
	Dhaka Bank Securities Limited		2,057,523,809	2,403,412,251
	Dhaka Bank Investment Limited		-	-
			136,746,832,173	120,243,578,214
	Less: Inter company transaction		1,913,441,442	2,059,097,699
			134,833,390,731	**118,184,480,515**
7.1	**Loans, cash credits, overdrafts, etc./Investments**			
	Broad category-wise breakup			
	In Bangladesh			
	Secured Overdraft/Quard		31,686,036,697	30,151,740,757
	Cash Credit/Murabaha		6,819,836,713	8,471,869,368
	House Building Loan		1,880,858,465	835,072,341
	Transport Loan		563,478,631	884,930,592
	Term Loan		44,057,645,551	36,750,405,359
	Loan Against Trust Receipt		4,231,011,084	7,859,726,531
	Payment Against Documents		110,572,130	102,705,800
	Loan Against Imported Merchandize		1,891,495	63,557,902
	Loan Against Accepted Bills		1,404,688,247	1,133,675,558
	Packing Credit		396,517,436	290,005,594
	Lease Finance / Izara	(Note: 7.3)	2,233,076,259	1,938,276,474
	Credit Card		295,155,175	268,687,414
	Retail Loan		499,909,445	622,316,670
	Other Loans (Including Bai-Muajjal)		37,382,353,674	26,072,545,664
			131,563,031,001	115,445,516,023
	Outside Bangladesh		-	-
			131,563,031,001	**115,445,516,023**
7.1(a)	**Consolidated Loans, cash credits, overdrafts, etc./Investments**			
	Dhaka Bank Limited	(Note: 7.1)	131,563,031,001	115,445,516,023
	Dhaka Bank Securities Limited		2,057,523,809	2,403,412,251
	Dhaka Bank Investment Limited		-	-
			133,620,554,810	117,848,928,274
	Less: Inter company transaction		1,913,441,442	2,059,097,699
			131,707,113,368	**115,789,830,575**
7.2	**Residual maturity grouping of loans including bills purchased and discounted**			
	Repayable on demand		14,064,801,005	33,519,902,061
	Upto 1 month		16,890,830,255	18,196,221,860
	Not more than 3 months		24,875,497,369	11,012,146,544
	More than 3 months but not more than 6 months		29,168,983,069	11,339,858,145
	More than 6 months but not more than 1 year		19,204,335,303	17,544,452,596
	More than 1 year but not more than 5 years		25,341,474,123	23,989,080,249
	More than 5 years		5,143,387,240	2,238,504,508
			134,689,308,364	**117,840,165,963**

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			31.12.2016 Taka	31.12.2015 Taka
7.3	**Investment in lease / izara finance**			
	Lease rental receivable within 1 year		1,146,931,112	995,518,887
	Lease rental receivable more than 1 year		1,355,643,267	1,176,677,886
	Total lease/ izara rental receivable		2,502,574,379	2,172,196,773
	Less: unearned interest/profit receivable		269,498,120	233,920,299
	Net investment in lease/izara finance		**2,233,076,259**	**1,938,276,474**
7.4	**Product wise loans and advances**			
	Loans		93,057,157,591	76,821,905,898
	Cash Credits		6,819,836,713	8,471,869,368
	Overdrafts		31,686,036,697	30,151,740,757
	Bills purchased and discounted	(Note: 8)	3,126,277,363	2,394,649,940
			134,689,308,364	**117,840,165,963**
7.5	**Loans on the basis of significant concentration including bills purchased & discounted**			
	a. Advances to allied concerns of Directors	(Note: 7.5.1)	1,011,413	3,805,974
	b. Advances to Chief Executive		2,792,665	-
	c. Advances to Other Senior Executives		151,236,644	169,533,508
	d. Advances to Customer's Group:			
	Agriculture loan		1,660,368,959	545,749,021
	Commercial lending		90,144,267,908	73,548,157,735
	Export financing		10,912,419,446	8,108,727,876
	Consumer credit scheme		1,387,608,719	1,367,751,687
	Small and Medium Enterprise (SME)		21,509,000,558	12,218,670,366
	Staff Loan		923,556,636	684,472,899
	Others		7,997,045,417	21,193,296,896
			134,689,308,364	**117,840,165,963**

7.5.1 The amount represents loan in the name of existing directors of the Bank.

7.6	**Advances to customers for more than 10% of Bank's total capital**		
	Number of customers	13	9
	Amount of outstanding loans and advances*	40,042,693,997	19,693,159,944
	Amount of classified loans and advances	-	-
	Measures taken for recovery	-	-

*The amount represents the sum of total loans and advances (both funded and non funded) to each customer exceeding 10% of total capital of the bank as at 31 December 2016.

(Details are given in **Annexure - C**)

7.7	**Industry-wise loans, advances and lease/investments**		
	Agricultural	1,660,368,959	545,749,021
	Pharmaceuticals	856,850,090	919,361,643
	Textile & Garment	37,012,047,145	28,868,185,700
	Chemical	1,418,003,455	1,517,557,877
	Food & alied	9,135,150,181	6,909,703,499
	Transport & Communication	2,270,617,135	3,640,581,919
	Electronics & Automobile	35,345,803	1,854,823,252
	Housing & Construction	16,407,229,143	14,891,062,355
	Engineering & Metal Industres including Ship Breaking	12,380,904,493	14,120,490,692
	Energy & Power	4,220,010,784	3,846,752,830
	Service	5,712,256,127	5,392,482,749
	Others	43,580,525,048	35,333,414,426
		134,689,308,364	**117,840,165,963**

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		31.12.2016 Taka	31.12.2015 Taka
7.8	**Geographical location-wise (division) distribution**		
	Urban		
	Dhaka Region	90,689,575,547	75,219,992,923
	Chittagong Region	24,149,664,181	24,553,795,595
	South Region	2,340,713,599	2,273,912,290
	North Region	2,403,257,199	2,517,193,891
	Sylhet Region	872,783,051	687,782,539
	Other	5,117,451,983	4,618,092,406
		125,573,445,559	**109,870,769,645**
	Rural		
	Dhaka Region	4,518,998,969	4,175,519,710
	Chittagong Region	1,115,854,724	1,058,934,323
	South Region	-	-
	North Region	1,666,045,610	1,169,721,084
	Sylhet Region	128,160,847	139,358,691
	Other	1,686,802,654	1,425,862,511
		9,115,862,805	7,969,396,319
		134,689,308,364	**117,840,165,963**
7.9	**Sector-wise loans, advances and lease/investments**		
	Government & Autonomous bodies	794,698,521	82,653,671
	Financial Institutions (Public & Private)	4,320,416,768	447,695,043
	Private Sector	129,574,193,075	117,309,817,249
		134,689,308,364	**117,840,165,963**
7.10	**Classification of loans, advances and lease/investments**		
	Unclassified		
	Standard	124,364,862,317	108,070,088,301
	Special Mention Account	4,921,496,854	4,279,428,342
		129,286,359,171	**112,349,516,643**
	Classified		
	Sub-Standard	257,483,421	1,236,020,456
	Doubtful	287,950,818	265,358,725
	Bad or loss	4,857,514,954	3,989,270,139
		5,402,949,193	**5,490,649,320**
		134,689,308,364	**117,840,165,963**

7.11 A) Provision required for loans and advances

Status	Base for Provision	Rate %		
Unclassified				
Unclassified	17,526,215,640	0.25	43,815,539	26,092,810
Unclassified*	94,535,328,287	1	945,353,283	2,195,315,321
Unclassified	2,678,038,101	2	53,560,763	49,051,448
Unclassified	916,221,177	2.5	22,905,529	3,542,676
Unclassified	634,951,554	5	31,747,578	26,700,407
Unclassified	717,417,507	20	143,483,501	-
Unclassified	121,665,322	25	30,416,330	
Unclassified	1,932,603,363	50	966,301,682	-
Unclassified	1,363,285,891	100	1,363,285,891	-
Unclassified	218,071,206	Special	12,570,523	-
Special Mention Account	495,606,951	0.25	1,239,017	816,678
Special Mention Account	2,150,899,808	1	21,508,998	39,235,263
Special Mention Account	1,994,706,985	2	39,894,140	258,401
Special Mention Account	8,670,003	5	433,500	815,541
Special Mention Account	5,246,233	50	2,623,116	-
Special Mention Account	153,156,944	100	153,156,944	-
			3,832,296,334	**2,341,828,546**
Classified:				
Sub-Standard	1,859,694	5	92,985	13,270
Sub-Standard	123,966,198	20	24,793,240	125,575,295
Doubtful	145,726,324	50	72,863,162	33,588,978
Bad or loss	2,307,858,438	100	2,307,858,438	1,743,521,183
			2,405,607,824	1,902,698,726
Required provision for loans & advances			6,237,904,158	4,244,527,272
Total provision maintained			6,241,383,798	4,244,527,272
Excess / short provision as at 31 December			**3,479,640**	**-**

			31.12.2016 Taka	31.12.2015 Taka

* Liabilities of 19 (Nineteen) number of clients have been shown as UC instead of BL & SS under Writ Petition. Tk. 60.77 Crore provision (Outstanding amount is Tk. 332.98 crore and Base for Provision is Tk. 176.73 crore) has been kept against the said clients. Tk. 60.77 Crore provision is included within Unclassified Corporate Advances. And Tk. 148.33 Crore additional provision (Outstanding amount is Tk. 593.69 crore and Base for Provision is Tk.493.04 crore) is maintained for 13 (Thirteen) number of "UC" clients. Tk. 148.33 Crore provision is also included within Unclassified Corporate Advances.
Provision on Loans & Advances amended as per Bangladesh Bank Inspection Report submitted in Tri-partite meeting as well as subsequent instruction letter of BB. CL has been rectified accordingly.

B) Provision for good borrower — 9,454,000 — 1,254,000

Provision for good borrower has been kept following the BRPD Circular No. 06, dated 19 March 2015 & BRPD Circular Letter No. 03, dated 16 February 2016.

Status	Base for Provision	Rate %		
Acceptances and Endorsements	25,263,660,677	1	252,636,607	142,256,111
Letter of Credit	17,447,623,500	1	174,476,235	142,381,680
Letter of Guarantee	19,928,711,771	1	199,287,118	141,940,687
Required provision			626,399,959	426,578,478
Total Provision Maintained			626,399,959	426,578,478
Excess / (Short) Provision as at 31 December			-	-

7.12 Securities against loans including bills purchased & discounted

a. Secured		
Collateral of movable / immovable assets	122,839,278,647	107,938,829,796
Local Banks & Financial Institutions guarantee	2,911,138,109	2,009,839,310
Foreign Banks Guarantee	215,115,608	384,810,631
Export documents	110,572,130	102,705,800
Government Guarantee	-	-
Fixed Deposits Receipts		
Own FDR	1,899,986,632	1,930,542,565
FDR of Other Banks	33,676,031	62,041,799
Personal Guarantee	1,872,611,319	1,787,402,351
Other Securities	4,806,929,888	3,623,993,711
Government bonds	-	-
	134,689,308,364	117,840,165,963
b. Unsecured	-	-
	134,689,308,364	**117,840,165,963**

7.13 Particulars of Loans, advances and lease/investments

(i)	Loans considered good in respect of which the bank company is fully secured;	98,336,144,517	60,415,746,902
(ii)	Loans considered good against which the banking company holds no security other than the debtor's personal guarantee;	1,757,461,918	1,414,152,301
(iii)	Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors;	2,320,262,277	55,750,904,165
(iv)	Loans adversely classified; provision not maintained there against;	-	-
(v)	Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons;*	1,078,597,358	857,788,515
(vi)	Loans due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members; (See Note-7.5.1)	1,011,413	3,805,974
(vii)	Maximum total amount of advances including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person;*	1,081,882,297	860,912,111

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		31.12.2016 Taka	31.12.2015 Taka
(viii)	Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members;	4,296,352	3,805,974
(ix)	Due from banking companies;	-	-
(x)	Amount of classified loan on which interest has not been charged, should be mentioned as follows:		
a)	Decrease / increase in provision;	(133,673,686)	(180,234,191)
b)	Amount realized against loan previously written off; **	50,461,881	57,380,000
c)	Amount of provision kept against loan classified as 'bad/loss" on the date of preparing the balance sheet;	2,307,858,438	1,776,777,963
d)	Interest creditable to the Interest Suspense A/c;	-	-
(xi)	Cumulative amount of the written off loan;***	5,466,295,628	4,680,072,911

* The amount represents loan in the name of existing directors and officers of the bank.
The detail of Recovery during 2016 from loan previously written off may be seen in the **Annexure - E
*** The detail of the amount of the written - off loans during 2016 may be seen in the **Annexure - F**

8. Bills purchased and discounted			
In Bangladesh		1,117,983,911	2,009,839,310
Outside Bangladesh		2,008,293,452	384,810,631
		3,126,277,363	**2,394,649,940**
8(a) Consolidated Bills purchased and discounted			
Dhaka Bank Limited	(Note: 8)	3,126,277,363	2,394,649,940
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		3,126,277,363	**2,394,649,940**
8.1 Maturity grouping of bills purchased & discounted			
Payable within 1 month		1,415,053,247	1,033,576,376
Over 1 month but less than 3 months		1,364,116,169	1,067,596,945
Over 3 months but less than 6 months		347,107,947	293,476,619
6 months or more		-	-
		3,126,277,363	**2,394,649,940**
9 Fixed assets including premises, furniture and fixtures			
Cost/ Revaluation			
Land		2,950,332,536	2,950,332,536
Building		622,721,217	555,607,656
Furniture and fixture including office decoration		428,892,919	410,491,120
Office appliances and equipment		866,487,334	734,292,285
Computer		217,967,490	202,591,275
Software		77,845,853	76,271,261
Bank's vehicle		142,893,420	69,928,345
		5,307,140,769	4,999,514,479
Less: Accumulated depreciation		1,113,600,664	899,531,122
		4,193,540,105	**4,099,983,356**
(Details are given in **Annexure - D)**			

Building includes a floor space in the BGMEA Bhaban at Hatirjheel, Kawran Bazar, Dhaka, against which there is a dispute and recently the Honorable High Court has published a verdict to demolish the Building within 6 months, in that sense Bank has little chance to recover the book value as on 31.12.2016 amounting to Tk. 27,181,875 from the authority. So required provision will be built up within 2017 against this asset to cover the impairment loss.

9(a) Consolidated Fixed assets including premises, furniture and fixtures			
Dhaka Bank Limited	(Note: 9)	4,193,540,105	4,099,983,356
Dhaka Bank Securities Limited		7,724,271	9,870,370
Dhaka Bank Investment Limited		-	-
		4,201,264,375	**4,109,853,726**

		31.12.2016 Taka	31.12.2015 Taka
10. Other Assets			
Investment in Shares of subsidiary companies	(Note: 10.1)	1,749,999,880	1,749,999,880
Stationery, stamps, printing materials etc.		30,044,856	36,342,049
Advance rent		279,331,753	294,005,997
Prepaid expenses against advertisement		18,709,878	19,197,432
Interest/Profit accrued and other receivable	(Note: 10.2)	572,958,051	506,949,293
Security deposit		21,988,606	21,883,176
Preliminary, formation, Work in progress, renovation expenses and prepaid expenses	(Note: 10.3)	2,860,612,139	2,563,186,913
Branch adjustments	(Note: 10.4)	39,897,115	25,761,499
Suspense account	(Note: 10.5)	139,958,704	174,359,339
Others	(Note: 10.6)	7,328,881,667	3,046,744,467
		13,042,382,648	**8,438,430,047**

Work in progress includes a building under construction in Gulshan for head office purpose and is awaiting for the approval of RAJUK for commercial conversion. After getting the approval, registration proccess will be started immediately in the name of Dhaka Bank Limited and will be transferred to fixed assets.

10(a) Consolidated Other assets			
Dhaka Bank Limited	(Note: 10)	13,042,382,648	8,438,430,047
Dhaka Bank Securities Limited		217,833,900	110,673,323
Dhaka Bank Investment Limited		4,371,820	3,544,155
		13,264,588,368	8,552,647,525
Less: Inter-company transactions			
Investment in Dhaka Bank Securities Limited		1,499,999,940	1,499,999,940
Investment in Dhaka Bank Investment Limited		249,999,940	249,999,940
Stock dividend from Dhaka Bank Securities Limited		-	60,000,000
Receivable from Dhaka Bank Investment Limited		1,173,725	1,173,725
Receivable from Dhaka Bank Securities Limited		74,106,236	111,202,361
		1,825,279,841	1,922,375,966
		11,439,308,527	**6,630,271,559**

Consolidated other asset has been adjusted by Taka 60,000,000 for the stock dividend declared by Dhaka Bank Securities Limited in 2011 which has been deducted from other assets in previous years.

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

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

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

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

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

10.5 Suspense account
Suspense Account represents advance paid against renovation of different branches which is Capital Expenditure and will be adjusted after receiving the final bills.

10.6 Others			
Advance Tax	(Note: 10.6.1)	1,591,405,439	866,380,406
Account Receivable Others	(Note: 10.6.2)	5,737,476,228	2,180,364,061
		7,328,881,667	**3,046,744,467**
10.6.1 Advance Tax			
Opening Balance		866,380,406	921,814,280
Add: Paid during the year		725,025,033	1,133,460,133
		1,591,405,439	2,055,274,413
Less: Adjustment during the year		-	1,188,894,008
		1,591,405,439	**866,380,406**

		31.12.2016 Taka	31.12.2015 Taka
10.6.2 Account receivable others			
Receivable against Bangladesh / Paribar Sanchaya Patra		35,148,165	178,464,079
Fees receivable		2,235,517	963,160
Receivable from share sale proceeds		-	103,928,144
Finance to AD branches for Local Documentary Bill Purchased	(Note: 10.6.2.a)	2,024,402,632	1,204,790,808
Finance to AD branches for Import Bill Discounting	(Note: 10.6.2.b)	3,571,042,791	544,288,727
Protestation account		1,666,805	2,045,518
ATM settlement account		26,200,609	32,281,215
Receivable from exchange houses		1,499,749	1,226,324
Receivable from Dhaka Bank Investment Limited		1,173,725	1,173,725
Receivable from Dhaka Bank Securities Limited		74,106,236	111,202,361
		5,737,476,228	**2,180,364,061**

10.6.2.a In accordance with the FE Circular No.03 dated 04 February 2013 of Bangladesh Bank, the amount represents bills discounted Tk.2,024,402,631 to facilitate the exporters of the country.

10.6.2.b In accordance with the BRPD Circular No.28 dated 05 September 2010 of Bangladesh Bank, Dhaka Bank Limited's Off-shore Banking Unit (OBU) has been financing the importers who import at usance basis through Bank's Authorised Dealer (AD) branches.

10.7 Income generation grouping of Other assets		
Income generating		
Investment in Shares of subsidiary companies	1,749,999,880	1,749,999,880
Account receivable others		
Finance to AD branches for Local Documentary Bill Purchased	2,024,402,632	1,204,790,808
Finance to AD branches for Import Bill Discounting	3,571,042,791	544,288,727
	7,345,445,303	**3,499,079,415**
Non-income generating		
Stationery, stamps, printing materials etc.	30,044,856	36,342,049
Advance rent	279,331,753	294,005,997
Prepaid expenses against advertisement	18,709,878	19,197,432
Interest/Profit accrued and other receivable	572,958,051	506,949,293
Security deposit	21,988,606	21,883,176
Preliminary, formation, work in progress, renovation expenses and prepaid expenses	2,860,612,139	2,563,186,913
Branch adjustments	39,897,115	25,761,499
Suspense account	139,958,704	174,359,339
Advance tax paid	1,591,405,439	866,380,406
Account receivable others		
Receivable against Bangladesh / Paribar Sanchaya Patra	35,148,165	178,464,079
Protestation account	1,666,805	2,045,518
Receivable from exchange houses	1,499,749	1,226,324
Receivable from Dhaka Bank Investment Limited	1,173,725	1,173,725
Receivable from Dhaka Bank Securities Limited	74,106,236	111,202,361
Fees receivable	2,235,517	963,160
Receivable from share sale proceeds	-	103,928,144
ATM settlement account	26,200,609	32,281,215
	5,696,937,345	**4,939,350,632**
	13,042,382,648	**8,438,430,047**

11 Non-banking assets		
Land and Building	**23,166,033**	**23,166,033**

Dhaka Bank received a decree from Court regarding right and title of mortgaged land along with building, which was mutated in the name of Dhaka Bank Limited. The value of the property was incorporated in the books of accounts on the basis of third party valuation report provided by a surveyor company. The property has been auctioned and sold to the highest bidder at a price of Tk.26,000,000. The contract for sale (baina) has been executed for Tk.20,000,000 and the rest amount of Tk.6,000,000 will be paid by the bidder before execution of sale deed. After completion of all legal formalities the asset will be handed over to the purchaser.

11(a) Consolidated Non-banking assets			
Dhaka Bank Limited	(Note: 11)	23,166,033	23,166,033
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		23,166,033	**23,166,033**

			31.12.2016 Taka	31.12.2015 Taka
12.	**Borrowings from other banks,** financial institutions and agents			
	In Bangladesh	(Note: 12.1)	10,452,934,335	9,323,249,963
	Outside Bangladesh		843,938,814	1,311,480,458
			11,296,873,150	**10,634,730,420**
12.1	**In Bangladesh**			
	Call Borrowing			
	Basic Bank Ltd.		-	200,000,000
	Commercial Bank of Ceylon		-	280,000,000
	Janata Bank Ltd.		-	200,000,000
	National Bank Ltd.		-	900,000,000
	Rupali Bank Ltd.		-	200,000,000
	State Bank of India		-	350,000,000
			-	**2,130,000,000**
	Bangladesh Bank refinance			
	Small and Medium Enterprise		194,704,228	174,809,295
	Syndication		2,766,195,834	2,291,407,007
	Green Banking		365,772	697,601
	Export Development Fund		7,491,668,501	4,726,336,060
			10,452,934,335	**7,193,249,963**
	Outside Bangladesh			
	Bank SOHAR, Oman		-	798,350,125
	Bank Muscat, Oman		246,899,362	-
	Nabil Bank, Nepal		395,730,507	-
	UBAE Bank, Italy		-	319,054,667
	IDCOL, Bangladesh		201,308,946	194,075,666
			843,938,814	1,311,480,458
			11,296,873,150	**10,634,730,420**

The amount of Tk.843,938,814 represents fund borrowed from foreign banks by Off-shore Banking branch.

12.2 Disclosure regarding Outstanding Repo on 31 December 2016

Sl. No.	Counterparty Name	Agreement Date	Reversal Date	Amount in Taka
-	-	-	-	-

12.3 Disclosure regarding Outstanding Reverse Repo on 31 December 2016

Sl. No.	Counterparty Name	Agreement date	Reversal date	Amount in Taka
-	-	-	-	-

12.4 Disclosure regarding Overall transaction of Repo and Reverse Repo during 2016

Sl. No.	Counterparty Name	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average out-standing during the year
Securities sold under Repo				
1	With Bangladesh Bank	-	-	-
2	With other Banks & FIs	60,642,853	1,481,728,727	515,868,887
Securities purchased under Reverse Repo				
1	From Bangladesh Bank	-	-	-
2	From other Banks & FIs	296,861,400	621,946,080	459,403,740

			31.12.2016 Taka	31.12.2015 Taka
12.5	**Analysis by security**			
	Secured (assets pledge as security for liabilities)		-	-
	Unsecured		11,296,873,150	10,634,730,420
			11,296,873,150	**10,634,730,420**
12.6	**Repayment pattern**			
	Repayable on demand		-	2,130,000,000
	Repayable on maturity		11,296,873,150	8,504,730,420
			11,296,873,150	**10,634,730,420**
12.7	**Maturity grouping**			
	Repayable on demand		-	2,130,000,000
	Repayable within 1 month		-	-
	Over 1 month but within 3 months		-	-
	Over 3 month but within 6 months		-	-
	Over 6 months but within 1 year		8,530,677,315	6,213,323,414
	Over 1 year but within 5 years		2,766,195,834	2,291,407,007
	Over 5 years		-	-
			11,296,873,150	**10,634,730,420**
12(a)	**Consolidated Borrowings from other banks, financial institutions and agents**			
	Dhaka Bank Limited	(Note: 12)	11,296,873,150	10,634,730,420
	Dhaka Bank Securities Limited		2,113,441,442	2,259,097,699
	Dhaka Bank Investment Limited		-	-
			13,410,314,592	12,893,828,120
	Less: Inter company transaction		1,913,441,442	2,059,097,699
			11,496,873,150	**10,834,730,420**
13.	**Deposits and other accounts**			
	Current and other accounts	(Note: 13.1)	21,093,467,455	15,782,686,124
	Bills payable	(Note: 13.2)	2,047,637,778	1,267,436,384
	Savings deposits	(Note: 13.3)	16,735,239,732	15,041,681,604
	Term deposits	(Note: 13.4)	117,285,285,556	106,977,095,206
			157,161,630,521	**139,068,899,318**
	Non-interest bearing accounts			
13.1	**Current and other accounts**			
	Current account		10,374,651,794	8,630,357,775
	Foreign currency deposits		2,184,671,554	1,102,070,702
	Margin under Letter of Credit		1,045,111,125	1,251,237,763
	Margin under Letter of Guarantee		833,454,505	838,504,479
	Deposits awaiting disposal		655,839,263	389,298,236
	Sundry deposit	(Note: 13.1.1)	5,999,739,213	3,571,217,169
			21,093,467,455	**15,782,686,124**
13.1.1	**Sundry deposit**			
	F.C held against Back to Back L/C		5,703,107,536	3,302,727,639
	Sundry creditors		147,771,478	133,851,448
	Unclaimed deposits		79,833,471	71,793,022
	Risk fund		7,537,968	7,354,889
	Security deposits for locker		6,539,730	5,664,400
	Advance lease rent		54,949,031	49,825,771
			5,999,739,213	**3,571,217,169**

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		31.12.2016 Taka	31.12.2015 Taka
13.2	**Bills payable**		
	Pay order	1,679,616,208	1,031,881,086
	Demand draft	368,021,570	235,555,298
		2,047,637,778	**1,267,436,384**
	Total Non-interest bearing accounts	**23,141,105,233**	**17,050,122,508**
	Interest bearing Account		
13.3	**Savings deposits**		
	Savings account	16,330,841,801	12,746,576,955
	Mudaraba savings accounts	404,397,930	2,295,104,649
		16,735,239,732	**15,041,681,604**
13.4	**Term deposits**		
	Special Notice Deposits	12,782,768,668	9,776,875,770
	Fixed Deposits	81,488,309,356	78,490,733,361
	Deposit Pension Scheme	22,972,975,423	18,627,127,118
	Gift Cheque	32,399,917	28,562,103
	Marriage Deposit Scheme	193	193
	Non Resident Foreign Currency Deposit (NFCD)	8,831,999	53,796,662
		117,285,285,556	**106,977,095,206**
	Total Interest bearing Account	**134,020,525,288**	**122,018,776,811**
	Total Deposits and other accounts	**157,161,630,521**	**139,068,899,318**
13.4 (a)	**Consolidated Term deposits**		
	Dhaka Bank Limited	117,285,285,556	15,041,681,604
	Dhaka Bank Securities Limited	-	
	Dhaka Bank Investment Limited	-	-
		117,285,285,556	15,041,681,604
	Less: Inter company transaction	404,682,168	477,397,573
		116,880,603,387	**14,564,284,031**
13.5	**Deposits and Other Accounts**		
	Deposits from Banks	5,887,542,661	7,160,808,322
	Deposits from Customers	151,274,087,860	131,908,090,996
		157,161,630,521	**139,068,899,318**
	Deposits from Banks		
	Current Deposits and Other Accounts	-	-
	Savings Bank/Mudaraba	34,585,178	2,007,913,166
	Special Notice Deposits	2,957,483	2,895,156
	Fixed Deposits	5,850,000,000	5,150,000,000
		5,887,542,661	**7,160,808,322**
	Deposits from Customers		
	i) Current Deposits and Other Accounts		
	Current Account	10,374,651,794	8,630,357,775
	Foreign Currency Deposits	2,184,671,554	1,102,070,702
	Margin under Letter of Credit	1,045,111,125	1,251,237,763
	Margin under Letter of Guarantee	833,454,505	838,504,479
	Deposits Awaiting Disposal	655,839,263	389,298,236
	Sundry Deposit	5,999,739,213	3,571,217,169
		21,093,467,455	**15,782,686,124**
	ii) Bills Payable		
	Pay Order	1,679,616,208	1,031,881,086
	Demand Draft	368,021,570	235,555,298
		2,047,637,778	**1,267,436,384**
	iii) Savings Deposits		
	Savings Account	16,330,841,801	12,746,576,955
	Mudaraba Savings Accounts	369,812,752	287,191,483
		16,700,654,554	**13,033,768,438**

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		31.12.2016 Taka	31.12.2015 Taka
	iv) Term Deposits		
	Special Notice Deposits	12,779,811,185	9,773,980,614
	Fixed Deposits	75,638,309,356	73,340,733,361
	Deposit Pension Scheme	22,972,975,423	18,627,127,118
	Gift Cheque	32,399,917	28,562,103
	Marriage Deposit Scheme	193	193
	Non Resident Foreign Currency Deposit (NFCD)	8,831,999	53,796,662
		111,432,328,073	**101,824,200,051**
		151,274,087,860	**131,908,090,996**
13.6	**Payable on demand and time deposits**		
	a) Demand deposits		
	Current Account	10,374,651,794	8,630,357,775
	Savings Deposits (10%)	1,673,523,973	1,504,168,160
	Foreign Currency Deposits	2,184,671,554	1,102,070,702
	Margin under Letter of Credit	1,045,111,125	1,251,237,763
	Margin under Letter of Guarantee	833,454,505	838,504,479
	Deposits Awaiting Disposal	655,839,263	389,298,236
	Sundry Deposit	5,999,739,213	3,571,217,169
	Bills Payable	2,047,637,778	1,267,436,384
		24,814,629,206	**18,554,290,668**
	b) Time Deposits		
	Savings Deposits (90%)	15,061,715,759	13,537,513,444
	Special Notice Deposits	12,782,768,668	9,776,875,770
	Fixed Deposits	81,488,309,356	78,490,733,361
	Deposit Pension Scheme	22,972,975,423	18,627,127,118
	Gift Cheque	32,399,917	28,562,103
	Marriage Deposit Scheme	193	193
	Non Resident Foreign Currency Deposit (NFCD)	8,831,999	53,796,662
		132,347,001,315	**120,514,608,650**
		157,161,630,521	**139,068,899,318**
13.7	**Maturity grouping of deposits and other accounts**		
	Other than Bank Deposits		
	Repayable on demand	23,173,505,150	17,078,684,610
	Repayable within 1 month	29,489,297,737	22,861,545,714
	Over 1 month but within 3 months	39,444,513,912	36,787,144,191
	Over 3 months but within 6 months	9,861,128,478	9,196,786,048
	Over 6 months but within 1 year	19,722,257,149	18,393,572,289
	Over 1 year but within 5 years	17,750,031,260	16,554,214,886
	Over 5 years but within 10 years	11,833,354,174	11,036,143,257
		151,274,087,860	**131,908,090,996**
	Inter-bank deposits		
	Repayable on demand	-	-
	Repayable within 1 month	37,542,661	2,010,808,322
	Over 1 month but within 3 months	-	-
	Over 3 months but within 6 months	5,850,000,000	5,150,000,000
	Over 6 months but within 1 year	-	-
	Over 1 year but within 5 years	-	-
	Over 5 years but within 10 years	-	-
		5,887,542,661	**7,160,808,322**
		157,161,630,521	**139,068,899,318**
13.8	**Sector wise Deposits**		
	Government	1,099,584,071	943,283,854
	Public Sector	7,704,657,097	7,801,806,350
	Private sector	148,357,389,353	130,323,809,114
		157,161,630,521	**139,068,899,318**

		31.12.2016 Taka	31.12.2015 Taka
13.(a) Consolidated Deposits and other accounts			
Dhaka Bank Limited	(Note: 13)	157,161,630,521	139,068,899,318
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		157,161,630,521	139,068,899,318
Less: Inter company transaction		404,682,168	477,397,573
		156,756,948,353	**138,591,501,745**
14. Non Convertible Subordinated Bond		**3,800,000,000**	**1,400,000,000**

The Bank issued Redeemable Non Convertible Subordinated Bond of Taka 2,000,000,000 as Supplementary Capital (Tier-2) of the Bank for a term of 7 years to strengthen the capital base of the bank on the consent of BSEC vide letter no.SEC/CI/CPLC-10/2001-256 dt.09.09.2010. The redemption of the Bond has been started from the year 2015. The Bond will be fully redeemed by the year 2017.

Moreover, The Bank issued another tranche of Non Convertible Subordinated Bond of Tk. 3,000,000,000 with consent of BSEC vide letter no. BSEC/CI/DS-34/2015/643 dated 28.12.2015 and subsequently approved by Bangladesh Bank vide letter no. BRPD(BFIS)661/14B(P)2016-2474 dated April 17, 2016 to strengthen the capital base in line with the newly introduced Capital Adequacy Guidelines under BASEL-III Accord.

