ENGAGING TOMORROW TODAY



Annual Report 2017

DHAKA BANK LIMITED



Engaging Tomorrow Today

The 21st century is thriving towards a remarkable future. That's why today makes us Engaging to have sustainable, exciting, actionable and popular alternative long-term futures.

Engaging tomorrow today co-creates strategy transformation. We at Dhaka Bank re-engineered training and provide strategic visions, policies, strategies, innovative products and recruit right human resources. We work in areas of social planning, infrastructure, environment and economic strategy, organizational planning, and nation futures.

Engaging today facilitates our understanding of tomorrow, and helps us transform today. As technological innovations flourish in all corners of the industry, opportunities for our human growing arguably, never been greater or more diverse than they are today.

Bangladesh being a quickly emerging proving grounds for new technologies such as 4G connections, nuclear power, metro, automation in agriculture it's not hard to spot the technical revolution which is taking place that also have become more integrated into our daily lives. By integrating experiential learning and offering a wide array of opportunities for co-op work placements in working with regional, national and international level, Dhaka Bank have shown a knack for generating real-world impacts.

Dhaka Bank's Annual Report of 2017 reflects its engaging eco-system.

AMARSTOCK

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, 2017

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, 2017 along with notes thereto of Dhaka Bank Limited (the Bank) and its subsidiaries - Dhaka Bank Securities Limited and Dhaka Bank Investment Limited for your kind information and record. We have also enclosed separate financial statements of Islamic Banking Branches and Off-Shore Banking Unit (OBU) of the Bank.

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

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

Best regards,

Yours truly,

Arham Masudul Huq
Company Secretary

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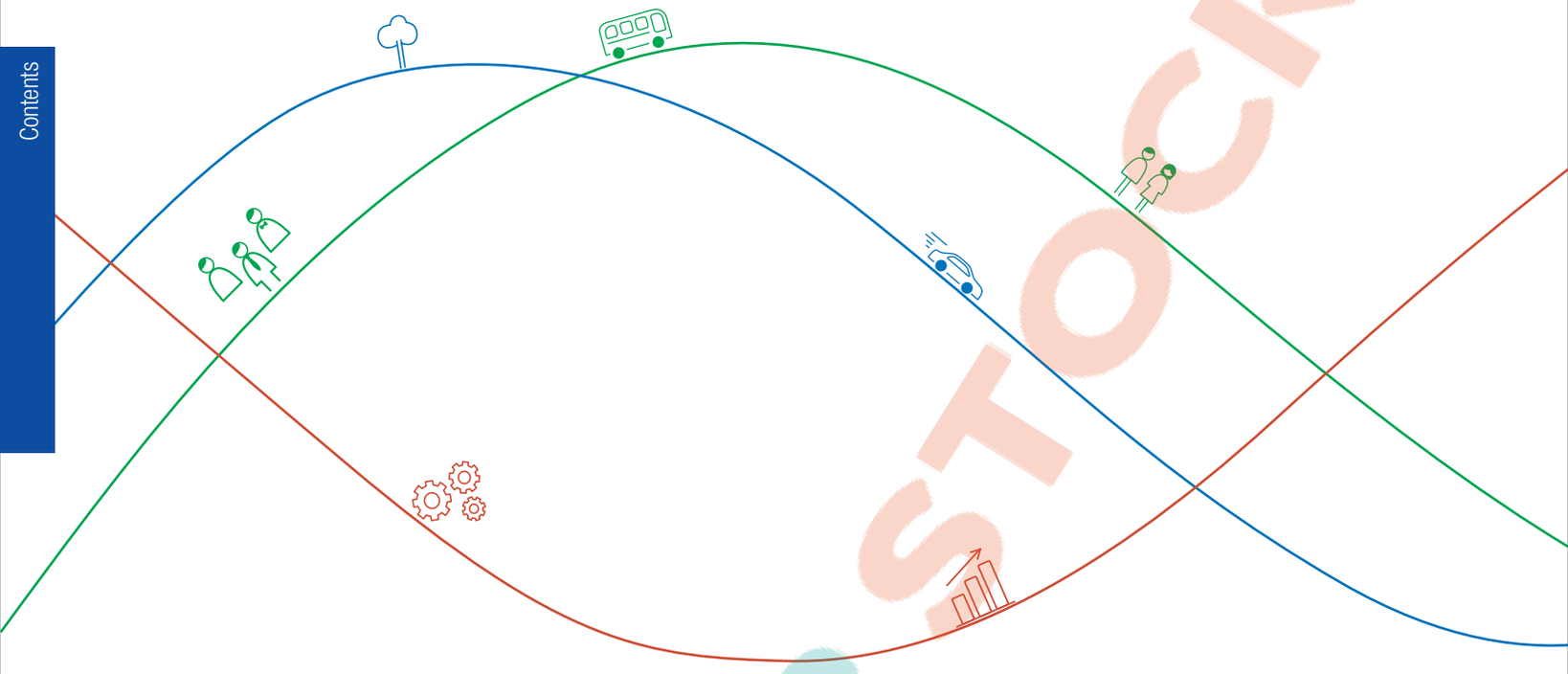

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2017 PERFORMANCE HIGHLIGHTS – THE BANK

Core Business Growth

Amount in Taka

Operating Profit 5,205 M (4%)	Assets 229 Bn 13%	Loans & Advances 154 Bn 14%
Deposits 170 Bn 8%	Shareholders' Equity 15 Bn 7%	Paid-up Capital 7.2 Bn 4%
Inward Remittance 11 Bn (21%)	Export 103 Bn 17%	Earnings Per Share stood at Tk. 2.07
NPL Ratio increased to 5.98%	Classified Loans 9,209 M 70%	Capital to Risk Weighted Assets Ratio (CRAR) stood at 11.96%

Financial Inclusion Growth (direct & indirect)

Total Delivery Channels 182 6%	Total Customers' Accounts 507,586 10%	ADCs 76 3%
SME Customers 7,342 16%	SME Financing 26.79 Bn 25%	Woman Entrepreneur Finance 440 M 246%
No. of Women Entrepreneurs 98 53%	Agri Loan disbursed (Fiscal 2016-17) 2,505 M 15%	Total Online Banking Accounts 507,586 10%
	Mobile/SMS Banking Accounts 295,530 74%	

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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 2017 with 100 Branches, 3 SME Service Centres, 1 Business Kiosk, 2 Offshore Banking Units along with 56 ATMs and 20 ADMs. Total Assets of DBL is around Tk. 229.45 billion, equivalent to USD 2.79 billion as at the close of 2017. With a total of 507,586 customer-base (accounts), Tk. 170.04 billion in Deposits and Tk. 154.02 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, 2017 stood at Tk. 21,884.29 million, whereas, the Capital Adequacy Ratio (CAR) was 11.96% under Basel-III, as per Central Bank's minimum capital requirement of 11.25%.

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 2017 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 23-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**
Hoda Vasi Chowdhury & Co, 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. 21,884.29 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, 2017. The summary of Rating is presented below:

Status	2017	2016
Long Term	AA	AA
Short Term	ST-2	ST-2
Outlook	Stable	Stable



In 2017, 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.

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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

Dec 27 2017 — Opening of 100th Branch

2017 RESULTS SUMMARY

Taka million (unless mentioned otherwise)

Segmented Results of 2017	Dhaka Bank Limited			Subsidiaries		Consolidated
	On-shore	Off-shore	Islamic Banking	Dhaka Bank Securities Ltd.	Dhaka Bank Investment Ltd.	
Operating Income	8,763	401	211	332	8	9,716
Operating Profits	4,686	385	134	252	8	5,465
Assets	204,064	17,031	8,358	5,434	292	230,828
Liability	204,064	17,031	8,358	5,434	292	230,828

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

Shareholders' Value - Consolidated	2017	2016	Change
Earnings Per Share (EPS) (BDT)	2.23	2.26	(1%)
Price Earning Ratio (Time)	10.63	7.92	25%
Dividend (%)	0% (Cash) 12.50% (Stock)	10% (Cash) 5% (Stock)	(100%) 150%
Net Asset Value (NAV)	15,828	14,446	10%
NAV per Share (BDT)	21.91	21.68	1%

Profitability & Performance Ratio – The Bank	2017	2016	Change
Return on Assets (ROA) (%)	0.69	0.77	(10%)
Return on Equity (ROE) (%)	9.21	10.15	(9%)
Return on Investment (ROI) (%)	12.97	15.38	(19%)
Operating Profit per Employee	2.94	3.24	(9%)
Assets Per Employee	129.56	121.22	7%

Balance Sheet Focus – The Bank	2017	2016	Change
Balance Sheet Size	229,453	202,192	13%
Shareholders' Equity	15,245	14,446	6%
Total Deposits	170,035	157,162	8%
Total Loans & Advances	154,017	134,689	14%
Classified Loans	9,209	5,403	70%

Capital Adequacy – The Bank (As per Basel III)	2017	2016	Change
Tier-I Capital Ratio (%)	7.95	8.62	(8%)
Capital to Risk Weighted Assets Ratio (CRAR) (%)	11.96	13.67	(13%)
Total Eligible Capital	21,884	21,841	0%

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VISION, MISSION
AND CORPORATE VALUES



VISION

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

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

MISSION

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

CORPORATE VALUES

Customer Focus

Integrity

Quality

Teamwork

Respect for the Individual

Responsible Citizenship

AMARSTOCK

STRATEGIC OBJECTIVES & ETHICAL PRINCIPLES

STRATEGIC OBJECTIVES

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



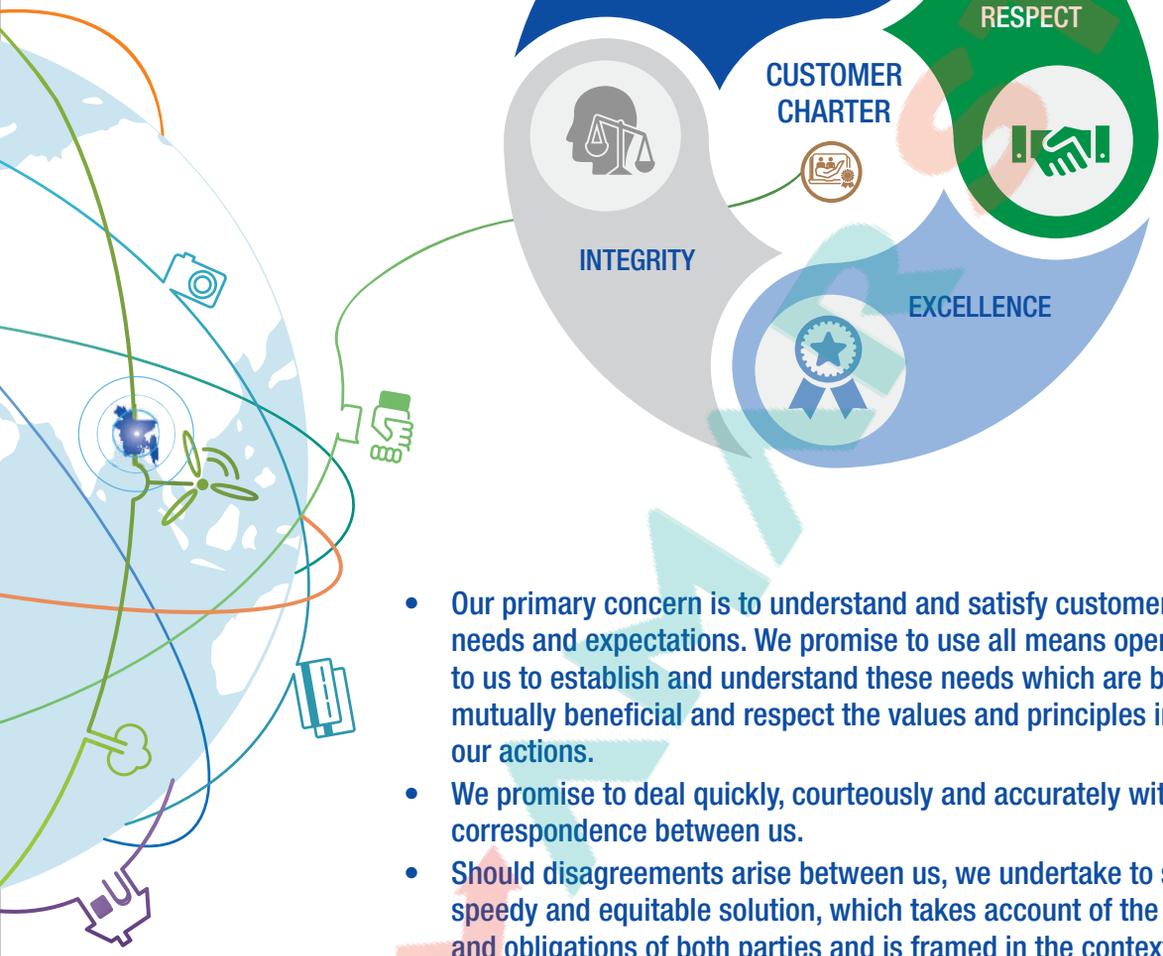
ETHICAL PRINCIPLES

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

DMA 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

OUR STRENGTH

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



OUR CONFIDENCE

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

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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 507,586 customers' accounts now we serve and seek to make them better-off as best as we can. Strong with 182 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 100 locations (including 2 Islamic Banking Branches), 2 Off-shore Banking Units, 3 SME Service Centers, 1 Business Kiosk, 56 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. 21,884 million with a Capital to Risk weighted Assets Ratio (CRAR) of 11.96%. Sailing past all odds and uncertainties in 2017, DBL posted an operating profit of Tk. Tk. 5,204.54 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.

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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

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
Mr. M. A. Yussouf Khan

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RISK MANAGEMENT COMMITTEE
OF THE BOARD







Chairman

Mr. Khondoker Monir Uddin

Members

Mr. Reshadur Rahman

Mrs. Rokshana Zaman

Mr. Altaf Hossain Sarker

Mr. Jasim Uddin

SHARI'AH
SUPERVISORY COMMITTEE



Chairman

Mr. M. Azizul Huq

Members & Others

Mr. Prof. 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, VP & Muraquib of Shariah Supervisory Committee

STOCK

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.)

AMARSTOCK

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 33 years. He was also the Advisor of Dhaka Bank Limited.

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

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

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

DIRECTORS' PROFILE



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 17 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 53 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 48 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 32 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 38 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 33 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 and Shareholder of Dhaka Imperial Hospital Ltd.

Widely travelled, Mr. Jashim is involved with many social and educational initiatives and earned recognitions from a number of organizations. He is Life Member of 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 15 years. He is the Chairman of LOUD Limited, Managing Director of Predictable Process Limited. 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.

FINANCIAL STORY

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 27 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 Limited, Chairman of Logos Apparels Limited and Director of Rahmat Textiles Ltd., Belkuchi Spinning Mills Ltd., China Plastic (BD) Limited, Rahmat Sweaters (BD) Limited.
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 23 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 Limited, Nawshin Vinyl Industries Ltd., Abico Industries Ltd., Rumki Industries Limited, BNS Chemical Industries Limited, BNS BOPP Tape and Adhesive Industries Limited, Shafkat PVC Sole Industries Limited, BNS DOP & Chemical Industries Limited, Bulu International, Oishee International Company Limited, 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 45 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 31 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 Chairman 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

Bangladesh's growth prospect remains solid with progress in both domestic demand and external sector. She is thus a lucrative destination for Foreign Investors. Besides RMG, her Power, Gas, Telecom and Banking Sector are their main attractions. Amidst different realities in economic scenario, we endeavoured to achieve worthy financial results to create long-term value for Stakeholders. My special appreciation goes to Team Dhaka Bank for their passion, commitment, and dedication. I also gratefully express my sincere thanks for Bangladesh Bank, Ministry of Finance, Bangladesh Securities and Exchange Commission, Government agencies and other regulatory authorities on behalf of my Colleagues on the Board.

CHAIRMAN'S STATEMENT
Continued

Dear Shareholders,

We are grateful for your investment and trust in us. In 2017, your company earned an operating profit of Tk. 5204.54 million. This progress is the result of continued strong business performance. I am thankful for the opportunity to present to you the Annual Report 2017. For your convenience, the Annual Report highlights the milestones of Dhaka Bank's achievement in 2017.

The year 2017 has been a very turbulent year in banking sector as the sector faced setbacks caused by financial scams and regulatory changes. Despite these challenges, Dhaka Bank delivered strong and sustainable performance throughout 2017 to uphold the core principles of the Bank and to advance its key strategic priorities. With your support, the Bank will continue its endeavours to deliver progressive and substantive business value over time for its Shareholders.

The world economy went through a lot of interesting shifts in 2017 due to post BREXIT issues, USA's Trade Policy, strengthening economic power of China and India, prevailing Rohingya Crisis and other geo-political concerns. The geopolitical forces and global political unrest is constantly altering the scenario of global trade and economy. On the economic front, as per IMF, Economic Growth accelerated in about three quarters of the countries in 2017. Throughout 2017, most Central Banks have maintained accommodative monetary policy settings amid weak inflation. The trend of easier financial conditions reinforced growth momentum.

Throughout 2017, the world economy went through differing growth across major economies like US, UK, Japan, Eurozone, Asia and Africa. US economy grew by 2.7% in 2017 as Dollar weakened and corporate tax lowered in the economy. UK remained mostly concerned with post BREXIT trade, immigration and taxation policy shifts. Japan picked up growth as its domestic demand firmed, supported by a gradual recovery in consumer spending and investment. Exports accelerated in response to strengthening global demand, but the net trade contribution to growth remained unchanged as imports picked up as well. In 2017, economic growth of European Union reached 2.4% due to broad based improvements across member countries spurred by policy stimulus and strengthening global demand. Inflation in the advanced economies has largely remained below the target of Central Banks. In most cases, Inflation remained low in developed economies. The reasons behind such low inflation include intense competition for goods and services on a global or national and regional level; the spread of an internet-based services economy, which increases price transparency, undermines oligopolies and eases market entry.

In year 2018, as per the predictions of World Bank, it is expected that growth in advanced economies will be moderate. Central banks will gradually remove their post-crisis accommodation and there will eventually be an upturn in investment levels. Growth in emerging market and developing economies as a whole is projected to strengthen to 4.5 percent in 2018 by World Bank, as activity in commodity exporters continues to recover.

Among Asian countries, growth in China is estimated to have reached 6.8 percent in 2017 as per World Bank's Report on Global Economic Prospects, 2018. This growth is a result of effective policy reforms along with a stronger-than-expected recovery of exports and a slight positive outcome of net trade. Chinese growth is projected to edge down in 2018 to 6.4 percent as policies tighten, and average 6.3 percent in 2019-20. Long-term fundamental drivers of potential growth point to a further slowdown in China's growth over the next decade, as population aging is expected to depress labour supply. China is currently focused on rebuilding the 'Silk Road' under its 'One Belt One Road' initiative. This initiative will help the surrounding regions comprising of the Middle East, the Mediterranean, parts of Europe and South Asia.

In other parts of Asia, South Asian economy's consumption will stay strong, exports will recover, and investment will be on track due to policy reforms and infrastructure upgrades after due consideration to effects of natural disasters and global financial volatility. Economic growth of Central Asia will largely depend on policy reforms, economy of surrounding Euro Area and oil price fluctuation. Reforms across Middle East will be accelerated while oil price volatility will be reduced and tourism sector will get momentum in non-oil dependent economies. At the same time continued geopolitical conflicts and oil price weakness strengthens the possibility to set back economic growth.

Despite the slump in remittances from Middle Eastern countries due to the low oil prices and escalating fiscal deficits, Bangladesh's growth prospects remain solid due to positive developments in both domestic demand and the external sector. According to the BBS final estimate the real GDP growth in FY2017 increased by 0.17 percentage points to register a growth of 7.28 percent. This incremental growth owed primarily to an increased contribution from the services sector, and in particular, from the wholesale and retail trades sector.

Bangladesh remains a lucrative destination for foreign investors. Other than Ready-Made Garments Industry, foreign investors have been continuously involved in Bangladesh's Power, Gas, Telecommunication and Banking Sector. Bangladesh is providing many incentives to foreign investors to invest in the Economic Zones and Export Processing Zones.

However, our local economy and Banking Industry went through a cautious phase in 2017 in order to check the possibility of rising inflation, possible liquidity crisis and increasing NPL. The banking sector has been continuously suffering from bad loans which are affecting the Banks' profit margin, and adversely impacting business expansion and job creating investments. In a span of 8 years, the amount of non-performing loans (NPLs) in the banking system almost doubled. Appropriate measures need to be taken for managing the ever increasing NPL in Banking Sector. There has also been consideration for opening new Banks in this already overburdened economy. Instead of opening new Banks, it is better for existing Banks to open more traditional Branches, or Agent Banking outlets, or provide banking and financial services digitally where brick-and-mortar model is unfeasible.

Amidst all the realities in economic scenario, Dhaka Bank delivered a commendable set of financial results to create long-term value for all Stakeholders. This year we witnessed a year-on-year (YOY) growth of 2.00% in net profit. In 2017, the Bank has opened 6 new Branches namely Chowmuhani, Kalibari, Mawna, Rupshi, Gunabati and Banani Road 11 Branch. At present, we are available to nationwide Customers with our 100 Branches including 2 Islamic Banking Branches, 3 SME Service Centres, 56 ATMs, 20 ADMs, 2 Offshore Banking Units, 1 Kiosk and 6 Branches under Dhaka Bank Securities Limited across the country. Not only did we spread our physical presence but we also initiated new digital services and boosted up our Core Banking Software to render better service to our Valued Customers in the coming years.

Finally, I express my heartfelt gratitude 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 Dhaka Bank Team for their passion, commitment, and dedication. Last but not the least; I sincerely thank the Bangladesh Bank, Ministry of Finance, Bangladesh Securities and Exchange Commission, Government agencies and other regulatory authorities for the continuous guidance and support that help us achieve our goals.



Reshadur Rahman
Chairman, Board of Directors
Dhaka Bank Limited

চেয়ারম্যানের বাণী

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আপনাদের নিরবচ্ছিন্ন আস্থা ও বিনিয়োগের জন্য আমরা কৃতজ্ঞ। ২০১৭ সালে, আমাদের প্রতিষ্ঠান ৫,২০৪.৫৪ মিলিয়ন টাকা পরিচালন মুনাফা অর্জন করেছে। সকলের সম্মিলিত ও আশানুরূপ কর্মসম্পাদনার ফলেই এই উন্নীত মুনাফা অর্জন সম্ভব হয়েছে। এবারের বার্ষিক প্রতিবেদন ২০১৭ আপনাদের কাছে উপস্থাপন করতে পেরে আমি নিজেকে ধন্য মনে করছি।

২০১৭ সালে ব্যাংকিং খাতকে অনেক বাধা-বিপত্তির সম্মুখীন হতে হয়েছে। এইসব প্রতিকূলতা সত্ত্বেও, ঢাকা ব্যাংক পুরো ২০১৭ জুড়েই শক্তিশালী ও টেকসই কিছু ব্যবস্থা নিতে পেরেছে যাতে ব্যাংকের মূলনীতি এবং পরিচালনা কৌশলসমূহকে সমুন্নত রাখা যায়। আপনাদের সহায়তায় ঢাকা ব্যাংক এভাবেই অগ্রগামী ও স্বতন্ত্র ব্যবসায়িক মান বজায় রাখবে।

বিশ্ব অর্থনীতি ২০১৭ সালে বিভিন্ন উলেখযোগ্য পরিবর্তন যেমন BREXIT পরবর্তী বিষয়াদি, যুক্তরাষ্ট্রের বহির্বাণিজ্য নীতির পরিবর্তন, চীন এবং ভারতের ক্রমবর্ধমান অর্থনৈতিক ক্ষমতায়ন, বিদ্যমান রোহিঙ্গা সংকট এবং অন্যান্য ভূ-রাজনৈতিক উদ্বেগের মধ্য দিয়ে গেছে। ভূ-রাজনৈতিক এবং বিশ্ব রাজনৈতিক অস্থিরতা, বিশ্ব বাণিজ্য ও অর্থনীতিকে ক্রমাগত প্রভাবিত করছে। আন্তর্জাতিক মুদ্রা তহবিল (আইএমএফ) এর মতে, ২০১৭ সালে অর্থনীতির প্রবৃদ্ধির হার বিশ্বের তিন-চতুর্থাংশ দেশে বেড়েছে। ২০১৭-তে বিশ্বের অধিকাংশ কেন্দ্রীয় ব্যাংক মুদ্রাস্ফীতি হ্রাস পাওয়ার ফলে সহনীয় মুদ্রানীতি বজায় রেখেছে। এই সহজতর অর্থনৈতিক পরিস্থিতি উন্নয়নের ধারাকে সবল করে তুলেছে।

২০১৭ জুড়ে বিশ্ব অর্থনীতির বিভিন্ন অংশে প্রবৃদ্ধির মাত্রা বিভিন্ন রকম ছিল। ২০১৭-তে ডলারের দাম এবং কর্পোরেট কর কমার ফলে যুক্তরাষ্ট্রের অর্থনীতির প্রবৃদ্ধি ঘটেছে ২.৭%। যুক্তরাজ্য মূলত BREXIT পরবর্তী বাণিজ্যনীতি, অভিবাসননীতি এবং করনীতি পরিবর্তন নিয়েই অধিকতর উদ্বিগ্ন ছিল। জাপানেও উন্নয়ন প্রবৃদ্ধি ঘটেছে, যা জাপানের অভ্যন্তরীণ চাহিদা জোরদার হবার ফলেই সম্ভব হয়েছে। ২০১৭-তে ইউরোপিয়ান ইউনিয়নে অর্থনৈতিক উন্নয়ন হয়েছে ২.৪%। এই উন্নতি মূলত সম্ভব হয়েছে ইউরোপিয়ান ইউনিয়নের সদস্য দেশগুলোর বিভিন্ন নীতিগত পরিবর্তন ও তাদের উৎপাদিত পণ্যের বিশ্বচাহিদা বৃদ্ধি পাওয়ার ফলে। বিশ্ব ব্যাংকের অনুমানে, এটা আশা করা যায় যে ২০১৮-তে অগ্রসর অর্থনীতিতে মাঝারি হারের প্রবৃদ্ধি ঘটবে। আবার উদীয়মান এবং উন্নয়নশীল দেশসমূহে, পণ্য রপ্তানীর উন্নয়নের ফলে প্রবৃদ্ধির হার হবে ৪.৫%।

বিশ্ব ব্যাংকের তথ্যানুযায়ী, ২০১৭-তে এশিয়ার দেশগুলোর মধ্যে চীনের প্রবৃদ্ধির হার ছিল ৬.৮%। এই উন্নয়ন সম্ভব হয়েছে সময়মত সঠিক নীতি পরিবর্তন, রপ্তানি জোরদারকরণ এবং নেট বাণিজ্যের স্বল্প পরিমাণ বৃদ্ধির ফলে। ২০১৮-তে অনুমান করা হচ্ছে চীনের নীতিগুলো কঠোরভাবে প্রয়োগের ফলে উন্নয়নের হার হ্রাস পেয়ে ৬.৪ শতাংশ হবে। চীন বর্তমানে 'One Belt One Road' উদ্যোগ বাস্তয়নের উপর জোর দিচ্ছে। এই উদ্যোগ পার্শ্ববর্তী সকল অঞ্চলসমূহ যেমন মধ্যপ্রাচ্য, ভূমধ্যসাগরীয় অঞ্চল, ইউরোপের অংশবিশেষ এবং দক্ষিণ এশিয়ার কিছু অংশের মধ্যে অর্থনৈতিক সংযোগ বৃদ্ধি করতে সহায়তা করবে।

প্রাকৃতিক দুর্যোগ ও বিশ্ব অর্থনৈতিক অস্থিরতার পরও, নীতি সংস্কার এবং অবকাঠামোগত উন্নয়নের ফলে দক্ষিণ এশিয়ার অগ্রগতি অব্যাহত থাকবে। তেলের মূল্য কমে যাওয়া এবং আর্থিক ঘাটতি বৃদ্ধির কারণে মধ্যপ্রাচ্যের দেশগুলো থেকে বাংলাদেশে আগত রেমিটেন্সের প্রবাহ কমে যাওয়া সত্ত্বেও বিগত বছরে বাংলাদেশের উন্নয়নের গতি অব্যাহত ছিল। বাংলাদেশ পরিসংখ্যান ব্যুরোর তথ্যানুযায়ী বাংলাদেশের জিডিপি ২০১৭ সালে ৭.২৮ শতাংশে উন্নীত হয়েছে। এই ক্রমবর্ধমান উন্নয়ন মূলত সেবাভিত্তিক খাত, বিশেষ করে বাণিজ্য খাতের অবদানের ফলেই সম্ভব হয়েছে।

বাংলাদেশ বৈদেশিক বিনিয়োগকারীদের জন্য এখনও লাভজনক বিনিয়োগস্থল। তৈরি পোশাক শিল্প ছাড়াও, বৈদেশিক বিনিয়গকারীরা বাংলাদেশের বিদ্যুৎ, গ্যাস, টেলিযোগাযোগ এবং ব্যাংকিং খাতে বিনিয়োগ করে চলেছে। বাংলাদেশ বৈদেশিক বিনিয়োগকারীদের আরও উৎসাহিত করার জন্য অর্থনৈতিক অঞ্চল এবং রপ্তানী প্রক্রিয়াকরণ অঞ্চলে বিভিন্ন সুযোগ-সুবিধা প্রদান করছে।

তবুও, আমাদের অভ্যন্তরীণ অর্থনীতি এবং ব্যাংকিং খাত ২০১৭ সালে সতর্কতা অবলম্বন করেছে যাতে মুদ্রাস্ফীতির উর্ধ্বগতি, সম্ভাব্য তারল্য সংকট এবং ক্রমবর্ধমান খেলাপি ঋণের পরিমাণকে নিয়ন্ত্রণে রাখা যায়। বিগত ৮ বছরে, ব্যাংকিং খাতে খেলাপি ঋণের পরিমাণ বেড়ে প্রায় দ্বিগুণ হয়েছে। এরই মাঝে আরও নতুন ব্যাংক খোলার কথা বিবেচনা করা হচ্ছে। বরং নতুন ব্যাংক খোলার পরিবর্তে, বিদ্যমান যে ব্যাংকগুলো আছে তাদেরই নতুন শাখা, অথবা এজেন্ট ব্যাংকিং আউটলেট বা ডিজিটাল আর্থিক সেবা প্রদানের ব্যবস্থা করা যেতে পারে।

অর্থনৈতিক এইসকল বাস্তবতার মধ্যেও, ঢাকা ব্যাংক সম্মানিত সকল স্টেকহোল্ডারদের স্বার্থে প্রশংসনীয় আর্থিক ফলাফল আনতে সক্ষম হয়েছে। এ বছর আমাদের নেট মুনাফার ২% প্রবৃদ্ধি ঘটেছে। ২০১৭-তে, ঢাকা ব্যাংক ৬টি নতুন শাখা উদ্বোধন করেছে যেগুলো যথাক্রমে- চৌমুহনী, কালিবাড়ী, মাওনা, রূপসী, গুণবতী এবং বনানী রোড নং ১১। বর্তমানে আমরা আমাদের গ্রাহকদের ১০০টি শাখা (২টি ইসলামিক ব্যাংকিং শাখা সহ), ৩টি এস.এম.ই সার্ভিস সেন্টার, ৫৬টি এ.টি.এম, ২০টি এ.ডি.এম, ২টি অফশোর ইউনিট, ১টি কিয়স্ক এবং ঢাকা ব্যাংক সিকিউরিটিজের ৬টি শাখা নিয়ে দেশ জুড়ে সেবা দিচ্ছি। শুধুমাত্র বাহ্যিক শাখাই নয়, আমরা নতুন ডিজিটাল সেবা চালু করেছি এবং আমাদের কোর ব্যাংকিং সলিউশনের নবায়ন করেছি যাতে আমাদের মূল্যবান গ্রাহকদের আসন্ন বছরগুলোতে আরও উন্নত সেবা দিতে পারি।

সবশেষে, আমি পরিচালনা পর্ষদ, আমাদের সম্মানিত গ্রাহকবৃন্দ এবং শেয়ারহোল্ডারদের প্রতি তাঁদের নিরবচ্ছিন্ন সমর্থন ও আস্থার জন্য আন্তরিক কৃতজ্ঞতা জানাচ্ছি। ঢাকা ব্যাংকের সকল কর্মকর্তা-কর্মচারীর নিরলস পরিশ্রমের জন্যও আমি বিশেষ ধন্যবাদ জানাচ্ছি। একইসাথে আমি বাংলাদেশ ব্যাংক, অর্থ মন্ত্রণালয়, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন, সরকারি সংস্থাসমূহ এবং অন্যান্য নীতিনির্ধারকদের প্রতি তাঁদের সহায়তা ও নির্দেশনা প্রদানের জন্য আন্তরিক ধন্যবাদ জানাচ্ছি ।



রেশাদুর রহমান
চেয়ারম্যান, পরিচালনা পর্ষদ
ঢাকা ব্যাংক লিমিটেড

STRATEGIC REVIEW OF THE MANAGING DIRECTOR & CEO



Syed Mahbubur Rahman
Managing Director & CEO

The cyclical upswing in global economy since mid-2016 has continued to strengthen. Growth in emerging market and developing economies as a whole has been projected to fortify. Elevated input from wholesale and retail trade sector resulted it. Dhaka Bank made a moderate progress in the prevailing economic condition. We invested heavily on technology platform and upgrade Core Banking Software. Our Team of 1,700+ bright Colleagues do deserve the credit for their concerted effort. The Team is aspired to deliver their best for the happiness of our Customers. We treasure their Trust, felt its warmth again while celebrating the 22nd Anniversary!

STRATEGIC REVIEW OF THE MANAGING DIRECTOR & CEO

Continued

Respectable Shareholders,

Respectable Shareholders, I am pleased to have the opportunity to present to all of you our Bank's annual performance in the form of Annual Report 2017. The Bank has completed yet another remarkable year of its journey towards service excellence and we have made significant advancements in our pivotal performances.

The cyclical upswing in global economy since mid-2016 has continued to strengthen and in 2017, stronger growth than the growth of 2016 was seen in many countries. Among advanced economies, notably in the United States, Japan, Korea and Germany, growth in the third quarter of 2017 was higher than projected previously. In 2018, as per the predictions of World Bank, it is expected that growth in advanced economies will be moderate. World Trade has grown strongly in 2017, supported by a pickup in investment, particularly among advanced economies, and increased manufacturing output in Asia. Similar to advanced economies, major players of emerging market and developing economies, including Brazil, China, and South Africa, also posted third-quarter growth stronger than the previous forecasts. As per World Bank data, China, world's second-largest economy is likely to grow by 6.4 percent in 2018 due to "controlled moderation" in the economy, which would mark the slowest pace of expansion since 1990. It should be mentioned that the improvement in Global Trade has largely been driven by the rising demand from East Asia. In fact, East and South Asia remain the world's most dynamic regions, contributing nearly half the global growth. Growth in emerging market and developing economies as a whole is projected to strengthen to 4.5 percent in 2018 by World Bank, as activity in commodity exporters continues to recover.

Bangladesh Economy also went through its ups and downs in the year 2017. Undeterred by the odds, our national GDP grew by 17 basis points. The growth was a contribution of the elevated input from wholesale and retail trades sector. Although the performance of the banking sector of the country deteriorated in year 2017, the contribution from financial intermediaries also improved. Inflation had a mild rise in 2017 because of increase in prices of some food and non-food items. High tariffs of rice import, production shortfall due to early floods and decline in public stocks were the main reason behind this increased food price. The economy also went through higher growth of import payments against relative lower export growth and sluggish growth of remittance. However, in the last couple of months of 2017, there was an upward trend in remittance inflow. I expect this increased trend in remittance to continue in the coming months, given that the exciting exchange rate prevails. We also need proper monitoring of Hundi by Bangladesh Bank for the increasing trend of remittance inflow to continue. On the flip side, private sector credit growth increased in 2017 majorly because of the government's on-going mega infrastructure projects and several credit boosting initiatives by Banks and the private sector. However on the other hand, the Banking Sector faced immense difficulty due to increasing amount of NPL, which adversely affected the Banks' profit margin and business expansion capacity.

Amidst the prevailing economic condition of the country, Dhaka Bank Limited made a moderate progress and our operating profit grew by 2.00 percent. We hope to continue to deliver our best in the upcoming future too. In 2017, our loans & advances grew by 14.35 percent, while deposit grew by 8.19 percent. Our long and short-term Credit Ratings for 2017 are stable to 'AA' and 'ST2' correspondingly. We, at Dhaka Bank, ensured our level best to add value to the real economy of Bangladesh by helping small, medium and large businesses grow.

Dhaka Bank Limited has come a long way since the year 2017. We have made tangible changes in our Customers' service experience. In 2017, we invested heavily for building up our technology platform and upgraded our Core Banking Software, FCUBS to Version 12.0.3. We also centralized our Retail Risk Unit and Card Management and ATM Switch migration. We established Cash Management Unit to cater professional Cash Flow Management services to the Mid to Large Corporate Entitites of the country. We introduced and redesigned some asset and liability products in 2017 for our Retail and SME Customers. Not only that, we have introduced 'C Solutions' – our Online Cash Management Portal, App based service 'Dhaka Bank GO' for on-the-go banking and Trade Cloud, an online foreign trade module for our Trade Customers.

Dhaka Bank strongly emphasizes building a sustainable company. It is the core of our Business Model. In 2017, under our Green Banking initiative, we provided Account Opening Forms of all our Deposit Products on our Corporate Website. Our valued Customers now can download these Forms with ease while applying for opening Accounts.

Dhaka Bank continues its voyage towards expanding its services. At the end of 2017, six new Branches and four ATMs were included in our service delivery network. Now we have ensured our presence through 100 Branches, 56 ATMs, 20 ADMs, 3 SME Service Centres and 1 Kiosk. We are committed to deliver superior services to our valued Customers supported by an excellent Team of professionals.

All of these advancements were made possible by the combined effort of the more than 1,771 Teammates of Dhaka Bank. The whole Dhaka Bank Team is aspired to deliver their best in order to deliver more to the Customers we serve and to our honourable Shareholders. Our diverse and experienced Board of Directors has also provided independent oversight to ensure diversity and strength; and monitor corporate governance so that, we always adopt the best practices in the industry and make improvements when necessary.

Dhaka Bank observed its 23rd Anniversary. We are grateful to our Customers for the continued trust they bestowed upon us. I, on behalf of the Management Team, am thankful to the Board of Directors for their guidance and continued support during this span of 22 years. I am honoured to work with an organization of such widespread legacy built on trust and respect. I am also enormously thankful to all my fellow Employees of our Bank for their patience and proactive approach throughout our journey towards service excellence.



Syed Mahbubur Rahman
Managing Director & CEO
Dhaka Bank Limited

ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী কর্মকর্তার বাণী

সম্মানিত শেয়ারহোল্ডারবৃন্দ,

এবারের বার্ষিক প্রতিবেদন ২০১৭ আপনাদের কাছে উপস্থাপন করতে পারার ফলে আমি অত্যন্ত আনন্দিত। বছর পরিক্রমায় ঢাকা ব্যাংক তাঁর যাত্রাপথের আর একটি উল্লেখযোগ্য ধাপ অতিক্রম করেছে।

২০১৬-এর মধ্য থেকে বিশ্ব অর্থনীতির ক্রমবর্ধমান উর্ধ্বমুখী উন্নয়ন ধারা, ২০১৭ সালে এসে আরও বেগবান হয়েছে। যুক্তরাষ্ট্র, জাপান, কোরিয়া এবং জার্মানির মত উন্নত দেশসমূহে ২০১৭ সালের তৃতীয় চতুর্থাংশে প্রত্যাশার তুলনায় বেশি উন্নয়ন ঘটেছে। বিশ্ব ব্যাংকের মতে ২০১৮ সালে উন্নত দেশসমূহে মাঝারি মানের উন্নয়ন পরিলক্ষিত হবে। উন্নত দেশসমূহে অধিক বিনিয়োগ এবং এশিয়ার দেশসমূহের ক্রমবর্ধমান উৎপাদনের ফলে বিশ্ব বাণিজ্য ২০১৭ সালে বিপুলভাবে বিকশিত হয়েছে। উন্নত বিশ্বের সাথে তাল মিলিয়ে, ব্রাজিল, চীন এবং দক্ষিণ আফ্রিকার মতো প্রথম সারির উন্নয়নশীল দেশগুলোও পূর্ববর্তী প্রত্যাশার তুলনায় ২০১৭ সালের তৃতীয় চতুর্থাংশে বেশি উন্নয়ন করেছে। তবে বিশ্ব ব্যাংকের তথ্যানুযায়ী, ২০১৮ সালে বিশ্বের দ্বিতীয় বৃহত্তম অর্থনীতি চীনে নিয়ন্ত্রিত অর্থনীতির ফলে ৬.৪ শতাংশ প্রবৃদ্ধি ঘটবে। এখানে উল্লেখ্য যে, বিশ্ব বাণিজ্যের এরূপ উন্নয়ন মূলতঃ সম্ভব হয়েছে এশিয়ার দেশসমূহের ক্রমবর্ধমান চাহিদার ফলেই, যারা বর্তমানে বিশ্ব অর্থনীতির প্রবৃদ্ধির প্রায় অর্ধাংশের যোগান দিচ্ছে। বিশ্ব ব্যাংক ধারণা করছে ২০১৮ সালে এই উন্নয়নশীল দেশগুলোর প্রবৃদ্ধির হার হবে ৪.৫%।

একই সাথে, বাংলাদেশ অর্থনীতিও ২০১৭ সালে বেশ কিছু পরিবর্তনের সম্মুখীন হয়েছে। বিভিন্ন প্রতিকূলতা সত্ত্বেও, আমাদের জিডিপি (মোট অভ্যন্তরীণ উৎপাদন) ০.১৭ শতাংশ বৃদ্ধি পেয়েছে। এই প্রবৃদ্ধি মূলতঃ আমাদের বাণিজ্য খাতেরই অবদান। যদিও ২০১৭ সালে ব্যাংকিং খাত আশানুরূপ ফল লাভ করতে পারেনি, তবুও আর্থিক প্রতিষ্ঠানগুলোর অবদান জিডিপির প্রবৃদ্ধিতে সহায়ক ভূমিকা রেখেছে। ২০১৭ সালে মুদ্রাস্ফীতির আংশিক যেটুকু বৃদ্ধি ঘটেছিল তা ঘটেছিল বন্যা, উচ্চ শুল্কে চাল আমদানী ও খাদ্যদ্রব্যের মজুদ কমে যাওয়ার ফলে কিছু খাদ্য-দ্রব্য ও অনান্য পণ্যের মূল্য বৃদ্ধির কারণে। বিগত বছরে আমদানীর তুলনায় আশানুরূপ রপ্তানী ঘটেনি এবং রেমিট্যান্সের প্রবৃদ্ধিও ছিল নগণ্য। তবে বছরের শেষাংশে এসে বৈদেশিক রেমিট্যান্স বাড়তে শুরু করেছে। আমি আশা করছি ২০১৮-এর আসন্ন মাসগুলোতেও ভালো বিনিময় হার এবং সে কারণে রেমিট্যান্সের উর্ধ্বমুখী প্রবাহ অব্যাহত থাকবে। ২০১৭ সালে সবচেয়ে উল্লেখযোগ্য উন্নয়ন ঘটেছে বেসরকারি বিনিয়োগ খাতে সরকারের বৃহৎ অবকাঠামো প্রকল্প এবং ব্যাংক ও প্রাইভেট সেক্টরের ঋণ বিস্তারে সহায়ক কিছু উদ্যোগের জন্য। অন্যদিকে খেলাপী ঋণের কারণে ব্যাংক খাতে অগ্রগতি বাধাগ্রস্ত হয়েছে।

এই ধরণের আর্থিক অবস্থার মধ্যেও ঢাকা ব্যাংক লিমিটেড মাঝারি মানের উন্নতি করেছে। আমাদের পরিচালন মুনাফা বৃদ্ধি পেয়েছে ২.০০%। আমরা আশা করি ভবিষ্যতেও আমরা আমাদের সেরা সেবাটি প্রদান করতে পারব। ২০১৭-তে আমাদের ঋণ প্রদান বৃদ্ধি পেয়েছে ১৪.৩৫%, যেখানে আমানত বৃদ্ধি পেয়েছে ৮.১৯%। আমাদের দীর্ঘ এবং স্বল্প মেয়াদী ক্রেডিট রেটিং ২০১৭-তে স্থির থেকে তা ছিল যথাক্রমে 'AA' এবং 'ST2'। দেশের ক্ষুদ্র, মাঝারি এবং বৃহৎ ব্যবসায়িক উদ্যোগগুলিকে সাহায্য করে আমরা সামগ্রিক অর্থনীতিতে উন্নয়ন আনতে চেষ্টা করেছি।

২০১৭ সাল পর্যন্ত একটি দীর্ঘ পথ অতিক্রম করেছে আমাদের ব্যাংক। আমরা অনেক বাস্তব পরিবর্তন এনেছি গ্রাহক সেবায়। ২০১৭-তে আমরা বড় অংকের বিনিয়োগ করেছি আমাদের প্রযুক্তির উন্নয়নের জন্য। আমাদের Core Banking Software FCUBS Version 12.0.3-এ উন্নীত করেছি। আমাদের Retail Risk Unit কেন্দ্রীভূত করা হয়েছে। Card Management এবং ATM Switch-এর মাইগ্রেশন সম্পন্ন করা হয়েছে। দেশের মধ্য ও বৃহৎ সকল প্রতিষ্ঠানগুলোর জন্য Cash Management Unit চালু করেছি। ২০১৭-তে আমাদের Retail এবং SME গ্রাহকদের জন্য আমরা নতুন কিছু সেবা চালু করেছি এবং বিদ্যমান কিছু সেবার আধুনিকায়ন করেছি। আরও রয়েছে আমাদের অনলাইন Cash Management পোর্টাল 'C Solutions', অ্যাপ-নির্ভর সেবা 'Dhaka Bank Go' যার মাধ্যমে গ্রাহক ব্যাংকে না এসেও ব্যাংকিং সেবা নিতে পারেন। আমরা বৈদেশিক বাণিজ্যের মডিউল Trade Cloud চালু করেছি।

একটি টেকসই প্রতিষ্ঠান হিসেবে গড়ে ওঠাকেই ঢাকা ব্যাংক বিশেষ গুরুত্ব দিয়ে থাকে। এটিই আমাদের ব্যবসায়ের মূলনীতি। ২০১৭-তে পরিবেশ-বান্ধব বা গ্রিন ব্যাংকিং এর উদ্যোগ হিসেবে, আমরা আমাদের কর্পোরেট ওয়েবসাইটে হিসাব খোলার সকল ধরণের ফর্ম আপলোড করেছি। আমাদের গ্রাহকগণ এখন নতুন হিসাব খোলার জন্য ঘরে বসেই ডাউনলোড করতে পারবেন এই ফর্মগুলো।

ঢাকা ব্যাংক অনেক বর্ধিত সেবা প্রদানের মাধ্যমে এর অগ্রযাত্রাকে ধরে রেখেছে। ২০১৭-এর শেষে ৬টি নতুন শাখা এবং ৪টি ATM অন্তর্ভুক্ত হয়েছে আমাদের সেবার নেটওয়ার্কে। এখন আমাদের রয়েছে ১০০টি শাখা, ৫৬টি ATM, ২০টি ADM, ৩টি SME সেবা কেন্দ্র এবং ১টি Kiosk। আমাদের দক্ষ কর্মীর মাধ্যমে সর্বদা শ্রেষ্ঠ সেবা প্রদান করতে আমরা আমাদের গ্রাহকদের কাছে প্রতিজ্ঞাবদ্ধ।

আমাদের সকল উন্নতি সম্ভব হয়েছে ঢাকা ব্যাংকের ১,৭০০ সহকর্মীর অবদানের জন্য। আমরা আশা করি ঢাকা ব্যাংকের সকল সহকর্মী তাঁদের সেরা সেবাটি প্রদান করবেন আমাদের সকল গ্রাহকদের। এই প্রতিষ্ঠানটিকে বৈচিত্রময় ও শক্তিশালী করার জন্য আমাদের দক্ষ এবং অভিজ্ঞ পরিচালনা পর্ষদসদস্যগণও স্বাধীন মতামত ও পরামর্শ দিয়ে প্রাতিষ্ঠানিক সুশাসন নিশ্চিত করছেন।

এই বছর ঢাকা ব্যাংক ২৩তম প্রতিষ্ঠাবার্ষিকী উদযাপন করেছে । আমরা আমাদের গ্রাহকদের কাছে কৃতজ্ঞ আমাদের উপর আস্থা রাখার জন্য। এই ২৩ বছর ধরে আমাদের দিকনির্দেশনা এবং সর্বাত্মক সাহায্য করার জন্য আমি ধন্যবাদ জানাই পরিচালনা পর্ষদকে। এই রকম একটি প্রতিষ্ঠানে কাজ করতে পেরে আমি নিজেকে সম্মানিত মনে করি। আমি বিশেষভাবে কৃতজ্ঞ আমার ঢাকা ব্যাংকের সকল কর্মীদের কাছে যাঁদের অক্লান্ত পরিশ্রমের কারণে এই দীর্ঘ পথ চলা সম্ভব হয়েছে।



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.

Duties and responsibilities

The Board Audit Committee of Dhaka Bank Limited was last reconstituted on February 14, 2017. The particulars of the members of the Audit Committee and their attendance in Meetings in the year 2017 are as under:

Sl. No.	Name	Status with the Bank	Status with the Committee	Educational Qualification	No. of Meetings held in 2017	No. of Meetings Attended	Remarks
01.	Mr. Syed Abu Naser Bukhtear Ahmed	Independent Director	Chairman	MBA	06	05	The directors, who could not attend any meetings, were granted leave of absence
02.	Mr. Reshadur Rahman	Chairman	Member	Graduate	06	06	
03.	Mrs. Rokshana Zaman	Vice Chairperson	Member	Intermediate	06	06	
04.	Mr. Tahidul Hossain Chowdhury	Director	Member	Bachelor of Arts	06	05	
05.	Mr. M.A. Yussouf Khan*	Independent Director	Member	Bachelor of Arts	06	03	

*Inducted as a member of the Audit Committee w.e.f.14.02.2017

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

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

REPORT OF THE AUDIT COMMITTEE OF THE BOARD

Continued

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, 06 (Six) Meetings of the Committee were held in the year 2017.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 2017

The Audit Committee of the Board,in their 06 (Six) Meetings held during the year 2017, mainly dealt with the following issues:

- Summary of loan classification and provisioning as on 31.12.2016
- 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
- Latest Compliance Status of Audit Reports of Different Branches of Dhaka Bank Limited, Audits Conducted from January to December, 2016
- Latest Compliance Status of Audit Reports of Different Branches of Dhaka Bank Limited, Audits Conducted from January to December, 2017
- Achievement of Audit Division for the Year-2016
- Executive Summary Audits conducted during the year 2016
- Quarterly (31.12.2016) Statement of Self-Assessment of Anti-Fraud Internal Controls under DOS Circular Letter No.17 Dated November 07, 2012 of Bangladesh Bank
- Open issues of 18th Bangladesh Bank Comprehensive Inspection on Dhaka Bank Limited, Head Office as on 31.12.2015
- Audit Plan for the Year-2017
- Deviations in Quarterly Operations Report for the Quarter Ended December 2016
- Discrepancies in the Loan Documentation Checklist (LDCL) for the quarter ended December 2016
- Quarterly (31.03.2017) Statement of Self-Assessment of Anti-Fraud Internal Controls under DOS Circular Letter No.17 Dated November 07, 2012 of Bangladesh Bank
- Updated Organogram of ICCD of Dhaka Bank Limited
- Internal Control & Compliance (ICC) Health of Dhaka Bank Limited
- ICC Process Manual/Internal Audit Manual of ICCD of Dhaka Bank Limited
- Revised ICC Policy of Internal Control and Compliance Division of Dhaka Bank Limited
- Summary of loan classification and provisions as on 31.12.2016
- Effectiveness of the Internal Control System of Dhaka Bank Limited
- Review of the Bank's Management Information System (MIS)
- Audited Consolidated Financial Statements of the Company and Financial Statements of the Bank for the year ended 31st December, 2016
- Appointment of External Auditors of the Bank for the year 2017
- Summary of loan classification and provisioning as on 31.03.2017
- Un-audited Quarterly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 31st March 2017
- Bangladesh Bank Inspection of 2016
- Achievement of Audit Division for the Quarter Ended June 2017
- Deviations in Quarterly Operations Report for the Quarter Ended March 2017
- Half-yearly (January-June, 2017) Statement of Self-Assessment of Anti-Fraud Internal Controls under DOS Circular Letter No.10 Dated May 09, 2017 of Bangladesh Bank
- Misappropriation of fund from a deceased account of Laldighirpar Branch, Sylhet
- Un-audited Half-yearly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 30th June, 2017
- Summary of loan classification and provisioning as on 30.06.2017
- Compliance and responses of 19th Comprehensive Bangladesh Bank Inspection Report on Dhaka Bank Limited, Head Office as on 31.12.2016
- Un-audited Quarterly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 30th September 2017
- Discrepancies in the Loan Documentation Checklist (LDCL) for the quarter ended June 2017
- Annual Health Report of Dhaka Bank Limited for the Year 2016
- Summary of loan classification and provisioning as on 30.09.2017
- Deviations in Quarterly Operations Report for the Quarter Ended June 2017
- Latest compliance and response status of 65 inspection reports of 40 branches and 5 divisions of Head Office carried out by Bangladesh Bank during the year 2017
- Review of the Bank's Management Information System (MIS)
- Common Observations and latest compliance status of Internal Audit Conducted during the year 2016
- Compliance Status of Audit Plan 2017 for the month ended November 2017
- Audit Plan for the year 2018
- Status of Password Sharing
- High Risk and Medium Risk Branches as per Internal Audit Report for the year 2017

Approval of Financial Statements

The Audit Committee reviewed and examined the Bank's Annual Financial Statements for the year ended December 31, 2017 prepared by the Management and audited by External Auditors M/s. HodaVasi Chowdhury & Co., 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 2017 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 provided 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. During the year 2017, the Shariah Supervisory Committee Secretariat alongwith Islamic Banking Division of the bank has published a book titled "In Daily life in Daily life" which was reviewed & approved by Shariah Supervisory Committee. The Committee expects that this book will be very much useful for the bankers and Customers of the Bank & guide them to the right path. The Management has taken initiative to expand Islamic Banking Business gradually. Therefore, in order to familiarize the employees of the Bank with the Islamic Banking principle, terms of products & marketing approach, Islamic Banking Division has been arranging exchange of views program on Islamic Banking in the branches. In the year 2017 they organized several programs which were participated by the branch Managers, Operation Managers & front desk officials have been completed. Preparation of separate Islamic Banking Software module in UBS is in progress. During the period under review the Bank introduced a new deposit product captioned "Mudaraba Gift Cheque" under Mudaraba principle.

Shariah Audit/Inspection by the Muraqib of the Shari'ah Supervisory Committee of Islamic Banking Branches on sample and test basis has been completed during the year 2017. The report was discussed in the Shariah Supervisory Committee and necessary guidelines were provided to the management.

Opinion of the Shari'ah Supervisory Committee on overall activities:

The Shari'ah Supervisory Committee opined and observed on the activities of Islamic Banking Operations are as under -

1. The Bank has complied Shari'ah Principles in conducting Islamic Banking business with respect to Investment & Deposit.
2. Awareness about the Compliance of Shari'ah among the employees has been increased.
3. Profits have been announced and distributed to 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.Compliance at Branch level.

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

VIEWSTOCK

DHAKA BANK
MANAGEMENT COMMITTEE



Management Committee

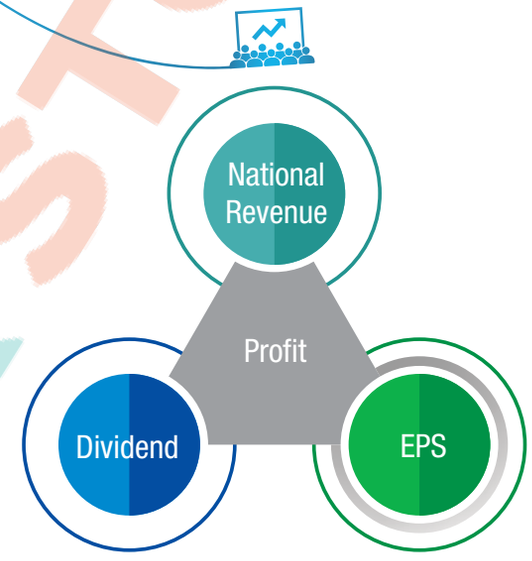
Mr. Syed Mahbubur Rahman, Managing Director & CEO
Mr. Emranul Huq, Additional Managing Director
Mr. Khan Shahadat Hossain, Deputy Managing Director (Risk Management)
Mr. Md. Shakir Amin Chowdhury, Deputy Managing Director (Operations)
Mr. Mohammad Abu Jafar, Deputy Managing Director (International Business)

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. Darashiko Khasru, SEVP & CFO, Finance and Accounts Division
Mr. Md. Ziaur Rahman, SEVP & Head of Corporate Banking Division

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

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.

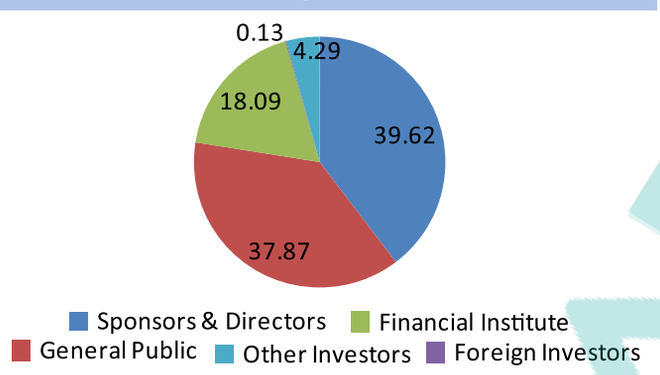
AMAR STOCK

SHAREHOLDERS' INFORMATION

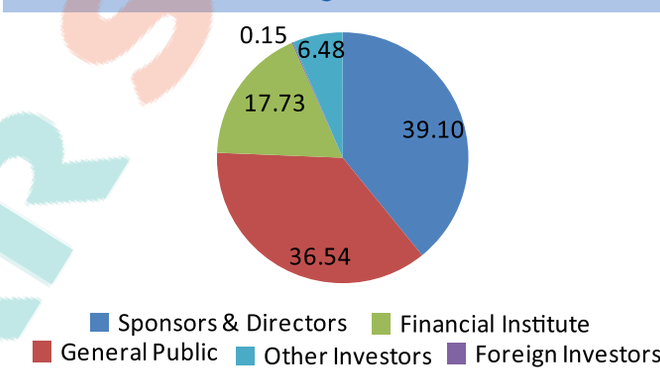
Distribution of Shareholdings in 2017

Shareholders' Group	December 31, 2017			December 31, 2016		
	No. of Shares	% of Shareholding	Value of Shares In BDT	No. of Shares	% of Shareholding	Value of Shares In BDT
Sponsors & Directors	286,138,928	39.6152	2,861,389,280	268,965,284	39.0994	2,689,652,840
General Public	273,509,701	37.8668	2,735,097,010	251,328,546	36.5355	2,513,285,460
Financial Institutions	130,647,021	18.0877	1,306,470,210	121,984,219	17.7328	1,219,842,190
Foreign Investors	926,085	0.1282	9,260,850	1,035,779	0.1506	10,357,790
Others	31,073,985	4.3021	310,739,850	44,586,858	6.4817	445,868,580
Total	**722,295,720**	**100.00**	**7,222,957,200**	**687,900,686**	**100.00**	**6,879,006,860**

Shareholding Position 2017



Shareholding Position 2016



Financial Calendar 2017

Quarterly Results	Submission Date to BSEC	EPS Annualized
Unaudited result for 1st quarter	May 11, 2017	0.60
Unaudited result for 2nd quarter	July 31, 2017	0.82
Unaudited result for 3rd quarter	October 25, 2017	1.50

Dividends

Particulars	Date	
22nd Annual General Meeting	Notice Date	May 23, 2017
Distribution of 10% Cash Dividend and 5% Stock Dividend for the year ended 31 December 2016	Record Date	May 22, 2017
Holding of 22nd Annual General Meeting	Held on	June 12, 2017
Cash Dividend	Date of Disbursement	4th to 5th July 2017
Stock Dividend	Date of Disbursement	June 21, 2017

Stock Details

Particulars	DSE	CSE
Stock Symbol	DHAKABANK	DHBNK
Company Code	11118	22014
Year of listing	2000	2000
Market Lot	1	1
Market Category	A	A
Electronic Share	Yes	Yes
Face Value	Tk. 10.00	Tk. 10.00
Market Value as on 28.12.2017	Tk. 22.00	Tk. 22.00

SHAREHOLDERS' INFORMATION

Continued

Information Sensitive to Share Price

Particulars	Disclosure
Corporate Disclosure for approval of Financial Statements for the year 2017, Recommendation of Dividend, Record Date for Dividend entitlement of 23rd AGM of DBL	Date of AGM: Thursday, June 28, 2018 at 11:00 a.m. 12.50% Stock Record Date: Monday, May 21, 2018

Accessibility of Annual Report 2017

Dhaka Bank Annual Report 2017 and other information about DBL has been made available on Bank's website www.dhakabankltd.com. The Bank has also dispatched Annual Report 2017 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-17	22.20	17.80	22.50	17.80	26,757,949
Feb-17	21.50	19.40	21.30	18.90	11,515,173
Mar-17	23.30	21.30	23.20	21.10	35,755,848
Apr-17	22.40	19.00	22.90	18.80	13,364,665
May-17	19.10	16.80	19.40	17.00	14,062,326
Jun-17	18.90	16.90	18.80	16.90	15,029,532
Jul-17	19.50	18.40	19.60	18.50	23,861,661
Aug-17	20.00	18.50	20.00	18.60	43,514,783
Sep-17	21.40	20.00	21.50	20.00	64,782,528
Oct-17	23.70	21.30	23.60	21.20	86,820,431
Nov-17	25.60	21.20	25.50	22.10	196,352,715
Dec-17	23.70	22.00	23.80	22.00	34,955,124

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	2017		2016	
		No. of share	Value of share (Tk.)	No. of share	Value of share (Tk.)
1	Mr. Reshadur Rahman, Chairman	24,379,667	243,796,670	23,218,731	232,187,310
2	Mrs. Rokshana Zaman, Vice-Chairperson	17,694,260	176,942,600	13,771,792	137,717,920
3	Mr. Altaf Hossain Sarker, Director	20,143,714	201,437,140	19,184,490	191,844,900
4	Mr. Abdul Hai Sarker, Director	16,029,668	160,296,680	15,266,351	152,663,510
5	Mr. Md. Amirullah, Director	14,447,630	144,476,300	13,759,648	137,596,480
6	Mr. Abdullah Al Ahsan, Director	14,448,872	144,488,720	13,760,832	137,608,320
7	Mr. Tahidul Hossain Chowdhury, Director	14,506,481	145,064,810	13,815,697	138,156,970
8	Mr. Jashim Uddin, Director	14,447,762	144,477,620	13,759,774	137,597,740
9	Mr. Mohammed Hanif, Director	22,001,572	220,015,720	20,953,879	209,538,790
10	Mr. Khondoker Monir Uddin, Director	20,743,363	207,433,630	19,755,585	197,555,850
11	Mr. Khondoker Jamil Uddin, Director	14,447,562	144,475,620	13,759,583	137,595,830
12	Mr. Amanullah Sarker, Director	14,447,633	144,476,330	13,759,651	137,596,510
13	Mr. Mirza Yasser Abbas, Director	26,602,504	266,025,040	25,335,719	253,357,190
14	Mr. M.N.H. Bulu, Director	14,464,553	144,645,530	13,775,765	137,757,650
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	**248,805,241**	**2,488,052,410**	**233,877,497**	**2,338,774,970**

SHAREHOLDERS' INFORMATION

Continued

5-year Financial Highlights

(BDT in million unless mentioned otherwise)

Particulars	2013	2014	2015	2016	2017	% change over 2016
INCOME STATEMENT						
Interest Income	15,131	13,705	12,135	13,166	13,715	4%
Interest Expense	11,823	10,879	10,116	9,453	10,336	9%
Net Interest Income	3,308	2,826	2,018	3,713	3,379	(9%)
Investment Income	1,616	2,542	3,003	3,238	2,884	(11%)
Commission, Exchange and Brokerage	1,093	1,127	1,316	1,517	2,877	90%
Operating Income	6,395	6,857	6,709	8,739	9,376	7%
Operating Expenses	2,701	3,049	3,205	3,336	4,171	25%
Operating Profit (profit before provision and tax)	3,694	3,808	3,504	5,404	5,205	(4%)
Provision for Loans, Investments and other Assets	650	587	1,128	2,656	2,365	(11%)
Profit Before Tax	3,044	3,221	2,376	2,748	2,839	3%
Tax Including Deferred Tax	1,117	1,192	938	1,282	1,344	5%
Profit After Tax	1,927	2,029	1,437	1,466	1,495	2%
BALANCE SHEET						
Authorized Capital	10,000	10,000	10,000	10,000	10,000	0%
Paid-up Capital	5,414	5,685	6,254	6,879	7,223	5%
Shareholders' Equity	11,887	12,746	13,389	14,446	15,245	6%
Deposits	115,981	124,854	139,068	157,162	170,035	8%
Borrowings	3,649	9,414	10,635	11,297	21,534	91%
Loans & Advances	99,596	103,132	117,840	134,689	154,017	14%
Investments	18,757	19,699	20,799	21,306	23,182	9%
Fixed Assets	2,518	3,958	4,100	4,194	4,263	2%
Earning Assets	117,624	124,462	144,962	165,096	187,004	13%
Total Assets	144,409	158,748	176,362	202,192	229,453	13%
Total Liabilities	1,32,521	1,46,002	162,974	187,746	214,208	14%
Total Off-balance Sheet Items	45,468	48,675	52,255	72,926	98,122	35%
FOREIGN EXCHANGE BUSINESS						
Import Business	73,360	79,774	76,060	101,909	130,573	28%
Export Business	54,212	60,435	69,590	88,050	103,043	17%
Inward Foreign Remittance	21,461	25,770	22,486	13,963	10,806	(23%)
Guarantee Business	9,926	10,731	15,284	27,466	27,585	0%
CAPITAL MEASURES						
Risk Weighted Assets	117,693	137,842	147,343	159,790	182,954	15%
Core Capital (Tier-I)	10,927	12,035	12,643	13,770	14,540	6%
Supplementary Capital (Tier-II)	3,410	3,403	2,765	8,072	7,345	(9%)
Total/Regulatory Capital	14,817	15,439	15,408	21,841	21,884	0%
Statutory Capital (paid up capital and statutory reserves)	9,595	10,510	11,554	12,729	13,641	7%
Capital to Risk weighted Assets Ratio (CRAR) – solo (regulatory capital/RWA)	12.18	11.20	10.46	13.67	11.96	(13%)
Tier-I Capital Ratio	9.28	8.73	8.58	8.62	7.95	(8%)
RWA to Total Assets	81%	87%	84%	79%	80%	1%
CREDIT QUALITY						
Volume of Non-performing Loans	4,137	5,657	5,491	5,403	9,209	70%
NPL to Total Loans and Advances (%)	4.15	5.49	4.66	4.01	5.98	49%
Provision for Unclassified Loans	956	1,449	2342	3,832	3,372	(12%)
Provision for Classified Loans	2,186	2,120	1,903	2,409	4,407	83%

SHAREHOLDERS' INFORMATION

Continued

5-year Financial Highlights

(BDT in million unless mentioned otherwise)

Particulars	2013	2014	2015	2016	2017	% change over 2016
SHARE DISTRIBUTION						
Earnings Per Share (Taka)	3.56	3.57	2.30	2.13	2.07	(3%)
Number of Shares Outstanding	541.44	568.51	625.36	687.90	722.30	5%
Number of Shareholders	46,840.00	41,797.00	32,798.00	28,388.00	26,997	(5%)
Net Assets Value (NAV) Per Share (Taka)	21.95	22.42	21.41	21.68	20.97	(3%)
Market Price Per Share (Taka)	18.80	18.30	19.70	17.90	22.00	23%
Price Earnings Ratio	5.28	5.13	8.57	8.40	10.63	27%
Price Equity Ratio	0.86	0.82	0.92	0.83	1.05	27%
Dividend Per Share						
Cash Dividend (%)	17%	14%	6%	10%	0%	(100%)
Bonus Share (%)	5%	10%	10%	5%	12.50%	150%
Dividend Cover Ratio	4.55	4.17	6.25	3.91	2.17	(45%)
PROFITABILITY & PERFORMANCE RATIO						
Net Interest Margin (NIM)	4.32	4.44	4.02	4.58	3.90	(15%)
Credit to Deposit Ratio	84.22	81.26	84.74	83.87	82.64	(1%)
Gross Profit Ratio	24%	28%	29%	30%	26%	(13%)
Return on Capital Employed	22%	22%	15%	13%	13%	0%
Cost to Income Ratio	42.38	44.47	47.77	38.17	44.49	17%
Cost of Fund	12.33	10.96	9.57	7.88	7.35	(7%)
Return on Assets (ROA)%	1.39	1.34	0.86	0.77	0.69	(10%)
Return on Equity (ROE)%	16.21	15.92	10.74	10.15	9.21	(9%)
Current Ratio	3.18	2.66	2.65	2.51	0.47	(81%)
Cash Reserve Ratio (at the close of the year)	6.04	6.63	6.53	6.57	6.58	0%
Statutory Liquidity Ratio (at the close of the year)	21.53	17.64	17.14	14.27	13.51	(5%)
Operating Profit Per Employee (mn)	2.55	2.53	2.30	3.24	2.94	(9%)
Operating Profit Per Branch	49.91	47.01	40.28	57.49	52.05	(9%)
OTHER INFORMATION						
Number of Branches	74	81	87	94	100	6%
Number of ATMs	46	47	53	54	56	4%
Number of ADMs	14	15	19	20	20	0%
Number of Deposit Accounts	382,786	407,929	419,620	435,152	477,827	10%
Number of Loan Accounts	20,093	18,801	19,924	25,566	29,759	16%
Number of Employees	1,450	1,503	1,524	1,668	1,771	6%
Number of Foreign Correspondents/Banks	550	565	563	542	527	(3%)

SHAREHOLDERS' INFORMATION

Continued

Economic Impact Report

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

Economic Value Added (EVA) Statement for the year ended December 31, 2017

Amount in Taka

Particulars	2017	2016
Shareholders' Equity	15,145,245,785	14,445,725,858
Add: Provision for Loans and Advances	7,779,475,833	6,241,383,798
	22,924,721,617	20,687,109,656
Average Shareholders' Equity	21,805,915,637	19,160,154,097
Earnings		
Profit after Taxation	1,495,371,858	1,465,928,034
Add: Provision made during the year	2,365,327,422	2,655,665,690
	3,860,699,280	**4,121,593,724**
Average cost of Equity (based on weighted average rate of 10 years Treasury Bond issued by Bangladesh Government) plus 2% risk premium	9.11%	8.78%
Average cost of Equity (in Taka)	1,986,518,914	1,682,261,530
Economic Value Added	**1,874,180,366**	**2,439,332,194**
Economic Value Added (Taka in million)	**1,874**	**2,439**



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 2017

Amount in Taka

Particulars	2017	2016
Face Value per share	10.00	10.00
Market Value per share	22.00	17.90
Number of shares outstanding	722,295,720	687,900,686
Total market capitalization	15,890,505,840	12,313,422,279
Book value of paid up capital	7,222,957,200	6,879,006,860
Market Value Added	**8,667,548,640**	**5,434,415,419**
Market Value Added (Taka in million)	**8,668**	**5,434**



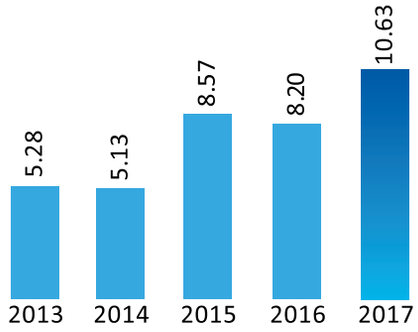
SHAREHOLDERS' INFORMATION

Continued

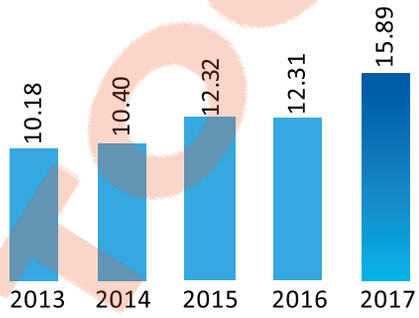
5-Year Essential Performance Graphs-Bank

Market Indicators & Ratios

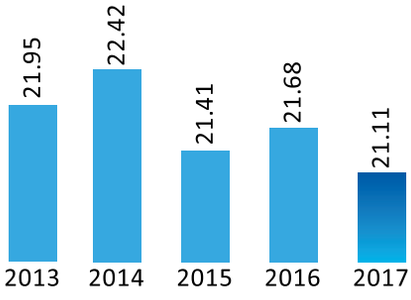
Price Earning Ratio (Times)



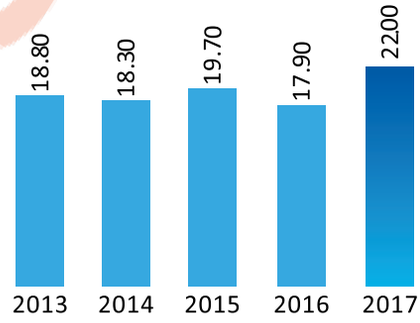
Market Capitalization (in billion)



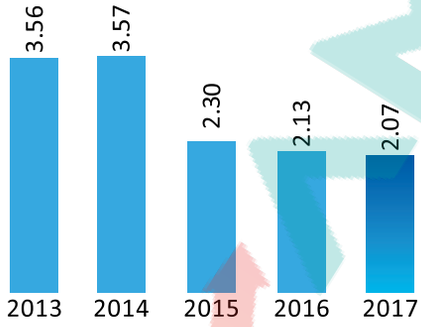
Net Asset Value per share (Taka)



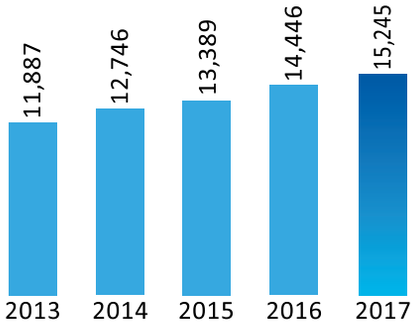
Market Price Per Share (Taka)



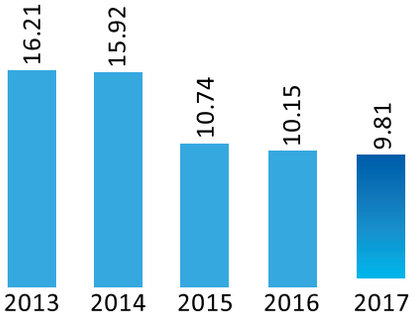
Earnings Per Share (Taka)



Shareholder's Equity (in million)



Return On Equity (%)



AMARSTOCK

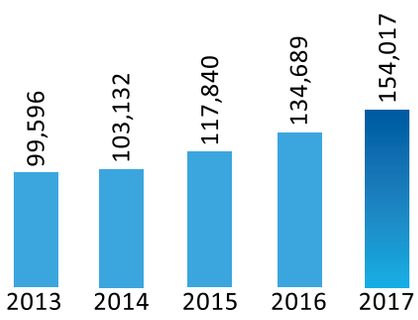
SHAREHOLDERS' INFORMATION

Continued

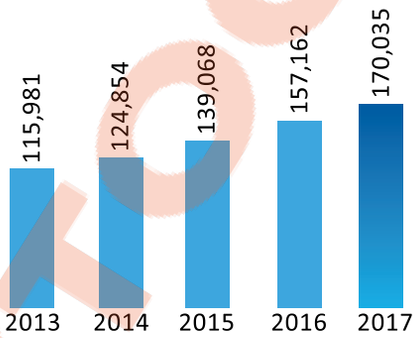
5-Year Essential Performance Graphs-Bank

Balance Sheet

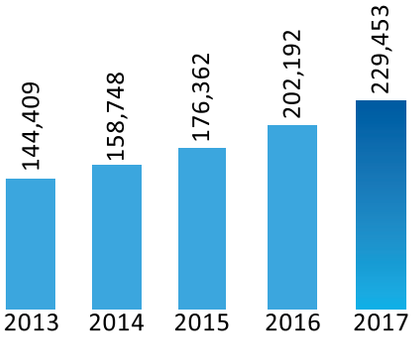
Loans & Advances (Taka million)



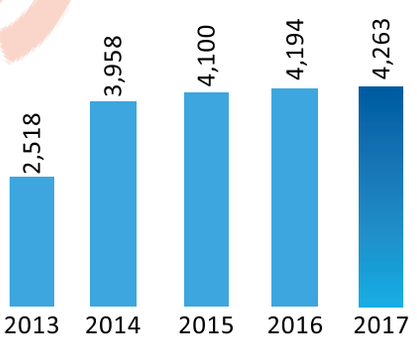
Deposits (Taka million)



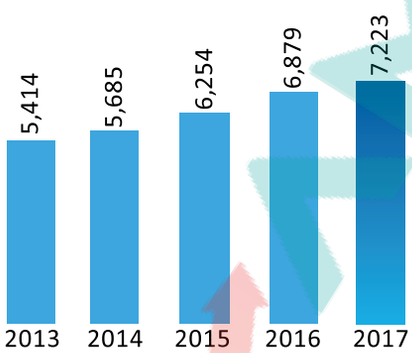
Total Assets (Taka million)



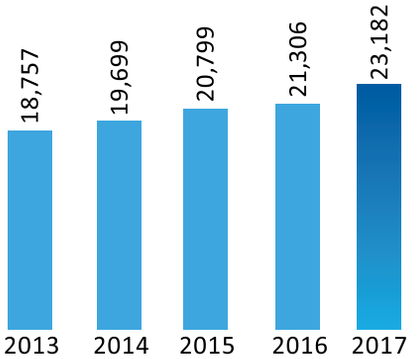
Fixed Assets (Taka million)



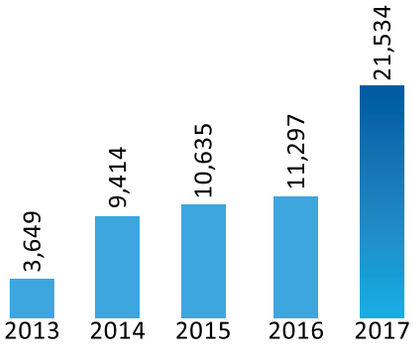
Paid-up Capital (Taka million)



Investments (Taka million)



Borrowings (Taka million)



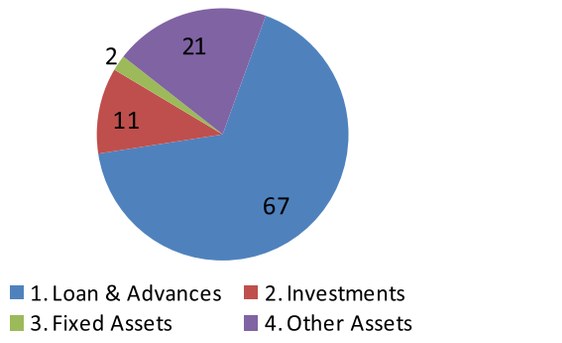
SHAREHOLDERS' INFORMATION

Continued

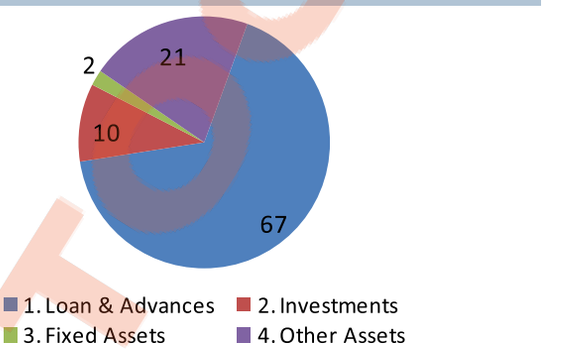
5-Year Essential Performance Graphs-Bank

Balance Sheet Mix

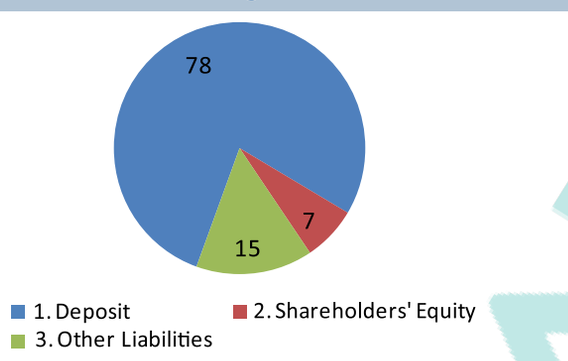
Assets Mix 2016 (%)



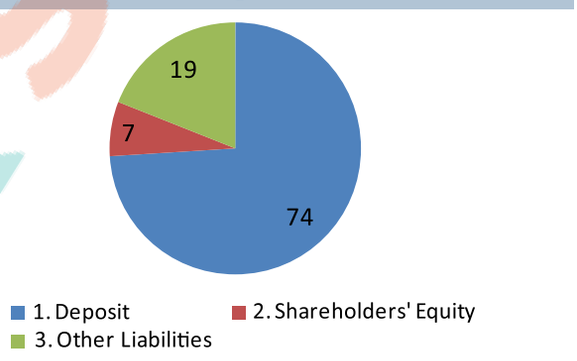
Assets Mix 2017 (%)



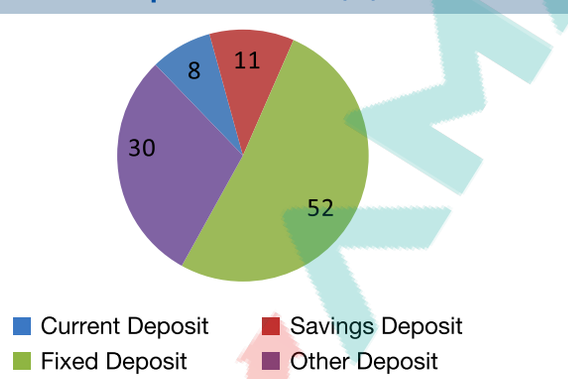
Assets Funding Mix 2016 (%)



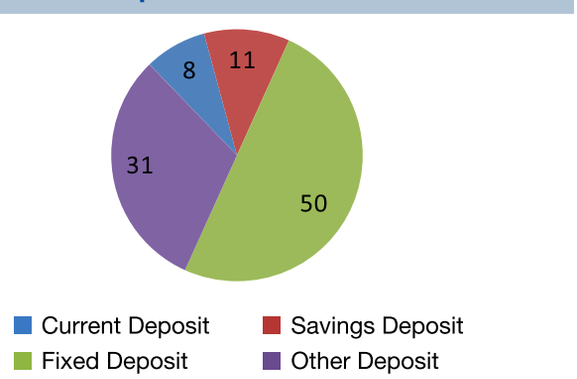
Assets Funding Mix 2017 (%)



Deposits Mix 2016 (%)

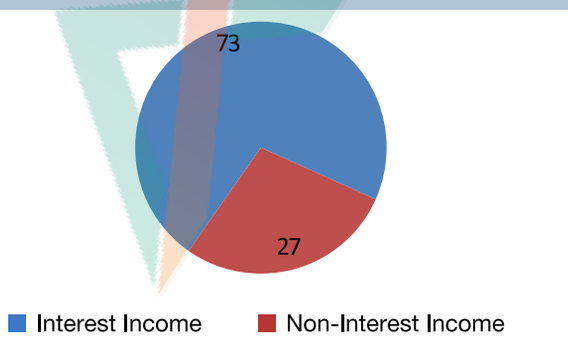


Deposits Mix 2017 (%)

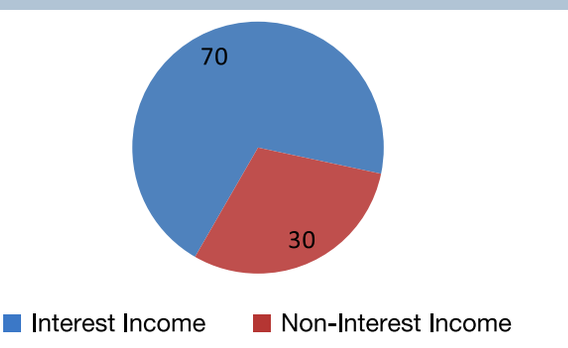


Revenue Mix

Revenue Mix 2016 (%)



Revenue Mix 2017 (%)



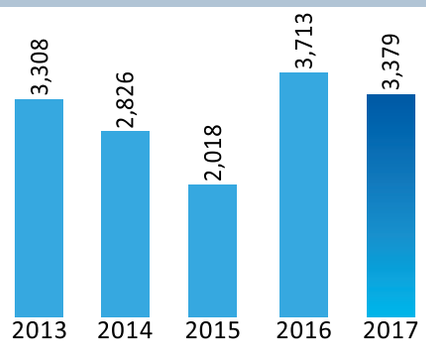
DMARSTOCK

SHAREHOLDERS' INFORMATION

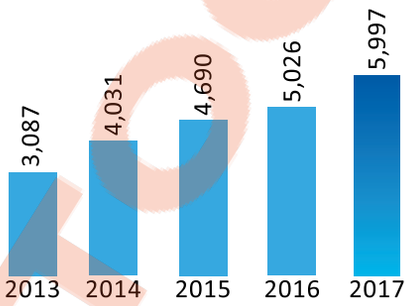
Continued

Revenue

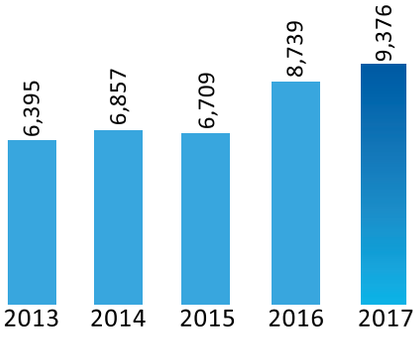
Net Interest Income (Taka million)



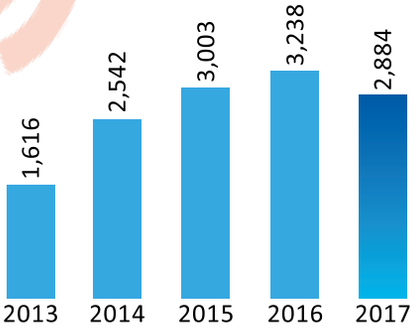
Non-Interest Income (Taka million)



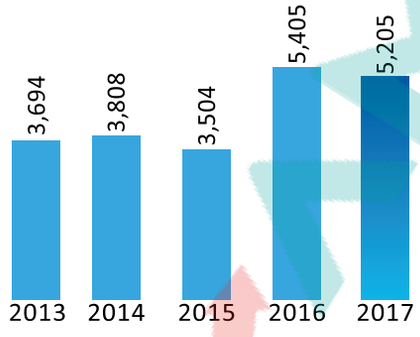
Operating Income (Taka million)



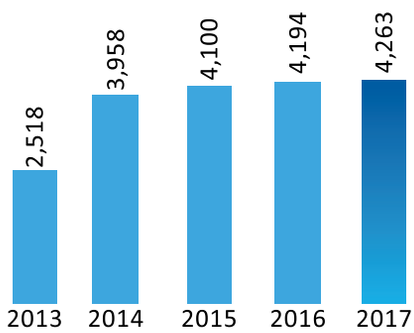
Investment Income (Taka million)



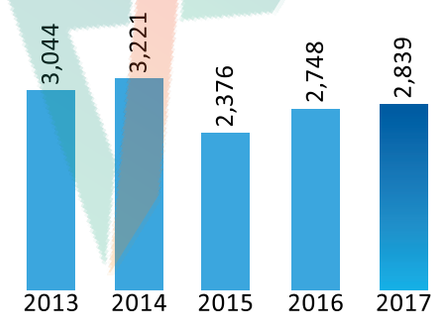
Operating Profit (Taka million)



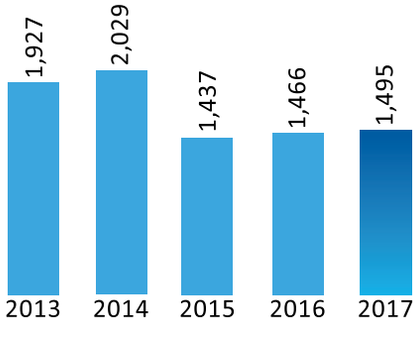
Fixed Assets (Taka million)



Profit Before Tax (Taka million)



Profit After Tax (Taka million)

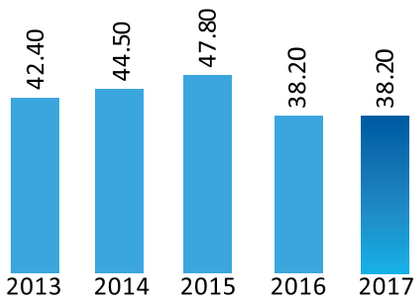


SHAREHOLDERS' INFORMATION

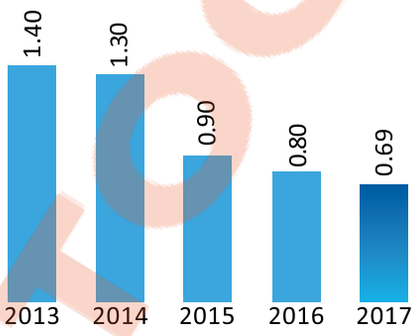
Continued

Key Ratios

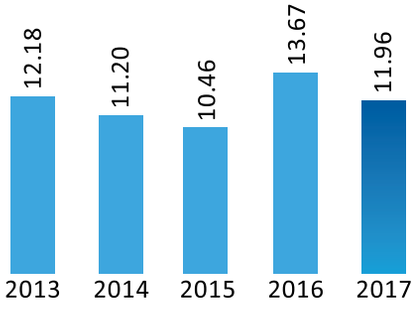
Cost To Income Ratio



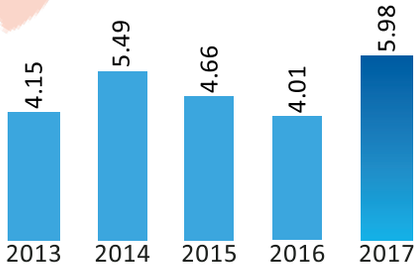
Return On Assets



Capital Adequacy (%)

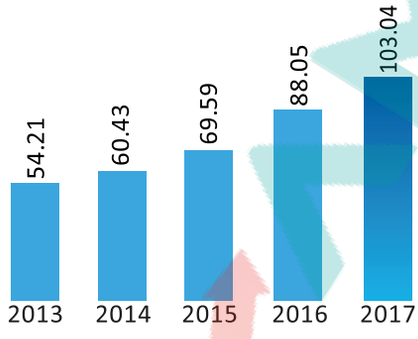


NPL Ratios (%)

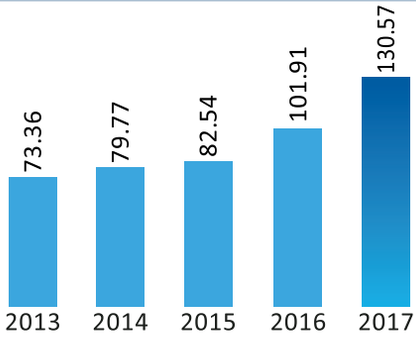


Foreign Exchange Business

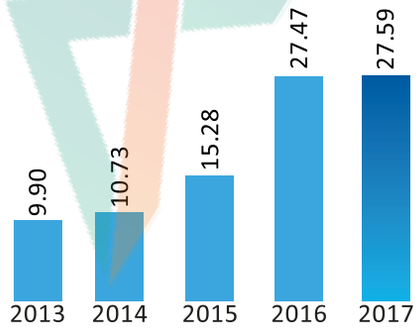
Export (Taka billion)



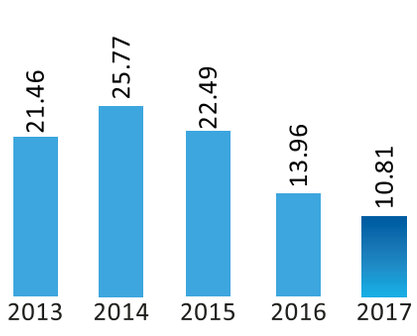
Import (Taka billion)



Guarantee Business (Taka billion)



Inward Foreign Remittance (Taka billion)



SHAREHOLDERS' INFORMATION

Continued

Glimpses of 22nd AGM















DIRECTORS' REPORT 2017





The present day function of Banking, like most areas of economy and state, puts highest stress on care for the Planet. So, Sustainable Growth and Responsible Banking is extremely important. Business continues financial growth and brand positioning keeping environment at the forefront. So in the process of running business, we place Green Banking, SME Banking, Financial Inclusion, Corporate Social Responsibility before many thing else. DBL therefore upholds comprehensive and inclusive Banking in its long- & short-term goals & needs.

DIRECTORS' REPORT 2017

It is indeed a pleasure placing Report for the 23rd Annual General Meeting of Dhaka Bank Limited. The Bank does have a strong legacy of serving nationwide Customers with best products and services. Our journey is full with moments of success and we are honoured 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 us on our approach to business. We will continue receiving support from our Shareholders to take your Company to greater heights in the coming years. Presenting Annual Report to our valued Shareholders and other stakeholders is a matter of delight. 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 provide you with genuine insights into the Bank's performance and continuous growth amid stiff competition in the industry.

Global Economic Situation

Transition from 2017 to 2018

On the economic front, 2017 has been a year of mixed reviews. As per IMF, economic growth accelerated in about three quarters of the countries -- the highest share since 2010. Throughout 2017, equity valuations have continued their ascent and are near record highs, as Central Banks have maintained accommodative monetary policy settings amid weak inflation. This is part of a broader trend across global financial markets, where low interest rates, an improved economic outlook, and increased risk appetite boosted asset prices and suppressed volatility. While easier financial conditions bolstered growth momentum, they also pose risks if the search for yield extends too far. In 2018, as per the predictions of World Bank, it is expected that growth in advanced economies will be moderate. Central Banks will gradually remove their post-crisis accommodation and there will eventually be an upturn in investment. Growth in emerging market and developing economies as a whole is projected by World Bank to strengthen to 4.5 percent in 2018 as activity in commodity exporters continues to recover.

Developed Economies

UNITED STATES

Growth picked up in the United States in 2017 to an estimated 2.3 percent, supported by strengthening private investment. The recovery reflected a diminished drag from capacity adjustments in the energy sector, rising profits, a weakening dollar, and robust external demand. Economic activity was a little disrupted by major hurricane landfalls in September, and reconstruction efforts are likely to offset any negative effects over time (Deryugina, Kawano, and Levitt 2014). Private consumption continued to grow at a robust pace despite modest real income gains and moderate wage growth, as the personal savings rate fell further. Households' income expectations continued to recover following a prolonged period of weakness. Labour market slack diminished further and employment growth slowed. With the economy moving closer to full employment, and despite inflation running below target, the U.S. Federal Reserve continued to normalize monetary policy in 2017, raising interest rates and starting to gradually reduce the size of its balance sheet (FOMC 2017). Recently legislated corporate and personal income tax cuts are expected to provide a lift to activity over the forecast horizon-particularly to investment, by lowering the statutory corporate tax rate and by allowing full expensing of new equipment.

JAPAN

In Japan, growth picked up in 2017 to an estimated 1.7percent. Domestic demand firmed, supported by a gradual recovery in consumer spending and investment, as well as the implementation of a fiscal stimulus package. Exports accelerated in response to strengthening global demand, but the net trade contribution to growth remained unchanged as imports picked up as well. Labour market conditions continued to tighten, with the unemployment rate at a 22-year low amid growing labour shortages. However, wage growth remained moderate and inflation below 1 percent. In this context, the Bank of Japan left policy rates unchanged in 2017 and continued to calibrate its bond purchases to stabilize long-term bond yields around zero. Growth is expected to slow to 1.3 percent in 2018, as fiscal stimulus is withdrawn and export growth moderates. In 2019, growth is forecast at 0.8 percent, in line with average potential growth estimates. The planned consumption tax hike in October 2019 is expected to have a negative effect on growth in 2020, which is projected to slow temporarily to 0.5 percent. Population aging and a shrinking labour force continue to weigh on long term growth prospects (Japan Cabinet Office 2017; Kawamoto et al. 2017 as cited in World Bank, 2018).

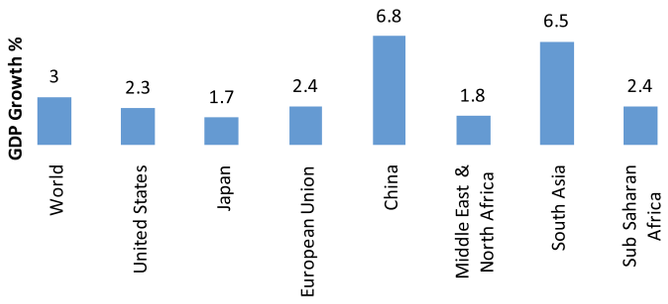
EUROPEAN UNION:

Growth in the European Union gained substantial momentum in 2017, reaching an estimated 2.4 percent 0.7 percentage point higher than previously expected- with broad-based improvements across member countries spurred by policy stimulus and strengthening global demand. In particular, private sector credit continued to respond to the stimulative stance of the European Central Bank, and both domestic demand and import growth were robust. The unemployment rate reached its lowest level since 2009, and labour shortages became increasingly prevalent in some countries. However, wage growth remained subdued, and the appreciation of the euro during 2017 is likely to further delay a pickup in inflation in 2018, as it puts downward pressure on import prices. With inflation remaining below target, the ECB is expected to keep interest rates unchanged during 2018, but to gradually scale back asset purchases. The aggregate fiscal stance of the Euro Area was somewhat expansionary in 2017 (European Commission 2017 as cited in World Bank, 2018).The cyclical upturn is expected to continue in2018, albeit at a more restrained pace, as domestic demand loses some momentum following strong gains in 2017, and policy stimulus is gradually unwound. GDP growth is expected to be 2.1 percent in 2018, down from the previous year but notably stronger than previously projected. Over the longer term, growth prospects remain constrained by

DIRECTORS' REPORT 2017
Continued

the shrinking of the working-age population in the majority of Euro Area economies and persistent productivity and competitiveness gaps among the peripheral members (Díazdel Hoyo et al. 2017 as cited in World Bank, 2018).

Figure: GDP Growth Percentage in 2017



China and other Emerging Economies

A structural slowdown in China is seen offsetting a modest cyclical pickup in the rest of the region. Risks to the outlook have become more balanced. Stronger-than-expected growth among advanced economies could lead to faster-than-anticipated growth in the region. On the downside, rising geopolitical tension, increased global protectionism, an unexpectedly abrupt tightening of global financial conditions, and steeper-than-expected slowdown in major economies, including China, pose downside risks to the regional outlook. Growth in China is estimated to have reached 6.8 percent in 2017- an upward revision from June forecasts, reflecting continued fiscal support and the effects of reforms, as well as a stronger-than expected recovery of exports and a slight positive contribution from net trade. Domestic rebalancing continued, with drivers of activity shifting away from state-led investment. China's trade flows recovered markedly in 2017, partly reflecting rising commodity imports amid tightly enforced production cuts as well as strengthening foreign demand. Consumer price inflation increased steadily throughout the year but remained below target, while producer price inflation was stable, supporting a recovery of industrial profits. House price growth continued to slow, reflecting tighter regulations in larger cities. Despite further monetary and regulatory tightening in 2017, the total stock of non-financial sector debt, at about260 percent of GDP, continued to expand on a year-on-year basis (BIS 2017; World Bank 2017a). On the external side, the current account surplus continued to narrow but, with a moderation of net capital outflows, foreign exchange reserves recovered in 2017. In the second half of the year, the renminbi reversed some of its previous nominal appreciation following the removal of reserve requirements for foreign currency trading. Chinese growth is projected to edge down in 2018 to 6.4 percent as policies tighten, and average 6.3 percent in 2019-20. Long-term fundamental drivers of potential growth point to a further slowdown in China's growth over the next decade, as population aging is expected to depress labor supply.

On the other hand, in South Asia, it is expected that consumption will stay strong, exports will recover, and investment will be on track due to policy reforms and infrastructure upgrades. Setbacks to reform efforts, natural disasters, or an upswing in global financial volatility could slow the growth. Economic growth of Central Asia will largely depend on policy reforms, economy of surrounding Euro Area and oil price fluctuation. Reforms across Middle East will be accelerated while oil price volatility will be reduced and tourism sector will get momentum in non-oil dependent economies. At the same time continued geopolitical conflicts and oil price weakness strengthens the possibility to set back economic growth. In African Region, growth will depend on commodity prices, fiscal constraints and implementation of policy reforms. Whereas in Latin America and the Caribbean region, growth momentum is expected to gather as private consumption and investment strengthen, particularly among commodity-exporting economies. Additional policy uncertainty, natural disasters, a rise in trade protectionism in the United States, or further deterioration of domestic fiscal conditions could throw growth off course.

Global Inflation remained below target

Despite the significant economic expansion since the financial crisis, inflation in the advanced economies has largely remained below the target of Central Banks. The persistence of slow wage growth and low inflation has surprised most in the USA, where the main unemployment measure has fallen well below what used to be regarded as the critical level at which inflation would pick up. In other countries, particularly Germany, the persistence of low inflation has also surprised, not least because, until 2017, strong growth went hand in hand with currency weakness, which should have boosted inflation.The reason behind such low inflation include intense competition for goods and services on a global or national and regional level; the spread of an internet-based services economy, which increases price transparency, undermines oligopolies and eases market entry; the flexible "gig" economy, as well as digitalization and robotics, which put pressure on specific labour market segments and wage structures; deliberate efforts of governments to deregulate labour markets; and the persistent weakness of organized labour.

Global Trade throughout 2017

Global goods trade volumes have gathered significant momentum since mid-2016, following two years of pronounced weakness. A cyclical rebound in investment contributed to strong growth of trade in machinery, electronics and, semiconductors. Momentum was sustained throughout 2017, and global trade growth is estimated to have reached a stronger-than-expected 4.3 percent, thanks to synchronous recovery in import demand from both Advanced Economies and Emerging Market and Developing Economies (EMDEs). Export growth accelerated in most EMDE regions. However, it decelerated in the Middle East and North Africa, partly reflecting cuts in oil production agreed by OPEC members.

Monetary Policy and Interest Rates

Global financing conditions remain benign, benefiting from an improved global growth outlook and historically low interest rates, despite prospects of further monetary policy normalization in major advanced economies. The U.S. Federal Reserve hiked policy interest rates three times in 2017. It also began to gradually reduce the size of its balance

sheet in October 2017, although the target level over the medium-term has not been specified yet. Despite prospects of tighter monetary policy, U.S. and Euro Area bond yields remained at historically low levels throughout 2017, reflecting subdued inflation trends and expectations of structurally low real interest rates (Rachel and Smith 2017). Amid low nominal and real interestrates, financial market volatility remained subdued despite policy and geopolitical uncertainties.

Moreover, highly accommodative financing conditions in major advanced economies supported a search for yield and strong demand for EMDE assets in 2017. This was reflected in declining bond spreads, particularly for EMDE investment grade borrowers, and an increase in capital flows, including portfolio and international bond issuances. Among commodity-exporting EMDEs, the waning effect of the terms-of-trade shock, combined with moderating inflation and external imbalances, helped support market sentiment. Overall, capital inflows rose as a share of EMDE GDP in 2017, recovering further from their post-crisis low in 2015. The increase was particularly notable in Asia and Eastern Europe and Central Asia, while flows into Latin America remained weak. A rise in portfolio and bank lending flows were the main drivers of the overall improvement. Although foreign direct investment (FDI) flows were broadly stable in aggregate, the experience varied across regions. FDI flows to Asia remained strong, supported by a robust growth outlook and policy efforts to attract foreign investment (e.g., India, Indonesia, Vietnam). FDI flows to Sub-Saharan Africa rose only slightly in the wake of a moderate rise in commodity prices and an increase in non-commodity investments, and FDI inflows to Middle East and North Africa also posted modest growth, supported by privatization plans and improvements in business regulations (e.g., Algeria, the Arab Republic of Egypt, Tunisia).

COMMODITIES

Energy and metals prices recovered in 2017 while agricultural prices remained broadly stable, in line with June expectations. Oil prices averaged $53 per barrel (bbl) in 2017, but were volatile throughout the year. Despite an agreement by some Organization of Petroleum Exporting Countries (OPEC) and non-OPEC producers to cut production, oil prices dropped to $46 in mid-2017, reflecting a rebound in U.S. crude oil output and rising production from Libya and Nigeria, which were exempted from production targets. The price dip temporarily halted the upturn in U.S. shale drilling. Oil prices are projected to average $58/bbl in 2018- a slight upward revision from June forecasts-and edge up to $59/bbl in 2019. These projections reflect expectations of an increase in U.S. production due to continued efficiency gains in the shale oil industry, moderate non-OECD demand growth, and very limited OECD demand growth.

Metals prices gained 22 percent in 2017 partly due to robust demand from China. Low stocks for some metals, notably aluminium and zinc, and China's efforts to reduce surplus production capacity and limit industrial pollution, also helped lift prices in the second half of 2017. Agricultural prices weakened marginally in 2017 and are projected to remain stable in 2018 and 2019. Weighing on prices is the fact that improved growing conditions have pushed stocks-to-use ratios of key grains to multi-year highs. Moreover, fears of supply disruptions (notably, wheat in North America), which temporarily boosted some grain prices, have diminished. Low energy prices have helped reduce grain and oilseeds costs, given that their production is relatively energy-intensive, and have also reduced incentives to divert land to the production of bio-fuels.

Bangladesh Economy

Monetary Policy July – December 2017

Bangladesh Bank (BB) announced Monetary Policy Statement (MPS) for the first six months of FY 2017-18. This monetary policy aimed at facilitating short-and medium-term macroeconomic management, with monetary and financial policies promoting socially responsible financing, facilitating attainment of the government's near-and longer-term inclusive, environmentally sustainable growth objectives. Central Bank declared to achieve GDP growth target of 7.40 percent and it also kept inflation target to 5.5 percent.

The monetary policy will continue policy supports for financing of farm/non-farm MSME output initiatives, with realigned greater emphasis on the employment-focused manufacturing and service sub-sectors, and for 'green' projects of adopting environmentally benign output practices. Central Bank also declared to prioritize its forecasting capabilities and remove impediments to market-based financial pricing, including high NPLs from lax lending discipline, and non-market pricing of government's non-bank NSCs borrowings.

Macroeconomic Scenario

During July - December 2017, export growth picked up and remittance witnessed a broad-based improvement but at the same time, strong import growth widened trade and current account deficits. The current account deficit was largely compensated by favourable financial accounts, with higher foreign direct investment and medium- to long-term loans (MLTs). Now, current account deficit is $1.5 billion, a figure of -0.6 percent as percentage of GDP. A large deficit has emerged after several years of surplus, leading to slower reserve accumulation with reduction in the size of overall balance of payment surplus. Bangladesh experienced a modest uptick in FDI inflow in 2017 at $2.5 billion, primarily from reinvestment. Total foreign aid disbursements during July-November, 2017-18 increased significantly by US$ 0.76 billion or 80.54 percent compared to July-November, 2016-17 and stood at US$ 1.71 billion. After principal repayment of US$ 0.44 billion, the net receipt of foreign aid stood at US$ 1.27 billion during July-November, 2017-18 as compared to US$ 0.58 billion of the same period of the previous year.

Growth in GDP

According to the BBS final estimate the real Gross Domestic Product (GDP) growth in FY2017 increased by 0.17 percent points to register 7.28 percent growth. An analysis of contribution to GDP growth and a comparison with the previous fiscal year's performance (7.11 percent GDP growth) shows that the incremental growth owed primarily to an increased contribution from the services sector, and in particular, from the wholesale and retail trades sector. Growth contribution from financial

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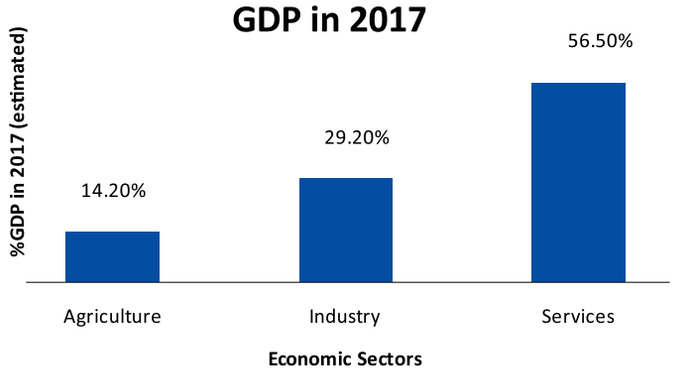
intermediations also improved significantly in a year that was marked by deteriorating performance of the banking sector of the country. In FY2017, industries sector's contribution has dropped due to lower contribution by both manufacturing and electricity sectors. In case of agriculture (broad) sector, the contribution was revised to lower than that reported in the provisional estimates as it incorporated the substantial loss of crop due to flash flood in haor areas in April 2017.

Figure: Sector wise Contribution to GDP in 2017



Export and Import Performance

Exports sector performance has been sluggish but it is gradually picking up. Exports experienced an insufficient growth of 1.7 percent in FY17, the lowest in the last 15 years. A fall of the euro against the US dollar, uncertainty surrounding Brexit and the US elections and a decline in consumption in the West are some of the main factors that contributed to a slowdown in export growth. Bangladesh also received a sharp blow in June this year when the EU, placed Bangladesh on a list of high-risk exporters because of concerns about insufficient safety and security. Bangladesh continues to rely on traditional regions/countries namely the EU and the U.S. for majority of its export revenue. Even though RMG exports are gradually diversifying geographically towards more non-traditional destinations like Japan, Australia and Russia, there is still a long way to go both for RMG and non-RMG exports. The non-RMG items like tricycles, hats and caps, spectacles and objective lenses, cement and various chemical products, and golf equipment etc. were exported by some 4,000 exporters. As the trade policy regime has an anti-export bias, these exporters lack the incentive to become large and focusing on exports rather than the domestic market. This year, the Export Promotion Bureau has set a target of 8.2 percent export growth for which exports would have to amount to approximately $3.2 billion every month for the remaining period. It would make sense to also target some progress in export diversification that would aim at reducing export concentration.