15. Other Liabilities			
Accrued Interest		44,141,685	11,677,888
Provision on loans and advances	(Note: 15.1)	6,241,383,798	4,244,527,272
Provision for Good Borrower	(Note: 15.2)	9,454,000	1,254,000
Provision for Off Balance Sheet Exposure	(Note: 15.3)	626,399,959	426,578,478
Interest Suspense Account	(Note: 15.4)	1,831,665,015	2,419,863,452
Provision against Expenses	(Note: 15.5)	13,576,027	62,643,513
Provision for decrease in value of investments	(Note: 38)	-	4,967,735
Provision for Other Assets	(Note: 15.6)	11,797,024	8,670,024
Fund for Dhaka Bank Foundation	(Note: 36.1)	27,479,849	23,999,322
Provision for Current Tax	(Note: 15.7)	2,794,836,497	1,479,868,518
Deferred tax liability	(Note: 15.8)	7,258,236	40,169,445
Tax deducted at source & payable		270,441,417	239,534,187
Excise Duty Payable		15,437,752	23,663,237
Other Account Payable	(Note: 15.9)	3,593,495,073	2,882,754,066
		15,487,366,332	**11,870,171,137**
15(a) Consolidated Other liabilities			
Dhaka Bank Limited	(Note: 15)	15,487,366,332	11,870,171,137
Dhaka Bank Securities Limited		883,074,456	909,397,274
Dhaka Bank Investment Limited		12,952,380	9,982,658
		16,383,393,167	**12,789,551,069**
Less: Inter-company transactions			
Dhaka Bank Securities Limited		74,106,236	111,202,361
Dhaka Bank Investment Limited		1,173,725	1,173,725
		75,279,961	112,376,086
		16,308,113,207	**12,677,174,983**
15.1 Provision for loans and advances			
i) The Movement in specific provision for Bad and Doubtful Debts:			
Provision held at the beginning of the year		1,902,698,726	2,120,305,055
Specific provision	(+)	954,049,421	680,467,438
Recoveries from written off loans	(+)	50,461,881	-
Fully provided debt written off	(-)	(460,532,282)	(477,905,874)
Provision no longer required	(-)	(37,590,282)	(420,167,893)
Provision held at the end of the year		**2,409,087,464**	**1,902,698,726**
ii) The movement in general provision on unclassified loans:			
Provision held at the beginning of the year		2,341,828,546	1,449,216,208
Additional provision for the year		1,490,467,788	892,612,338
Provision held at the end of the year		**3,832,296,334**	**2,341,828,546**
		6,241,383,798	**4,244,527,272**

		31.12.2016 Taka	31.12.2015 Taka
15.2	**Provision for Good Borrower**		
	Opening Balance	1,254,000	-
	Add: Addition during the year	8,200,000	1,254,000
		9,454,000	**1,254,000**
15.3	**Provision for off balance sheet exposures**		
	Opening balance	426,578,478	398,840,178
	Add: Addition during the year	199,821,481	27,738,300
		626,399,959	**426,578,478**

Bank has made a provision of Tk.199,821,481 @ 1.00% on off balance sheet exposure (i.e. Acceptence & Endorsement, Letter of Credit & Letter of Guarantee) as per BRPD Circular number 14 dated 23.09.2012 from current year's profit. The total amount of provision of Tk.626,399,959 is deemed sufficient on requirement and will be treated as Supplementary Capital of the Bank.

15.4	**Interest Suspense Account**			
	Balance at the beginning of the year		2,419,863,452	1,945,302,752
	Amount transferred to "Interest Suspense" A/c during the year	(+)	1,614,619,700	838,523,004
	Amount recovered from "Interest Suspense" A/c during the year	(-)	(1,945,971,642)	(90,983,056)
	Amount written off during the year	(-)	(256,846,494)	(272,979,248)
	Balance at the end of the year		**1,831,665,015**	**2,419,863,452**
15.5	**Provision against expenses**			
	Provision for Audit Fees		1,380,000	920,000
	Provision for House Rent, Telephone, Utility, Risk Premium etc.		5,647,040	8,220,022
	Provision for Promotional Expenses for Exchange Houses		589,319	888,491
	Provision for Superannuation Fund		2,500,000	2,500,000
	Provision for gratuity fund		3,459,668	-
	Provision for other Professional Fees		-	115,000
	Provision for Bonus		-	50,000,000
			13,576,027	**62,643,513**
15.6	**Provision for Other Assets**			
	Balance at the beginning of the year		8,670,024	8,670,024
	Add: Addition during the year		3,127,000	-
			11,797,024	**8,670,024**
15.7	**Provision for Current Tax**			
	Opening Balance		1,479,868,518	1,733,928,707
	Add: Provision made during the year		1,314,967,979	934,833,819
			2,794,836,497	2,668,762,526
	Less: Adjustment during the year		-	1,188,894,008
			2,794,836,497	**1,479,868,518**

Provision for taxation has been made on accounting profit considering taxable allowances / disallowances as per Income Tax Ordinance 1984 amounting to Tk.1,314,967,979 as Current Tax Provision for the year 2016 (Assessment Year 2017-2018). This provision for corporate tax has been made as per estimate of the Bank's tax consultants. The tax provision is found adequate.

Assessment for the years from 1995 to 2006 have since been completed and Bank got Tax Clearence Certificate upto 2006 (Assesment year 2007-2008) from Tax Authority. But under section 120, the assessment for the year 2004, 2005 and 2006 had been re-opened and the Bank had filed appeal to the Honorable High Court. Bank filed an appeal against the assessment order for the year 2007, 2008, 2009, 2010 and 2011 to The Honorable High Court. The Bank received Tax Clearance Certificate for the year 2012, 2013 and 2014. The Income Tax Return for the year 2015 (Assessment year 2016-2017) had been submitted in July, 2016.

15.7(a)	**Consolidated Provision for Current Tax**			
	Dhaka Bank Limited	(Note: 15.7)	2,794,836,497	934,833,819
	Dhaka Bank Securities Limited		79,145,670	34,308,963
	Dhaka Bank Investment Limited		-	4,058,220
			2,873,982,167	**973,201,002**

			31.12.2016 Taka	31.12.2015 Taka
15.8	**Deferred tax liabilities/ (Assets)**			
	31 December 2016	**Carrying amount**	**Tax base**	**Taxable/ (deductible) temporary difference**
	Fixed Asset excluding land	1,243,207,569	1,262,087,157	(18,879,588)
	Non adjusting difference for Vehicle exceeding Tk 2,500,000	(21,860,655)	-	(21,860,655)
	Provision for gratuity	3,459,668		(3,459,668)
	Provision for Superannuation fund	2,500,000		(2,500,000)
	Deductible temporary difference			(46,699,910)
	Applicable tax rate			40%
	Deferred Tax Asset			**(18,679,964)**
	Revaluation reserve of land at carrying amount	648,455,000	-	648,455,000
	Applicable Tax Rate			4%
	Deferred Tax Liability			**25,938,200**
	Net Deferred Tax Liability as on 31 December 2016			**7,258,236**
	31 December 2015	**Carrying amount**	**Tax base**	**Taxable/ (deductible) temporary difference**
	Fixed Asset excluding land	1,183,936,232	1,145,858,120	38,078,112
	Non adjusting difference for Vehicle exceeding Tk 2,500,000	-	-	-
	Provision for Superannuation fund	2,500,000	-	(2,500,000)
	Taxable temporary difference			35,578,112
	Applicable tax rate			40%
	Deferred Tax Liability			**14,231,245**
	Revaluation reserve of land at carrying amount	-	-	648,455,000
	Applicable Tax Rate			4%
	Deferred Tax Liability			**25,938,200**
	Net Deferred Tax Liability as on 31 December 2015			**40,169,445**
	Deferred tax expense/ (Income)			
	Closing Deferred tax Liability excluding liability for revaluation reserve for land		7,258,236	40,169,445
	Opening Deferred tax liability excluding liability for revaluation reserve for land		40,169,445	36,601,232
			(32,911,209)	**3,568,213**

Deferred tax (asset)/liability has been recognised and measured as per BAS 12 'Income taxes' and BRPD circular no. 11 dated 12 December 2011.

15.8(a)	**Consolidated Deferred tax liabilities**			
	Dhaka Bank Limited	(Note: 15.8)	7,258,236	3,568,213
	Dhaka Bank Securities Limited		2,170,619	(1,135,120)
	Dhaka Bank Investment Limited		-	-
			9,428,854	**2,433,092**
15.9	**Other Account Payable**			
	3 months and 5 years Bangladesh/Pratirakhkha Sanchay Patra		84,328,536	44,831,230
	Application, Processing, Membership & Utilisation Fee		18,116,030	9,188,168
	Adjusting Account Credit		25,932,745	19,690,650
	Export Proceeds Suspense		948,126,832	766,186,812
	Vendors' Security Deposit		2,551,509	1,455,994
	Finance from Bill Discounting OBU	(Note: 15.9.1)	2,053,278,130	1,206,697,723
	Compensation Income of Islamic Banking operations	(Note: 15.9.2)	15,823,055	27,656,188
	Import Payment Suspense		425,338,236	787,047,300
	Baina against Non-Banking Assets	(Note: 15.9.3)	20,000,000	20,000,000
			3,593,495,073	**2,882,754,066**

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	31.12.2016 Taka	31.12.2015 Taka

15.9.1 Authorised Dealer Branches maintained cover fund of Tk.2,053,278,130 through Off-shore Banking Unit (OBU) to further facilitate the exporters in accordance with FE Circular No.03 dated 04 February 2013 of Bangladesh Bank.

15.9.2 The amount of Tk.15,823,055 represents profits on various overdue Investments of Islamic Banking operations, which has been maintained as per Shariah Principle.

15.9.3 The amount represents the contract for sale (baina) executed for Tk.20,000,000 against the mortgaged land along with building which was mutated in the name of Dhaka Bank Limited **(Note-11)**. The amount will be adjusted after receiving the rest amount of the auction and execution of the sale deed.

16 Share capital

16.1 Authorised Capital

1,000,000,000 ordinary shares of Tk.10 each	**10,000,000,000**	**10,000,000,000**

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

16.2 Issued, Subscribed and Paid-up Capital

625,364,260 ordinary shares (2015: 568,512,964 ordinary shares of Tk. 10.00 each) of Tk.10 each issued for cash	6,253,642,600	5,685,129,640
62,536,426 ordinary shares (2015: 56,851,296 ordinary shares of Tk. 10.00 each) of Tk.10.00 each	625,364,260	568,512,960
	6,879,006,860	**6,253,642,600**

The Bank has increased its paid up capital by issuance of 10% bonus share i.e 62,536,426 Ordinary shares of Tk. 10.00 each as on 09/06/2016.

The Bank had denominated its face value of share at Tk. 10.00 per share instead of Tk. 100.00 of each share by passing a special resolution in the banks 4th EGM held on 04 July 2010.

16.3 Initial Public Offer (IPO)

Out of the total issued, subscribed and paid up capital of the bank 1,320,000 Ordinary shares of Tk.100 each amounting to Tk.132,000,000 was raised through public offering of shares held in 24 February 2000.

16.4 Right Issue

The Bank has increased its paid up capital twice by issuance of 2R:5 and 1R:2 right share at par on 15 April 2003 and 30 November 2005 respectively.

16.5 History of Paid-up Capital

Year	Declaration	No.of share	Value in Capital	Cumulative
1995	Opening Capital	1,000,000	100,000,000	100,000,000
1996	10% Stock Dividend	100,000	10,000,000	110,000,000
1997	20% Stock Dividend	220,000	22,000,000	132,000,000
1998	9% Stock & 10% Cash Dividend	118,800	11,880,000	275,880,000
1999	25% Cash	-	-	275,880,000
2000	25% Cash & 10% Stock Dividend	275,880	27,588,000	303,468,000
2001	25% Cash & 25% Stock Dividend	758,670	75,867,000	379,335,000
2002	20% Cash & (15,17,340 nos. right shares)	1,517,340	151,734,000	531,069,000
2003	15% Cash & 25% stock Dividend	1,327,672	132,767,200	663,836,200
2004	35% Stock & 1R:2	5,642,608	564,260,800	1,228,097,000
2005	5% Stock Dividend	614,048	61,404,800	1,289,501,900
2006	10% Cash & 20% Stock Dividend	2,579,003	257,900,300	1,547,402,300
2007	25% Stock Dividend	3,868,505	386,850,500	1,934,252,875
2008	15% Cash & 10% Stock Dividend	1,934,252	193,425,200	2,127,678,200
2009	25% Stock Dividend	5,319,195	531,919,500	2,659,597,800
2010	35% Stock Dividend	9,308,592	93,085,920	3,590,457,030
2011	5% Cash & 30% Stock Dividend	107,713,710	1,077,137,100	4,667,594,130
2012	16% Stock Dividend	74,681,506	746,815,060	5,414,409,190
2013	17% Cash & 5% stock Dividend	27,072,045	270,720,450	5,685,129,640
2014	14% Cash & 10% stock Dividend	56,851,296	568,512,960	6,253,642,600
2015	6% Cash & 10% stock Dividend	62,536,426	625,364,260	6,879,006,860

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16.6 Percentage of shareholding

Particulars	2016		2015	
	% of holdings	Value of Shares (Tk.)	% of holdings	Value of Shares (Tk.)
1. Local Ownership				
Banking Companies	11.6528	801,598,130	12.0054	750,774,730
Financial Institutions	6.0800	418,244,060	4.8974	306,266,150
Sponsors	39.0994	2,689,652,840	39.0841	2,444,182,770
General Public	36.5355	2,513,285,460	37.8804	2,368,904,400
Mutual Fund	0.7973	54,847,430	0.8082	50,540,540
Unit Funds	0.5785	39,796,150	0.3015	18,855,800
ICB Account Holders	0.0957	6,584,110	0.0943	5,898,810
ICB Head office (Investors A/c)	0.0650	4,470,340	0.0718	4,487,490
ICB Unit Fund	0.0032	222,580	-	-
ICB AMCL First Mutual Fund	0.0408	2,809,610	-	-
Non-Resident Bangladeshi (NRB)	0.2559	17,604,410	0.4529	28,323,460
ICB Investors A/C, Local Office	0.0200	1,375,000	0.0176	1,100,000
ICB Capital Management Limited	0.3326	22,882,160	0.3237	20,241,400
Other Investor's A/C	4.2925	295,276,790	3.9340	246,018,520
	99.8492	**6,868,649,070**	**99.8713**	**6,245,594,070**
2. Foreign Ownership				
Financial Company	0.1506	10,357,790	0.1287	8,048,530
	0.1506	10,357,790	**0.1287**	**8,048,530**
	100.00	**6,879,006,860**	**100.00**	**6,253,642,600**

16.7 Classification of shareholders by holding

Holdings	2016		2015	
	No. of share holders	Number of Shares	No. of share holders	Number of Shares
1 to 500 shares	14,645	2,083,679	19,395	3,087,661
501 to 5,000 shares	11,393	17,951,139	11,452	19,230,000
5,001 to 10,000 shares	1,180	8,031,781	934	6,525,531
10,001 to 20,000 shares	518	7,259,129	474	6,548,761
20,001 to 30,000 shares	185	4,551,067	156	3,810,900
30,001 to 40,000 shares	86	3,012,064	56	1,930,971
40,001 to 50,000 shares	48	2,236,984	50	2,260,591
50,001 to 100,000 shares	106	7,579,612	90	6,564,380
100,001 to 1,000,000 shares	146	44,768,572	114	38,574,507
1000001 & above shares	81	590,426,659	77	536,830,958
	28,388	**687,900,686**	**32,798**	**625,364,260**

16.8 Name of the Directors and their shareholdings as on 31 December

Sl. No.	Name of Directors with Designation	2016		2015	
		No. of share	Value of share (Tk.)	No. of share	Value of share (Tk.)
1	Mr. Reshadur Rahman (Chairman)	23,218,731	232,187,310	21,107,938	211,079,380
2	Mrs. Rokshana Zaman (Vice Chairman)	13,771,792	137,717,920	12,519,812	125,198,120
3	Mr. Mirza Abbas Uddin Ahmed (Director) *	-	-	-	-
4	Mr. Abdul Hai Sarker (Director)	15,266,351	152,663,510	13,605,774	136,057,740
5	Mr. Altaf Hossain Sarker (Director)	19,184,490	191,844,900	17,440,446	174,404,460
6	Mr. Mohammed Hanif (Director)	20,953,879	209,538,790	19,048,981	190,489,810
7	Mr. Md. Amirullah (Director)	13,759,648	137,596,480	12,508,771	125,087,710
8	Mr. Abdullah Al Ahsan (Director)	13,760,832	137,608,320	12,509,848	125,098,480
9	Mr. Khondoker Monir Uddin (Director)	19,755,585	197,555,850	17,959,623	179,596,230
10	Mr. Tahidul Hossain Chowdhury (Director)	13,815,697	138,156,970	12,559,725	125,597,250
11	Mr. Jashim Uddin (Director)	13,759,774	137,597,740	12,508,886	125,088,860
12	Mr. Khondoker Jamil Uddin (Director)	13,759,583	137,595,830	12,508,712	125,087,120
13	Mr. Mirza Yasser Abbas (Director)	25,335,719	253,357,190	23,032,472	230,324,720
14	Mr. Amanullah Sarker (Director)	13,759,651	137,596,510	12,508,774	125,087,740
15	Mr. M.N.H. Bulu (Director)	13,775,765	137,757,650	12,841,605	128,416,050
15	Mr.Syed Abu Naser Bukhtear Ahmed (Independent Director)	-	-	-	-
16	Mr. M.A. Yussouf Khan (Independent Director)	-	-	-	-
17	Mr. Suez Islam (Independent Director) **		-	-	-
	Total	**233,877,497**	**2,338,774,970**	**212,661,367**	**2,126,613,670**

* Continued as director up to 05.09.2015.

** Continued as independent director up to 20.09.2015.

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

		31.12.2016 Taka	31.12.2015 Taka
Tier - I Capital (Going - Concern Capital)			
Common Equity Tier 1 Capital (CET 1)			
Paid up Capital		6,879,006,860	6,253,642,600
Statutory Reserve		5,850,338,779	5,300,741,818
General Reserve		122,080,584	160,272,618
Surplus in Profit and Loss Account		942,269,273	962,390,782
		13,793,695,496	**12,677,047,818**
Regulatory Adjustment:			
Book value of Goodwill and value of all other Intangible Assets		23,939,277	34,205,020
(Written down value of Software which is treated as Intangible Assets)		**13,769,756,219**	**12,642,842,799**
Additional Tier 1 Capital (AT 1)		-	-
Total Tier - I Capital		**13,769,756,219**	**12,642,842,799**
Tier - II Capital (Going - Concern Capital)			
General Provision	(Note - 16.9.1)	4,458,696,293	1,680,022,373
Asset Revaluation Reserve (50%)	(Note-18.2)	194,536,500	259,382,000
Revaluation Reserve for HTM & HFT Securities (50%)	(Note - 16.9.2 & 18.3)	18,504,491	25,267,379
Non-convertible Subordinated Bond	(Note-16.9.3)	3,400,000,000	800,000,000
		8,071,737,285	**2,764,671,752**
Regulatory Adjustment (if any)			-
Total Tier - II Capital		**8,071,737,285**	**2,764,671,752**
A. Total Eligible Capital		**21,841,493,503**	**15,407,514,550**

	31.12.2016 Taka	31.12.2015 Taka
B. Risk Weighted Assets		
Credit Risk		
Balance sheet business	129,904,754,729	116,933,105,879
Off- Balance sheet business	17,131,092,346	17,468,683,949
	147,035,847,075	**134,401,789,828**
Market Risk	1,442,876,247	2,290,722,493
Operational Risk	11,311,260,340	10,650,650,000
Total Risk-weighted Assets	**159,789,983,662**	**147,343,162,322**
C. Required Capital on Risk Weighted Assets	**15,978,998,366**	**14,734,316,232**
D. Capital Surplus / (Shortfall) [A-C]	**5,862,495,137**	**673,198,318**
Total Capital Ratio (%)	**13.67%**	**10.46%**

Capital Requirement	2016		2015	
	Required (%)	Held (%)	Required (%)	Held (%)
Tier - I Capital (Going Concern Capital)	5.50%	8.62%	5.00%	8.58%
Tier - II Capital (Gone Concern Capital)	-	5.05%	-	1.88%
Total	**10.625%**	**13.67%**	**10.00%**	**10.46%**

16.9.1 As per Risk Based Capital Adequacy Guideline for Banks under BASEL - III, 2014, the Tier 2 Capital under heading "General Provision" was limited to the actual amount of General Provision or 1.25% of Credit Risk Weighted Assets, which is lower. In subsequent BRPD Circular Letter No. 05 dated May 31, 2016, full amount of General Provision is allowed to be treated as part of Tier-II Capital.

16.9.2 As per risk based capital adequacy guidelines for banks under BASEL - III, the revaluation reserve for assets and securities will diminish at 20% per year on the base amount of 31 December 2014 so that the whole revaluation reserve amount will not get capital treatment after the end of five years (starting from January 2015).

16.9.3 "As per the risk based capital adequacy guidelines in line with Basel-III issued in December 2014 by Bangladesh Bank, the amount of subordinated debt in the regulatory capital will have to be reduced (amortized) in the last 05 (five) years of the bond's life by 20% from the amount of the instrument. According to the rules, an amount of Tk.1,600,000,000 of non-convertible subordinated bond has not been treated as Supplementary Capital (Tier-2) in 2016. According to the guidelines, Tk.400,000,000 in 2013, Tk.800,000,000 crore in 2014, Tk.1,200,000,000 in 2015 and Tk.1,600,000,000 in 2016 of non convertible subordinated bond has not been treated as supplementary capital (Tier-2).

DBL 2nd Subordinated Bond amounting Tk. 3,000,000,000.00 was issued on May, 2016 which will be treated as Supplementary Capital (Tier- 2). The tenure of the bond is 7 years. Hence, the reduction of the bond amount from regulatory capital will be started from May 2018.

Capital to Risk weighted Assets Ratio (CRAR) has been calculated as per risk based capital adequacy guidelines in line with BASEL-III issued in December 2014, DOS Circular No. 02 dated 04 April 2015 & BRPD Circular No. 05 dated 31 May 2016 on reporting CRAR & leverage ratio by Bangladesh Bank.

		31.12.2016 Taka	31.12.2015 Taka
16.9(a)	**Consolidated Capital to Risk Weighted Assets Ratio (CRAR) - as per BASEL III**		
	Tier - I Capital (Going - Concern Capital)		
	Common Equity Tier 1 Capital (CET 1)		
	Paid up Capital	6,879,006,860	6,253,642,600
	Minoriy Interest	45,991	37,355
	Statutory Reserve	5,850,338,779	5,300,741,818
	General Reserve	122,080,584	160,272,618
	Surplus in profit and loss account/ Retained Earnings	1,385,575,519	1,265,053,471
		14,237,047,733	**12,979,747,863**
	Regulatory Adjustment:		
	Book value of Goodwill and value of all other Intangible Assets**	23,939,277	34,249,226
	Deferred Tax Assets (DTA)	2,170,621	1,756,323
	(**Written down value of Software which is treated as Intangible Assets)	**14,210,937,834**	**12,943,742,313**
	Additional Tier 1 Capital (AT 1)	-	-
	Total Tier - I Capital	**14,210,937,834**	**12,943,742,313**

		31.12.2016 Taka	31.12.2015 Taka
Tier - II Capital (Gone Concern Capital)			
General Provision		4,458,696,293	1,701,683,898
Asset Revaluation Reserve (50%)	(Note-18.2)	194,536,500	259,382,000
Revaluation Reserve for HTM & HFT Securities (50%) [Note-2.5(a) & (b) and 18.3]		18,504,491	25,267,379
Non-convertible Subordinated Bond	(Note-16.9.1)	3,400,000,000	800,000,000
		8,071,737,285	**2,786,333,276**
Regulatory Adjustment (if any)			-
Total Tier - II Capital		**8,071,737,285**	**2,786,333,276**
A. Total Eligible Capital		**22,282,675,119**	**15,730,075,590**
B. Risk Weighted Assets			
Credit Risk			
Balance sheet business		132,292,271,259	118,666,027,856
Off- Balance sheet business		17,131,092,346	17,468,683,949
		149,423,363,605	**136,134,711,805**
Market Risk		3,782,048,423	4,199,163,912
Operational Risk		11,777,306,397	10,993,430,350
Total Risk-weighted Assets		**164,982,718,425**	**151,327,306,067**
C. Required Capital on Risk Weighted Assets		**17,529,413,833**	**15,132,730,607**
(10% on Total Risk Weighted Assets)			
D. Capital Surplus / (Shortfall) [A-C]		**4,753,261,286**	**597,344,983**
Total Capital Ratio (%)		**13.51%**	**10.39%**

Capital requirement	2016		2015	
	Required (%)	Held (%)	Required (%)	Held (%)
Tier - I Capital (Going Concern Capital)	5.50%	8.61%	5.00%	8.55%
Tier - II Capital (Gone Concern Capital)	-	4.89%	-	1.84%
CRAR	**10.625%**	**13.51%**	**10.00%**	**10.39%**

Capital to Risk weighted Assets Ratio (CRAR) has been calculated as per risk based capital adequacy guidelines in line with BASEL-III issued in December 2014, DOS Circular No. 02 dated 04 April 2015 & BRPD Circular No. 05 dated 31 May 2016 on reporting CRAR & leverage ratio by Bangladesh Bank.

		31.12.2016 Taka	31.12.2015 Taka
17. Statutory reserve			
Opening balance		5,300,741,818	4,825,543,616
Add: Addition during the year		549,596,961	475,198,202
		5,850,338,779	**5,300,741,818**

As per Section 24 of Bank Companies Act 1991, 20% of pre tax profit has been transferred to Statutory Reserve Account.

18. Other reserve			
General reserve	(Note 18.1)	122,080,584	160,272,618
Assets revaluation reserve	(Note 18.2)	622,516,800	648,455,000
Investment revaluation reserve	(Note 18.3)	29,513,562	63,168,447
		774,110,946	**871,896,065**
18(a) Consolidated other Reserve			
Dhaka Bank Limited		774,110,946	871,896,065
Dhaka Bank Securities Limited		25,900,000	20,200,000
Dhka Bank Investment Limited		-	-
		800,010,946	**892,096,065**

		31.12.2016 Taka	31.12.2015 Taka
18.1	**General Reserve**		
	Opening balance	160,272,618	160,272,618
	Add: Addition during the year	-	-
		160,272,618	160,272,618
	Less: Transfer to Capital Account for issue of Bonus Shares	38,192,034	-
		122,080,584	**160,272,618**

As per Rule, Bonus share / cash dividend may be issued out of surplus of the profit of the year. If there is any shortfall, that may be covered from General Reserve Account as per approval of the Board of Directors of the bank.

18.2	**Assets revaluation reserve**		
	Opening balance	648,455,000	648,455,000
	Add: Addition during the year	(25,938,200)	-
		622,516,800	**648,455,000**

Dhaka Bank Limited revalued the land during the year 2011 by an independent valuation firm according to Paragraph 36 of BAS-16 as per approval of the Board of Directors of the Bank. As per para 62 of BAS-12- Income Taxes, deferred tax liability arises from asset revaluation reserve shall be recognized in other comprehensive income. But deferred tax liability has been deducted from asset revaluation reserve as there is no line item of other comprehensive income in the financial statements of Bank.

18.3	**Investment revaluation reserve**		
	Revaluation reserve for HTM securities		
	Opening balance	43,125,493	38,796,746
	Add: Addition during the year	299,685	4,534,472
	Less: Adjustment during the year	(14,722,817)	(205,725)
	Closing Balance	28,702,360	43,125,493
	Revaluation reserve for HFT securities		
	Opening balance	20,042,955	22,884,891
	Add: Addition during the year	157,955,028	804,471,869
	Less: Adjustment during the year	(177,186,781)	(807,313,806)
	Closing Balance	811,202	20,042,955
		29,513,562	**63,168,447**

Interest income of HTM and HFT securities transferred to Revaluation Reserve Account as per Bangladesh Bank DOS Circular No. 05 dated 26.05.2008 of which 50% of revaluation reserve for HTM & HFT used to be treated as Supplementary Capital. Now as per Basel III accord, capital treatment of the same is being diminished by 20% each year.

19.	**Retained earnings**		
	Opening balance	962,390,782	1,364,431,114
	Add: Post-tax profit for the year	1,465,928,034	1,437,588,980
	Transferred from general reserve	38,192,034	-
	Adjustment made during the year	25,938,200	-
		2,492,449,050	2,802,020,094
	Less: Transfer to statutory reserve	549,596,961	475,198,202
	Stock dividend	625,364,260	568,512,960
	Cash dividend	375,218,556	795,918,150
		1,550,179,777	1,839,629,312
		942,269,273	**962,390,782**

Adjustment made during the year is related to deferred tax arises from asset revaluation reserve which is a component of other comprehensive income but in the year 2015 it was recognized as expense in profit and loss account. As a result previous year retained earnings was understated by Taka 25,938,200.

19(a)	**Consolidated Retained earnings (attributable to equity holders of DBL)**		
	Opening balance	1,265,053,471	1,591,962,445
	Add: Post-tax profit for the year	1,552,271,589	1,521,420,338
	Transferred from general reserve	38,192,034	-
	Adjustment made during the year	85,938,200	-
		2,941,455,295	3,113,382,783
	Less: Transfer to statutory reserve	549,596,961	475,198,202
	Transfer to investment fluctuation fund	5,700,000	8,700,000
	Stock dividend	625,364,260	568,512,960
	Cash dividend	375,218,556	795,918,150
		1,555,879,777	1,848,329,312
		1,385,575,519	**1,265,053,471**

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Consolidated retained earnings has been adjusted by Taka 60,000,000 for the stock dividend declared by Dhaka Bank Securities Limited which has been deducted from retained earnings in 2011 and amount of Taka 25,938,200 for deferred tax expense recognized in 2015 from asset revaluation reserve.

		31.12.2016 Taka	31.12.2015 Taka
19.1 (a)	**Non-controlling interest**		
	Opening balance	37,355	28,994
	Add: Addition for the year from Dhaka Bank Securities Limited	8,105	7,608
	Addition for the year from Dhaka Bank Investment Limited	530	754
		45,991	**37,355**
20.	**Profit & Loss Account**		
	Income		
	Interest, discount and similar income	13,165,602,608	12,135,286,236
	Dividend Income	14,750,000	17,224,307
	Fee, Commission and Brokerage	1,075,091,210	848,851,082
	Gains less Losses arising from dealing securities	-	-
	Gains less Losses arising from investment securities	3,250,970,891	3,005,205,439
	Gains less Losses arising from dealing in foreign currencies	442,285,343	467,294,212
	Income from non-banking assets	-	-
	Other operating income	243,330,435	351,862,797
		18,192,030,488	**16,825,724,072**
	Expenses		
	Interest, fee and commission	9,452,611,371	10,116,296,447
	Administrative expenses	2,443,649,926	2,372,605,731
	Other operating expenses	555,116,746	534,410,087
	Depreciation and repairs of bank's assets	337,001,950	298,178,696
		12,788,379,993	**13,321,490,961**
		5,403,650,494	**3,504,233,111**
21.	**Contingent liabilities**		
	Acceptance & Endorsement	**25,263,660,677**	**14,225,611,128**
	Letters of Credit	**17,447,623,500**	**14,238,167,995**
	Usance/Defer Letter of Credit	5,645,894,541	4,127,577,483
	Sight Letter of Credit	6,035,185,722	5,239,843,760
	Back to Back Letter of Credit	2,249,193,087	1,486,959,028
	BD-Sight (EDF)	1,174,023,526	1,123,173,406
	Back to Back - Local	2,343,326,623	2,260,614,318
	Letters of Guarantee	**19,928,711,771**	**14,194,068,714**
	Bid Bond	1,431,426,409	1,033,001,406
	Performance Bond	9,438,841,732	6,770,052,355
	Counter Guarantee	1,003,016,404	459,180,537
	Other Guarantee	8,055,427,226	5,931,834,415
	Shipping Guarantee	-	-
	Bills for collection	**8,250,158,750**	**7,608,526,452**
	Local bills for collection	5,540,907,546	5,442,164,698
	Foreign bills for collection	2,709,251,203	2,166,361,753
	Other contingent liabilities	**2,036,246,400**	**1,988,427,743**
	Bangladesh/Pratirakhkha/Paribar Sanchay Patra	1,569,255,000	1,453,795,443
	ICB Unit certificate	51,340,900	51,340,900
	Forward exchange position (Note: 21.1)	393,609,500	471,125,400
	US investment & premium Bond	22,041,000	12,166,000
		72,926,401,097	**52,254,802,031**

21.1 The amount represents the forward position of foreign currencies at the end of the year 2016 which are very short term in nature and adjustment are made on a continuous basis.

21.2	**Letters of Guarantee**		
	Money for which the bank is contingently liable in respect of guarantees given favouring:		
	Directors	-	-
	Government	14,075,372,874	10,025,073,976
	Bank and other financial institutions	925,047,507	658,857,834
	Others	4,928,291,390	3,510,136,904
		19,928,711,771	**14,194,068,714**

			2016 Taka	2015 Taka
22.	**Interest income/profit on investments**			
	Term Loan		6,478,302,517	4,880,249,230
	Overdrafts		3,498,399,485	3,899,738,657
	Loan against Imported Merchandise/Murabaha		4,914,338	34,976,710
	Loan against Trust Receipt		1,016,920,120	1,018,315,727
	Packing Credits		25,418,259	15,998,755
	Cash Credits / Bai-Muajjal		865,599,697	1,036,347,745
	Payment against Documents		14,169,262	28,802,637
	House Building Loan		204,328,530	176,954,974
	Transport Loan		87,054,426	112,591,928
	Syndicate Loan		318,049,163	372,382,363
	Hire Purchase		38,336,690	44,769,856
	Lease Rental/Izara		261,870,596	251,510,752
	Credit Card		38,402,705	34,116,211
	Total Interest / profit & Rental Income on loans & advances		12,851,765,788	11,906,755,545
	Call Lending and Fund Placement with banks		282,040,433	213,384,451
	Accounts with Foreign Banks		31,796,387	15,146,240
			13,165,602,608	**12,135,286,236**
22(a)	**Consolidated interest income/profit on investments**			
	Dhaka Bank Limited	(Note: 22)	13,165,602,608	12,135,286,236
	Dhaka Bank Securities Limited		159,231,617	227,229,789
	Dhaka Bank Investment Limited		-	-
			13,324,834,225	12,362,516,025
	Less: Inter company transaction		151,362,355	216,296,362
			13,173,471,870	**12,146,219,663**
23.	**Interest paid/profit on deposits and borrowings, etc.**			
	Savings Account including Mudaraba		435,666,529	535,752,547
	Special Notice Deposit		374,213,741	347,343,321
	Term deposits		4,843,859,027	6,322,076,015
	Deposits under Scheme		2,289,916,778	1,787,494,347
	Call borrowing & fund placement		224,209,111	209,842,176
	Non-convertible subordinate bond		340,945,696	230,993,611
	Repurchase Agreement (REPO)		31,036,292	33,649,160
	Overseas accounts charges		5,194,144	9,485,439
	Leased assets		30,372,932	43,522,581
	HTM / HFT securities		475,718,324	303,746,834
	Others	(Note: 23.1)	401,478,798	292,390,416
			9,452,611,371	**10,116,296,447**
23.1	**Others**			
	Interest paid on NFCD		1,753,949	220,764
	Interest/profit paid against Refinance from Bangladesh Bank		76,935,883	40,903,621
	Interest paid on Gift Cheque		599,625	564,166
	Interest paid on Excel Account		567,168	603,524
	Interest on Finance Bill Rediscounting		85,703,863	54,563,297
	Interest on Fund Borrowing-OBU		30,915,328	80,647,815
	Treasury Bond Premium	(Note: 23.1.a)	205,002,983	114,887,229
			401,478,798	**292,390,416**

23.1.a Treasury Bond Premium expenses reflects the amount of interest accrued upto the date of purchase of the Treasury Bond. This amount has been paid at the time of purchase of the Bond.

23(a)	**Consolidated Interest / Profit Paid On Deposits & Borrowings, etc.**			
	Dhaka Bank Limited	(Note: 23)	9,452,611,371	10,116,296,447
	Dhaka Bank Securities Limited		158,403,128	224,160,122
	Dhaka Bank Investment Limited		-	-
			9,611,014,500	10,340,456,568
	Less: Inter company transaction		159,639,004	216,296,362
			9,451,375,496	**10,124,160,206**

		2016 Taka	2015 Taka
24. Income from investment			
Interest on Treasury bills / bonds		2,116,156,227	2,482,368,389
Profit on Govt. Islamic Bond		879,375	2,528,750
Capital Gain on Government Securities		988,590,387	404,528,325
Interest on Commercial Papers		40,062,500	29,567,923
Interest on Subordinated Bond		77,793,356	6 7,238,288
Interest on Zero Coupon Bond		-	-
Dividend on Shares		14,750,000	17,224,307
		3,238,231,845	**3,003,455,981**
24(a) Consolidated income from investment			
Dhaka Bank Limited	(Note: 24)	3,238,231,845	3,003,455,981
Dhaka Bank Securities Limited		166,749,241	210,747,275
Dhaka Bank Investment Limited		-	-
		3,404,981,086	**3,214,203,256**
25. Commission / fees and exchange earnings			
Commission / fees and exchange earnings		455,719,713	365,057,207
Commission on Letter of Guarantee		257,878,307	156,860,108
Commission on Remittance / Bills		33,662,464	23,754,516
Processing fee consumer loan		8,582,035	17,658,930
Other comm./ fees (Clearing, cash tr., risk prem., utilisation fee etc.)		279,540,500	255,173,918
Rebate from foreign bank outside Bangladesh		17,010,516	10,638,952
Commission & fee on Credit Card		22,697,675	19,707,452
Exchange gain including gain from foreign currency dealings		442,285,343	467,294,212
		1,517,376,553	**1,316,145,294**
25(a) Consolidated commission / fees, exchange earnings & brokerage			
Dhaka Bank Limited	(Note: 25)	1,517,376,553	1,316,145,294
Dhaka Bank Securities Limited		69,763,477	5 6,556,501
Dhaka Bank Investment Limited		-	-
		1,587,140,031	**1,372,701,795**
26. Other operating income			
Other Income on Credit Card and ATM		14,122,330	15,055,060
Incidental charges		70,055,902	74,320,063
Supervision & monitoring charges		4,376,408	163,619,538
Management Fees		115,054,274	-
Swift charge recoveries		27,977,283	91,377,292
Locker rent		7,766,300	7,462,544
Income from prize bond		-	16,000
Capital gain on sale of Shares		27,489,047	18,973,764
Profit from sale of fixed assets		3,977,938	12,300
		270,819,482	**370,836,561**
26(a) Consolidated other operating income			
Dhaka Bank Limited	(Note: 26)	270,819,482	370,836,561
Dhaka Bank Securities Limited		874,258	2,489,124
Dhaka Bank Investment Limited		8,276,649	11,712,213
		279,970,389	385,037,898
Less: Inter company transaction		8,276,649	-
		271,693,740	**385,037,898**

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		2016 Taka	2015 Taka
27. Salary and allowances			
Basic salary		620,627,625	645,903,371
Allowances		789,655,737	597,843,694
Bonus & ex-gratia		126,263,285	146,600,817
Leave fare assistance		110,284,757	92,457,561
Bank contribution to gratuity fund		3,459,668	100,000,000
		61,242,651	53,648,798
		1,711,533,723	**1,636,454,240**
27(a) Consolidated salary and allowances			
Dhaka Bank Limited	(Note: 27)	1,711,533,723	1,636,454,240
Dhaka Bank Securities Limited		32,834,624	31,849,313
Dhaka Bank Investment Limited		-	-
		1,744,368,347	**1,668,303,553**
28. Rent, taxes, insurance, electricity, etc.			
Office rent		332,403,057	304,577,430
Electricity and lighting		62,924,552	60,577,840
Regulatory charges		11,410,121	7,329,622
Insurance		101,672,663	87,231,756
		508,410,393	**459,716,648**
28(a) Consolidated rent, taxes, insurance, lighting etc.			
Dhaka Bank Limited	(Note: 28)	508,410,393	459,716,648
Dhaka Bank Securities Limited		20,296,028	15,160,998
Dhaka Bank Investment Limited		-	-
		528,706,421	**474,877,645**
29. Legal expenses			
Legal expenses		13,058,134	9,394,597
Other professional fees		4,337,168	869,159
		17,395,303	**10,263,756**
29(a) Consolidated Legal expenses			
Dhaka Bank Limited	(Note: 29)	17,395,303	10,263,756
Dhaka Bank Securities Limited		397,000	275,375
Dhaka Bank Investment Limited		-	-
		17,792,303	**10,539,131**
30. Postage, stamps, telecommunication, etc.			
Stamps, postage & courier		2,176,449	6,198,200
Telephone charges		9,104,847	10,510,957
Fax, internet, radio link, & DDN charges		28,782,791	32,915,623
		40,064,088	**49,624,780**
30(a) Consolidated postage, stamps, telecommunication, etc.			
Dhaka Bank Limited	(Note: 30)	40,064,088	49,624,780
Dhaka Bank Securities Limited		610,064	640,965
Dhaka Bank Investment Limited		-	-
		40,674,152	**50,265,745**
31. Salary and allowances			
Table stationery		11,746,301	11,308,865
Printing stationery		45,963,389	76,119,445
Security stationery		10,776,416	11,276,247
Computer stationery		21,176,294	25,633,069
Advertisement		58,613,666	76,965,152
		148,276,067	**201,302,778**

		2016 Taka	2015 Taka
31(a) Consolidated stationery, printing, advertisement, etc.			
Dhaka Bank Limited	(Note: 31)	148,276,067	201,302,778
Dhaka Bank Securities Limited		1,192,067	1,206,667
Dhaka Bank Investment Limited		-	-
		149,468,134	**202,509,445**
32. Chief executive's salary and fees			
Basic salary		10,350,167	6 ,239,667
House rent allowances		300,000	1,666,500
Entertainment allowances		120,000	-
House maintenance allowances		300,000	888,500
Medical allowances		120,000	17,667
Bonus		1,700,000	1,610,000
		12,890,167	**10,422,334**
32(a) Consolidated chief executive's salary and fees			
Dhaka Bank Limited	(Note: 32)	12,890,167	10,422,334
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		12,890,167	**10,422,334**
33. Directors' fees			
Directors fees		3,459,200	2,739,600
Fees related to shariah council meeting		138,000	62,600
Board/Executive committee / Shariah council meeting expenses		102,986	753,995
		3,700,186	**3,556,195**

Directors fees are paid following the Bangladesh Bank's BRPD Circular No. 03 dated 18 January 2010 and subsequent BRPD Circular Letter # 11 dated 04 October 2015.

33(a) Consolidated directors' fees			
Dhaka Bank Limited	(Note: 33)	3,700,186	3,556,195
Dhaka Bank Securities Limited		938,814	647,045
Dhaka Bank Investment Limited		-	-
		4,639,000	**4,203,240**
34. Auditor's fees		**1,380,000**	**1,265,000**
34(a) Consolidated auditor's fees		1,380,000	1,265,000
Dhaka Bank Limited	(Note: 34)	287,500	115,000
Dhaka Bank Securities Limited		115,000	115,000
Dhaka Bank Investment Limited		**1,782,500**	**1,495,000**
35. Depreciation and repairs of bank's assets			
Depreciation & Amotization:			
Building		15,053,353	12,590,447
Furniture & fixture		41,375,613	37,648,153
Office appliance & equipment		118,539,143	96,927,943
Computer		16,308,572	21,288,139
Software		11,840,335	11,982,124
Motor vehicle		18,859,474	9,082,869
		221,976,490	**189,519,675**
Repair:		31,644,125	30,462,257
Office Premises		34,815,797	29,918,168
Office Equipment		1,828,139	1,731,015
Office Furniture		9,383,002	12,435,438
Motor Vehicle		3,106,270	1,958,766
Computer and accessories		34,248,127	32,153,377
Software		**115,025,460**	**108,659,021**
		337,001,950	**298,178,696**

		2016 Taka	2015 Taka
35(a) Consolidated depreciation and repairs of bank's assets			
Dhaka Bank Limited	(Note: 35)	337,001,950	298,178,696
Dhaka Bank Securities Limited		8,276,753	10,243,167
Dhaka Bank Investment Limited		-	-
		345,278,702	**308,421,863**
36. Other expenses			
Contractual service charge		248,323,545	207,619,890
Petrol, oil and lubricants (vehicle & generator)		23,933,477	22,871,105
Entertainment (canteen & other)		28,685,193	32,326,036
AGM expenses		1,764,307	4,449,571
Donation		64,906,944	85,035,633
Subscription		3,844,090	3,627,079
Travelling (foreign and local)		10,721,797	11,476,901
Conveyance		16,042,756	14,193,479
Branch opening expenses		2,076,247	6,965,870
Godown expenses		816,001	533,364
Training expenses		10,999,935	7,833,234
Bond issue expenses		10,447,500	4,567,634
Books and papers		1,675,847	3,435,565
WASA charges		4,248,771	3,695,498
Staff uniform		2,737,218	2,840,755
Vehicle registration charges		-	23,602
Potted plants		2,205,597	2,047,768
Business development & promotion		61,648,831	72,105,762
Reuters charges		1,780,062	1,764,005
Fees and expenses for credit card		16,752,737	11,841,548
ATM network service charges		11,526,042	8,656,465
Contribution to superannuation fund		2,500,000	2,500,000
Dhaka Bank Foundation	(Note: 36.1)	27,479,849	23,999,322
		555,116,746	**534,410,087**
36.1 Fund for Dhaka Bank Foundation			
Opening balance		23,999,322	32,533,724
Add: Addition during the year		27,479,849	23,999,322
Less: Transferred to DBL Foundation trustee account		23,999,322	(32,533,724)
		27,479,849	**23,999,322**

Dhaka Bank Limited has been contributing towards Dhaka Bank Foundation since 2003. In 2016, the Bank has contributed Tk. 27,479,849 for Dhaka Bank Foundation @1% on pre tax profit (i.e. profit after provision for loans and other provisions) as per the decision of the Executive Committee of the Board of Directors.

36(a) Consolidated Other Expenses			
Dhaka Bank Limited	(Note: 36)	555,116,746	534,410,087
Dhaka Bank Securities Limited		8,404,428	10,147,324
Dhaka Bank Investment Limited		5,300	2,300
Less: Adjustment for prior year preliminary expenses of DBIL		-	221,565
		563,526,474	**544,338,145**

* Dhaka Bank Investment Limited amortized Tk. 221,565 for preliminary expenditure during the year 2014 but DBIL has not yet started operation. Amortization of preliminary expenditure will be charged after starting of operation. Amount amortized in 2014 was restated in the 2015.

37. Provision against loans & advances		
On classified loans & advances	954,049,421	202,561,564
On unclassified loans & advances	1,490,467,788	892,612,338
	2,444,517,209	**1,095,173,902**

		2016 Taka	2015 Taka
37(a) Consolidated provision against loans & advances			
Dhaka Bank Limited		2,444,517,209	1,095,173,902
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		2,444,517,209	**1,095,173,902**
38. Provision for diminution in value of investments			
In quoted shares			
Opening balance		4,967,735	162,188,991
Add: Addition during the year		-	4,075,897
		4,967,735	166,264,888
Less: Adjustment during the year		4,967,735	161,297,153
Closing balance		**-**	**4,967,735**
In Unquoted shares		-	-
		-	**4,967,735**

In order to comply with DOS Circular No.02 dated 16 September 2013 of Bangladesh Bank regarding reduction of the exposure in the Capital Market, Dhaka Bank reduced the portfolio investment by adjustment with provision account for Tk. 4,967,735 during the year 2016.

38(a) Consolidated provision for diminution in value of investments			
Dhaka Bank Limited	(Note: 38)	-	4,967,735
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		-	**4,967,735**
39. Other provisions			
Provision for off balance sheet items	(Note: 39.1)	199,821,481	27,738,300
Provision for other assets	(Note: 15.6)	3,127,000	-
		202,948,481	**27,738,300**
39.1 Provision against off balance sheet exposures			
On off balance sheet exposures		**199,821,481**	**27,738,300**

Bank has made a provision of Tk.199,821,481 @ 1.00% on off balance sheet exposure (i.e. Acceptence & Endorsement, Letter of Credit & Letter of Guarantee) as per BRPD Circular number 14 dated 23.09.2012 from current year's profit.

39(a) Consolidated other provisions			
Dhaka Bank Limited	(Note: 39)	202,948,481	27,738,300
Dhaka Bank Securities Limited		50,000,000	93,321,410
Dhaka Bank Investment Limited		-	-
		252,948,481	**121,059,710**
40. Earnings Per Share (EPS)			
Net profit after taxation		1,465,928,034	1,437,588,980
Number of ordinary shares outstanding		687,900,686	687,900,686
Earnings Per Share (EPS) -Restated		**2.13**	**2.09**

Earnings Per Share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2016 as per Bangladesh Accounting Standard (BAS)-33. According to BAS-33, EPS for the year ended 31 December 2015 was restated for the issues of 62,536,426 bonus shares (for 2015) in 2016.

40(a) Consolidated Earnings Per Share (CEPS)		
Net profit after taxation	1,552,280,224	1,521,428,700
Less: Non-controlling interest	8,635	8,362
Net profit attributable to the shareholders of parent company	1,552,271,589	1,521,420,338
Number of ordinary shares outstanding	687,900,686	687,900,686
Consolidated Earnings per share (CEPS)- Restated	**2.26**	**2.21**

		2016 Taka	2015 Taka
41. Receipts from other operating activities			
Exchange earnings		102,799,399	94,326,087
Other operating income		266,841,544	370,824,261
		369,640,943	**465,150,348**
Non operating income		-	-
		369,640,943	**465,150,348**
41(a) Consolidated receipts from other operating activities			
Dhaka Bank Limited	(Note: 41)	369,640,943	465,150,348
Dhaka Bank Securities Limited		874,258	210,747,275
Dhaka Bank Investment Limited		8,276,649	11,712,213
		378,791,850	687,609,836
Less: Intercompany Transactions		8,276,649	-
		370,515,201	**687,609,836**
42. Payments for other operating activities			
Rent, taxes, insurance, lighting etc.		508,410,393	459,716,648
Chief executive's salary & allowances		-	10,422,334
Directors' fees & meeting expenses		3,700,186	3,556,195
Repair of bank's assets		115,025,460	108,659,021
Other expenses		527,636,897	534,410,087
		1,154,772,936	**1,116,764,285**
Dhaka Bank Foundation		-	(23,999,322)
		1,154,772,936	**1,092,764,963**
42(a) Consolidated payments for other operating activities			
Dhaka Bank Limited	(Note: 42)	1,154,772,936	1,092,764,963
Dhaka Bank Securities Limited		9,343,242	64,290,551
Dhaka Bank Investment Limited		5,300	2,300
		1,164,121,478	**1,157,057,813**
43. Other assets			
Stationery, stamps, printing materials etc.		30,044,856	36,342,049
Advance rent and advertisement		298,041,631	313,203,429
Security deposit		21,988,606	21,883,176
Preliminary, formation, work in progress and organization expenses, renovation / development expenses and prepaid expenses		2,860,612,139	2,563,186,913
Branch adjustments		39,897,115	25,761,499
Suspense account		139,958,704	174,359,339
Other assets		5,737,476,228	2,180,364,061
Increase / (decrease) during the year		**9,128,019,279**	**5,315,100,468**
		3,812,918,811	**(880,562,594)**
43(a) Consolidated Other Assets			
Dhaka Bank Limited	(Note: 43)	(3,812,918,811)	880,562,594
Dhaka Bank Securities Limited		(59,889,117)	(42,034,865)
Dhaka Bank Investment Limited		-	(1,171,221)
		(3,872,807,928)	**837,356,509**
44. Other liabilities			
Provision against expenses		13,576,027	62,643,513
Interest suspense account		1,831,665,015	2,419,863,452
Other account payable		3,593,495,073	2,882,754,066
		5,438,736,115	**5,365,261,030**
Amount transferred to DBL Foundation trustee account		(23,999,322)	(32,533,724)
Adjustment of loss on shares from provision for decrease in value of investment		(4,967,735)	(161,297,153)
Adjustment of classified loan from provision		(498,122,564)	(427,086,393)
Increase / (decrease) during the year		**(453,614,536)**	**1,337,285,264**
44(a) Consolidated other liabilities			
Dhaka Bank Limited	(Note: 44)	(453,614,536)	1,337,285,264
Dhaka Bank Securities Limited		(110,664,741)	1,046,676
Dhaka Bank Investment Limited		-	-
		(564,279,276)	**1,338,331,940**

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Dhaka Bank Limited
Highlights on the overall activities of the Bank

SL. No.	Particulars	2016	2015
1	Paid up Capital	6,879,006,860	6,253,642,600
2	Total Capital	21,841,493,503	15,407,514,550
3	Capital surplus / (deficit)	5,862,495,137	673,198,318
4	Total Assets	202,191,595,861	176,362,472,141
5	Total Deposits	157,161,630,521	139,068,899,318
6	Total Loans and Advances	134,689,308,364	117,840,165,963
7	Total Contingent Liabilities and Commitments	72,926,401,097	52,254,802,031
8	Credit Deposit Ratio (%)	83.87	84.74
9	Percentage of classified loans against total loans and advances (%)	4.01	4.66
10	Profit after tax and provision	1,465,928,034	1,437,588,980
11	Amount of classified loans	5,402,949,193	5,490,649,320
12	Provisions kept against classified loans	2,409,087,464	1,902,698,726
13	Provision surplus / (deficit)	3,479,640	-
14	Cost of fund [deposit cost & overhead cost] (%)	7.88	9.57
15	Interest earning Assets	165,095,766,588	144,961,526,925
16	Non-interest earning Assets	37,095,829,273	31,400,945,216
17	Return on Investment (ROI) [%]	15.38	14.83
18	Return on Assets (ROA) [%]	0.77	0.86
19	Income from Investments	3,238,231,845	3,003,455,981
20	Earning per Share -Restated (Taka)	2.13	2.09
21	Price Earning Ratio (Times)	8.40	8.57

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Dhaka Bank Limited
Currency wise Balances
As at 31 December 2016

Annexure-A

Name of the bank	Location	Name of currency	2016			2015		
			Amounts in foreign currency	Conversion rate	Equivalent amounts in Taka	Amounts in foreign currency	Conversion rate	Equivalent amounts in Taka
Standard Chartered Bank	New York	USD	12,182,678	79.00	962,431,530	18,752,603	79.00	1,481,455,651
Mashreq Bank	New York	USD	1,840,185	79.00	145,374,604	1,640,204	79.00	129,576,119
Habib American Bank, OBU	New York	USD	1,080,001	79.00	85,320,047	-	-	-
Commerz Bank	Frankfurt	USD	999,291	79.00	78,943,983	829,142	79.00	65,502,249
Habib American Bank	USA	USD	1,616,192	79.00	127,679,181	1,975,505	79.00	156,064,898
Wells Fargo Bank N.A.	New York	USD	1,467,528	79.00	115,934,702	2,717,771	79.00	214,703,944
Standard Chartered Bank, OBU	New York	USD	-	-	-	6,614,541	79.00	522,548,757
Wachovia Bank NA	New York	USD	-	-	-	-	-	-
JP Morgan Chase Bank NA	USA	USD	2,633,736	79.00	208,065,167	1,870,012	79.00	147,730,957
Standard Chartered Bank	Mumbai	ACUD	890,173	79.00	70,323,669	834,022	79.00	65,887,763
Sonali Bank	Kolkata	ACUD	46,652	79.00	3,685,539	122,342	79.00	9,664,979
AB Bank	Mumbai	ACUD	558,027	79.00	44,084,152	456,728	79.00	36,081,514
Nepal Bangladesh Bank	Nepal	ACUD	8,124	79.00	641,776	8,124	79.00	641,776
Sampath Bank	Srilanka	ACUD	116,150	79.00	9,175,831	136,467	79.00	10,780,910
Bhutan National Bank	Bhutan	ACUD	14,281	79.00	1,128,212	14,281	79.00	1,128,212
Bank of Bhutan	Bhutan	ACUD	25,640	79.00	2,025,524	30,870	79.00	2,438,694
Habib Metropolitan Bank Ltd.	Pakistan	ACUD	379,249	79.00	29,960,673	268,569	79.00	21,216,962
Dhaka Bank OBU Nostro	OBU	USD	6,000,000	79.00	474,000,000	6,000,000	79.00	474,000,000
ICICI Bank Limited	India	ACUD	326,067	79.00	25,759,300	419,249	79.00	33,120,644
Mashreq Bank	Mumbai	ACUD	479,133	79.00	37,851,495	161,830	79.00	12,784,603
Union Bank of Switzerland	Switzerland	CHF	191,285	76.91	14,711,939	82,148	80.10	6,579,896
Commerz Bank	Frankfurt	EURO	514,262	82.22	42,284,738	362,089	86.36	31,268,456
Standard Chartered Bank	Frankfurt	EURO	37,696	82.22	3,099,493	120,852	86.36	10,436,265
Unicredit S.P.A.	Milano	EURO	27,929	82.22	2,296,476	46,350	86.36	4,002,601
UNITED BANK OF INDIA	KOLKATA	EURO	182,244	82.22	14,984,824	-	-	-
Commerz Bank	Frankfurt	AUD	48,702	56.67	2,759,720	54,910	57.53	3,159,217
Standard Chartered Bank	Japan	JPY	26,761,120	0.67	17,999,529	11,651,860	0.65	7,624,977
Standard Chartered Bank	London	GBP	261,936	96.58	25,297,397	255,345	117.02	29,879,383
UNITED BANK OF INDIA	KOLKATA	ACU	398,264	79.00	31,462,893	-	-	-
Commerz Bank	Frankfurt	CAD	98,707	58.22	5,746,574	73,608	56.85	4,184,444
Al-Rajhi Bank	Saudi Arabia	SAR	273,075	21.04	5,744,788	273,075	21.04	5,745,088
Total					**2,588,773,757**			**3,488,208,961**

As per Bangladesh Bank Circular No. FEPD(FEMO)/01/2005-677 dated 13 September 2005, the books of accounts of nostro account are reconciled and there exist no un-reconciled entries that may affect financial statements significantly.

Dhaka Bank Limited
Investment in Shares
As at 31 December 2016

Annexure-B

(Amount in Taka)

Name of the Company	Face Value	No. of Shares	Average Cost	Cost Price	Market price per Share	Total Market Value
Quoted						
ACME Laboratories Limited	10.00	500,000	52.00	26,000,000	99.00	49,500,000
Unquoted						
Bangladesh Fund				200,000,000		200,000,000
Total		**500,000**		**226,000,000**		**249,500,000**

The cost price of investment in shares represents the book value as on 31.12.2016 being ordinary shares of different companies purchased from primary and secondary markets.

Bangladesh Fund

The Bank invested Tk.200,000,000 in the subscription of 2,000,000 number of units of Tk.100.00 each of Bangladesh Fund to ICB AMCL as per the decision in the meeting of The Executive Committee of the Board of Directors.

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Dhaka Bank Limited

Loans & Advances more than 10 % of bank's total capital (Funded & Non-funded)

Annexure-C

(Taka in Thousand)

SL. No.	Name of the Client	Outstanding as on 31.12.2016		Total
		Funded	Non funded	
1	United Group	3,556,131	1,791,461	5,347,592
2	Armana Group	2,131,209	1,959,266	4,090,475
3	Bangladesh Erectors Group	2,011,605	1,451,071	3,462,676
4	Abul Khair Group	2,355,021	972,067	3,327,088
5	Fakir Apparels Ltd.	2,304,570	845,303	3,149,873
6	Noman Group	2,119,001	824,090	2,943,091
7	BRAC	2,023,294	869,124	2,892,418
8	BSRM Group	1,678,132	1,052,378	2,730,510
9	Kabir Group	1,218,463	1,487,823	2,706,286
10	Rangs Group	1,201,723	1,279,479	2,481,202
11	Bashundhara Group	1,526,032	903,972	2,430,004
12	Suruj Miah Group	2,307,443	4,829	2,312,272
13	Apex Group	1,936,386	232,820	2,169,206
	Total	**26,369,011**	**13,673,683**	**40,042,694**

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Annexure-D

Dhaka Bank Limited

Schedule of Fixed Assets including premises, furniture & fixtures

As at 31 December 2016

Particulars	Cost Price					Depreciation				Written Down Value as at 31.12.2016
	Balance as at 01.01.2016	Addition during the year	Transfer/ Adjustment during the year	Total as at 31.12.2016	Rate of Dep.	Balance as at 01.01.2016	Addition during the year	Transfer/ Adjustment during the year	Total as at 31.12.2016	
A. At Cost										
Tangible Assets										
Land	2,301,877,536	-	-	2,301,877,536	-	-	-	-	-	2,301,877,536
Building	555,607,651	67,113,566	-	622,721,217	2.5%	52,379,272	15,053,353	-	67,432,625	555,288,592
Furniture & Fixture	410,491,125	18,667,094	(265,300)	428,892,919	10%	183,347,791	41,375,613	(223,949)	224,499,455	204,393,464
Office Appliances & Equipments	734,292,287	132,494,674	(299,627)	866,487,334	20%	404,518,071	118,539,143	(300,456)	522,756,758	343,730,576
Computer	202,591,275	15,376,215	-	217,967,490	20%	165,112,869	16,308,572	-	181,421,441	36,546,049
Bank Vehicle	69,928,345	80,347,625	(7,382,550)	142,893,420	20%	52,106,878	18,859,474	(7,382,543)	63,583,809	79,309,610
Intangible Assets										
Software	76,271,260	1,574,593	-	77,845,853	20%	42,066,241	11,840,335	-	53,906,576	23,939,277
Sub Total	**4,351,059,479**	**315,573,767**	**(7,947,477)**	**4,658,685,769**	**-**	**899,531,123**	**221,976,490**	**(7,906,948)**	**1,113,600,664**	**3,545,085,105**
B. Revaluation										
Land	648,455,000	-	-	648,455,000	-	-	-	-	-	648,455,000
Sub Total	**648,455,000**	**-**	**-**	**648,455,000**	**-**	**-**	**-**	**-**	**-**	**648,455,000**
Total 2016 (A+B)	**4,999,514,479**	**315,573,767**	**(7,947,477)**	**5,307,140,769**	**-**	**899,531,123**	**221,976,490**	**(7,906,948)**	**1,113,600,664**	**4,193,540,105**
TOTAL 2015	**4,667,810,705**	**331,703,774**	**-**	**4,999,514,479**		**710,011,447**	**189,519,675**	**-**	**899,531,122**	**4,099,983,356**

Dhaka Bank Limited

Recovery of loans previously written-off during the year 2016

Annexure-E

(Amount in Taka)

Sl. No.	Name of borrower	Amount written-off	Amount of provision kept at the time of written-off	Suit Value	Amount recovered in 2016
Corporate Loan					
1	M/s Ahnaf & Co.	17,855,447	15,742,193	20,846,469	500,000
2	Otto Textile Ltd.	268,583,988	157,493,992	280,715,548	18,270,000
3	M/s. Anudip Autos Limited	43,767,825	32,747,739	40,257,537	2,250,000
4	M/s Prime Construction	4,348,273	3,426,199	4,497,646	2,950,000
5	Gonoshasthaya Antibiotic Ltd.	71,628,580	60,192,640	75,998,182	11,500,000
6	M/s Friend International	4,050,000	3,060,000	4,570,592	100,000
7	M/s Mousumi Enterprise	251,045	242,216	690,404	13,000
8	M/s Nipa Traders	426,961	294,093	563,819	10,000
9	M/s Power Craft Transport Technology	3,443,292	3,443,292	7,417,167	3,800,000
10	M/s. Nipa Enterprise	340,506	229,196	804,679	200,000
11	M/s Khorshed Alam	7,739,692	6,302,477	8,479,369	7,340,000
Sub Total		**422,435,610**	**283,174,037**	**444,841,412**	**46,933,000**

The total recovery of written off loans during 2016 is Tk. 50,461,881 of which Tk.46,933,000 represents the amount of corporate clients and Tk. 3,528,881 represents retail clients.