Import in FY17 increased by 9.0 percent and stood at $43.5 billion from $39 billion in FY16. Almost half of the import payments were spent on intermediate goods which comprise of key raw materials for manufacturing and exports sector. According to the Ministry of Food, Bangladesh imported more than 1.0 million tonnes of rice in the July-October period of FY18.

As the global economy shows signs of strengthening and trade flows are gathering momentum, Bangladesh can look forward to see a rebound in its exports. But this trade recovery still remains fragile, and cannot be taken for granted. Related to this an over-valued taka remains a concern not only for exports but also for remittances. Furthermore, total reliance on unskilled labour-intensive exports can prove to be self-defeating in the long run when the reliance on unskilled labour in the context of rapidly changing technological innovations and increased industrial automation can prove to be an unviable option for export-oriented industrialization of the future.

Exchange Rate

Following protracted stability, BDT started to experience some depreciation since second quarter of FY2017. Monthly average nominal exchange rate (NER) in the first half of FY2018 was USD/BDT 82.57 (December 2017). Real effective exchange rate (REER), has declined in the first five months of FY2018 from 153.4 in July to 150.7 in November 2017. Analysis of the cross-currency rate with Bangladesh's major trade competitors reveals that BDT is regaining its pre-appreciation level. For instance, INR-BDT exchange rates, now 1.25 (INR to BDT), has reached the rate posted in 2015.

Foreign exchange reserve has also declined to US$ 32.0 billion as of 3 January 2018, from US$ 33.5 billion as of 30 June 2017. This depletion of forex reserve can be explained by the high growth of import payments, relatively lower export growth and sluggish recovery of growth in remittance. Moreover, Bangladesh Bank has seemingly refrained from intervening in the form of large scale foreign exchange purchases of US$ in the past few months.

Remittance

Remittance has been on a decline since last fiscal year, registering a decline of -14 percent in FY17 but is heading towards a positive trend in FY18. The slump in FY17 was due to lingering weaknesses in the Gulf Cooperation Council economies, consisting of some of the top destination countries for Bangladeshi migrant workers, as a result of the low oil prices and burgeoning fiscal deficits. The oil exporting countries in the Gulf region struggled with low oil prices and their commitment to cutting crude output per last year's November OPEC deal which ultimately had repercussions on investment and household consumption. Some other factors which contributed to the slump include the rise in a negative sentiment against immigrant workers in the U.S. and the U.K. owing to U.S. elections and Brexit, cautiousness in international money transfer operations and the large discrepancy between formal and informal exchange rates. Another reason for the decline in official remittance figures, can be attributed to the gaining importance of informal/illegal channels for transferring funds. Many expatriates are sending money home through the use of mobile financial services (MFS), sometimes referred to as "digital hundi" when not reflected in official inflows.

Inflation

After a period of steady decline, an increasing trend of inflation has been witnessed in 2017 due to an uptick in food inflation. In September, the point-to-point inflation rate hit a two-year-high of 6.12 percent,

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primarily due to rise in prices of some food and non-food items. The rise in food inflation reflects mostly rice price increases due to cost push factors such as high tariffs on rice imports as well as production shortfalls due to early floods and blast outbreak and a decline in public stocks. Although tariff has been reduced to 2 percent in August 2017, a permanent effect of increased rice import on the inflation figure will take a bit of time to have its impact. According to the final estimates by BBS, real GDP, supported by manufacturing and services, grew robustly by 7.28 percent in FY17, outperforming the average growth of 4.7 percent for emerging market and developing economies in 2017. Based on the recent sectoral trends and econometric estimates, Bangladesh Bank projects real GDP in the range of 7.1-7.4 percent in FY18, assuming continued political stability.

Banking Sector

As of June 2017, public credit registered a negative growth of 12.02 percent compared to BB projection of positive 16.1 percent. The growth remained negative throughout the year as government was cleaning up too much money through saving instruments. In contrast, private sector credit growth hit a 57-month high in July 2017 as Banks have shifted focus on consumer loans, SME and farm loans to sustain their profitability. However, it was probably the government's on-going mega infrastructure projects that made major contributions to the higher credit growth in 2017. Some Banks have recently started to finance the large infrastructural projects, particularly in the energy sector, which made credit growth vibrant. Private credit also got a boost from import of industrial raw materials and capital machineries destined for large infrastructure and industrial undertakings. Banks are now also focusing on lending to agriculture and small- and medium-sized enterprises to expand their business activities, which is also helping boost private sector credit growth. To stimulate consumption expenditures, the Central Bank has also doubled the credit card limit to Tk 1.0 million and extended the personal loan ceiling to Tk 0.5 million from Tk 0.3 million. Thus the higher private credit growth in FY2017 is the outcome of several credit boosting initiatives by banks and the private sector.

Interest rate spread has narrowed to 4.4 percent in November 2017 from the previous 4.7 percent in June 2017. The tightening of spreads partly reflects the gradual creep up of deposit rates as Banks' demand for additional funding rose from higher credit growth. We can expect that significant funds will continue to flow to the capital market in 2018 due to a sustained downtrend in interest rates and a depressed real estate sector. Moreover, total liquid assets of the scheduled Banks stood at Taka 259,601.25 crore as of end December 2017 which was Taka 267,194.31 crore at the end of June 2017. The minimum required liquid asset of the scheduled Banks was Taka 172,904.86 crore as of end December 2017. Sectoral distribution of total liquid assets as of end December 2017 in the form of cash in tills & balances with Sonali Bank Ltd., CRR, excess reserves, balances with Bangladesh Bank (foreign currency) and un-encumbered approved securities were 5.11 percent, 24.66 percent, 4.52 percent, 2.72 percent, and 63.00 percent respectively of total liquid assets.

The main reason of concern for the Banking Sector at present is the ever increasing amount of Non-Performing Loans (NPL). The banking sector is suffering from bad loans which are affecting the Banks' profit margin, and adversely impacting business expansion and job creating investments. In a span of 8 years, the amount of NPLs in the Banking system almost doubled. Though not in a turmoil like NPL issues of SCBs, Private Commercial Banks (PCBs) are also not immune to the NPL problem. Loan concentration, rescheduling problems, and mismatch of deposit-lending periodicity are festering problems in this group of Banks, though in a relatively lesser degree. Flexible measures, including loan rescheduling or restructuring policy favouring powerful people and lack of punishment for fraudulence in Banks should set off alarm bells in the banking sector.

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 crossed more than 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 100 Branches including 2 Islamic Banking Branches, 56 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 23 long years. With unbound joy and ecstasy we have celebrated our 23rd Anniversary on July 5, 2017 taking the pride of a balance sheet size of Tk. 229 billion, deposits of Tk.170 billion and advances of Tk.154 billion along a sustainable profit track of approximately Tk.5,205 million as on December 31, 2017. 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, 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 Off-Shore Banking Unit to provide banking services in Non-Resident foreign currency denominated assets and liabilities.

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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 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 Shari'ah 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.1,495.37 million in 2017 in comparison with Tk. 1,465.93 million in 2016 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 2017 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 2017. Bank's net interest income decreased by 9%, total operating income was sustained by reasonable growth in investment income (7.28%) and commission, fees & brokerage income (19.30%).

Thus the Bank secured an amount of Tk. 9,375.51 million in Operating Income. On the balance sheet side, the Bank shaped an amazing balance in assets of Tk. 229 billion showing up an increase of Tk. 27 billion from Tk. 202 billion of 2016. The growth was achieved on the wings of 14.35% growth in Loans and Advances. Deposits also showed a growth of 8.19%. The Bank continued to have notable capital adequacy at11.96% in accordance with Basel-III requirement. Total Shareholders' Equity increased to Tk.15.25 billion in 2017 from Tk. 14.45 billion in 2016. 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 20.96% of total assets. The Bank successfully improved its portfolio of Loans & Advances through increasing Loan to Deposit ratio at 82.64% at the year-end 2017 which was 83.87% in 2016.

Appropriation of profit

Profit after Tax (PAT) stood at Tk. 1,495 million. Profit available for distribution among shareholders is Tk. 953 million after a mandatory transfer of statutory reserve of Tk. 568 million (@20% on PBT). Directors have recommended by stock dividend @12.50% for the year 2017 (12.50 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 of 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.

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 11.96% as of Dec 31, 2017. 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.

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Continued

BDT Million

Particulars	Year 2017	Year 2016
Profit after Tax (PAT)	**1,495.37**	**1,465.93**
Retained earnings brought forward	1,031.85	1,000.58
To be appropriated		
Transfer to statutory reserve	567.84	549.60
Transfer to general reserve	(115.52)	(38.19)
Dividend for the year 2017 (recommended)		
Stock dividend	12.50%	5%
Cash dividend	-	10%
Retained earnings to be carried forward	953.47	942.27
Dividend	1,031.85	1,000.58

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 2018 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 February 24, 2000. The Bank has increased its 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, 2017, equity of the Bank including retained earnings reflected a balance of Tk. 15,245.25 million. Equity as a percentage of total assets was 6.64%. Bank's paid-up capital increased by Tk. 344 million at the year ended 2017. The statutory reserve also increased by Tk. 568 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 2017 due to which the industry experienced remarkable pressure in deteriorating asset quality.In a year span, classified loans amounted to Tk. 921 crore from Tk. 540 crore of 2017. The amount of NPL increased to BDT 381 crore in 2017. In 2017, non-performing loans (NPL) to total loans ratio reached to 5.98% compared to 4.01% of the year 2016. 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 2017.

Non Performing Assets by Segments

BDT Million

Particulars	As on 31.12.2017	As on 31.12.2016	Change
Unclassified Loans	**144,808**	**129,286**	**12.01%**
Standard (Including Staff Loan)	142,014	124,365	14.19%
Special Mention Accounts (SMA)	2,794	4,921	(43.22)%
Classified Loans	**9,209**	**5,403**	**70.44%**
Sub-standard (SS)	322	257	25.29%
Doubtful (DF)	1,809	288	528.13%
Bad/Loss (BL)	7,088	4,858	45.90%
Total Loans	154,017	134,689	14.35%
Non Performing Loans	5.98	4.01	49.13%

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, 2017 segmented profit and loss account for the year ended December 31, 2017 have been prepared.

Corporate Banking Division

Dhaka Bank is more recognized among its valued Corporate Customers. DBL Corporate Banking provides financial products & services that fulfill various banking needs of large Corporate Houses, as well as Financial Institutions & Micro-Credit Organizations. Our product basket ranges from short term financing of day to day business operations to long term loans for expansion of business. In year 2017, Corporate Deposit registered 9% year on year growth. Import and Export also witnessed a YoY growth of 32% and 17% respectively. Corporate portfolio dominated

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the total Loan Portfolio with 84% stake.

Cash Management Unit

Dhaka Bank Cash Management Unit started its journey as a wing of Corporate Banking Division in January 2017.Cash Management Unit successfully launched the first automated payment portal "Dhaka Bank C Solution" as a local bank. Since the unit's inception, a total of 14 renowned corporate clients have been booked under cash management services. They are: Abul Khair Group, Epyllion Group, Noman Group, IPDC Finance Ltd., M&J Group, SSL Wireless Ltd, Meghna Life Insurance Co Ltd, Sajida Foundation, Fu-Wang Foods, Vision Capital, Biddyut Ltd., Flight King, Sushilon NGO and Fu-Wang Foods Ltd etc. The average total amount of monthly transaction by the clients in 2017 was BDT. 2,645.40 Million (Two Thousand Six Hundred Forty Five point Forty Million). This showed an increase of approximately 1480% in transaction amount by the clients, so far brought under Cash Management Services.

Syndication and Structured Finance Unit (SSFU)

In 2017, Dhaka Bank Limited's Syndication and Structured Finance Unit signed a Term Sheet with Chandpur Power Generations Limited, a concern of Doreen Group for arrangement of Syndicated facilities of USD 65.00 million for their upcoming 115 MW (net) HFO based power plant at Chandpur. Dhaka Bank is the 'Mandated Lead Arranger' and 'Agent' for this transaction. This is going to be the first ECA backed financing under lead arrangement of Dhaka Bank Limited".

Retail Banking Division

Dhaka Bank's Retail Banking Division started its operation in the year 2002.The business has made a good deposit client base since then and approved total retail loans amountingto Tk.1,210 crore. Over the year 2017, the Bank has continued its momentum on acquiring new retail clients and growing retail business in the area of deposit accounts, cards and retail loans. The introduction& improvement of Digital Banking products such as Dhaka Bank Go, Direct Banking, has spurred the growth in retail space. In the year 2017, our Retail Asset portfolio grew by 36% compared to end of 2016, and 86% of our retail lending was extended as secured loans such as Car, Home and security covered loans. The focus has been to do with sourcing amongst credit-safe salaried segment. On the retail deposit side, we have witnessed encouraging growth in our CASA book, 14% growth in volume with 31,000 new CASA accounts in the retail deposit portfolio.

The Bank has continued to strengthen Card Business eco-system and has observed an ascent in business parameters. During 2017, Credit Card issuance grew by 1.5 times and Debit Card issuance grew by 47% compared to 2016. In terms of card spending volume, our card holders (Debit & Credit) have used their cards 41% more in comparison to 2016. The clients got benefit of installment purchases of lifestyle goods and travel packages amounted to Tk. 3 Crore over the year. The Bank has launched its first Prepaid Card 'Esteem' for its employees as a pilot and will start issuing this card to payroll clients very soon. Now, with 150 discount merchant partners and 50 Swipe-it (installment purchase) merchant partners, Dhaka Bank Card is considered as one of the emerging cards in the industry. As a result, the Bank has also received marketing support from its scheme partner for the first time.

Major Retail Banking Initiatives / Campaign in 2017

- Wind of Change (CASA acquisition campaign)
- Safe & Sound (Secured Credit Card campaign)
- Debit Card Cash Back Offer (Debit Card issuance& activation campaign)
- Secured Adventure (Secured term loan campaign)
- Insta-Money (Secured Overdraft campaign)
- Call of Duty (Retail deposit sourcing campaign)

Major Card Business Initiatives / Campaign in 2017

- Launch of Visa Prepaid Card
- 'Buy One - Get One Free' campaign during Ramadan
- Eid-Ul-Adha campaign: 5% Cash Back on Swipe-It transaction
- Travel Bonanza: discount and installment purchase of travel ticket / packages
- Passport endorsement campaign
- 5% Cash back on debit and credit card with 'Deshi Dosh' – the leading local fashion outlet

SME

Dhaka Bank Ltd. (DBL) has been gradually shifting its eye in Cottage, Micro, Small, Medium Enterprise (CMSME) lending since 2003. Dhaka Bank Ltd. has already outperformed in Small, Micro and Cottage Enterprise segment by having an exposure of 67.24% where as required exposure is 50.00% or more as per Bangladesh Bank (SMESPD Circular 3, June 29, 2017). DBL is also very close to required SME exposure of 20.00% of total loan of the Bank. In 2017, SME portfolio increased by 124.57% than that of 2016. With strong supervision & monitoring, arranging successful Non-Performing Loan (NPL) Management Campaign by both officials of Head Office & Branch team, DBL has reduced its NPL in this sector to 12.17% in 2017 from 13.79% of 2016. Aligning with Digital Bangladesh, DBL introduced "DBL Bills To Cash", a digital financing solution to the supplier backed by buyer's comfort for the 1st time in Bangladesh. "House Building SME loan (HBSM)" was introduced in the market to cater house building for commercial purpose in the outskirt of Dhaka. So far 100 clients are enjoying the loan & outstanding in this typical product was for Tk.275.31 million as on December 31, 2017. A new Cluster Product "DBL Dairy Loan" was also launched to boost up the dairy industry of the country specially Chatmohar &Vangura of Pabna. Tk.39.62 million was disbursed among 31 clients in 2017 since its inception Recently, SME Unit booked 1,010 nos. of fresh accounts for Tk.1,928.60 million. These accounts are enjoying loan facilities of maximum Tk.10.00 million. As on 31 December 2017, adding 10 new women entrepreneurs, total 98 women entrepreneurs are enjoying total loan facility of Tk.129.89 million from DBL. SME Unit also financed 5 marginal farmers/borrowers for Tk.0.75 million in 2017. Dhaka Bank obtained total refinance of Tk.2,505.84 million as on 31 December 2017 from various funds of Bangladesh Bank. Dhaka Bank also participated in "2nd International SME Fair Bangladesh 2017" held at World Trade Center, Chittagong organized by Chittagong Chamber of Commerce on 9-11 December 2017.

DIRECTORS' REPORT 2017

Continued

SME Financial Summary: (BDT in Million)

	2016	2017
Asset	21,509.00	26,793.53
NPL%	13.79%	12.17%
Disbursement Target	17,000.00	25,000.00
Achievement	113.05%	107.17%

International Division

International Division works for ensuring smooth foreign trade business, foreign exchange transactions and channelizing wage earners remittance. This division is mainly divided into two units:

i. Financial Institutions (FI) Unit
ii. Remittance Unit

Financial Institutions (FI) Unit

Trade finance business is one of the major concentration areas of Dhaka Bank Limited. In the year of 2017, International Division's FI Unit was engaged in strengthening its correspondent networks to facilitate the Bank's trade finance business. Dhaka Bank has routed 28,353 LCs through its correspondent banks with total value USD 1.60 billion in 2017. Dhaka Bank has achieved 23% growth in Import trade business. Clients were offered multiple options in routing their LCs with confirmation and discounting facilities without any major hurdle. Moreover, FI Unit of International Division arranged USD 55 million facilities agreements in March, 2017 from IFC. Under the signed agreement, IFC provided USD 20 million Working Capital Solutions facility to Dhaka Bank's Offshore Banking Unit for expanding its foothold in SME-based export sector and USD 35 million Guarantee Facility under Global Trade Finance Program (GTFP). The USD 35 million GTFP of IFC has enhanced the capacity of Dhaka Bank to deliver trade financing by providing risk mitigation in new or challenging markets where trade lines may be constrained.International Division also helped OBU to arrange a good volume of trade loans from foreign correspondents.

Remittance Unit

DBL has correspondent relationship and agency arrangements with internationally reputable major banks, financial institutions and exchange houses throughout the world. At present, DBL has agency arrangements with total 21 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 PadakhepManabikUnnayan 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 to beneficiaries living in the remotest areas.

CRM Division

At Dhaka Bank Ltd., CRM division process the credit proposals (except RMG & Allied) amounting more than Tk 10.00 Million. In the year 2017 CRM Division received 1166 number of proposals and issued 972 number of sanctions.CRM Division has taken the various measures and initiatives for quality credit growth, efficient and faster processing of credit proposals, ensuring faster approvals and ensuring compliance of rules and Regulations.

Some other recent measures and initiatives of CRM Divisions are as follows:

- Industry analysis Reportof different sectors
- Periodic review of different loans accounts
- Regular trainings of branch credit officers for capacity building and for proper analysis of Credit Risk
- Periodic review of Large Loan Accounts performances
- Introduction ofInternal Risk Rating system
- Annual review of Credit Policy for adopting necessary changes in credit norms and practices to address the latest industry and market situation changes.

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 2017, the deposit and investment of Islamic Banking operations of Dhaka Bank Ltd. stood at Tk. 5,885 million & Tk. 5,236 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 itsOBU 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 numberof 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.

DIRECTORS' REPORT 2017
Continued

Subsidiary: Dhaka Bank Securities Limited

The Capital Market of Bangladesh was in bullish trend almost all the year around. With the positive market trend and prudent managerial capacities, the trade volume of the company was increased significantly in the year 2017 compared with that of the previous year. Total market trade volume increased by 82.65% in 2017 from the year 2016 whereas the growth of trade volume generated by DBSL was 102.33%. The company generated total trade volume of BDT 43,695.03 million in the year 2017 and captured 1.89% market shares in 2017 where it was 1.70% in 2016. Management was very conservative in selecting the Customers 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 the prudent managerial capacity, DBSL has maintained Excellency in making profitability. Company's total operating income was BDT. 332.47 million in 2017 which was BDT. 238.22 million in the previous year. Company's total operating profit is BDT 252.05 million in 2017 which was BDT 164.98 million in the previous year. Company's Net Profit stood at BDT. 108.07 million in 2017 which was BDT. 81.05 Million in the previous year. This increase of 33.34% in net profit figure is due to this year's higher amount of trade volume and efficient management of dealer portfolio.

Business & Operational Highlights

Service network enhancement

Dhaka Bank has made its vibrant presence all over the country with a countrywide reach through a larger network of Branches, ATMs, ADMs, SME channels and SMS banking. In 2017, the Bank has opened 06 new Branches namely Chowmuhani, Kalibari, Mawna, Rupshi, Gunabati, and Banani Road 11 Branch. Presently we are available nationwide with our 100 Branches including 2 Islamic Banking Branches, 3 SME Service Centres, 56 ATMs, 20 ADMs, 2 Offshore Banking Units, 1 Kiosk and 6 Branches under Dhaka Bank Securities Limited.

New Development in IT Infrastructure

Understanding the changing scenario, Dhaka Bank Limited has started to digitize its services in order to offer simple but secured banking to its Customers. Following initiatives were taken in 2017

Core Banking System (CBS):The Bank recently upgraded its CBS to the latest 12.0.3 version of Flexcube UBS. The version has Conventional & Islamic banking modules required by the bank and supports multi country operations. Bank is using this solution for its OBU operations also. It has interface with Debit Cards, ATM, POS, SWIFT, Internet banking, Mobile Apps. etc. It can be used as Centralized or De-centralized model with full redundancy. It has multilayer security option.

Identity and Access Management System:In order to ensure security through single sign on option, Bank procured Oracle Identity and Access Management for Identity Governance, Access Management and Directory Services.

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

Server and Storage: To ensure performance and security, bank implemented Oracle Sun SuperCluster M7 for its Core Banking and Cards system. SuperCluster has high-performance Architecture which is engineered for performance, security & efficiency. In addition to the above, bank is using EMC storage and IBM/HP/DELL servers both in Production & DR site for other banking systems.

Process Automation

DBL recently introduced 'C Solution', 'Trade Cloud', and 'Bills-to-Cash' for process automation. 'C Solution' is introduced to automate Cash Management activities where Customers can digitally send bulk payment requests to the bank to credit it to their beneficiaries (within or across the bank). It has maker/checker concept, 2FA option like OTP and notification system. On the other hand, 'Trade Cloud' is a web based solution for the Trade Customers. It allows them to send their LC Issue/ Amendment request along with supporting documents digitally, see the current status and receive the related advice from the bank after completion. It also has maker/checker concept, 2FA option like OTP and notification system. 'Bills-to-Cash' is introduced to automate Invoice and Distributor financing. It is end to end solution where Buyer, Seller and Bank can digitally send request and approve. It has maker/checker concept, 2FA option like OTP and notification system.

Digital Banking Avenue & Green Banking Initiatives

Dhaka Bank has started strengthening its Internet Banking facilities, Mobile Apps facilities, Call Center & IVR, Card and ATM facilities under its current Digital Banking Solution. At present, the Bank is under process to launch NFC enabled EMV cards and QR code based payment service. Throughout the Bank's digitizing initiatives the Bank has also re-engineered its workflow processes to ensure Green Banking Culture. LC Origination and Amendment, Bill Purchase/Discounting, Loan Origination, Debit Cards issuing, Credit Cards approval, Storing Digital copy of all Forms, Supporting Documents and Reports are now managed with Workflow Based Document Management System. As a part of Green Banking initiative, Bank is also sending e-statement and e-advice to the Customers in addition to the SMS notification.

Risk Management Initiatives

Dhaka Bank has established Risk Management Division (RMD) integrating the existing 'Risk Management Unit' and 'Basel II Implementation Unit' in 2013 for strengthening risk management activities of the Bank. RMD is responsible for risk identifying, measuring and mitigating the risk of the bank. In 2017, RMD strongly monitored different level of management to reduce forward movement & NPL. Important measures like new loan and deposit product, have been launched by RMD to diversify the loans portfolio to mitigate the concentration risk. RMD also suggested launching new product to increase low cost deposit and resultantly mitigate liquidity crisis.

From 2017, RMD also started Training on Comprehensive Risk Management among all employees of the bank. 100 employees already got the training and rests are expected to get the training by 2018. RMD also conducted training on AML & CFT and trade based money laundering. RMD also brought about an innovative 'Risk Based Pricing Model' in 2017 to identify the credit risk and to assess the proper lending rate/pricing for the borrowers.

DIRECTORS' REPORT 2017
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Way Forward:

- Development of Web Based 'Risk Register' as a part of Enterprise Risk Management (ERM) and to start risk culture of the bank
- Strengthen the risk monitoring culture to the bank
- Strengthen sound risk management practice of the bank
- To start Risk based pricing
- To start Risk based audit
- To start Risk based valuation

Training Initiatives

Training is by far the most important and crucial event for organizational advancement. 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. In the year of 2017, DBTI conducted 118 training programs covering 33 diverse courses for 3,028 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. Dhaka Bank believes in bringing holistic approach in training and development area. For this reason, Handful of participants was also sent to attend various courses both at home and abroad to attain special skills.

Meeting & Business Review

22nd Annual General Meeting

22nd Annual General Meeting of Dhaka Bank Limited was held on 12th June, 2017 at Grand Ball Room, Pan Pacific Sonargaon, Dhaka. Mr. Reshadur Rahman, Chairman presided over the meeting. 10% Cash and 5% Stock Dividend have been declared as the dividend for the year 2016. All members of the Board of the Bankalong with a good number of Shareholders were present on the occasion.

Meeting of Shariah Supervisory Committee

46th Meeting of the Dhaka Bank Limited Shari'ah Supervisory Committee held on December 2017. 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, issues regarding important agendas of Islamic Banking Operations of the Bank were discussed.

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 with JICA for Urban Building Safety Project (UBSP)

Syed Mahbubur Rahman, Managing Director and CEO of Dhaka Bank Ltd. and Swapan Kumar Roy, General Manager, SMESPD, Bangladesh Bank recently signed a Participating Financial Institutions (PFI) Agreement under JICA assisted Urban Building Safety Project (UBSP) at the Bangladesh Bank Head Office. Governor of Bangladesh Bank Fazle Kabir, Deputy Governor S. K. Sur Chowdhury, Chief Representative of JICA Bangladesh Office TakatoshiNishikata and Deputy Managing Director (International Business) of Dhaka Bank Limited Mohammad Abu Jafar were present on the occasion.

Signing Ceremony with IFC forUS$55 Million Facilities Agreements

Dhaka Bank Limited and International Finance Corporation (IFC) recently signed US$55 million facilities agreements, under which, IFC will provide US$20 million Working Capital Solutions (WCS) facility to Dhaka Bank's Offshore Banking Unit for expanding its foothold in SME-based export sector and US$35 million Guarantee Facility under Global Trade Finance Program (GTFP). Mr. Syed Mahbubur Rahman, Managing Director and CEO, Dhaka Bank Limited and Ms. Ariane Di Iorio, Regional Industry Manager, Financial Institutions Group, IFC South Asia recently signed the agreements at Corporate Office of Dhaka Bank on behalf of their respective organizations.

Research & Development

For taking a leading role, continuous improvement is a must. And it is attained through deep research. Research is crucial at every stage for informed decision-making. Keeping in mind the shifts and fluctuations in industry, Dhaka Bank is continuously digging deeper with its versatile R&D initiatives. R&D Unit provided support in content development of a large segment of Annual Report 2016. In 2017, R&D published four issues of Dhaka Bank's Quarterly flagship Newsletter INSIGHT and distributed them to Regulatory bodies, Govt. Offices, Foreign embassies, Public & University libraries, Trade & Business bodies, all our Bank employees. In 2017, R&D repackaged the Mudaraba Hajj Deposit Scheme and also took a Green Initiative to make sure every Customer and employee can access online forms for opening various Accounts; and also for easy download and use internally at office. Additionally in 2017, R&D launched a YouTube Channel for Dhaka Bank's Audio-Visual contents and reached a large number of existing and potential online Customers. R&D also presented Regular Analysis and Reviews to Management to helpmake moreprudential decision. R&D time to time conducts different surveys as required by the Management for informed decision making. As development is a continuous and never-ending process, R&D initiatives are gradually expanding with each passing day..

Corporate Social Responsibility

Dhaka Bank Limited embraces its role as a corporate citizen. It regards CSR not as a charity, but an investment in society and its own future. DBL's goal as a responsible corporate citizen is to build social capital. In 2017 the bank has contributed USD 2,041,644.66 for various social and philanthropic causes as CSR.

- Education Sector: Dhaka Bank contributed USD 573,457.38 at education sector in 2017. The bank donated USD 240,096 towards Prime Ministers' Education Assistance Trust for financial support towards meritorious & poor students. The bank also donated USD 240,096 towards Suchona Foundation for financial assistance of Autistic Children. Other than that, we donated USD 14,406 towards SEID Trust for the welfare and development of Autistic Children, USD 24,010 towards PFDA Vocational Training Institute, USD 30,012 towards Shahid Smriti College of Mohangonj,

DIRECTORS' REPORT 2017
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Netrokona for infrastructural development of College building, USD 30,012 towards Syedpur Abdur Rahman High School, Sirajdikhan, Munshigonj for infrastructural development of College building, USD 6,002 for Assistance for Blind Children (ABC), a specialized NGO working for Blind Children's Education.

- Health Sector: Dhaka Bank contributed USD 81,632.65 at health sector in 2017. The bank donated towards BIRDEM, Centre for Women & Child Health (CWCH). Other than that, the Bank helps different individuals for their treatment.
- Disasters Management: Dhaka Bank contributed USD 1,373,349.34 at Disaster Management sector in 2017. The bank donated USD 1,275,820 towards Prime Ministers' Relief Fund towards for the cold affected people of Bangladesh, for RohingyaaRefeuges, for the flood affected people of the country. Other than that, we donated Prothom Alo Trust for the Land slide affected people, Zilla Parishad, Moulvibazar for flood affected people. In addition, the bank support to the affected families of BDR Carnage. Dhaka Bank Distributed Blankets & Shawl for Winter Affected distressed people of different parts of the country.

AGM

The 23rd Annual General Meeting of the Bank will be held on Thursday, June 28, 2018, at Grand Ball Room, Pan Pacific Sonargaon, 107, Kazi Nazrul Islam Avenue, Dhaka at 11:00 A.M.

Dividend

The Board of Directors has recommended 12.50% stock dividend for the year ended on December 31, 2017 subject to approval of shareholders in the 23rd 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 23rd 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 22nd AGM held on Monday, June 12, 2017 appointed Hoda Vasi Chowdhury & Co., Chartered Accountants the statutory auditor of the company for the year 2017. ACNABIN was eligible for conducting audits for 3-year term ended in 2016.

Way forward 2018

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 of prevailing liquidity crisis with market competitive deposit rate
- Ensuring sophisticated IT system towards safe and lawful transactions
- Uncertainty still prevails 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
- Ensuring market competitive lending rate. 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

- Prudential policies taken by Bangladesh Bank to strengthen the quality of banks' assets will continue in 2017 and beyond so that the progressive trend in the financial sector can be retained, in accordance with the needs for sustained growth and expansion
- Although the country witnessed a declining growth rate in export last year, the achievement in export proves our resilience against domestic challenges. RMG sector registered a growth rate of 7.46% which is our most well known export sector. Besides export growth in leather and pharmaceutical also seem promising for the country. Banks have high exposure in these sectors and it can be expected that banks will continue to earn profit through their association with these sectors
- 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
- There is also ample scope to earn profit from Non Funded Incomes (NFIs) by focusing more onto tuition fees, ticket revenue etc.

Goals set for 2018

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 have already upgraded the Core Banking System (CBS) to ensure safer and more hassle-free banking experience for the Customers. We are always strategizing to come up with new arena of development to make transactions smoother and serve better than our competitions.

Achieving cost effectiveness

DIRECTORS' REPORT 2017

Continued

TThis 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, 2017, Bank's total SME loan portfolio was increased by124.57% to Tk. 26,793.53 million from Tk. 21,509million in 2016. 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. To comply with the Cluster Development Policy of the Central Bank, this year we introduced DBL Dairy Loan (DLTA) for the Dairy Industry. Tk.39.62 million was disbursed among 31 clients in 2017 since its inception.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 2018 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 ২০১৭

ঢাকা ব্যাংকের ২৩তম বার্ষিক সাধারণ সভায় আপনাদের স্বাগত জানাই। 'বার্ষিক প্রতিবেদন ২০১৭' ঢাকা ব্যাংকের কর্মকাণ্ড এবং অর্জন সম্পর্কিত বিবরণী।

বিশ্ব অর্থনীতি ২০১৭

মিশ্র পরিস্থিতি ও দুর্বল মুদ্রাস্ফীতির প্রেক্ষাপটে উন্নত অর্থনীতির অনেক দেশের কেন্দ্রীয় ব্যাংকই অভ্যন্তরীণ ভোগ ও বিনিয়োগকে যথাযথ রাখার প্রয়াসে সমন্বয়শীল মুদ্রানীতি ঘোষণা করে। প্রায় তিন চতুর্থাংশ দেশের অর্থনীতি ছিলো উর্দ্ধমুখী প্রত্যক্ষ ও পরোক্ষভাবে ২০১৭ সালের বাংলাদেশ অর্থনীতির গতিপথ নির্ধারণে বিশ্ব অর্থনীতি প্রভাব রাখে।

বাংলাদেশ অর্থনীতি ২০১৭

২০১৭-১৮ অর্থবছরের মানিটারী পলিসি স্টেটমেন্ট ব্যষ্টিক অর্থনীতির স্বল্প ও মধ্য মেয়াদী ব্যবস্থাপনার পক্ষ ছিলো সামাজিক দায়বদ্ধতা পূরণে বিনিয়োগ এতে গুরুত্ব পেয়েছে। সামষ্টিক ও ব্যষ্টিক অর্থনীতির নানা চলকের ওঠানামা ছিল প্রায় বছর জুড়েই। ২০১৬-১৭ অর্থবছরে দেশের জিডিপি প্রবৃদ্ধি ছিল ৭.২৮ শতাংশ যা চলতি ২০১৭-১৮ অর্থবছরে প্রাক্কলন করা হয়েছে ৭.৪০ শতাংশ। এ সময়ের মধ্যে মূল্যস্ফীতি ৫.৫ শতাংশ থাকবে বলে আশা করা হয়েছে। আমদানি ও রপ্তানি আয়েও আশাব্যঞ্জক চিত্র দেখা গেছে। ২০১৭ সালে রপ্তানী আয় বেড়েছে মাত্র ১.৭০ শতাংশ যা বিগত ১৫ বছরের মধ্যে সর্বনিম্ন তবে রপ্তানি আয়ে প্রবৃদ্ধি হলেও প্রবাসী আয়ে তা হয় নি। ২০১৭ সালে প্রবাসী আয় বা রেমিট্যান্স ১৪ শতাংশ কমে গেছে। বিদেশী বিনিয়োগে ছিলো মাঝারি মানের প্রবৃদ্ধি। ২০১৭ সালে বেশীরভাগ ব্যাংকের পরিচালন মুনাফা বাড়লেও সার্বিক বিবেচনায় আর্থিক খাতের চিত্র আশানুরূপ ছিলো না। ২০১৭ সালেও মন্দ ঋণ ছিলো একটা বড় সমস্যা। সংশিষ্ট সকলের সদিচ্ছাই এর সমাধান আনতে পারে।

ঢাকা ব্যাংকঃ অগ্রযাত্রায় অটল

ঢাকা ব্যাংক আরো একটি মিশ্র অভিজ্ঞতার বছর অতিক্রম করল।

কিছু অর্জন আমাদের আনন্দিত করেছে, তবে বাকী পথচলা ছিলো কঠিন। ঢাকা ব্যাংকের প্রতি সম্মানিত শেয়ারহোল্ডারবৃন্দ এবং গ্রাহকগণের নিরবচ্ছিন্ন আস্থা ও বিশ্বাস কঠিন পরিস্থিতিতেও আমাদের পথ দেখিয়েছে। অনুপ্রেরণা জুগিয়েছে সামনে এগিয়ে যেতে। এরইমাঝে দেশজুড়ে ১০০টি শাখা (২টি ইসলামী শাখাসহ), ৫৬টি 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 আমরা সবসময়ই সচেষ্ট।

প্রতিবেদন ২০১৭-এর সারসংক্ষেপ

ডিসেম্বর ৩১, ২০১৭ পর্যন্ত ঢাকা ব্যাংকের মোট আমানতের পরিমাণ দাঁড়ায় ১৭০ বিলিয়ন টাকা যা তার আগের বছরের তুলনায় ৮.০০ শতাংশ বেশি। অপরদিকে বছর শেষে লোন ও অ্যাডভান্সের পরিমাণ ছিল ১৫৪ বিলিয়ন টাকা যা আগের বছরের ১৩৪ বিলিয়ন টাকার তুলনায় ১৪.০০ শতাংশ বেশি। বেশ চ্যালেঞ্জিং পরিস্থিতিতেও পরিচালন মুনাফা ছিল ৫,২০৫ মিলিয়ন টাকা যা তার আগের বছরের ৫,৪০৪ মিলিয়ন টাকার তুলনায় ৪.০০ শতাংশ কম। বছর শেষে ঢাকা ব্যাংক নিট মুনাফা অর্জন করে ১,৪৯৫.০০ মিলিয়ন টাকা যা তার আগের বছরের ১,৪৬৬.০০ মিলিয়ন টাকার তুলনায় ১.৯৮ শতাংশ বেশি। পরিচালকগণ ২০১৭ সালের জন্য স্টক হিসেবে ১২.৫০ শতাংশ লভ্যাংশ সুপারিশ করেছেন।

২০১৭ সালের শেষে আমাদের মোট গ্রাহক হিসাবের সংখ্যা দাঁড়ায় ৫০৭,৫৮৬ টি। ২০১৭ সালের শেষে মোট এসএমই ঋণের পরিমাণ ছিল ২৬.৭৯ বিলিয়ন টাকা।

ঢাকা ব্যাংক সিকিউরিটিজ লিমিটেড ২০১৭ সালে নিট মুনাফা অর্জন করেছে ১০৮.০৭ মিলিয়ন টাকা যা ২০১৬ সালে ছিল ৮১.০৫ মিলিয়ন টাকা। অপরদিকে ২০১৭ সাল শেষে ঢাকা ব্যাংকের ইসলামী ব্যাংকিং-এর মোট আমানত এবং বিনিয়োগের পরিমাণ দাঁড়িয়েছে যথাক্রমে ৫,৮৮৫ ও ৫,২৩৪ মিলিয়ন টাকায়।

ঢাকা ব্যাংক এর প্রাতিষ্ঠানিক সামাজিক দায়বদ্ধতা কার্যক্রমে শিক্ষা ও চিকিৎসাকে বিশেষ গুরুত্ব দেয়। ২০১৭ সালে ঢাকা ব্যাংক সামাজিক দায়বদ্ধতা কার্যক্রমে অবদান রেখেছে মোট ১৪৫ মিলিয়ন টাকার যার মধ্যে মাননীয় প্রধানমন্ত্রীর ত্রাণ তহবিলে দেয়া হয় ১৭০ মিলিয়ন টাকা।

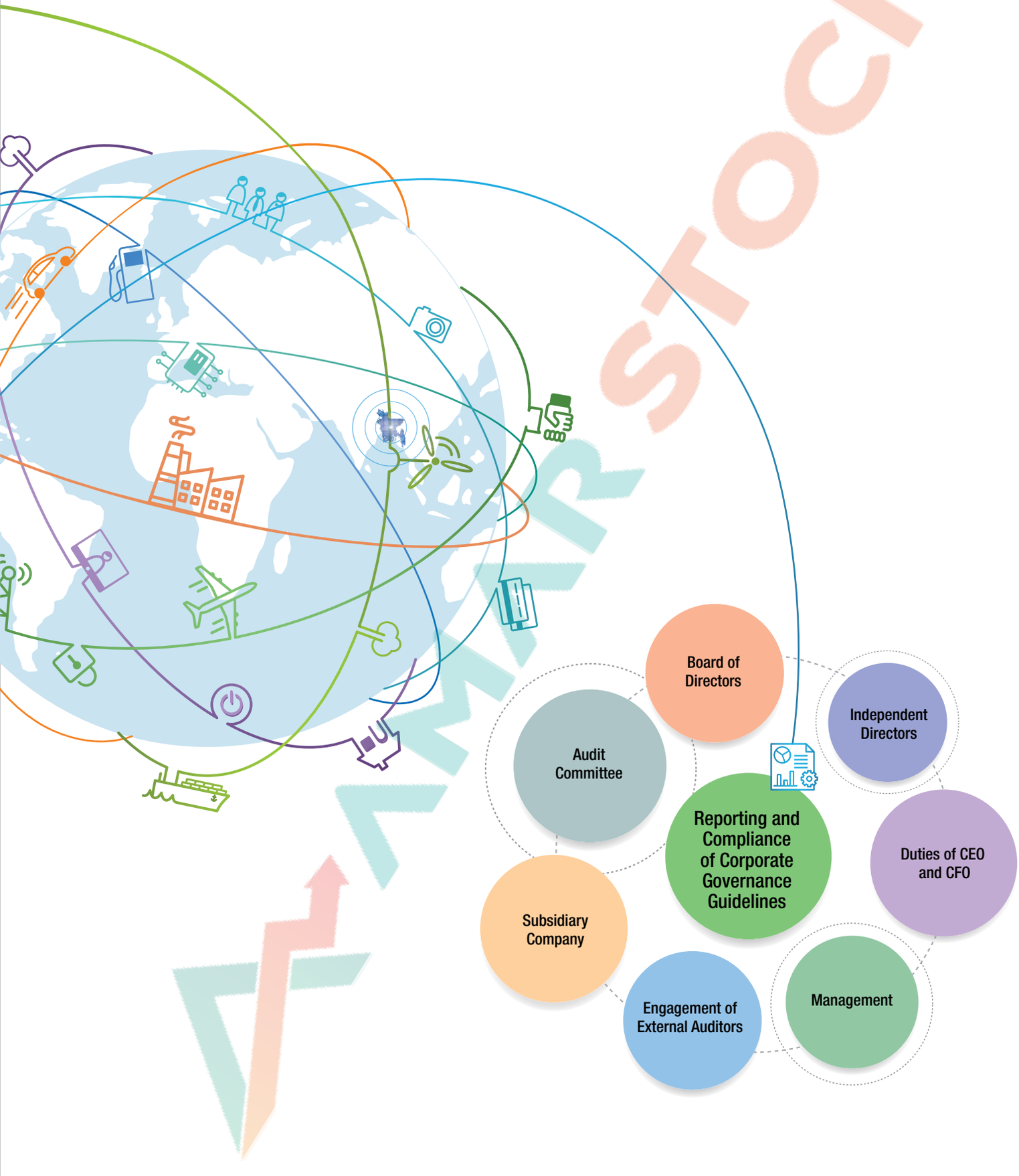
আমাদের অগ্রযাত্রা

২০১৮ সালটি আমাদের সামনে স্পষ্টতই তুলে ধরবে নানান সম্ভাবনা এবং চ্যালেঞ্জ। আমরা পোর্টফোলিও সবসময়ই নানান বিন্যাসে সাজিয়ে থাকি। টেকসই ব্যাংকিং আমাদের কাছে শুরু থেকেই বিশেষ গুরুত্ব পেয়ে আসছে। আমাদের উদ্যমী ও সৃষ্টিশীল কর্মীদের নিয়ে একটি অত্যাধুনিক, লাভজনক ও স্থিতিশীল ব্যবসায় নিয়ে আমরা আমাদের অবিচল অগ্রযাত্রা নিশ্চিত করব।

আমাদের সকল গ্রাহক, শেয়ারহোল্ডারবৃন্দ, পরিচালনা পর্ষদ, ব্যাংক ব্যবস্থাপনা, কর্মীবৃন্দ এবং অন্যান্য সকল শুভানুধ্যায়ীদের আবারও জানাই আন্তরিক শুভেচ্ছা

রেশাদুর রহমান
চেয়ারম্যান
পরিচালনা পর্ষদ, ঢাকা ব্যাংক লিমিটেড

COMPLIANCE REPORT
ON BSEC'S NOTIFICATION



COMPLIANCE REPORT ON BSEC'S NOTIFICATION

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. ACNABIN 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, 2017 to December 31, 2017. 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	22	The directors who could not attend any Meeting were granted leave of absence
Mrs. Rokshana Zaman	Vice-Chairperson	25	24	
Mr. Abdul Hai Sarker	Director	25	19	
Mr. Altaf Hossain Sarker	Director	25	24	
Mr. Md. Amirullah	Director	25	25	
Mr. Abdullah Al Ahsan	Director	25	24	
Mr. Khondoker Monir Uddin	Director	25	16	
Mr. Tahidul Hossain Chowdhury	Director	25	22	
Mr. Jashim Uddin	Director	25	21	
Mr. Mohammed Hanif	Director	25	19	
Mr. Khondoker Jamil Uddin	Director	25	22	
Mr. M.N.H. Bulu	Director	25	17	
Mr. Mirza Yasser Abbas	Director	25	12	
Mr. Amanullah Sarker	Director	25	18	
Mr. Syed Abu Naser Bukhtear Ahmed	Independent Director	25	19	
Mr. M. A. Yussouf Khan	Independent Director	25	11	
Mr. Syed Mahbubur Rahman	Managing Director & CEO	25	22	

EMAIL STOCK

COMPLIANCE REPORT
ON BSEC'S NOTIFICATION
Continued

Annexure-II

The pattern of shareholding of Dhaka Bank Limited as on 31.12.2017 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	24,379,667	Mrs. Shamsi Rahman	2,348,109
02.	Mrs. Rokshana Zaman	17,694,260	Mr. A.T.M. hayatuzzaman	1,701,357
03.	Mr. Altaf Hossain Sarker	20,143,714	Mrs. Nilufar Hossain	1,200,000
04.	Mr. Abdul Hai Sarker	16,029,668	Mrs. Selina Hai	898,874
05.	Mr. Md. Amirullah	14,447,630	Mrs. Ayesha Amir	3,435
06.	Mr. Abdullah Al Ahsan	14,448,872	Mrs. Amena Begum	885,151
07.	Mr. Tahidul Hossain Chowdhury	14,506,481	Mrs. Jesmin Sultana Chowdhury	68,827
08.	Mr. Jashim Uddin	14,447,762	Mrs. Mamtaj Begum	1,214,675
09.	Mr. Mohammed Hanif	22,001,572	Mrs. Rowshan Ara Hanif	598,967
10.	Mr. Khondoker Monir Uddin	20,743,363	Mrs. Jasmin Sultana	4,878,945
11.	Mr. Khondoker Jamil Uddin	14,447,562	Mrs. Afroza Begum	Nil
12.	Mr. Amanullah Sarker	14,447,633	Mrs. Nasrin Aman	Nil
13.	Mr. Mirza Yasser Abbas	26,602,504	Mrs. Yakut Binte Sadek	Nil
14.	Mr. M.N.H. Bulu	14,464,553	-	-
15.	Mr. Syed Abu Naser Bukhtear Ahmed	Nil	Mrs. Mahin Ahmed	Nil
16.	Mr. M.A. Yussouf Khan	Nil	Mrs. Syeda Rowsan Ara Begum	Nil

2. Managing Director: 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, Additional 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

AMARSTOCK

COMPLIANCE REPORT
ON BSEC'S NOTIFICATION
Continued

Annexure-A

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/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	**Board of Directors (BoD)**			
1.1	Board size(number of Board members - minimum 5 and Maximum 20)	√		
1.2	**Independent Director:**			
1.2 (i)	At least one fifth (l/5) of the total number of Directors shall be Independent Directors	√		According to the provision of 1.1of the Corporate Governance guidelines of BSEC, the Board of Dhaka Bank Limited has been constituted as per section 15(9) of Bank Company Act 1991(Amended upto 2018)
1.2 (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 percent (1%) 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 members 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 is not a member, director or officer of any stock exchange	√		
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 not a partner or executive or was not a partner or an executive during the preceding 3 (three) years of the company's statutory audit firm	√		
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)		√	

DHAKAR STOCK

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 BoD approved by the shareholders in the Annual General Meeting (AGM)	√		
1.2 (iv)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	√		
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	√		
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only	√		
1.3	**Qualification of Independent Director (ID):**			
1.3 (i)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	√		
1.3 (ii)	Independent Director should be a Business Leader/ Corporate leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background /Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences	√		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of Commission	N/A		
1.4	**The Chairman of the Board and the Chief Executive Officer (CEO) shall be different individuals. The Chairman shall be elected from among the directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the CEO**	√		
1.5	**The director's report shall include the following additional statements:**			
1.5 (i)	Industry outlook and possible future developments 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	√		Discussion on interest income, expense, operating and net profit margin are provided.
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	N/A		
1.5 (vi)	Basis for related party transactions - a statement of all related party transactions should be disclosed in the annual report	√		

AMARSTOCK

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, rights issues and/or through any other instrument	N/A		
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for None 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	N/A		
1.5 (x)	Remuneration to directors including independent directors	√		
1.5 (xi)	The financial statements present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1.5 (xii)	Proper books of account have been maintained	√		
1.5 (xiii)	Adaptation of appropriate accounting policies & estimates	√		
1.5 (xiv)	IAS/BAS/IFRS/BFRS, as applicable in Bangladesh, have been followed and 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 results	√		
1.5 (xviii)	Key operating and financial data of at least preceding 5(five) years shall be summarized	√		
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 is disclosed	√		
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). Company Secretary (CS), Chief Financial Officer (CFO), Head of Internal Audit (HIA) and their spouses and minor children	√		
1.5 (xxi)(c)	Executives	√		
1.5 (xxi)(d)	Shareholders holding ten percent (10%) or more voting interest in the company	√		
1.5 (xxii)	**In case appointment/re-appointment of director, disclose:**			

MARSTOCK

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)	a brief resume of the director	√		
1.5 (xxii)(c)	nature of his/her expertise in specific functional areas	√		
2	**names of companies in which the person also held the directorship and the membership of committees of the board**			
2.1	Appointment of CFO, HIA and CS and defining their respective roles. responsibilities & duties	√		
2.2	The CFO and the CS shall attend the meeting of the Board of Directors	√		
3	**Audit Committee (AC):**			
3(i)	The Audit Committee shall be the sub-committee of the BoD	√		
3(ii)	The Audit Committee shall assist the BoD in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		
3(iii)	The Audit Committee shall be responsible to the BoD. The duties of the Audit Committee shall be clearly set forth 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 BoD 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 the 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)	The Company Secretary shall act as the secretary of the Audit Committee	√		
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director	√		
3.2	**Chairman of the Audit Committee**			

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COMPLIANCE REPORT
ON BSEC'S NOTIFICATION
Continued

SL No.	Title	Compliance Status		Remarks
		Complied	Not complied	
3.2(i)	The BoD shall select the Chairman of the Audit Committee, who shall be an Independent Director	√		
3.2(ii)	Chairman of the audit committee shall remain present in the 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 the annual financial statements before submission to the board for approval	√		
3.3(vi)	Review the quarterly and half yearly financial statements before submission to the board for approval	√		
3.3(vii)	Review the adequacy of internal audit function	√		
3.3(viii)	Review statement of significant related party transactions submitted by the management	√		
3.3(ix)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors	√		
3.3(x)	Disclosure to the Audit Committee about the uses/ applications of IPO funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, shall prepare a statement of funds utilized for the purposes other than those stated in the prospectus	**N/A**		
3.4	**Reporting of the Audit Committee:**			
3.4.1	Reporting to BoD on the activities of the Audit Committee	√		
3.4.1(i)	Reporting to BoD on conflicts of interests	√		
3.4.1(ii) (a)	Reporting to BoD on any fraud or irregularity or material defect in the internal control system	**N/A**		
3.4.1(ii) (b)	Reporting to BoD on suspected infringement of laws	**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 to BoD on any other matter	**N/A**		
3.4.2	Reporting to BSEC (if any material impact on the financial condition & results of operation, unreasonably ignored by the management)	**N/A**		
3.5	Reporting to the Shareholders of Audit Committee activities, which shall be signed by the Chairman and disclosed in the Annual Report	**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 Book Keeping 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 internal audit services	√		
4.00(vi)	Non-engagement in any other services that the Audit Committee determines	√		
4.00(vii)	No partner or employees of the external audit firms shall possess any share of the company during the tenure of their assignment	√		
4.00(viii)	Audit/ Certification services on compliance of corporate governance as required under clause (i) of condition 7	√		
4.00 (ix)	Audit/ Certification services on compliance of corporate governance as required under clause (i) of condition 7	√		
5	**Subsidiary Company:**			
5.00(i)	Provisions relating to the composition of the BoD of the holding company shall be made applicable to the composition of the BoD of the subsidiary company	√		
5.00(ii)	At least 1(one) Independent Director on the BoD of the holding company shall be a director on the BoD of 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	√		
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 contain any materially untrue statement or omit any material fact or contain 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 of knowledge and belief, no transactions entered into by the company during the year which are fraudulent. illegal or violation of the company's code of conduct	√		
7	**Reporting and Compliance of Corporate Governance Guidelines:**			
7(i)	Obtaining certificate from a practicing Professional Accountant/Secretary regarding compliance of conditions of Corporate Governance Guidelines of the BSEC and include in the Annual Report	√		
7(ii)	Directors statement in the directors' report whether the company has complied with these conditions	√		

DHAKA STOCK

ACNABIN
Chartered Accountants
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ACNABIN
Chartered Accountants

Certificate on Compliance of Conditions of Corporate Governance Guidelines

[Issued under condition #7(i) of Corporate Governance Guidelines of BSEC vide Notification NO. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012]

I have reviewed the compliance with the conditions of Corporate Governance Guidelines by Dhaka Bank Limited ("the Bank") for the year ended 31 December 2017. These conditions of Corporate Governance were issued by Bangladesh Securities & Exchange Commission (BSEC) vide there notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012. The compliance with the said conditions of Corporate Governance and reporting the status thereof is the responsibility of the management of the Bank. My responsibility is to provide a certificate about whether the Bank is in compliance with the said conditions of Corporate Governance based on my examination.

My examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Bank for ensuring the compliance of the conditions of Corporate Governance and correct reporting of the status of the compliance on the attached statement on the basis of evidence gathered and representation received. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

To the best of my information and according to the explanations given to me by the Bank, I hereby certify that Dhaka Bank Limited has complied with the conditions of Corporate Governance stipulated in the above mentioned BSEC's notification dated 07 August 2012.