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Dhaka Bank Limited

Details of Borrowers for written-off loan during the year 2016

Annexure-F

(Amount in Taka)

Sl. No.	Name of borrower	Amount written-off	Amount of interest suspense kept at the time of written-off	Amount of provision kept at the time of written-off	Suit Value
Corporate Loan					
1	M/s Monirul Cottage Industries	8,199,283.48	4,427,038.70	1,945,139.58	77,46,839.33
2	M/s Shammi Traders	1,016,850.97	75,082.24	225,768.73	2,090,000.00
3	M/s Muhua Naksa	1,553,469.77	218,413.15	1,335,056.62	1,553,469.77
4	M/s Iqbal Contruction Firm-MMC Consortium	5,492,421.16	1,520,162.79	2,772,258.37	5,453,639.00
5	M/s Kohaliya Enterprise	5,129,097.00	1,146,937.43	2,700,916.84	5,130,000.00
6	M/s Sea Pearl Fishing	3,523,100.28	764,744.21	528,465.04	4,909,065.00
7	M/s Index IT Ltd.	35,428,454.08	882,354.58	28,546,099.50	42,202,623.04
8	M/s Unique Steel	51,296,585.80	5,122,991.86	36,183,093.94	5,37,40,434.26
9	M/s Sundari Fashion	181,693.92	42,195.08	139,498.84	250,000.00
10	M/s Shakib Steel Industries	345,645,582.87	122,237,774.29	187,988,312.80	306,860,000.00
11	M/s Momin Knit Fabrics	9,668,216.63	2,064,882.02	7,603,334.61	13,980,000.00
12	M/s Ananta Chowdhury	511,990.53	221,445.30	76,798.58	1,500,000.00
13	M/s Kollan Dairy Farm	692,441.87	259,410.52	177,878.27	
14	M/s Rafique Traders	36,192,871.50	5,249,666.48	25,193,206.18	40,017,148.94
15	M/s Haque Metal & Cables	11,116,525.22	952,530.84	10,163,994.38	16,620,000.00
16	M/s Silver Cables	4,087,802.08	187,994.22	3,899,807.86	
17	M/s Maya Furniture	241,972.02	68,993.17	172,978.85	2,68,067.51
18	M/s Bishal Foods	512,721.34	126,142.01	386,579.33	7,050,000.00
19	M/s Fiona Collection Ltd.	7,457,737.72	3,229,300.69	1,118,660.65	5,270,000.00
20	M/s Rainbow Consortium Ltd.	1,078,222.03	65,464.03	161,733.30	1,057,257.65
Sub Total		**529,027,040**	**148,863,524**	**311,319,582**	**453,943,203**

Retail Loan

(Amount in Taka)

Sl. No.	Type of Loans	Amount written-off	Amount of interest suspense kept at the time of written-off	Amount of provision kept at the time of written-off	Suit Value
1	Consumer Loans	257,195,677	107,982,970	149,212,700	399,418,928
2	Credit Cards	-	-	-	-
Sub Total		**257,195,677**	**107,982,970**	**149,212,700**	**399,418,928**
Total		**786,222,717**	**256,846,494**	**460,532,282**	**853,362,131**

Dhaka Bank Limited
Litigation pending as on 31 December 2016

Annexure-F.1

Sl. No.	Branch Name	31.12.2016 (Taka)	31.12.2015 (Taka)
1	Agrabad	681,850,000	689,320,000
2	Aminbazar	37,050,000	-
3	B.B. Road, Narayanganj	19,580,000	17,090,000
4	Banani	153,320,000	153,320,000
5	Bangshal	940,060,000	695,040,000
6	Barisal	523,809,796	558,192,750
7	Belkuchi	15,290,000	7,540,000
8	Bhulta	2,026,000	2,026,000
9	Board Bazar	6,740,000	6,740,000
10	Bogra	85,593,733	23,860,833
11	CDA	1,780,000	-
12	CEPZ	7,470,000	-
13	Comilla	23,235,437	17,059,637
14	Cox's Bazar	265,742,781	236,210,000
15	DEPZ	258,207,646	258,207,646
16	Dhanmondi	93,370,000	91,920,000
17	Dhanmondi Model	149,920,000	-
18	Fantasy Kingdom	77,470,000	77,470,000
19	Feni	730,000	-
20	Foreign Exchange	2,287,060,000	2,244,860,000
21	Goalabazar	8,640,000	10,000,000
22	Gulshan	6,440,000	6,440,000
23	Habiganj	10,520,000	-
24	Halishahar	56,757,250	56,757,250
25	Hathazari	43,100,000	50,540,000
26	IBB, CTG	1,959,770,000	1,959,770,000
27	IBB, Dhaka	577,480,000	452,810,000
28	Imamganj	43,810,232	43,810,232
29	Islampur	23,260,000	23,260,000
30	Jessore	45,237,219	58,247,219
31	Joypara	5,080,000	5,080,000
32	Jubilee Road	681,200,000	681,200,000
33	Karwanbazar	47,010,000	47,010,000
34	Keraniganj	22,600,000	4,550,000
35	Khatunganj	680,860,000	680,570,000
36	Konabari	15,050,000	15,050,000
37	Laldighirpar	21,800,000	12,400,000
38	Local Office	1,485,040,000	1,133,870,000
39	Madhabdi Bazar	24,924,223	12,184,223
40	Mirpur	3,870,000	-
41	Shahjahanpur	32,367,258	32,059,663
42	Moulvibazar	12,640,000	12,640,000
43	New Market Branch, Chittagong	3,790,000	8,850,000
44	Rajshahi	5,970,000	5,970,000
45	Rangpur	20,340,000	-
46	Satkhira	124,169,565	113,100,000
47	Savar	25,688,000	18,998,000
48	Sirajgonj	13,620,000	6,450,000
49	Sonaimuri	21,380,000	15,060,000
51	Uttara	46,220,000	-
	Total	**11,698,939,139**	**10,545,533,453**

In some cases, the bank obtained preliminary / final decree against pending litigation. As per Artha Rin Adalat (Money Loan Court) Ain 2003, legal procedure yet to be completed for final disposal.

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Related Party Disclosures

Annexure-G

i) Name of the Directors and their interest in the Bank as on 31.12.2016:

Sl. No.	Name of Directors	Designation	% of interest as on 31.12.2016
1	Mr. Reshadur Rahman	Chairman	3.37530
2	Mrs. Rokshana Zaman	Vice Chairperson	2.00201
3	Mr. Abdul Hai Sarker	Director	2.21927
4	Mr. Altaf Hossain Sarker	Director	2.78885
5	Mr. Md. Amirullah	Director	2.00024
6	Mr. Abdullah Al-Ahsan	Director	2.00041
7	Mr. Khondoker Monir Uddin	Director	2.87187
8	Mr. Tahidul Hossain Chowdhury	Director	2.00839
9	Mr. Jashim Uddin	Director	2.00026
10	Mr. Mohammed Hanif	Director	3.04606
11	Mr. Khondoker Jamil Uddin	Director	2.00023
12	Mr. Mirza Yasser Abbas	Director	3.68305
13	Mr. Amanullah Sarker	Director	2.00024
14	Mr. M.N.H. Bulu	Director	2.00258
15	Mr. Syed Abu Naser Bukhtear Ahmed	Independent Director	Nil
16	Mr. M.A. Yussouf Khan	Independent Director	Nil

ii) Name of the Directors and their interest in the Bank as on 31.12.2015:

Sl. No.	Name of Directors	Designation	% of interest as on 31.12.2015
1	Mr. Reshadur Rahman	Chairman	3.37530
2	Mrs. Rokshana Zaman	Vice Chairperson	2.00201
3	Mr. Abdul Hai Sarker	Director	2.17566
4	Mr. Altaf Hossain Sarker	Director	2.78885
5	Mr. Md. Amirullah	Director	2.00024
6	Mr. Abdullah Al-Ahsan	Director	2.00041
7	Mr. Khondoker Monir Uddin	Director	2.87187
8	Mr. Tahidul Hossain Chowdhury	Director	2.00839
9	Mr. Jashim Uddin	Director	2.00026
10	Mr. Mohammed Hanif	Director	3.04606
11	Mr. Khondoker Jamil Uddin	Director	2.00023
12	Mr. Mirza Yasser Abbas	Director	3.68305
13	Mr. Amanullah Sarker	Director	2.00024
14	Mr. M.N.H. Bulu	Director	2.05346
15	Mr. Syed Abu Naser Bukhtear Ahmed	Independent Director	Nil

iii) Name of Directors and their interest in different entities as on 31.12.2016:

Sl. No.	Name	Status with the Bank	Name of the firms/Companies in which they have interest	Status in the interested entities
1	Mr. Reshadur Rahman	Chairman	Dhaka Bank Securities Ltd. Trade Hub Bangladesh Ltd. RR Aviation Ltd. RR Holdings Ltd. RR Trading & Co. RR Shipping Lines RR Architecture & Engineering Co. National Traders Alliance Deep Sea Fishing Ltd. Alliance Bags Ltd. Quality Breeders Ltd. Quality Grains Ltd.	Chairman Chairman Chairman Managing Director Proprietor Proprietor Proprietor Proprietor Shareholder Shareholder Shareholder Shareholder
2	Mrs. Rokshana Zaman	Vice-Chairperson	Dhaka Enterprise Manehor Fisheries Dhaka Bank Securities Ltd.	Proprietress Proprietress Director

Sl. No.	Name	Status with the Bank	Name of the firms/Companies in which they have interest	Status in the interested entities
3	Mr. Abdul Hai Sarker	Director	Shohagpur Textile Mills Limited Karim Textiles Limited Purbani Fabrics Limited Karim Spinning Mills Limited Purbani Yarn Dyeing Limited Purbani Synthetic Spinning Limited Purbani Rotor Spinning Limited Purbani Traders Purbani Agro Processing Limited Purbani Fisheries Purbani Fashion Limited Dhaka Bank Securities Limited ESTCDT, IUB	Chairman & CEO Chairman & CEO Chairman & CEO Chairman & CEO Chairman & CEO Chairman & CEO Chairman & CEO Proprietor Chairman & CEO Proprietor Chairman & CEO Director Chairman
4	Mr. Altaf Hossain Sarker	Director	Rahmat Textiles Ltd. Rahmat Spinning Mills Ltd. Belkuchi Spinning Mills Ltd. China Plastic (BD.) Ltd. Rahmat Plastic and Accessories Ltd. Rahmat Knit Dyeing & Finishing Ltd. Rahmat Fashion Wear Ltd. Rahmat Rotors Ltd. Dhaka Bank Securities Ltd.	Managing Director Chairman Chairman Chairman & Managing Director Chairman Managing Director Director Chairman Director
5	Mr. Mohammed Hanif	Director	Hanif Steels Ltd. Hanif Spinning Mills Ltd. National Foundry & Engineering Works (Pvt.) Ltd.	Managing Director Managing Director Managing Director
6	Mr. Md. Amirullah	Director	Dhaka Bank Investment Ltd.	Director
7	Mr. Abdullah Al-Ahsan	Director	Aroma Poultry Aroma Fisheries Ltd.	Director Director
8	Mr. Khondoker Monir Uddin	Director	Shanta Apparels Ltd. Shanta Medical Centre Ltd. Universal Business Machines Ltd. STS Holdings Ltd. STS Capital Ltd. Shanta Holdings Ltd. GDS Chemical Bangladesh (Pvt.) Ltd. Shanta Securities Ltd. Apollo Hospitals Dhaka Ltd. Shanta Capital Management Ltd.	Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director Managing Director
9	Mr. Tahidul Hossain Chowdhury	Director	Riotex Ltd. Jerat Fashion Ltd. Jerat Shirt Ltd. Central Hospital Ltd. HURDCO International School Ltd. Hotel Victory Ltd. Dhaka Bank Investment Ltd.	Chairman Managing Director Chairman Director Director Managing Director Director
10	Mr. Jashim Uddin	Director	Impel Shares & Securities Ltd. Rafid Enterprise HURDCO International School Ltd.	Chairman Proprietor Director
11	Mr. Khondoker Jamil Uddin	Director	JAAZ Concerns Ltd. Executive Attire Ltd. Green Field Tea Estate Ltd. OK Mobile Ltd. Shanta Garments Ltd. STS Holdings Ltd. GDS Chemical Bangladesh (pvt.) Ltd. Universal Business Machines Ltd. Citizen Securities Ltd. Apollo Hospitals Dhaka Ltd. International School Dhaka. Delhi Public School STS Education Group Ltd. Dhaka Bank Investment Ltd.	Chairman Chairman Chairman Chairman Chairman Director Director Director Director Sponsor Director Sponsor Director Sponsor Director Sponsor Director Chairman

Sl. No.	Name	Status with the Bank	Name of the firms/Companies in which they have interest	Status in the interested entities
12	Mr. Mirza Yasser Abbas	Director	Dhaka Bank Investment Ltd. Mirza Enterprise	Director Executive
13	Mr. Amanullah Sarker	Director	Rahmat Textiles Ltd. Rahmat Spinning Mills Ltd. Logos Apparels Ltd. Belkuchi Spinning Mills Ltd. China Plastic (BD.) Ltd. Rahmat Plastic and Accessories Ltd. Rahmat Knit Dyeing & Finishing Ltd. Rahmat Sweaters (BD) Ltd.	Director Managing Director Chairman Director Director Managing Director Director Director
14	Mr. M.N.H Bulu	Director	National Chemical Industries Ltd. Nawshin Vinyl Industries Abico Industries Ltd. Rumki Industries Ltd. BNS Ceramic Industries Ltd. BNS Chemical Industries Ltd. BNS BOPP Tape and Adhesive Industries Ltd. Shafkat PVC Sole Industries BNS DOP & Chemical Industries Bulu International Oishee International Company Bulu Trading Corporation Bulu Enterprise Bulu Traders BNS International Co. Boss PVC Vinyl Industries	Managing Director Proprietor Chairman Managing Director Chairman & Managing Director Chairman & Managing Director Chairman & Managing Director Proprietor Proprietor Proprietor Proprietor Proprietor Proprietor Proprietor Proprietor Chairman
15	Mr. Syed Abu Naser Bukhtear Ahmed	Independent Director	Trade Hub (Bangladesh) Ltd. Financial Excellence Ltd.	Managing Director Director
16.	Mr. M.A. Yussouf Khan	Independent Director	-	-

iv) Share issued to Directors & Executives without consideration or exercisable at discount: Nil

v) Related party Transactions: **Tk. 1,011,413**

vi) Lending Policies to related parties:
Lending to related parties is effected as per requirements of Section 27 (1) of Bank Companies Act 1991 (Amended up to July 2013).

vii) During the period 1 January 2016 to 31 December 2016, the Bank concluded business deals with the following directors/organizations in which the directors had interest:

Name	Relationship	Nature of transactions	Balance at 31.12.2016
Md. Amirullah	Director	Credit Facility	8,983
Khondoker Jamil Uddin	Director	Credit Facility	335,659
Mirza Yasser Abbas	Director	Credit Facility	665,107
M. N. H Bulu	Director	Credit Facility	1,662
Dhaka Bank Securities Limited	Subsidiary	Deposit	125,315,533
Dhaka Bank Investment Limited	Subsidiary	Deposit	279,366,634
Dhaka Bank Securities Limited	Subsidiary	Credit Facility	1,913,441,442
Dhaka Bank Securities Limited	Subsidiary	Investment	1,499,999,940
Dhaka Bank Investment Limited	Subsidiary	Investment	249,999,940
Dhaka Bank Investment Limited	Subsidiary	Account receivable	1,173,725
Dhaka Bank Securities Limited	Subsidiary	Account receivable	74,106,236
Dhaka Bank Securities Limited	Subsidiary	Interest Income	151,362,354
Dhaka Bank Investment Limited	Subsidiary	Interest Expense	8,276,649

viii) Business other than Banking business with any related concern of the Directors as per Section 18 (2) of Bank Companies Act 1991 (Amended up to July 2013):

Lease agreement:

1. Lease agreement for Uttara Branch and Data Recovery Center of the Bank was executed with Mr. A.T.M. Hayatuzzaman Khan, Land Owner who is the Husband of Mrs. Rokshana Zaman, Vice Chairperson of the Bank.
2. Lease agreement for Shahjahanpur Branch of the Bank was executed with Mr. Mirza Abbas Uddin Ahmed & others, Land Owner who is the father of Mr. Mirza Yasser Abbas, Director of the Bank.

Service provider:

Omni Technologies, a service provider company which provides various sorts of services to the Bank has Mr. Hasanuzzaman as a Director in its board who is the son of Mrs. Rokshana Zaman, Vice Chairperson of the Bank.

ix) Investments in the Securities of Directors and their related concern: **Nil**

Annexure-H

Dhaka Bank Limited

Statement of Tax Position

As at 31 December 2016

Sl. No.	Assessment Year	Income Year	Provision for Income Tax as per accounts	Total Tax Paid	Provision Excess/ (Shortage)	Further Claimed by TAX Authority	Tax Paid for Tribunal & High Court	Remaining Tax Liability	Present Status
1	2005-2006	2004	275,000,000	251,338,711	22,264,047	27,944,842	1,397,242	26,547,600	Re-opened U/S:120 Filed Appeal to Honorable High Court
2	2006-2007	2005	305,000,000	287,430,386	15,379,758	43,797,123	2,189,856	41,607,267	Re-opened U/S:120 Filed Appeal to Honorable High Court
3	2007-2008	2006	370,000,000	455,657,668	(86,484,543)	16,537,501	826,875	15,710,626	Re-opened U/S:120 Filed Appeal to Honorable High Court
4	2008-2009	2007	827,127,829	775,887,042	31,105,997	127,430,746	20,134,790	107,295,956	Filed Appeal to Honorable High Court
5	2009-2010	2008	1,025,132,803	948,021,327	62,791,713	99,289,991	14,319,763	84,970,228	Filed Appeal to Honorable High Court
6	2010-2011	2009	1,176,070,227	1,033,362,354	121,007,254	123,759,180	21,700,619	102,058,561	Filed Appeal to Honorable High Court
7	2011-2012	2010	1,238,519,148	1,178,120,075	414,057	160,348,772	59,985,016	100,363,756	Filed Appeal to Honorable High Court
8	2012-2013	2011	1,488,500,000	1,391,529,539	85,511,470	74,218,389	11,458,991	62,759,398	Filed Appeal to Honorable High Court
9	2013-2014	2012	759,226,556	759,226,556	(114,860,509)	114,860,509	114,860,509	-	Case settle after CT Appeal /Tax Clearance Certificate received
10	2014-2015	2013	1,117,341,489	913,596,502	157,487,323	46,257,663	46,257,663	-	Case settle after CT Appeal /Tax Clearance Certificate received
11	2015-2016	2014	1,191,845,133	1,142,636,345	49,208,788	-	-	-	Case settle after DCT Level &Tax Clearance Certificate received
12	2016-2017	2015	938,402,032	934,833,819	-	-	-	-	Income Tax Return Submitted to the LTU
Total			**10,712,165,217**	**10,071,640,324**	**343,825,355**	**834,444,716**	**293,131,324**	**541,313,392**	

TAXATION

Islamic Banking

Dhaka Bank is operating two Islamic Banking branches in complying with the rules of Islamic shariah, which absolutely prohibits receipts of and payments of interest in any form. The modus operandi of these two branches is totally different from other conventional branches.



OBJECTIVES OF ISLAMIC BANKING OPERATIONS

- To eliminate oppression & disparity from the economic field ensuring equitable distribution of wealth.
- To establish honesty & justice.
- To earn welfare by best utilization of assets without keeping idle.
- To invest with caring welfare of individual & whole together and avoid uncertainty in the society.
- To prioritize the welfare & necessity of the society instead of profit only.
- To invest in comparative least developed & deprived area prioritizing common demand along with agriculture, Industry & Commerce.
- To work for earning economical stability.
- To meet basic needs & develop status of human life by ensuring proper utilization of human resources & wealth.
- To assist legitimate business & financial transaction along with Riba free commodity base transaction.
- To help in balanced development of the Society.
- To engage small & big capital in business & create fastness in economy.
- To avoid uncertainty in the society improving financial strength of distressed people with more confidence standing on Islamic Financial System.
- To create various products derivatives considering modern economies demands.
- To improve & develop life standard of Poor people caring their quality in main stream of Society.
- To play role for alleviation of the poverty from the Society.

MARSTOCK

Annexure-I

Distribution of Profit under Islamic Banking Operation

Dhaka Bank has been operating two Islamic Banking branches in complying with the rules of Islamic shariah, which absolutely prohibits receipts of and payments of interest in any form. The modus operandi of these two branches is totally different from other conventional branches. A separate balance sheet and income statement are being maintained as recommended by the Central Shariah Board for Islamic Banking in Bangladesh.

Final Rates on Mudaraba Deposit Products of Islamic Banking for the Year 2016

Dhaka Bank Limited has successfully completed the business year 2016 and declared final profit rates on various Mudaraba Deposits Accounts for the year 2016 to the depositors.

The final rates of various Mudaraba Deposits Accounts of Banks as per approved weight for the year 2016 have come up higher than declared provisional profit rates of Mudaraba Deposits Accounts except Mudaraba Short Term Deposit Accounts, Mudaraba Special Deposit Scheme & Mudaraba Deposit Pension Scheme.

Final rates of Mudaraba Savings Deposit Account, Mudaraba Savings Deposit Account for Banks, Mudaraba Term Deposit 12 Months, 6 Months, 3 Months, 1 Month & Mudaraba Hajj Saving Scheme as per approved weight and declared provisional profit rates of Mudaraba Special Deposit Scheme & Mudaraba Deposit Pension Scheme for the year 2016 are hereby declared as final rates considering present market position.

Sl. No.	Type of Deposit	Weight	Final Rate For the Year 2016
1.	Mudaraba Savings Deposit	0.75	3.00
2.	Mudaraba Savings Deposit For Bank	0.70	3.00
3.	Mudaraba Short Notice Deposit	0.50	3.00
4.	Mudaraba Term Deposit Account		
	• 36 Months	-	-
	• 24 Months	-	-
	• 12 Months	0.98	4.50
	• 6 Months	0.92	4.25
	• 3 Months	0.90	4.25
	• 1 Month	0.85	3.50
	• Bank	0.80	0.00
5.	Mudaraba Hajj Savings Scheme	1.10	6.00
6.	Mudaraba Special Deposit Scheme	1.00	7.00
7.	Mudaraba Deposit Pension Scheme	1.10	8.00

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Dhaka Bank Limited (Islamic Banking)

Balance Sheet

As at 31 December 2016

Annexure - I

	Notes	31.12.2016 Taka	31.12.2015 Taka
PROPERTY AND ASSETS			
Cash	1	**448,651,849**	**471,053,532**
Cash in hand (including foreign currencies)		22,687,052	30,418,068
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		425,964,798	440,635,463
Balance with other banks and financial institutions	2	-	-
In Bangladesh		-	-
Outside Bangladesh		-	-
Money at call and on short notice		-	-
Investment in securities		**370,000,000**	**330,000,000**
Investments	3	**5,035,893,361**	**4,745,571,704**
General Investments	3.1	4,992,829,547	4,668,952,304
Bills Discounted and Purchased	3.2	43,063,814	76,619,400
Fixed assets including premises, furniture and fixtures	4	**26,069,364**	**26,629,403**
Other Assets	5	**1,232,894,928**	**2,689,554,668**
Non-Banking Assets		-	-
Total Assets		**7,113,509,502**	**8,262,809,306**
LIABILITIES AND CAPITAL			
LIABILITIES			
Borrowings from other banks / financial Institutions and agents	6	**188,961,509**	**138,340,930**
Deposits and Other Accounts	7	**6,472,830,284**	**7,479,680,989**
Current Accounts & Other Accounts		350,467,186	187,369,342
Bills Payable		30,321,181	28,238,623
Savings Bank Deposits		404,397,931	2,295,104,649
Term Deposits		5,687,643,987	4,968,968,375
Other Liabilities	8	**451,717,708**	**644,787,387**
Total Liabilities		**7,113,509,502**	**8,262,809,306**

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Annexure - I

	Notes	31.12. 2016 Taka	31.12. 2015 Taka
Off-balance Sheet Items			
Contingent Liabilities			
Acceptances and Endorsements		1,028,174,198	764,354,357
Letter of Credit		526,498,152	471,342,049
Letter of Guarantee		82,443,076	63,437,100
Bills for Collection		318,714,365	917,641,133
Other Contingent Liabilities		-	-
		1,955,829,790	**2,216,774,639**
Other Commitments			
Documentary credit and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
Total off-balance sheet items including contingent liabilities		**1,955,829,790**	**2,216,774,639**

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

AMARSTOCK

Dhaka Bank Limited (Islamic Banking)

Profit and Loss Account

For the year ended 31 December 2016

Annexure - I

	Notes	2016 Taka	2015 Taka
OPERATING INCOME			
Profit Received from Investment	9	545,201,570	518,665,155
Profit Paid on Deposits & Borrowings	10	369,376,997	504,042,563
Net Investment Income		**175,824,572**	**14,622,593**
Commission, Exchange Earnings & Brokerage	11	36,048,855	28,255,875
Other Operating Income	12	5,139,489	8,050,952
		41,188,344	36,306,827
Total Operating Income (A)		**217,012,916**	**50,929,419**
Operating Expenses			
Salary & Allowance	13	28,380,055	27,323,688
Rent, Taxes, Insurance, Lighting etc.	14	11,518,615	10,344,232
Legal Expenses		559,082	559,082
Postage, Stamp, Telecommunication etc.	15	783,691	904,346
Stationery, Printing, Advertisement etc.	16	1,230,450	969,767
Shariah Council Meeting Expenses		116,168	116,168
Depreciation of Bank's Assets	17	4,033,644	3,514,748
Repair of Bank's Assets	18	1,067,880	1,066,760
Other Expenses	19	6,133,024	4,631,653
TOTAL Operating Expenses (B)		**53,822,609**	**49,430,444**
Operating Profit During the Year (A - B)		**163,190,307**	**1,498,976**

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

AMARSTOCK

Dhaka Bank Limited (Islamic Banking)
Notes to the Financial Statements
For the year ended 31 December 2016

			31.12. 2016 Taka	31.12. 2015 Taka
1.	**Cash**			
	Cash in hand	(Note: 1.1)	22,687,052	30,418,068
	Balance with Bangladesh Bank and its agent bank(s)	(Note: 1.2)	425,964,798	440,635,463
			448,651,849	**471,053,532**
1.1	**Cash in hand**			
	In Local Currency		22,687,052	30,418,068
	In Foreign Currencies		-	-
			22,687,052	**30,418,068**
1.2	**Balance with Bangladesh Bank and its agent bank(s)**			
	In Local Currency			
	Al-Wadiah Current Account		425,964,798	440,635,463
	In Foreign Currencies		-	-
			425,964,798	**440,635,463**
2.	**Balance with other banks and financial institutions**			
	In Bangladesh			
	Mudaraba Term Deposits			
	Social Investment Bank Limited		-	-
	Shahjalal Islami Bank Limited		-	-
	Al-Arafah Islamic Bank Limited		-	-
	Islamic Hajj Finance		-	-
			-	**-**
	Outside Bangladesh		-	-
			-	**-**
3.	**Investments**			
	General Investments		4,992,829,547	4,668,952,304
	Bills Purchased & Discounted		43,063,814	76,619,400
			5,035,893,361	**4,745,571,704**
3.1	**General Investments**			
	In Bangladesh			
	Murabaha (Purchase Order)		1,554,413,967	1,422,392,453
	Murabaha (Term Financing)		774,443,037	1,110,708,844
	MPI Trust Receipt		441,258,503	407,931,840
	Murabaha Import Bill (PAD)		1,663,603	-
	Bai Muajjal		1,355,363,201	1,352,851,374
	Ijara (Lease Financing) (Note-3.5)		220,613,195	36,954,334
	Shirkatul Mulk (Hire Purchase)		424,040,241	318,061,093
	Others		221,033,800	20,052,366
			4,992,829,547	**4,668,952,304**
	Outside Bangladesh		-	-
			4,992,829,547	**4,668,952,304**

AMARSTOCK

		31.12.2016 Taka	31.12.2015 Taka
3.2	**Bills Purchased & Discounted**		
	Payable in Bangladesh:		
	Inland bills purchased	43,063,814	75,894,812
	Payable outside Bangladesh:		
	Foreign bills purchased & discounted	-	724,588
		43,063,814	**76,619,400**
3.3	**Residual maturity grouping of investments including bills purchased and discounted**		
	Repayable on Demand	1,977,689,670	719,398,274
	Not more than 3 months	1,285,235,238	1,950,136,352
	More than 3 months but not more than 6 months	728,760,647	759,997,759
	More than 6 months but not more than 1 year	271,845,246	280,248,554
	More than 1 year but not more than 5 years	750,453,611	778,876,810
	More than 5 years	21,908,949	256,913,954
		5,035,893,361	**4,745,571,704**
3.4	**Maturity grouping of bills purchased & discounted**		
	Payable within 1 month	20,216,972	49,046,903
	Over 1 month but less than 3 months	15,718,715	17,015,239
	Over 3 months but less than 6 months	7,128,127	10,557,258
	6 months or more	-	-
		43,063,814	**76,619,400**
3.5	**Investment in lease / izara finance**		
	Lease rental receivable within 1 year	188,122,607	31,511,921
	Lease rental receivable more than 1 year	46,952,105	7,864,823
	Total lease/ izara rental receivable	235,074,712	**39,376,744**
	Less: unearned interest receivable	14,461,517	2,422,411
	Net investment in lease/izara finance	**220,613,195**	**36,954,334**
3.6	**Investments on the basis of significant concentration including bills purchased & discounted**		
	a. Investments to allied concerns of Directors;	-	-
	b. Investments to Chief Executive	-	-
	c. Investments to Other Senior Executives	1,594,085	2,041,472
	d. Investments to Customer's Group:		
	Agriculture investments	-	-
	Commercial investment	4,138,031,390	4,158,716,056
	Export financing	182,472,085	193,130,205
	Consumer investment scheme	37,976,889	38,330,472
	SME investment	385,324,282	335,342,605
	Staff investments	38,561,715	18,010,894
	Others	251,932,915	-
		5,035,893,361	**4,745,571,704**
3.7	**Investments under the following broad categories**		
	Investments	3,637,466,345	3,316,100,930
	Bai Murabaha/ Bai Muajjal	1,355,363,201	1,352,851,374
		4,992,829,547	4,668,952,304
	Bills Purchased and discounted	43,063,814	76,619,400
		5,035,893,361	**4,745,571,704**

AMARSTOCK

			31.12.2016 Taka	31.12.2015 Taka
3.8	**Industry - wise investments including bills purchased & discounted**			
	Textile & Garment Industries		1,857,158,428	1,817,631,169
	Chemical Industries		12,650,000	9,157,812
	Food & Allied Industries		205,005,622	369,854,487
	Transport & Communication		18,004,266	6,144,367
	Housing & Construction Industries		199,168,483	203,218,318
	Engineering & Metal Industries including Ship Breaking		1,622,072,653	1,762,539,388
	Energy & Power Industries		327,625,050	327,625,050
	Service Industries		16,721,426	19,563,573
	Other Industries		777,487,432	229,837,540
			5,035,893,361	**4,745,571,704**
3.9	**Geographical Location - wise investments**			
	Dhaka Region		2,983,840,452	2,401,520,078
	Chittagong Region		2,052,052,909	2,344,051,626
	Sylhet Region		-	-
	Other		-	-
			5,035,893,361	**4,745,571,704**
3.10	**Sector - wise investments**			
	In Bangladesh			
	Government & Autonomous bodies		-	-
	Financial Institutions (Public & Private)		-	-
	Other Public Sector		-	-
	Private Sector		5,035,893,361	4,745,571,704
			5,035,893,361	**4,745,571,704**
	Outside Bangladesh		-	-
			5,035,893,361	**4,745,571,704**
3.11	**Classification of investments**			
	Unclassified (including staff investment)		4,781,373,616	4,109,040,726
	Sub-Standard		-	-
	Doubtful		-	-
	Bad or loss		254,519,745	636,530,978
			5,035,893,361	**4,745,571,704**
3.12	**Provision required for investments**			
	Status:	Rate %		
	Unclassified	0.25,1,2,5 & 100	575,580,738	569,737,874
	Special Mention Account	0.25, 1	109,888	569,737,874
			575,690,626	**1,139,475,749**
	Classified:			
	Sub-Standard	20	-	-
	Doubtful	50	-	-
	Bad or loss	100	127,020,404	331,671,758
			127,020,404	**331,671,758**
	Required provision for investments		**702,711,030**	**1,471,147,506**
	Total provision maintained		**702,711,030**	**1,471,147,506**
	Excess / short provision as at 31 December		-	-

		31.12.2016 Taka	31.12.2015 Taka
3.13	**Securities against investments including bills purchased & discounted**		
a.	**Secured**		
	Collateral of movable / immovable assets	3,399,853,865	3,217,061,179
	Local Banks & Financial Institutions guarantee	43,063,814	75,894,812
	Government Guarantee	-	-
	Foreign Banks Guarantee	-	724,588
	Export documents	-	-
	Fixed Deposits Receipts	-	-
	1 Own FDR	-	-
	2 FDR of Other Banks	-	-
	Government bonds	-	-
	Personal Guarantee	38,561,715	51,736,912
	Other Securities	1,554,413,967	1,400,154,213
		5,035,893,361	**4,745,571,704**
b.	**Unsecured**	-	-
		5,035,893,361	**4,745,571,704**
3.14	**Particulars of Loans and Advances**		
(i)	Investments considered good in respect of which the bank company is fully secured;	1,791,819,984	1,685,149,989
(ii)	Investments considered good against which the banking company holds no security other than the debtor's personal guarantee;	53,950,254	50,738,507
(iii)	Investments considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors;	1,771,367,444	1,665,915,023
(iv)	Investments adversely classified; provision not maintained thereagainst;	-	-
(v)	Investments due by directors or officers of the banking company or any of these either separately or jointly with any other persons;*	21,321,681	20,052,366
(vi)	Investments due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members;	-	-
(vii)	Maximum total amount of investments including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person;	28,824,030	27,108,088
(viii)	Maximum total amount of investments including temporary advances granted during the year to the companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members;	-	-
(ix)	Due from banking companies;	-	-
(x)	Amount of classified investments on which interest has not been charged, should be mentioned as follows:	-	-
a)	Decrease / increase in provision;	(204,651,354)	50,790,139
b)	Amount realized against investments previously written off;	-	-
c)	Amount of provision kept against investments classified as 'bad/loss" on the date of preparing the balance sheet;	127,020,404	331,671,758
d)	Profit creditable to the Profit Suspense A/c;	-	-
(xi)	Cumulative amount of the written off investments;	755,334,382	400,020,582

			31.12.2016 Taka	31.12.2015 Taka
4.	**Premises and Fixed Assets**			
	Land		277,000	277,000
	Building		24,323,000	24,323,000
	Furniture and Fixture including Office decoration		5,030,760	5,030,760
	Office Appliances & Equipment		12,128,950	11,670,120
	Computer		3,196,164	3,031,764
	Software		421,959	421,959
	Bank's Vehicle		2,850,375	-
			48,228,209	**44,754,603**
	Less: Accumulated depreciation		22,158,845	18,125,201
			26,069,364	**26,629,403**
5.	**Other Assets**			
	Stationery, stamps, printing materials etc.		74,912	244,636
	Profit accrued on investment but not collected,		16,935,000	16,935,000
	Advance rent		6,744,913	8,093,896
	Security deposit;		315,000	315,000
	Preliminary, formation and organization expenses, renovation / development expenses and prepaid expenses		675,894	482,197
	Branch Adjustments		1,205,261,889	2,660,922,003
	Suspense Account		196,408	104,415
	Others		2,690,912	2,457,522
			1,232,894,928	**2,689,554,668**
6.	**Borrowings From Other Banks, Financial Institutions & Agents**			
	Bangladesh Bank refinance			
	Export development fund		188,961,509	138,340,930
	Islami Investment bond's fund		-	-
			188,961,509	**138,340,930**

Dhaka Bank Limited received Investment Bond's Fund from Bangladesh Bank against Mudaraba Term Deposit Receipt (MTDR) as per Bangladesh Bank Circular No. FRTMD(PDS)146/2004-15 dated 15.09.2004.