M. Moniruzzaman, FCA
Partner
ACNABIN, Chartered Accountants
ICAB Enrollment # 787

Dhaka,
24 April 2018

AMARSTOCK

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

Date: April 24, 2018

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 2017:

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
Senior Executive Vice President
& Chief Financial Officer (CFO)

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

AMARSTOCK

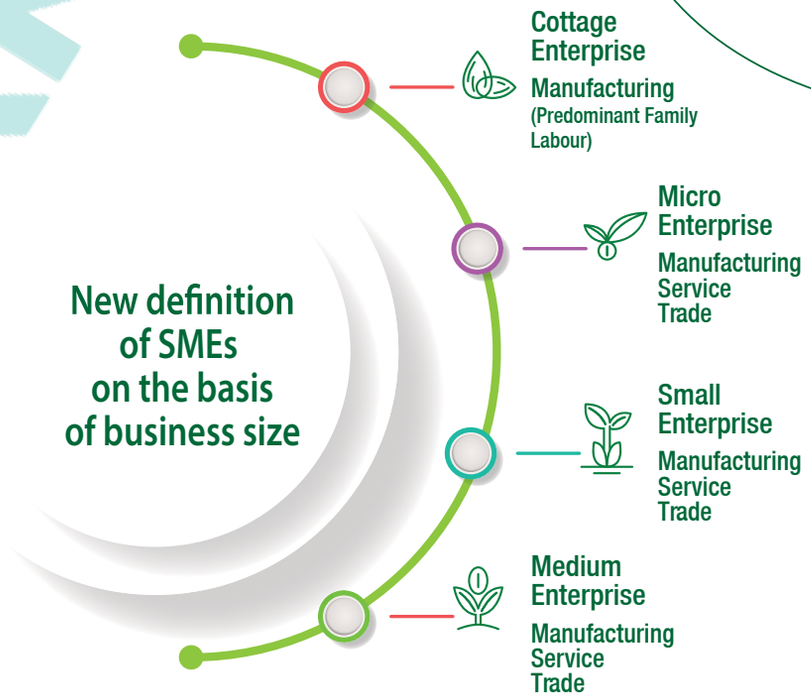
SUSTAINABILITY

Steering the wheel for 23 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.

AMAR STOCK

Our focus on

- Digitization of SME
- Product Innovation
- Alternative Financing Model
- New & Young Entrepreneur
- Women Entrepreneur
- Non-financing Services
- Micro & Small Segment
- Manufacturing Sector



SUSTAINABILITY
SME BANKING

SME Highlights

Dhaka Bank Limited (DBL) has been shifting its focus to Cottage, Micro, Small, Medium Enterprise (CMSME) lending since 2003. Recognizing the booming of this segment in Bangladesh for employment creation, escalating economic activities, We have already outperformed in Small, Micro and Cottage Enterprise segment by having an exposure of 67.24% where as required exposure is 50.00% or more as per Bangladesh Bank (SMESPD Circular 3, June 29, 2017). DBL is also very close to required SME exposure of 20.00% of total loan of the Bank. In 2017, SME portfolio increased by 24.57% than that of 2016. With strong supervision & monitoring, arranging successful Non-Performing Loan (NPL) Management Campaign by both officials of Head Office & Branch team, DBL has reduced its NPL in this sector to 12.17% in 2017 from 13.79% of 2016. Aligning with Digital Bangladesh, DBL introduced "DBL BillsToCash", a digital financing solution to the supplier backed by buyer's comfort for the 1st time in Bangladesh.

Financial Summary:

(BDT in Million)

Particulars	2016	2017
Asset	21,509.00	26,793.53
NPL%	13.79%	12.17%

Year	Disbursement Target	Achievement
2016	17,000.00	113.05%
2017	25,000.00	117.76%

Products:

- House Building SME Loan (HBSM) was kicked off in the market to cater house building for commercial purpose in the outskirt of Dhaka.
- A new Cluster Product DBL Dairy Loan was launched to boost up the dairy industry of the country specially Chatmohar &Vangura of Pabna.
- Dhaka Bank SME Unit launched DBL BillsToCash, a financing solution to the supplier backed by buyer's comfort for the first time in Bangladesh.

Initiatives: New of Its Kind

- Docudex, a digital platform for sending proposal from Branch to Head Office was launched.
- Spot Decision Campaign was carried out across the country.

Market Visibility:

Dhaka Bank participated in the 2nd International SME Fair Bangladesh 2017 held at World Trade Center, Chittagong organized by Chittagong Chamber of Commerce from December 09 to 11, 2017.

SME Activities:

Portfolio: Portfolio of SME stands at Tk. 26,793.53 million as on December 31, 2017. It was Tk. 21,509.00 million in 2016. Total exposure in Agri as on December 31, 2017 was Tk.2,387.22 million. It was Tk.1,588.80 million in 2016.

Quality of Assets: Classification of SME in 2016 was 13.79%. It is now 12.17% as on 31 December 2017. Classification of Agri in 2016 was 2.06%. It is now 2.23% in 2017.

Women Entrepreneur: 10 new Women Entrepreneurs obtained financing facilities from SME in 2017. Total approved limit was for Tk. 18.63 million. As on December 31, 2017, 81 Women Entrepreneurs were enjoying total Loan of Tk.413.85 million from DBL.

Marginal Farmers/Borrowers:

5 marginal farmers/borrowers were financed for Tk.0.75 million in 2017.

Refinance: (Graph): Dhaka Bank obtained total refinance of Tk. 2,505.84 million as on December 31, 2017 from various funds of Bangladesh Bank. Summary of all refinance is as follows:

Fund name	Refinance as on 31.12.2017	
	Contracts	Amount (in Million)
WEF	333	632.80
ADB	662	646.22
BBK	624	901.32
EGBMP	175	168.07
ADB(2)	130	147.43
Agro	1	10.00
Total	**1,925**	**2,505.84**

Product & Services:

Docudex is a digital platform for sending proposal from Branch to Head Office. It also provides archiving documents. Currently SME Unit receives proposals from 5 branches through Docudex. It will be expanded in the coming days.

DBL BillsToCash is a reverse factoring product of Dhaka Bank. Dhaka Bank Ltd. is the 1st Bank in Bangladesh to do this kind of transaction in 2017 through this automated solution where bank, buyer and supplier are integrated on same digital platform and supplier is financed based on accepted invoice. Bank, buyer & seller can complete all dealings using this mobile application based platform (Veefin).

SME Unit launched House Building SME loan (HBSM) in the market to cater house building for commercial purpose in the outskirt of Dhaka. So far 100 clients are enjoying the loan & outstanding in this typical product was for Tk.275.31 million as on December 31, 2017.

Marketing:

Dhaka Bank participated in "2nd International SME Fair Bangladesh 2017" held at World Trade Center, Chittagong organized by Chittagong Chamber of Commerce on 9-11 December 2017.

Regional workshops & capacity building:

Regional workshops were arranged at North zone, South zone, Sylhet

SUSTAINABILITY
SME BANKING
Continued

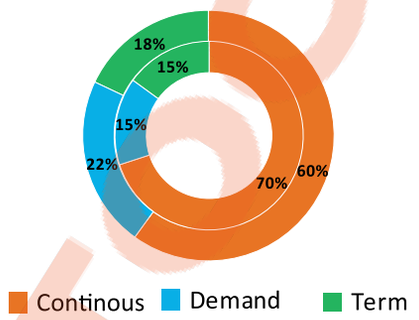
zone and Chittagong zone to bring mindset of both SME Unit & Branch Officials on the same page. Branch officials were also shown practical credit decision making through Spot Decision Campaign.

During the regional workshop, SME team visited across the all zones and visited many accounts. So, far 43.00% of the feasible clients' availed loans from Dhaka Bank and many more are in the pipe line.

Cluster Program:
DBL Dairy Loan (DLTA) was introduced for the Dairy Industry in 2017. Tk.39.62 million was disbursed among 31 clients in 2017 since its inception.

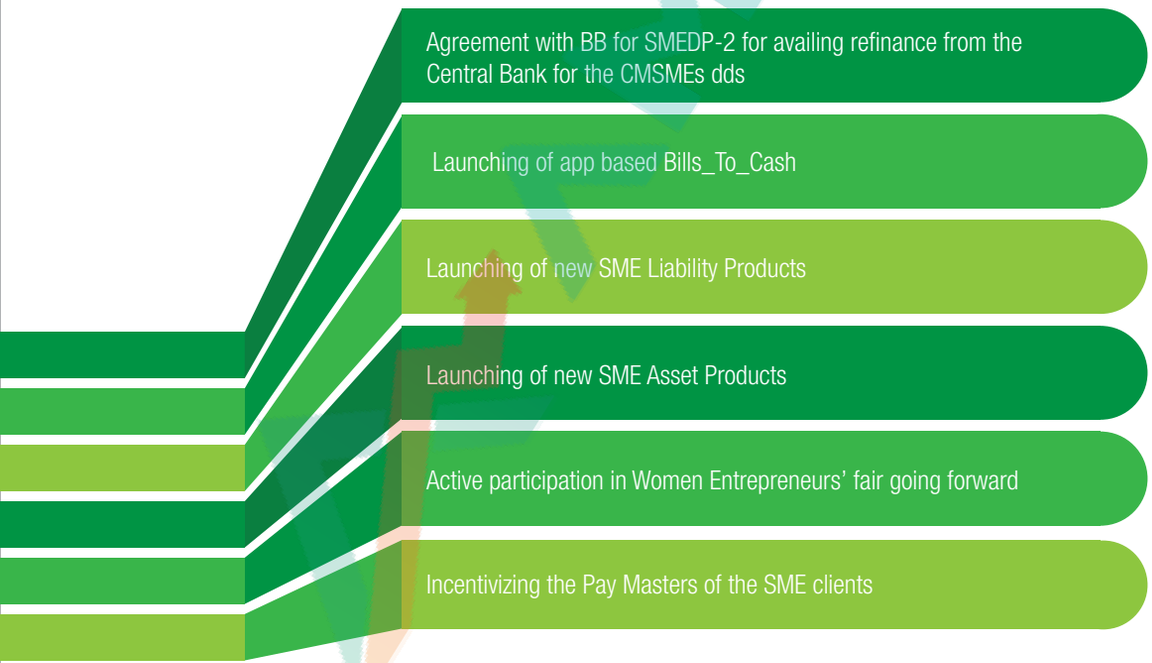
Lending Reshaping:
SME Unit has reduced continuous loan significantly and induced term loan & demand loan among the clients enjoying limit not exceeding Tk.10.00 million. We are aiming to keep continuous loan below 50.00% in 2018.

Product Reshaping



Particular	BB requirement (SMESPD Circular 3, June 29, 2017)	Position of DBL as of Dec 31, 2017
SME exposure of the total loan book	>=20%	17.40%
Women Entrepreneur loan	>=10%	0.90%
Small, Micro and Cottage Enterprise exposure	>=50%	67.24%
Manufacturing Segment exposure	>=40%	32.71%
Trading Segment Exposure	<=35%	49.70%
Service Segment Exposure	>=25%	17.59%

Goals for coming days:



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.



AMARSTOCK

SUSTAINABILITY
GREEN BANKING

GREEN BANKING:

During 2017 too, Dhaka Bank has been relentlessly putting their effort in Green Banking activities, mainly through financing in green initiatives of Entrepreneurs in different corners of the country. Our involvement was with the Solar Panel/Renewable Energy Plants, Brick Manufacturing etc. As a measure to keeping the environment cleaner, we financed for installing Effluent Treatment Plant or ETPs to remove the unwanted, hazardous chemicals from the wastewater to meet the statutory pollution control requirements.
Environmental Risk is here integral to Core Risk Management procedure.

The following data will portray our green financing activities in 2017.

Introducing Green Finance

Particular	Number	Amount in BDT million
For Installation of ETP (Amount Disbursed)	-	-
Projects financed having ETP (Full amount disbursed)	86	6199.85
Bio-gas Plant	-	-
Solar Panel/Renewable Energy Plant	11	118
Bio-fertilizer Plant	-	-
Hybrid Hoffman Kiln (HHK)/Tunnel Kiln/equivalent technology in Brick manufacturing Industry	11	144
Others (Please specify)	-	-
Green Finance at reduced rate of interest	-	-

Incorporation of Environmental Risk in Core Risks Management (CRM)

As of December 31, 2017

Particular		Total
No. of Projects applicable for Environmental Due Diligence (EDD)		500
No. of Projects Rated (Environmental Risk Rating)		497
Low		434
Moderate		63
High		-
Rated Projects financed	Total Number	548
	Low	445
	Moderate	103
	High	-
	Total Amount Disbursed (Amount in BDT million)	22,929.99
	Low	19,055.97
	Moderate	3,874.02
	High	-

AMARSTOCK

SUSTAINABILITY
CORPORATE SOCIAL RESPONSIBILITY (CSR)

Meeting Corporate Social Responsibility

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

Dhaka Bank Donated Tk. 3.00 crore at Prime Minister's Relief Fund

Mr. Reshadur Rahman, Chairman of Dhaka Bank Limited along with Mr. Altaf Hossain Sarker, Director of Dhaka Bank Limited donates Tk. 3.00 crore to Prime Minister's Relief Fund for the rehabilitation of the recent flood affected people all over the country. The cheque was ceremoniously handed over to the Hon'ble Prime Minister Sheikh Hasina at Prime Minister's Office on August 23, 2017.



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

Syedpur Abdur Rahman High School, Sirajdikhan, Munshigonj Gets about Tk. 14.00 lac from Dhaka Bank



Recently, Dhaka Bank Limited donated a cheque of Tk.13,69,400/- (Taka Thirteen Lac Sixty Nine Thousand Four Hundred Only) to Syedpur Abdur Rahman High School, Sirajdikhan, Munshigonj to complete Construction Work of the New Academic Building for Higher Secondary Level at its Corporate Office. Mr. Syed Mahbubur Rahman, Managing Director & CEO of Dhaka Bank Limited handed over the Cheque to Syed Mohammad Selim, Head Teacher, of Syedpur Abdur Rahman High School to complete Construction Work of the New Academic Building for Higher Secondary Level under corporate social responsibility.

Additional Managing Director Mr. Emranul Huq, Deputy Managing Director Mr. Khan Shahadat Hossain, Company Secretary Mr. Arham Masudul Huq, FVP & Head of Communications & Branding Mr. Khandaker Anwar Ehtesham of Dhaka Bank Ltd, Mr. M. A. Kashem, Chairman, Managing Committee, Syedpur Abdur Rahman High School other officials were present on this handover ceremony.

PFDA-Vocational Training Institute Receives Tk. 24.00 lac



Dhaka Bank Limited donated a cheque of Tk.24.00 lac to PFDA-Vocational Training Center Trust (welfare and development of underprivileged people with Autism and Neuro-Development Disability Institute) at its Corporate Office. Mr. Syed Mahbubur Rahman, Managing Director & CEO of Dhaka Bank Limited handed over the Cheque to Ms. Sanjida Rahman, Chairman of PFDA-Vocational Training Center Trust for the welfare and development of underprivileged people with Autism and Neuro-Development Disability under corporate social responsibility.

Additional Managing Director Mr. Emranul Huq, FVP & Head of Communications & Branding Mr. Khandaker Anwar Ehtesham of Dhaka Bank Ltd, Vice Principal Ms. Begum Nur Jahan Dipa of PFDA along with other Officials were present at the Handover Ceremony.

SUSTAINABILITY

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Continued

Donation of Tk. 4.00 crore to Prime Minister's Education Assistance Trust & Shuchona Foundation

Mrs. Rokshana Zaman, Vice Chairperson of Dhaka Bank Limited along with Mr. Abdullah Al Ahsan, Director and Mrs. Rakhi Das Gupta, Former Director of Dhaka Bank Limited recently donated Tk. 4.00 crore towards Prime Minister's Education Assistance Trust and Shuchona Foundation on May 15, 2017. The cheque was ceremoniously handed over to the Hon'ble Prime Minister Sheikh Hasina at Gonobhaban.



Cheque handed over to the Hon'ble Prime Minister's Education Assistance Trust & Shuchona Foundation.

Warmth of Shawl to Distressed People of Araihazar



Dhaka Bank Limited distributed Shawl to the poor and distressed communities of the country as a part of CSR of the Bank. Former Chairman of Dhaka Bank Limited Mr. A.T.M Hayatuzzaman Khan donated the Shawl to the poor and distressed people of Araihazar Thana, Narayanganj on behalf of the Bank on Friday, January 20, 2017. Managing Director & CEO of Dhaka Bank Mr. Syed Mahbubur Rahman, Dhaka Bank Deputy Managing Directors namely Mr. Md. Shakir Amin Chowdhury, Mr. Mohammad Abu Jafar along with Dhaka Bank Company Secretary Mr. Arham Masudul Huq and Branch Managers of Narayanganj zone were also present in the event.

People of Syedpur and Rajanagar Receive Shawl from DBL



Dhaka Bank Limited distributed Shawl to the poor and distressed communities of the country as a part of Corporate Social Responsibility (CSR) of the Bank. In this connection, Dhaka Bank donated Shawl to the poor and distressed people of Syedpur and Rajanagar of Sirajdikhan Thana. Additional Managing Director of the Bank Mr. Emranul Huq distributed the blankets on behalf of the Bank on Monday, January 23, 2017. Dhaka Bank Deputy Managing Director Mr. Mohammad Abu Jafar along with Local Renowned Businessman Mr. Ashfaqur Rahman Turin along with other distinguished representatives of both the places were present in the event.

SUSTAINABILITY

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Continued

We Donated Tk. 5.00 crore to 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. 5.00 crore to Prime Minister's Relief Fund for the assistance of Rohingya Refugees in Bangladesh. The cheque was ceremoniously handed over to the Hon'ble Prime Minister Sheikh Hasina at Prime Minister's office on October 16, 2017.



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

Tk. 2.50 crore as Donation to Prime Minister's Relief Fund

Mr. Reshadur Rahman, Chairman along with Mr. Abdul Hai Sarker, Founder Chairman & Director and Mr. A.T.M. Hayatuzzaman Khan, Former Chairman & Sponsor of Dhaka Bank Limited donated Tk. 2.50 crore to Prime Minister's Relief Fund with an aim to help the cold stricken poor and distressed communities of the country. The cheque was ceremoniously handed over to the Hon'ble Prime Minister Sheikh Hasina at Prime Minister's Office on November 27, 2017. In that program, Directors and High Officials of other Banks were also present.

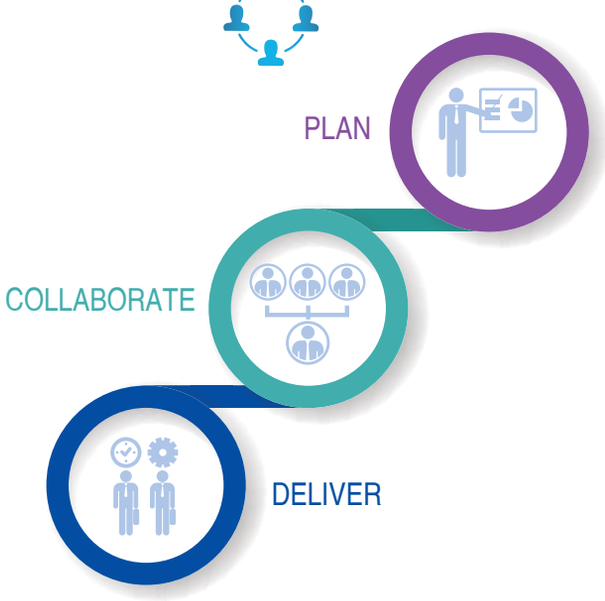


Cheque handed over to the Hon'ble Prime Minister's Relief Fund.

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

Another challenging year has gone reflecting the diverse effects all around. The world economy continued the same stagnant pace of the previous year in 2017 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 2017. 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 2017 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 2017. 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 2017 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 117 billion, which comprises approximately 82% of the entire lending portfolio of the bank.

Fig. in million BDT

Sector	Amount	% of Portfolio
Corporate	117,106.81	76.03%
Syndication	7,190.00	4.67%
SME	26,790.00	17.00%
Consumer	1,621.67	1.05%
Others	1,305.02	0.85%

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 2017, credit portfolio of the Bank increased to reach the total of Tk. 154,017 million against Tk. 134,689 million of 2016, with a growth of 14 per cent over the preceding 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 82 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 2017 was worth Tk. 103,043.27 million approximately against the preceding year's figure of Tk. 880,503.85 million with a growth of 17%. 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 2017. 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 – 2018

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

The Bank has started its Syndications and Structured Finance initiatives as a separate Unit in 2004. Since its inception, the Unit maintains highest standard, adopts market best practices and offers customized, friendly, and flexible financial solutions to its clientele. It offers a wide range of products and services viz. Term Loan, both in Local and Foreign Currency, ECA backed financing for capital machineries, IPFF financing for infrastructure projects, LTFF financing for manufacturing concerns, Working Capital financing, financing in derivatives like Commercial Paper, Preference Shares, Bonds, etc.

The Bank has always been diligent in client selection to maintain a diversified and quality asset portfolio and has seen a steady growth in its portfolio to uphold its position as a strong market player. Till 2017, the Unit's performance is summarized as under:

- As 'Lead Arranger' – Raised over BDT 20.00 billion and USD 90.00 million Syndicated Term financing.
- As 'Arranger' - Successfullyclosed 5(five) Commercial Paper deals amountingBDT 2,500.00 million.
- Leading Bank to channelize maximum IPFF Fund ($^1/_3$ of the total).
- Arranged largest IPFF financing of USD 58.50 million for United Ashuganj Energy Limited, a 195 MW Power Plant. Later, the project won 'Asian Power Awards - 2015'.
- Participated in good nos. of projects, arranged by other Banks / Financial Institutions.
- Maintained a diverse asset portfolio covering different sectors like Steel, Textiles, Food & Allied, etc. with special emphasis on power & energy.

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

In 2017, the Unit arranged Syndication financing amounting BDT 4,709 million covering different sectors with a YoY growth of 31.61%. As of December 2017, the Unit was managing a loan portfolio of BDT 7,200.00 million approximately registering a 15.80% growth from the previous year.

A milestone for the Unit in 2017 was signing a Term Sheet with Chandpur Power Generations Limited - a concern of Doreen Group for arrangement of Syndicated Term Loan of USD 65.00 million for their upcoming 115 MW (net) HFO based power plant at Chandpur. This is going to be the first ECA backed financing under the lead arrangement of Dhaka Bank Limited.

MANAGEMENT
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Continued

Project Pictures



Bashundhara Industrial Complex Limited (A cement manufacturing mill at Mongla, Bagerhat)



Petromax LPG Limited


KDS Logistics


United Ashuganj Power Limited


Saif Power Tec


Epyllion Fabrics Limited


Fakir Apparels Limited



Dana Sweater Industries Limited

MANAGEMENT DISCUSSION & ANALYSIS

Continued

AML & CFT Compliance

Country Scenario

On the backdrop of growing money laundering and terrorist financing challenges in the country, Bangladesh Bank has given strong message to the banking sector to strengthen AML & CFT compliance initiatives. As a result, there remains a pressing obligation for banks to ensure AML/CFT compliance across all areas of banking business. In recent times, the sphere of money laundering and terrorist financing has changed in colours and techniques, many of which we come across everyday through media reports. The changing landscape of business and economy around us is getting much bigger, more complex and immensely diversified in size, product mix, use of technology, operational procedure, etc that are hard to control. As a going concern, our business will continue to grow and expand. To make this journey sound and sustainable, the Bank is required to remain compliant in its practices, which in turn will yield further growth. In response to the changing scenario and regulatory stand, Dhaka Bank strengthened its position on AML and CFT compliance in 2017as per set standard of BFIU and international supervisors.

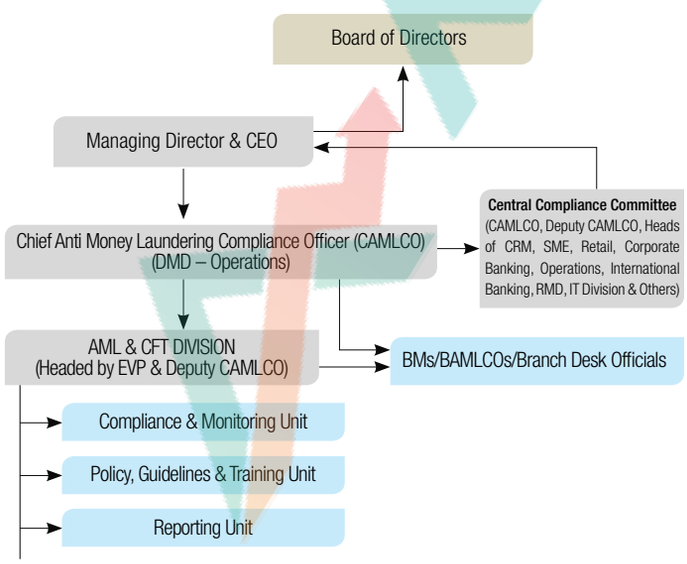
Developing Compliance Structure

In line with changing regulatory requirement, we have formed Central Compliance Committee (CCC) at Head Office comprising 12 Members from different core business segments. The Bank has also formed a separate Anti Money Laundering & Combating Financing of Terrorism Division (AML & CFT Division) at Head Office to carry out the official responsibilities of Central Compliance Committee (CCC) and to execute day-to-day AML/CFT compliance issues. The EVP & Deputy CAMLCO of the Bank is the Head of AML & CFT Division while the Division is run under the direct supervision of DMD-Operations & CAMLCO of the Bank.

To ensure smooth operation of AML & CFT Division, the Division has been divided into following Units:

a. Compliance & Monitoring Unit
b. Policy, Guidelines & Training Unit
c. Reporting Unit

Functional Organogram of AML & CFT Division is provided below:



MD & CEO's Statement of Commitment on AML & CFT

The Bank communicates clearly to all Employees on an annual basis by a statement from the Managing Director that sets forth Bank's policy against ML, TF & PF and any activity which facilitates Bank's preventive measures against money laundering or the funding of terrorist or criminal activities. MD's Statement of Commitment for the year 2017 conveys a clear message about every Employee's responsibility to protect themselves as well as the institution from exploitation of money laundering. Non-compliance may lead to criminal, civil and disciplinary penalties. The Managing Director & CEO has highlighted some specific areas for immediate focus and compliance of all Employees:

a. Develop a clear understanding on the affairs of money laundering & financing of terrorism;
b. Watchful eye on what's happening around particularly media news on ML, TF & PF;
c. Adequate monitoring and Enhanced Due Diligence for high risk customers, products, delivery channels and geographies;
d. Attention on cross border trade and transaction;
e. Find out suspicious transaction using different tools, techniques and triggers;
f. Developing massive fire wall against cyber attack and hacking;
g. BAMLCO's commitment, competence and responsibilities to comply with required norms;
h. Senior Management's awareness about their role for AML & CFT

Role of Senior Management & 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. In May 2017, a comprehensive AML circular was issued about role and awareness of Senior Management on important AML/CFT issues for their kind updates and necessary compliance. The Board is also aware about the money laundering consequence of the Bank. The Board is being updated about AML activities of the Bank at periodic rest.

BFIU Master Circular 19

Bangladesh Financial Intelligence Unit (BFIU) has issued Master Circular 19 dated September 17, 2017 on AML/CFT which is a revision and extended version of its earlier Master Circular 10 dated Dec 28, 2014. This is viewed as the most important circular on AML/CFT compliance issued from BFIU for the banking industry in recent times. Under the instruction from CAMLCO, AML & CFT Division has circulated BFIU Master Circular # 19 with annexures to all Branches/Divisions/Units of the Bank for necessary action. The key changes/ revisions and new incorporation of the Circular have been highlighted for a clear overview. All Managers/Heads/In-charges of Branches/Divisions/Units as well as the BAMLCOs were advised to disseminate the above Circular among all Employees under their supervision and ensure immediate compliance related to their business.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Trade & Credit Based Money Laundering

- The Bank provided considerable trainings during 2017 with a special session on Trade Based Money Laundering (TBML).
- AML & CFT Division and the CAMLCO Circulated special circulars, concept papers and checklist to all Bank officials.
- 'nSmart' software has been introduced for trade operations to screen UN/International/Local sanction lists among the trading entities.
- MD's Alert Message highlighted the need for immediate knowledge and compliance procedure to prevent related risks. Senior Management is made aware to remain attentive on the issue and consider AML/CFT Risk while taking business decision.
- International Division, CPC-Trade and CRM were advised to be properly equipped with policy/procedure/mechanism to combat TBML.
- The Bank has incorporated credit based money laundering preventive measures in its CRM policy in order to mitigate credit fraud and other risks. Credit proposals are assessed in light of ML & TF risks and required mitigants in addition to usual credit rules and standar.

Training & Awareness Building Initiatives

- The Bank made a strategic choice in 2017 to equip all Employees with best possible learning and training initiatives on AML/CFT with a year-long calendar approved by the Managing directors & CEO.
- A good total of 900 personnel have received upgraded training on AML, CFT & TBML in 2017 through day-long outreach training programmes covering all regions as well as day-long in-house training at Dhaka Bank Training Institute.
- More values have been added to training initiative by issuing Certificates for the participants after successful completion of AML/CFT Quiz Test through Questionnaire.
- AML & CFT Division has designed 'An Easy Guide to Anti Money Laundering & Combating Financing of Terrorism' covering important AML/CFT terms and terminologies and circulated the same to all Employees of the Bank.
- Besides, the Bank has been selected by BFIU to conduct 02 Lead Bank Training for all other Banks' Officials in Jessore and Dinajpur covering around 100 participants.
- For Customer awareness, promotional materials such as AML Poster/Leaflet has been revised, updated and displayed at Branches/Service Centres.

OUR ULITIMATE COMMITMENT TO AML & CFT COMPLIANCE

- We do not open fictitious accounts nor we allow relationship made on fake documents;
- We do not accept Customers with criminal or terrorist background;
- We prevent ill-gotten wealth acquired through predicate offence or funds meant for terrorist financing;
- We screen Customers and their transactions and freeze/ report them when found suspicious;
- We prevent trade based money laundering as well as fraudulent traders from abuse of our trade system;
- We stand firm against fraud, forgery and financial crime;
- We are guided by all local and international norms and fight ML, TF & TBML by all means;
- We learn things and improve everyday to safeguard our Bank, our Stakeholders and above all, our Homeland.

"WE ARE A COMPLIANT BANK."

Risk Categorization of Customers

- Around 926 high risk customers including 230 Influential Persons have been identified based on nature of business, size, source of fund and KYC Risk Grading (14 + score) to mitigate AML/CFT risk.
- Database is continuously maintained and monitored through Branches and Central Monitoring Cell, HO.
- Approval for opening of high risk Customers (PEP/IP) by Senior Management/CAMLCO, HO has been made mandatory.

Uniform Account Opening Form

The Bank introduced Uniform Account Opening Form in compliance with BFIU Circular Letter 01/2017 dated January 16, 2017. The Form has been designed in 02 (Two) separate sets i.e. Personal Account and Non Personal/Corporate/SME Account with Bengali translation and published in booklet form. In developing the Account Opening Form, the Bank has considered all mandatory fields as required by BFIU circular, requirement of Core Banking Software Upgradation project, Bank's regular practices, market standard as well as customer convenience and understanding. Branches have been instructed to groom Account Opening Officers with clear knowledge about all fields/areas and terms and conditions of Account Opening Form to avoid confusion and audit observations.

Snapshots of AML & CFT training 2017 conducted by AML & CFT Division:

SL	Training Type	No of day-long sessions	Geographical Areas covered	Venue	No. of Branches	No. of Participants
01	Outreach Training	09	Bogra, Sylhet, Chittagong, Khulna, Cox's Bazar, Comilla & Sirajgonj Regions	Renowned Hotel/ Training Centre in the region	44 Br.	409
02	In-house	06	Dhaka & Narayangonj Region	DBTI	38 Br.	402
03	In-house (Foundation Training)	02	Trainee Officers across the country	DBTI		82
	TOTAL	**17 Sessions**			**82 Br.**	**893 Officials**
04	Lead Bank Training on AML/CFT	02	Senior Branch Officials from all banks under Jessore & Dinajpur District	Renowned Hotel/ Training Centres in the region	95 Br.	102

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Know Your Transaction (KYT) & Know Your System (KYS)

The time any transaction is processed, concerned Official has to care about the source of fund and ultimate beneficiary of the transaction. The Bank has given a clear message to all Employees to know AML system that covers appointment of compliance officers, KYC procedure, Customer Due Diligence, transaction profile, risk categorization, auto screening of sanction lists and others. Employees are reminded of their obligation to process STR when they suspect any activity of Customers. It has been ensured that your Core Banking System (FCUBS) adequately captures AML/CFT compliance issues and application.

Monitoring & reporting

- The Bank is using goAML Middleware software through which CTR is processed and reported to BFIU. In 2017, around 1,20,000 Cash Transaction Reports have been generated, assessed and reported to BFIU for further analysis.
- We have enhanced awareness about Suspicious Transaction Report (STR) and Suspicious Activity Report (SAR) through training, circulars, guidelines across the Bank/Branches.
- AML & CFT Division has formed Central Monitoring Cell for monitoring transactions on regular basis by analyzing Cash Transaction Reports, exception reports and daily transaction journal.
- As a result, the reporting statistics of STR has increased significantly at the year-end 2017.
- Provision of information to the regulators has been streamlined and monitored accurately so that no information regarding targeted Customers is missed out.

Protection from Cyber Crime

Employees are made aware that fraudsters might dare to hack your system anytime from anywhere all of a sudden. Therefore, Employees at all levels have been advised to remain on high alert regarding cyber attack. Measures are in place to prevent counterfeit and skimming devices at ATM and to drive out email security threats like SPAM, Phishing, Spoofing, Hoaxes, etc. The Bank has taken steps to keep the SWIFT system secure and the application justified. Awareness is prevalent to build firewalls to protect our cyber space as per IT policy and procedure. It has been ensured that the new upgraded core banking system is AML/CFT compliant, compatible with AML/CFT standard and capable of handling AML/CFT issues & reports. System architecture and design has been made user-friendly and workable for AML/CFT compliance.

Challenges of De-risking

De-risking means cancellation of correspondent relationship with local bank by foreign correspondent banks because of AML/CFT non-compliance. De-risking is considered a big shock to a bank as a consequence of losing access to foreign trade business. To remain safe from the danger of De-risking, the Branches and HO Divisions has been made aware of their AML/CFT rating, audit lapses, Customer screening, regulatory instructions, AML system and negative media report.

Planning ahead

- Ensure 100% training to all Employees of the Bank in 2018;
- Implement 20 new User ID for verification of Customer NID through online in order to reduce KYC risk significantly;
- Revise related Policy/Guideline/Manual;
- Enhance monitoring activities on AML & CFT;
- Develop awareness, mechanism and procedure to prevent credit and trade based money laundering;
- Introduce e-Learning process through e-Archive on AML/ CFT compliance and e-Exam online to check AML aptitude of Employees.

Customer Services and Compliant Management System

The Bank has established Central Customer Services and Compliant Management Cell (CCS&CMC) at Head Office to supervise overall complaint management activities of the Bank. During the year 2017, 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.

Summary of complaint management actions and initiatives in 2017:

1. Reformed Central Customer Service & Complaint Management Cell in line with the changes in management.
2. Reviewed customer complaints received every month and reported to FICSD, Bangladesh Bank and the progress of outstanding complaints;
3. Discussed thoroughly the nature and background of outstanding complaint and reason for its pending status;
4. Discussed the process of filtering and channeling huge customer queries/ requests received from online Complaint Box to appropriate authorities for necessary action;
5. Maintained strong liaison with Branches, HO Divisions/ Units, FICSD, BB and Customers to deliver rapid solutions to Customer complaints;
6. Reviewed suggestions/recommendations/decisions to improve Bank's complaint management system.



MANAGEMENT DISCUSSION & ANALYSIS

Continued

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 arrangement 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 2017, Dhaka Bank Limited has successfully processed clearing cheques (Inward& Outward) and EFT transactions (Inward & Outward). The key statistics are as follows:

Particulars	No. of Instructions	Amount in Crore (BDT)
Outward Clearing – 2017	393,344	38,289.00
Inward Clearing – 2017	421,246	37,315.00
Outward EFT – 2017	142,189	753.00
Inward EFT – 2017	173,201	1,534.00

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.



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 a new 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 2017 under RTGS System:

Particulars	No. of Instructions	Amount in Crore (BDT)
Inward Remittance	9,485	6,099.00
Outward Remittance	24,018	8,579.00

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 2017:

1. Collection arrangement has been made with PDB/Chittagong WASA/ Karnaphuly Gas Distribution Company Ltd. (KGDC) and maintained existing collection arrangement with DPDC, DESCO, REB, Titas gas and others.
2. Central Software already developed in the brand name "Dhaka Bank C-Solution" 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.

Cash Management transaction summary 2017:

SL	Particulars	No. of Instructions	Amount in Crore (BDT)
01	Dividend	58,225	5,058.00
02	Payroll Accounts	15,734	4,179.00
03	C-Solution	9,808	2,636.00

Settlement of Foreign Remittance

Foreign Remittance position				
Item \ Year	2016		2017	
	No. of Instructions	Amt in million (USD)	No. of Instructions	Amt in million (USD)
Processing of Outward Remittance	4,283	38.70	4,746	50.04
Processing of Export Proceeds	22,489	971.72	29,171	1,118.44
Processing of Inward Remittance	8,219	297.19	7,846	216.04

Inward Foreign Remittance

Inward Foreign Remittance means Remittance received from abroad. In other words remittance coming into our country from other countries by the remitter by way of permissible banking channel through freely convertible Foreign Currencies is called 'Inward Foreign Remittance' from the beneficiary country's point of view. From the remitter's point of view it is called outward Foreign Remittance. Inward Remittance plays important role in our overall economy. We are receiving Inward Remittance into two ways:

- Through Wire Transfer
- Through Exchange Houses

Outward Remittance

Remittance from our country to foreign countries is called outward foreign remittance. On the other word, sales of foreign currency by the authorized dealer or formal channels may be addressed as outward remittance. The authorized dealers must exercise utmost caution to ensure that foreign currencies remitted or released by them are used only for the purpose for which they are released. Outward remittance may be made by appropriate method to the country to which remittance is authorized. Most outward remittance is approved by the authorized dealer on behalf of Bangladesh Bank.

MANAGEMENT DISCUSSION & ANALYSIS

Continued

Asset Liability Management

The Asset Liability Management procedure designed to earn an adequate return while maintaining a comfortable surplus of Assets beyond liabilities, takes into consideration interest rates, earning power and degree of willingness to take on debt. The Dhaka Bank have a committee typically called the Asset Liability Committee (ALCO), should meet at least once every month to analysis, review and formulate strategy to manage the balance sheet.

The Asset Liability Committee (ALCO) of the Dhaka Bank monitors Market Risk and Liquidity Risks at the same time it interpret the market views and the competition. ALCO prepare the liquidity plan as per the maturity profile of Assets and Liabilities, Deposits and Advances. The most important objective of the ALCO is to maintain a contingency plan to equivocate significant market volatility like Interest Rate Risk. Asset Liability Committee (ALCO) evaluates liquidity requirement and the pricing strategy of the bank.

ALCO takes necessary market information from Treasury Division, Finance & Account Division and from all other well conversant members of the committee to take strategic decision. The members of the committee are

The Managing Director,

The Deputy Managing Director-Business Development,

The Deputy Managing Director - Risk Management,

The Head of Marketing,

The Head of Credit,

The Head of Retail Banking,

The Head of Finance & Accounts Division,

The Head of Treasury Division.

ALCO also included invitees to enrich the total decision making process by their valuable interpretation. Through ALCO of Dhaka Bank takes all major strategic plan regarding interest rates on Deposits and Advances, Market Risk, Foreign Exchange Risk and comply with the regulatory requirement of Bangladesh Bank.

Liquidity Risk Management

Liquidity Risk is the risk that the bank may not meet financial commitments without raising funds at unreasonable prices or sell assets on forced basis. This situation may arise in the case of withdrawal of deposits, debt maturities and commitment to provide credit facilities. The objective of liquidity management is to ensure that an organization is able to generate sufficient funds to meet all of its financial commitments in a timely and cost effective manner. Dhaka Bank's liquidity risk management process has been maintaining adequate liquidity and a healthy funding profile. The liquidity risk management framework is designed to identify, measure, monitor, and control the liquidity position.

Dhaka Bank have an overall flexible funding strategy to cover both short and long-term liquidity needs as well as a contingency plan to cover unexpected or unusual situations, which could lead to market disruptions. We manage the liquidity structure of our assets, liabilities and commitments so that the cash flows are appropriately balanced and all funding obligations are met when appropriate.

Dhaka Bank's liquidity risk management approach starts at the intra day level managing the daily payment queue, forecasting cash flows and our access to central bank. This enables us to ensure that we have sufficient fund to meet our financial commitments even in times of crisis.

Human Resources (HR)

Banking has been and will always be a "people business". Efficient and effective management of the human resource in the organization turns it a successful one. For banking, importance of human resource management has grown manifold because the nature of banking industry, which is mainly service based. The management of people in the organization along with handling the financial and economic risks at the wider level is the most potent challenges in front of the banking industry in any given time frame. Efficient and skilled manpower is the key to manage the risks that the banks need to take on regular basis. The Human ResourcesDivision is accountable for finding such talented manpower and placing them in right jobs in the banks.

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 programs.

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 efficient 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 calibre within its workforce. It invites best talents, experts to work in an excellent environment where they can flourish their knowledge, skills and abilities.

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 215 people.

DBL Team at a glance

Particulars	2017	2016	2015	2014	2013
Number of Employees	1771	1668	1524	1501	1400
Female Representation	404	364	345	345	319
Average Employee Age	36.75	36.33	37.69	37.7	37.35
Average Length of Service	7.75	7.58	7.66	7.3	8.13

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Compensation & Benefit

There is always competition to attract high-performing employees in the banking industry, but the competition has heated up considerably in the past few years. As the competition for banking industry talent continues to intensify, it becomes increasingly important that management teams understand current trends in compensation, incentives, and human resource practices in order to develop a successful talent management strategy.

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

Training and development is an important factor for most industries as it helps keep employee and organizational goals aligned. Besides this, training also serves as a safeguard for the banks in turmoil situation, when the sector comes under heightened scrutiny.

Employees within the financial sector must remain compliant with specific regulation imposed by the regulatory authorities. Frequent training ensures these employees remain qualified for their jobs and always in compliance, even as the regulations changes time to time.

Effective training is an investment of human resources of an organization, with both immediate and long-range returns. In recent times, e-learning has become increasingly popular in the financial sector due to its lower cost involved in online delivery as opposed to travel required for off-site, in-person training. And the ability to reach a large learning audience at one time is beneficial to the financial sector. To address the fact, Dhaka Bank also emphasizing for e-learning opportunities for its employees.

The technology along with the method of working in banking sector is changing rapidly. Not only the machines, but approaches to various schemes, policies and banking facilities are changing with time. The new recruit and the older ones as well, need to undergo necessary training to grasp the same from time to time. The human resource division makes sure that the people working in the bank are not suffering from any such discrepancy.

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 2017 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, Information Security etc. Beyond the local and in-house training program, Human Resources Division also arranged foreign training in India, Bahrain, Netherlands, Germany, USA, Thailand, Srilanka, UK, Italy, Malaysia, Indonesia, and Singapore.

Training	Programmes	Participants
In House (DBTI)	118	3028
Local/Outsource	69	303
Foreign Training Program	22	46

In 2017, we moved our Training Institute at a new specious location with modern facilities.We consider training as not an expense but an investment.

Information Technology (IT)

The banking industry is evolving very quickly from the traditional brick and mortar banks to digital banks. As the internet era expanded, the banking channels and models have gone a long way far beyond the human imagination. The Internet has opened the gates towards digital transformation and innovation and completely revolutionized the banking industry by empowering banks to serve their customers in a better way thereby reducing costs and improving banking experience. Understanding the changing scenario, Dhaka Bank Limited has already stared initiatives for digitalization of its services on a focus to offer simple but secured banking to its customers.

Key Performance in 2017

A. New Development in IT Infrastructure & Application

Core Banking System (CBS)

Bank recently upgraded its CBS to the latest version of Flexcube UBS. Current version is 12.0.3. Flexcube UBS is a product of Oracle Financial Services Software Ltd. (OFSS). It is one of the best CBS in the world using by the numerous banks. It has Conventional & Islamic banking modules required by the bank and supports multi country operations. Bank is using this solution for its OBU operations also. It has interface with Debit Cards, ATM, POS, SWIFT, Internet banking, Mobile Apps. etc. It can be used as Centralized or De-centralized model with full redundancy. It has multilayer security option.

Cards Management System

Currently TranzWare cards management system is using by the bank. It is a product of Compass Plus, Russia and PA DSS certified solution. It has all the issuing and acquiring modules and supports most of the networks like VISA, MasterCard etc.

Identity and Access Management System

In order to ensure security, single sign on options is required. Bank procured Oracle Identity and Access Management for identity governance, access management and directory services.

Data Center

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

Server and Storage

To ensure performance and security, bank implemented Oracle Sun

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

Data Backup

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

B. Process Automaton

C Solution

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

Trade Cloud

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

Bills-to-Cash

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

C. Digital Banking

Internet Banking for the Retail, SME and Corporate Customers where customer can see their Account/Card information, view & download statement, Limit view, Fund Transfer within/across the bank, Bill payment, Airtime top up etc. Customer must use OTP for other account transfer and getting notification after each transaction.
Mobile Apps for the Retail and SME customers where customer can see their Account/Card information, view statement, Fund Transfer within/across the bank, Bill payment, Airtime top up etc. At time of registration, Customer's Mobile IME number is tagged with his/her User ID and system validate it at the time of login. Customer must use OTP for other account transfer and getting notification after each transaction.
Call Center & IVR solution have Inward & Outward Voice Call option, Predictive Dialer, Tele-banking and Web Chat option. Registered customers can do banking through IVR using their TPIN in secured way.
Cards and ATM : bank has full pledged Cards Management system, currently offering Debit, Prepaid and Credit cards in the issuing site and ATM at the acquiring site. Customers are doing ATM, POS and e-commerce transaction using VISA/NPSB network. Currently baking is working to launch NFC enabled EMV cards and QR code based payment service.

D. Green Banking

Bank is using Workflow based Document Management System for the following request handling and document digitization :

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

As a part of Green Banking initiative, Bank also sending e-statement and e-advice to the customers in addition to the SMS notification.

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 Audit Committee of the Board (ACB) reviewed the Group's system of internal control over financial reporting and the developments affecting it over the course of 2017. The ACB considered the process used to evaluate the effectiveness of the system, overseeing the transition by management to the control framework. The transition included a comprehensive program of upgrades across all branches, division and subsidiary level controls. This work focused on those business and function level controls that did not meet the required standards and the ACB received progress updates from management at each meeting. In addition, particular emphasis was given to the remediation of controls over access management in IT and the financial controls necessary to mitigate the impact on financial reporting and MIS. Applying control framework, the ACB assessed the effectiveness of the internal control system over financial reporting as part of the Board's overall assessment of internal controls.

Effectiveness of internal controls

The Board of Directors, through the Senior Management Team (SMT) and the Audit Committee of the Board (ACB), has 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 Function

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:

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1. Audit & Inspection Unit ;
2. Monitoring Unit; and
3. Compliance Unit.

1. Audit & Inspection Unit

The Audit Committee of Board (ACB) approved Internal Audit's annual plan. As this role reports to the Chairman of ACB, frequent meetings were held during the year. The ACB annually assesses the performance and effectiveness of the Internal Audit function. The ACB effectiveness review encompassed the scope of the function's work and the adequacy of the skills of its team. The ACB considered that the Internal Audit function remained effective. The internal audit guideline, manual & charter are reviewed and updated periodically.

During the year, work was undertaken to streamline Internal Audit reporting across committees and to ensure key thematic issues were appropriately highlighted. These items included, for example, AML risk level controls remediation, and systems and information security. Enhancement was also made to the management information in relation to audit conclusions and the tracking-to-resolution of outstanding audit recommendations. This enhancement better aligned audit recommendations to the individual accountabilities of senior managers.

2. 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.

3. 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 144 reports and letters from Bangladesh Bank during the year 2017 and successfully submitted compliance of all reports and letters within stipulated timeline. Bangladesh Bank inspection team conducted a total number of 53 inspections that includes 43 Branches and 09 divisions during 2017.

Research & Development (R&D)

There is no alternative to research for continuous improvement and to stay ahead of competition. Research is crucial at every stage for informed decision-making. Proper analysis of the business information can bring about competitive edge among businesses. Keeping in mind the industry shifts and fluctuations, Dhaka Bank are continuously digging deeper with its versatile R&D initiatives.

Performance Highlights in 2017

- **Feasibility Study on Branch**
  A comprehensive Feasibility Study was performed in order to examine appropriateness of our Cox's Bazar Branch location.
- **Product Repackaging and Designing New Products**
  Considering the market scenario, we time to time repackage the both asset & liability products. In 2017, we repackaged the Mudaraba Hajj Deposit Scheme. We also took a Green Initiative to make sure every customer and employee can access online forms for opening various Accounts; and also for easy download and use internally at office.
- **Publication of INSIGHT**
  Dhaka Bank's Quarterly flagship Newsletter INSIGHT is an R&D initiative to make our stakeholders updated about the con-current business moves. In 2017, four issues of INSIGHT were published and distributed to Regulatory bodies, Govt. Offices, Foreign embassies, Public & University libraries, Trade & Business bodies, all our Bank employees.
- **i-Quiz**
  Our Quiz programme based on the INSIGHT contents namely i-Quiz were arranged Quarterly for our Employees with a view to give them an amusement in their everyday busy banking life along with learning experience. 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.
- **Managing Bank's Web page and Facebook services**
  Regular updating of Bank's Corporate Website and Facebook page was done. Under Website maintenance 24/7 security maintenance, content upload etc. are conducted along with Social Media management and Social Customer Relationship Management.
- **Launched Dhaka Bank YouTube Channel**
  R&D launched a YouTube Channel for Dhaka Bank's Audio-Visual contents and reached a large number of existing and potential online Customers
- **Daily and Periodical E-publications**
  Regular (daily, weekly, monthly, quarterly and yearly) Analysis on industry perspective are presented to Management to take decision more prudentially. Reviews on Monetary Policy, National Budget, etc. are also made. Some of these are appropriately shared with Colleagues electronically.
- **Conducting Client Survey (Customer Feedback at Local Office)**
  Develop templates for Client Survey; Improve Customer Service Standard formats; Mystery Shopping.
- **Preparing Periodic Sector Reports on Industries**
  Collect inputs from various business segments; segment-wise exposure and performance and present these in usable format for help in lending and other decisions.
- **Placing RD Notes time to time for providing ideas to improve service**
  R&D places RD Notes to point out scopes of overall service on environment improvement or put suggestions to help make well informed decisions.
- **Contribution in Annual Report 2016**
  R&D Unit contributed in writing a large segment of Annual Report 2016. In publishing the Report, we seriously steered ourselves in

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line with the regulatory stipulations, thus the standard disclosure issues were met meticulously.

New Initiatives in 2017

- Digital forms in Portal & Website to promote Green and Digital Banking
- Launched YouTube Channel
- E-promotion of Product and Services of Islamic Banking

Regulatory Compliance Maintained/Regulatory Disclosure
We prepared several Regulatory Reports and submitted to the Bangladesh Bank. We also prepared Reports on request from the Agencies/Institutions like MoF, BIBM, CPD etc.

Looking forward to 2018

Development is a continuous and never-ending process. We learn with each passing day in our series of brainstorming sessions so that we can open up new avenues of business or take new direction while treading the current path. 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 to pick the best possible methods, processes and decision. 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 from our achievements of 2017 and turn our sails to more an ambitious feat of 2018.

Theoretical Foundation of Islamic Banking

Islamic Banking is the considerable part of Islamic Economic System which is a significant part of Islamic Shariah. Islam distinguishes human life into three: 1. Aqidah (Iman), 2. Ibadah (Certain Worships), 3. Muamalat (Daily & regular all activities), Aqidah (Kalimah) to believe in certain items is the pathway to direct one into Islam like Allah, Prophets, Hereafter, Angels, Devine holy kitabs & sahifa etc., Salat, Fasting, Zakaat & Hajj are the obligatory performance under Ibadah. Other than Akhlaq & Ibadah each & every transaction of human life is of Muamalat.

Definition of Islamic Banking:

OIC defined Islamic Banking in its Foreign Ministers Conference held in 1978 in Senegal as: “a financial institution whose statutes, rules and procedures expressly state its commitment to the principles of Islamic Shariah and to the banning of the receipt and payment of interest on any of its operations.”

Objectives of Islamic Banking:

The objective in the context of its role in the economy are as under:

a) Offer Financial Services, b) Banking for Development, c) Optimum Allocation of Resources, d) Equitable Distribution of Resources

Major Fundamental difference between Islamic Banking & Conventional Banking:

a) Collection of Deposits & Investment are fully Interest/usury free. Conventional Banks giving interest to depositors & receiving interest from entrepreneurs
b) Islamic Banks are free from Gharar Contract i.e. confusing contract / uncertain contract
c) Islamic Banks are free from Mysr i.e. Lottery items transactions.
d) Islamic Banks don’t contract with any enterprise, business firm, company, business person producing items prohibited by Al Quran & Hadith i.e. Shariah

What is “Riba”?

“Riba” is Arabic word. Riba means - increasing, to be more, to increase something from root etc. Riba is that amount which is charged on given any Loan/Lending & recovered.
Dr. Omar Chapra defined Riba as it predetermined excess amount of Money or Premium which was bound to pay by borrower as the condition of Loan.
To receive anything extra upon transaction or in exchange of same items of Goods/Commodities is called Riba Fadal.

Riba in Al Qur’an : Sura Al Baqarah, Verse 275 - 279

“Those who eat Riba (usury) will not stand (on the day of Resurrection) except like the standing of a person beaten by Shaitan (Satan) leading him to insanity. That is because they say: Trading is only like Riba (usury), whereas Allah has permitted trading and forbidden Riba (usury). So whosoever receives an admonition from his lord and stops eating Riba (usury) shall not be punished for the past; his case is for Allah (to judge); but whoever returns (to Riba i.e. usury), such are the dwellers of the Fire- they will abide therein.”
“Allah will destroy Riba (usury) and will give increase for Sadaqat (deeds of charity, alms, etc.) And Allah likes not the disbelievers, sinners.”
“Truly those who believe, and do deeds of righteousness, and perform As Salat (Iqamat as Salat) and give Zakat, they will have their reward with their Lord. On them shall be no fear, nor shall they grieve.
“O you who believe! Be afraid of Allah and give up what remains (due to you) from Riba (usury)(from now onward), if you are (really) believers.”
“And if you don’t do it, then take a notice of war from Allah and His Messenger but if you repent, you shall have your capital sums. Deal not unjustly (by asking more than your capital sums), and you shall not be dealt with unjustly (by receiving less than your capital sums).”

Riba in Hadith

Almost 27 Hadiths from authentic sources of various Books alongwith sihah sittah are found on Riba.
Hazrat Jabir (Rd.) quoted, prophet Mohammad (Sm.) may cursed the receiver and the payer of interest, the one who records it and the two witnesses to the transaction and said: “They are all alike [in guilt].” (Muslim, Kitab al-Musaqat, Bab la’ni akili al-riba wa mu’kilihi; also in Tirmidhi and Musnad Ahmad) (Sahih Muslim)

Genesis of Islamic Banking

In early Islamic Era: Prophet Mohammad (SM) conducted business with fund from Khadiza on the basis of Mudaraba. Quard e Hasanah was wide used for personal needs mitigation during tenure of Khulafa e Rshidin. Baitul Maal has a vital role to meet the needs of general people. Hisbah was established for Market Management. Riba was fully banned at all level of transaction.