7.	**Deposits & Other Accounts**			
	Current and Other Accounts	(Note: 7.1)	350,467,186	187,369,342
	Bills Payable	(Note: 7.2)	30,321,181	28,238,623
	Savings Deposits	(Note: 7.3)	404,397,931	2,295,104,649
	Term Deposits	(Note: 7.4)	5,687,643,987	4,968,968,375
			6,472,830,284	**7,479,680,989**
7.1	**Current and Other Accounts**			
	Current Account		102,183,112	101,120,746
	Foreign Currency Deposits		2,279,631	1,793,968
	Margin under Letter of Credit		12,168,290	1,189,520
	Margin under Letter of Guarantee		7,834,178	5,211,137
	Deposits Awaiting Disposal		552,331	42,479
	Sundry Deposit		225,449,644	78,011,491
			350,467,186	**187,369,342**
7.2	**Bills Payable**			
	Pay Order		30,321,181	28,238,623
	Demand Draft		-	-
			30,321,181	**28,238,623**
7.3	**Savings Deposits**			
	Mudaraba Savings Accounts		**404,397,931**	**2,295,104,649**

AMARSTOCK

		31.12.2016 Taka	31.12.2015 Taka
7.4	**Term Deposits**		
	Mudaraba Special Notice Deposits	128,707,955	208,641,667
	Mudaraba Term Deposits	4,928,435,137	4,258,628,413
	Mudaraba Deposit Pension/Hajj Savings Scheme	630,500,895	501,698,295
		5,687,643,987	**4,968,968,375**
	Total deposit & other accounts	**6,472,830,284**	**7,479,680,989**
8.	**Other Liabilities**		
	Accrued profit	-	-
	Profit Suspense Account	437,193,616	561,580,251
	Provision against Expenses	-	-
	Finance from OBU for Bill Discounting	36,840	66,898,233
	Tax/VAT deducted at source & payable	4,967,861	7,791,461
	Excise Duty Payable	3,784,206	3,524,767
	Others	5,735,184	4,992,676
		451,717,708	**644,787,387**

		2016 Taka	2015 Taka
9.	**Profit received from Investment**		
	Murabaha Term Investment	51,448,227	40,562,910
	Investment against Imported Merchandise/Murabaha	17,696	22,373
	Investment against MPI Trust Receipt	583,427	1,451,269
	Cash Credits / Bai-Murabaha	111,034,162	192,099,808
	Murabaha Import Bill (PAD)	-	-
	House Building Investment	398,836	882,448
	Transport Investment	227,703	501,839
	Hire Purchase/Shirkatul Mulk	44,814,144	48,278,807
	Total Profit receved from Investment	**208,524,196**	**283,799,454**
	Fund Placement with banks	-	-
	Inter Branch Profit received	336,677,373	234,865,701
		545,201,570	**518,665,155**
10.	**Profit Paid On Deposits & Borrowings**		
	Mudaraba Savings Account	29,405,809	67,051,347
	Special Notice Deposits	5,035,590	4,733,852
	Term Deposits	267,816,510	313,641,954
	Mudaraba Deposit Pension / Hajj Savings Scheme	61,664,484	46,634,233
	Inter Branch Profit paid	4,322,507	37,567,745
	Borrowing & Fund Placement	1,132,096	34,413,431
		369,376,997	**504,042,563**
11.	**Commission / Fees, Exchange Earnings & Brokerage**		
	Commission on L/C	17,041,194	13,575,225
	Commission on L/G	1,457,507	787,234
	Commission on Remittance / Bills	293,479	120,844
	Processing Fee Consumer Loan	65,500	59,500
	Other Commission / Fees	4,757,142	10,195,013
	Exchange gain including gain from foreign currency dealings	12,434,031	3,518,059
		36,048,855	**28,255,875**

AMARSTOCK

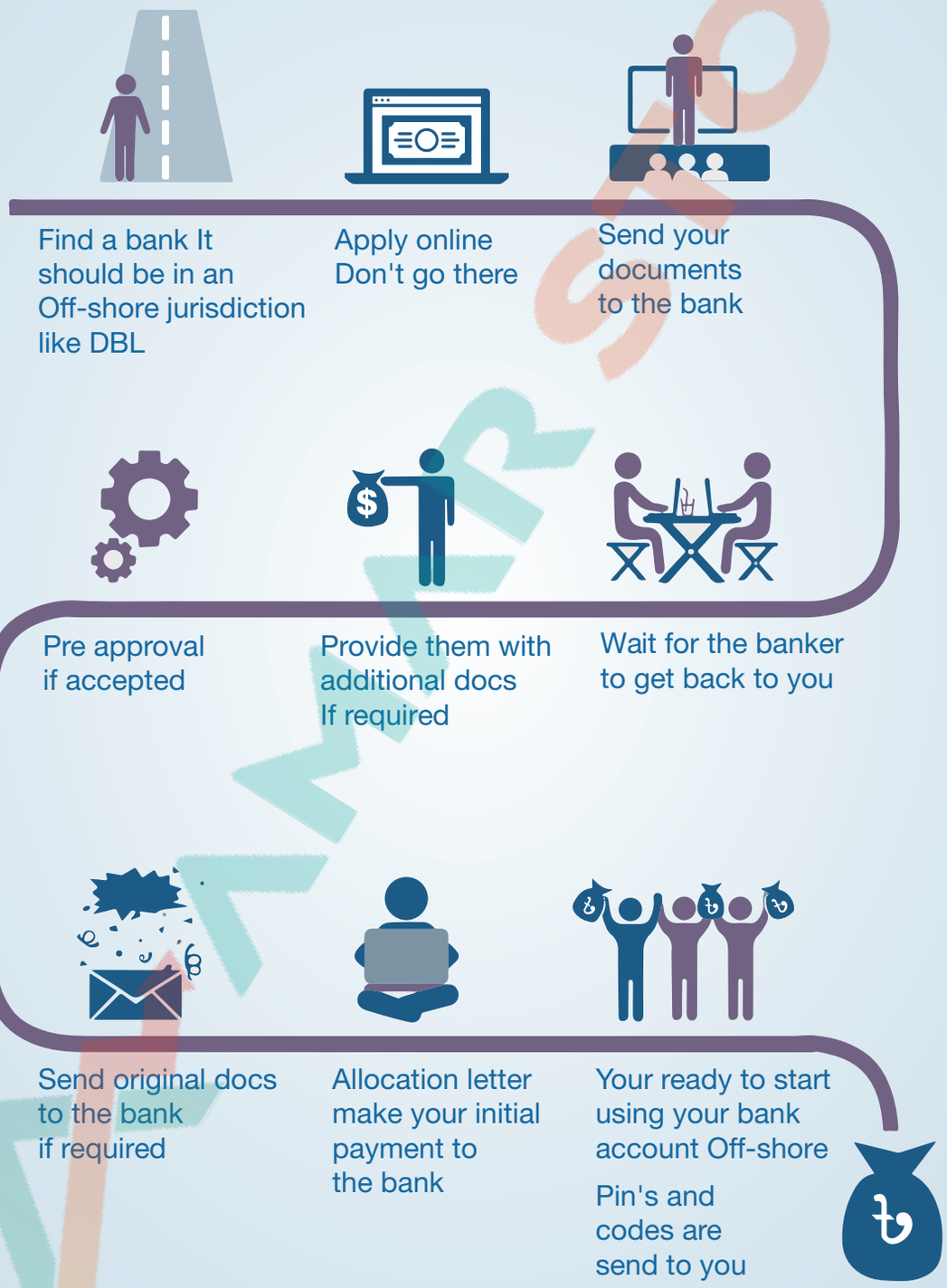
		2016 Taka	2015 Taka
12.	**Other Operating Income**		
	Profit on Govt. Islamic Bond	879,375	2,528,750
	Postage charge recoveries	410,932	300,071
	Incidental charges	1,324,283	1,373,441
	Supervision & monitoring charges	22,325	2,996,254
	Management Fees	1,350,449	-
	ATM charges realised	171,000	167,400
	Swift charge recoveries	981,125	685,035
		5,139,489	**8,050,952**
13.	**Salary and Allowances**		
	Basic Salary	10,236,122	8,901,143
	Allowances	13,748,985	12,207,500
	Bonus & Ex-gratia	1,723,643	1,567,722
	Leave Fare Assistance	1,657,473	1,519,086
	Gratuity Expense	-	2,228,376
	Bank's contribution to Provident Fund	1,013,832	899,860
		28,380,055	**27,323,688**
14.	**Rent, Taxes, Insurance, Lighting Etc.**		
	Office Rent	6,956,562	6,792,875
	Electricity and Lighting	1,395,998	1,210,543
	Regulatory Charges	170,736	45,160
	Insurance	2,995,319	2,295,654
		11,518,615	**10,344,232**
15.	**Postage, Stamps, Telecommunication Etc.**		
	Stamps, Postage & Courier	308,427	144,244
	Telephone Charges	179,569	170,731
	Fax, Internet, Radio Link, & DDN Charges	295,695	589,371
		783,691	**904,346**
16.	**Stationery, Printing, Advertisement Etc.**		
	Table Stationery	270,281	247,949
	Printing Stationery	289,502	336,789
	Security Stationery	202,558	177,038
	Computer Stationery	106,410	176,888
	Advertisement	361,699	31,104
		1,230,450	**969,767**
17.	**Depreciation of Bank's Assets**		
	Building	608,075	608,075
	Furniture & Fixture	498,852	501,124
	Office Appliance & Equipment	2,144,306	2,133,622
	Computer	212,141	223,402
	Software	47,702	48,525
	Motor Vehicle	522,569	-
		4,033,644	**3,514,748**

AMARSTOCK

		2016 Taka	2015 Taka
18.	**Repair & Maintenance of Bank's Assets**		
	Office Premises	234,102	266,659
	Office Equipment	326,723	327,443
	Office Furniture	23,000	13,570
	Motor Vehicle	32,700	-
	Computer & Office Appliances	451,355	459,089
		1,067,880	**1,066,760**
19.	**Other Expenses**		
	Contractual Service Charge	4,062,563	3,374,613
	Petrol, Oil and Lubricants	226,070	104,720
	Entertainment: canteen & other	386,828	438,582
	Donations	600,000	-
	Travelling	140,136	152,608
	Conveyance	152,129	181,216
	Training Expenses	51,750	33,400
	Books and Papers	13,718	16,879
	WASA Charges	82,320	74,360
	Staff Uniform	31,510	31,025
	Potted Plants	81,000	62,850
	ATM Network Service Charges	275,000	146,700
	Miscellaneous expenses	30,000	14,700
		6,133,024	**4,631,653**

AMARSTOCK

Off-Shore Banking



Dhaka Bank Limited (Off-Shore Banking Unit)

Balance Sheet

As at 31 December 2016

Annexure-J

	Notes	31.12.2016		31.12.2015	
		USD	Taka	USD	Taka
PROPERTY AND ASSETS					
Cash		-	-	-	-
Cash in Hand (including foreign currencies)		-	-	-	-
Balance with Bangladesh Bank & Sonali Bank (including foreign currencies)		-	-	-	-
Balance with other banks and financial institutions		1,080,001	85,320,047	6,614,541	522,548,757
In Bangladesh		-	-	-	-
Outside Bangladesh		1,080,001	85,320,047	6,614,541	522,548,757
Money at call and on short notice		-	-	-	-
Investments		-	-	-	-
Government		-	-	-	-
Others		-	-	-	-
Loans, advances and lease/investments	3	**17,981,726**	**1,420,556,382**	**9,904,057**	**782,420,518**
Loans, cash credits, overdrafts, etc./Investments	3.1	16,886,732	1,334,051,825	8,266,679	653,067,656
Bills purchased and discounted	3.2	1,094,994	86,504,557	1,637,378	129,352,862
Fixed assets including premises, furniture and fixtures		-	-	-	-
Other assets	4	**70,828,423**	**5,595,445,423**	**22,140,247**	**1,749,079,535**
Non-banking assets		-	-	-	-
Total Assets		**89,890,150**	**7,101,321,852**	**38,658,846**	**3,054,048,811**
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents	5	**10,682,770**	**843,938,814**	**16,601,018**	**1,311,480,458**
Deposits and other accounts	6	**12,027,664**	**950,185,490**	**9,189,219**	**725,948,292**
Current accounts & other accounts		11,135,025	879,666,969	8,539,936	674,654,973
Bills payable		-	-	-	-
Other deposits		892,640	70,518,521	649,283	51,293,319
Other liabilities	7	**64,684,616**	**5,110,084,677**	**11,409,706**	**901,366,810**
Total Liabilities		**87,395,050**	**6,904,208,981**	**37,199,944**	**2,938,795,559**
Capital/Shareholders' Equity					
Paid-up capital		-	-	-	-
Statutory reserve		-	-	-	-
Other reserve		-	-	-	-
Surplus in Profit and Loss Account		2,495,100	197,112,871	1,458,902	115,253,252
Total Shareholders' Equity		**2,495,100**	**197,112,871**	**1,458,902**	**115,253,252**
Total Liabilities & Shareholders' Equity		**89,890,150**	**7,101,321,852**	**38,658,846**	**3,054,048,811**

Annexure-J

Off-Balance Sheet Items	Notes	31.12.2016		31.12.2015	
		USD	Taka	USD	Taka
CONTINGENT LIABILITIES	8				
Acceptances and Endorsements		12,037,463	950,959,546	6,842,797	540,580,924
Letter of Credit		12,593,801	994,910,240	4,029,956	318,366,485
Letter of Guarantee		-	-	-	-
Bills for Collection		6,851,349	541,256,599	6,795,507	536,845,029
Other Contingent Liabilities		-	-	-	-
Sub-total:		**31,482,612**	**2,487,126,386**	**17,668,259**	**1,395,792,437**
OTHER COMMITMENTS					
Documentary credit and short term trade-related transactions		-	-	-	-
Forward assets purchased and forward deposits placed		-	-	-	-
Undrawn note issuance and revolving underwriting facilities		-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-	-	-
Sub-total:		**-**	**-**	**-**	**-**
Total off-balance sheet items including contingent liabilities		**31,482,612**	**2,487,126,386**	**17,668,259**	**1,395,792,437**

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

Syed Mahbubur Rahman
Managing Director & CEO

Altaf Hossain Sarker
Director

Mohammed Hanif
Director

Reshadur Rahman
Chairman

This is the balance sheet referred to in our separate report of even date.

Dhaka,
30 April 2017

ACNABIN
Chartered Accountants

Dhaka Bank Limited (Off-Shore Banking Unit)

Profit and Loss Account

For the year ended 31 December 2016

Annexure-J

	Notes	2016		2015	
		USD	Taka	USD	Taka
Operating Income					
Interest Income/Profit Received	9	3,276,174	258,817,750	2,116,875	167,233,155
Interest/Profit paid on Deposits & Borrowings	10	1,190,242	94,029,128	1,045,877	82,624,304
Net Interest Income		**2,085,932**	**164,788,622**	**1,070,998**	**84,608,851**
Income from Investment		-	-	-	-
Commission/Fees & Exchange Earnings	11	593,773	46,908,045	552,621	43,657,020
Other Operating Income	12	76,962	6,080,026	63,734	5,034,978
Total Operating Income (A)		**2,756,667**	**217,776,693**	**1,687,353**	**133,300,850**
OPERATING EXPENSES					
Salary and allowances		178,020	14,063,580	134,000	10,586,000
Rent, taxes, insurance, electricity, etc.		8,970	708,630	14,500	1,145,500
Legal expenses		3,600	284,400	6,000	474,000
Postage, stamps, telecommunication, etc.		6,960	549,840	10,500	829,500
Stationery, printing, advertisement, etc.		21,840	1,725,360	7,000	553,000
Chief executive's salary and fees		-	-	-	-
Directors' fees		-	-	-	-
Auditors' fees		-	-	-	-
Depreciation and repairs of Bank's assets		18,930	1,495,470	40,000	3,160,000
Other expenses	13	23,247	1,836,543	16,451	1,299,598
Total operating expenses (b)		**261,567**	**20,663,823**	**228,451**	**18,047,598**
Profit / (Loss) Before Provision (C) = (A - B)		**2,495,100**	**197,112,871**	**1,458,902**	**115,253,252**
Less: Provision for Loans (D)		179,817	14,205,564	99,041	7,824,205
Total Profit/(Loss) before Tax (C-D)		2,315,282	182,907,307	**1,359,861**	**107,429,046**
Less: Provision for Income Tax		-	-	-	-
Net Profit / (Loss) after Tax :		**2,315,282**	**182,907,307**	**1,359,861**	**107,429,046**

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

Syed Mahbubur Rahman	**Altaf Hossain Sarker**	**Mohammed Hanif**	**Reshadur Rahman**
Managing Director & CEO	Director	Director	Chairman

This is the profit and loss account referred to in our separate report of even date.

ACNABIN
Chartered Accountants

Dhaka,
30 April 2017

Dhaka Bank Limited (Off-Shore Banking Unit)

Cash Flow Statement

For the year ended 31 December 2016

Annexure-J

	Notes	2016		2015	
		USD	Taka	USD	Taka
Cash Flow from Operating Acrivities:					
Interest receipts		3,276,174	258,817,750	2,116,875	167,233,155
Interest payments		(1,190,242)	(94,029,128)	(1,045,877)	(82,624,304)
Receipts from other operating activities	14	670,735	52,988,071	616,354	48,691,999
Payments for other operating activities	15	(261,567)	(20,663,823)	(228,451)	(18,047,598)
Operating profit before changes in current assets & liabilities		**2,495,100**	**197,112,871**	**1,458,902**	**115,253,252**
Changes in operating assets and liabilities					
Other banks		5,534,541	437,228,711	(6,245,148)	(493,366,720)
Loans and advances to customers		(8,077,669)	(638,135,864)	5,684,314	449,060,831
Other assets		(48,688,176)	(3,846,365,888)	13,134,845	1,037,652,761
Deposits from other banks		(5,918,249)	(467,541,643)	(13,786,479)	(1,089,131,810)
Deposits from customers		2,838,446	224,237,198	(9,114,229)	(720,024,071)
Other liabilities account of customers		-	-	-	-
Other liabilities		53,274,910	4,208,717,867	9,955,930	786,518,463
Net cash flow from operating activities (A)		**1,458,902**	**115,253,252**	**1,088,135**	**85,962,704**
Cash Flow from Investing Activities (B)		-	-	-	-
Cash Flow from Financiang Activities					
Profit remitted to Head Office		(1,458,902)	(115,253,252)	(1,088,135)	(85,962,704)
Net cash in financing activities (C)		**(1,458,902)**	**(115,253,252)**	**(1,088,135)**	**(85,962,704)**
Net increase / (Decrease) in cash (A+B+C)		-	-	-	-
Opening cash & cash equivalent as at 1 January		-	-	-	-
Closing cash & cash equivalent as at 31 December		-	-	-	-
		-	-	-	-
Closing cash & cash equivalents					
Cash in Hand		-	-	-	-
Balance with Bangladesh Bank & Sonali Bank		-	-	-	-
Balance with other banks & Financial Institutions		-	-	-	-
Money at call & Short Notice		-	-	-	-
Prize Bond		-	-	-	-
		-	-	-	-

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

Dhaka,
30 April 2017

Syed Mahbubur Rahman
Managing Director & CEO

Altaf Hossain Sarker
Director

Mohammed Hanif
Director

Reshadur Rahman
Chairman

Dhaka Bank Limited (Off-shore Banking Unit)

Liquidity Statement
(Asset and Liability Maturity Analysis)

as at 31 December 2016

	Upto 01 month		1 - 3 months		3 - 12 months		1 - 5 years		More than 5 years		Total	
	USD	Taka	USD	Taka	USD	Taka	USD	Taka	USD	Taka	USD	Taka
Assets:												
Cash in hand	-		-		-		-		-		-	-
Balance with other banks and financial institutions	1,080,001	85,320,047	-		-		-		-		1,080,001	85,320,047
Money at call on short notice	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-
Loans and Advances	3,375,021	266,626,659	5,973,379	471,896,909	899,149	71,032,768	1,505,560	118,939,217	6,228,618	492,060,830	17,981,726	1,420,556,382
Fixed assets including premises, furniture and fixtures	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	70,828,423	5,595,445,423	-	-	-	-	70,828,423	5,595,445,423
Non-banking assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	**4,455,022**	**351,946,706**	**5,973,379**	**471,896,909**	**71,727,572**	**5,666,478,191**	**1,505,560**	**118,939,217**	**6,228,618**	**492,060,830**	**89,890,150**	**7,101,321,852**
Liabilities:												
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	-	-	-	-	(10,682,770)	(843,938,814)	-	-	-	-	(10,682,770)	(843,938,814)
Deposits & Other Accounts	(11,624,987)	(918,373,946)	-	-	(402,678)	(31,811,545)	-	-	-	-	(12,027,664)	(950,185,490)
Other liabilities	(1,047,755)	(82,772,636)	(62,745,166)	(4,956,868,094)	(891,696)	(70,443,948)	-	-	-	-	(64,684,616)	(5,110,084,677)
Total Liabilities	**(12,672,742)**	**(1,001,146,581)**	**(62,745,166)**	**(4,956,868,094)**	**(11,977,143)**	**(946,194,306)**	**-**	**-**	**-**	**-**	**(87,395,050)**	**(6,904,208,981)**
Net Liquidity Gap	**(8,217,720)**	**(649,199,876)**	**(56,771,787)**	**(4,484,971,185)**	**59,750,429**	**4,720,283,884**	**1,505,560**	**118,939,217**	**6,228,618**	**492,060,830**	**2,495,100**	**197,112,871**

MAMPSTOCK

Dhaka Bank Limited (Off-Shore Banking Unit)

Notes to the Financial Statements

For the year ended 31 December 2016

1 Nature of Business

Off-Shore Banking Unit is a separate business unit of Dhaka Bank Limited, governed under the Rules & Guidelines of Bangladesh Bank. The Bank obtained the Offshore Banking Unit permission vide letter no. BRPD (P)744(92)/2005-2181 dated June 18, 2005. The Bank commenced the operation of its Offshore Banking Unit with effect from May 10, 2006.

2 Significant Accounting Policy

2.1 Basis of accounting

The accounting records of the unit are maintains in USD forms and the financial statements are made up to 31 December each year, and are prepared under the historical cost convention and in accordance with first schedule of Bank Companies Act (BCA) 1991 as amended by Bangladesh Bank (Central Bank) BRPD Circular No.14 dated 25 June 2003, other Bangladesh Bank circulars, International Financial Reporting Standards adopted as Bangladesh Accounting Standards (BAS), the Companies Act 1994, the Listing Regulations of the Stock Exchanges, the Securities and Exchange Rule 1987 and other laws and rules applicable in Bangladesh on a going concern basis.

2.2 Allocation of common expenses

Establishment expenses in the nature of rent, rates, taxes, salaries, management expenses, printing & stationery, electricity & lighting, postage, stamps, telecommunication etc. have not been separately accounted for in the Financial Statements.

	31.12.2016		31.12.2015	
	USD	Taka	USD	Taka
3 Loans and Advances				
3.1 Loans, Cash Credits & Overdrafts etc:				
In Bangladesh				
Overdraft	2,781,180	219,713,252	612,941	48,422,362
Term Loan	6,753,412	533,519,512	7,653,738	604,645,294
Loan against Accepted Bills	474,516	37,486,793	-	-
Other Loans	6,864,107	543,332,267		
	16,886,732	**1,334,051,825**	**8,266,679**	**653,067,656**
Outside Bangladesh	-	-	-	-
Sub-total	**16,886,732**	**1,334,051,825**	**8,266,679**	**653,067,656**
3.2 Bills Purchased & Discounted				
Payable in Bangladesh:				
Inland bills purchased	1,094,994	86,504,557	1,637,378	129,352,862
Payable outside Bangladesh:				
Foreign bills purchased & discounted	-	-	-	-
Sub-total	**1,094,994**	**86,504,557**	**1,637,378**	**129,352,862**
Total	**17,981,726**	**1,420,556,382**	**9,904,057**	**782,420,518**
3.3 Residual maturity grouping of loans including bills purchased and discounted				
Repayable on Demand	3,375,021	266,626,659	8,244,867	651,344,485
Not more than 3 months	5,973,379	471,896,909	612,941	48,422,362
More than 3 months but not more than 1 year	899,149	71,032,768	-	-
More than 1 year but not more than 5 years	1,505,560	118,939,217	1,046,249	82,653,671
More than 5 years	6,228,618	492,060,830	-	-
	17,981,726	**1,420,556,382**	**9,904,057**	**782,420,518**

	31.12.2016		31.12.2015	
	USD	Taka	USD	Taka
3.4 Maturity grouping of bills purchased & discounted				
Payable within 1 month	539,663	42,633,367	630,256	49,790,210
Over 1 month but less than 3 months	555,332	43,871,190	904,705	71,471,705
Over 3 months but less than 6 months	-	-	102,417	8,090,948
6 months or more	-	-	-	-
	1,094,994	86,504,557	1,637,378	129,352,862
3.5 Loans on the basis of significant concentration including bills purchased & discounted:				
a. Advances to allied concerns of Directors	-	-	-	-
b. Advances to Chief Executive	-	-	-	-
c. Advances to Other Senior Executives	-	-	-	-
d. Advances to Customer's Group:				
Agriculture loan	-	-	-	-
Commercial lending	16,364,796	1,292,818,878	7,653,738	604,645,292
Export financing	1,094,695	86,480,911	1,637,378	129,352,864
Consumer credit scheme	-	-	-	-
Small and Medium Enterprise (SME)	-	-	-	-
Staff Loan	-	-	-	-
Others	522,235	41,256,593	612,941	48,422,362
	17,981,726	1,420,556,382	9,904,057	782,420,518
3.6 Industry-wise loans including bills purchased & discounted				
Agricultural	-	-	-	-
Pharmaceuticals	-	-	-	-
Textile & Garment	13,047,237	1,030,731,690	8,137,954	642,898,368
Chemical	-	-	719,854	56,868,479
Food & allied	-	-	-	-
Transport & Communication	524,793	41,458,682	1,046,249	82,653,671
Electronics & Automobile	-	-	-	-
Housing & Construction	-	-	-	-
Engineering & Metal Industries including Ship Breaking	-	-	-	-
Energy & Power	-	-	-	-
Service	-	-	-	-
Others	4,409,696	348,366,009	-	-
	17,981,726	1,420,556,382	9,904,057	782,420,518
3.7 Geographical Location - wise Loans and Advances				
Dhaka Region	17,981,726	1,420,556,382	9,904,057	782,420,518
Chittagong Region	-	-	-	-
South Region	-	-	-	-
North Region	-	-	-	-
Sylhet Region	-	-	-	-
Other	-	-	-	-
	17,981,726	1,420,556,382	9,904,057	782,420,518
3.8 Sector wise loans				
In Bangladesh				
Government & Autonomous bodies	524,793	41,458,682	1,046,249	82,653,671
Financial Institutions (Public & Private)	-	-	-	-
Other Public Sector	-	-	-	-
Private Sector	17,456,933	1,379,097,700	8,857,808	699,766,847
	17,981,726	1,420,556,382	9,904,057	782,420,518
Outside Bangladesh	-	-	-	-
	17,981,726	1,420,556,382	9,904,057	782,420,518

	31.12.2016		31.12.2015	
	USD	Taka	USD	Taka
3.9 Classification of loans & advances				
Unclassified (including staff loan)	17,981,726	1,420,556,382	9,904,057	782,420,518
Sub-Standard	-	-	-	-
Doubtful	-	-	-	-
Bad or loss	-	-	-	-
	17,981,726	**1,420,556,382**	**9,904,057**	**782,420,518**
3.10 Provision required for loans and advances				
Status **Rate%**				
Unclassified 0.25,1,2 & 5	179,817	14,205,564	99,041	7,824,205
Special Mention Account 0.25,1,2 & 5	-		-	-
	179,817	**14,205,564**	**99,041**	**7,824,205**
Classified:				
Sub-Standard 20	-	-	-	-
Doubtful 50	-	-	-	-
Bad or loss 100	-	-	-	-
	-	-	-	-
Required provision for loans & advances	**179,817**	**14,205,564**	**99,041**	**7,824,205**
Total provision maintained	**179,817**	**14,205,564**	**99,041**	**7,824,205**
Excess / short provision as at 31 December	-	-	-	-
3.11 Securities against loans including bills purchased & counted				
a. Secured				
Collateral of movable / immovable assets	16,886,732	1,334,051,825	8,266,679	653,067,654
Local Banks & Financial Institutions guarantee	1,094,994	86,504,557	1,637,378	129,352,864
Government Guarantee	-	-	-	-
Foreign Banks Guarantee	-	-	-	-
Export documents	-	-	-	-
Fixed Deposits Receipts	-	-	-	-
1. Own FDR	-	-	-	-
2. FDR of Other Banks	-	-	-	-
Government bonds	-	-	-	-
Personal Guarantee	-	-	-	-
Other Securities	-	-	-	-
b. Unsecured	-	-	-	-
	17,981,726	**1,420,556,382**	**9,904,057**	**782,420,518**
3.12 Particulars of Loans and Advances				
(i) Loans considered good in respect of which the bank company is fully secured;	16,886,732	1,334,051,825	5,770,718	455,886,692
(ii) Loans considered good against which the banking company holds no security other than the debtor's personal guarantee;	-	-	-	-
(iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors;	1,094,994	86,504,557	4,133,340	326,533,828
(iv) Loans adversely classified; provision not maintained there against;	-	-	-	-
(v) Loans due by directors or officers of the banking company or any of these either separately or jointly with any other persons;	-	-	-	-

	31.12.2016		31.12.2015	
	USD	Taka	USD	Taka
(vi) Loans due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members;	-	-	-	-
(vii) Maximum total amount of advances including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person;	-	-	-	-
(viii) Maximum total amount of advances including tempo rary advances granted during the year to the companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in the case of private companies as members;	-	-	-	-
(ix) Due from banking companies;	-	-	-	-
(x) Amount of classified loan on which interest has not been charged, should be mentioned as follows:	-	-	-	-
(a) Decrease / increase in provision;	-	-	-	-
(b) Amount realized against loan previously written off;	-	-	-	-
(c) Amount of provision kept against loan classified as 'bad/loss" on the date of preparing the balance sheet;	-	-	-	-
(d) Interest creditable to the Interest Suspense A/c; Cumulative amount of the written off loan;	-	-	-	-
(xi) Cumulative amount of the written off loan;	3,028,550	239,255,443	3,028,550	239,255,443
4 Other Assets				
Accrued Interest	-	-	-	-
Advance Payment against Deferred LC	-	-	-	-
Prepaid Expenses	-	-	-	-
Finance to AD Branches for IBP	25,625,350	2,024,402,632	15,250,517	1,204,790,808
Finance to AD Branches for Import Bill	45,203,073	3,571,042,791	6,889,731	544,288,727
	70,828,423	**5,595,445,423**	**22,140,247**	**1,749,079,535**
5 Borrowing from Other Banks/Financial Institutions	**10,682,770**	**843,938,814**	**16,601,018**	**1,311,480,458**
5.1 Maturity grouping of Borrowings				
Repayable on demand	-	-	-	-
Repayable within 1 month	-	-	-	-
Over 1 month but within 6 months	-	-	-	-
Over 6 months but within 1 year	10,682,770	843,938,814	16,601,018	1,311,480,458
Over 1 year but within 5 years	-	-	-	-
	10,682,770	**843,938,814**	**16,601,018**	**1,311,480,458**

According to BCD Circular No.(P)744(27) dated 17 December 1985 of Bangladesh Bank, Dhaka Bank maintained foreign currency accounts with Off-shore Banking Units in the manner they maintain such accounts with their foreign correspondents.