Theoretical Exercise: Islamic Banking came into reality through a long theoretical exercise of several Islamic Scholars and economist. Muslim thinkers and theologists of this Sub-continent have substantially contributed to Islamic Economics & Banking. Among those “Sharhul Biqaya” in 700-800 AD by Islamic Thinker & Theologist Ubayd Allah ibn Masud al-Mahbubi al-Hanafi. Book on Muamalat “Hidaya” by Allama Burhanuddin Marginani, a Urdu book on Economic system of Islam “Islam ka Iqtisadi Nizam: Nadwatul Musannifin, 1942 by Hifzur Rahman, Islamic Economics by Manazir Ahsan Gilani of Jamia Osmania

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of Hydrabad in 1945, a basic book on Islamic Banking "Interest & Modern Banking" alongwith several contribution to understanding of Islamic economics & Banking,Great Islamic by Thinker & Muzaddid Syed Abul A'la Mowdudi, "Islam & the theory of Interest" by Anwar Iqbal Qureshi, pointing out clearly by Mahmud Ahmad in 1952 in his book on Economics & establishment of Islamic banking on the basis of a joint stock company, outlining on Mudaraba Principle as the operational methodology of an Islamic Bank in his paper 'An Outline of Interestless Banking' in 1955 by Muhammad Uzair, structuring framework of Islamic Banking in 1968 & introducing at first the two-tier model of Islamic banking based on Mudaraba principle by Dr.Nejatullah Siddiqui, Professor of Economics, Aligarh Muslim University & later on extending the two-tier model incorporating Musharaka principle as another alternative for managing fund, a basic book framing a separate holistic Financial System "Towards a Just Monetary System" published by The Islamic Foundation, U.K. Dr.Umar Chapra, Professor of Economics, Aligarh Muslim University & later on Advisor of IDB, Jeddah, KSA has contributed more to Islamic Banking. M. Mohsin ex- Ambassador to UAE has presented a detailed & elaborate framework of Islamic banking in modern context to Bangladesh Government.

Islamic Banking around the World:

Ahmad Al Najjar played pioneer role in establishing the first Islamic Bank in the modern world in 1963 at Mitgamar, Egypt. At present more than 600 Islamic Banks & Financial Institutions are being established more than 100 Muslim & Non Muslim Countries all over the world.
Full pledged Islamic Banking & Economy over the world
Only 3 (three) countries of the world since established full pledged Islamic Banking & Economy. Those are Iran, Sudan & Brunei.

Islamic Banking in Bangladesh

In August 1974, Bangladesh signed the Charter of IDB & committed to recognize its economy & financial system as per Islamic Shariah, In 1978 Bangladesh recommended in OIC Foreign Ministers Conference held in Senegal regarding systematic efforts to establish Islamic Banks in members' countries gradually, In 1979 the than Ambassador of BD to UAE addressed a letter to Foreign Secretary recommending to set a Islamic Bank in Bangladesh in line with Dubai Islami Bank, In 1980, Prof. Shamsul Huq the than Foreign Minister in OIC FMs Conference held in Pakistan proposed to develop an Islamic International Banking System throughout the members countries. In early from 1975 to 1980, in Sonali Bank Staff College, more than 500 conventional bankers of various banks have been received Islamic banking Training in evening under Guidance of SBSC Principal M. Azizul Huq, In 1981 Bangladesh Islamic Bankers Association established against Riba, In between 1977 In April 14, 1981 Finance Ministry suggested in a letter to Bangladesh Bank that all nationalized banks set separate Islamic Banking Counter & maintain separate ledger in this regard, In 1982 a representative of IDB visited Dhaka to evaluate possibility for establishment of Private Islamic Bank & they recommended to invest capital as entrepreneur, In this regard a brave & positive role was played by the than KSA Ambassador to Bangladesh Syed Shaikh Fuad Abdul Hamid Al Khatib (Rah.), After long days preparation in March 13, 1983 a dream of Bangladesh Islami Bank Bangladesh Limited was established with the entrepreneur s in which 19 Bangladeshi Nationals, 4 Bangladeshi Institutions, 11 Banks, Financial Institutions & Government Bodies of the Middle East and Europe including IDB and 2 eminent personalities of KSA joined their hands & made the dream reality, At present 8 nos. full pledged, 12 conventional banks established Islamic Banking branches , booths & Windows. Recently Sonali Bank Ltd. obtained permission for opening & conducting 7 windows of Islamic Banking in addition of existing IBs windows. Almost 8 conventional banks have applied to Bangladesh bank for conversion into Islamic banking, A new Full pledged Islamic Bank is coming in operation soon in the Market, 23% of total deposit 2,040.07 bln is under Islamic banking, Deposit growth : MSD 18.55% : Conv. SA Growth 11%, MTD 48%
NBFI: Islamic Finance and Investment Ltd., Hajj Finance Co. Ltd.

Islamic Banking Operations of Dhaka Bank Ltd.

Introduction

It has been mentioned earlier that "Islamic Banking business means banking business whose aims and operations do not involve any element which is not approved by the religion Islam."
It appears from the above definitions that – Islamic banking is a system of financial intermediation that avoids receipt and payment of interest in its transactions and conducts its operations in a way that it help achieve the objectives of an Islamic economy.
Dhaka Bank Limited is the pioneer to establish Shariah based banking operations through Islamic Banking branches in the country.

Generation

Bangladesh is a Muslim majority Country. Almost 90% of it's population is Muslim. So, General Muslim alongwith businessmen of our Country are verily willing to engage their economic activities with Islamic Banking for saving their faith. So, Islamic Banking & Finance has turned into well accepted to the general people and its' suitability has been rising in our 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.

Service Providing Points

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.

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Islamic Banking Division in Head Office

As per Guideline on Islamic Banking issued by Bangladesh Bank BRPD Circular No.15 dated 09.11.2009, a full pledged separate division namely "Islamic Banking Division" established in Head Office headed by a Senior Executive Vice President having experience in Islamic Banking & Finance.

Regular Activities of Islamic Banking Division

The duty & responsibility of the Division is exclusively as follows:

1. Framing Islamic Banking rules, regulations and Guidelines ensuring their implementations.
2. Maintaining co-ordination with the Shariah Supervisory Committee and the other divisions of the bank.
3. To hold Shariah Supervisory Committee meeting at least once in a quarter and various Shariah related issues are being discussed, reviewed & resolved.
4. Confirm investment of the Funds received for Islamic Banking Business under modes approved by Islamic Shariah.
5. To provide the employees have been received Islamic Banking Training.
6. Submission of required statements to the Central Bank.
7. To discharge of any other responsibility (ies), the Central Bank may assign from time to time.
8. Supervise the Islamic Treasury Function (Fund Management of Bangladesh Government Islamic Investment Bond, SLR/CRR maintenance etc.)
9. Conduct Shariah Audit/Inspection of the Islamic Banking Branches.
10. Supervise & monitoring Islamic Mudaraba deposit products namely "Tawfeer Mudaraba Savings Bond Account-TMSBA.
11. Other responsibilities/activities as and when assigned by the management & day to day activities.
12. To coordinate with Central Shariah Board of Islamic Banks in Bangladesh-CSBIB & Islamic Banks Consultative Forum-IBCF.
13. Formulating Business Planning of Islamic Banking Business.
14. To prepare & make capable the employees of the Bank with the primary knowledge of Islamic Banking to approach the customers with the Islamic Banking business.
15. Idea generation for various Islamic Banking derivatives/products formulation
16. Conduct business marketing to the valued customers

Islamic Banking Business

Islamic banking products and services based on Islamic Shari'ah principles introduced by Dhaka Bank through its two Islamic banking branches got tremendous response from a considerable Portion of its clientele who are eager to accept Shari'ah compliant products and services. Dhaka Bank is also offering Islamic banking products and services from its conventional banking branches using Online through Islamic Banking Branches. Dhaka Bank enjoys a very strong brand image in the banking sector and the bank has a very good market reputation and its Islamic banking business also has proved to be superior compared to others and also its own conventional system. Its Islamic banking market share and growth rate is also mentionable among the conventional banks having Islamic banking branches. Considering the fact that the Islamic banking industry is at its growth stage in the country and competitive rivalry among the industry members is increasing, Dhaka Bank have set the vision to be a trend setter in this field by adopting proper strategy and objective in order to achieve its goal. The Islamic banking business is growing at a competitive rate despite various limitations for its expansion. This growth is also remarkable compared to the overall growth of the Islamic banking sector of the Country. The Islamic banking manpower of the bank is more than one hundred for whom the bank arranges regular training programs on operation of Islamic banking. Dhaka Bank is an active member of Central Shari'ah Board for Islamic Banks of Bangladesh-CSBIB and Islamic Banks Consultative Forum-IBCF. Thus Dhaka Bank is committed to uphold the outlook of majority of the people in the country as a bank providing "Excellence in Service".

It is expected that Islamic branches would also perform better and achieve targets this year under the guidance and prudent leadership of the Management of Dhaka Bank Ltd., In Sha Allah.

Among the Islamic banks, full fledged Islamic banks conduct around 90% of the Islamic banking business of the country while the rest is done by the conventional banks having Islamic branches and windows. Among these banks, Dhaka Bank is one of the better performers. Since inception, Islamic banking business of Dhaka Bank marked steady growth in all areas - deposit, investment and profit. With only 2 branches, around 5 -6% of Dhaka Bank's business (in terms of deposit & investment) is being conducted under Islamic banking modes. At the end of the year 2017, the deposit and investment of Islamic Banking operations of Dhaka Bank Ltd. stand at 5,884.84 & 5,235.96 million. Cost Effectiveness of Islamic banking products is better compared to overall business.

Islamic Banking Products and services

At present Dhaka Bank offers almost all the deposit & investment products those are available in the country under its Islamic banking operations for collecting & sourcing and utilization of funds or in other words, pooling resources and deployment of the said resources. The following products are available now:
Dhaka Bank Ltd. has been maintaining following products under Al Wadeeah & Mudaraba principle of Islamic Shariah under Islamic

Banking Operations:

1.Al-Wadeeah Current Account, 2. Mudaraba Savings Account, 3.Mudaraba Term Deposit Account
4. Mudaraba Special Notice Deposit Account, 5.Mudaraba Hajj Savings Account, 6.Mudaraba Pension Scheme Account, 7. Mudaraba Special Deposit Scheme Account, 8. Mudaraba Foreign Currency Deposit Account, 9.Tawfeer Mudaraba Deposit Pension Scheme – T- MDPS, 10.Tawfeer Mudaraba Savings Bond Account – T- MSBA, 11.Tawfeer Mudaraba Foreign Remittance Account – T- MFRA, 12.Mudaraba Gold Deposit Account, 13. Mudaraba Platinum Deposit Account, 14. Mudaraba Silver Deposit Account, 15.Mudaraba Residence Foreign Currency Account, 16.Mudaraba Ratib (Salary) Account,17.Mudaraba

Deposit Double Scheme

Dhaka Bank Limited Islamic Banking Branches offer to the customers the following Investment products:
1. Murabaha Purchase Order, 2. Bai-Muazzal Industrial, 3. Bai-Muazzal Others, 4. Murabaha Post Import Trust Receipt, 5. Murabaha Term Finance Industrial, 6. Murabaha Term Finance Others, 7. Hire Purchase Shirkatul Meelk, 8. Ijarah Transport, 9.Ijarah Machinary & Equipment, 10. Quard against MTDR

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Other Products
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.

Activities – Year 2017
During the year 2017, Islamic Banking Division of the Bank has published a Book titled "Ibadat and Muamalat in daily life". Our Board of Directors & Management expect that this Book will be very useful for the Bankers and Customers of the Bank & guide them to the right path. The Management has taken initiative to expand Islamic Banking Business gradually. Therefore, in order to familiarize the employees of the Bank with the Islamic Banking principles, terms of products & marketing approach, Islamic Banking Division has been arranging exchange of views program on Islamic Banking in the branches. In the year 2017 they organized several programs which were participated by the branch Managers, Operation Managers & Front Desk officials.
For this purpose, a team headed by SEVP & Head of Islamic Banking Division alongwith VP & Muraquib worked in various regions with the employees to provide marketing, development and sales effort. The performance of the team was excellent – targeted number of accounts was opened and enough deposit under Mudaraba principle mobilized. Set up of separate Islamic Banking Software module has been completed during the period. In this time the Bank introduced a new deposit product captioned "Mudaraba Gift Cheque" under Mudaraba principle.

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 & Muraquib is working in the Secretariat under Member Secretary & helps the Shariah Supervisory Committee for its regular activities. A short introduction 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 Salahuddin	Member (Faqih)	Kamil, MA (Khatib of Baitul Mukarram National Mosque)
3	Md. Fariduddin Ahmed	Member (Expert in Is. 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 Haque	Member Secretary	M Com, C.A. (Intermediate)
9	Md.Kamaruzzaman	Muraquib	Kamil, MA, MBA, LL.B

Islamic Banking Training
i.In this year, EVP & Manager of Ibb Motijheel, Dhaka and VP & Muraquib of Shariah Supervisory Committee have participated in International Training for 1 week long in Bahrain Institute of Banking & Finance-BIBF, Bahrain.
ii.SVP of Retail Business Division & VP & Muraquib of Shariah Supervisory Committee have attended another 2 days International Conference on "Cash Waqf" held in Pan Pacific Hotel Sonargaon, Dhaka where 18 countries participants & speakers were attended.
iii. 2 Executives from Treasury Division & Islamic Banking Division joined 3 days International Workshop on "Sukuk" held in Hotel Purbani Int'l, Dilkusha, Dhaka.
iv. 15 Executives/Officials attended in a Seminar "Islamic Investment for Socio –economic Development : The Better Alternative" held in Pan Pacific Hotel Sonargaon, Dhaka.
v.12 no's of executives & Officials have been given Islamic Banking Training in IBCF T&RA & BIBM.
vi. Two special Exchange of views program on Introduction, Marketing & Development of Islamic Banking Products arranged in Sylhet & Chittagong by Islamic Banking Division where attended 60 nos executives & officials of 20 branches.

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Retail Banking Division

Dhaka Bank's Retail Banking Division started its operation in the year 2002.Since then the business has made a good deposit client base and approved total retail loans amountingto Tk.1,210 crore. Over the year 2017, the Bank has continued its momentum on acquiring new retail clients and growing retail business in the area of deposit accounts, cards and retail loans. The introduction& improvement of Digital Banking products such as Dhaka Bank Go, Direct Banking, has spurred the growth in retail space.

In the year 2017, we have witnessed a growth of 36% in our Retail Asset portfolio compared to end of 2016, and 86% lending was extended as secured loans such as Car, Home and security covered loans. The focus has been to do with sourcing amongst credit-safe salaried segment. On the retail deposit side, we have witnessed encouraging growth in our CASAbook, 14% growth in volume with 31,000 new CASA accounts in the retail deposit portfolio.

The Bank has continued to strengthen Card Business eco-system and has observed an ascent in business parameters. During 2017, Credit Card issuance grew by 1.5 times and Debit Card issuance grew by 47% compared to 2016. In terms of card spending volume, our card holders (Debit & Credit) have used their cards 41% more in comparison to 2016. The clients got benefit of instalment purchases of lifestyle goods and travel packages amounted to Tk. 3 Crore over the year. The Bank has launched its first Prepaid Card 'Esteem' for its employees as a pilot and will start issuing this card to payroll clients very soon. Now, with 150 discount merchant partners and 50 Swipe-it (installment purchase) merchant partners, Dhaka Bank Card is considered as one of the emerging cards in the industry. As a result, the Bank has also received marketing support from its scheme partner for the first time.
Over the year,the following areas have been prioritized:

- Building the Retail team
- Working on the infrastructure and eco-systems such as upgrading Core Banking System, changing Card Management System & Switch
- Bringing focus of frontline to retail business through campaigns
- Building up strategic alliance such as restaurant, lifestyle and travel merchants for card business and auto merchants for car loan
- Enhancing capability on Digital Banking front: Dhaka Bank Go – mobile app, Direct Banking – internet banking, University Tuition Fee Solution.

Major Retail Banking Initiatives / Campaign in 2017

- Wind of Change (CASA acquisition campaign)
- Safe & Sound (Secured Credit Card campaign)
- Debit Card Cash Back Offer (Debit Card issuance& activation campaign)
- Secured Adventure (Secured term loan campaign)
- Insta-Money (Secured Overdraft campaign)
- Call of Duty (Retail deposit sourcing campaign)

Major Card Business Initiatives / Campaign in 2017

- Launch of Visa Prepaid Card
- 'Buy One - Get One Free' campaign during Ramadan
- EidUlAdha campaign: 5% Cash Back on Swipe-It transaction
- Travel Bonanza: discount and instalment purchase of travel ticket / packages
- Passport endorsement campaign
- 5% Cash back on debit and credit card with 'Deshi Dosh' – the leading local fashion outlet

The Bank looks forward to continue its investment and persuasion for growing card business with respect to new technology, product capability, security and client value propositions. Encouraging internet transactions, EMV and contactless technology,new payment options via Cards are the special area of concentration for 2018.

Off-Shore Banking Unit

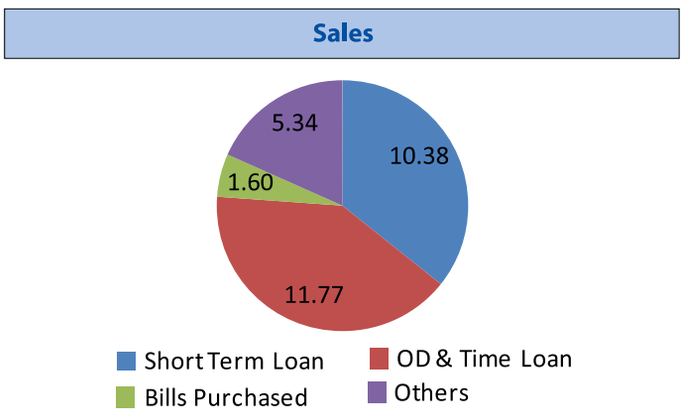
We have come a long way since we launched our Off-shore Banking operations in Dhaka Export Processing Zone eleven years ago. We are one of the pioneers among local banks in Bangladesh to set up Off-shore Banking Unit, which started its operation in the year of 2006 at Dhaka Export Processing Zone, Savar, 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 201.30 million in offshore market in the year of 2017 to support Type-A industries, local entrepreneurs as well as to strengthen its asset portfolios. Portfolio of the unit during December, 2017 is shown in the following info graph:

OBU Business Portfolio - Sales

OBU Business Portfolio	
A-type Industries	USD million
Short Term Loan	10.38
OD & Time Loan	11.77
Bills Purchased	1.60
Others	5.34

To Local Industries	
	USD million
Buyers	134.16
Suppliers credit	26.38
Term Loan	11.68



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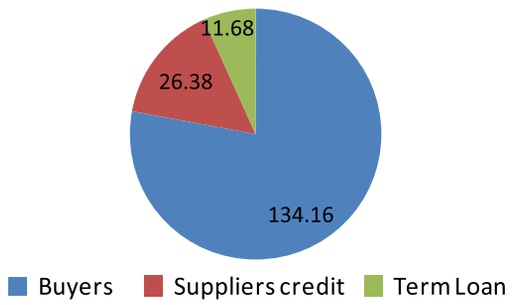
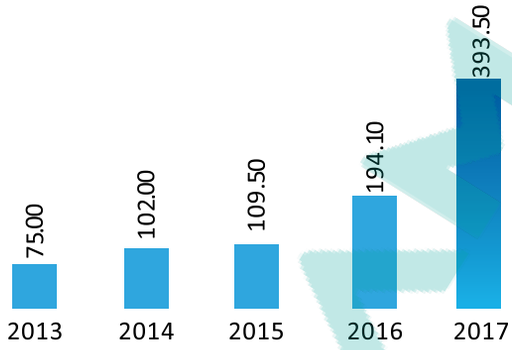
Sales



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
2013	75.00
2014	102.00
2015	109.50
2016	194.10
2017	393.50

OBU Profitability (5 Years)



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 works for ensuring smooth foreign trade business, foreign exchange transactions and channelizing wage earners remittance. This division is mainly divided into two 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, FI 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 2017, International Division's FI Unit was engaged in strengthening its correspondent networks to facilitate the Bank's trade finance business. Dhaka Bank has routed 28,353 LCs through its correspondent banks with total value USD 1.60 billion in 2017. Dhaka Bank has achieved 23% growth in Import trade business. 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.

Dhaka Bank Limited and International Finance Corporation (IFC) have signed USD 55 million facilities agreements in March, 2017. Under the agreements, IFC provided USD 20 million Working Capital Solutions

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facility to Dhaka Bank's Offshore Banking Unit for expanding its foothold in SME-based export sector and USD 35 million Guarantee Facility under Global Trade Finance Program (GTFP). The USD 35 million GTFP of IFC has enhanced the capacity of Dhaka Bank to deliver trade financing by providing risk mitigation in new or challenging markets where trade lines may be constrained. International Division's FI Unit has arranged and coordinated this whole program successfully.

International Division also helped OBU to arrange a good volume of trade loans from foreign correspondents

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 21 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 to beneficiaries living in the remotest areas.

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 2017, DBTI trained as many as 21,835 participants through 769 different training programs covering diverse courses in banking, finance, management, law etc. In the year of 2017 DBTI conducted 118 training programs covering 33 diverse courses for 3,028 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.

DBTI conducted the following courses for the last five years:

Year	Number of Course	Number of Participants
2011	59	1,521
2012	51	1,344
2013	46	1,270
2014	47	1,449
2015	44	1,277
2016	69	1,807
2017	118	3,028

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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 2017

Sl. No.	Name of The Training Course / Workshop	Number of Courses	Number of Participants
01	International Trade Facilitation for Bankers	03	160
02	Credit Management for GB Officials	01	36
03	Comprehensive Risk Management	03	110
04	Foundation Training	05	189
05	Orientation Program for Newly Recruited TOs & TCOs	03	106
06	Orientation on KPI	02	168
07	Online Gas Bill Collection	01	33
08	Preparation of Credit Proposal & Corporate Account Management	01	35
09	ICT Security Awareness	01	36
10	Integrated Supervision System	08	251
11	Retail Credit Management	01	33
12	AML, CFT & Prevention of Trade Based Money Laundering	05	333
13	Oracle Flex cube Universal Banking 12.0.3v Training	01	30
14	Flex cube Direct Banking (FCBD) for IT Officials	01	04
15	Cheque Processing System (CPS)	02	74
16	Card System (TranZware Operational Training) for Card ADC Officials	01	07
17	Quality & Efficiency Improvement in Credit Proposal	01	41
18	Customer Service	01	35
19	Environment & Social Risk in Credit Risk Management	01	31

Sl. No.	Name of The Training Course / Workshop	Number of Courses	Number of Participants
	CBS Up – gradation Programme		
20	CBS Up-gradation - GB Module	28	437
21	CBS Up-gradation - Teller Module	21	359
22	CBS - Training on Loans & Advances	09	151
23	CBS Up-gradation - Import Module	03	52

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Sl. No.	Name of The Training Course / Workshop	Number of Courses	Number of Participants
25	CBS Up-gradation - Money Market & Foreign Exchange Module	02	06
26	CBS Up - gradation on - BACH Module	03	27
27	CBS - ELMCM & OD Module	01	21
28	CBS - Data Entry and Bulk Upload in FCUBS	02	27
29	Document Management System – Credit Category	01	10
	Executive Development Programme		
30	Revised ICC - Guidelines 2016	01	35
31	Self Leadership, Advance Managerial Communication & 21stCentaury Managerial Mindset	02	73
32	Unleash Your True Potential	01	35
33	Bangladesh Bank Regulation & Compliance on SME Financing	01	66
	Grand Total	**118**	**3,028**

Other Initiatives

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.



Dhaka Bank Training Institute (DBTI) along with Risk Management Division conducted a Six days long **Comprehensive Training on Risk Management** for DBL Officials.The programme held from November 11 to 16, 2017 at DBTI.

The Managing Director & CEO, Mr. Syed Mahbubur Rahman addressed the Closing ceremony as Chief Guest and distributed Certificates among the 34 Participants. The program was conducted by Mr. Md. Abdul Motaleb Miah,Vice President, DBTI

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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

- 1st Bengal Sanskriti Utsav 2017, Sylhet
- 3rdDhaka International Folk Fest 2017
- 1stDhaka International Weaver Fest 2016
- 6thDhaka Bank Victory Day Golf Tournament 2017 at BGCC
- 3rdDhaka Bank Golf Tournament at AGC 2017
- Sponsoring Rajshahi Kings in BPL 2017

Major Celebration with Clients

- 22nd Anniversary of the Bank
- Celebration of Bengali New Year
- Eid-Ul-Fitre 2017
- New Year Calendar 2017

Launching and Repackaging Products

- Launch of Antorik – specialized service for pregnant, senior and physically challenged citizens
- Launching of Dhaka Bank Go – Mobile App for Banking Solution
- Launching of Dhaka Bank TradeCloud – Digital Trade Solution
- Launching of Dhaka Bank BillsToCash – Digital Solution for Reverse Factoring
- Launching of Dhaka Bank C-Solution– Digital Solution for Cash Management
- Dhaka Bank Car Loan Campaign
- Repackaged Dhaka Bank Car Loan, Home Loan, Swipe It, Credit Card, Debit Card, etc.

Major CSR Events

- Distributed Blankets to poor and distressed People in different parts of Bangladesh
- Donation towards SEID
- Donation towards Rainbow Valley
- Donation towards Holy Family Red Crescent Medical College Hospital
- Donation towards Prime Minister's Relief Fund
- Donation towards Suchona Foundation

Media Channel Utilization

- Television (Program Sponsorship)
- Newspaper (Advertisement and Articles)
- Magazine (Advertisement and Articles)
- Out-Of-Home (Billboard, Hording, 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 2017
- 22nd Annual General Meeting 2017
- 22nd Anniversary of Dhaka Bank

RMG Financing

Bangladesh is one of the largest apparel exporters in the world. In the 1980s, about 50 factories were involved in manufacturing of readymade garments, while the number is now estimated to hover around 4,365 (Source: BGMEA). The RMG Industry is now the lifeline to Bangladesh economy. In FY2016-17, overall national export was US$34.84 billion and RMG export was US$28.15 billion (Source: EPB). Around 80 per cent (Source: EPB) of the country's export earnings come from RMG. Production of Ready Made Garment is also crucial to our economy, as the sector is creating largest job opportunities for women, and the largest source of foreign currency. International brands appreciate Bangladesh as a sourcing location because of reliable production quality, fast times and low costs. In banking, RMG clients are major source of fee based income.

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

Total number of clients of Dhaka Bank Ltd. involved in direct & deemed export of RMG were 239 by the end of December 2017, of which, 33 new clients have been included in RMG portfolio during 2017. Clients involved in direct export were 126 (Knit: 46, Woven: 62 & Sweater: 18) & deemed exported 113 (consists of accessories, spinning, interlining, fabrics, textile, dyeing, printing etc.).

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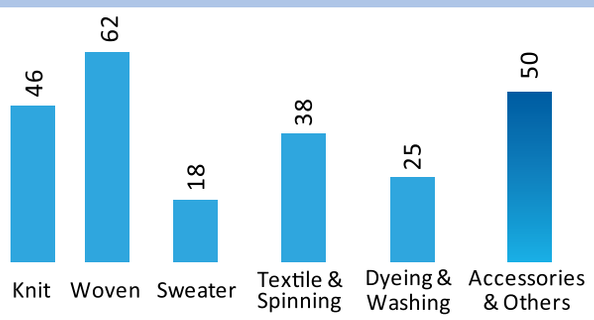
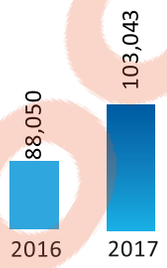
Sector-wise Number of RMG Clients



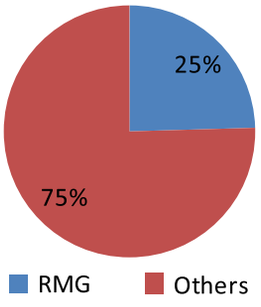
Total export reflected by RMG concerns of Dhaka Bank Ltd. was US$ 1,276.12 million (~Tk.103,020.80 million) in 2017, that was 89.27% of yearly export target of 2017 & showing ~17.00% growth from total export of previous year.

Yearly Export Performance

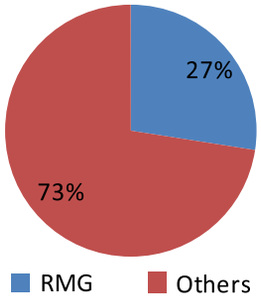


Total funded exposure of RMG concerns as on 31.12.2017 was Tk.37,805.40 million, representing ~24.56% of the Bank's total funded exposure which was 29.54% growth from last year. Total non funded exposure as on 31.12.2017 was Tk. 27,243.80 million, Representing ~32.81% of the Bank's total non funded exposure (showing ~37.84% growth from last year). Total funded & non funded exposure as on 31.12.2017 was Tk.65,049.20 million, Representing ~27.45% of the Bank's total exposure (showing ~32.75% growth from last year).

Funded Exposure of RMG vs Total Funded Exposure of the Bank



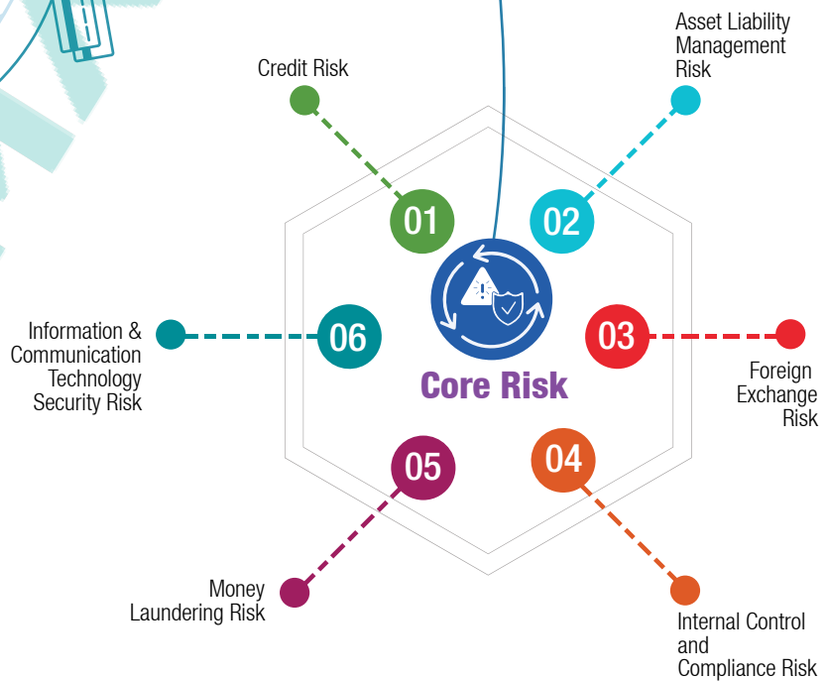
Total Exposure of RMG vs Total Exposure of the Bank



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

A probability or threat of damage, injury, liability, loss, or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be avoided through preemptive action.

The probability that an actual return on an investment will be lower than the expected return. Financial risk is divided into the following categories: Basic risk, Capital risk, Country risk, Default risk, Delivery risk, Economic risk, Exchange rate risk, Interest rate risk, Liquidity risk, Operations risk, Payment system risk, Political risk, Refinancing risk, Reinvestment risk, Settlement risk, Sovereign risk, and underwriting risk.

Risk is inherent in every walk of life. We cannot avoid risk, rather we may optimize risk. Every investment has got a potential of reward as well as a threat for risk. Risk and return are related to one another. The more the risk is, the more will be the return. But there remains some limit of risk taking. If risk is beyond some tolerable level the existence of the institution will be at stake. As such risks should be take according to the strength of the entity.

Risk and Banking:

Banks deal with public money in the form of capital as well as deposit. As such, the businesses the banks are involved in, are done in a very calculative way. Requirement for making balance in the risk return trade-off is of utmost importance. This needs to be looked into with prudence from the various viewpoints like: type and degree of uncertainty, impact and its nature, degree of severity etc. In financial sector, risk can be viewed as the financial risk and is measured by the amount of money involved. Since the financial sector plays a very pivotal role for development of the economy and deals with public money, it is required to follow stringent regulations. As such the Bank's are to avoid extreme risks, and accordingly the requirement of risk management becomes inevitable.

Risk, according to the modern view in a positive approach, is called the opportunity of gaining something against a tolerable and optimum amount of threat to the position.

Risk Management in Banking

Not only the banks, but also the business units of the economies have been managing the risks of their business for their own benefits. But presently, for banks, the risk management has got a structured form, which started basically with the introduction of Basel Accord by the Basel Committee for Banking Supervision (BCBS). The Basel III framework is a central element of the Basel Committee's response to the global financial crisis. It addresses a number of shortcomings in the pre-crisis regulatory framework and provides a foundation for a resilient banking system that will help avoid the build-up of systemic vulnerabilities. The framework will allow the banking system to support the real economy through the economic cycle.

Focus on risk-weighted assets

Banks fund their investments with capital and debt, such as customer deposits. Capital can absorb losses in a way that reduces the likelihood of a bank failing and the impact if it does. Regulatory capital consists of:

- **Common Equity Tier 1** – common shares, retained earnings and other reserves.
- **Additional Tier 1** – capital instruments with no fixed maturity.
- **Tier 2** – subordinated debt and general loan-loss reserves.

Banks with more regulatory capital are better able to fund lending growth.

The capital ratio is the amount of regulatory capital divided by the amount of risk-weighted assets. The greater the amount of risk-weighted assets, the more capital is needed, and vice versa.

$$\text{Risk-based capital ratio} = \frac{\text{Regulatory capital}}{\text{Risk Weighted Assets}}$$



- A bank's assets typically include cash, securities and loans made to individuals, businesses, other banks, and governments. Each type of asset has different risk characteristics. A risk weight is assigned to each type of asset, as an indication of how risky it is for the bank to hold the asset.
- To work out how much capital banks should maintain to guard against unexpected losses, the value of the asset (ie the exposure) is multiplied by the relevant risk weight. Banks need less capital to cover exposures to safer assets and more capital to cover riskier exposures.

Risk Management of Dhaka Bank Limited

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 together with the directives of Bangladesh Bank from time to time.

Risk Management Framework

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

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

Risk Management Committee of the Board	Strategic Level
All Risk Committee	Managerial Level
Sub Risk Committee	Pre managerial level
Business Units	Operational level

RISK MANAGEMENT
Continued

Risk Management Committee of the Bank

Bangladesh Bank vide their BRPD Circular No. 11 dated October 27, 2013 made formation of a sub-committee of the Board naming "Risk Management Committee" to play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently.

Organizational Structure of the Risk management Committee:

1. Members of the committee will be nominated by the board of directors from themselves;
2. The Risk Management Committee will comprise of maximum 05 (five) members;
3. Members may be appointed for a 03 (three) year term of office;
4. Company secretary of the bank will be the secretary of the Risk Management Committee.

Accordingly the Risk Management Committee of the Board had been formed and subsequently reconstituted as per the following structure:

Sl.	Name of the Directors	Status
01.	Mr. Khondoker Monir Uddin	Chairman
02.	Mr. Reshadur Rahman	Member
03.	Mrs. Rokshana Zaman	Member
04.	Mr. Altaf Hossain Sarker	Member
05.	Mr. Jashim Uddin	Member

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) 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	SEVP & CFO	Member
4.	Mr. 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, CRM Division	Member
7.	Mr. Md. Fakhrul Islam	EVP & Head, AML & CFT	Member
8.	Mr. K. M. Faisal Faruqui	VP & Head, Treasury Division and FX	Member

AMARSTOCK

RISK MANAGEMENT
Continued

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. Azfar Ahmed	SVP, SAMD
3.	Mr. Sanjib Kumar Dey	VP, SME
4.	Mr. Sahabub Alam Khan	VP, FAD
5.	Mr. Md. Mohibullah Khan	VP, CRM
6.	Mr. Mahbubur Rahman	VP, Operations Division
7.	Mr. Md. Mokhlesuzzaman Khan	VP, RMD
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
13.	Mr. Md. Nahid Ul Hasan	SPO, RMD
14.	Mr. Yashin Arafat	SPO, RMG

Reporting by Risk Management Division:

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

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

Different stakeholders of the organization and their focused issues:

Shareholders	Employees	Regulators	Community	Customers	Rating Agencies
• Profitability • Earning growth • Dividends • Wealth maximization	• Compensation • Professional growth • Reputation • values	• Financial Strength • Asset Quality • Regulatory compliance • Liquidity • Capital Adequacy • Role for economy	• CSR • Community Reinvestment • Leadership involvement	• Service Quality • Competitive pricing • Reputation	• Financial Strength • Asset quality • Liquidity • Capital Adequacy

RISK MANAGEMENT
Continued

Risk Management Paper

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.

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 is submitted to Bangladesh Bank on monthly basis.

Comprehensive Risk Management Report (CRMR)

Bangladesh Bank also determines the status of risk management of the bank on the basis of RMP and half yearly Comprehensive Risk Management

Report provides Risk Management rating semiannually which is ultimately considered for the CAMELS rating of the Bank. The report consists of different risk related information and indicators a few of which are furnished below:

Credit Risks:

Credit risk is most simply defined as the potential that a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms. The goal of credit risk management is to maximize a bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters. Banks need to manage the credit risk inherent in the entire portfolio as well as the risk in individual credits or transactions. Banks should also consider the relationships between credit risk and other risks. The effective management of credit risk is a critical component of a comprehensive approach to risk management and essential to the long-term success of any banking organization.

For most banks, loans are the largest and most obvious source of credit risk; however, other sources of credit risk exist throughout the activities of a bank, including in the banking book and in the trading book, and both on and off the balance sheet. Banks are increasingly facing credit risk (or counterparty risk) in various financial instruments other than loans, including acceptances, interbank transactions, trade financing, foreign exchange transactions, financial futures, swaps, bonds, equities, options, and in the extension of commitments and guarantees, and the settlement of transactions.

Since exposure to credit risk continues to be the leading source of problems in banks world-wide, banks should be able to draw useful lessons from past experiences. Banks should now have a keen awareness of the need to identify, measure, monitor and control credit risk as well as to determine that they hold adequate capital against these risks and that they are adequately compensated for risks incurred.

The credit risk management approach used is to be sufficient for the lending activities and sufficient risk-return discipline is to be instilled in the credit risk management processes.

RISK MANAGEMENT
Continued

Portfolio risk analysis (BDT in crore)

Sl.	Loan portfolio	Dec, 2017		Dec, 2016	
		Amount	Percentage	Amount	Percentage
A	**Agriculture, Fishing, and Forestry**	**196.20**	**1.27%**	**166.04**	**1.23%**
B	**Industry (a+b)**	**9,850.61**	**63.96%**	**8,340.29**	**61.92%**
	(i) Secured by eligible securities	4,835.88	31.40%	4,800.14	35.64%
	(ii) Secured by other than eligible securities	5,014.73	32.56%	3,540.15	26.28%
	Nature of Industry loan	**9,850.61**	**63.96%**	**8,340.29**	**61.92%**
	a) Term loans	4,124.58	26.78%	3,359.82	24.94%
	b) Working capital loans	5,726.04	37.18%	4,980.47	36.98%
	***Scale-wise distribution of industry portfolio (1+2+3)**	**9,850.61**	**63.96%**	**8,340.29**	**61.92%**
	1. Large Industries	8,290.03	53.83%	7,039.58	52.27%
	2.Small,medium,cottage & micro industries	929.49	6.03%	650.34	4.83%
	3.Service industries	631.10	4.10%	650.38	4.83%
C	**Trade & Commerce:**	**2,271.83**	**14.75%**	**2,211.35**	**16.42%**
	(i) Secured by eligible securities	1,522.67	9.89%	1,395.02	10.36%
	(ii) Secured by other than eligible securities	749.16	4.86%	816.32	6.06%
	a) Retail Trading	429.51	2.79%	304.92	2.26%
	b) Wholesale Trading	777.62	5.05%	730.05	5.42%
	c) Export Financing	217.47	1.41%	179.32	1.33%
	d) Import Financing	679.54	4.41%	602.75	4.48%
	e) Lease Finance	-	0.00%	35.16	0.26%
	f) Others	167.70	1.09%	360.19	2.67%
D	**Construction (commercial real estate, construction and land development loans):**	**1,820.76**	**11.82%**	**1,615.19**	**11.99%**
	(i) Secured by eligible securities	1,466.82	9.52%	1,415.68	10.51%
	(ii) Secured by other than eligible securities	353.94	2.30%	199.51	1.48%
	a) Residential Real estate	8.58	0.06%	65.46	0.49%
	b) Commercial Real estate	486.73	3.16%	996.72	7.40%
	c) Infrastructure development	1,213.23	7.88%	407.88	3.03%
	d) Others	112.21	0.73%	145.13	1.08%
E	**Transport:**	**307.29**	**2.00%**	**111.68**	**0.83%**
	a) Road Transport	135.08	0.88%	27.02	0.20%
	b) Water Transport	157.82	1.02%	72.41	0.54%
	c) Air Transport	14.39	0.09%	12.25	0.09%
F	**Consumer financing**	**582.82**	**3.78%**	**478.15**	**3.55%**
	a)Loans for the purchase of flats or other single-family dwellings	128.41	0.83%	26.47	0.20%
	b) Loans for the purchase of motorized personal transport	88.49	0.57%	41.29	0.31%
	c) Loans for the purchase of durable consumption goods	63.71	0.41%	141.45	1.05%
	d) Credit card loans	35.07	0.23%	29.52	0.22%
	e) Other personal loans	267.14	1.73%	239.43	1.78%
G	**Loans to financial institutions**	**360.58**	**2.34%**	**512.83**	**3.81%**
	1) Loans to NBFIs	86.71	0.56%	75.34	0.56%
	2) Loans to insurance companies	-	0.00%	1.63	0.01%
	3) Loans to merchant banks and brokerage houses	248.51	1.61%	229.25	1.70%
	4) Other, including loans to microfinance institutions and NGOs	25.36	0.16%	206.61	1.53%
H	**Miscellaneous**	**11.61**	**0.08%**	**32.36**	**0.24%**
	****Total loans & Advances:**	**15,401.70**	**100.00%**	**13,468.93**	100.00%

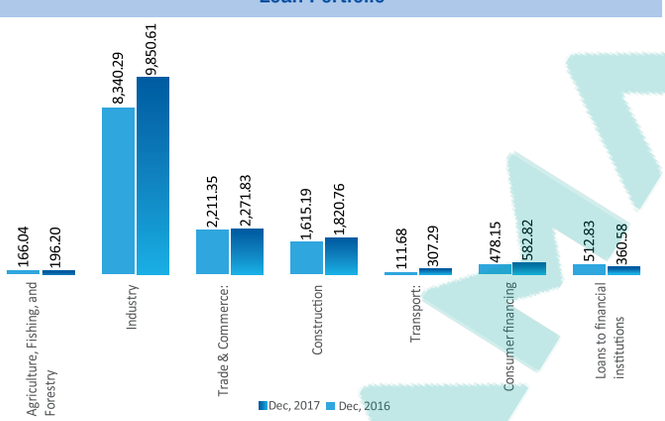
RISK MANAGEMENT
Continued

Industrial Loans (BDT in crore)

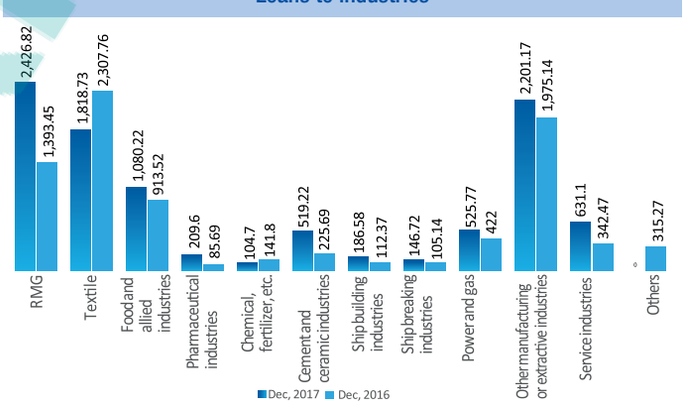
SL	Name of industry	Dec, 2017		Dec, 2016	
		Amount	% of total Loans	Amount	% of total Loans
1	RMG	2,426.82	15.76%	1,393.45	10.35%
2	Textile	1,818.73	11.81%	2,307.76	17.13%
3	Food and allied industries	1,080.22	7.01%	913.52	6.78%
4	Pharmaceutical industries	209.60	1.36%	85.69	0.64%
5	Chemical, fertilizer, etc.	104.70	0.68%	141.80	1.05%
6	Cement and ceramic industries	519.22	3.37%	225.69	1.68%
7	Ship building industries	186.58	1.21%	112.37	0.83%
8	Ship breaking industries	146.72	0.95%	105.14	0.78%
9	Power and gas	525.77	3.41%	422.00	3.13%
10	Other manufacturing or extractive industries	2,201.17	14.29%	1,975.14	14.66%
11	Service industries	631.10	4.10%	342.47	2.54%
12	Others	0.00	0.00%	315.27	2.34%
	Total	**9,850.61**	**63.96%***	**8,340.30**	**61.92%***

* Total industrial loan is shown as percentage of total loans and advances

Loan Portfolio



Loans to industries

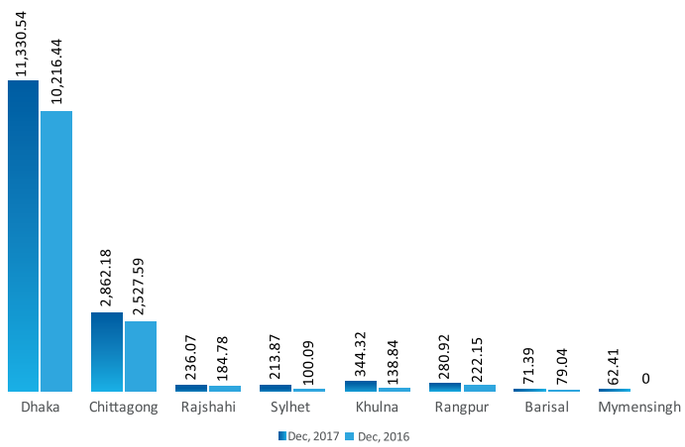


Geographical Concentration: (based on the location of factory/fund use)

(BDT in crore)

Name of Area	December- 2017		December-2016	
	Outstanding	% of total loans	Outstanding	% of total loans
Dhaka	11,330.54	73.57%	10,216.44	75.86%
Chittagong	2,86 2.18	18.58%	2,527.59	18.76%
Rajshahi	236.07	1.53%	184.78	1.37%
Sylhet	213.87	1.39%	100.09	0.74%
Khulna	344.32	2.24%	138.84	1.03%
Rangpur	280.92	1.82%	222.15	1.65%
Barisal	71.39	0.46%	79.04	0.59%
Mymensingh	62.41	0.41%	-	-
Total	**15,401.70**	**100.00%**	**13,468.93**	**100.00%**

Division wise Loan



SHARE MARKET

RISK MANAGEMENT

Continued

Top-20 borrower's loan concentration (as of 31.12.2017)

(Amount in Crore)

SL	Name of Borrowers	Outstanding			Limit		
		Funded	Non funded	Total (Current Qtr)	Funded	Non funded	Total (Current Qtr)
1	ARMANA GROUP	215.64	336.06	551.70	273.55	410.98	684.53
2	BSRM GROUP	85.94	435.68	521.61	225.22	560.00	785.22
3	BASHUNDHARAA GROUP	218.34	227.91	446.24	173.86	290.96	464.82
4	BANGLA TRAC	159.12	258.75	417.87	287.35	190.00	477.35
5	T.K. GROUP	181.94	205.08	387.02	304.00	371.25	675.25
6	AMBER-PARTEX GROUP	258.42	111.09	369.51	318.59	380.98	699.57
7	BANGLADESH ERECTORS GROUP	218.91	134.16	353.07	227.18	192.50	419.68
8	PRAN-RFL GROUP	238.65	91.29	329.95	315.81	246.00	561.81
9	RING SHINE GROUP	118.75	145.76	264.51	143.06	186.40	329.46
10	UNITED GROUP	184.23	139.60	323.83	379.83	372.17	751.99
11	KABIR GROUP	194.00	129.28	323.28	246.88	290.00	536.88
12	RANGS GROUP	168.64	141.11	309.75	227.45	290.95	518.40
13	EXPERIENCE GROUP	57.89	228.11	286.00	119.67	246.35	366.03
14	FAKIR GROUP	155.10	122.14	277.24	158.40	257.00	415.40
15	NOMAN GROUP	176.42	91.10	267.52	194.18	100.00	294.18
16	KARNAFULY GROUP	132.55	130.68	263.23	318.20	241.12	559.32
17	M & J GROUP	121.28	128.80	250.08	172.86	210.04	382.90
18	ABUL KHAIR GROUP	189.56	58.02	247.58	235.00	330.00	565.00
19	S.A. GROUP	240.03	0.00	240.03	160.00	160.00	320.00
20	SURUJ MIAH GROUP	230.16	0.48	231.23	197.54	13.64	211.18
	Total	**3,545.57**	**3,115.10**	**6,661.25**	**4,903.63**	**5,340.34**	**10,018.97**

Bashundhara Group: As of 31.12.2017, total amount of forced loan of Tk. 59.69 crore remained outstanding. These forced loans were created to make payment of accepted liabilities against import of raw materials for cement plant. Forced loans were created to make overseas payment, as the client arranged less amount for payment. As such the limits were exceeded. It is to be mentioned that the client is engaged with supplying cement for some large scale projects like Padma Multipurpose bridge construction project and to the largest construction houses of the country like Sinohydro Corporation Limited, major Bridge engineering Group Company Limited etc. Due to huge institutional sales huge amount of trade receivables stuck up in the market. That is why forced loans are created against the L/C payment and funded outstanding exceeded the limit. However, the bank is monitoring the account closely so that the forced loan amounts may be reduced.

SURUJ MIAH GROUP: Limit exceeded due to charging quarterly interest.

S.A Group: Limit exceeded due to charging quarterly interest.

BANGLA TRAC: The Bank kept adequate margin against the L/Cs opened in excess of their limit.

Overall Large Loan concentration

(Amount in Crore)

Sl.	Particulars	As on 31.12.2017	As on 31.12.2016
01.	**No. of group enjoying large loans**	53	54
02.	Outstanding amount of Large Loans (funded + non-funded)	10,807.60	8,546.90
03.	Total loans and advances for determining large loan ceiling Percentage (Total funded+50% of total non-funded loans)	19,894.88	16,899.83
04.	**Aggregate ratio of large loan to total loans & advances**	54.32%	50.58%

RISK MANAGEMENT
Continued

Off-Balance sheet exposure concentration:

(BDT in crore)

Particulars	Dec, 2017	% of total non-funded	Dec, 2016	% of total non-funded
Contingent liabilities:				
LC	2,708.55	27.60%	1,744.76	23.92%
Acceptance	3,286.81	33.50%	2,526.37	34.64%
Bank Guarantee	2,308.31	23.52%	1,992.87	27.33%
Stand by LC				
a) Total contingent liabilities	**8,303.67**	**84.63%**	**6,264.00**	**85.89%**
Bills for Collections:	1,159.15	11.81%	825.01	11.31%
Other commitments:	349.39	3.56%	203.62	2.79%
b) Total other commitments	**1,508.54**	**15.37%**	**1,028.63**	**14.11%**
Grant total of Off-balance sheet exposure (a+b)	9,812.22	100.00%	7,292.63	100.00%

Asset Quality

Non-performing loans (NPL)

(BDT in crore)

Sl.	Status of classifications	December 2017	December 2016
1	**SMA**	**279.43**	**492.15**
2	% of Total Loan (1/7)	1.81%	3.65%
3	SS	32.15	25.70
4	DF	180.98	28.80
5	Bad and Loss	707.75	485.80
6	**Total CL(3+4+5)**	**920.88**	**540.30**
7	Total loans and advances	15,401.70	13,468.93
8	**NPL Ratio (6/7)**	**5.98%**	**4.01%**
9	Cash recovery against classified loans	279.16	205.35

Provision maintenance

(BDT in crore)

Sl.	Particulars	December 2017 (Un-Audited)	December 2016 (Audited)
1	**Required provision against loans and advances**	777.95	624.13
2	**Required provision against OBS**	83.04	62.64
3	**Total required provision (1+2)**	860.99	686.77
4	Provision maintained	860.99	686.77
5	Surplus/deficit	-	-
6	Provision maintenance ratio (4/3)	100%	100%

AMARSTOCK

RISK MANAGEMENT
Continued

Credit Rating status (Fig. in Crore)

Sl.	Particulars	31.12.17	31.12.16
1	Total no. of customer/entity	17,106	14,291
2	Total loans and advances	15,401.70	13,468.93
3	No. of customer/entity eligible for rating	1,276	1,006
4	Amount of loans eligible for rating (Funded)	13,379.73	11,761.90
5	No of customer/entity rated by the external credit rating agency	917	716
6	Amount of rated loans (Funded)	11,089.10	9,421.60
7	% of rated loans to total eligible loans for rating (7= 6/4 x 100)	82.88%	80.10%
8	Unrated no of customer/entity eligible for rating	359	290
9	Amount of unrated loans eligible for rating (Funded)	2,290.63	2,340.30
10	No of customer/entity whose credit ratings deteriorated	11	07
11	Outstanding	45.32	41.48

Capital Management (Amount in Crore)

Particulars	December 2017	December 2016
Total Assets (on and off-balance sheet)	32,757.51	27,511.80
RWA		
Credit risk	16,687.49	14,703.58
Market risk	370.17	144.29
Operational risk	1,237.70	1,131.13
Total RWA	**18,295.36**	**15,979.00**
Required capital	2,058.23	1,697.77
Capital maintained	2,188.43	2,184.15
Tier 1 (after all deductions)	1,453.96	1,376.98
Tier 2 (after all deductions)	734.47	807.17
Capital surplus/(shortfall)	130.20	486.38
CRAR:		
On Tier 1 capital	7.95%	8.62%
On total capital	11.96%	13.67%

Liquidity Risks

Liquidity is the ability of a bank to fund increases in assets and meet obligations as they come due, without incurring unacceptable losses. The fundamental role of banks in the maturity transformation of short-term deposits into long-term loans makes banks inherently vulnerable to liquidity risk, both of an institution-specific nature and that which affects markets as a whole. Virtually every financial transaction or commitment has implications for a bank's liquidity. Effective liquidity risk management helps ensure a bank's ability to meet cash flow obligations, which are uncertain as they are affected by external events and other agents' behavior. Liquidity risk management is of paramount importance because a liquidity shortfall at a single institution can have system-wide repercussions. Financial market developments in the past decade have increased the complexity of liquidity risk and its management.

Statutory Liquidity Requirement (SLR) (Amount in Crore)

Particulars	December- 2017	December- 2016
Total time and demand liabilities	16,580.30	15,575.70
Required SLR	2,109.18	1,871.57
Maintained SLR	2,200.14	2,053.93
Excess/Shortfall	90.96	182.36
Shortfall in any day during the year	-	-
Mention if any penalty interest or fine imposed by the regulatory body during the year	-	-

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RISK MANAGEMENT
Continued

Cash Reserve Ratio (CRR) (Amount in Crore)

Particulars	December- 2017	December- 2016
Total time and demand liabilities	16,580.30	15,575.70
Required CRR	1,077.71	935.78
Maintained CRR	1,116.36	945.76
Excess/Shortfall	38.65	9.98
Shortfall in any day during the half-year	-	-
Mention if any penalty interest or fine imposed by the regulatory body during the half-year	1.65*	-

*Bangladesh Bank debited Dhaka Bank account with them by Taka 16,485,124.59 as penal interest due to shortfall in maintaining CRR at different dates (July 2016 to January 2017), which have been effected in May 2017.

Advance Deposit Ratio/Credit Deposit Ratio (Amount in Crore)

Particulars	December- 2017	December- 2016
Deposit Excluding Interbank	16,720.92	15,511.40
Interbank borrowing	709.66	588.75
Interbank Deposit Surplus	(142.64)	272.87
Credit excluding Interbank	15,401.70	13,468.93
Credit/Advance Deposit Ratio	82.64%	83.87%
Deposit Growth	7.79%	12.56%
Credit Growth	14.36%	14.29%

liquidity stress test

Banks' liquidity position (whether the bank is liquid or not) if a certain percentage point of liquid asset is withdrawn over average withdrawal for a consecutive 5 days.

	Liquidity as per Stress Testing of quarter as ended on Dec 31, 2017		
Particulars	Minor	Moderate	Major
Withdrawn per day (%)	2	4	6
Day 1	Liquid	Liquid	Liquid
Day 2	Liquid	Liquid	Liquid
Day 3	Liquid	Liquid	Liquid
Day 4	Liquid	Liquid	Liquid
Day 5	Liquid	Liquid	Liquid

Liquidity Coverage Ratio (LCR)

Particulars	Regulatory standard	31.12.2017	31.12.2016
Stock of high quality liquid assets		3,308.00	3,544.23
Net cash outflow over a 30 days period		3,306.02	3,509.49
Liquidity Coverage Ratio (LCR)	≥ 100%	100.06%	100.99%

Net Stable Funding Ratio (NSFR)

Particulars	Regulatory standard	31.12.2017	31.12.2016
Available amount of stable funding		17239.50	15550.17
Required amount of stable funding		16980.67	13982.30
Net Stable Funding Ratio (NSFR)	> 100%	101.52%	111.21%

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

Dhaka Bank has established an independent Basel Unit (BU) at Head Office on January 10, 2016 for effective implementation of the new capital accord and ensuring Board & Senior Management oversight. The BU, is exclusively responsible for planning & reviewing the implementation of Basel III accord as per Bangladesh Bank's Road Map, for liaison about issues of Basel III with top management of DBL, for capacity building of concerned Bank personnel and for planning & developing process for assessing overall capital adequacy. Dhaka bank has formed an exclusive body, named SRP Team to ensure that Dhaka Bank has a process for assessing overall capital adequacy in relation to their risk profile and a strategy for maintaining their capital at an adequate level. Accordingly DBL is ensuring compliance under Pillar-2: Supervisory Review Process of Basel III Accord.

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RISK MANAGEMENT
Continued

Basel Unit (BU)

Dhaka Bank has a 13-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 with members from the existing Basel Unit. It is presently headed by Mr. Syed Mahbubur Rahman, Managing Director & CEO of the Bank.

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	SEVP & 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 Secretary
11	Mr. Syed Sazzad Haider Chowdhury	EVP & Head, Operations Division	Member
12	Mr. K.M. Faisal Faruqui	VP & Head, Treasury Division	Member
Working Team:			
13	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	SEVP & 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. Syed Sazzad Haider Chowdhury	EVP & Head, Operations Division	Member
11	Mr. Mir Saidul Islam	SVP & Head, CPC- Credit Operations Division	Member
12	Mr. Manik Lal Biswas	EVP & Head, Risk Management Division	Member Secretary

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.

RISK MANAGEMENT
Continued

Liquidity Coverage Ratio (LCR):

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

The bank conducts ICAAP reporting each year to incorporate the additional capital requirement under Pillar 2 Supervisory Review Process. The assessment started from the year 2011 based on the year end figure of 2010 and completed the assessment up to the year 2016. The assessment for the year 2017 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. No.	Name	Designation
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
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 310th meeting held on 26 September 2017 approved issuance of Non-convertible 3rd Subordinated Bond for Tk. 500.00 crore to strengthen Bank's capital base and expansion of business in line with BASEL-III accord. Subsequently, we have submitted application for the approval of 3rd Subordinated Bond from Bangladesh Securities & Exchange Commission (BSEC). After obtaining the approval from BSEC, we will apply for approval from Bangladesh Bank. It is expected that the subscription of BDT 500.00 Crore Non-convertible 3rd Subordinated Bond of Dhaka Bank Limited will be closed by March, 2018.

DHAKA BANK SECURITIES LIMITED
REPORT OF THE BOARD OF DIRECTORS



The economy of Bangladesh continues to show resilience despite lingering obstacles such as the effects of country-wide flooding in August and the ongoing accommodation of Rohingya refugees in the east. Net foreign investment in Dhaka Stock Exchange was BDT 1,704.94 crore in 2017 against BDT 1,340.70 crore in 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, Executive Vice President
Mr. Md. Shahjahan Miah, Company Secretary
Mr. Md. Kamrul Aziz, Business Development Manager
Mr. Md. Aftab Uddin Biswas, Senior Assistant Vice President
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
Mr. Abdullah Abu Syade, Head of Research

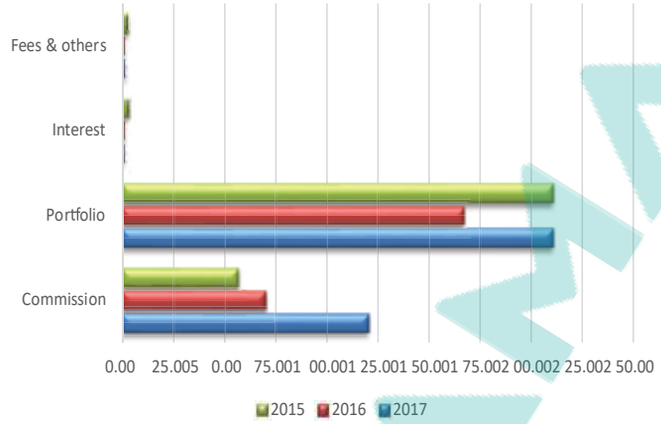
DHAKA BANK SECURITIES LIMITED
REPORT OF THE BOARD OF DIRECTORS

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 2017 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

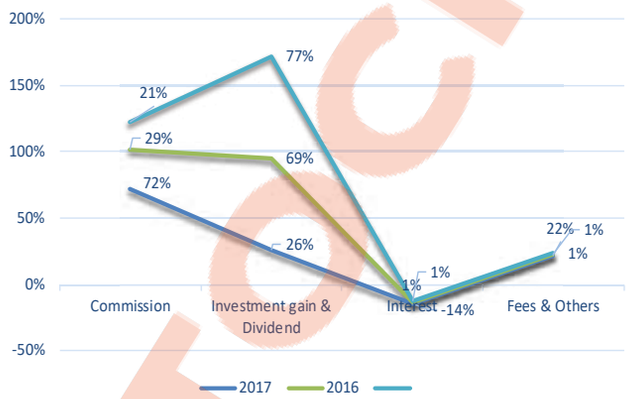
Our capital market witnessed a mildly rising trend round the year and there was no severe fluctuation in the indices. The benchmark index of the Dhaka Stock Exchange (DSE) registered 24% growth to more than 6,200 points in 2017, showing a sign that the market reached a state of overcoming the setback suffered for a long period of six years since the debacle in 2010-11. Due to the favorable state of the Capital Market backed by the persistent effort of all the employees of the company, DBSL posted more profit after tax in 2017 than in 2016. DBSL faced tremendous competitive pressures and increasing regulatory compliances last year. But with prudent managerial capacities DBSL has done satisfactorily well to remain in profitability. Company's total operating profit is BDT 252.05 million in 2017 which was BDT 164.98 million in the previous year.



In response to the market movement, DBSL was able to earn reasonable income. Income from brokerage commission increased by 72.41% from the In response to the market movement, DBSL was able to earn reasonable income. Income from brokerage commission increased by 72.41% from the last year. Capital gain and dividend income from dealer operation is BDT. 210.43 million in 2017 compared to BDT 166.75 million in the year 2016. Company's Net profit stood at BDT 108.07 million in 2017, which had been BDT. 81.05 million in the previous year. This increase of 33.00% in net profit in net profit figure is due to this year's higher amount of brokerage commission & income from dealer operation.

Head wise Income Distribution

Income Heads	2017	2016	2015
Commission	120.27	69.76	56.56
Investment gain & Dividend	210.42	166.75	210.75
Interest	0.71	0.83	3.07
Fees & Others	1.06	0.87	2.49



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 2017, DBSL participated in World Investors Week organized by Bangladesh Securities and Exchange Commission (BSEC) and a "Financial Literacy and Investors & Entrepreneurs Conference" organized by Central Depository Bangladesh Limited 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 5,200 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

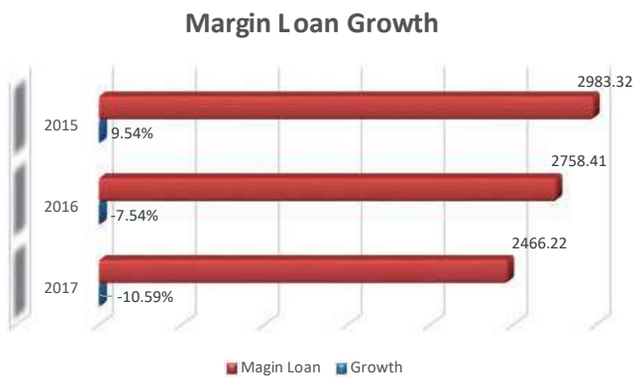
The trade volume of the company experienced positive trend in 2017 because of extreme marketing drive & active participation of corporate and retail investors. Total market trade volume increased by 82.65% in 2017 from the year 2016 and the daily average trade volume generated by DBSL followed the similar pattern. The company generated trade volume of BDT 43,692.03 million in the year 2017 which was BDT. 21,595.50 million in 2016 and captured almost 1.89% market share in 2017 which was 1.70% in 2016. 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 679 margin clients. The interest income from margin loan dropped due to lowering the rate of interest with the trend of market competition.

As on 31 December 2017, outstanding Margin Loan provided to the clients stood at BDT. 2,446.22 million whereas it was BDT. 2,758.41 million in 2016 and net interest earned from the margin loan during year 2017 is BDT 0.71 million, which was BDT. 0.83 million in the previous year. Both Margin Loan and Net Interest Income decreased in 2017 because DBSL remained very cautious towards providing margin loan.

Ratio Analysis

DBSL has managed to book daily average Trade Volume of BDT 176.19 million in the year 2017 compared to BDT 89.61 million in the year 2016, which was in line with the overall market trade volume growth. DBSL captured 1.89% of market share in DSE's trade in 2017 compared to 1.70% in 2016. The Earning per Share posted a growth of 42.00%, 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.

	2017	2016
I. Activity Ratio:		
Daily Average Trade Volume with DSE	175.65	89.19
Daily Average Trade Volume with CSE	0.54	0.42
Market Share in DSE (%)	2.01%	1.80%
Market Share in CSE (%)	0.09%	0.13%
ii. Profitability Ratio		
Earnings Per Share (EPS)	0.67	0.47
Return on Equity (%)	6.02	4.25
Return on Assets (%)	2.33	1.62
Return on Capital Employed (%)	20.80	19.58
iii. Liquidity Ratio:		
Current Ratio	1.32	1.32
Quick Ratio	0.85	0.76
iv. Financial Ratio:		
Asset - Liability Ratio	1.61	1.65
Total Debt - Equity Ratio	1.63	1.54

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

TThe 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 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. HODAVASI CHOWDHRY & CO., Chartered Accountants was appointed as the independent auditor of the Company in the seventh Annual General Meeting held on May 29, 2017. The auditor will retire in the eighth 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 2018. A resolution proposing the reappointment of M/S. HODAVASI CHOWDHRY & CO., Chartered Accountants, as the independent auditor of the Company will be proposed at Annual General Meeting of DBSL.

Directors to Retire and be Re-Appointed

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 8th 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

DHAKA BANK SECURITIES LIMITED
REPORT OF THE BOARD OF DIRECTORS
Continued

operations as well as mixing up the resources we have to fetch the maximum 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 2018. It is expected that 2018 will be the year of recovery. In 2018, 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.



Chairman
Dhaka Bank Securities Limited

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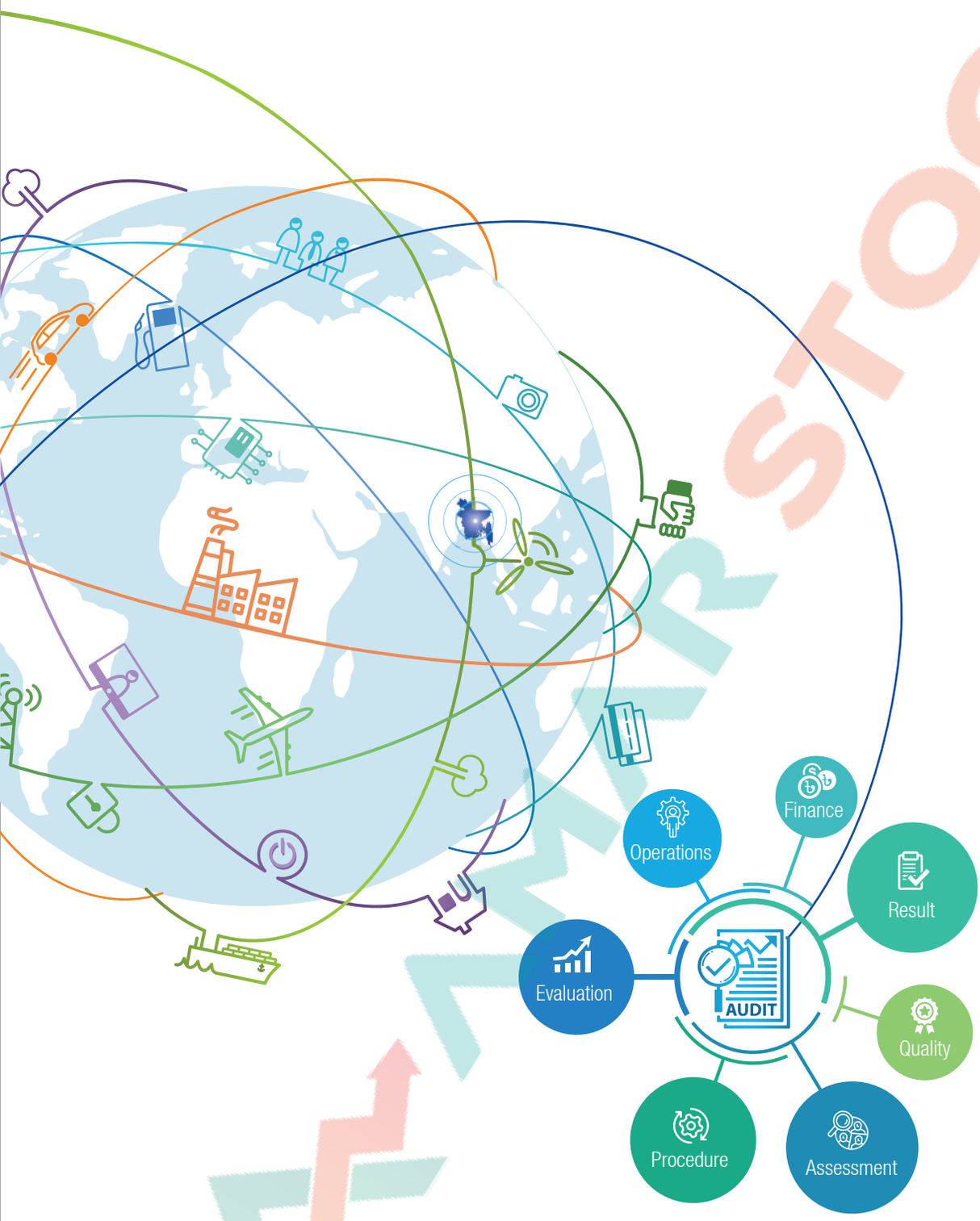
Auditor's Report & Audited Financial Statements



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

Management's Responsibility for the Financial Statements and Internal Controls

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note 2 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 up to 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 controls and report to Bangladesh Bank on instances of fraud and forgeries.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and separate financial statements of the Bank, whether due to fraud or error. In making these risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank.

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

Opinion

In our opinion, the consolidated financial statements of the Group and also separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2017, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.

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 up to 2013) and the rules and regulations issued by Bangladesh Bank, we also report the following:

a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the Financial Statements and Internal Control:

   i) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note 2.36 of 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 also 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 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;

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

h) as mentioned in note 7.11: A) 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 3,750 person hours for the audit of the books and accounts of the Bank.

l) Capital to Risk-weighted Assets Ratio (CRAR) as required by the Bangladesh Bank has been maintained by the Bank.

Dhaka,
26 April 2018

Hoda Vasi Chowdhury & Co
Chartered Accountants

AMARSTOCK

Dhaka Bank Limited and its Subsidiaries

Consolidated Balance Sheet

As at 31 December 2017

	Notes	31.12.2017 Taka	31.12.2016 Taka
PROPERTY AND ASSETS			
Cash	3(a)	**13,684,691,050**	**16,715,758,759**
Cash in hand (including foreign currencies)	3.1(a)	1,839,941,316	1,797,462,755
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	11,844,749,734	14,918,296,004
Balance with other banks and financial institutions	4(a)	**11,394,521,215**	**11,229,483,485**
In Bangladesh	4.1(a)	10,190,843,071	8,640,709,728
Outside Bangladesh	4.2(a)	1,203,678,144	2,588,773,757
Money at call and on short notice	5(a)	**11,300,000**	**1,051,300,000**
Investments	6(a)	**26,040,501,710**	**23,783,240,894**
Government	6.1(a)	19,706,422,487	18,805,722,760
Others	6.2(a)	6,334,079,223	4,977,518,134
Loans, advances and lease/investments	7(a)	**153,867,641,893**	**134,833,390,731**
Loans, cash credits, overdrafts, etc./ Investments	7.1(a)	150,656,808,845	131,707,113,368
Bills purchased and discounted	8(a)	3,210,833,048	3,126,277,363
Fixed assets including premises, furniture and fixtures	9(a)	**4,269,381,542**	**4,201,264,375**
Other assets	10(a)	**21,537,286,973**	**11,439,308,527**
Non-banking assets	11(a)	**23,166,033**	**23,166,033**
Total Assets		**230,828,490,416**	**203,276,912,804**
LIABILITIES & CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	12(a)	**21,633,548,366**	**11,496,873,150**
Deposits and other accounts	13 (a)	**169,729,720,650**	**156,756,948,352**
Current accounts & other accounts		20,025,396,323	21,093,467,455
Bills payable		2,826,174,811	2,047,637,778
Savings bank deposits		19,061,994,573	16,735,239,732
Term deposits		127,816,154,943	116,880,603,387
Non Convertible Subordinated Bond	14	**3,000,000,000**	**3,800,000,000**
Other Liabilities	15(a)	**20,637,340,094**	**16,308,113,207**
Total Liabilities		**215,000,609,111**	**188,361,934,709**
Capital/Shareholders' Equity			
Equity attributable to equity holders of the parent company		**15,827,823,977**	**14,914,932,104**
Paid-up capital	16.2	7,222,957,200	6,879,006,860
Statutory reserve	17	6,418,181,801	5,850,338,779
Other reserve	18(a)	684,339,747	800,010,946
Retained earnings	19(a)	1,502,345,228	1,385,575,519
Non-controlling interest	19.1(a)	57,329	45,991
Total Equity		**15,827,881,305**	**14,914,978,095**
Total Liabilities & Shareholders' Equity		**230,828,490,416**	**203,276,912,804**

	Notes	31.12.2017 Taka	31.12.2016 Taka
Off-Balance Sheet Items			
Contingent Liabilities	21		
Acceptances and Endorsements		32,868,131,246	25,263,660,677
Irrevocable Letter of Credit		27,085,569,676	17,447,623,500
Letter of Guarantee		23,083,135,224	19,928,711,771
Bills for Collection		11,591,497,583	8,250,158,750
Other Contingent Liabilities		3,493,879,200	2,036,246,400
		98,122,212,930	**72,926,401,097**
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		**98,122,212,930**	**72,926,401,097**

These Financial Statements should be read in conjunction with the annexed notes 1 to 44.

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,
26 April 2018

Hoda Vasi Chowdhury

Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka Bank Limited and its Subsidiaries

Consolidated Profit and Loss Account

For the year ended 31 December 2017

	Notes	2017 Taka	2016 Taka
Operating Income			
Interest income/profit on investments	22(a)	13,727,205,143	13,173,471,870
Interest paid/profit on deposits and borrowings, etc.	23(a)	(10,339,604,517)	(9,451,375,496)
Net interest income		**3,387,600,626**	**3,722,096,375**
Investment income	24(a)	3,094,917,268	3,404,981,086
Commission, exchange and brokerage	25(a)	2,997,010,487	1,587,140,031
Other operating income	26(a)	236,734,487	271,693,740
		6,328,662,242	**5,263,814,856**
Total operating income (a)		**9,716,262,868**	**8,985,911,231**
Operating Expenses			
Salary and allowances	27(a)	2,221,634,512	1,744,368,347
Rent, taxes, insurance, electricity, etc.	28(a)	649,438,474	528,706,421
Legal expenses	29(a)	21,686,243	17,792,303
Postage, stamps, telecommunication, etc.	30(a)	45,415,750	40,674,152
Stationery, printing, advertisement, etc.	31(a)	150,115,511	149,468,134
Chief executive's salary and fees	32(a)	14,095,183	12,890,167
Directors' fees	33(a)	5,020,850	4,639,000
Auditors' fees	34(a)	1,782,500	1,782,500
Depreciation and repairs of Bank's assets	35(a)	365,643,104	345,278,702
Other expenses	36(a)	776,670,102	563,526,474
Total operating expenses (b)		**4,251,502,230**	**3,409,126,200**
Profit/(Loss) before provision (c = (a-b))		**5,464,760,638**	**5,576,785,031**
Provision against loans and advances	37(a)	2,153,981,089	2,444,517,209
Provision against good borrower	15.2	7,377,931	8,200,000
Provision for diminution in value of investments	38	-	-
Other Provisions	39(a)	283,968,402	252,948,481
Total provision (d)		**2,445,327,422**	**2,705,665,690**
Profit/(Loss) before taxation (c-d)		**3,019,433,216**	**2,871,119,341**
Provision for taxation		1,410,678,073	1,318,839,116
Current tax		1,439,667,055	1,352,164,621
Deferred Tax		(28,988,981)	(33,325,504)
Net profit after taxation		**1,608,755,143**	**1,552,280,224**
Net profit after tax attributable to:			
Equity holders of DBL		1,608,743,805	1,552,271,589
Non-controlling interest		11,338	8,635
		1,608,755,143	**1,552,280,224**
Appropriations			
Statutory reserve		567,843,022	549,596,961
General reserve		(115,519,953)	(38,192,034)
Investment Fluctuation Fund		7,800,000	5,700,000
Dividends etc.		1,031,851,026	1,000,582,816
Retained earnings		1,502,345,228	1,385,575,519
		2,994,319,323	**2,903,263,261**
Consolidated Earning per Share (CEPS)	40(a)	**2.23**	**2.15**

These Financial Statements should be read in conjunction with the annexed notes 1 to 44.

Syed Mahbubur Rahman
Managing Director & CEO

Altaf Hossain Sarker
Director

Mohammed Hanif
Director

Reshadur Rahman
Chairman

Dhaka,
26 April 2018

Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka Bank Limited and its Subsidiaries

Consolidated Cash Flow Statement

For the year ended 31 December 2017

	Notes	2017 Taka	2016 Taka
Cash Flow From Operating Activities			
Interest / Profit receipts		16,174,739,589	14,468,057,834
Interest / Profit payments		(10,335,544,529)	(9,418,911,699)
Dividend receipts		64,469,332	67,205,591
Recovery of loans previously written off		49,202,153	50,461,881
Fee and commission receipts		1,638,589,367	1,144,854,688
Payments to employees		(2,235,729,695)	(1,757,258,514)
Payments to suppliers		(239,849,380)	(234,541,734)
Income taxes paid		(1,353,072,300)	(772,709,861)
Receipts from other operating activities	41(a)	239,809,771	370,515,201
Payments for other operating activities	42(a)	(1,496,474,455)	(1,164,121,478)
(i) Operating profit before changes in operating assets & liabilities		**2,506,139,854**	**2,753,551,908**
Changes in operating assets and liabilities			
Purchase / Sale of trading securities		(369,516,454)	5,899,422,270
Loans and advances to customers		(19,034,251,162)	(16,357,597,702)
Other assets	43(a)	(8,798,997,478)	(3,872,807,928)
Deposits from other banks		5,568,154,933	(1,273,265,661)
Deposits from customers		7,404,617,365	19,438,712,268
Other liabilities account of customers		82,400,563	22,681,744
Other liabilities	44(a)	331,619,229	(564,279,276)
(ii) Cash flow from operating assets and liabilities		**(14,815,973,004)**	**3,292,865,715**
Net cash flow from operating activities (a)= (i+ii)		**(12,309,833,149)**	**6,046,417,624**
Cash Flow From Investing Activities			
Proceeds from sale of securities		665,172,853	988,590,387
Sale/ (Purchase) of securities		(1,895,881,889)	(5,655,342,471)
Purchase of property, plant & equipment		(320,595,906)	(317,060,803)
Proceeds from sale of fixed assets		2,490,121	4,018,467
Purchase / sale of subsidiary		-	-
Net cash used in investing activities (b)		**(1,548,814,820)**	**(4,979,794,421)**
Cash Flow From Financing Activities			
Borrowing from other banks		10,136,675,217	370,830,215
Issuance of Non Convertible Subordinated Bond		-	3,000,000,000
Redemption of Non Convertible Subordinated Bond		(800,000,000)	(600,000,000)
Dividends paid		(687,900,686)	(375,218,556)
Net cash flow from financing activities (c)		**8,648,774,531**	**2,395,611,659**
Net increase in cash and cash equivalents (a+b+c)		**(5,209,873,439)**	**3,462,234,862**
Add: Effects of exchange rate changes on cash & cash equivalent		1,303,653,561	339,485,945
Add: Cash and cash equivalents at beginning of the year		29,000,627,043	25,198,906,236
Cash and cash equivalents at end of the year (*)		**25,094,407,165**	**29,000,627,044**
(*) Cash and cash equivalents			
Cash in Hand		1,839,941,316	1,797,462,755
Balance with Bangladesh Bank & Sonali Bank		11,844,749,734	14,918,296,004
Balance with other banks & Financial Institutions		11,394,521,215	11,229,483,485
Money at call & Short Notice		11,300,000	1,051,300,000
Prize Bond		3,894,900	4,084,800
		25,094,407,165	**29,000,627,043**

These Financial Statements should be read in conjunction with the annexed notes 1 to 44.

Syed Mahbubur Rahman
Managing Director & CEO

Altaf Hossain Sarker
Director

Mohammed Hanif
Director

Reshadur Rahman
Chairman

Dhaka,
26 April 2018

Dhaka Bank Limited and its Subsidiaries

Consolidated Statement of Changes in Equity

For the year ended 31 December 2017

(Amount in Taka)

Particulars	Paid up capital	Statutory Reserve	General Reserve	Asset Revaluation Reserve	Investment Revaluation Reserve	Investment Fluctuation Fund	Non-controlling interest	Retained Earnings	Total
Balance as at 1 January 2017	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	14,914,978,094
Changes in accounting policy	-	-	-	-	-	-	-	-	-
Restated balance	**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**	**14,914,978,094**
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(7,951,246)	-	-	-	(7,951,246)
Currency transaction differences	-	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	21,562,316	-	-	-	-
Net Profit for the year	-	-	-	-	-	-	-	1,608,755,143	1,608,755,143
Adjustment made during the year	-	-	-	-	-	-	-	-	-
Transfer to reserve									
Dividend:						-			
Stock dividend	343,950,340	-	-	-	-	-	-	(343,950,340)	-
Cash dividend						-		(687,900,686)	(687,900,686)
Changes in reserve	-	567,843,022	(115,519,953)	-	-	7,800,000	-	(460,123,069)	-
Non-controlling interest	-	-	-	-	-		11,338	(11,338)	-
Balance as at 31 December 2017	**7,222,957,200**	**6,418,181,801**	**6,560,631**	**622,516,800**	**21,562,316**	**33,700,000**	**57,329**	**1,502,345,228**	**15,827,881,305**

These Financial Statements should be read in conjunction with the annexed notes 1 to 44.

Dhaka,
26 April 2018

Syed Mahbubur Rahman
Managing Director & CEO

Altaf Hossain Sarker
Director

Mohammed Hanif
Director

Reshadur Rahman
Chairman

AMARSTOCK

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	-	-	-	-	-	-	-	1,552,280,225	1,552,280,225
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**

These Financial Statements should be read in conjunction with the annexed notes 1 to 44.

AMARSTOCK

Dhaka Bank Limited
Balance Sheet
As at 31 December 2017

	Notes	31.12.2017 Taka	31.12.2016 Taka
PROPERTY AND ASSETS			
Cash	3	**13,684,591,050**	**16,715,649,259**
Cash in hand (including foreign currencies)	3.1	1,839,841,316	1,797,353,255
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	11,844,749,734	14,918,296,004
Balance with other banks and financial institutions	4	**11,224,922,706**	**11,170,526,692**
In Bangladesh	4.1	10,021,244,562	8,581,752,935
Outside Bangladesh	4.2	1,203,678,144	2,588,773,757
Money at call and on short notice	5	**11,300,000**	**1,051,300,000**
Investments	6	**23,181,794,347**	**21,305,722,760**
Government	6.1	19,706,422,487	18,805,722,760
Others	6.2	3,475,371,860	2,500,000,000
Loans, advances and lease/investments	7	**154,017,029,266**	**134,689,308,364**
Loans, cash credits, overdrafts, etc./Investments	7.1	150,806,196,218	131,563,031,001
Bills purchased and discounted	8	3,210,833,048	3,126,277,363
Fixed assets including premises, furniture and fixtures	9	**4,262,893,303**	**4,193,540,105**
Other Assets	10	**23,047,157,792**	**13,042,382,648**
Non-Banking Assets	11	**23,166,033**	**23,166,033**
Total Assets		**229,452,854,497**	**202,191,595,861**
LIABILITIES & CAPITAL			
Liabilities			
Borrowings from Other Banks, Financial Institutions and Agents	12	**21,533,553,426**	**11,296,873,150**
Deposits and other accounts		**170,035,420,927**	**157,161,630,521**
Current accounts & other accounts		20,025,396,323	21,093,467,455
Bills payable		2,826,174,811	2,047,637,778
Savings bank deposits		19,061,994,573	16,735,239,732
Term deposits		128,121,855,220	117,285,285,556
Non Convertible Subordinated Bond	14	**3,000,000,000**	**3,800,000,000**
Other Liabilities	15	**19,638,634,359**	**15,487,366,332**
Total Liabilities		**214,207,608,713**	**187,745,870,003**
Capital / Shareholders' Equity			
Total Shareholders' Equity		**15,245,245,785**	**14,445,725,858**
Paid-up capital	16.2	7,222,957,200	6,879,006,860
Statutory reserve	17	6,418,181,801	5,850,338,779
Other reserve	18	650,639,747	774,110,946
Retained earnings	19	953,467,037	942,269,273
Total Liabilities & Shareholders' Equity		**229,452,854,497**	**202,191,595,861**

AMARSTOCK

OFF- BALANCE SHEET ITEMS

	Notes	31.12.2017 Taka	31.12.2016 Taka
Contingent liabilities	21	**98,122,212,930**	**72,926,401,097**
Acceptances and endorsements		32,868,131,246	25,263,660,677
Irrevocable Letters of Credit		27,085,569,676	17,447,623,500
Letter of guarantee		23,083,135,224	19,928,711,771
Bills for collection		11,591,497,583	8,250,158,750
Other contingent liabilities		3,493,879,200	2,036,246,400
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		**98,122,212,930**	**72,926,401,097**

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

These Financial Statements should be read in conjunction with the annexed notes 1 to 44.

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,
26 April 2018

Hoda Vasi Chowdhury

Hoda Vasi Chowdhury & Co
Chartered Accountants

AMARSTOCK

Dhaka Bank Limited
Profit & Loss Account
For the year ended 31 December 2017

	Notes	2017 Taka	2016 Taka
Operating Income			
Interest income/profit on investments	22	13,714,929,994	13,165,602,608
Interest paid/profit on deposits and borrowings, etc.	23	(10,336,326,037)	(9,452,611,371)
Net interest income		**3,378,603,957**	**3,712,991,237**
Investment income	24	2,884,488,508	3,238,231,845
Commission, exchange and brokerage	25	2,876,740,973	1,517,376,553
Other operating income	26	235,674,687	270,819,482
		5,996,904,168	**5,026,427,880**
Total operating income (a)		**9,375,508,125**	**8,739,419,116**
Operating Expenses			
Salary and allowances	27	2,179,485,872	1,711,533,723
Rent, taxes, insurance, electricity, etc.	28	634,454,439	508,410,393
Legal expenses	29	20,256,493	17,395,303
Postage, stamps, telecommunication, etc.	30	44,604,307	40,064,088
Stationery, printing, advertisement, etc.	31	148,203,308	148,276,067
Chief executive's salary and fees	32	14,095,183	12,890,167
Directors' fees	33	3,847,544	3,700,186
Auditors' fees	34	1,380,000	1,380,000
Depreciation and repairs of Bank's assets	35	357,664,024	337,001,950
Other expenses	36	766,974,424	555,116,746
Total operating expenses (b)		**4,170,965,595**	**3,335,768,622**
Profit/(Loss) before provision (c = (a-b))		**5,204,542,530**	**5,403,650,494**
Provision against loans and advances	37	2,153,981,089	2,444,517,209
Provision against good borrower	15.2	7,377,931	8,200,000
Provision for diminution in value of investments	38	-	-
Other provisions	39	203,968,402	202,948,481
Total provision (d)		**2,365,327,422**	**2,655,665,690**
Profit/(Loss) before taxation (c-d)		**2,839,215,108**	**2,747,984,804**
Provision for taxation		1,343,843,250	1,282,056,770
Current tax		1,372,864,467	1,314,967,979
Deferred tax income		(29,021,217)	(32,911,209)
Net profit after taxation		**1,495,371,858**	**1,465,928,034**
Appropriations			
Statutory reserve		567,843,022	549,596,961
General reserve		(115,519,953)	(38,192,034)
Dividends etc.		1,031,851,026	1,000,582,816
Retained earnings		953,467,037	942,269,273
		2,437,641,131	**2,454,257,016**
Earning per Share (EPS)	40	**2.07**	**2.03**

These Financial Statements should be read in conjunction with the annexed notes 1 to 44.

Syed Mahbubur Rahman
Managing Director & CEO

Altaf Hossain Sarker
Director

Mohammed Hanif
Director

Reshadur Rahman
Chairman

Dhaka,
26 April 2018

Hoda Vasi Chowdhury

Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka Bank Limited
Cash Flow Statement
For the year ended 31 December 2017

	Notes	2017 Taka	2016 Taka
Cash Flow From Operating Activities			
Interest / Profit receipts		16,005,513,079	15,334,485,309
Interest / Profit payments		(10,332,266,049)	(9,420,147,575)
Dividend receipts		10,405,000	14,750,000
Recovery of loans previously written off		49,202,153	50,461,881
Fee and commission receipts		1,518,319,853	1,075,091,210
Payments to employees		(2,193,581,055)	(1,724,423,890)
Payments to suppliers		(214,444,109)	(207,115,457)
Income taxes paid		(1,290,315,902)	(725,025,033)
Receipts from other operating activities	41	238,749,972	369,640,943
Payments for other operating activities	42	(1,485,605,471)	(1,154,772,936)
(i) Operating profit before changes in operating assets & liabilities		**2,305,977,471**	**3,612,944,452**
Changes in operating assets and liabilities			
Purchase / Sale of trading securities		11,672,775	6,103,104,253
Loans and advances to customers		(19,327,720,902)	(16,849,142,401)
Other assets	43	(8,773,910,241)	(3,812,918,811)
Deposits from other banks		5,568,154,933	(1,273,265,661)
Deposits from customers		7,305,635,473	19,365,996,863
Other liabilities account of customers		82,400,563	22,681,744
Other liabilities	44	306,441,792	(453,614,536)
(ii) Cash flow from operating assets and liabilities		**(14,827,325,606)**	**3,102,841,453**
Net cash flow from operating activities (a)= (i+ii)		**(12,521,348,135)**	**6,715,785,904**
Cash Flow from Investing Activities			
Proceeds from sale of securities		665,172,853	988,590,387
Sale/ (Purchase) of securities		(1,895,881,889)	(6,643,932,858)
Purchase of property, plant & equipment		(319,718,198)	(315,573,767)
Proceeds from sale of fixed assets		2,490,121	4,018,467
Purchase / sale of subsidiary		-	-
Net cash used in investing activities (b)		**(1,547,937,112)**	**(5,966,897,771)**
Cash Flow from Financing Activities			
Borrowing from other banks		10,236,680,277	662,142,729
Issuance of Non Convertible Subordinated Bond		-	3,000,000,000
Redemption of Non Convertible Subordinated Bond		(800,000,000)	(600,000,000)
Dividends paid		**(687,900,686)**	**(375,218,556)**
Net cash flow from/(used in) financing activities (c)		**8,748,779,591**	**2,686,924,173**
Net increase/ (decrease) in cash and cash equivalents (a+b+c)		**(5,320,505,657)**	**3,435,812,306**
Add: Effects of exchange rate changes on cash & cash equivalent		1,303,653,561	339,485,944
Add: Cash and cash equivalents at beginning of the year		28,941,560,751	25,166,262,501
Cash and cash equivalents at end of the year (*)		**24,924,708,656**	**28,941,560,751**
(*) Cash and cash equivalents			
Cash in Hand		1,839,841,316	1,797,353,255
Balance with Bangladesh Bank & Sonali Bank		11,844,749,734	14,918,296,004
Balance with other banks & Financial Institutions		11,224,922,706	11,170,526,692
Money at call & Short Notice		11,300,000	1,051,300,000
Prize Bond		3,894,900	4,084,800
		24,924,708,656	**28,941,560,751**

These Financial Statements should be read in conjunction with the annexed notes 1 to 44.

Syed Mahbubur Rahman
Managing Director & CEO

Altaf Hossain Sarker
Director

Mohammed Hanif
Director

Reshadur Rahman
Chairman

Dhaka,
26 April 2018

Dhaka Bank Limited
Statement of Changes in Equity
For the year ended 31 December 2017

(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 2017	6,879,006,860	5,850,338,779	122,080,584	622,516,800	29,513,562	942,269,273	14,445,725,858
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	**6,879,006,860**	**5,850,338,779**	**122,080,584**	**622,516,800**	**29,513,562**	**942,269,273**	**14,445,725,858**
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	(7,951,246)	-	(7,951,246)
Currency transaction differences	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	**-**	**-**	**-**	**-**	**21,562,316**	**-**	**-**
Net Profit for the year	-	-	-	-	-	1,495,371,858	1,495,371,858
Adjustment for made during the year	-	-	-	-	-	-	-
Transfer to reserve							
Dividend:							
Stock dividend	343,950,340	-	-	-	-	(343,950,340)	-
Cash dividend	-	-	-	-	-	(687,900,686)	(687,900,686)
Changes in reserve	-	567,843,022	(115,519,953)	-	-	(452,323,069)	-
Balance as at 31 December 2017	**7,222,957,200**	**6,418,181,801**	**6,560,631**	**622,516,800**	**21,562,316**	**953,467,037**	**15,245,245,785**

These Financial Statements should be read in conjunction with the annexed notes 1 to 44.

Dhaka,
26 April 2018

Syed Mahbubur Rahman
Managing Director & CEO

Altaf Hossain Sarker
Director

Mohammed Hanif
Director

Reshadur Rahman
Chairman

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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**

These Financial Statements should be read in conjunction with the annexed notes 1 to 44.

AMAR STOCK

Dhaka Bank Limited
Liquidity Statement
(Asset and Liability Maturity Analysis)
As at 31 December 2017

(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	13,684,591,050	-	-	-	-	13,684,591,050
Balance with other banks and financial institutions	8,230,987,054	2,864,535,652	129,400,000	-	-	11,224,922,706
Money at call on short notice	-	-	-	-	11,300,000	11,300,000
Investment	-	5,705,784,675	3,672,595,741	7,287,206,987	6,516,206,945	23,181,794,347
Loans and Advances	19,668,975,660	41,148,502,657	49,312,518,420	32,920,731,915	10,966,300,615	154,017,029,266
Fixed assets including premises, furniture and fixtures	-	-	-	689,839,549	3,573,053,753	4,262,893,303
Other assets	13,936,098,446	-	4,435,225,177	2,903,484,323	1,772,349,846	23,047,157,792
Non-banking assets	-	-	-	23,166,033	-	23,166,033
Total Assets	**55,520,652,210**	**49,718,822,984**	**57,549,739,338**	**43,824,428,806**	**22,839,211,158**	**229,452,854,497**
Liabilities:						
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	(665,400,000)	-	(18,102,797,191)	(2,765,356,235)	-	(21,533,553,426)
Deposits & Other Accounts	(22,886,395,037)	(35,817,851,963)	(77,988,998,628)	(20,005,305,180)	(13,336,870,120)	(170,035,420,927)
Non Convertible Subordinated Bond	-	-	(800,000,000)	(1,800,000,000)	(400,000,000)	(3,000,000,000)
Other liabilities	(4,961,533,534)	-	(14,677,100,825)	-	-	(19,638,634,359)
Total Liabilities	**(28,513,328,571)**	**(35,817,851,963)**	**(111,568,896,644)**	**(24,570,661,415)**	**(13,736,870,120)**	**(214,207,608,713)**
Net Liquidity Gap	**27,007,323,639**	**13,900,971,022**	**(54,019,157,306)**	**19,253,767,391**	**9,102,341,038**	**15,245,245,785**
Cumulative Liquidity Gap	**27,007,323,639**	**40,908,294,661**	**(13,110,862,646)**	**6,142,904,746**	**15,245,245,784**	**-**

AMARSTOCK

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 100 branches all over Bangladesh which includes 63 urban and 37 rural branches, two offshore banking unit at EPZ, Dhaka & EPZ, Chittagong 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, BimanBhaban, 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

Off-Shore Banking Unit is a separate business unit of Dhaka Bank Off-Shore Banking Unit is a separate business unit of Dhaka Bank Limited, governed under the Rules & Guidelines of Bangladesh Bank. Currently, the Bank has two OBUs in DEPZ & CEPZ. The Bank obtained DEPZ Offshore Banking Unit permission vide letter no. BRPD (P)744(92)/2005-2181 dated June 18, 2005 and CEPZ Offshore Banking Unit permission vide letter no. BRPD (P-3)744(92)/2017-123 dated January 05, 2017. The Bank commenced the operation of its DEPZ Offshore Banking Unit with effect from May 10, 2006 and CEPZ Offshore Banking Unit with effect from February 12, 2017. 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.2,000,000,000and Paid-up Capital of Tk. 250,000,000, amongst other,to conduct Merchant Banking Activities, to act as Issue Manager, Securities Management and Brokerage, Custodian Service, Investment and Asset Management, Portfolio Management, Capital Market operation etc.Dhaka Bank Limited subscribed Tk.249,999,940 divided into 24,999,994 shares @Tk.10 each with 99.99% of contribution to Equity participation. The company is yet to receive the license from Bangladesh Securities and Exchange Commission (BSEC) to commence its operation.Unaudited 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 Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is to be formed and it is to issue financial reporting standards for public interest entities such as banks. The Bank Companies Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence Bangladesh Financial Reporting Standards (BFRS) as issued by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable.

Accordingly, the financial statements of the Bank and its subsidiaries (the "Group") continue to be prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and the requirements of the Bank Companies Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, Securities and Exchange Rules 1987.

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.

In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of BFRS& AAOIFI standards, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail.

Material departures from the requirement of BFRS are as follows

i) Investment in shares and securities

BFRS: As per 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 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 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 2017.

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.

a) 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.

b) General Provision against all unclassified Credit Card loans under Consumer Financing: BRPD Circular No-12 dated 20 August, 2017

c) Provision for Short-term Agricultural and Micro-Credits: BRPD Circular No- 15 dated 27 September, 2017

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%
Furniture & Fixtures	10.00%
Office Appliances & Equipment	20.00%
Computer and Software	20.00%
Vehicles	20.00%

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.Building includes a floor space in the BGMEA Bhaban at Hatirjheel, Kawran Bazar, Dhaka, against which there is a dispute and Honorable High Court had published a verdict to demolish the building but recently the deadline to do the same has been extended further. Besides, Bank will receive compensation from BGMEA once the building is demolished. So, Bank will maintain provision or will make impairment loss at the time of demolishment of the structure or at the time of settlement of the issue with BGMEA. **[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-16.9 & 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 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. It has been fully redeemed in December, 2017.

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.

iii) The Bank is going to issue 3rd tranche of Non-Convertible

Subordinated Bond of Tk. 5,000,000,000 which is approved by the Board of Directors in its 310th meeting held on September 26, 2017.Bank has already got approval from BSEC vide letter no.BSEC/CI/CPLC/DS-210/2009/210 dated March 28, 2018and from Bangladesh Bank vide letter no. BRPD (BFIS) 661/14B (P) 2018-2569 dated April 17, 2018.

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 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 September 2017. 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 2017 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, 2017 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 2017 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 2017.

2.33 Post Balance sheet event

The Board of Directors of the company approved the financial statements of the company for the period ended 31 December 2017 on April 26, 2018 in its 323rd 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 year or part thereof was 1,771 (Male- 1,368& Female-403). The Bank recruited 215 numbers of staff during the year. Attrition rate is 6.38% in 2017 compared to 4.79% in 2016.

2.36 Compliance of disclosure on risk management with related pronouncement of Bangladesh Bank

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

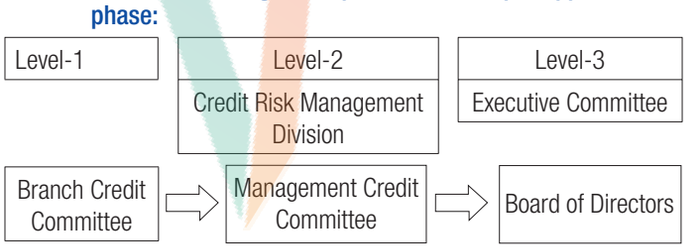
Credit Risk, broadly adverted as the uncertainty to meet financial obligations as per agreed terms and condition by the borrowers during the tenor of the credit facilities, occupies the largest constituent in the risk spectrum of financial institutions. Efficacy in credit risk management is demanded 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
5	Mr. M.A. Yussouf Khan	Independent Director	Member	Bachelor of Arts

ii) Meeting held with audit committee

During the year December 2017, 03 (three) 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:

- Summary of loan classification and provisioning for the quarters ended as on 31.12.2016, 31.03.2017, 30.06.2017&30.09.2017
- Audited Consolidated Financial Statements of the Company and Financial Statements of the Bank for the year ended 31st December, 2016
- Un-audited Quarterly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 31st March 2017
- Un-audited Half-yearly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 30th June, 2017
- Un-audited Quarterly Consolidated Financial Statements of the Company and Financial Statements of the Bank for the period ended 30th September 2017
- Common Observations and latest compliance status of Internal Audit Conducted during the year 2016and January to December 2017
- Quarterly (31.12.2016, 31.03.2017) &Half-yearly (January-June, 2017)Statement of Self-Assessment of Anti-Fraud Internal Controls under DOS Circular Letter No.17 Dated November 07, 2012 of Bangladesh Bank
- Achievement of Audit Division for the Year-2016, for the Quarter Ended June 2017
- Submission of Executive Summary Audits conducted during the year 2016
- An information Memo on the compliance i.e. open issues of 18th Bangladesh Bank Comprehensive inspection on Dhaka Bank Limited, Head Office as on 31.12.2015
- Compliance and responses of 19th Comprehensive Bangladesh Bank Inspection Report on Dhaka Bank Limited, Head Office as on 31.12.2016
- Audit Plan for the Year-2017& Year 2018
- Deviations in Quarterly Operations Report for the Quarter Ended December 2016, for the Quarter Ended March 2017, for the Quarter Ended June 2017
- Discrepancies in the Loan Documentation Checklist (LDCL) for the quarter ended December 2016, for the quarter ended June 2017
- Updated Organogram of ICCD of Dhaka Bank Limited
- Internal Control & Compliance (ICC) Health of Dhaka Bank Limited
- ICC Process Manual/Internal Audit Manual of ICCD of Dhaka Bank Limited
- Revised ICC Policy of Internal Control and Compliance Division of Dhaka Bank Limited
- Effectiveness of the Internal Control System of Dhaka Bank Limited
- Review of the Bank's Management Information System (MIS)
- Appointment of External Auditors of the Bank for the year 2017
- An information Memo on Misappropriation of fund from a deceased account of Laldighirpar Branch, Sylhet
- Annual Health Report of Dhaka Bank Limited for the Year 2016
- Latest compliance and response status of 65 inspection reports of 40 branches and 5 divisions of head office carried out by Bangladesh Bank during the year 2017

- Review of the Bank's Management Information System (MIS)
- Status of Password Sharing
- High Risk and Medium Risk Branches as per Internal Audit Report for the year 2017
- High Risk and Medium Risk Branches as per Internal Audit Report for the year 2017

Steps taken for implementation on effective internal control procedure of the Bank

The Committee placed its report regularly to the Board of Directors of the Bank mentioning its review results and recommendations on internal control system, compliance of rules and regulations and establishment of good governance within the organization.

2.38 Shariah supervisory committee

Shariah Supervisory Committee of Dhaka Bank Ltd. has been formed with the veteran Islamic Scholars, Economists, Bankers and competent Faqihs having vast knowledge. In this regard, the bank has followed the criteria for selection of Shariah Supervisory Committee member 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 & Vice Principal, Madrasa Jamiatul Uloomil Islamia, Tejgoan, Dhaka	05.11.1960	Takmil, Darul Ulum Dewband, UP, India
5	Md. Fariduddin Ahmed	Member (Expert in Islamic Banking)	Ex Managing Director, IBBL EX. Managing Director & Advisor, EXIM Bank Ltd.	25.07.1947	BA, 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 & CEO Dhaka Bank Ltd.	16.02.1962	MBA, IBA, University of Dhaka
8	Md. Sirajul Hoque	Member Secretary	SEVP & Head of Islamic Banking Division	18.10.1960	B Com (Honours) M Com (Accounting) CA, CC

During the year 2017, 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 31.12.2016;
- 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, 2016;
- Approval of final rates on various Mudaraba Deposits on the basis of weight age for the Year 2016;
- Discussion on Islamic Banking Software UBS for Islamic Banking Operations;
- Maintenance of Compensation GL separately from Income Account;
- To train the employees of the bank with the knowledge of Islamic banking, Economics & Finance;
- Compliance of Shariah principle in all transaction of Deposits & Investments;
- Marketing & Development of Islamic Banking products through conventional branches using online.

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	8,763,271	211,063	401,173	332,465	8,290	9,716,263
Allocated Expenses	4,177,887	76,899	16,179	80,416	120	4,351,502
Operating Profit (Before Tax & Provision)	4,585,384	134,164	384,994	252,049	8,169	5,364,761
Total Provision (Loans/ Advances & Others)	2,345,937	-	19,390	80,000	-	2,445,327
Profit Before Tax	2,239,447	134,164	365,604	172,049	8,169	2,919,433
Provision for Income Tax	1,343,843	-	-	63,976	2,859	1,410,678
Net Profit	895,603	134,164	365,604	108,073	5,310	1,508,755
Segment Assets	204,063,732	8,358,347	17,030,775	5,433,872	292,023	230,828,490
Segment Liabilities	204,063,732	8,358,347	17,030,775	5,433,872	292,023	230,828,490

The operations of these segments are specifically identified by Income, expenses, assets and Liabilities. Based on such allocation, segment balance sheet up to period December 2017 and segmental profit and loss account for the period ended 31 December 2017 have been prepared..

2.40 Compliance with financial reporting standards as applicable in Bangladesh

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is to be formed and it is to issue financial reporting standards for

public interest entities such as banks. The Bank Companies Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence Bangladesh Financial Reporting Standards (BFRS) as issued by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable.

Accordingly, the financial statements of the Bank and its subsidiaries (the "Group") continue to be prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and the requirements of the Bank Companies Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, Securities and Exchange Rules 1987.

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.

In case any requirement of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of BFRS& AAOIFI standards, the requirements of the Bank Companies Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail.

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	Not Applicable
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
13	14	Regulatory Deferral Accounts	Not Applicable

* 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.

Standards issued but not yet effective

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

BFRS 9 Financial instruments:

BFRS 9, published in July 2014, replaces the existing guidance in BAS 39 'Financial instruments: Recognition and measurement'. BFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from BAS 39. BFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The Bank is assessing the potential impact on its financial statements resulting from the application of BFRS 9.

BFRS 15 Revenue from contracts with customers:

BFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including BAS 18 'Revenue', BAS 11.

'Construction contracts' and BFRIC 13 'Customer loyalty programmes'. BFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The Bank is assessing the potential impact on its financial statements resulting from the application of BFRS 15.

2.41 Approval of Audited Financial Statements

These financial statements were reviewed by the Audit Committee of the Board of the Bank in its 82nd meeting held on April 26, 2018 and was subsequently approved by the Board of Directors of the Bank in its 323rd meeting held on April 26, 2018.

			31.12.2017 Taka	31.12.2016 Taka
3.	**Cash**			
	Cash in hand	(Note: 3.1)	1,839,841,316	1,797,353,255
	Balance with Bangladesh Bank and its agent bank(s)	(Note: 3.2)	11,844,749,734	14,918,296,004
			13,684,591,050	**16,715,649,259**
3(a)	**Consolidated Cash**			
	Dhaka Bank Limited	(Note: 3)	13,684,591,050	16,715,649,259
	Dhaka Bank Securities Limited		100,000	109,500
	Dhaka Bank Investment Limited		-	-
			13,684,691,050	**16,715,758,759**
3.1	**Cash in hand**			
	In local currency		1,794,943,053	1,776,810,310
	In foreign currencies		44,898,263	20,542,945
			1,839,841,316	**1,797,353,255**

Cash in hand (local currency) includes balance of Cash held at Automated Teller Machine (ATM) of Tk.4,32,51,500 as on 31.12.2017.