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		31.12.2016		31.12.2015	
		USD	Taka	USD	Taka
6	**Deposits and Other Accounts**				
6.1	**Current and Other Accounts**				
	Foreign Currency Deposits	**11,135,025**	**879,666,969**	**8,539,936**	**674,654,973**
6.2	**Bills Payable**	-	-	-	-
6.3	**Other deposit**				
	Margin under L/C	81,638	6,449,411	115,828	9,150,387
	Term Deposit	402,678	31,811,545	402,678	31,811,545
	Deposits Awaiting Disposal	408,324	32,257,566	130,777	10,331,388
	Sundry Deposit	-	-	-	-
		892,640	**70,518,521**	**649,283**	**51,293,319**
		12,027,664	**950,185,490**	**9,189,219**	**725,948,292**
6.4	**Maturity grouping of deposits and other accounts**				
	Repayable on demand	11,624,987	918,373,946	8,786,541	694,136,747
	Repayable within 1 month	-	-	-	-
	Over 1 month but within 6 months	-	-	-	-
	Over 6 months but within 1 year	402,678	31,811,545	402,678	31,811,545
	Over 1 year but within 5 years	-	-	-	-
	Over 5 years but within 10 years	-	-	-	-
		12,027,664	**950,185,490**	**9,189,219**	**725,948,292**
7	**Other Liabilities**				
	Accrued Interest	-	-	-	
	Finance from Bill Discounting	891,696	70,443,948	525,756	41,534,743
	Refinance by SWAP Woori Bank	-	-	-	
	5 years BSP	-	-	-	
	Export proceeds suspense	1,003,596	79,284,078	661,781	52,280,709
	Interest Suspense Account	16,678	1,317,569	-	
	Tax deducted at source & payable	27,481	2,170,988	-	
	Provision against Expenses	-	-	-	
	Branch Adjustment	62,745,166	4,956,868,094	10,222,169	807,551,358
		64,684,616	**5,110,084,677**	**11,409,706**	**901,366,810**
8	**Contingent Liabilities**				
	Acceptance & Endorsement	12,037,463	950,959,546	6,842,797	540,580,924
	Letters of Credit	12,593,801	994,910,240	4,029,956	318,366,485
	Letters of Guarantee	-		-	-
	Bills for Collection	6,851,349	541,256,599	6,795,507	536,845,029
	Other Contingent Liabilities	-	-	-	-
		31,482,612	**2,487,126,386**	**17,668,259**	**1,395,792,437**

		2016		2015	
		USD	Taka	USD	Taka
9	**Interest Income**				
	Interest on Advances	3,276,174	258,817,750	2,116,875	167,233,155
	Interest on Money at call and short Notice	-		-	-
	Call Lending and Fund Placement with banks	-	-	-	-
	Accounts with Foreign Banks	-	-	-	-
		3,276,174	**258,817,750**	**2,116,875**	**167,233,155**
10	**Interest / Profit Paid On Deposits & Borrowings**				
	Term Deposits	4,042	319,316	5,831	460,642
	Fund Borrowings	391,333	30,915,328	1,007,851	79,620,227
	Inter Branch Interest paid	794,867	62,794,483	32,195	2,543,435
		1,190,242	**94,029,128**	**1,045,877**	**82,624,304**

		2016		2015	
		USD	Taka	USD	Taka
11	**Commission / Fees and Exchange Earnings**				
	Commission/ Fees Income	552,903	43,679,331	479,875	37,910,151
	Exchange gain including gain form foreign currency dealings	40,870	3,228,714	72,745	5,746,869
		593,773	**46,908,045**	**552,621**	**43,657,020**
12	**Other Operating Income**				
	Postage Charge Recoveries	24,113	1,904,906	18,832	1,487,764
	Swift Charge Recoveries	52,850	4,175,120	44,901	3,547,214
	Other Fees	-	-	-	-
		76,962	**6,080,026**	**63,734**	**5,034,978**
13	**Other expenses**				
	Contractual service charge	7,992	631,398	4,151	327,898
	Petrol, oil and lubricants (vehicle & generator)	3,900	308,100	3,250	256,750
	Entertainment (canteen & other)	3,690	291,510	1,600	126,400
	Travelling	-	-	1,100	86,900
	Conveyance	1,095	86,505	500	39,500
	Training expenses	4,000	316,000	1,200	94,800
	Books and papers	285	22,515	550	43,450
	Staff uniform	-	-	1,000	79,000
	Potted plants	1,110	87,690	1,100	86,900
	Business development & promotion	-	-	2,000	158,000
	Bank Account Charges	1,175	92,825	-	-
		23,247	**1,836,543**	**16,451**	**1,299,598**
14	**Cash Received from Other Operating Activities**				
	Commission & Exchange	593,773	46,908,045	552,621	43,657,020
	Other Operating Income	76,962	6,080,026	63,734	5,034,978
		670,735	**52,988,071**	**616,354**	**48,691,999**
15	**Cash Paid for Other Operating Activities**				
	Office Operating Expenses	**(261,567)**	**(20,663,823)**	**(228,451)**	**(18,047,598)**

16 General

- Fixed Assets of this unit are appearing in the books of the main operation of the bank and depreciation is also charged to Profit & Loss Account of the main operation of the bank.
- Assets and liabilities have been converted into Taka Currency @ US$ 1 = Tk. 79.00, GBP=96.5784, Euro = 82.2241 (2015 : Us $ 1 = Tk 79.00) which represents the year end mid rate of exchange as at 31 December 2016.
- Previous year's figures have been rearranged, where considered necessary, to conform to current year's presentation.

Dhaka Bank Securities Limited



Sound Capital Market is an indispensible part of an Economy. Without sound and efficient capital market, rapid economic development could be hampered as capital market provides long term funds to entrepreneurs. Capital Market of Bangladesh is still highly speculative and lacks transparency due to poor regulatory framework. In Bangladesh, Financial sector was historically driven by banks and capital market had fewer rules to play as people had mixed perception about the risk pattern in capital market that discouraged them mostly to invest there. Inspite of all adversity, we drive very strongly to keep up pace with the market and ensure maximum return for the stakeholders.

Auditor's Report to the Shareholders of Dhaka Bank Securities Limited

We have audited the accompanying financial statements of Dhaka Bank Securities Limited which comprise the Statement of Financial Position as on 31 December 2016 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 financial statements.

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 financial statements referred to above give a true and fair view of the financial position of Dhaka Bank Securities Limited as on 31 December 2016 and of the results of its operations and its cash flows for year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS).

Report on Other Legal and Regulatory Requirements

We also report that the financial statements comply with the Companies Act 1994, the Securities and Exchange Act 1993, the Securities and Exchange Rules 1987, conditions for Registration issued by Bangladesh Securities and Exchange Commission and other applicable laws and regulations; and

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;

c) the financial statements dealt with by this report are in agreement with the books of account and returns; and

d) the expenditure incurred was for the purpose of business of the Dhaka Bank Securities Limited.

Dhaka,
27 April 2017

ACNABIN
Chartered Accountants

AMARSTOCK

Dhaka Bank Securities Limited

Statement of Financial Position

As on 31 December 2016

Annexure - K

	Notes	31.12.2016 Taka	31.12.2015 Taka
ASSETS			
Non Current Assets		**984,802,041**	**986,948,140**
Property, plant and equipment	4	7,724,271	9,826,164
Intangible assets	5	-	44,206
Investment in un-quoted shares	6	977,077,770	977,077,770
Current Assets		**3,960,179,898**	**4,048,962,312**
Investment in marketable securities	7	1,500,440,363	1,296,758,380
Cash and cash equivalents	8	184,381,826	238,118,358
Margin loan	9	2,057,523,809	2,403,412,251
Account receivables	10	46,405,391	17,398,175
Advance income tax	11	112,325,963	65,468,799
Advance, prepayment & other receivables	12	56,931,927	26,050,026
Deferred tax assets	13	2,170,619	1,756,323
Total Assets		**4,944,981,940**	**5,035,910,452**
EQUITY AND LIABILITIES			
Equity		**1,948,466,042**	**1,867,415,478**
Share capital	14	1,716,000,000	1,560,000,000
Investment fluctuation fund	15	25,900,000	20,200,000
Retained earnings	16	206,566,042	287,215,478
Liabilities			
Current Liabilities		**2,996,515,898**	**3,168,494,974**
Short-term loan from bank and NBFI	17	2,113,441,442	2,259,097,699
Accounts payables	18	175,470,262	248,545,942
Provision for income tax	19	129,878,773	95,536,853
Provision for unrealized losses	20	503,173,973	452,516,721
Other liabilities	21	74,551,448	112,797,758
Total Liabilities		**2,996,515,898**	**3,168,494,974**
Total Equity and Liabilities		**4,944,981,940**	**5,035,910,452**

The annexed notes from 1 to 43 form an integral part of these financial statements.

Mohammad Ali	Emranul Huq	Abdul Hai Sarker	Reshadur Rahman
SVP & COO	Acting Managing Director	Director	Chairman

This is the Statement of Financial Position referred to in our separate report of even date.

Dhaka,
27 April 2017

ACNABIN
Chartered Accountants

Dhaka Bank Securities Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2016

Annexure - K

	Notes	2016 Taka	2015 Taka
Operating Income			
Brokerage commission income	22	77,948,181	63,632,147
Direct expenses	23	(8,184,704)	(7,075,645)
Net brokerage commission income (a)		**69,763,477**	**56,556,502**
Interest income	24	159,231,617	227,229,789
Interest expense	25	(158,403,128)	(224,160,122)
Net interest income (b)		**828,489**	**3,069,667**
Net investment income (c)	26	166,749,241	210,747,275
Fees & other income (d)	27	874,258	2,489,124
Total Operating Income (A=a+b+c+d)		**238,215,465**	**272,862,567**
Operating Expenses			
Salaries & allowances	28	32,834,624	31,849,313
Rent, taxes, insurance, electricity, etc.	29	20,296,028	15,160,998
Legal expenses	30	397,000	275,375
Postage, stamp, telecommunication, etc.	31	610,064	640,965
Stationery, printing, advertisements, etc.	32	1,192,067	1,206,667
Directors' fee & meeting expenses	33	938,814	647,045
Audit fee	34	287,500	115,000
Repair & maintenance of assets	35	4,643,618	4,247,864
Other expenses	36	8,404,428	10,147,324
Depreciation and amortization	37	3,633,135	5,995,303
Total Operating Expenses (B)		**73,237,278**	**70,285,854**
Profit before Provisions and Tax (A - B)		**164,978,187**	**202,576,713**
Less: Provisions for Unrealized Losses		**50,000,000**	**93,321,410**
Provision for unrealized loss in portfolio		25,000,000	73,321,410
Provision for unrealized loss in margin loan accounts		25,000,000	20,000,000
Profit before Provision for Income Tax		**114,978,187**	**109,255,303**
Less: Provision for income tax		**33,927,624**	**33,173,843**
Current tax	38	**34,341,920**	34,308,963
Deferred tax income	39	(414,296)	(1,135,120)
Net profit		**81,050,563**	**76,081,460**
Other comprehensive income		-	-
Total Comprehensive Income		**81,050,563**	**76,081,460**
Earnings Per Share (EPS)	40	**0.47**	**0.44**

The annexed notes from 1 to 43 form an integral part of these financial statements.

Mohammad Ali SVP & COO	**Emranul Huq** Acting Managing Director	**Abdul Hai Sarker** Director	**Reshadur Rahman** Chairman

This is the Statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of even date.

Dhaka,
27 April 2017

ACNABIN
Chartered Accountants

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Dhaka Bank Securities Limited

Statement of Changes in Equity

For the year ended 31 December 2016

Annexure - K

(Amount in Taka)

Particulars	Share Capital	Investment Fluctuation Fund	Retained Earnings	Total Equity
Balance as on 01 January 2016	1,560,000,000	20,200,000	287,215,479	1,867,415,479
Net profit for the year	-	-	81,050,563	81,050,563
Bonus Shares Issued	156,000,000	-	(156,000,000)	-
Transfer to Investment Fluctuation Fund	-	5,700,000	(5,700,000)	-
Balance as at 31 December 2016	**1,716,000,000**	**25,900,000**	**206,566,042**	**1,948,466,042**
Balance as on 01 January 2015	1,560,000,000	11,500,000	219,834,018	1,791,334,018
Net profit for the year	-	-	76,081,460	76,081,460
Transfer to Investment Fluctuation Fund	-	8,700,000	(8,700,000)	-
Balance as at 31 December 2015	**1,560,000,000**	**20,200,000**	**287,215,479**	**1,867,415,479**

The annexed notes from 1 to 43 form an integral part of these financial statements.

Dhaka,
27 April 2017

Mohammad Ali
SVP & COO

Emranul Huq
Acting Managing Director

Abdul Hai Sarker
Director

Reshadur Rahman
Chairman

AMARSTOCK

Dhaka Bank Securities Limited

Statement of Cash Flows

For the year ended 31 December 2016

Annexure - K

		2016 Taka	2015 Taka
A.	**Cash flow from operating activities**		
	Net profit during the year	81,050,563	76,081,460
	Adjustments for:		
	Depreciation & amortization	3,633,135	5,995,303
	Cash generated from operating activities before changes in working capital:	**84,683,698**	**82,076,763**
	Changes in workings capital:		
	(Increase)/decrease in accounts receivable	(29,007,216)	9,099,281
	Increase in deferred tax asset	(414,296)	(1,135,120)
	Decrease/(increase) in margin loan to clients	345,888,442	(52,719,568)
	Decrease/(increase) in advance income tax	(46,857,164)	(43,330,815)
	Increase in provision for unrealized losses	50,657,252	93,332,016
	Increase in advances, prepayments, and other receivables	(30,881,901)	(7,803,330)
	(Decrease)/increase in accounts payable	(73,075,681)	37,086,361
	Decrease in other liabilities	(38,246,310)	(36,050,291)
	Increase/(decrease) in provision for income tax	34,341,920	34,308,963
		212,405,046	32,787,497
	Net cash flow from operating activities	**297,088,744**	**114,864,260**
B.	**Cash flow from investing activities**		
	Acquisition of property, plant and equipment	(1,487,036)	(1,047,434)
	Investment in shares/securities	(203,681,983)	(311,725,972)
	Net cash (used in)/ flow from investing activities	**(205,169,019)**	**(312,773,406)**
C	**Cash flows from financing activities**		
	(Repayment for)/Receipt of loan from Dhaka Bank Limited	(145,656,257)	181,097,699
	Receipt of loan from United Finance Limited	-	50,000,000
	Net cash flow from in financing activities	(145,656,257)	231,097,699
D.	**Net (deficit)/surplus in cash & cash equivalents for the year (A+B+C)**	(53,736,532)	33,188,553
E.	**Cash & cash equivalents at the beginning of the year**	238,118,358	204,929,805
F.	**Cash and cash equivalents at the end of the year**	**184,381,826**	**238,118,358**

The annexed notes from 1 to 43 form an integral part of these financial statements.

Dhaka,
27 April 2017

Mohammad Ali
SVP & COO

Emranul Huq
Acting Managing Director

Abdul Hai Sarker
Director

Reshadur Rahman
Chairman

AMARSTOCK

Dhaka Bank Securities Limited
Notes to the Financial Statements
For the year ended 31 December 2016

Annexure - K

1. Company and its Activities

1.1 Legal Status of the Company

Dhaka Bank Securities Limited (the name of company has been changed from DBL Securities Limited to Dhaka Bank Securities Limited with effect from 27 April 2014) was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration no. C-85857/10 dated 19 July 2010 as a Private Company limited by Shares having its registered office at Adamjee Court (1st Floor), 115-120, Motijheel C/A, Dhaka -1000. The status of the company has been converted into "Public Limited" from "Private Limited" in May 2016. The company is the Trading Right Entitlement Certificate (TREC) holder of both of the stock exchanges of the country (TREC No. 193 in DSE and TREC No. 081 in CSE). The Company commenced its business operations from 13 February 2011 as a wholly owned subsidiary of Dhaka Bank Limited.

1.2 Principal Activities of the Company

The principal activities of the company are to act as a TREC Holder of Dhaka Stock Exchanges Limited and Chittagong Stock Exchange Limited to carry on the business of brokers in stocks, shares and securities, commercial papers, bonds, debentures, debentures stocks, foreign currencies, treasury bills and/or any financial instruments. The company has six branches in Bangladesh located at Adamjee Court-Motijheel, DSE Building-Motijheel, Dhanmondi, Uttara, Agrabad and Sylhet. Dhaka Bank Securities Limited posseses following licenses from regulatory authorities:

Name of Authority	License/ Registration No.	Purpose
Bangladesh Securities and Exchange Commission (BSEC)	3.1/DSE - 193/2011/453	Stock Broker Business with DSE
Bangladesh Securities and Exchange Commission (BSEC)	3.1/DSE - 193/2011/454	Stock Dealer Business with DSE
Bangladesh Securities and Exchange Commission (BSEC)	3.2/CSE - 081/2011/260	Stock Broker Business with CSE
Bangladesh Securities and Exchange Commission (BSEC)	3.2/CSE - 081/2011/261	Stock Dealer Business with CSE
Bangladesh Securities and Exchange Commission (BSEC)	CDBL- DP 17	Depository Functions with Central Depository Bangladesh Limited (CDBL)
Dhaka Stock Exchange Limited (DSE)	TREC NO. 193	Trading with DSE
Chittagong Stock Exchange Limited (CSE)	TREC NO. 081	Trading with CSE

2. Significant Accounting Policies

2.1 Basis of Presentation of Financial Statements

These financial statements have been prepared in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) and no adjustment has been made for inflationary factors affecting the financial statements. The accounting policies, unless otherwise stated, have been consistently applied by the Company.

2.2 Basis of measurement

The financial statements have been prepared based on historical cost convention basis. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous years.

2.3 Regulatory compliance

In preparation of the Financial Statements, Dhaka Bank Securities Limited complies with the applicable provisions of the following major laws/ statutes:

-The Companies Act, 1994;
-The Income Tax Ordinance, 1984;
-The Income Tax Rules, 1984;
-Negotiable Instruments Act, 1881;
-Securities and Exchange Rules, 1987;
-Securities and Exchange Commission Act, 1993;
-Securities and Exchange Commission (Stock-Dealer, Stock-Broker and Authorized Representatives) Rules, 2000; and
-Other applicable laws and regulations.

2.4 Presentation and Functional Currency and Level of Precision

The financial statements have been presented in Bangladesh Taka (BDT) currency, which is the Company's functional currency. All financial information presented in BDT has been rounded off to the nearest integer.

2.5 Use of Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the year end.

Provisions and accrued expenses are recognized in the financial statements in line with Bangladesh Accounting Standard (BAS) 37: "Provisions, Contingent Liabilities and Contingent Assets" when - the Company has a legal or constructive obligation as a result of past event; and

i. It is probable that an outflow of economic benefit will be required to settle the obligation.

ii. A reliable estimate can be made for the amount of the obligation.

2.6 Going Concern

The Company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the company provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.7 Statement of cash flows

Statement of Cash Flows is prepared in accordance with Bangladesh Accounting Standard (BAS) 7: "Statement of Cash Flows" and the cash flows from operating activities are presented under the indirect method as prescribed by the Securities and Exchange Rules, 1987.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash at bank which are held and are available for use by the Company without any restriction. There is insignificant risk of change in the value of the above items.

2.9 Investment in Shares of Stock Exchanges

In accordance with section 8 of the Exchanges Demutualization Act 2013, both stock exchange membership has been converted into shares through the issuance of two completely de-linked assets to the former members in the Exchange, namely (a) fully paid-up shares and (b) trading right. Exchanges shall have the authority to issue Trading Right Entitlement Certificate (TREC), as per the Exchanges Demutualization, Act 2013 and as outlined in the scheme, to provide the right to trade any securities enlisted in CSE to eligible brokers and dealers. Such TRECs will be totally separate from the ownership of the Exchange as there is no obligation for TREC holders to be or remain shareholders of the exchange.

2.10 Property, Plant and Equipment

2.10.1 Recognition and Measurement

All Property, Plant and Equipment are stated at cost less accumulated depreciation as per BAS-16 " Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use.

2.10.2 Depreciation and Amortization

Property, Plant and Equipment are stated at cost less accumulated depreciation. Depreciation is charged using the straight-line method on the acquisition cost of PPE and such cost is written off over the estimated useful lives of assets, in accordance with BAS 16. Depreciation for full month is charged on additions irrespective of date when the related assets are put into use and no depreciation is charged for the month of disposal. The rates of depreciation used to write off the amount of assets are as follows:

Name of the Assets	Rate
Furniture and fixtures	10% p.a
Office Appliance and Equipment	20% p.a
Computer Equipments	20% p.a
Software	20% p.a
Motor Vehicles	20% p.a

2.11 Intangible Assets and Amortization of Intangible assets

The main item included in intangible asset is computer software. Intangible assets are recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably in accordance with BAS 38: "Intangible Assets". Accordingly, these assets are stated in the Statement of Financial Position at cost less accumulated amortization. Intangible assets are amortized over a period of fuve (05) years.

2.12 Provision for Tax

2.12.1 Current tax

Provision for current tax is made on the basis of the profit for the year as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereto from time to time.

2.12.2 Deferred Tax

Deferred tax arises due to temporary difference deductible or taxable for the events or transaction recognized in the income statement. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The Bank has recognized deferred tax in accordance with the Bangladesh Accounting Standard (BAS)-12.

2.13 Revenue Recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise and in accordance with the Bangladesh Accounting Standard (BAS)-18 "Revenue Recognition":

i. Brokerage Commission

Brokerage commission is recognized as income when selling or buying order executed.

ii. Interest Income from Margin Loan

Interest Income from margin loan is recognized on accrual basis. Such income is calculated on daily margin loan balance of the respective parties. Income is recognized on monthly basis and applied to the customers' account on quarterly basis.

iii. Dividend Income and Profit/ (Loss) on Sale of Marketable Securities

Dividend income is recognized when right to receive payment is established whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realized or loss is incurred.

2.14 Earnings Per Share

The Company calculates earning per share in accordance with Bangladesh Accounting Standard (BAS)-33 "Earning Per Share" which has been shown in the face of the Statement of Profit or Loss and Other Comprehensive Income.

2.15 Provision against Unrealized Loss in Margin Loan

As Per Bangladesh Securities and Exchange Commission (BSEC) Circular No. SEC/CMRRCD/2009-193/196 dated 28 December 2016, the company may keep 20% Provision against Unrealized Loss in the Portfolio accounts of Margin Loan Clients as on 31 December 2016.

2.16 Related Party Disclosure

As per Bangladesh Accounting Standards (BAS)-24 "Related Party Disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties.

2.17 Branch Accounting

The Company has 6 (six) Branch Offices (excluding Head Office), with no overseas branch as on 31 December 2016. Accounts of the branches are maintained at the head office which are included in the accompanying financial statements.

2.18 Reporting Period

These financial statements cover one calendar year from 01 January to 31 December 2016.

2.19 Events after the balance sheet date

Events after the balance sheet date that provides additional information about company's financial position at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that are material but not adjusting event are discussed in the notes.

3. Application of Bangladesh Accounting Standards (BASs):

Name of the BAS	BAS No.	Status
Presentation of Financial Statements	1	Applied
Statements of Cash Flow	7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Balance Sheet Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Revenue	18	Applied
Employee Benefits	19	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Financial Instruments: Presentation	32	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied

AMARSTOCK

Annexure - K

			31.12.2016 Taka	31.12.2015 Taka
4.	**Property, Plant and Equipment**			
A.	**Cost:**			
	Opening balance		31,889,717	30,842,283
	Purchased during the year		1,487,036	1,047,434
	Closing balance (A)		**33,376,753**	**31,889,717**
B.	**Accumulated Depreciation:**			
	Opening balance		22,063,552	17,034,538
	Charged during the year		3,588,929	5,029,015
	Closing balance (B)		**25,652,481**	**22,063,552**
C.	**Written Down Value (A-B)**		**7,724,271**	**9,826,164**
	A schedule of property, plant and equipment is given in Annexure - A			
5.	**Intangible assets**			
A.	**Cost:**			
	Opening balance		4,831,461	4,831,461
	Addition during the year		-	-
	Closing balance (A)		**4,831,461**	**4,831,461**
B.	**Accumulated Amortization:**			
	Opening balance		4,787,255	3,820,967
	Charged for the Year		44,206	966,288
	Closing balance (B)		**4,831,461**	**4,787,255**
C.	**Written Down Value (A-B)**		**-**	**44,206**
	A schedule of intangible assets is given in Annexure-A.			
6.	**Investment in un-quoted shares**			
	Dhaka Stock Exchange Limited (DSE)	(Note 6.1)	700,000,000	700,000,000
	Chittagong Stock Exchange Limited (CSE)	(Note 6.2)	250,000,000	250,000,000
	Central Depository Bangladesh Limited (CDBL)		18,277,770	18,277,770
	Energypac Power Generation Limited		8,800,000	8,800,000
			977,077,770	**977,077,770**
6.1	**Stock Exchange**	**Allotment Status**	**Number of shares**	**Number of shares**
	Dhaka Stock	Alloted (40%)	2,886,042	2,886,042
	Exchange	Blocked (60%)	4,329,063	4,329,063
			7,215,105	**7,215,105**
6.2	**Stock Exchange**	**Allotment Status**		
	Chittagong Stock	Alloted (40%)	1,714,932	1,714,932
	Exchange	Blocked (60%)	2,572,398	2,572,398
			4,287,330	**4,287,330**
7	**Investment in marketable securities**		**1,500,440,363**	**1,296,758,380**

AMARSTOCK

		31.12.2016 Taka	31.12.2015 Taka

7.1 The investments in shares are categorized as financial assets held for trading as per BAS 39: Financial Instruments: Recognition and Measurement. The details of the investments are as follows:

Business Segments	No. of Shares	Total Cost of Shares	Market Value of Shares as on 31.12.2016	Market Value of Shares as on 31.12.2015
Banks / Finance	1,985,179	32,258,186	33,364,515	35,440,881
Fuel & Power	2,885,892	510,324,162	380,259,211	295,761,842
Insurance	1,259,603	126,144,312	81,009,165	84,281,310
Mutual Fund	749,318	4,139,186	5,792,486	6,416,282
Cement	2,935,392	348,607,154	240,995,683	218,980,243
Pharmaceuticals & Chemicals	2,311,917	291,599,229	281,988,939	222,983,915
Engineering/ Travel & leisure	3,819,913	154,834,139	129,460,786	96,772,519
Textile	663,123	12,195,512	12,028,166	-
Tannery Industries	10,063	100,630	305,915	-
Food & Miscellaneous	285,482	20,237,853	10,173,709	-
		1,500,440,363	**1,175,378,574**	**960,636,992**

8. Cash and cash equivalents

Cash in hand		109,500	109,500
Cash at bank	(Note: 8.1)	184,272,326	238,008,858
		184,381,826	**238,118,358**

8.1

Bank Name	Branch Name	A/C No.	A/C Type		
Dhaka Bank Limited	Local	201.150.2960	SND A/C	4,887,121	2,407,073
Dhaka Bank Limited	Local	201.150.2972	SND A/C	77,479,728	203,026,948
Dhaka Bank Limited	Local	201.150.3444	SND A/C	46,472,989	40,602
IFIC Bank Limited	Stock Ex.	1090-358447-001	CD A/C	2,650,955	5,368,764
UCB Limited	Forex	0721101000000515	CD A/C	2,542,725	741,671
UCB Limited	Forex	0721101000000049	CD A/C	5,956,069	3,181,337
IFIC Bank Limited	Stock Ex.	1090-358002 -001	SND A/C	43,736,225	22,700,432
Standard Chartered	Motijheel	01-1183892-01	SND A/C	546,515	542,030
				184,272,326	**238,008,858**

9. Margin loan

Opening balance		2,983,321,183	2,723,449,905
Disbursed during the year		120,978,524	402,692,674
		3,104,299,707	3,126,142,579
Realized during the year		(345,888,442)	(142,821,396)
Gross margin loan outstanding		**2,758,411,265**	**2,983,321,183**
Closing balance of interest suspense account		(700,887,456)	(579,908,932)
		2,057,523,809	**2,403,412,251**

10. Account receivables

Receivable from non-margin clients		2,559,080	1,932,901
Receivable from Dhaka Stock Exchange (DSE)		43,640,553	15,047,403
Receivable from Chittagong Stock Exchange(CSE)		205,759	417,871
		46,405,391	**17,398,175**

11. Advance Income Tax

Opening Balance		65,468,799	22,137,984
Addition during the year	(Note: 11.1)	46,857,164	43,330,815
		112,325,963	**65,468,799**

			31.12.2016 Taka	31.12.2015 Taka
11.1	**Advance income tax (Addition)**			
	AIT/TDS on brokerage commission - DSE		10,738,968	8,432,947
	AIT/TDS on brokerage commission - CSE		50,656	146,053
	Advance Income Tax paid		25,963,455	28,637,420
	TDS/ AIT (Interest income, dividend income, etc)		10,104,085	6,114,395
			46,857,164	**43,330,815**
12.	**Advance, Prepayments and Other Receivables**			
	Advance	(Note: 12.1)	30,964,245	853,000
	Prepaypent	(Note: 12.2)	30,703	2,843,706
	Other receivables	(Note: 12.3)	25,936,980	22,353,321
			56,931,927	**26,050,027**
12.1	**Advances**			
	Adavance for purchase of floor space @ DSE tower		850,000	850,000
	Advance-IPO Application for Dealer A/C		30,000,000	-
	Advance against expenses		114,245	3,000
			30,964,245	**853,000**
12.2	**Prepayment**			
	Prepaid rent -Premises		-	2,812,500
	Prepaid insurance - fire & burglary		25,503	26,906
	Prepaid non-judicial stamp		5,200	4,300
			30,703	**2,843,706**
12.3	**Other receivables**			
	Non-Interest Bearing Block Accounts	(Note: 12.3.1)	586,932	1,244,183
	Cash Dividend Receivable		25,350,048	21,109,138
			25,936,980	**22,353,321**

13. Deferred tax assets

	Carrying Amount	Tax Base	Taxable Temporary Difference
	Taka	Taka	Taka
As on 31 December 2016			
Property, Plant & Equipment	7,724,271	13,926,039	6,201,768
Applicable Tax Rate			35%
Defferred Tax Asset as on 31 December 2016			**2,170,619**
As on 31 December 2015			
Property, Plant & Equipment	9,870,370	14,888,436	5,018,067
Applicable Tax Rate			35%
Defferred Tax Asset as on 31 December 2015			**1,756,323**

		31.12.2016 Taka	31.12.2015 Taka
14.	**Share capital**		
	Authorized Capital		
	500,000,000 ordinary shares of Tk. 10 each	5,000,000,000	5,000,000,000
	Paid up Capital		
	171,600,000 ordinary shares of Tk. 10 each fully paid	1,716,000,000	1,560,000,000

Name of Shareholders	% of Shareholding	Number of Shares held		
1. Dhaka Bank Limited, Represented By, Mr. Reshadur Rahman Mr. Abdul Hai Sarker Mrs. Rokshana Zaman Mr. Altaf Hossain Sarker Mr. Syed Abu Naser Bukhtear Ahmed	99.999997%	171,599,994	1,715,999,940	1,559,999,940
2. Mr. Dilawar Hossain	0.000001%	1	10	10
3. Mr. Choudhury Md. Humayun Kabir	0.000001%	1	10	10
4. Mr. Md. Mahbubur Rahman	0.000001%	1	10	10
5. Mr. Nazmul Alam Khan	0.000001%	1	10	10
6. Mr. Suez Islam	0.000001%	1	10	10
7. Mrs. Shahnaz Naznin	0.000001%	1	10	10
	100%	171,600,000	1,716,000,000	1,560,000,000

*In its 25th meeting of Board of Directors of the Company held on 08 April 2015, the Board recommended for raising paid-up capital of the Company through issuance of ordinary shares to the existing shareholders of the Company by way of 10 (Ten) Bonus shares for every 100 (one hundred) shares for the year 2014. Subsequently, the shareholders of the company approved the resolution of the Board regarding issuance of Bonus shares in its 5th Annual General Meeting held on 12 May 2015. Bangladesh Securities and Exchange Commission (BSEC) approved the proceeds vide approval letter no. BSEC/CI/CPLC (pvt.)-267/2010/352 dated – 21 June 2016 and all other regulatory requirements in this regard already complied.

15.	**Investment fluctuation fund**			
	Opening Balance		20,200,000	11,500,000
	Addition during the year		5,700,000	8,700,000
			25,900,000	**20,200,000**
16.	**Retained earnings**			
	Opening Balance		287,215,479	219,834,018
	Net profit for the year		81,050,563	76,081,460
			368,266,042	**295,915,479**
	Transfer to Investment Fluctuation Fund		(5,700,000)	(8,700,000)
	Bonus Shares issued		(156,000,000)	-
			206,566,042	**287,215,479**
17.	**Short-term loan from bank and NBFI**			
	Loan from Dhaka Bank Limited	(Note 17.1)	1,913,441,442	2,059,097,699
	Loan from United Finance Limited	(Note 17.2)	200,000,000	200,000,000
			2,113,441,442	**2,259,097,699**

17.1 Loan from Dhaka Bank Limited

Dhaka Bank Limited, vide their Sanction Letter No. DBL/LO/CR/2017/159 dated 11 January 2017, renewed the Overdraft Facility of Tk. 2,000 Million in favor of Dhaka Bank Securities Limited. As on 31 December 2016 the facility was utilized to the tune of Taka 1,913,441,442.