3.1(a)	**Consolidated Cash in hand**			
	Dhaka Bank Limited	(Note: 3.1)	1,839,841,316	1,797,353,255
	Dhaka Bank Securities Limited		100,000	109,500
	Dhaka Bank Investment Limited		-	-
			1,839,941,316	**1,797,462,755**
3.2	**Balance with Bangladesh Bank and its agent bank(s)**			
	Balance with Bangladesh Bank			
	In local currency		11,042,061,959	9,994,344,869
	Conventional		10,620,604,771	9,568,380,071
	Al-Wadiah current account		421,457,187	425,964,798
	In foreign currencies		613,398,289	4,816,003,831
			11,655,460,248	14,810,348,700
	Balance with Sonali Bank as agent of Bangladesh Bank		189,289,486	107,947,304
			11,844,749,734	**14,918,296,004**

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)	11,844,749,734	14,918,296,004
	Dhaka Bank Securities Limited		-	-
	Dhaka Bank Investment Limited		-	-
			11,844,749,734	**14,918,296,004**

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 (amended up to 2013) 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		
	Bi-weekly Requirement		
	(6.50% of Average Demand and Time Liabilities)		
	Required reserve	10,376,314,455	9,357,849,072
	Actual reserve maintained	10,499,248,280	9,457,561,409
	Surplus	122,933,825	**99,712,337**
	Required	6.50%	**6.50%**
		6.58%	**6.57%**

		31.12.2017 Taka	31.12.2016 Taka
	Daily Requirement		
	(6.00% of Average Demand and Time Liabilities)		
	Required Reserve	9,578,136,420	8,638,014,528
	Actual reserve maintained	10,625,125,899	9,583,022,093
	Surplus	**1,046,989,479**	**945,007,565**
	Required	**6.00%**	**6.00%**
	Required	**6.50%**	**6.50%**
	Maintained	**7.21%**	**7.21%**
	Islamic Banking		
	Bi-weekly Requirement		
	(6.50% of Average Demand and Time Liabilities)		
	Required reserve	400,881,050	414,438,359
	Actual reserve maintained	664,398,360	425,964,798
	Surplus	**263,517,310**	**11,526,439**
	Required	**6.50%**	**6.50%**
	Maintained	**10.77%**	**6.68%**
	Daily Requirement		
	(6.00% of Average Demand and Time Liabilities)		
	Required Reserve	370,044,045	382,558,485
	Actual reserve maintained	421,457,187	425,964,798
	Surplus	**51,413,142**	**43,406,313**
	Required	**6.50%**	**6.50%**
	Maintained	**7.40%**	**7.24%**
3.3.2	**Statutory Liquidity Ratio (SLR)**		
	Conventional Banking		
	(13% of Average Demand & Time Liabilities)		
	Required Reserve	20,752,628,910	18,715,698,144
	Actual reserve maintained	21,571,342,636	20,539,335,533
	Surplus	**818,713,726**	**1,823,637,389**
	Required	**13.00%**	**13.00%**
	Maintained	**13.51%**	**14.27%**
	Islamic Banking		
	(5.50% of Average Demand and Time Liabilities)		
	Required Reserve	339,207,040	350,678,611
	Actual reserve maintained	430,123,016	404,213,491
	Surplus	**90,915,976**	**53,534,880**
	Required	**5.50%**	**5.50%**
	Maintained	**6.97%**	**6.34%**
	Held for Statutory Liquidity Ratio (Conventional)		
	Cash in Hand	1,810,294,438	1,774,666,204
	Balance with Bangladesh Bank and its agent Bank(s) over CRR	248,811,444	333,031,369
	Government Securities (excluding Assured Liquidity Support)	19,322,527,587	18,431,637,960
		21,381,633,470	**20,539,335,533**
	Held for Statutory Liquidity Ratio (Islamic)		
	Cash in Hand	29,546,878	22,687,052
	Balance with Bangladesh Bank and its agent Bank(s) over CRR	20,576,139	11,526,440
	Government Securities (excluding Assured Liquidity Support)	380,000,000	370,000,000
		430,123,016	**404,213,491**

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.

			31.12.2017 Taka	31.12.2016 Taka
3.4	**Maturity grouping of cash**			
	On Demand		13,684,591,050	16,715,649,259
	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		-	-
			13,684,591,050	**16,715,649,259**
4.	**Balance with other banks and financial institutions**			
	In Bangladesh	(Note: 4.1)	10,021,244,562	8,581,752,935
	Outside Bangladesh	(Note: 4.2)	1,203,678,144	2,588,773,757
			11,224,922,706	**11,170,526,692**
4(a)	**Consolidated Balance with other banks and financial institutions**			
	In Bangladesh	(Note: 4.1(a)	10,190,843,071	8,640,709,728
	Outside Bangladesh	(Note: 4.2(a)	1,203,678,144	2,588,773,757
			11,394,521,215	**11,229,483,485**
4.1	**In Bangladesh**			
	Current Deposit			
	Sonali Bank Limited		126,921,755	58,165,306
	Janata Bank Limited		5,322,574	201,772,652
	Southeast Bank Limited		212,514	214,164
	Standard Chartered Bank (Visa Settlement)		26,476,733	4,291,243
	Brac Bank Limited		-	70,398
	Agrani Bank Limited		14,613,580	21,911,904
	Islami Bank Bangladesh Limited		33,617,466	14,797,440
	United Commercial Bank Limited		16,093,204	1,009,564
			223,257,827	**302,232,671**
	Special Notice Deposit (SND)			
	Janata Bank Limited		191,283	2,783,215
	Dutch Bangla Bank Limited		10,584,822	6,695,550
	Sonali Bank Limited		-	65,363
	AB Bank Limited		583,159	1,055,132
	Agrani Bank Limited		43,133	5,056,083
	National Bank Limited		3,648,686	589,270
			15,051,083	**16,244,612**
	Fixed Deposit			
	Commercial Banks			
	Social Islami Bank Limited		827,000,000	790,000,000
	Eastern Bank Limited		2,067,500,000	2,054,000,000
	AB Bank Limited		-	1,185,000,000
	Premier Bank Limited		-	395,000,000
	BRAC Bank Limited		413,500,000	-
	Mercantile Bank Limited		620,250,000	-
	Trust Bank Limited		827,000,000	
	The City Bank Limited		2,894,500,000	3,160,000,000
			7,649,750,000	**7,584,000,000**
	Financial Institutions			
	Phoenix Finance and Investment Limited		133,185,652	179,275,652
	Prime Finance		-	200,000,000
	International Leasing & Financial Service Limited		-	200,000,000
	IDLC Finance Limited		2,000,000,000	-
	Peoples Leasing Company Limited		-	100,000,000
			2,133,185,652	**679,275,652**
			10,021,244,562	**8,581,752,935**

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			31.12.2017 Taka	31.12.2016 Taka
4.1(a)	**Consolidated In Bangladesh**			
	Dhaka Bank Limited	(Note: 4.1)	10,021,244,562	8,581,752,935
	Dhaka Bank Securities Limited		188,476,888	184,272,326
	Dhaka Bank Investment Limited		286,821,899	279,366,635
			10,496,543,348	9,045,391,896
	Less: Inter company transaction		305,700,277	404,682,168
			10,190,843,071	**8,640,709,728**
4.2	**Outside Bangladesh (Nostro Accounts)**			
	Current Deposits			
	Standard Chartered Bank, New York		95,266,686	962,431,530
	Mashreq Bank, New York		115,520,063	145,374,604
	Habib American Bank, New York, OBU		277,064,344	85,320,047
	Commerz Bank, Frankfurt		6,042,995	78,943,983
	Habib American Bank		150,664,263	127,679,181
	Wells Fargo Bank N.A., New York		98,789,768	115,934,702
	United Bank of India		19,952,936	14,984,824
	JP Morgan Chase Bank NA		124,948,105	208,065,167
	Standard Chartered Bank, Mumbai		72,184,469	70,323,669
	Sonali Bank, Kolkata		21,600,758	3,685,539
	AB Bank Mumbai		36,601,527	44,084,152
	Nepal Bangladesh Bank		660,670	641,776
	Sampath Bank, Srilanka		210,223	9,175,831
	Bhutan National Bank		2,760,623	1,128,212
	Bank of Bhutan		358,880	2,025,524
	Habib Metropolitan Bank Ltd. Pakistan		13,058,968	29,960,673
	Dhaka Bank OBU Nostro		-	474,000,000
	ICICI Bank Limited, India		59,814	25,759,300
	Mashreq Bank, Mumbai		31,174,282	37,851,495
	Axis Bank Ltd, India		19,634,644	-
	Union Bank of Switzerland		720,657	14,711,939
	Commerz Bank, Frankfurt		64,274,866	42,284,738
	Standard Chartered Bank, Frankfurt		437,675	3,099,493
	Unicredit S.P.A. Milano		3,691,583	2,296,476
	Commerz Bank, Frankfurt		3,019,999	2,759,720
	Standard Chartered Bank, Japan		15,405,437	17,999,529
	Standard Chartered Bank, London		9,316,599	25,297,397
	United Bank of India		17,950,312	31,462,893
	Commerz Bank, Frankfurt		696,447	5,746,574
	Al-Rajhi Bank, Kingdom of Saudi Arabia		1,610,551	5,744,788
			1,203,678,144	**2,588,773,757**

(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)	1,203,678,144	2,588,773,757
	Dhaka Bank Securities Limited		-	-
	Dhaka Bank Investment Limited		-	-
			1,203,678,144	**2,588,773,757**
4.3	**Account-wise/grouping of balance with other banks and financial institutions**			
	Current Deposits		1,426,935,971	2,891,006,428
	Short-Notice Deposits		15,051,083	16,244,612
	Fixed Deposits		9,782,935,652	8,263,275,652
			11,224,922,706	**11,170,526,692**

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			31.12.2017 Taka	31.12.2016 Taka
4.4	**Maturity grouping of balances with other banks and financial institutions**			
	On demand		2,441,987,054	2,891,006,428
	Upto 1 month		5,789,000,000	411,244,612
	Over 1 month but not more than 3 months		2,864,535,652	2,138,000,000
	Over 3 months but not more than 6 months		100,000,000	5,654,025,000
	Over 6 months but not more than 1 year		29,400,000	43,065,000
	Over 1 year but not more than 5 years		-	33,185,652
	Over 5 years		-	-
			11,224,922,706	**11,170,526,692**
5.	**Money at call and on short notice**			
	With banking companies	(Note: 5.1)	11,300,000	761,300,000
	With non-banking financial institutions	(Note: 5.2)	-	290,000,000
			11,300,000	**1,051,300,000**
5(a)	**Consolidated money at call and on short notice**			
	Dhaka Bank Limited	(Note: 5)	11,300,000	1,051,300,000
	Dhaka Bank Securities Limited		-	-
	Dhaka Bank Investment Limited		-	-
			11,300,000	**1,051,300,000**
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	11,300,000
			11,300,000	**761,300,000**

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		2,000,000	-
	More than 1 year but less than 5 years		6,000,000	-
	More than 5 years		3,300,000	11,300,000
			11,300,000	**1,051,300,000**
6.	**Investments**			
	Government securities	(Note: 6.1)	19,706,422,487	18,805,722,760
	Other investments	(Note: 6.2)	3,475,371,860	2,500,000,000
			23,181,794,347	**21,305,722,760**
6(a)	**Consolidated Investments**			
	Dhaka Bank Limited	(Note: 6)	23,181,794,347	21,305,722,760
	Dhaka Bank Securities Limited		2,858,707,363	2,477,518,134
	Dhaka Bank Investment Limited		-	-
			26,040,501,710	**23,783,240,894**

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			31.12.2017 Taka	31.12.2016 Taka
6.1	**Government securities**			
	Bangladesh Bank bills	(Note: 6.1.1)	4,397,491,220	-
	Treasury bonds	(Note: 6.1.2)	14,925,036,367	18,431,637,960
	Government islamic bond		380,000,000	370,000,000
	Prize bond		3,894,900	4,084,800
			19,706,422,487	**18,805,722,760**
6.1(a)	**Consolidated Government securities**			
	Dhaka Bank Limited	(Note: 6.1)	19,706,422,487	18,805,722,760
	Dhaka Bank Securities Limited		-	-
	Dhaka Bank Investment Limited		-	-
			19,706,422,487	**18,805,722,760**
6.1.1	**Treasury Bills**			
	7 days Bangladesh Bank Bills		4,397,491,220	-
			4,397,491,220	**-**
6.1.2	**Treasury Bonds**			
	2 years Bangladesh Government Treasury Bond		1,500,249,997	12,605,838
	5 years Bangladesh Government Treasury Bond		6,079,495,753	6,082,035,904
	10 years Bangladesh Government Treasury Bond		6,419,317,676	10,169,002,772
	15 years Bangladesh Government Treasury Bond		699,378,491	1,941,409,279
	20 years Bangladesh Government Treasury Bond		226,594,451	226,584,167
			14,925,036,367	**18,431,637,960**
6.2	**Other investments**			
	Investment in shares	(Note:6.2.1)	226,121,860	226,000,000
	Investment in subordinated bonds	(Note:6.2.2)	3,099,250,000	1,524,000,000
	Investment in Commercial Paper	(Note: 6.2.3)	150,000,000	750,000,000
			3,475,371,860	**2,500,000,000**
6.2(a)	**Consolidated Other investments**			
	Dhaka Bank Limited	(Note: 6.2)	3,475,371,860	2,500,000,000
	Dhaka Bank Securities Limited		2,858,707,363	2,477,518,134
	Dhaka Bank Investment Limited		-	-
			6,334,079,223	**4,977,518,134**
6.2.1	**Shares**			
	Quoted (Publicly Traded)		26,121,860	26,000,000
	Unquoted		200,000,000	200,000,000
			226,121,860	**226,000,000**
	(Details are given in **Annexure - B**)			
6.2.2	**Investment in subordinated bonds**			
	MTBL Subordinated Bond		900,000,000	95,000,000
	Mercantile Bank Subordinated Bond		240,000,000	300,000,000
	The City Bank Subordinated Bond		159,250,000	79,000,000
	One Bank Limited		300,000,000	300,000,000
	Bank Asia Limited		750,000,000	-
	Southeast Bank Limited		750,000,000	750,000,000
			3,099,250,000	**1,524,000,000**

	31.12.2017 Taka	31.12. 2016 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.Bank Asia Limited Subordinated Bond - date of purchase is on 23.04.2017 and redemption will start on 23.04.2020.The City Bank Limited Subordinated Bond - date of purchase is on 21.06.2017 and redemption will start on 21.06.2020.

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 20.21% as of December 31, 2017.

6.2.3	**Investment in Commercial Paper**		
	Hashem Food Limited	-	250,000,000
	KSRM Billete Industries Limited	-	500,000,000
	Partex Leminates Ltd	150,000,000	-
		150,000,000	**750,000,000**
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
	5 years Bangladesh Government Treasury Bond	-	-
	10 years Bangladesh Government Treasury Bond	-	-
	15 years Bangladesh Government Treasury Bond	-	-
		-	**12,605,838**
	Held to Maturity (HTM)		
	7 days Bangladesh Bank Bills	4,397,487,600	-
	91 days Treasury Bills	-	-
	182 days Treasury Bills	-	-
	364 days Treasury Bills	-	-
	2 years Bangladesh Government Treasury Bond	1,500,249,997	-
	5 years Bangladesh Government Treasury Bond	6,079,495,753	6,082,035,904
	10 years Bangladesh Government Treasury Bond	6,419,317,676	10,169,002,772
	15 years Bangladesh Government Treasury Bond	699,378,491	1,941,409,279
	20 years Bangladesh Government Treasury Bond	226,594,451	226,584,167
		19,322,523,967	**18,419,032,122**
		19,322,523,967	**18,431,637,960**

As per DOS Circular NO. 01 dated 19 January 2014, the maximum limit of holding approved Securities under Held to Maturity (HTM) is 110% of SLR for all nonprimary dealer banks and Dhaka Bank Limited has invested in Treasury bonds under HTM category as per said circular.

6.4	**Assets pledged as security**		
	Assets in the amounts shown below were pledged as security for the following liabilities		
	Liabilities to bank	-	-
	Liabilities to customers	-	-
		-	-
	Following assets were pledged as security for the above mentioned liabilities		
	Claim on banks	-	-
	Claim on customers	-	-
		-	-

			31.12.2017 Taka	31.12.2016 Taka
6.5	**Maturity grouping of investments**			
	On demand		-	-
	Over 2 Days but not more than 3 Months		5,705,784,675	776,000,000
	Over 3 months but not more than 6 months		816,765,158	386,690,638
	More than 6 months but less than 1 year		2,855,830,583	1,641,090,358
	Over 1 year but not more than 5 years		7,287,206,987	6,594,033,425
	Over 5 years		6,516,206,945	11,907,908,339
			23,181,794,347	**21,305,722,760**
7.	**Loans, advances and lease/investments including Bills purchased and discounted**			
	Loans, cash credits, overdrafts, etc./Investments	(Note: 7.1)	150,806,196,218	131,563,031,001
	Bills purchased and discounted	(Note: 8)	3,210,833,048	3,126,277,363
			154,017,029,266	**134,689,308,364**
7(a)	**Consolidated Loans, advances and lease/investments including Bills purchased and discounted**			
	Dhaka Bank Limited	(Note: 7)	154,017,029,266	134,689,308,364
	Dhaka Bank Securities Limited		2,088,210,237	2,057,523,809
	Dhaka Bank Investment Limited		-	-
			156,105,239,503	136,746,832,173
	Less: Inter company transaction		2,237,597,610	1,913,441,442
			153,867,641,893	**134,833,390,731**
7.1	**Loans, cash credits, overdrafts, etc./Investments**			
	Broad category-wise breakup			
	In Bangladesh			
	Secured Overdraft/Quard		34,906,979,506	31,686,036,697
	Cash Credit/Murabaha		6,871,534,101	6,819,836,713
	House Building Loan		1,009,756,433	1,880,858,465
	Transport Loan		1,180,903,554	563,478,631
	Term Loan		51,948,964,722	44,057,645,551
	Loan Against Trust Receipt		6,222,107,802	4,231,011,084
	Payment Against Documents		156,176,413	110,572,130
	Loan Against Imported Merchandize		1,965,997	1,891,495
	Loan Against Accepted Bills		228,280,607	1,404,688,247
	Packing Credit		631,655,435	396,517,436
	Lease Finance / Izara		3,348,153,978	2,233,076,259
	Credit Card		350,713,201	295,155,175
	Retail Loan		2,756,196,992	499,909,445
	Other Loans (Including Bai-Muajjal)		40,529,593,209	37,382,353,674
			150,142,981,951	**131,563,031,001**
	Outside Bangladesh		**663,214,268**	**-**
			150,806,196,218	**131,563,031,001**
7.1(a)	**Consolidated Loans, cash credits, overdrafts, etc./Investments**			
	Dhaka Bank Limited	(Note: 7.1)	150,806,196,218	131,563,031,001
	Dhaka Bank Securities Limited		2,088,210,237	2,057,523,809
	Dhaka Bank Investment Limited		-	-
			152,894,406,455	133,620,554,810
	Less: Inter company transaction		2,237,597,610	1,913,441,442
			150,656,808,845	**131,707,113,368**
7.2	**Residual maturity grouping of loans including bills purchased and discounted**			
	Repayable on Demand		19,668,975,660	14,064,801,005
	Upto 1 month		17,671,280,491	16,890,830,255
	Not more than 3 months		23,477,222,166	24,875,497,369
	More than 3 months but not more than 6 months		30,339,170,975	29,168,983,069
	More than 6 months but not more than 1 year		18,973,347,445	19,204,335,303
	More than 1 year but not more than 5 years		32,920,731,915	25,341,474,123
	More than 5 years		10,966,300,615	5,143,387,240
			154,017,029,266	**134,689,308,364**

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			31.12.2017 Taka	31.12.2016 Taka
7.3	**Investment in lease / izara finance**			
	Lease rental receivable within 1 year		2,574,628,748	1,146,931,112
	Lease rental receivable more than 1 year		773,525,229	1,355,643,267
	Total lease/ izara rental receivable		3,348,153,978	2,502,574,379
	Less: unearned interest/profit receivable		-	269,498,120
	Net investment in lease/izara finance		**3,348,153,978**	**2,233,076,259**
7.4	**Product wise loans and advances**			
	Loans		107,865,787,564	93,057,157,591
	Cash Credits		7,098,899,988	6,819,836,713
	Overdrafts		35,841,508,666	31,686,036,697
	Bills purchased and discounted	(Note: 8)	3,210,833,048	3,126,277,363
			154,017,029,266	**134,689,308,364**
7.5	**Loans on the basis of significant concentration including bills purchased & discounted**			
	a. Advances to allied concerns of Directors	(Note: 7.5.1)	3,766,966	1,011,413
	b. Advances to Chief Executive		-	2,792,665
	c. Advances to Other Senior Executives		-	151,236,644
	d. Advances to Customer's Group:			
	Agriculture loan		1,961,961,069	1,660,368,959
	Commercial lending		22,364,753,824	90,144,267,908
	Export financing		13,428,887,401	10,912,419,446
	Consumer credit scheme		4,605,284,977	1,387,608,719
	Small and Medium Enterprise (SME)		12,647,161,256	21,509,000,558
	Staff Loan		1,305,020,308	923,556,636
	Others		97,700,193,465	7,997,045,417
			154,017,029,266	**134,689,308,364**

7.5.1 The amount represents loan in the name of existing directors & related parties of the bank. Details are provided in **Annexure-G**.

7.6	**Advances to customers for more than 10% of Bank's total capital**		
	Total capital of the Bank		
	Number of customers	21	13
	Amount of outstanding loans and advances*	69,684,162,630	40,042,693,997
	Amount of classified loans and advances	1,730,537,175	-
	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 2017.

(Details are given in **Annexure - C)**

7.7	**Industry-wise loans, advances and lease/investments**		
	Agricultural	1,961,961,069	1,660,368,959
	Pharmaceuticals	2,095,992,873	856,850,090
	Textile & Garment	42,455,481,250	37,012,047,145
	Chemical	6,153,017,980	1,418,003,455
	Food & alied	10,565,000,686	9,135,150,181
	Transport & Communication	5,435,460,811	2,270,617,135
	Electronics & Automobile	968,229,336	35,345,803
	Housing & Construction	16,999,644,565	16,407,229,143
	Engineering & Metal Industres including Ship Breaking	13,993,257,887	12,380,904,493
	Energy & Power	5,257,658,769	4,220,010,784
	Service	5,044,726,734	5,712,256,127
	Others	43,086,597,307	43,580,525,048
		154,017,029,266	**134,689,308,364**

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				31.12.2017 Taka	31.12.2016 Taka
7.8	**Geographical location-wise (division) distribution**				
	Urban				
	Dhaka Region			106,099,419,533	90,689,575,547
	Chittagong Region			27,438,420,373	24,149,664,181
	South Region			4,157,113,459	2,340,713,599
	North Region			3,291,285,006	2,403,257,199
	Sylhet Region			2,021,112,862	872,783,051
	Other			624,109,541	5,117,451,983
				143,631,460,773	**125,573,445,559**
	Rural				
	Dhaka Region			7,205,944,235	4,518,998,969
	Chittagong Region			1,183,403,085	1,115,854,724
	South Region			-	-
	North Region			1,878,633,468	1,666,045,610
	Sylhet Region			117,587,705	128,160,847
	Other			-	1,686,802,654
				10,385,568,492	**9,115,862,805**
				154,017,029,266	**134,689,308,364**
7.9	**Sector-wise loans, advances and lease/investments**				
	Government & Autonomous bodies			-	794,698,521
	Financial Institutions (Public & Private)			3,104,721,222	4,320,416,768
	Private Sector			150,912,308,044	129,574,193,075
				154,017,029,266	**134,689,308,364**
7.10	**Classification of loans, advances and lease/investments**				
	Unclassified				
	Standard			142,013,884,527	124,364,862,317
	Special Mention Account			2,794,294,465	4,921,496,854
				144,808,178,991	**129,286,359,171**
	Classified				
	Sub-Standard			321,518,861	257,483,421
	Doubtful			1,809,802,653	287,950,818
	Bad or loss			7,077,528,761	4,857,514,954
				9,208,850,274	**5,402,949,193**
				154,017,029,266	**134,689,308,364**
7.11	A)	**Provision required for loans and advances**			
	Status	**Base for Provision**	**Rate %**		
	Unclassified				
	Unclassified		0%	-	-
	Unclassified	21,891,303,195	0.25	54,728,258	43,815,539
	Unclassified	105,923,298,383	1	1,059,232,984	945,353,283
	Unclassified	2,629,403,273	2	52,588,065	53,560,763
	Unclassified		2.5	-	22,905,529
	Unclassified	584,499,342	5	29,224,967	31,747,578
	Unclassified	197,515,285	20	39,503,057	143,483,501
	Unclassified			-	30,416,330
	Unclassified *		50	-	966,301,682
	Unclassified *	6,431,281,269	100	6,431,281,269	1,363,285,891
	Unclassified *		Special	-	12,570,523
	Special Mention Account	518,093,044	0.25	1,295,232.61	1,239,017
	Special Mention Account	1,633,674,491	1	16,336,745	21,508,998
	Special Mention Account *	10,376,329	2	207,527	39,894,140
	Special Mention Account	2,345,446	5	117,272	433,500
	Special Mention Account	542,193,590	50	271,096,795	2,623,116
	Special Mention Account		100	-	153,156,944
				7,955,612,172	**3,832,296,334**
	Classified:				
	Sub-Standard	1,241,593	5	62,080	92,985
	Sub-Standard	202,205,333	20	40,441,067	24,793,240
	Doubtful	1,518,626,442	50	759,313,221	72,863,162
	Bad or loss	433,103,018	Special	283,103,018	-
	Bad or loss	3,324,282,480	100	3,324,282,480	2,307,858,438
				4,407,201,865	**2,405,607,824**
	Required provision for loans & advances			12,362,814,037	6,237,904,158
	Total provision maintained			7,779,475,833	6,241,383,798
	Provision will be maintained in future			4,583,338,204	-
	Excess / short provision as at 31 December			**0.00**	**3,479,640**

			31.12.2017 Taka	31.12.2016 Taka

Note: *
(1) Provision has been kept as per CL as at 31 December 2017.
(2) However, as per requirement of Bangladesh Bank in respect to loan provisioning total required provision against loans and advances is BDT 1,243.05 crore, against which the Bank has maintained an amount of BDT 777.95 crore as provision. The remaining balance of BDT 465.10 crore will be provided equally within 3 years from 2018 to 2020 as per Bangladesh Bank approval given vide letter no DBI-1/92/ 2018-1249 dated 15 April 2018. As per this letter, Bank will not distribute any cash dividend.

B) Provision for good borrower			**16,831,931**	**9,454,000**

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.

C) Provision required for Off-Balance Sheet Exposures

Status	Base for Provision	Rate %		
Acceptances and Endorsements	32,868,131,246	1	328,681,312	252,636,607
Letter of Credit	27,085,569,676	1	270,855,697	174,476,235
Letter of Guarantee	23,083,135,224	1	230,831,352	199,287,118
Required provision			830,368,362	626,399,959
Total Provision Maintained			830,368,362	626,399,959
Excess / (Short) Provision as at 31 December			**-**	**-**

7.12 Securities against loans including bills purchased & discounted

a. Secured		
Collateral of movable / immovable assets	99,166,339,608	122,839,278,647
Local Banks & Financial Institutions guarantee	-	2,911,138,109
Foreign Banks Guarantee	-	215,115,608
Export documents	-	110,572,130
Government Guarantee	-	-
Fixed Deposits Receipts		
Own FDR	3,696,144,561	1,899,986,632
FDR of Other Banks	445,858,876	33,676,031
Personal Guarantee	1,374,990,235	1,872,611,319
Corporate Guarantee	20,007,433,817	-
Other Securities	7,478,684,052	4,806,929,888
Government bonds	21,847,578,119	-
	154,017,029,266	134,689,308,364
b. Unsecured		-
	154,017,029,266	**134,689,308,364**

7.13 Particulars of Loans, advances and lease/investments

(i)	Loans considered good in respect of which the bank company is fully secured;	99,166,339,608	98,336,144,517
(ii)	Loans considered good against which the banking company holds no security other than the debtor's personal guarantee;	1,374,990,235	1,757,461,918
(iii)	Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors;	4,142,003,436	2,320,262,277
(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;*	1,308,787,274	1,078,597,358
(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)	3,766,966	1,011,413
(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;*	1,308,830,690	1,081,882,297

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		31.12.2017 Taka	31.12.2016 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;	3,810,381	4,296,352
(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;	1,538,092,035	(133,673,686)
b)	Amount realized against loan previously written off; **	49,202,153	50,461,881
c)	Amount of provision kept against loan classified as 'bad/loss" on the date of preparing the balance sheet;	3,607,385,498	2,307,858,438
d)	Interest creditable to the Interest Suspense A/c;	-	-
(xi)	Cumulative amount of the written off loan;***	6,121,520,944	5,466,295,628

* The amount represents loan in the name of existing directors and officers of the bank.
The detail of Recovery up to December 31, 2017 from loan previously written off may be seen in the **Annexure - E
*** The detail of the amount of the written - off loans up to December 31, 2017 may be seen in the **Annexure - F**

8. Bills purchased and discounted			
In Bangladesh		711,569,593	1,117,983,911
Outside Bangladesh		2,499,263,455	2,008,293,452
		3,210,833,048	**3,126,277,363**
8(a) Consolidated Bills purchased and discounted			
Dhaka Bank Limited	(Note: 8)	3,210,833,048	3,126,277,363
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		3,210,833,048	**3,126,277,363**
8.1 Maturity grouping of bills purchased & discounted			
Payable within 1 month		1,475,722,525	1,415,053,247
Over 1 month but less than 3 months		1,378,650,315	1,364,116,169
Over 3 months but less than 6 months		356,460,208	347,107,947
6 months or more		-	-
		3,210,833,048	**3,126,277,363**
9 Fixed assets including premises, furniture and fixtures			
Cost/ Revaluation			
Land		2,950,332,536	2,950,332,536
Building		622,721,217	622,721,217
Furniture and fixture including office decoration		453,711,763	428,892,919
Office appliances and equipment		1,035,562,183	866,487,334
Computer		239,317,326	217,967,490
Software		107,607,120	77,845,853
Bank's vehicle		199,916,665	142,893,420
		5,609,168,810	5,307,140,769
Less: Accumulated depreciation		1,346,275,507	1,113,600,664
		4,262,893,303	**4,193,540,105**
(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 Honorable High Court had published a verdict to demolish the building but recently the deadline to do the same has been extended further. Besides, Bank will receive compensation from BGMEA once the building is demolished. So, Bank will maintain provision or will make impairment loss at the time of demolishment of the structure or at the time of settlement of the issue with BGMEA.

9(a) Consolidated Fixed assets including premises, furniture and fixtures			
Dhaka Bank Limited	(Note: 9)	4,262,893,303	4,193,540,105
Dhaka Bank Securities Limited		6,488,239	7,724,271
Dhaka Bank Investment Limited		-	-
		4,269,381,542	**4,201,264,375**

		31.12.2017 Taka	31.12.2016 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.		44,821,499	30,044,856
Advance rent		378,401,447	279,331,753
Prepaid expenses against advertisement		23,936,330	18,709,878
Interest/Profit accrued and other receivable	(Note: 10.2)	491,744,070	572,958,051
Security deposit		22,349,966	21,988,606
Preliminary, formation, Work in progress, renovation expenses and prepaid expenses	(Note: 10.3)	3,429,830,055	2,860,612,139
Branch adjustments	(Note: 10.4)	66,491,777	39,897,115
Suspense account	(Note: 10.5)	269,019,211	139,958,704
Others	(Note: 10.6)	16,570,563,558	7,328,881,667
		23,047,157,792	**13,042,382,648**

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. Bank has maintained Tk.6.95 Lac provision @1% against Tk.6.95 Crore payment to RAJUK as advance for a plot at Motijheel.

10(a) Consolidated Other assets			
Dhaka Bank Limited	(Note: 10)	23,047,157,792	13,042,382,648
Dhaka Bank Securities Limited		291,889,279	217,833,900
Dhaka Bank Investment Limited		5,200,771	4,371,820
		23,344,247,842	13,264,588,368
Less: Inter-company transactions			
Investment in Dhaka Bank Securities Limited		1,499,999,940	1,499,999,940
Investment in Dhaka Bank Investment Limited		249,999,940	249,999,940
Stock dividend from Dhaka Bank Securities Limited		-	-
Receivable from Dhaka Bank Investment Limited		1,173,725	1,173,725
Receivable from Dhaka Bank Securities Limited		55,787,264	74,106,236
		1,806,960,869	1,825,279,841
		21,537,286,973	**11,439,308,527**

10.1 Investment in shares of subsidiary companies			
Dhaka Bank Securities Limited (99.99% owned subsidiary company of DBL)	(Note:1.2.6.1)	1,499,999,940	1,499,999,940
Dhaka Bank Investment Limited (99.99% owned subsidiary company of DBL)	(Note:1.2.6.2)	249,999,940	249,999,940
		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)	2,881,721,341	1,591,405,439
Deferred Tax Assets	(Note: 15.8)	21,762,982	-
Account receivable others	(Note: 10.6.2)	13,667,079,236	5,737,476,228
		16,570,563,558	**7,328,881,667**

10.6.1 Advance Tax		
Opening Balance	1,591,405,439	866,380,406
Add: Paid during the year	1,290,315,902	725,025,033
	2,881,721,341	1,591,405,439
Less: Adjustment during the year	-	-
	2,881,721,341	**1,591,405,439**

		31.12.2017 Taka	31.12.2016 Taka
10.6.2 Account receivable others			
Receivable against Bangladesh / Paribar Sanchaya Patra		180,078,159	35,148,165
Fees receivable		4,422,392	2,235,517
Receivable from share sale proceeds		1,226,336	-
Finance to AD branches for Local Documentary Bill Purchased	(Note: 10.6.2.a)	2,198,196,309	2,024,402,632
Finance to AD branches for Import Bill Discounting	(Note: 10.6.2.b)	11,195,948,315	3,571,042,791
Protestation account		1,666,805	1,666,805
ATM settlement account		27,589,748	26,200,609
Receivable from exchange houses		990,184	1,499,749
Receivable from Dhaka Bank Investment Limited		1,173,725	1,173,725
Receivable from Dhaka Bank Securities Limited		55,787,264	74,106,236
		13,667,079,236	**5,737,476,228**

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.2,198,196,309 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	2,198,196,309	2,024,402,632
Finance to AD branches for Import Bill Discounting	11,195,948,315	3,571,042,791
	15,144,144,504	**7,345,445,303**
Non-income generating		
Stationery, stamps, printing materials etc.	44,821,499	30,044,856
Advance rent	378,401,447	279,331,753
Prepaid expenses against advertisement	23,936,330	18,709,878
Interest/Profit accrued and other receivable	491,744,070	572,958,051
Security deposit	22,349,966	21,988,606
Preliminary, formation, work in progress, renovation expenses and prepaid expenses	3,429,830,055	2,860,612,139
Branch adjustments	66,491,777	39,897,115
Suspense account	269,019,211	139,958,704
Advance tax paid	2,881,721,341	1,591,405,439
Account receivable others		
Receivable against Bangladesh / Paribar Sanchaya Patra	180,078,159	35,148,165
Protestation account	1,666,805	1,666,805
Receivable from exchange houses	990,184	1,499,749
Receivable from Dhaka Bank Investment Limited	1,173,725	1,173,725
Receivable from Dhaka Bank Securities Limited	55,787,264	74,106,236
Fees receivable	4,422,392	2,235,517
Receivable from share sale proceeds	1,226,336	-
ATM settlement account	27,589,748	26,200,609
	7,881,250,307	**5,696,937,345**
	23,025,394,810	**13,042,382,648**

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 account 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**

			31.12.2017 Taka	31.12.2016 Taka
12.	**Borrowings from other banks, financial institutions and agents**			
	In Bangladesh	(Note: 12.1)	15,102,340,246	10,452,934,335
	Outside Bangladesh		6,431,213,181	843,938,814
			21,533,553,426	**11,296,873,150**
12.1	**In Bangladesh**			
	Call Borrowing			
	Sonali Bank Limited		300,000,000	-
	Janata Bank		165,400,000	-
	Mutual Trust Bank Limited		200,000,000	-
			665,400,000	**-**
	Bangladesh Bank refinance			
	Small and Medium Enterprise		139,359,965	194,704,228
	Syndication		2,765,356,235	2,766,195,834
	Green Banking		82,792	365,772
	Export Development Fund		9,459,217,386	7,491,668,501
	FSSP Fund		68,994,548	-
	Mudaraba Refinance		2,003,929,319	-
			14,436,940,246	**10,452,934,335**
	Outside Bangladesh			
	Bank Muscat, Oman		831,924,670	246,899,362
	Nabil Bank, Nepal		628,155,603	395,730,507
	IFC		1,657,779,528	
	Caixa Bank		858,304,438	
	Bank of Tokyo		2,069,490,152	
	NIC Asia Bank Ltd		167,020,920	
	IDCOL, Bangladesh		218,537,869	201,308,946
			6,431,213,181	**843,938,814**
			21,533,553,426	**11,296,873,150**

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.

The amount of Tk.6,431,213,181 represents fund borrowed from foreign banks by Off-shore Banking Unit.

12.2 Disclosure regarding Outstanding Repo on 31 December 2017

Sl. No.	Counterparty Name	Agreement Date	Reversal Date	Amount in Taka
-	-	-	-	-

12.3 Disclosure regarding Outstanding Reverse Repo on 31 December 2017

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	Maximum outstanding during the year
Securities sold under Repo				
1	With Bangladesh Bank	-	-	-
2	With other Banks & FIs			
Securities purchased under Reverse Repo				
1	From Bangladesh Bank	-	-	-
2	From other Banks & FIs			

			31.12.2017 Taka	31.12.2016 Taka
12.5	**Analysis by security**			
	Secured (assets pledge as security for liabilities)		-	-
	Unsecured		21,533,553,426	11,296,873,150
			21,533,553,426	**11,296,873,150**
12.6	**Repayment pattern**			
	Repayable on demand		665,400,000	-
	Repayable on maturity		20,868,153,426	11,296,873,150
			21,533,553,426	**11,296,873,150**
12.7	**Maturity grouping**			
	Repayable on demand		665,400,000	-
	Repayable within 1 month		-	-
	Over 1 month but within 3 months		-	-
	Over 3 months but within 6 months		68,994,548	-
	Over 6 months but within 1 year		18,033,802,643	8,530,677,315
	Over 1 year but within 5 years		2,765,356,235	2,766,195,834
	Over 5 years		-	-
			21,533,553,426	**11,296,873,150**
12(a)	**Consolidated Borrowings from other banks, financial institutions and agents**			
	Dhaka Bank Limited	(Note: 12)	21,533,553,426	11,296,873,150
	Dhaka Bank Securities Limited		2,337,592,550	2,113,441,442
	Dhaka Bank Investment Limited		-	-
			23,871,145,977	13,410,314,592
	Less: Inter company transaction		2,237,597,610	1,913,441,442
			21,633,548,366	**11,496,873,150**
13.	**Deposits and other accounts**			
	Current and other accounts	(Note: 13.1)	20,025,396,323	21,093,467,455
	Bills payable	(Note: 13.2)	2,826,174,811	2,047,637,778
	Savings deposits	(Note: 13.3)	19,061,994,573	16,735,239,732
	Term deposits	(Note: 13.4)	128,121,855,220	117,285,285,556
			170,035,420,927	**157,161,630,521**
	Non-interest bearing accounts			
13.1	**Current and other accounts**			
	Current account		11,164,633,072	10,374,651,794
	Foreign currency deposits		1,849,561,598	2,184,671,554
	Margin under Letter of Credit		1,101,635,757	1,045,111,125
	Margin under Letter of Guarantee		852,060,951	833,454,505
	Deposits awaiting disposal		973,346,674	655,839,263
	Sundry deposit	(Note: 13.1.1)	4,084,158,272	5,999,739,213
			20,025,396,323	**21,093,467,455**
13.1.1	**Sundry deposit**			
	F.C held against Back to Back L/C		3,857,565,330	5,703,107,536
	Sundry creditors		95,752,320	147,771,478
	Unclaimed deposits		61,239,558	79,833,471
	Risk fund		6,583,592	7,537,968
	Security deposits for locker		7,360,530	6,539,730
	Advance lease rent		55,656,943	54,949,031
			4,084,158,272	**5,999,739,213**

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		31.12.2017 Taka	31.12.2016 Taka
13.2	**Bills payable**		
	Pay order	1,954,270,035	1,679,616,208
	Demand draft	871,904,776	368,021,570
		2,826,174,811	**2,047,637,778**
	Total Non-interest bearing accounts	**22,851,571,134**	**23,141,105,233**
	Interest bearing Account		
13.3	**Savings deposits**		
	Savings account	18,556,159,571	16,330,841,801
	Mudaraba savings accounts	505,835,002	404,397,930
		19,061,994,573	**16,735,239,732**
13.4	**Term deposits**		
	Special Notice Deposits	16,745,221,057	12,782,768,668
	Fixed Deposits	85,699,682,960	81,488,309,356
	Deposit Pension Scheme	25,631,490,774	22,972,975,423
	Gift Cheque	34,823,903	32,399,917
	Marriage Deposit Scheme	193	193
	Non Resident Foreign Currency Deposit (NFCD)	10,636,333	8,831,999
		128,121,855,220	**117,285,285,556**
13.4 (a)	**Consolidated Term deposits**		
	Dhaka Bank Limited	128,121,855,220	117,285,285,556
	Dhaka Bank Securities Limited	-	-
	Dhaka Bank Investment Limited	-	-
		128,121,855,220	117,285,285,556
	Less: Inter company transaction	305,700,277	404,682,168
		127,816,154,943	**116,880,603,387**
	Total Interest bearing Account	**147,183,849,793**	**134,020,525,288**
	Total Deposits and other accounts	**170,035,420,927**	**157,161,630,521**
13.5	**Deposits and Other Accounts**		
	Deposits from Banks	11,455,697,594	5,887,542,661
	Deposits from Customers	158,579,723,333	151,274,087,860
		170,035,420,927	**157,161,630,521**
	Deposits from Banks		
	Current Deposits and Other Accounts	-	-
	Savings Bank/Mudaraba	8,034,025	34,585,178
	Special Notice Deposits	11,257,074,167	2,957,483
	Fixed Deposits	190,589,402	5,850,000,000
		11,455,697,594	**5,887,542,661**
	Deposits from Customers		
	i) Current Deposits and Other Accounts		
	Current Account	11,164,633,072	10,374,651,794
	Foreign Currency Deposits	1,849,561,598	2,184,671,554
	Margin under Letter of Credit	1,101,635,757	1,045,111,125
	Margin under Letter of Guarantee	852,060,951	833,454,505
	Deposits Awaiting Disposal	973,346,674	655,839,263
	Sundry Deposit	4,084,158,272	5,999,739,213
		20,025,396,323	**21,093,467,455**
	ii) Bills Payable		
	Pay Order	1,954,270,035	1,679,616,208
	Demand Draft	871,904,776	368,021,570
		2,826,174,811	**2,047,637,778**
	iii) Savings Deposits		
	Savings Account	18,556,159,571	16,330,841,801
	Mudaraba Savings Accounts	497,800,977	369,812,752
		19,053,960,548	**16,700,654,554**

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			31.12.2017 Taka	31.12.2016 Taka
	iv) Term Deposits			
	Special Notice Deposits		5,488,146,890	12,779,811,185
	Fixed Deposits		85,509,093,558	75,638,309,356
	Deposit Pension Scheme		25,631,490,774	22,972,975,423
	Gift Cheque		34,823,903	32,399,917
	Marriage Deposit Scheme		193	193
	Non Resident Foreign Currency Deposit (NFCD)		10,636,333	8,831,999
			116,674,191,651	**111,432,328,073**
			158,579,723,333	**151,274,087,860**
13.6	**Payable on demand and time deposits**			
	a) Demand deposits			
	Current Account		11,164,633,072	10,374,651,794
	Savings Deposits (10%)		1,906,199,457	1,673,523,973
	Foreign Currency Deposits		1,849,561,598	2,184,671,554
	Margin under Letter of Credit		1,101,635,757	1,045,111,125
	Margin under Letter of Guarantee		852,060,951	833,454,505
	Deposits Awaiting Disposal		973,346,674	655,839,263
	Sundry Deposit		4,084,158,272	5,999,739,213
	Bills Payable		2,826,174,811	2,047,637,778
			24,757,770,591	**24,814,629,206**
	b) Time Deposits			
	Savings Deposits (90%)		17,155,795,116	15,061,715,759
	Special Notice Deposits		16,745,221,057	12,782,768,668
	Fixed Deposits		85,699,682,960	81,488,309,356
	Deposit Pension Scheme		25,631,490,774	22,972,975,423
	Gift Cheque		34,823,903	32,399,917
	Marriage Deposit Scheme		193	193
	Non Resident Foreign Currency Deposit (NFCD)		10,636,333	8,831,999
			145,277,650,336	**132,347,001,315**
			170,035,420,927	**157,161,630,521**
13.7	**Maturity grouping of deposits and other accounts**			
	Other than Bank Deposits			
	Repayable on demand		22,886,395,037	23,173,505,150
	Repayable within 1 month		24,552,743,771	29,489,297,737
	Over 1 month but within 3 months		44,456,233,733	39,444,513,912
	Over 3 months but within 6 months		11,114,058,433	9,861,128,478
	Over 6 months but within 1 year		22,228,117,060	19,722,257,149
	Over 1 year but within 5 years		20,005,305,180	17,750,031,260
	Over 5 years but within 10 years		13,336,870,120	11,833,354,174
			158,579,723,333	**151,274,087,860**
	Inter-bank deposits			
	Repayable on demand		-	-
	Repayable within 1 month		11,265,108,192	37,542,661
	Over 1 month but within 3 months		-	-
	Over 3 months but within 6 months		190,589,402	5,850,000,000
	Over 6 months but within 1 year		-	-
	Over 1 year but within 5 years		-	-
	Over 5 years but within 10 years		-	-
			11,455,697,594	**5,887,542,661**
			170,035,420,927	**157,161,630,521**
13.8	**Sector wise Deposits**			
	Government		1,326,950,175	1,099,584,071
	Public Sector		7,905,490,032	7,704,657,097
	Private sector		160,802,980,720	148,357,389,353
			170,035,420,927	**157,161,630,521**
13.(a)	**Consolidated Deposits and other accounts**			
	Dhaka Bank Limited	(Note: 13)	170,035,420,927	157,161,630,521
	Dhaka Bank Securities Limited		-	-
	Dhaka Bank Investment Limited		-	-
			170,035,420,927	**157,161,630,521**
	Less: Inter company transaction		305,700,277	404,682,168
			169,729,720,650	**156,756,948,353**

		31.12.2017 Taka	31.12.2016 Taka
14. Non Convertible Subordinated Bond		**3,000,000,000**	**3,800,000,000**

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 has been fully redeemed in December 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.

iii) The Bank is going to issue 3rd tranche of Non-Convertible Subordinated Bond of Tk. 5,000,000,000 which is approved by the Board of Directors in its 310th meeting held on September 26, 2017. Bank has already got approval from BSEC vide letter no. BSEC/CI/CPLC/DS-210/2009/210 dated March 28, 2018 and from Bangladesh Bank vide letter no. BRPD (BFIS) 661/14B (P) 2018-2569 dated April 17, 2018.

15. Other Liabilities

Accrued Interest		48,201,672	44,141,685
Provision on loans and advances	(Note: 15.1)	7,779,475,833	6,241,383,798
Provision for Good Borrower	(Note: 15.2)	12,523,697	9,454,000
Provision for Off Balance Sheet Exposure	(Note: 15.3)	830,368,362	626,399,959
Interest Suspense Account	(Note: 15.4)	1,874,880,813	1,831,665,015
Provision against Expenses	(Note: 15.5)	51,466,437	13,576,027
Provision for decrease in value of investments	(Note: 38)	-	-
Provision for Other Assets	(Note: 15.6)	12,151,156	11,797,024
Fund for Dhaka Bank Foundation	(Note: 36.1)	27,432,031	27,479,849
Provision for Current Tax	(Note: 15.7)	4,167,700,964	2,794,836,497
Deferred tax liability		-	7,258,236
Tax deducted at source & payable		333,278,461	270,441,417
Excise Duty Payable		35,001,271	15,437,752
Other Account Payable	(Note: 15.9)	4,466,153,662	3,593,495,073
		19,638,634,359	**15,487,366,332**

15(a) Consolidated Other liabilities

Dhaka Bank Limited	(Note: 15)	19,638,634,359	15,487,366,332
Dhaka Bank Securities Limited		1,039,740,118	883,074,456
Dhaka Bank Investment Limited		15,926,605	12,952,380
		20,694,301,082	16,383,393,167
Less: Inter-company transactions			
Dhaka Bank Securities Limited		55,787,264	74,106,236
Dhaka Bank Investment Limited		1,173,725	1,173,725
		56,960,989	75,279,961
		20,637,340,094	**16,308,113,207**

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		2,409,087,464	1,902,698,726
Specific provision	(+)	2,614,003,456	954,049,421
Recoveries from written off loans	(+)	-	50,461,881
Fully provided debt written off	(-)	(511,121,061)	(460,532,282)
Provision no longer required	(-)	(104,767,993)	(37,590,282)
Provision held at the end of the year		**4,407,201,865**	**2,409,087,464**

ii) The movement in general provision on unclassified loans:

Provision held at the beginning of the year		3,832,296,334	2,341,828,546
Additional provision for the year		(460,022,367)	1,490,467,788
Provision held at the end of the year		**3,372,273,967**	**3,832,296,334**
		7,779,475,833	**6,241,383,798**

15.2 Provision for Good Borrower

Opening Balance	9,454,000	1,254,000
Add: Addition during the year	7,377,931	8,200,000
Less: Disbursement during the year	4,308,234	-
	12,523,697	**9,454,000**

15.3 Provision for Off Balance Sheet Exposures

Opening balance	626,399,959	426,578,478
Add: Addition during the year	203,968,402	199,821,481
	830,368,362	**626,399,959**

Bank has made a provision of Tk. 203,968,402 @ 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.830,368,361 is deemed sufficient on requirement as on 31 December 2017.

			31.12.2017 Taka	31.12.2016 Taka
15.4	**Interest Suspense Account**			
	Balance at the beginning of the year		1,831,665,015	2,419,863,452
	Amount transferred to "Interest Suspense" A/c during the year	(+)	1,542,524,155	1,614,619,700
	Amount recovered from "Interest Suspense" A/c during the year	(-)	(1,428,447,557)	(1,945,971,642)
	Amount written off during the year	(-)	(70,860,800)	(256,846,494)
	Balance at the end of the year		**1,874,880,813**	**1,831,665,015**
15.5	**Provision against expenses**			
	Provision for Audit Fees		1,380,000	1,380,000
	Provision for House Rent, Telephone, Utility, Risk Premium etc.		8,199,251	5,647,040
	Provision for Promotional Expenses for Exchange Houses		382,079	589,319
	Provision for Superannuation Fund		13,500,000	2,500,000
	Provision for gratuity fund		27,912,000	3,459,668
	Provision for other Professional Fees		93,107	-
			51,466,437	**13,576,027**

As per Actuary Report, Bank has to maintain provision for Tk.8.37 Crore against Gratuity and Tk.4.05 Crore against Superannuation Fund within December 2019. In line with the requirement, Bank has maintained provision for Tk.2.79 Crore against Gratuity and Tk.1.35 Crore against Superannuation Fund as one-third portion of the requirement.

15.6	**Provision for Other Assets**		
	Balance at the beginning of the year	11,797,024	8,670,024
	Add: Addition during the year	354,132	3,127,000
		12,151,156	**11,797,024**
15.7	**Provision for Current Tax**		
	Opening Balance	2,794,836,497	1,479,868,518
	Add: Provision made during the year	1,372,864,467	1,314,967,979
		4,167,700,964	2,794,836,497
	Less: Adjustment during the year	-	-
		4,167,700,964	**2,794,836,497**

Provision for taxation has been made on accounting profit considering taxable allowances / disallowances as per Income Tax Ordinance 1984 amounting to Tk.1,372,867,246 as Current Tax Provision for the period up to December 31, 2017 (Assessment Year 2018-2019).
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, 2011 and 2015 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) & for the year 2016 (Assessment year 2017-2018) had been submitted respectively in July, 2016 & September, 2017.

15.7(a) Consolidated Provision for Current Tax

Dhaka Bank Limited	(Note: 15.7)	4,167,700,964	2,794,836,497
Dhaka Bank Securities Limited		180,895,067	79,145,670
Dhaka Bank Investment Limited		14,407,880	-
		4,363,003,911	**2,873,982,167**

15.8 Deferred tax liabilities/ (Assets)

31 December 2017	Carrying amount	Tax base	Taxable/ (deductible) temporary difference
Fixed Asset excluding land	1,312,560,767	1,321,288,052	(8,727,286)
Non adjusting difference for Vehicle exceeding Tk 2,500,000	(69,125,669)	-	(69,125,669)
	1,243,435,098	**1,321,288,052**	**(77,852,954)**
Provision for gratuity	27,900,000	-	(27,900,000)
Provision for Superannuation fund	13,500,000		(13,500,000)
Deductible temporary difference			(119,252,954)
Applicable tax rate			40%
Deferred Tax Asset			**(47,701,182)**
Revaluation reserve of land at carrying amount	648,455,000	-	648,455,000
Applicable Tax Rate	4%		4%
Deferred Tax Liability			**25,938,200**
Net Deferred Tax (Asset)/ Liability as on 31 December 2017			**(21,762,982)**

			31.12.2017 Taka	31.12.2016 Taka
			Taxable/ (deductible)	
31 December 2016	Carrying amount	Tax base	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)
	1,221,346,914	**1,262,087,157**		**(40,740,242)**
Provision for gratuity	3,459,668			(3,459,668)
Provision for Supper annuation fund	2,500,000	-		(2,500,000)
Taxable temporary difference				(46,699,910)
Applicable tax rate				40%
Deferred Tax Liability				**(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**
Deferred tax expense/ (Income)				
Closing Deferred tax Liability excluding liability for revaluation reserve for land			(21,762,982)	7,258,236
Opening Deferred tax liability excluding liability for revaluation reserve for land			7,258,236	40,169,445
			(29,021,217)	**(32,911,209)**

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		-	7,258,236
Dhaka Bank Securities Limited		-	2,170,619
Dhaka Bank Investment Limited		-	-
		-	**9,428,854**

15.9 Other Account Payable

3 months and 5 years Bangladesh/Pratirakhkha Sanchay Patra		224,736,231	84,328,536
Application, Processing, Membership & Utilisation Fee		4,876,030	18,116,030
Adjusting Account Credit		17,925,976	25,932,745
Export Proceeds Suspense		1,250,479,221	948,126,832
Vendors' Security Deposit		6,722,072	2,551,509
Finance from Bill Discounting OBU	(Note: 15.9.1)	2,283,443,574	2,053,278,130
Compensation Income of Islamic Banking operations	(Note: 15.9.2)	22,912,759	15,823,055
Import Payment Suspense		635,057,800	425,338,236
Baina against Non-Banking Assets	(Note: 15.9.3)	20,000,000	20,000,000
		4,466,153,662	**3,593,495,073**

15.9.1 Authorised Dealer Branches maintained cover fund of Tk.2,283,443,574 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.22,912,759 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.

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		31.12.2017 Taka	31.12.2016 Taka
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**		
	687,900,686 ordinary shares (2016: 625,364,260 ordinary shares of Tk. 10.00 each) of Tk.10 each issued for cash	6,879,006,860	6,253,642,600
	34,395,034 ordinary shares (2016: 62,536,426 ordinary shares of Tk. 10.00 each) of Tk.10.00 each	343,950,340	625,364,260
		7,222,957,200	**6,879,006,860**

The Bank has increased its paid up capital by issuance of 5% bonus share i.e 34,395,034 ordinary shares of Tk. 10.00 each as on 12/06/2017.