			31.12.2016 Taka	31.12.2015 Taka
17.2	**Loan from United Finance Limited**			
	Dhaka Bank Securities Limited entered into a loan agreement No. 01061404248 dated 21 May 2014 with United Finance Limited for one year revolving loan which was renewed on 21 May 2016.			
18.	**Accounts payables**			
	Payable to clients		109,401,738	243,878,241
	IPO application money		46,330,000	-
	Payable to DSE		19,519,135	4,593,930
	Payable to CSE		307	16,604
	Payable to CDBL		219,081	57,167
			175,470,262	**248,545,942**
19.	**Provision for income tax**			
	Opening balance		95,536,853	61,227,890
	Provision made during the period		34,341,920	34,308,963
			129,878,773	**95,536,853**
20.	**Provision for unrealized losses**			
	Loss in portfolio	(Note: 20.1)	150,000,000	125,000,000
	Loss in margin loan accounts	(Note: 20.2)	345,000,000	320,000,000
	Stimulation fund for affected investors	(Note: 20.3)	8,173,972	7,516,721
			503,173,973	**452,516,721**
20.1	**Provision for Unrealized Loss in Portfolio**			
	Opening balance		125,000,000	51,678,590
	Addition during the year		25,000,000	73,321,410
			150,000,000	**125,000,000**
	As per Bangladesh Securities and Exchange Commission (BSEC) Circular No. SEC/CMRRCD/2009-193/196 dated 28 December 2016, the company may keep 20% Provision against unrealized loss in the Portfolio account of the company as on 31 December 2016 whereas the company has maintained more than the minimum requirement.			
20.2	**Provision for unrealized loss in margin loan accounts**			
	Opening balance		320,000,000	300,000,000
	Addition during the year		25,000,000	20,000,000
			345,000,000	**320,000,000**
	As per Bangladesh Securities and Exchange Commission (BSEC) Circular No. SEC/CMRRCD/2009-193/196 dated 28 December 2016, the company may keep 20% Provision against unrealized loss on margin loan extended to customer whereas the company has maintained more than the minimum requirement.			
20.3	**Stimulation Fund for Affected Investors**			
	Opening balance		7,516,721	7,506,115
	Addition/(adjustments) during the year		657,251	10,606
			8,173,972	**7,516,721**
21.	**Other liabilities**			
	Liabilities for expense	(Note: 21.1)	73,863,595	112,504,715
	Liabilities related to tax and VAT	(Note: 21.2)	687,853	293,043
			74,551,448	**112,797,758**
21.1	**Liabilities for expense**			
	Interest expenses for loan from Bank & NBFI		72,861,233	110,910,415
	Audit fees		287,500	115,000
	Others		714,862	1,479,300
			73,863,595	**112,504,715**
21.2	**Liabilities related to tax and VAT**			
	VAT current A/C		498,398	167,898
	Tax withholding liabilities		189,455	125,146
			687,853	**293,043**

			2016 Taka	2015 Taka
22.	**Brokerage commission income**			
	Brokerage - Dhaka Stock Exchange (DSE)		77,574,066	62,522,820
	Brokerage - Chittagong Stock Exchange (CSE)		374,115	1,109,327
			77,948,181	**63,632,147**
23.	**Direct expenses**			
	Howla charges		5,924	15,608
	Laga charges	(Note: 23.1)	5,370,335	4,250,572
	CDBL Expense - Daily Settlement (Pay In/Out)		2,808,445	2,809,465
			8,184,704	**7,075,645**
23.1	**Laga charges**			
	DSE for broker		4,612,616	3,498,528
	DSE for dealer		**737,947**	**696,063**
			5,350,563	**4,194,591**
	CSE for broker		14,285	43,833
	CSE for dealer		5,488	12,148
			19,773	**55,980**
			5,370,335	**4,250,572**
24.	**Interest income**			
	Interest on margin loan		154,569,293	216,633,497
	Interest income on bank deposit A/C		4,662,324	10,596,292
			159,231,617	**227,229,789**
25.	**Interest expense**			
	On Loan from Dhaka Bank Limited		148,540,213	216,318,811
	On Loan from United Finance Limited		9,862,916	7,841,311
			158,403,128	**224,160,122**
26.	**Net investment income**			
	Capital gain from sale of securities	(Note: 26.1)	114,293,649	174,791,201
	Dividend income		52,455,591	35,956,074
			166,749,241	**210,747,275**
26.1	**Capital gain from sale of securities**			
	Sales price of shares		1,486,340,723	1,370,220,525
	Cost price of shares		(1,372,047,073)	(1,195,429,324)
			114,293,649	**174,791,201**

AMARSTOCK

			2016 Taka	2015 Taka
27.	**Fees & other income**			
	BO account opening and closing fees		45,640	101,315
	BO renewal fees		484,000	464,000
	IPO processing fees		9,310	12,065
	Central Depository Bangladesh Limited income	(Note: 27.1)	209,902	1,768,676
	Other income		125,406	143,068
			874,258	**2,489,124**
27.1	**Central Depository Bangladesh Limited income**			
	A. Central Depository Bangladesh Limited (CDBL) income			
	CDBL income - Transfer in/out		50,033	823,350
	CDBL income - Bonus/Right/IPO/Split/DEMAT		307,340	1,013,167
	CDBL income - Pledge/Unpledge		102,400	587,474
	CDBL income - Cash Back Rebate		-	632,371
			459,774	**3,056,362**
	B. Central Depository Bangladesh Limited (CDBL) expenses			
	CDBL expense - Transfer in/out		29,981	528,385
	CDBL expense - Bonus/Right/IPO/Split/DEMAT		159,808	379,352
	CDBL expense - Pledge/Unpledge		54,083	373,949
	CDBL expense - monthly connection fees		6,000	6,000
			249,872	**1,287,686**
	Net CDBL income (A - B)		**209,902**	**1,768,676**
28.	**Salaries & allowances**			
	Basic salaries		12,196,022	12,242,844
	Allowances		13,701,378	13,463,046
	Leave fare assistance		2,149,426	2,038,561
	Employer's contribution to provident fund		1,221,700	1,196,874
	Bonus		3,566,098	2,907,988
			32,834,624	**31,849,313**
29.	**Rent, taxes, insurance, electricity, etc.**			
	Rent expenses		14,950,390	10,682,644
	Insurance expenses		80,592	105,032
	Electricity expenses		2,315,455	1,916,107
	Fuel expenses		1,221,545	1,337,722
	Water and Sewerage		679,651	671,133
	Contrbution to investors' protection fund		23,713	15,778
	Authorise representative registration fees & training expenses		394,500	11,500
	Renewal of registration certificates, trade license, etc		602,183	356,982
	Subscriptions & membership fees expenses		28,000	64,100
			20,296,028	**15,160,998**
30.	**Legal expenses**		**397,000**	**275,375**
31.	**Postage, stamp, telecommunication, etc.**			
	Postage & courier		25,853	19,642
	Stamps-judicial/non-judicial		28,385	22,506
	Telephone, fax, PABX expense		162,440	158,662
	Mobile, internet, cable TV bills		393,386	440,155
			610,064	**640,965**

SMARTSTOCK

		2016 Taka	2015 Taka
32.	**Stationery, printing, advertisements, etc.**		
	Stationeries expenses- (printed materials)	464,915	363,508
	Stationeries - General (table/petty stationeries)	242,882	160,665
	Stationeries- Computer consumable (paper & accessories)	466,090	641,372
	Publicity expenses	-	20,000
	Periodicals, magazines, books, journals etc.	18,180	21,122
		1,192,067	**1,206,667**
33.	**Directors' fee & meeting expenses**		
	Director's fee	524,400	195,000
	Meeting, seminar and conference expenses	414,414	452,045
		938,814	**647,045**
34.	**Audit fees**		
	Annual audit fees	287,500	115,000
		287,500	**115,000**
35.	**Repair & maintenance of assets**		
	Office premises	687,735	264,057
	Furnitures and fixtures	105,375	24,542
	Office and electric appliances	306,672	430,473
	Electrical fittings	417,354	318,000
	Computer, software, printer, UPS etc.	674,392	542,155
	Repair, replacement and maintenance - vehicles	120,453	92,105
	Pool car expenses	329,427	334,267
	Network connectivity expenses	1,896,000	2,151,375
	Planting & nursary expense - office premises	72,300	70,725
	Flower expense - office premises	33,910	20,165
		4,643,618	**4,247,864**
36.	**Other expenses**		
	Bank charges	25,419	30,003
	Excise duty expense	85,500	62,500
	Commission expense- bank guarantees	575,400	1,265,300
	Cleaning & maintenance services	1,039,129	1,004,603
	Contractual service charges	795,433	953,112
	Staff uniform expense	110,859	101,805
	Support staff expense	1,378,195	1,246,368
	Security guard expense	2,135,174	2,256,456
	Training and development	18,333	191,829
	Traveling expense and allowances	54,991	377,891
	Conveyance expense-Local	289,058	213,330
	Regular canteen expense	1,516,921	1,577,130
	Entertainment expenses	165,975	183,340
	Business promotion expenses	120,576	461,107
	Newspapers	80,360	62,094
	Donation	-	10,000
	Miscellaneous - (others)	13,105	150,456
		8,404,428	**10,147,324**

AMARSTOCK

		2016 Taka	2015 Taka
37.	**Depreciation and amortization**		
	Depreciation-Furniture and Fixtures	1,226,665	1,204,956
	Depreciation-Office Appliances & Equipments	593,474	1,273,555
	Depreciation-Computer	1,170,692	1,952,400
	Depreciation-Motor Vehicles	598,098	598,104
	Amortization Expense-Software	44,206	966,288
		3,633,135	**5,995,303**
38.	**Current tax**	**34,341,920**	**34,308,963**
39.	**Deferred tax income**		
	Closing Balance of Defferred Tax Assets	(2,170,619)	(1,756,323)
	Opening Balance of Deferred Tax Assets	(1,756,323)	(621,203)
	Deferred Tax Income	**(414,296)**	**(1,135,120)**
40.	**Earning Per Share (EPS)**		
	a) Net profit after tax	81,050,563	76,081,460
	b) Total number of ordinary shares outstanding	171,600,000	156,000,000
	Earning Per Share (EPS) (a ÷ b)	**0.47**	**0.49**
	Earning Per Share (EPS) - Restated		**0.44**

41. Related party transaction

Name of the related party	Relationship	Nature of transaction	Transacton during year	Closing balance as at 31.12.2016	Closing balance as at 31.12.2015
Dhaka Bank Limited	Parent Company	Loan	145,656,257	1,913,441,442	2,059,097,699
Mr. A. T. M. Hayatuzzaman Khan	Spouse of Director	Advance Rent for Leased Premises	2,812,500	-	2,812,500

42. Issuance of Bonus Share

The Board of Directors of Dhaka Bank Securities Limited in its 30th Meeting held on 19 April 2016 recommended for issuance of 5(Five) Bonus share for every 100 (one hundred) shares for the year 2015 to the shareholders of the company which was subsequently approved by the shareholders in the 6th Annual General Meeting held on 19 May, 2016. The Bonus Shares will be alloted to the Shareholders upon receiving the consent from Bangladesh Securities and Exchange Commission (BSEC).

43. Date of authorisation

The Board of director has authorised these financial statements for issue on 27 April 2017.

Dhaka,
27 April 2017

Mohammad Ali
SVP & COO

Emranul Huq
Acting Managing Director

Abdul Hai Sarker
Director

Reshadur Rahman
Chairman

Dhaka Bank Securities Limited

Fixed Asset Schedule

For the year ended on December 31, 2016

Annexure-A

A. Property, Plant and Equipments:

(Amount In Taka)

Particulars	Cost			Rate %	Depreciation			Written Down Value as on 31.12.2016
	Balance as on 01.01.2016	Addition during the Period	Balance as on 31.12.2016		Balance as on 01.01.2016	Charges during the period	Balance as on 31.12.2016	
Furnitures & Fixtures	12,076,718	680,436	12,757,154	10%	5,693,448	1,226,665	6,920,113	5,837,041
Office Appliance & Equipments	6,714,120	281,900	6,996,020	20%	5,605,249	593,474	6,198,723	797,297
Computer	10,108,374	524,700	10,633,074	20%	8,372,449	1,170,692	9,543,141	1,089,933
Motor Vehicles	2,990,505	-	2,990,505	20%	2,392,407	598,098	2,990,505	-
As on 31 December 2016	**31,889,717**	**1,487,036**	**33,376,753**		**22,063,553**	**3,588,929**	**25,652,482**	**7,724,272**
As on 31 December 2015	**30,842,283**	**1,047,434**	**31,889,717**		**17,034,538**	**5,029,015**	**22,063,553**	**9,826,164**

B. Intangible Asset:

Particulars	Cost			Rate %	Depreciation			Written Down Value as on 31.12.2016
	Balance as on 01.01.2016	Addition during the Period	Balance as on 31.12.2016		Balance as on 01.01.2016	Charges during the period	Balance as on 31.12.2016	
Software	4,831,461	-	4,831,461	20%	4,787,255	44,206	4,831,461	-
As on 31 December 2016	**4,831,461**	**-**	**4,831,461**		**4,787,255**	**44,206**	**4,831,461**	**-**
As on 31 December 2015	**4,831,461**	**-**	**4,831,461**		**3,820,967**	**966,288**	**4,787,255**	**44,206**

SHARESTOCK

Dhaka Bank Investment Limited



Auditor's Report
to the Shareholders of Dhaka Bank Investment Limited

We have audited the accompanying financial statements of Dhaka Bank Investments Limited which comprise the Statement of Financial Position as on 31 December 2016 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 financial statements.

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 financial statements referred to above give a true and fair view of the financial position of Dhaka Bank Investments Limited as on 31 December 2016 and of the results of its operations and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS).

Report on Other Legal and Regulatory Requirements

We also report that the financial statements comply with the Companies Act 1994, the Securities and Exchange Act 1993, the Securities and Exchange Rules 1987, conditions for Registration issued by Bangladesh Securities and Exchange Commission and other applicable laws and regulations; and

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;

c) the financial statements dealt with by this report are in agreement with the books of account and returns; and

d) the expenditure incurred was for the purpose of business of the Dhaka Bank Investments Limited.

Dhaka,
27 April 2017

ACNABIN
Chartered Accountants

Dhaka Bank Investment Limited
Statement of Financial Position
As at 31 December 2016

Annexure - L

	Notes	31.12.2016 Taka	31.12.2015 Taka
ASSETS			
Non Current Assets			
Preliminary Expenditure	4	1,107,825	1,107,825
Current Assets			
Cash and Bank Balance	5	279,366,635	271,922,950
Advance Income Tax	6	3,263,995	2,436,330
		282,630,630	274,359,280
Total Assets		**283,738,455**	**275,467,105**
EQUITY AND LIABILITES			
Equity			
Paid up Capital	7	250,000,000	250,000,000
Retained Earnings	8	20,786,075	15,484,447
Total Equity		**270,786,075**	**265,484,447**
Liabilities			
Non-Current Liabilities		-	-
Current Liabilities			
Provision for Income Tax	9	11,548,655	8,693,933
Other Liabilities	10	1,403,725	1,288,725
		12,952,380	9,982,658
Total Liabilities		**12,952,380**	**9,982,658**
Total Equity and Liabilities		**283,738,455**	**275,467,105**

The annexed notes form an integral part of the Statement of Financial Position.

Emranul Huq
Managing Director

Md. Amirullah
Director

Khondoker Jamil Uddin
Chairman

This is the Statement of Financial Position referred to in our separate report of even date.

ACNABIN
Chartered Accountants

Dhaka,
27 April 2017

AMARSTOCK

Dhaka Bank Investment Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2016

Annexure - L

	Notes	2016 Taka	2015 Taka
Operating Income			
Interest income		-	-
Other Income	11	8,276,649	11,712,213
		8,276,649	**11,712,213**
Operating Expense			
General & administrative expenses	12	(120,300)	(117,300)
Profit Before Tax		**8,156,349**	**11,594,913**
Provision for Income Tax (Current Tax)		(2,854,722)	(4,058,220)
Net Profit after Tax		**5,301,627**	**7,536,693**
Other comprehensive Income		-	-
Net Profit for the period		**5,301,627**	**7,536,693**

The annexed notes form an integral part of the Statement of Profit or Loss and Other Comprehensive Income.

Emranul Huq
Managing Director

Md. Amirullah
Director

Khondoker Jamil Uddin
Chairman

This is the Statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of even date.

Dhaka,
27 April 2017

ACNABIN
Chartered Accountants

AMARSTOCK

Dhaka Bank Investment Limited

Statement of Changes in Equity

For the year ended 31 December 2016

Annexure - L

(Amount In Taka)

Particulars	Share Capital	Retained Eanings	Total Equity
Opening Balance	**-**	**-**	**-**
Paid up Share Capital	250,000,000	15,484,448	265,484,448
Add: Adjustment for prior year*	-	-	-
Net profit for the year	-	5,301,627	5,301,627
Balance as on 31 December 2016	**250,000,000**	**20,786,075**	**270,786,075**

Dhaka,
27 April 2017

Emranul Huq
Managing Director

Md. Amirullah
Director

Khondoker Jamil Uddin
Chairman

AMARSTOCK

Dhaka Bank Investment Limited

Statement of Cash Flows

For the year ended 31 December 2016

Annexure - L

		2016 Taka	2015 Taka
a.	**Cash Flows from Operating Activities**		
	Other Income	8,276,649	11,712,213
	Operating Expenses	(5,300)	(2,300)
	Cash generated from operating activities before changes in operating assets and liabilities	8,271,349	11,709,913
	Changes in Operating Assets and Liabilities		
	Advance Income Tax	(827,665)	(1,171,221)
	Net Cash Flow from Operating Activities	**7,443,684**	**10,538,692**
b.	**Cash Flows from Investing Activities**	**-**	**-**
c.	**Cash Flows from Financing Activities**		
	Proceeds from Issue of Shares	-	-
	Net Cash Flow from Financing Activities	**-**	**-**
	Net cash surplus for the period (a+b+c)	**7,443,684**	**10,538,692**
	Cash & Bank Balance at Beginning of the year	271,922,951	261,384,258
	Cash & Bank Balance at the end of the year*	**279,366,635**	**271,922,950**
	***Cash & Bank Balance**		
	Cash in Hand	-	-
	Cash at Bank	279,366,635	271,922,950
		279,366,635	**271,922,950**

Dhaka,
27 April 2017

Emranul Huq
Managing Director

Md. Amirullah
Director

Khondoker Jamil Uddin
Chairman

AMARSTOCK

Dhaka Bank Investment Limited
Notes to the Financial Statements
For the year ended 31 December 2016

1 Company and its Activities

1.1 Legal Status of the Company

Dhaka Bank Investment Limited was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration no. C-112730/13 dated 02 December, 2013 as a Private Company Limited by Shares having its registered office at Biman Bhaban (1st Floor), 100, Motijheel C/A, Dhaka -1000. The company is yet to obtain registration certificates from Securities and Exchange Commission.

1.2 Principal Activities of the Company

The principal activities of the company are to carry on the business of Merchant Banking in all its aspects and to act as Issue Managers in order to issue and offers, whether by way of public offer or otherwise of shares, stocks, debentures, bonds, units, notes, bills, warrants or any other instruments, to carry on the business of securities management and brokerage, Custodian service, Investment and Asset Management, Portfolio Management, Capital Market operations etc.

2 Significant Accounting Policies

a. The Financial Statements, namely, Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Cash Flow Statement & Statement of Changes in Equity and relevant notes thereto, of Dhaka Bank Investment are prepared on a going concern and accrual basis under the historical cost convention and in accordance with Bangladesh Accounting Standards (BAS) and other applicable laws and regulations.

b. Preliminary expenditure is recognized for formation, registration and capital raising of the company including legal and other professional services. Amortization of preliminary expenditure is recognised in statement of profit or loss and other comprehensive income on a straight line basis over 5 (five) years from the date of recognition.

c. The figures appearing in these Financial Statements have been rounded off to the nearest integer.

3. Directors' Responsibility Statement

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

AMAR STOCK

		31.12.2016 Taka	31.12.2015 Taka
4.	**Preliminary Expenditure**		
	Preliminary Expenditure	1,107,825	886,260
	Less: Amortization for the year	-	-
		1,107,825	886,260
	Add: Adjustment for prior year*	-	221,565
		1,107,825	**1,107,825**

* Dhaka Bank Investment Limited amortized Tk.221,565 for preliminary expenditure during the year 2014 but DBIL does not start operation till now. Amortization of preliminary expenditure will be charged after starting of operation. So, amount amortized in 2014 was restated in 2015.

5.	**Cash & Bank Balance**				
	Cash in Hand			-	-
	Cash at Bank		(Note: 5.1)	279,366,635	271,922,950
				279,366,635	**271,922,950**
5.1	**Cash at Bank**				
	Name of Bank	**Branch**	**A/C #**		
	Dhaka Bank Limited	Local Office	201.150.3401	114,971,897	111,908,952
	Dhaka Bank Limited	Gulshan Circle-2	102.150.0018	164,394,738	160,013,998
				279,366,635	**271,922,950**
6.	**Advance Income Tax**				
	Opening Balance			2,436,330	1,265,109
	Add: Addition during the year		(Note: 6.1)	827,665	1,171,221
				3,263,995	**2,436,330**
6.1	**Addition during the year**				
	Tax deducted at source			**827,665**	**1,171,221**
7.	**Share Capital**				
7.1	**Authorized Capital**				
	200,000,000 ordinary shares @ Tk. 10 each			**2,000,000,000**	**2,000,000,000**

7.2 Paid up Capital

The Issued, Subscribed and Paid-up Capital is Tk.250,000,000 divided into 25,000,000 ordinary shares of Taka 10 each fully paid. The Shareholding position of the company as on 31 December 2016 is as follows:

Sl. No.	Name of Shareholders	Number of Shares held	% Of Shareholding	31.12.2016 Amount in Taka	31.12.2015 Amount in Taka
1.	Dhaka Bank Limited, Represented by				
	Mr. Khondoker Jamil Uddin				
	Mr. Md. Amirullah	24,999,994	99.999976	249,999,940	249,999,940
	Mr. Tahidul Hossain Chowdhury				
	Mr. Mirza Yasser Abbas				
2.	Mr. Shafiqul Islam Sarker	1	0.000001	10	10
3.	Mr. Mohammad Ashiqur Rahman	1	0.000001	10	10
4.	Mr. Hasanuzzaman	1	0.000001	10	10
5.	Mr. Asif Hanif	1	0.000001	10	10
6.	Mr. Latiful Bari	1	0.000001	10	10
7.	Ms. Nabila Mirza	1	0.000001	10	10
		25,000,000	**100**	**250,000,000**	**250,000,000**

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		31.12.2016 Taka	31.12.2015 Taka
8.	**Retained Earnings**		
	Opening Balance	15,484,448	7,726,189
	Add: Net Profit for the Period	5,301,627	7,536,694
	Add: Adjustment for prior year*	-	221,565
		20,786,075	**15,484,448**

* Dhaka Bank Investment Limited amortized Tk.221,565 for preliminary expenditure during the year 2014 but DBIL has not yet started operation. Amortization of preliminary expenditure will be charged after starting of operation. So, amount amortized in 2014 was restated in 2015.

9.	**Provision for Income Tax**		
	Opening Balance	8,693,933	4,635,713
	Add: Addition during the year	2,854,722	4,058,220
		11,548,655	**8,693,933**
10.	**Other Liabilities**		
	Payable to Dhaka Bank Limited	1,173,725	1,173,725
	Provision for Audit Fees	230,000	115,000
		1,403,725	**1,288,725**

		2016 Taka	2015 Taka
11.	**Other Income**		
	Interest on SND A/C	**8,276,649**	**11,712,213**
12.	**General & administrative expenses**		
	Amortization of Preliminary Expenditure	-	-
	Audit Fees	115,000	115,000
	Stationery, Printing, Advertisement etc.	-	-
	Bank Charges & Other	5,300	2,300
		120,300	**117,300**

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Disclosures On Risk Based Capital

Notes to the Financial Statements

For the year ended 31 December 2016

Annexure - M

Background:

The Disclosure on Risk Based Capital (under pillar 3 of Basel III framework) has been prepared in accordance with the Guidelines on 'Risk Based Capital Adequacy' published by Bangladesh Bank on December 2014. These disclosures are purported to affirm the information on Minimum Capital Requirement (MCR) under Pillar 1 and Supervisory Review Process (SRP) under Pillar 2 and ensure transparency about the capital adequacy of the Bank, capital adequacy framework, risk assessment and mitigation methodologies, risk exposure in various spectrum so that the stakeholders of the industry can examine the risk related compliance of the Bank.

1. Scope of Application:

1.1 Qualitative Disclosure:

a) The Risk Based Capital Adequacy and related disclosures are applicable for Dhaka Bank Limited which is the top corporate entity of the group which has 2 (two) subsidiaries- Dhaka Bank Securities Limited and Dhaka Bank Investment Limited.

b) **Brief Description of the Subsidiaries:**

1. **Dhaka Bank Securities Limited:**
Dhaka Bank Securities Limited (the name of company has been changed from DBL Securities Limited to Dhaka Bank Securities Limited dated 27 April 2014) was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration no. C-85857/10 dated 19 July 2010 as a Private Company Limited by Shares having its registered office at Adamjee Court (1st Floor), 115-120, Motijheel C/A, Dhaka -1000. The company is the Trading Right Entitlement Certificate (TREC) holder of both the stock exchanges of the country (TREC No. 193 in DSE and TREC No. 081 in CSE). The Company commenced its business operations from 13 February 2011 as a wholly owned subsidiary of Dhaka Bank Limited.

2. **Dhaka Bank Investment Limited:**
Dhaka Bank Investment Limited was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration no. C-112730/13 dated 02 December, 2013 as a Private Company Limited by Shares having its registered office at Biman Bhaban (1st Floor), 100, Motijheel C/A, Dhaka -1000. The company is yet to obtain registration certificates from Securities and Exchange Commission.

Basis for Consolidation:

The quantitative disclosures are made on the basis of consolidated audited financial statements of the bank and its subsidiaries as at and for the year ended December 31, 2016. The consolidated financial statements have been prepared in accordance with Bangladesh Accounting Standard-27 "Consolidated and Separate Financial Statements". The consolidated financial statements are prepared to a common financial year ended 31 December 2016.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profit and loss resulting from transaction between Groups is also eliminated on consolidation.

c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group: **Not applicable.**

1.2 Quantitative Disclosure:

a) The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group: **Not applicable**

2. Capital Structure

2.1 Qualitative Disclosure

Under Basel-III Accord regulatory capital of a bank will be categorized into three tiers: (a) Tier-1 Capital/Core Capital, (b) Tier-2 Capital/Supplementary Capital, and (c) Tier-3 Capital/Additional Supplementary Capital.

Total eligible regulatory capital of Dhaka Bank Limited consists of partly Tier-1 Capital and partly Tier-2 Capital. Almost 63.04% (Solo basis) of total eligible capital is Tier-1 or core capital, which comprises of Paid-up Capital, Statutory Reserve, Retained Earnings, General Reserve, etc. On the other hand, Tier-2 or supplementary capital (comprises of Non-convertible Subordinated Bond, General Provision, Asset Revaluation Reserve, and Revaluation Reserves for Securities) is 36.96% of total eligible capital and almost 58.62% of Tier-1 capital.

Non-convertible Subordinated Bond

Dhaka Bank Limited issued Redeemable Non Convertible Subordinated Bond of BDT 2,000,000,000 for a term of 7 years to strengthen the capital base of the bank on the consent of SEC vides letter no. SEC/CI/CPLC-10/2001-256 dated 09.09.2010. As per BRPD Circular No. 10/2002 and BRPD Circular No. 13/2009 issued by Bangladesh Bank, among the total BDT 2,000,000,000 of Subordinated Bond, BDT 400,000,000 i.e. 2.90% of Tier-I capital has been considered as a component of Supplementary Capital (Tier-2) of the Bank.

Dhaka Bank Limited also issued Redeemable Non Convertible 2nd Subordinated Bond of BDT 3,000,000,000 for a term of 7 years to strengthen the capital base of the bank on the consent of SEC vides letter no. SEC/CI/DS-34/2015/643 dated 28.12.2015. As per BRPD Circular No. 10/2002 and BRPD Circular No. 13/2009 issued by Bangladesh Bank, the total BDT 3,000,000,000 of 2nd Subordinated Bond i.e. 21.79% of Tier-I capital has been considered as a component of Supplementary Capital (Tier-2) of the Bank.

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2.2 Quantitative Disclosure

Sl. No.	Particulars	Amount (in crore BDT)	
		Consolidated	Solo
A.	**Tier-1 Capital (Going-Concern Capital):**		
	Common Equity Tire- 1 Capital (CET- 1)		
	Fully Paid-up Capital	687.90	687.90
	Statutory Reserve	585.03	585.03
	General Reserve	12.21	12.21
	Retained Earnings	138.56	94.23
	Minority Interest in Subsidiaries	0.00	0.00
	Sub-Total:	**1,423.70**	**1,379.37**
	Less : Regulatory Adjustment:		
	Book value of Goodwill and value of all other Intangible Assets**	2.39	2.39
	Deferred Tax Assets (DTA)	0.22	0.00
	Sub-Total:	**2.61**	**2.39**
	Total Common Equity Tire- 1 Capital (CET 1)	**1,421.09**	**1,376.98**
	Additional Tire- 1 Capital (AT- 1)	**0.00**	**0.00**
	Total Tier-1 Capital (A):	**1,421.09**	**1,376.98**
B.	**Tier-2 Capital (Gone Concern Capital):**		
	General Provision (including provision for Off-Balance Sheet Exposure)	445.87	445.87
	Assets Revaluation Reserves up to 80%	19.45	19.45
	Revaluation Reserve for HTM & HFT Securities (up to 80%)	1.85	1.85
	Non-convertible Subordinated Bond	340.00	340.00
	Sub Total:	**807.17**	**807.17**
	Less : Regulatory Adjustment	**0.00**	**0.00**
	Total Tier-2 Capital (B):	**807.17**	**807.17**
C.	**Total Eligible Regulatory Capital (A+B):**	**2,228.27**	**2,184.15**

**Written down value of Software which is treated as Intangible Assets

3. Capital Adequacy

3.1 Qualitative Disclosure

As per the Guidelines on Risk Based Capital Adequacy (RBCA) for Banks under Basel-III Accord each banks have to maintain Capital to Risk-weighted Asset Ratio (CRAR) on solo basis and consolidated basis as per instructions given by Bangladesh Bank from time to time. The minimum CRAR for the year ended December, 2016 was 10.625% of total Risk Weighted Assets.

Dhaka Bank Limited strictly follows the guidelines of Bangladesh Bank regarding capital adequacy and its policy is to maintain regulatory capital at a level higher than the minimum required capital.

3.2 Quantitative Disclosure:

Sl. No.	Particulars	Amount (in crore BDT)	
		Consolidated	Solo
1.	**Risk Weighted Assets:**		
	For Credit Risk:		
	On-Balance Sheet	13,229.23	12,990.48
	Off-Balance Sheet	1,713.10	1,713.10
	For Market Risk	378.20	144.29
	For Operational Risk	1,177.73	1,131.13
	Total:	**16,498.27**	**15,979.00**

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Sl. No.	Particulars	Amount (in crore BDT)	
		Consolidated	Solo
2.	**Minimum Capital Required:**		
	For Credit Risk	1,587.62	1,562.26
	For Market Risk	40.18	15.33
	For Operational Risk	125.13	120.18
	Total:	**1,752.94**	**1,697.77**
3.	**Total Eligible Regulatory Capital:**		
	Tier-1 Capital/Core Capital	1,421.09	1,376.98
	Total Tier-2 Capital/Supplementary Capital	807.17	807.17
		2,228.27	**2,184.15**
4.	**Capital Adequacy Ratio:**		
	Tier-1 Capital to RWA	8.61%	8.62%
	Tier-2 Capital to RWA	4.89%	5.05%
	Total:	**13.51%**	**13.67%**

4. Credit Risk

4.1 Qualitative Disclosure Exposure to Credit Risk

Credit risk is the risk of financial loss resulting from failure by a client or counterparty to meet its contractual obligations to the Bank. Bank is exposed to credit risk from its dealing with or lending to corporate, individuals, and other banks or financial institutions.

Past due Claims

Special mention: These assets have potential weaknesses thus deserve management's close attention. If left uncorrected, these weaknesses may result in a deterioration of the repayment prospects of the borrower.

Sub–standard: These are the loans where bank has reason to doubt about the repayment of the loan although recovery prospect is encouraging.

Doubtful: Full repayment of principal and interest is unlikely and the possibility of loss is extremely high.

Bad /Loss: These are the loans that have a bleak recovery possibility.

Capital Requirement for Credit Risk

The capital requirement for credit risk is based on the risk assessment made by external credit assessment institutions (ECAIs) recognized by BB for capital adequacy purposes. Banks are required to assign a risk weight to both on-balance sheet and off-balance sheet exposures based on external credit rating (solicited) which mapped with the BB rating grade or a fixed weight specified by BB.

Minimum regulatory capital for credit risk is calculated by multiplying the Risk Weighted Assets (RWA) for both on balance sheet and off-balance sheet exposure with a certain percentage (10.625% for 2016).

Credit Risk Management System

Dhaka Bank is managing Credit Risk through a robust process that enables the bank to proactively manage loan portfolios in order to minimize losses and earn an acceptable level of return for shareholders.

Credit risk is controlled and monitored by establishing appropriate limits and operational controls to constrain credit exposure to individual counter parties and counterparty groups. There are specific policies and procedures applicable to different business segments.

Credit Risk Mitigation

Banks use a number of techniques to reduce their credit risk to which they are exposed. Guidelines on Risk Based Capital Adequacy (RBCA) consider two aspects of credit risk mitigation:

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a) Collateral for Credit Risk Mitigation

Taking collateral is the most common way to mitigate credit risk. The Bank generally takes collaterals in the form of pledges of sufficient eligible marketable securities or cash, mortgages over the property etc. All of the collaterals taken do not necessarily qualify for availing capital relief under the Basel-III Accord on capital adequacy.

Where a transaction is secured by eligible financial collateral and meets the eligibility criteria and minimum requirements, banks are allowed to reduce their credit exposure or potential credit exposure by taking into account the risk mitigating effect of the collateral for the calculation of capital charge.

To ensure with a high degree of certainty that the collateral value will cover the exposure, discounts ("haircuts") are generally applied to the current market value. These reflect the quality, liquidity, volatility and, in some cases, the complexity of the individual instruments. Exposures and collateral values are continuously monitored, and margin calls or close-out procedures are enforced, when the market value of collateral falls below a predefined trigger level. Concentrations within individual collateral portfolios and across clients are also monitored where relevant and may affect the discount applied to a specific collateral pool.

Dhaka Bank has developed stringent process on collateral management. The collaterals considered by Dhaka Bank for credit risk mitigation (for capital calculation under standardized approach) comprise of financial collaterals (Bank deposits, Gold, Debt securities, equities, units of mutual funds etc). A detail process of calculation of correct valuation and application of haircut has been put in place with the help of core banking software Flex-cube (State of the art banking software of Dhaka Bank).

Majority of financial collaterals held by Dhaka Bank are in the form of own deposits and thus are not exposed to any uncertainty in realization in case of default by counterparty. As such, there is no risk concentration on account of nature of collaterals.

b) Guarantee for Credit Risk Mitigation

To reduce credit risk transaction may be secured by guarantees. Where guarantees are direct, explicit, irrevocable and unconditional banks may consider such credit protections in calculating capital requirements through a substitution approach. Only guarantees issued by entities with a lower risk weight than the counterparty will lead to reduced capital charge, whereas the uncovered portion retains the risk weight of the underlying counterparty.

In Dhaka Bank only those guarantees that are direct, explicit, irrevocable and unconditional, are taken into consideration for calculating capital requirement. Use of such guarantees for capital calculation purpose is strictly as per Bangladesh Bank Guidelines on Risk Based Capital Adequacy.

4.2 Quantitative Disclosure:

4.2.1 Total gross credit risk exposures broken down by major types of credit exposure

(Amount in Crore BDT)

Particulars	Consolidated	Solo
Cash and Cash equivalents	179.75	179.74
Claims on Bangladesh Government and Bangladesh Bank	3,371.14	3,371.14
Claims on Banks & NBFI:	1,464.06	1,458.16
Claims on Corporate	7,438.90	7,424.49
Credit Risk Mitigation	1,312.68	1,312.68
Claims included in retail portfolio & Small Enterprise	1,802.53	1,802.53
Claims on Consumer Loan	67.78	67.78
Claims fully secured by residential property	69.76	69.76
Claims fully secured by commercial real estate	1,387.60	1,387.60
Past due claims	299.73	299.73
Capital market exposure	434.82	229.25
Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book	445.11	347.40
Investments in premises, plant and equipment and all other fixed assets	420.13	419.35
All other assets:		
I) Claims on GOB & BB	162.66	162.66
ii) Staff Loan / Investment	107.77	107.77
iii) Other Assets	808.59	968.90
Total:	**19,901.37**	**19,608.95**

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(Amount in Crore BDT)

Types of Loan	2016	2015
Secured Overdraft/Quard	3,168.60	3,015.17
Cash Credit/Murabaha	681.98	847.19
House Building Loan	188.09	83.51
Transport Loan	56.35	88.49
Term Loan	4,405.76	3,675.04
Loan Against Trust Receipt	423.10	785.97
Payment Against Documents	11.06	10.27
Loan Against Imported Merchandize	0.19	6.36
Loan Against Accepted Bills	140.47	113.37
Packing Credit	39.65	29.00
Lease Finance / Izara	223.31	193.83
Credit Card	29.52	26.87
Retail Loan	49.99	62.23
Bills Purchased and discounted	312.63	239.46
Other Loans (Including Bai-Muajjal)	3,738.24	2,607.25
Grand Total	**13,468.93**	**11,784.02**

4.2.2 Geographical Distribution of Exposure (Region Based):

(Amount in Crore BDT)

Particulars	2016	2015
Urban		
Dhaka Region	9,068.96	7,522.00
Chittagong Region	2,414.97	2,455.38
South Region	234.07	227.39
North Region	240.33	251.72
Sylhet Region	87.28	68.78
Other	511.75	461.81
Sub. Total	**12,557.34**	**10,987.08**
Rural		
Dhaka Region	451.90	417.55
Chittagong Region	111.59	105.89
South Region	0.00	0.00
North Region	166.60	116.97
Sylhet Region	12.82	13.94
Other	168.68	142.59
Sub. Total	**911.59**	**796.94**
Grand Total	**13,468.93**	**11,784.02**

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4.2.3 Industry or counterparty type distribution of exposures:

(Amount in Crore BDT)

Industry	2016	2015
Agriculture	166.04	54.57
Pharmaceuticals	85.69	91.94
Textile & Garment	3,701.47	2,886.82
Chemical	141.80	151.76
Food & allied	913.52	690.97
Transport & Communication	227.08	364.06
Electronics & Automobile	3.53	185.48
Housing & Construction	1,640.72	1,489.11
Engineering & Metal Industries including Ship Breaking & Building	1,238.09	1,412.05
Energy & Power	422.00	384.68
Service	571.23	539.25
Other	4,357.76	3,533.34
Grand Total	**13,468.93**	**11,784.02**

4.2.4 Residual contractual maturity of credit exposure:

(Amount in Crore BDT)

Particulars	2016	2015
On demand	1,406.58	3,351.99
Up to one month	1,689.09	1,819.62
Not more than three months	2,487.56	1,101.21
More than three months but not more than six months	2,917.52	1,133.99
More than six months but not more than one year	1,920.45	1,754.45
More than one year but not more than five years	2,534.44	2,398.91
More than five years	513.30	223.85
Total	**13,468.93**	**11,784.02**

4.2.5 Major Industry type amount of impaired loans:

(Amount in Crore BDT)

Industry Name	SS	DF	BL	Total
Agriculture	1.21	2.52	0.65	4.39
Pharmaceuticals	-	-	-	-
Textile & Garment	8.85	14.06	78.88	101.79
Chemical	-	-	0.36	0.36
Food & allied	0.13	2.29	32.50	34.93
Transport & Communication	-	-	2.53	2.53
Electronics & Automobile	-	-	-	-
Housing & Construction	5.70	0.70	88.68	95.08
Engineering & Metal Industries including Ship Breaking & Building	0.18	-	8.85	9.02
Energy & Power	-	-	-	-
Service	0.33	0.44	48.35	49.12
Other	9.34	8.78	224.96	243.09
Grand Total	**25.75**	**28.80**	**485.75**	**540.29**

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4.2.6 Gross Non Performing Assets (NPAs)

(Amount in Crore BDT)

	2016	2015
Gross Non Performing Assets (NPAs)	540.29	549.06
Non Performing Assets (NPAs) to Outstanding Loans & Advances	4.01%	4.66%
Movement of Non Performing Assets (NPAs):		
Opening Balance	549.06	565.73
Additions	271.22	750.66
Reductions	279.99	767.32
Closing Balance	**540.29**	**549.06**
Movement of specific provisions for NPAs:		
Provision held at the beginning of the year	190.27	212.03
Specific provision	95.40	68.05
Recoveries from written off loans	5.05	0.00
Fully provided debt written off	(46.05)	(47.79)
Provision no longer required	**(3.76)**	**(42.02)**
Provision held at the end of the year	**240.91**	**190.27**

5 Equities: Disclosures for Banking Book Positions

5.1 Qualitative Disclosures

Dhaka Bank Limited has considerable investment in equity shares of various companies and mutual funds and has active participation in the secondary market through Dhaka Bank Securities Limited. The bank also participates in the primary market by the purchase of shares and securities from private placement for institutional investors. There is an investment committee for the management of investment portfolio and associated risk to which bank may be exposed. In the
investment process Dhaka Bank strictly follow the internal policies and procedures put into place in this respect.

Valuation of Equity Securities

Shares and securities are valued as per the prescribed guideline of Bangladesh Bank and adequate provision is maintained accordingly for unrealized losses (if any).

Capital Charge for Equity Position Risk

Capital charge for equities are calculated on the basis of their current market value in the bank's trading book. This capital charge is calculated taking into account both the specific risk and the general market risk factor by applying the same rate of minimum capital adequacy ratio (10.625% for 2016).

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5.2 Quantitative Disclosure

5.2.1 Equity Position

Sl. No.	Particulars	Amount (in Crore BDT)	
		Consolidated	Solo
1.	Investment in Equity Securities:		
	Cost price	152.64	2.60
	Market Price	122.49	4.95
	Difference	(30.15)	2.35
2.	The cumulative realized gains (losses) arising from sales and liquidation	10.88	(0.55)
3.	Total unrealized gains (losses)	**(30.15)**	**2.35**
4.	Total latest revaluation gains (losses)	-	-
5.	Any amount of the above included in Tier 2 capital	-	-
6.	Capital requirements broken down by appropriate equity grouping, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements (10% on market value).		
	• Specific Market Risk	12.19	0.50
	• General Market Risk	12.19	0.50

6. Interest Rate Risk in the Banking Book (IRRBB)

6.1 Qualitative Disclosures

Interest rate risk is the risk where changes in the market interest rates might adversely affect a bank's financial condition. The immediate impact of changes in interest rates is on the Net Interest Income (NII). A long term impact of changing interest rates is on the bank's net worth since the economic value of banks' assets, liabilities and off-balance sheet positions get affected due to variation in market interest rates.
In Dhaka Bank the responsibility of interest rate risk management rests with the bank's Assets Liability Management Committee (ALCO). The bank periodically computes the interest rate risks in the banking book that arises due to re-pricing mismatches in interest rate sensitive assets and liabilities. For the purpose of monitoring such interest rate risk, the bank has in place a system that tracks the re-pricing mismatches in interest bearing assets and liabilities. For the computation of the interest rate mismatch the guidelines of the Bangladesh Bank are followed.

6.2 Quantitative Disclosures (for 1% change in interest rate for both asset and liability portfolio of the bank)

The Increase (decline) in earning or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB broken down by currency (as relevant):

Particulars	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	More than 5 years
Rate Sensitive Assets	2,316.88	3,923.65	5,103.15	3,372.13	2,014.84
Rate Sensitive Liabilities	1,924.05	3,674.36	4,437.35	2,872.70	895.69
GAP	392.82	249.28	665.80	499.43	1,119.14
Cumulative GAP	392.82	642.11	1,307.91	1,807.34	2,926.48
Adjusted Interest Rate Changes	1.00%	1.00%	1.00%	1.00%	1.00%
Quarterly Earnings Impact	0.98	0.62	1.66	1.25	2.80
Accumulated Earnings Impact	0.98	1.61	3.27	4.52	7.32
Earning Impact/Avg. Quarterly Net Profit	0.96%	0.61%	1.63%	1.23%	2.75%

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7. Market Risk

7.1 Qualitative Disclosure

Views of Board of Directors (BODs) on trading/investment activities:

Market risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate due to changes in different market variables, namely:

- Interest Rate Risk
- Equity Position Risk
- Foreign Exchange Risk
- Commodity Risk

All these risks are monitored by the Treasury. The foreign exchange risk is managed by setting limits on open foreign exchange position.

Methods Used to Measure Market Risk

To measure of market risk the Bank uses Value-at-Risk (VaR).

Market Risk & Liquidity Risk Management Policies and System

The objective of investment policy covering various facets of Market Risk is to assess and minimize risks associated with treasury operations by extensive use of risk management tools. Broadly it encompasses policy prescriptions for managing systematic risk, credit risk, market risk, operational risk and liquidity risk in treasury operations.

For market risks arising out of various products in trading book of the Bank and its business activities, the bank sets regulatory internal and ensure adherence thereto. Limits for exposure to counter-parties, industries and countries are monitored and the risks are controlled through Stop Loss limits, Overnight limit, Daylight limit, Aggregate Gap limit, Value at Risk (VAR) limit for forum, inter-bank dealing and investment limit etc.

For the Market Risk Management of the bank, it has a mid-office with separate Desks for Treasury & Asset Liability Management (ALM). Asset Liability Management Committee (ALCO) is primarily responsible for establishing the market risk management, asset liability management of the bank, procedures thereof, implementing core risk management framework issued by regulator, best risk management practices followed globally and ensuring that internal parameters, procedures, practices/polices and risk management prudential limits are adhered to.

Liquidity risk of the bank is assessed through Gap analysis for maturity mismatch based on residual maturity in different time buckets as well as various liquidity ratios and management of the same is done within the prudential limit fixed thereon. Further bank is also monitoring the liquidity position through various stock ratios. The bank is proactively using duration gap and interest rate forecasting to minimize the impact of interest rate changes.

Interest Rate Risk in the Trading Book

Dhaka Bank uses maturity method in measuring interest rate risk in respect of securities in the trading book. However, the capital charge for entire market risk exposure is calculated under the standardized approach using the maturity method and guideline of Bangladesh Bank in this respect.

7.2 Quantitative Disclosure: Capital Requirement for Market Risk

Particulars	Amount (in Crore BDT)	
	Consolidated	Solo
The capital requirements for:		
Interest Rate Risk	0.0025	0.0025
Equity position risk	24.3817	0.9900
Foreign exchange risk	13.4362	13.4362
Commodity risk	-	-
Total	**37.8204**	**14.4288**

8. Operational Risk

8.1 Qualitative Disclosure

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems (for example failed IT systems, or fraud perpetrated by a DBL employee), or from external causes, whether deliberate, accidental or natural. It is inherent in all of the Bank's activities.

Views of Board of Directors (BODs) to Operational Risk

Dhaka Bank's approach to operational risk is not designed to eliminate risk altogether but rather, to contain risks within levels deemed acceptable by senior management. Operational risks are monitored and, to the extent possible, controlled and mitigated.

All functions, whether business, control or logistics functions, must manage the operational risks that arise from their activities. Operational risks are pervasive, as a failure in one area may have a potential impact on several other areas. The Bank has therefore established a cross-functional body to actively manage operational risk as part of its governance structure.

The foundation of the operational risk framework is that all functions have adequately defined their roles and responsibilities. The functions can then collectively ensure that there is adequate segregation of duties, complete coverage of risks and clear accountability. All the functions use their controls to monitor compliance and assess their operating effectiveness in several ways, including self-certification by staff, tracking of a wide range of metrics (for example, the number and characteristics of client complaints, deal cancellations and corrections, un-reconciled items on cash and customer accounts, and systems failures), and the analysis of internal and external audit findings.

Performance Gap of Executives and Staffs

Dhaka Bank always tries to be the best pay master in the sector and ensure best workplace safety for its employees to avoid inconsistent employment practices and unsound workplace safety caused by way of discrimination regarding employee's compensation, health and safety.

Potential External Events

Dhaka Bank has invested heavily in IT infrastructure for better automation and online transaction environment. The bank also has huge investment on alternative power supply (both UPS & generators) and network links to avoid business description and system failure. Its IT system does not allow any kind of external access to avoid external fraud by way of theft/ hacking of information assets, forgery etc. Dhaka Bank has also invests considerable on security from terrorism and vandalism to avoid damage to physical assets.

Approach for Calculating Capital Charges for Operational Risk

For calculating eligible regulatory capital under Basel-II Capital Accord, Dhaka Bank follows the Basic Indicator Approach.

8.2 Quantitative Disclosure

Capital requirement for Operational Risk exposure of Dhaka Bank is as below:

Particulars	Amount (in Crore BDT)	
	Consolidated	Solo
The capital requirements for Operational Risk	117.77	113.11

9. Liquidity Ratio

9.1 Qualitative Disclosure

Qualitative Disclosures	(a)	**Views of Board of Directors on system to reduce liquidity Risk:** The Board reviews and approves the Assets Liability Management Policies and ensures that senior management manages liquidity risk effectively in the context of the Bank's business plan, long term funding plan and economic and financial position. DBL uses liquidity ratios and stressed liquidity gaps as key metrics to establish its liquidity risk tolerance levels. These metrics measures the Bank's ability to fulfill all its payment obligations stemming from ongoing business operations under various stress scenarios. The tolerance levels are defined either in the form of limits or management action triggers (MAT) and are part of the Bank's overall liquidity management framework which is approved and reviewed by the Board on an annual basis.

	(b)	**Methods used to measure Liquidity risk:** There are different tools prescribed by Bangladesh Bank to measure and monitor liquidity risks. Following ratios are used by DBL as indicators for liquidity risks: i. Statutory Liquidity Requirement (SLR); ii. Cash Reserve Ratio (CRR); iii. Asset to Deposit Ratio (ADR); iv. Structural Liquidity Profile (SLP); v. Maximum Cumulative Outflow (MCO); vi. Medium Term Funding Ratio (MTF); vii. Liquidity Coverage Ratio (LCR); viii. Net Stable Funding Ratio (NSFR); ix. Volatile Liability Dependency Ratio; x. Liquid Asset to Total Deposit Ratio; xi. Liquid Asset to Short Term Liabilities; In addition to the above, DBL uses Stress Testing report and Liquidity mismatch profile as the methods to measure Liquidity risk.
	(c)	**Liquidity risk management system:** Asset Liability Management Committee (ALCO) of DBL sets the direction for the Bank's liquidity management. ALCO meets at least once in every month and more as and when required. ALM desk of the Treasury Division closely monitors and controls liquidity requirements on regular basis by proper coordination of funding activities. It also monitors market developments, understanding their implications for the Bank's liquidity risk exposure and recommends appropriate risk management measures to ALCO. Another strategy of liquidity risk management is to develop a diversified funding base. It aims to align sources of funding with their use.
	(d)	**Policies and processes for mitigating liquidity risk:** Dhaka Bank Ltd. has Contingency Funding Plan and Treasury Policy as a policy support to mitigate liquidity risk. The Board and the management of DBL put into operation the following check points and mechanisms for superior liquidity risk management: • **Liquidity risk tolerance:** Bank set liquidity risk tolerance like Maximum Cumulative Outflow at 19%; • Maintaining adequate levels of liquidity considering the average daily withdrawal by the customers; • Identification and measurement of contingent liquidity risks arising from unseen scenarios. • **Contingency funding plan:** Contingency funding plans incorporate events that could rapidly affect the bank's liquidity arising from sudden inability to call back long-term loans and advances, or the loss of a large depositor or counterparties. • Public disclosure in promoting market discipline under Pillar 3 of Basel III. • Maturity ladder of cash inflows and outflows are effective tool to determine banks cash position; that estimates cash inflows and outflows with net deficit or surplus (GAP) both on a day to day basis and over a series of specified time periods. • A bucket wise (e.g. call, 2-7 days, 1 month, 1-3 months, 3-12 months, 1-5 years, over 5 years) maturity profile of the assets and liabilities is prepared to understand mismatch in every bucket.

9.2 **Quantitative Disclosure:**

Particulars	Amount (in Crore BDT)
Liquidity Coverage Ratio	100.99%
Net Stable Funding Ratio (NSFR)	111.21%
Stock of High quality liquid assets	3,544.23
Total net cash outflows over the next 30 calendar days	3,509.54
Available amount of stable funding	15,550.17
Required amount of stable funding	13,982.30

10. Leverage Ratio

10.1 Qualitative Disclosure

Qualitative Disclosures	(a)	**Views of Board of Directors on system to reduce liquidity Risk:** An underlying cause of the global financial crisis was the build-up of excessive on- and off-balance sheet leverage in the banking system. At the height of the crisis, financial markets forced the banking sector to reduce its leverage in a manner that amplified downward pressures on asset prices. This deleveraging process exacerbated the feedback loop between losses, falling bank capital and shrinking credit availability. To defuse the crisis, the Basel III framework introduced a non-risk-based capital measure, the leverage ratio, as an additional prudential tool to complement minimum capital adequacy requirements. Leverage ratio is the relative amount of Tier 1 capital to total exposure of the Bank (not risk-weighted) which has been set at minimum 3%. Under Basel III, a simple, transparent, non-risk based regulatory leverage ratio has been introduced to achieve the following objectives: • Restrict the leverage in the banking sector, thus helping to mitigate the risk of the destabilizing deleveraging processes which can damage the financial system and the economy • Reinforce the risk-based requirements with a simple, transparent, independent measure of risk The Board Risk Management Committee regularly reviews the leverage ratios and advice the management to strictly monitor the ratio in addition to the Pillar 1 Minimum Capital Requirement.
	(b)	**Policies and processes for managing excessive on and off-balance sheet leverage:** The bank reviews its leverage position as per the Guidelines on Risk Based Capital Adequacy (revised regulatory capital framework for banks in line with Basel III). In addition, the bank has Risk Appetite as per Credit Risk Management Policy. Bank also employs Annual Budget Plan and Capital Growth Plan for managing excessive on and off-balance sheet leverage.
	(c)	**Approach for calculating exposure:** The bank calculates the exposure under standardized approach as per the Guidelines on Risk Based Capital Adequacy (revised regulatory capital framework for banks in line with Basel III).

10.2 Quantitative Disclosure:

(in Crore BDT)

Particulars	Amount (Consolidated)	Amount (Solo)
Leverage Ratio	5.88%	5.73%
On balance sheet exposure	20,086.78	19,978.25
Off balance sheet exposure	4,063.81	4,063.81
Total exposure	24,147.98	24,039.67

*Leverage ratio come into effect from March 31, 2015 as per RBCA Guidelines.

11. Remuneration

11.1 Qualitative Disclosure

Qualitative Disclosures	(a)	The remuneration committee provides assistance to the Board in relation to the remuneration arrangements of the Bank. The Board makes all final decisions in relation to those arrangements. The current members of the Committee are as follows: 1. Syed Mahbubur Rahman, Managing Director & CEO 2. Darashiko Khasru, EVP & CFO 3. Md. Katebur Rahman, FVP The committee is responsible to give input into the total risk framework in relation to remuneration risk, in particular, recommending to the Board the remuneration arrangements. The Committee's remuneration responsibilities include conducting reviews of, and making recommendations to the Board on, the remuneration policy taking into account the Bank's strategy, objectives, risk profile, shareholder interests, regulatory requirements, corporate governance practices and employee interests.

		The Committee may consult a professional adviser or expert, at the cost of the Bank, if the committee considers it necessary to carry out its duties and responsibilities. No remuneration recommendations were obtained from external consultants during the reporting period. The Board has approved a remuneration policy which applies to the Bank. The policy does not apply to service contracts with third parties. The policy deals with base remuneration and performance based remuneration including the deferral of short-term incentive payments. As on 31 December 2016, we have 94 branches, 3 SME service centers, 1 Kiosk and 1 Offshore Banking Unit in different areas of Bangladesh. The Bank has no foreign subsidiaries and branches. For the purposes of the accompanying remuneration disclosures, the "senior managers" of the bank comprise of Managing Director, the heads of appropriate big branches, the heads of operation, corporate, and credit risk functions and the company secretary. There were 47 senior managers as at the end of the reporting period.
	(b)	The policy establishes a remuneration framework designed to attract, retain, and motivate employees to achieve the objectives of the bank. The framework is structured to provide the desired flexibility and reward arrangements to support the Bank's strategy. The main features of the remuneration framework are: simplicity, fairness, alignment with values, appropriate risk behavior and transparency. Salary & benefits structure implemented with effect from 1 July 2016. The major objectives of the remuneration policy includes: 1. To ensure market driven pay and benefits, 2. To retain bright professionals of the bank; 3. To take the advantage over other banks in terms of attracting prospective employees due to less advantageous pay and benefits compared to the competitors. Dhaka Bank reviewed its employee remuneration during last year. Accordingly, changes were made. Technical allowance has given to IT employee for highly technical professional. Managers to manage the branch and employees to handle the cash are remunerated by charge allowance and risk allowance respectively. Risk and control personnel are still eligible to receive an annual bonus payment under the performance bonus plan.
	(c)	The remuneration framework includes the following arrangements and processes designed to ensure that remuneration outcomes appropriately take into account the impact of business risk. The Board has discretion, having regard to the recommendation of the Committee, to provide variable remuneration to reflect the following: i. The outcomes of business activities; ii. The risk related to the business activities taking into account, where relevant. iii. Unexpected or unintended consequences that are not foreseen by the Board. On recommendation of the Management, the Board at its discretion may approve the performance/incentive bonus for the employees of the bank as a financial measure to minimize the risk. Risk and Compliance requirements represent a gateway to whether a bonus payment is made and the size of the payment. Notwithstanding financial performance and an individual's contribution and performance, if the individual does not meet, or only partially meets, risk and compliance requirements, no award or a reduced award may be made. There were no changes to the nature and type of measures used during the reporting period.
	(d)	The remuneration framework includes the following arrangements designed to ensure that remuneration outcomes are linked to performance: Fixed base: There is an annual review for all eligible employees. Performance ratings for the performance period are taking into consideration as well as individual circumstances for annual increment. Performance base: Performance bonus or incentive bonus are given to all eligible employees as per performance ratings for a performance period. Amounts of individual remuneration are linked to individual performance as per their performance ratings for the performance period. In addition, amounts of individual remuneration also linked to bank's growth. In determining the payment of a bonus to individuals, the factors taken into account include: 1. Team financial and strategic performance; 2. Individual contribution to team performance; 3. Individual performance including alignment with corporate values and meeting performance objectives.

		Long term incentives are designed to link a component of remuneration with key performance measures that underpin sustainable longer term growth in shareholder value.
	(e)	The remuneration framework describes short term and long term benefits. Short term benefits include salary, festival bonus, LFA, and performance bonus as variable payments. Long term benefits include Gratuity, Provident Fund, Superannuation Fund and Leave encashment.
	(f)	Dhaka Bank Limited has no variable remuneration like cash, shares and share-linked instruments and other forms.

11.2 Quantitative Disclosure:

Number of meeting held by the main body overseeing remuneration during the financial year and remuneration paid to its member.	(g)	The Committee met twice during the financial year. No additional fees are paid for serving on board committees.
Number of employees having received a variable remuneration award during the financial year. Number and total amount o guaranteed bonuses awards made during the financial year. Number and total amount of sign-on awards made during the financial year. Number and total amount of severance payments made during the financial year.	(h)	Performance bonuses/Incentives: 1,306 employees Number of total guaranteed bonus(festival bonus): 2 Total amount of guaranteed bonus (festival bonus): BDT 10,66,07,268.00 Number of severance payments: 68 employees Total amount of severance payments: BDT 11,25,62,235.00 which includes Provident Fund, Gratuity Fund, Superannuation Fund and Leave Encashment.
Total amount of outstanding deferred remuneration, spilt into cash, shares and share-linked instruments and other forms. Total amount of deferred remuneration paid out in the financial year	(i)	Not applicable for Dhaka Bank Limited
Breakdown of amount of remuneration awards for the financial year to show: - Fixed and variable. -Deferred and non-deferred. -Different forms used (cash, shares, and share linked instruments, other forms).	(j)	• Fixed: BDT 170,80,74,055.00 • Variable: BDT 10,00,00,000.00 • Deferred: BDT 16,84,98,485.00 • Non-deferred: Nil • Different forms used: Nil
Quantitative information about employees' exposure to implicit (e.g. fluctuations in the value of share or performance units) and explicit adjustments (e.g. claw backs or similar reversals or downward revaluations of awards) of deferred remuneration: Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments. Total amount of reductions during the financial year due to ex post implicit adjustments.	(h)	Not applicable for Dhaka Bank Limited

DHAKA BANK LIMITED

Registered Office: Biman Bhaban, 100 Motijheel C/A, Dhaka-1000

Notice of the 22nd Annual General Meeting

Notice is hereby given to all the members of Dhaka Bank Limited that the **22nd Annual General Meeting** of the members of the Company will be held on **Monday, June 12, 2017 at the Grand Ball Room, Pan Pacific Sonargaon, 107, Kazi Nazrul Islam Avenue, Dhaka at 11:00 a.m.** to transact the following business:

1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st December, 2016 and Balance Sheet as of that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend for the Shareholders for the year ended 31st December 2016 as recommended by the Board of Directors.
3. To re-elect Directors who shall retire by rotation as per the Articles of Association of the Company.
4. To appoint Auditors of the Company for the term until the next Annual General Meeting and to fix their remuneration.
5. Any other matter with the permission of the Chair.

May 23, 2017

By order of the Board
Sd/-
Arham Masudul Huq
SEVP & Company Secretary

NOTES

1. The 'Record Date' is on Monday, May 22, 2017. The Shareholders whose names would appear in the CDS/Register of Members of the Company on the Record Date shall be entitled to the dividend and attend the AGM.
2. A member eligible to attend the Annual General Meeting may appoint a proxy to attend on his/her behalf. Proxy Form/Power of Attorney must be submitted at the Corporate Office of the Company situated at 71, Purana Paltan Lane, Kakrail, Dhaka not later than 48 hours before the time fixed for the Annual General Meeting. Revenue Stamp of Tk. 20/-(Taka Twenty) only shall have to be affixed on the Proxy Form.
3. Shareholders and proxies are requested to record their entry in the AGM well in time. No entry will be recorded after 10: 30 a.m.
4. Shareholders are requested to update their respective BO Accounts with 12 digits Taxpayer's Identification Number (e-TIN), Bank Account Number and Mailing Address through their respective Depository Participants. If a shareholder (other than a company) fails to update e-TIN in his/her BO Account, disbursement of dividend will be subject to deduction of Advance Income Tax (AIT) @15% instead of @10% as per amended Section 54 of the Income Tax Ordinance, 1984.
5. Merchant Banks and Depository Participants (DPs) are requested to provide the list of their margin clients who will hold the shares of the Company as on 'Record Date' to the Share Department of the Company situated at 71, Purana Paltan Lane (Level-6), Kakrail, Dhaka well ahead of AGM for facilitating payment of Cash Dividend and proportionate sale proceeds of fractional bonus shares.
6. **No gift or benefit in cash or kind shall be offered to the shareholders in the 22nd Annual General Meeting in compliance with the Bangladesh Securities and Exchange Commission's Circular No.SEC/CMRRCD/2009-193/154 dated 24.10.2013.**

AMAR STOCK

AMAR STOCK

DHAKA BANK LIMITED

Registered Office: Biman Bhaban, 100 Motijheel C/A, Dhaka-1000
Corporate Office: 71, Purana Paltan Lane, Kakrail, Dhaka

Attendance Slip

I/We hereby record my attendance at the 22nd Annual General Meeting of Dhaka Bank Limited being held on Monday, June 12, 2017 at 11:00 a.m. at Grand Ball Room, Pan Pacific Sonargaon, 107, Kazi Nazrul Islam Avenue, Dhaka.

Name of the Shareholder(s) .....

Folio/BO ID No. | | | | | | | | | | | | | | |

Signature of Shareholder(s)

Note: Honorable Shareholders attending the Meeting in person are requested to complete the Attendance Slip and deposit the same at the 'Registration Counter' of the AGM venue. Signature in the Attendance Slip must tally with the signature recorded with the Company.

AMARSTOCK

AMAR STOCK

DHAKA BANK LIMITED

Registered Office: Biman Bhaban, 100 Motijheel C/A, Dhaka-1000
Corporate Office: 71, Purana Paltan Lane, Kakrail, Dhaka

Proxy Form

I/We .....

Folio/BO ID No. | | | | | | | | | | | | | | | |

Address: .....,

being a Shareholder of Dhaka Bank Limited, do hereby appoint

Mr./Ms. .....

of .....

as my/our Proxy in my/our absence to attend and vote for me/us on my/our behalf at the 22nd Annual General Meeting of the Company scheduled to be held on Monday, June 12, 2017 at 11:00 a.m. at Grand Ball Room, Pan Pacific Sonargaon, 107, Kazi Nazrul Islam Avenue, Dhaka and at any adjournment thereof.

In witness whereof I/we set my/our hand(s) on this the.....day of..... , 2017.

Signature of the Proxy.....

Signature of the Shareholder(s) .....

No. of Shares held .....

Revenue Stamp
Tk. 20.00

Note:

1. The Proxy Form, duly stamped and completed in all respect, must be deposited at least 48 (Forty Eight) hours before the appointed time of the Meeting at the Share Department of the Company located at Level-6 of Corporate Office.
2. Signature of the Shareholder(s) must tally with the signature recorded with the Company.
3. No gift or benefit in cash or kind shall be offered to the shareholders in the 22nd Annual General Meeting in compliance with the Bangladesh Securities and Exchange Commission's Circular No.SEC/CMRRCD/2009-193/154 dated 24.10.2013.

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DHAKA BANK LIMITED

Registered Office: Biman Bhaban, 100 Motijheel C/A, Dhaka-1000
Corporate Office: 71, Purana Paltan Lane, Kakrail, Dhaka

Attendance Slip For Proxy-Holder

I hereby record my attendance at the 22nd Annual General Meeting of Dhaka Bank Limited being held on Monday, June 12, 2017 at 11:00 a.m. at Grand Ball Room, Pan Pacific Sonargaon, 107, Kazi Nazrul Islam Avenue, Dhaka.

Name of the Shareholder(s): .....

Folio/BO ID No. | | | | | | | | | | | | | | | |

No. of Shares held .....

Signature of the Shareholder(s) .....

Signature of the Proxy .....

Name of the Proxy .....

Note: The Proxy-Holder attending the Meeting is requested to deposit the Attendance Slip at the "Registration Counter" of the AGM venue.

FAIRSTOCK



Registered Head Office
Biman Bhaban, 100 Motijheel Commercial Area, Dhaka 1000, Bangladesh
Phone: +8802 955 4514, 957 1006-10
Fax: +8802 955 6584

Corporate Office
71, Purana Paltan Lane, Kakrail, Dhaka
Phone: +8802 5831 4424-30, 5831 4624-8, Fax: +8802 5831 4419
Email: info@dhakabank.com.bd, SWIFT: DHBLBDDH

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