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	1,438,800	143,880,000	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	1,327,673	132,767,250	663,836,200
2004	35% Stock & 1R:2	5,642,608	564,260,813	1,228,097,000
2005	5% Stock Dividend	614,049	61,404,853	1,289,501,900
2006	10% Cash & 20% Stock Dividend	2,579,004	257,900,383	1,547,402,300
2007	25% Stock Dividend	3,868,506	386,850,575	1,934,252,875
2008	15% Cash & 10% Stock Dividend	1,934,253	193,425,287	2,127,678,200
2009	25% Stock Dividend (Split: Note 16.2)	244,682,988	531,919,540	2,659,597,700
2010	35% Stock Dividend	93,085,920	930,859,195	3,590,457,030
2011	5% Cash & 30% Stock Dividend	107,713,707	1,077,137,069	4,667,594,130
2012	16% Stock Dividend	74,681,503	746,815,034	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	56,851,294	568,512,945	6,253,642,600
2015	6% Cash & 10% stock Dividend	62,536,424	625,364,239	6,879,006,860
2016	10% Cash & 5% stock Dividend	34,395,033	343,950,340	7,222,957,200

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16.6 Percentage of shareholding

Particulars	31.12.2017		31.12.2016	
	% of holdings	Value of Shares (Tk.)	% of holdings	Value of Shares (Tk.)
1. Local Ownership				
Banking Companies	-	-	11.6528	801,598,130
Financial Institutions	11.7447	848,310,550	6.0800	418,244,060
Sponsors	39.6152	2,861,389,280	39.0994	2,689,652,840
General Public	37.8668	2,735,097,010	36.5356	2,513,285,460
Mutual Funds	0.7183	51,879,870	0.7973	54,847,430
Unit Funds	0.5134	37,083,440	0.5785	39,796,150
ICB Account Holders	0.0833	6,018,690	0.0957	6,584,110
ICB Head office (Investors A/c)	0.0488	3,524,920	0.0650	4,470,340
ICB Mutual Fund	0.0014	100,000	-	-
ICB Unit Fund	0.0076	550,000	0.0032	222,580
ICB AMCL Unit Fund	0.0208	1,500,000	0.0408	2,809,610
Non-Resident Bangladeshi (NRB)	0.2526	18,243,260	0.2559	17,604,410
ICB Mutual Fund	-	-	0.0200	1,375,000
ICB Asset Management Company Ltd.	0.1249	9,020,000	-	-
ICB Capital Management Limited	0.1801	13,009,760	0.3326	22,882,160
Other Investor's A/C	8.6941	627,969,570	4.2924	295,276,790
	99.8720	**7,213,696,350**	**99.8494**	**6,868,649,070**

Particulars	31.12.2017		31.12.2016	
	% of holdings	Value of Shares (Tk.)	% of holdings	Value of Shares (Tk.)
2. Foreign Ownership				
Financial Company	0.1280	9,260,850	0.1506	10,357,790
Individual Investors	-	-	-	-
	0.1280	**9,260,850**	**0.1506**	**10,357,790**
	100.00	**7,222,957,200**	**100.00**	**6,879,006,860**

16.7 Classification of shareholders by holding

Holdings	31.12.2017		31.12.2016	
	No. of share holders	Number of Shares	No. of share holders	Number of Shares
1 to 500 shares	12,225	1,835,880	14,645	2,083,679
501 to 5,000 shares	10,911	19,282,235	11,393	17,951,139
5,001 to 10,000 shares	1,625	12,115,480	1,180	8,031,781
10,001 to 20,000 shares	891	13,044,438	518	7,259,129
20,001 to 30,000 shares	340	8,401,683	185	4,551,067
30,001 to 40,000 shares	179	6,378,595	86	3,012,064
40,001 to 50,000 shares	159	7,431,536	48	2,236,984
50,001 to 100,000 shares	271	20,807,920	106	7,579,612
100,001 to 1,000,000 shares	310	88,740,899	146	44,768,572
1000001 & above shares	86	544,257,054	81	590,426,659
	26,997	**722,295,720**	**28,388**	**687,900,686**

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16.8 Name of the Directors and their shareholdings as on 31 December

Sl. No.	Name of Directors with Designation	2017		2016	
		No. of share	Value of share (Tk.)	No. of share	Value of share (Tk.)
1	Mr. Reshadur Rahman (Chairman)	24,379,667	243,796,670	23,218,731	232,187,310
2	Mrs. Rokshana Zaman (Vice Chairman)	17,694,260	176,942,600	13,771,792	137,717,920
3	Mr. Abdul Hai Sarker (Director)	16,029,668	160,296,680	15,266,351	152,663,510
4	Mr. Altaf Hossain Sarker (Director)	20,143,714	201,437,140	19,184,490	191,844,900
5	Mr. Mohammed Hanif (Director)	22,001,572	220,015,720	20,953,879	209,538,790
6	Mr. Md. Amirullah (Director)	14,447,630	144,476,300	13,759,648	137,596,480
7	Mr. Abdullah Al Ahsan (Director)	14,448,872	144,488,720	13,760,832	137,608,320
8	Mr. Khondoker Monir Uddin (Director)	20,743,363	207,433,630	19,755,585	197,555,850
9	Mr. Tahidul Hossain Chowdhury (Director)	14,506,481	145,064,810	13,815,697	138,156,970
10	Mr. Jashim Uddin (Director)	14,447,762	144,477,620	13,759,774	137,597,740
11	Mr. Khondoker Jamil Uddin (Director)	14,447,562	144,475,620	13,759,583	137,595,830
12	Mr. Mirza Yasser Abbas (Director)	26,602,504	266,025,040	25,335,719	253,357,190
13	Mr. Amanullah Sarker (Director)	14,447,633	144,476,330	13,759,651	137,596,510
14	Mr. M.N.H. Bulu (Director)	14,464,553	144,645,530	13,775,765	137,757,650
15	Mr. Syed Abu Naser Bukhtear Ahmed (Independent Director)	nil	nil	-	-
16	Mr. M.A. Yussouf Khan (Independent Director)	nil	nil	-	-
	Total	**248,805,241**	**2,488,052,410**	**233,877,497**	**2,338,774,970**

			31.12.2017 Taka	31.12.2016 Taka
16.9	**Capital to Risk Weighted Assets Ratio (CRAR) - as per BASEL III**			
	Tier - I Capital (Going - Concern Capital)			
	Common Equity Tier 1 Capital (CET 1)			
	Paid up Capital		7,222,957,200	6,879,006,860
	Statutory Reserve		6,418,181,801	5,850,338,779
	General Reserve		6,560,631	122,080,584
	Surplus in Profit and Loss Account		953,467,037	942,269,273
			14,601,166,669	**13,793,695,496**
	Regulatory Adjustment:			
	Deferred Tax Assets (DTA)		21,762,982	-
	Book value of Goodwill and value of all other Intangible Assets**		39,783,794	23,939,277
	(Written down value of Software which is treated as Intangible Assets)		**14,539,619,893**	**13,769,756,219**
	Additional Tier 1 Capital (AT 1)		**-**	**-**
	Total Tier - I Capital		**14,539,619,893**	**13,769,756,219**
	Tier - II Capital (Going - Concern Capital)			
	General Provision	(Note - 16.9.1)	4,202,642,329	4,458,696,293
	Asset Revaluation Reserve (50%)	(Note-18.2)	129,691,000	194,536,500
	Revaluation Reserve for HTM & HFT Securities (50%)	(Note - 16.9.2)	12,336,327	18,504,491
	Non-convertible Subordinated Bond	(Note-16.9.3)	3,000,000,000	3,400,000,000
			7,344,669,656	**8,071,737,285**
	Regulatory Adjustment (if any)		-	-
	Total Tier - II Capital		**7,344,669,656**	**8,071,737,285**
	A. Total Eligible Capital		**21,884,289,549**	**21,841,493,503**

	31.12.2017 Taka	31.12.2016 Taka
B. Risk Weighted Assets		
Credit Risk		
Balance sheet business	144,737,835,014	129,904,754,729
Off- Balance sheet business	22,137,025,678	17,131,092,346
	166,874,860,692	**147,035,847,075**
Market Risk	3,701,657,912	1,442,876,247
Operational Risk	12,376,972,302	11,311,260,340
Total Risk-weighted Assets	**182,953,490,906**	**159,789,983,662**
C. Required Capital on Risk Weighted Assets	**20,582,267,727**	**15,978,998,366**
D. Capital Surplus / (Shortfall) [A-C]	**1,302,021,822**	**5,862,495,137**
Total Capital Ratio (%)	**11.96%**	**13.67%**

Capital Requirement	2017		2016	
	Required (%)	Held (%)	Required (%)	Held (%)
Tier - I Capital (Going Concern Capital)	5.50%	7.95%	5.50%	8.62%
Tier - II Capital (Gone Concern Capital)	-	4.01%	-	5.05%
Total	**11.250%**	**11.96%**	**10.625%**	**13.67%**

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). It has been fully redeemed in 2017 and has not contributed in Bank's Capital.

DBL 2nd Subordinated Bond amounting Tk. 3,000,000,000.00 was issued on May, 2016 which is 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.

	31.12.2017 Taka	31.12.2016 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	7,222,957,200	6,879,006,860
Minority Interest	57,329	45,991
Statutory Reserve	6,418,181,801	5,850,338,779
General Reserve	6,560,631	122,080,584
Surplus in profit and loss account/ Retained Earnings	1,502,345,228	1,385,575,519
	15,150,102,189	**14,237,047,733**
Regulatory Adjustment:		
Book value of Goodwill and value of all other Intangible Assets**	39,783,794	23,939,277
(**Written down value of Software which is treated as Intangible Assets)		
Deferred Tax Assets (DTA)	23,901,364	2,170,621
	15,086,417,031	**14,210,937,834**
Additional Tier 1 Capital (AT 1)	-	-
Total Tier - I Capital	**15,086,417,031**	**14,210,937,834**

		31.12.2017 Taka	31.12.2016 Taka
Tier - II Capital (Gone Concern Capital)			
General Provision		4,202,642,329	4,458,696,293
Asset Revaluation Reserve (50%)	(Note-18.2)	129,691,000	194,536,500
Revaluation Reserve for HTM & HFT Securities (50%) [Note-2.5(a) & (b) and 18.3]		12,336,327	18,504,491
Non-convertible Subordinated Bond	(Note-16.9.1)	3,000,000,000	3,400,000,000
		7,344,669,656	**8,071,737,285**
Regulatory Adjustment (if any)		-	
Total Tier - II Capital		**7,344,669,656**	**8,071,737,285**
A. Total Eligible Capital		**22,431,086,687**	**22,282,675,119**
B. Risk Weighted Assets			
Credit Risk			
Balance sheet business		146,192,738,000	132,292,271,259
Off- Balance sheet business		22,137,025,678	17,131,092,346
		168,329,763,678	**149,423,363,605**
Market Risk		6,853,922,949	3,782,048,423
Operational Risk		12,812,895,731	11,777,306,397
Total Risk-weighted Assets		**187,996,582,358**	**164,982,718,425**
C. Required Capital on Risk Weighted Assets		**21,149,615,515**	**17,529,413,833**
(11.25% on Total Risk Weighted Assets)			
D. Capital Surplus / (Shortfall) [A-C]		**1,281,471,172**	**4,753,261,286**
Total Capital Ratio (%)		**11.93%**	**13.51%**

Capital requirement	2017		2016	
	Required (%)	Held (%)	Required (%)	Held (%)
Tier - I Capital (Going Concern Capital)	5.50%	8.02%	5.50%	8.61%
Tier - II Capital (Gone Concern Capital)	-	3.91%	-	4.89%
CRAR	**11.250%**	**11.93%**	**10.625%**	**13.51%**

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.

		31.12.2017 Taka	31.12.2016 Taka
17. Statutory reserve			
Opening balance		5,850,338,779	5,300,741,818
Add: Addition during the year		567,843,022	549,596,961
		6,418,181,801	**5,850,338,779**

As per Section 24 of Bank Companies Act 1991 (amended up to 2013), 20% of pre tax profit has been transferred to Statutory Reserve Account.

18. Other reserve			
General reserve	(Note 18.1)	6,560,631	122,080,584
Assets revaluation reserve	(Note 18.2)	622,516,800	622,516,800
Investment revaluation reserve	(Note 18.3)	21,562,316	29,513,562
		650,639,747	**774,110,946**
18(a) Consolidated other Reserve			
Dhaka Bank Limited		650,639,747	774,110,946
Dhaka Bank Securities Limited		33,700,000	25,900,000
Dhka Bank Investment Limited		-	-
		684,339,747	**800,010,946**

		31.12.2017 Taka	31.12.2016 Taka
18.1	**General Reserve**		
	Opening balance	122,080,584	160,272,618
	Add: Addition during the year	-	-
		122,080,584	160,272,618
	Less: Transfer to Capital Account for issue of Bonus Shares	115,519,953	38,192,034
		6,560,631	**122,080,584**

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	622,516,800	648,455,000
	Add: Addition during the year	-	(25,938,200)
		622,516,800	**622,516,800**

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.

Location	Area of Land	Value before Revaluation	Revalued Amount	Revaluation Reserve
71, Purana Paltan Line, VIP Road, Naya Paltan, Dhaka	16.50 decimal	51,545,000	700,000,000	648,455,000

18.3	**Investment revaluation reserve**		
	Revaluation reserve for HTM securities		
	Opening balance	28,702,360	43,125,493
	Add: Addition during the year	-	299,685
	Less: Adjustment during the year	(7,140,044)	(14,722,817)
	Closing Balance	21,562,316	28,702,360
	Revaluation reserve for HFT securities		
	Opening balance	811,202	20,042,955
	Add: Addition during the year	-	157,955,028
	Less: Adjustment during the year	(811,202)	(177,186,781)
	Closing Balance	-	811,202
		21,562,316	**29,513,562**

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	942,269,273	962,390,782
	Add: Post-tax profit for the year	1,495,371,858	1,465,928,034
	Transferred from general reserve	115,519,953	38,192,034
	Adjustment made during the year	-	25,938,200
		2,553,161,084	2,492,449,050
	Less: Transfer to statutory reserve	567,843,022	549,596,961
	Stock dividend	343,950,340	625,364,260
	Cash dividend	687,900,686	375,218,556
		1,599,694,048	1,550,179,777
		953,467,037	**942,269,273**

Adjustment made in 2016 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 retained earnings 2015 was understated by Taka 25,938,200.

19(a)	**Consolidated Retained earnings (attributable to equity holders of DBL)**		
	Opening balance	1,385,575,519	1,265,053,471
	Add: Post-tax profit for the year	1,608,743,805	1,552,271,589
	Transferred from general reserve	115,519,953	38,192,034
	Adjustment made during the year	-	85,938,200
		3,109,839,276	2,941,455,295
	Less: Transfer to statutory reserve	567,843,022	549,596,961
	Transfer to investment fluctuation fund	7,800,000	5,700,000
	Stock dividend	343,950,340	625,364,260
	Cash dividend	687,900,686	375,218,556
	Stock dividend paid by subsidiary	-	-
		1,607,494,048	1,555,879,777
		1,502,345,228	**1,385,575,519**

Consolidated retained earnings has been adjusted in 2016 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.

			31.12.2017 Taka	31.12.2016 Taka
19.1(a)	**Non-controlling interest**			
	Opening balance		45,991	37,355
	Add: Addition for the year from Dhaka Bank Securities Limited		10,807	8,105
	Addition for the year from Dhaka Bank Investment Limited		531	530
	Dhaka Bank Investment Limited		-	-
			57,329	**45,991**
20.	**Profit & Loss Account**			
	Income			
	Interest, discount and similar income		13,714,929,994	13,165,602,608
	Dividend Income		10,405,000	14,750,000
	Fee, Commission and Brokerage		1,518,319,853	1,075,091,210
	Gains less Losses arising from dealing securities		-	-
	Gains less Losses arising from investment securities		2,875,187,984	3,250,970,891
	Gains less Losses arising from dealing in foreign currencies		1,358,421,120	442,285,343
	Income from non-banking assets		-	-
	Other operating income		234,570,211	243,330,435
	Profit less Losses on interest rate changes		-	-
			19,711,834,161	**18,192,030,488**
	Expenses			
	Interest, fee and commission		10,336,326,037	9,452,611,371
	Administrative expenses		3,046,327,147	2,443,649,926
	Other operating expenses		766,974,424	555,116,746
	Depreciation and repairs of bank's assets		357,664,024	337,001,950
			14,507,291,631	**12,788,379,993**
			5,204,542,530	**5,403,650,494**
21.	**Contingent liabilities**			
	Acceptance & Endorsement		**32,868,131,246**	**25,263,660,677**
	Letters of Credit		**27,085,569,676**	**17,447,623,500**
	Usance/Defer Letter of Credit		11,862,464,424	5,645,894,541
	Sight Letter of Credit		8,300,578,082	6,035,185,722
	Back to Back Letter of Credit		2,707,268,694	2,249,193,087
	BD-Sight (EDF)		1,181,871,874	1,174,023,526
	Back to Back - Local		3,033,386,602	2,343,326,623
	Letters of Guarantee	(Note: 21.2)	**23,083,135,224**	**19,928,711,771**
	Bid Bond		1,191,487,419	1,431,426,409
	Performance Bond		11,910,943,564	9,438,841,732
	Counter Guarantee		1,400,540,558	1,003,016,404
	Other Guarantee		8,580,163,683	8,055,427,226
	Shipping Guarantee		-	-
	Bills for collection		**11,591,497,583**	**8,250,158,750**
	Local bills for collection		6,713,162,813	5,540,907,546
	Foreign bills for collection		4,878,334,770	2,709,251,203
	Other contingent liabilities		**3,493,879,200**	**2,036,246,400**
	Bangladesh/Pratirakhkha/Paribar Sanchay Patra		2,223,155,000	1,569,255,000
	ICB Unit certificate		51,340,900	51,340,900
	Forward exchange position	(Note: 21.1)	910,288,000	393,609,500
	US investment & premium Bond		309,095,300	22,041,000
			98,122,212,930	**72,926,401,097**

21.1 The amount represents the forward position of foreign currencies at the end of the period December 31, 2017 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	16,303,298,433	14,075,372,874
Bank and other financial institutions	1,071,468,991	925,047,507
Others	5,708,367,800	4,928,291,390
	23,083,135,224	**19,928,711,771**

		2017 Taka	2016 Taka
22. Interest income/profit on investments			
Term Loan		6,924,033,644	6,478,302,517
Overdrafts		3,528,189,671	3,498,399,485
Loan against Imported Merchandise/Murabaha		554,541	4,914,338
Loan against Trust Receipt		928,859,532	1,016,920,120
Packing Credits		35,760,079	25,418,259
Cash Credits / Bai-Muajjal		805,292,773	865,599,697
Payment against Documents		14,282,494	14,169,262
House Building Loan		236,862,524	204,328,530
Transport Loan		82,651,164	87,054,426
Syndicate Loan		409,376,626	318,049,163
Hire Purchase		32,317,383	38,336,690
Lease Rental/Izara		288,376,156	261,870,596
Credit Card		44,424,759	38,402,705
Total Interest / profit & Rental Income on loans & advances		13,330,981,344	12,851,765,788
Call Lending and Fund Placement with banks		334,167,480	282,040,433
Accounts with Foreign Banks		49,781,170	31,796,387
		13,714,929,994	**13,165,602,608**
22(a) Consolidated interest income/profit on investments			
Dhaka Bank Limited	(Note: 22)	13,714,929,994	13,165,602,608
Dhaka Bank Securities Limited		147,540,545	159,231,617
Dhaka Bank Investment Limited		-	-
		13,862,470,539	13,324,834,225
Less: Inter company transaction		135,265,396	151,362,355
		13,727,205,143	**13,173,471,870**
23. Interest paid/profit on deposits and borrowings, etc.			
Savings Account including Mudaraba		484,868,100	435,666,529
Special Notice Deposit		581,181,740	374,213,741
Term deposits		4,566,408,691	4,843,859,027
Deposits under Scheme		2,633,244,523	2,289,916,778
Call borrowing & fund placement		663,057,718	224,209,111
Non-convertible subordinate bond		372,051,389	340,945,696
Repurchase Agreement (REPO)		24,054,364	31,036,292
Overseas accounts charges		1,625,835	5,194,144
Leased assets		19,996,624	30,372,932
HTM / HFT securities		464,770,265	475,718,324
Others	(Note: 23.1)	525,066,788	401,478,798
		10,336,326,037	**9,452,611,371**
23.1 Others			
Interest paid on NFCD		49,819	1,753,949
Interest/profit paid against Refinance from Bangladesh Bank		244,118,492	76,935,883
Interest paid on Gift Cheque		684,181	599,625
Interest paid on Excel Account		534,528	567,168
Interest on Finance Bill Rediscounting		102,307,505	85,703,863
Interest on Fund Borrowing-OBU		155,058,983	30,915,328
Treasury Bond Premium	(Note: 23.1.a)	22,313,280	205,002,983
		525,066,788	**401,478,798**

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)	10,336,326,037	9,452,611,371
Dhaka Bank Securities Limited		146,833,391	158,403,128
Dhaka Bank Investment Limited		-	-
		10,483,159,428	9,611,014,500
Less: Inter company transaction		143,554,911	159,639,004
		10,339,604,517	**9,451,375,496**

		2017 Taka	2016 Taka
24. Income from investment			
Interest on Treasury bills / bonds		1,934,340,553	2,116,156,227
Profit on Govt. Islamic Bond		930,727	879,375
Capital Gain on Government Securities		665,172,853	988,590,387
Interest on Commercial Papers		27,565,278	40,062,500
Interest on Subordinated Bond		246,074,097	77,793,356
Dividend on Shares		10,405,000	14,750,000
		2,884,488,508	**3,238,231,845**
24(a) Consolidated income from investment			
Dhaka Bank Limited	(Note: 24)	2,884,488,508	3,238,231,845
Dhaka Bank Securities Limited		210,428,761	166,749,241
Dhaka Bank Investment Limited		-	-
		3,094,917,268	**3,404,981,086**
25. Commission / fees and exchange earnings			
Commission / fees and exchange earnings		563,340,360	455,719,713
Commission on Letter of Guarantee		320,970,818	257,878,307
Commission on Remittance / Bills		51,891,634	33,662,464
Processing fee consumer loan		7,235,119	8,582,035
Other comm./ fees (Clearing, cash tr., risk prem., utilisation fee etc.)		519,608,057	279,540,500
Rebate from foreign bank outside Bangladesh		23,512,971	17,010,516
Commission & fee on Credit Card		31,760,894	22,697,675
Exchange gain including gain from foreign currency dealings		1,358,421,120	442,285,343
		2,876,740,973	**1,517,376,553**
25(a) Consolidated commission / fees, exchange earnings & brokerage			
Dhaka Bank Limited	(Note: 25)	2,876,740,973	1,517,376,553
Dhaka Bank Securities Limited		120,269,514	69,763,477
Dhaka Bank Investment Limited		-	-
		2,997,010,487	**1,587,140,031**
26. Other operating income			
Other Income on Credit Card and ATM		19,365,583	14,122,330
Incidental charges		83,573,941	70,055,902
Supervision & monitoring charges		4,819,385	4,376,408
Management Fees		39,774,621	115,054,274
Swift charge recoveries		27,338,507	27,977,283
Locker rent		8,005,900	7,766,300
Capital gain on sale of Shares	(Note: 26.1)	1,104,476	27,489,047
Profit from sale of fixed assets		2,490,121	3,977,938
Recovery from written off loans		49,202,153	-
		235,674,687	**270,819,482**
26.1 Capital gain on sale of Shares			
Sale proceeds of Shares		1,226,336	119,552,858
Less: Cost of Shares		121,860	100,579,094
		1,104,476	**18,973,764**
26(a) Consolidated other operating income			
Dhaka Bank Limited	(Note: 26)	235,674,687	270,819,482
Dhaka Bank Securities Limited		1,059,799	874,258
Dhaka Bank Investment Limited		8,289,515	8,276,649
		245,024,002	279,970,389
Less: Inter company transaction		8,289,515	8,276,649
		236,734,487	**271,693,740**

		2017 Taka	2016 Taka
27. Salary and allowances			
Basic salary		730,087,379	620,627,625
Allowances		1,005,668,997	789,655,737
Bonus & ex-gratia		211,656,404	126,263,285
Leave fare assistance		133,824,242	110,284,757
Bank contribution to gratuity fund		27,900,000	3,459,668
Bank's contribution to provident fund		70,348,849	61,242,651
		2,179,485,872	**1,711,533,723**
27(a) Consolidated salary and allowances			
Dhaka Bank Limited	(Note: 27)	2,179,485,872	1,711,533,723
Dhaka Bank Securities Limited		42,148,640	32,834,624
Dhaka Bank Investment Limited		-	-
		2,221,634,512	**1,744,368,347**
28. Rent, taxes, insurance, electricity, etc.			
Office rent		422,387,999	332,403,057
Electricity and lighting		69,488,659	62,924,552
Regulatory charges		32,246,106	11,410,121
Insurance		110,331,675	101,672,663
		634,454,439	**508,410,393**
28(a) Consolidated rent, taxes, insurance, lighting etc.			
Dhaka Bank Limited	(Note: 28)	634,454,439	508,410,393
Dhaka Bank Securities Limited		14,984,035	20,296,028
Dhaka Bank Investment Limited		-	-
		649,438,474	**528,706,421**
29. Legal expenses			
Legal expenses		14,929,826	13,058,134
Other professional fees		5,326,667	4,337,168
		20,256,493	**17,395,303**
29(a) Consolidated Legal expenses			
Dhaka Bank Limited	(Note: 29)	20,256,493	17,395,303
Dhaka Bank Securities Limited		1,429,750	397,000
Dhaka Bank Investment Limited		-	-
		21,686,243	**17,792,303**
30. Postage, stamps, telecommunication, etc.			
Stamps, postage & courier		933,404	2,176,449
Telephone charges		9,121,901	9,104,847
Fax, internet, radio link, & DDN charges		34,549,003	28,782,791
		44,604,307	**40,064,088**
30(a) Consolidated postage, stamps, telecommunication, etc.			
Dhaka Bank Limited	(Note: 30)	44,604,307	40,064,088
Dhaka Bank Securities Limited		811,443	610,064
Dhaka Bank Investment Limited		-	-
		45,415,750	**40,674,152**
31. Salary and allowances			
Table stationery		12,369,660	11,746,301
Printing stationery		51,347,622	45,963,389
Security stationery		8,875,107	10,776,416
Computer stationery		17,008,266	21,176,294
Advertisement		58,602,653	58,613,666
		148,203,308	**148,276,067**

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		2017 Taka	2016 Taka
31(a) Consolidated stationery, printing, advertisement, etc.			
Dhaka Bank Limited	(Note: 31)	148,203,308	148,276,067
Dhaka Bank Securities Limited		1,912,203	1,192,067
Dhaka Bank Investment Limited		-	-
		150,115,511	**149,468,134**
32. Chief executive's salary and fees			
Basic salary		11,385,183	10,350,167
House rent allowances		300,000	300,000
Entertainment allowances		120,000	120,000
House maintenance allowances		300,000	300,000
Medical allowances		120,000	120,000
Bonus		1,870,000	1,700,000
		14,095,183	**12,890,167**
32(a) Consolidated Chief Executive's salary and fees			
Dhaka Bank Limited	(Note: 32)	14,095,183	12,890,167
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		14,095,183	**12,890,167**
33. Directors' fees			
Directors fees		3,523,600	3,459,200
Fees related to shariah council meeting		193,200	138,000
Board/Executive committee / Shariah council meeting expenses		130,744	102,986
		3,847,544	**3,700,186**

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)	3,847,544	3,700,186
Dhaka Bank Securities Limited		1,173,306	938,814
Dhaka Bank Investment Limited		-	-
		5,020,850	**4,639,000**
34. Auditor's fees		**1,380,000**	**1,380,000**
34(a) Consolidated Auditor's fees	(Note: 34)	1,380,000	1,380,000
Dhaka Bank Limited		287,500	287,500
Dhaka Bank Securities Limited		115,000	115,000
Dhaka Bank Investment Limited		**1,782,500**	**1,782,500**
35. Depreciation and repairs of Bank's assets			
Depreciation & Amotization:			
Building		15,568,030	15,053,353
Furniture & fixture		42,590,012	41,375,613
Office appliance & equipment		135,913,699	118,539,143
Computer		15,699,512	16,308,572
Software		13,916,750	11,840,335
Motor vehicle		26,214,926	18,859,474
		249,902,929	**221,976,490**
Repair & Maintenance:		37,762,286	31,644,125
Office Premises		39,053,497	34,815,797
Office Equipment		2,149,292	1,828,139
Office Furniture		11,276,333	9,383,002
Motor Vehicle		3,036,708	3,106,270
Computer and accessories		14,482,979	34,248,127
Software (AMC)		**107,761,095**	**115,025,460**
		357,664,024	**337,001,950**

		2017 Taka	2016 Taka
35(a) Consolidated depreciation and repairs of bank's assets			
Dhaka Bank Limited	(Note: 35)	357,664,024	337,001,950
Dhaka Bank Securities Limited		7,979,080	8,276,753
Dhaka Bank Investment Limited		-	-
		365,643,104	**345,278,702**
36. Other expenses			
Contractual service charge (own & third party)		296,781,950	248,323,545
Petrol, oil and lubricants (vehicle & generator)		24,030,791	23,933,477
Entertainment (canteen & other)		33,727,365	28,685,193
AGM expenses		3,864,232	1,764,307
Donation		167,400,367	64,906,944
Subscription		4,480,719	3,844,090
Travelling Expenses		21,505,923	10,721,797
Conveyance		13,890,048	16,042,756
Branch opening expenses		2,789,726	2,076,247
Godown expenses		1,103,270	816,001
Training expenses		16,826,780	10,999,935
Bond issue expenses		15,602,500	10,447,500
Books and papers		1,523,002	1,675,847
WASA charges		5,646,421	4,248,771
Staff uniform		3,097,343	2,737,218
Potted plants		2,393,950	2,205,597
Business development & promotion		82,302,267	61,648,831
Reuters charges		1,895,196	1,780,062
Fees and expenses for credit card		19,632,043	16,752,737
ATM network service charges		7,548,499	11,526,042
Contribution to superannuation fund		13,500,000	2,500,000
Dhaka Bank Foundation	(Note: 36.1)	27,432,031	27,479,849
		766,974,424	**555,116,746**
36.1 Fund for Dhaka Bank Foundation			
Opening balance		27,479,849	23,999,322
Add: Addition during the year		27,432,031	27,479,849
Less: Transferred to DBL Foundation trustee account		(27,479,849)	(23,999,322)
Closing balance		**27,432,031**	**27,479,849**

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 which was transferred to DBL Foundation Trustee Account in 2017.

36(a) Consolidated Other Expenses			
Dhaka Bank Limited	(Note: 36)	766,974,424	555,116,746
Dhaka Bank Securities Limited		9,690,378	8,404,428
Dhaka Bank Investment Limited		5,300	5,300
Less: Adjustment for prior year preliminary expenses of DBIL		-	-
		776,670,102	**563,526,474**
37. Provision against loans & advances			
On classified loans & advances		2,614,003,456	954,049,421
On unclassified loans & advances		(460,022,367)	1,490,467,788
		2,153,981,089	**2,444,517,209**

		2017 Taka	2016 Taka
37(a) Consolidated provision against loans & advances			
Dhaka Bank Limited		2,153,981,089	2,444,517,209
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		2,153,981,089	**2,444,517,209**
38. Provision for diminution in value of investments			
In quoted shares			
Opening balance		-	4,967,735
Less: Adjustment during the year		-	(4,967,735)
Add: Addition during the year		-	-
Closing balance		**-**	**-**
Unquoted		**-**	**-**
		-	**-**
38(a) Consolidated provision for diminution in value of investments			
Dhaka Bank Limited		-	-
Dhaka Bank Securities Limited		-	-
Dhaka Bank Investment Limited		-	-
		-	**-**
39. Other provisions			
Provision for off balance sheet items	(Note: 39.1)	203,968,402	199,821,481
Provision for other assets	(Note: 15.6)		3,127,000
		203,968,402	**202,948,481**
39.1 Provision against off balance sheet exposures			
On off balance sheet exposures		**203,968,402**	**199,821,481**

Bank has made a provision ofTk.203,968,402 @ 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)	203,968,402	202,948,481
Dhaka Bank Securities Limited		80,000,000	50,000,000
Dhaka Bank Investment Limited		-	-
		283,968,402	**252,948,481**
40. Earnings Per Share (EPS)			
Net profit after taxation		1,495,371,858	1,465,928,034
Number of ordinary shares outstanding		722,295,720	722,295,720
Earnings Per Share (EPS) -Restated		**2.07**	**2.03**

Earnings Per Share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2017 as per Bangladesh Accounting Standard (BAS)-33. According to BAS-33, EPS for the period ended 31 December 2016 was restated for the issues of bonus shares (for 2016) in 2017.

40(a) Consolidated Earnings Per Share (CEPS)			
Net profit after taxation		1,608,755,143	1,552,280,224
Less: Non-controlling interest		11,338	8,635
Net profit attributable to the shareholders of parent company		1,608,743,805	1,552,271,589
Number of ordinary shares outstanding		722,295,720	722,295,720
Consolidated Earnings per share (CEPS)- Restated		**2.23**	**2.15**

		2017 Taka	2016 Taka
41. Receipts from other operating activities			
Exchange earnings		54,767,559	102,799,399
Other operating income		183,982,413	266,841,544
		238,749,972	**369,640,943**
Non operating income		-	-
		238,749,972	**369,640,943**
41(a) Consolidated receipts from other operating activities			
Dhaka Bank Limited	(Note: 41)	238,749,972	369,640,943
Dhaka Bank Securities Limited		1,059,799	874,258
Dhaka Bank Investment Limited		8,289,515	8,276,649
		248,099,286	378,791,850
Less: Intercompany Transactions		8,289,515	8,276,649
		239,809,771	**370,515,201**
42. Payments for other operating activities			
Rent, taxes, insurance, lighting etc.		634,454,439	508,410,393
Directors' fees & meeting expenses		3,847,544	3,700,186
Repair of bank's assets		107,761,095	115,025,460
Other expenses		766,974,424	555,116,746
		1,513,037,502	**1,182,252,785**
Dhaka Bank Foundation		**(27,432,031)**	**(27,479,849)**
		1,485,605,471	**1,154,772,936**
42(a) Consolidated payments for other operating activities			
Dhaka Bank Limited	(Note: 42)	1,485,605,471	1,154,772,936
Dhaka Bank Securities Limited		10,863,684	9,343,242
Dhaka Bank Investment Limited		5,300	5,300
		1,496,474,455	**1,164,121,478**
43. Other assets			
Stationery, stamps, printing materials etc.		44,821,499	30,044,856
Advance rent and advertisement		402,337,776	298,041,631
Security deposit		22,349,966	21,988,606
Preliminary, formation, work in progress and organization expenses, renovation / development expenses and prepaid expenses		3,429,830,055	2,860,612,139
Branch adjustments		66,491,777	39,897,115
Suspense account		269,019,211	139,958,704
Other assets		13,667,079,236	5,737,476,228
		17,901,929,519	**9,128,019,279**
Increase / (decrease) during the year		**8,773,910,241**	**3,812,918,811**
43(a) Consolidated Other Assets			
Dhaka Bank Limited	(Note: 43)	(8,773,910,241)	(3,812,918,811)
Dhaka Bank Securities Limited		(25,087,237)	(59,889,117)
Dhaka Bank Investment Limited		-	-
		(8,798,997,478)	**(3,872,807,928)**
44. Other liabilities			
Provision against Expenses		51,466,437	13,576,027
Provision for Other Assets		12,151,156	11,797,024
Interest Suspense Account		1,874,880,813	1,831,665,015
Other Account Payable		4,466,153,662	3,593,495,073
		6,404,652,069	**5,450,533,139**
Amount transferred to DBL Foundation Trustee Account		(27,479,849)	(23,999,322)
Adjustment of loss on shares from provision for decrease in value of investment		-	(4,967,735)
Rebate disbursed to Good Borrowers		(4,308,234)	-
Adjustment of Classified Loan from Provision		(615,889,054)	(498,122,564)
Increase / (decrease) during the year		**306,441,792**	**(453,614,536)**
44(a) Consolidated other liabilities			
Dhaka Bank Limited	(Note: 44)	306,441,792	(453,614,536)
Dhaka Bank Securities Limited		25,062,438	(110,664,741)
Dhaka Bank Investment Limited		115,000	-
		331,619,229	**(564,279,276)**

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Dhaka Bank Limited

Highlights on the overall activities of the Bank

SL. No.	Particulars	31.12.2017	31.12.2016
1	Paid up Capital	7,222,957,200	6,879,006,860
2	Total Capital	21,884,289,549	21,841,493,503
3	Capital surplus / (deficit) **(Note - 16.9)**	882,744,135	5,862,495,137
4	Total Assets	229,452,854,497	202,191,595,861
5	Total Deposits	170,035,420,927	157,161,630,521
6	Total Loans and Advances	154,017,029,266	134,689,308,364
7	Total Contingent Liabilities and Commitments	98,122,212,930	72,926,401,097
8	Credit Deposit Ratio (%)	82.64	83.87
9	Percentage of classified loans against total loans and advances (%)	5.98	4.01
10	Profit after tax and provision	1,495,371,858	1,465,928,034
11	Amount of classified loans during the year	9,208,850,274	5,402,949,193
12	Provisions kept against classified loans	4,407,201,865	2,409,087,464
13	Provision surplus / (deficit)	-	3,479,640
14	Cost of fund [deposit cost & overhead cost] (%)	7.35	7.88
15	Interest earning Assets	187,004,215,448	165,095,766,588
16	Non-interest earning Assets	42,448,639,048	37,095,829,273
17	Return on Investment (ROI) [%]	12.97	15.38
18	Return on Assets (ROA) [%]	0.69	0.77
19	Income from Investments	2,884,488,508	3,238,231,845
20	Earnings per Share (Taka)	2.07	2.13
21	Price Earning Ratio (Times)	10.63	8.40

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Annexure-A

Dhaka Bank Limited

Currency wise Balances

As at 31 December 2017

Name of the bank	Location	Name of currency	2017			2016		
			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	1,151,955	82.70	95,266,686	12,182,678	79.00	962,431,530
Mashreq Bank	New York	USD	1,396,857	82.70	115,520,063	1,840,185	79.00	145,374,604
Habib American Bank, OBU	New York	USD	3,350,234	82.70	277,064,344	1,080,001	79.00	85,320,047
Commerz Bank	Frankfurt	USD	73,071	82.70	6,042,995	999,291	79.00	78,943,983
Habib American Bank	USA	USD	1,821,817	82.70	150,664,263	1,616,192	79.00	127,679,181
Wells Fargo Bank N.A.	New York	USD	1,194,556	82.70	98,789,768	1,467,528	79.00	115,934,702
JP Morgan Chase Bank NA	USA	USD	1,510,860	82.70	124,948,105	2,633,736	79.00	208,065,167
Standard Chartered Bank	Mumbai	ACUD	872,847	82.70	72,184,469	890,173	79.00	70,323,669
Sonali Bank	Kolkata	ACUD	261,194	82.70	21,600,758	46,652	79.00	3,685,539
AB Bank	Mumbai	ACUD	442,582	82.70	36,601,527	558,027	79.00	44,084,152
Nepal Bangladesh Bank	Nepal	ACUD	7,989	82.70	660,670	8,124	79.00	641,776
Sampath Bank	Srilanka	ACUD	2,542	82.70	210,223	116,150	79.00	9,175,831
Bhutan National Bank	Bhutan	ACUD	33,381	82.70	2,760,623	14,281	79.00	1,128,212
Bank of Bhutan	Bhutan	ACUD	4,340	82.70	358,880	25,640	79.00	2,025,524
Habib Metropolitan Bank Ltd.	Pakistan	ACUD	157,908	82.70	13,058,968	379,249	79.00	29,960,673
Dhaka Bank OBU Nostro	OBU	USD	-	-	-	6,000,000	79.00	474,000,000
ICICI Bank Limited	India	ACUD	723	82.70	59,814	326,067	79.00	25,759,300
Mashreq Bank	Mumbai	ACUD	376,956	82.70	31,174,282	479,133	79.00	37,851,495
United Bank Of India	Kolkata	ACU	241,269	82.70	19,952,936	398,264	79.00	31,462,893
Axis Bank Ltd, India	Mumbai	ACU	237,420	82.70	19,634,644	-	-	-
Union Bank of Switzerland	Switzerland	CHF	8,572	84.07	720,657	191,285	76.91	14,711,939
Commerz Bank	Frankfurt	EURO	652,562	98.50	64,274,866	514,262	82.22	42,284,738
Standard Chartered Bank	Frankfurt	EURO	4,444	98.50	437,675	37,696	82.22	3,099,493
Unicredit S.P.A.	Milano	EURO	37,479	98.50	3,691,583	27,929	82.22	2,296,476
UNITED BANK OF INDIA	KOLKATA	EURO	182,244	98.50	17,950,312	182,244	82.22	14,984,824
Commerz Bank	Frankfurt	AUD	46,952	64.32	3,019,999	48,702	56.67	2,759,720
Standard Chartered Bank	Japan	JPY	21,112,015	0.73	15,405,437	26,761,120	0.67	17,999,529
Standard Chartered Bank	London	GBP	83,971	110.95	9,316,599	261,936	96.58	25,297,397
Commerz Bank	Frankfurt	CAD	10,647	65.41	696,447	98,707	58.22	5,746,574
Al-Rajhi Bank	Saudi Arabia	SAR	73,075	22.04	1,610,551	273,075	21.04	5,744,788
Total					**1,203,678,144**			**2,588,773,757**

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.

Annexure-B

Dhaka Bank Limited
Investment in Shares
As at 31 December 2017

(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	500,000	52	26,000,000	114.00	57,000,000
Oimex Electrode Limited	10	6,480	10	64,800	65.20	422,496
Nahee Aluminum Composite Panel Ltd.	10	5,706	10	57,060	73.40	418,820
Unquoted						
Bangladesh Fund				200,000,000		200,000,000
Total				**226,121,860**		**257,841,316**

The cost price of investment in shares represents the book value as on 31.12.2017 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 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

Detail of information on advances
More than 10 % of bank's total capital (Funded & Non-funded)

(Taka in Thousand)

SL. No.	Name of the Client	Outstanding as on 31.12.2017		Total
		Funded	Non funded	
1	ARMANA GROUP	2,156,387	3,360,628	5,517,015
2	BSRM GROUP	859,371	4,356,760	5,216,131
3	BASHUNDHARA GROUP	2,183,383	2,279,067	4,462,450
4	BANGLA TRAC	1,591,225	2,587,515	4,178,740
5	T.K. GROUP	1,819,412	2,050,757	3,870,169
6	AMBER-PARTEX GROUP	2,584,192	1,110,942	3,695,133
7	BANGLADESH ERECTORS GROUP	2,189,079	1,341,589	3,530,668
8	PRAN-RFL GROUP	2,386,521	912,937	3,299,459
9	RING SHINE GROUP	1,187,510	2,091,697	3,279,207
10	UNITED GROUP	1,842,309	1,395,971	3,238,280
11	KABIR GROUP	1,939,983	1,292,784	3,232,767
12	RANGS GROUP	1,686,444	1,411,060	3,097,503
13	EXPERIENCE GROUP	578,932	2,281,086	2,860,018
14	FAKIR GROUP	1,551,045	1,221,361	2,772,406
15	NOMAN GROUP	1,764,174	911,001	2,675,175
16	KARNAFULY GROUP	1,325,496	1,306,797	2,632,293
17	M & J GROUP	1,212,782	1,288,012	2,500,794
18	ABUL KHAIR GROUP	1,895,613	580,169	2,475,782
19	DHAKA BANK GROUP	2,237,598	200,000	2,437,598
20	S.A. GROUP	2,400,302	-	2,400,302
21	SURUJ MIAH GROUP	2,307,443	4,829	2,312,272
	Total	**37,699,202**	**31,984,960**	**69,684,163**

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Annexure-D

Dhaka Bank Limited

Schedule of Fixed Assets including premises, furniture & fixtures

As at 31 December 2017

(Amount in Taka)

Particulars	Cost Price				Rate of Dep.	Depreciation					Written Down Value as at 31.12.2017
	Balance as at 01.01.2017	Addition during the year	Transfer/ Adjustment during the year	Total as at 31.12.2017		Balance as at 01.01.2017	Addition during the year	Transfer/ Adjustment during the year	Disposal/ Transfer to	Total as at 31.12.2017	
A. At Cost											
Tangible Assets											
Land	2,301,877,536			2,301,877,536	-					-	2,301,877,536
Building	622,721,217			622,721,217	2.5%	67,432,625	15,568,030			83,000,655	539,720,562
Furniture & Fixture	428,892,919	26,919,838	2,100,994	453,711,763	10%	224,499,455	42,590,013	1,721,476		265,367,993	188,343,770
Office Appliances & Equipments	866,487,334	169,864,362	789,512	1,035,562,184	20%	522,756,758	135,913,621	706,957		657,963,422	377,598,763
Computer	217,967,490	21,349,835		239,317,325	20%	181,421,441	15,699,512			197,120,953	42,196,372
Bank Vehicle	142,893,420	71,822,896	14,799,651	199,916,665	20%	63,583,809	26,214,993	14,799,643		74,999,159	124,917,505
Intangible Assets											
Software	77,845,853	29,761,267		107,607,120	20%	53,906,576	13,916,750	-		67,823,326	39,783,794
Sub Total	**4,658,685,769**	**319,718,198**	**17,690,157**	**4,960,713,810**	**-**	**1,113,600,664**	**249,902,929**	**17,228,086**	**-**	**1,346,275,507**	**3,614,438,303**
B. Revaluation											
Land	648,455,000			648,455,000	-	-	-	-	-	-	648,455,000
Sub Total	**648,455,000**	**-**	**-**	**648,455,000**	**-**	**-**	**-**	**-**	**-**	**-**	**648,455,000**
Total 2017 (A+B)	**5,307,140,769**	**319,718,198**	**17,690,157**	**5,609,168,810**	**-**	**1,113,600,664**	**249,902,919**	**17,228,076**	**-**	**1,346,275,507**	**4,262,893,303**
TOTAL 2016	**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**

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Dhaka Bank Limited

Recovery of loans previously written-off during the period January-December 2017

(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 after Loan written-off
1	Agrani Enterprise	14,315,154	11,599,129	17,683,191	14,310,000
2	Iqbal And Brothers	1,789,290	1,644,775	4,399,757	1,790,000
3	Sundari Fashion	181,694	139,499	250,000	180,000
4	Mousumi Enterprise	251,045	242,216	690,404	230,000
5	Nipa Traders	426,961	294,093	563,819	420,000
6	Gonoshasthaya Antibiotic Ltd.	71,628,580	60,192,640	75,998,182	7,500,000
7	Anudip Autos	43,767,825	32,747,739	40,257,537	2,750,000
8	Anar Impex Ltd	2,421,470	363,221	316,211	200,000
9	Momin Knit Fabrics	9,668,217	7,603,335	13,980,000	300,000
10	Rainbow Consortium Ltd.	1,078,222	161,733	1,057,258	270,000
11	Friends International	4,050,000	3,060,000	4,570,592	3,950,000
12	Mohua Naksha	1,553,470	1,335,057	1,553,497	16,000
13	Prime Construction	4,348,273	3,426,199	4,497,646	1,398,000
14	Prolific Amaze	1,226,906	889,021	1,485,769	10,000
15	Sundry parties of Consumer Banking	-	-	-	15,878,153
Sub Total		**156,707,107**	**123,698,657**	**167,303,861**	**49,202,153**

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Dhaka Bank Limited

Details of Borrowers for written-off loan during the year 2017

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 & SME Loan					
1	Jhalok Fashion	167,552.35	4,368.99	163,183.36	368,605.92
2	Sun Flower Electric	179,294.78	46,466.19	132,828.59	413,314.93
3	Shovon Trading	12,427,748.15	2,631,411.34	4,288,337.81	20,283,961.32
4	Nurul Hoque & Sons	12,741,618.26	888,448.16	11,853,170.10	12,339,586.75
5	Shamem Construction	6,473,430.16	422,455.91	6,050,974.25	7,855,194.43
6	Udayan Construction	10,511,900.24	2,440,730.28	8,071,169.96	10,838,412.72
7	Agrani Enterprise	14,315,154.33	2,716,025.74	11,599,128.59	17,683,191.42
8	Anar Impex	2,421,470.26	159,399.96	363,220.54	316,210.87
9	Orkishtra Kraft	1,232,967.52	212,117.92	184,945.13	2,045,820.42
10	Nowabia Traders	8,171,444.01	2,057,269.65	1,225,716.60	7,465,153.67
11	Orchi Yarn Project	78,271,277.59	7,898,713.38	68,405,561.50	92,398,916.98
12	Well Tex	229,496,494.06	30,242,000.00	161,574,991.82	238,794,474.90
13	Moulana & Sons	175,759,352.47	6,768,850.75	161,036,478.95	202,910,141.77
14	Orchid Travels and Tours	56,970,535.60	13,097,932.96	40,360,886.79	51,266,055.90
15	A. Zaman & Brothers	46,085,076.29	1,274,608.85	35,810,467.44	62,884,041.70
Sub Total		**655,225,316**	**70,860,800**	**511,121,061**	**664,979,042**

Related Party Disclosures

Annexure-G

i) Name of the Directors and their interest in the Bank as on 31.12.2017:

Sl. No.	Name of Directors	Designation	% of interest as on 31.12.2017
1	Mr. Reshadur Rahman	Chairman	3.37530
2	Mrs. Rokshana Zaman	Vice Chairperson	2.44973
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 31.12.2016:

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

iii) Name of Directors and their interest in different entities as on 31.12.2017:

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. 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. Trade Hub Bangladesh Ltd.	Chairman Chairman Managing Director Proprietor Proprietor Proprietor Proprietor Shareholder Shareholder Shareholder Shareholder Chairman
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. Purbani Fabrics Limited. Karim Textiles Limited. Purbani Traders. Purbani Yarn Dyeing Limited. Karim Spinning Mills Limited. Purbani Synthetic Spinning Limited. Purbani Rotor Spinning Limited. Purbani Fisheries. Purbani Fashion Limited. Purbani Agro Processing Limited. Dhaka Bank Securities Limited.	Chairman & CEO Chairman & CEO Chairman & CEO Proprietor Chairman & CEO Chairman & CEO Chairman & CEO Chairman & CEO Proprietor Chairman & CEO Chairman & CEO Director
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.	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. Dhaka Imperial Hospital Ltd.	Chairman Proprietor Director Shareholder
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. Delhi Public School, STS Education Group Ltd. GDS Chemical Bangladesh (pvt.) Ltd. Universal Business Machines Ltd. Citizen Securities Ltd. Apollo Hospitals Dhaka Ltd. International School Dhaka. Dhaka Bank Investment Ltd.	Chairman Chairman Chairman Chairman Chairman Director Sponsor Director Director Director Director 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	Mirza Enterprise Dhaka Bank Investment Ltd. Predictable Process Ltd. LOUD Limited	Executive Director Managing Director Chairman
13	Mr. Amanullah Sarker	Director	Rahmat Textiles Ltd. Rahmat Spinning Mills Ltd. Logos Apparels Ltd Belkuchi Spinning Mills Ltd. China Plastic (BD.) Ltd. Rahmat Sweaters (BD) Ltd.	Director Managing Director Chairman Director Director Director
14	Mr. M.N.H Bulu	Director	National Chemical Industries Ltd. Nawshin Vinyl Industries Abico Industries Ltd. Rumki Industries Ltd. BNS Chemical Industries Ltd. BNS BOPP Tape &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 Proprietor Proprietor Proprietor Proprietor Proprietor Proprietor Proprietor Proprietor Proprietor
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. 37,66,965.58**

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 2017 to 31December 2017, the Bank concluded business deals with the following directors/organizations in which the directors had interest:

Name	Relationship	Nature of transactions	Balance at 31.12.2017
MD AMIRULLAH	Director	Credit Facility	108,606
TAHIDUL HOSSAIN CHOWDHURY	Director	Credit Facility	72,000
KHONDOKER JAMIL UDDIN	Director	Credit Facility	296,991
MIRZA YASSER ABBAS	Director	Credit Facility	663,580
M N H BULU	Director	Credit Facility	346,319
ROKEYA KHAN	Sister of Director	Credit Facility	2,279,469
TOTAL			**37,66,965**

Name	Relationship	Nature of transactions	Balance at 31.12.2017
Dhaka Bank Securities Limited	Subsidiary	Deposit	118,878,378
Dhaka Bank Investment Limited	Subsidiary	Deposit	186,821,898
Dhaka Bank Securities Limited	Subsidiary	Credit Facility	2,237,597,610
Dhaka Bank Securities Limited	Subsidiary	Investment	1,499,999,940
Dhaka Bank Investment Limited	Subsidiary	Investment	249,999,940
Dhaka Bank Investment Limited	Subsidiary	Account receivable	1,173,725
Dhaka Bank Securities Limited	Subsidiary	Account receivable	55,787,264
Dhaka Bank Securities Limited	Subsidiary	Interest Income	130,022,808
Dhaka Bank Securities Limited	Subsidiary	Interest Expense	5,242,588
Dhaka Bank Investment Limited	Subsidiary	Interest Expense	8,289,515

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, Data Recovery Center, Consumer Banking Division (Hub) of the Bankwas 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

Dhaka Bank Limited

Statement of Tax Position

As at 31 December 2017

Annexure-H

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	-	1,142,636,340	-	Case settle after DCT Level &Tax Clearance Certificate received
12	2016-2017	2015	938,402,032	934,833,819	3,568,214	157,582,175	-	-	Assessment Completed and file to Appeal
13	2017-2018	2016	1,282,056,770	-					Income Tax Return Submitted to the LTU
14	2018-2019	2017	1,343,843,250						Return to be submitted as required
Total			**13,338,065,237**	**10,071,640,324**	**347,393,568**	**992,026,891**	**1,435,767,664**	**541,313,392**	

Islamic Banking





Dhaka Bank is operating two Islamic Banking branches 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.

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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 2017

Dhaka Bank Limited has successfully completed the business year 2017 and declared final profit rates on various Mudaraba Deposits Accounts for the year 2017 to the depositors.

The final rates of various Mudaraba Deposits Accounts of Banks as per approved weight age for the year 2017 have come up lower than declared provisional profit rates of Mudaraba Deposits Accounts except Mudaraba Savings Deposit.

As per recommendation of the Shariah Supervisory Committee final rate of Mudaraba Savings Deposit Account as per approved weight age and declared provisional profit rates of other Mudaraba Deposit Accounts for the year 2017 is hereby declared as final rates considering present market position.

Sl. No.	Type of Deposit	Weightage	Final Rate For the Year 2017
1.	Mudaraba Savings Deposit	0.75	3
2.	Mudaraba Savings Deposit For Bank	0.70	3
3.	Mudaraba Short Notice Deposit	0.50	3.50
4.	Mudaraba Term Deposit Account 36 Months 24 Months 12 Months 6 Months 3 Months 1 Month Bank	 - - 0.98 0.92 0.90 0.85 0.80	 - - 5.16 4.70 4.70 4.00 4.00
5.	Mudaraba Hajj Savings Scheme	1.10	6.00
6.	Mudaraba Special Deposit Scheme	1.00	6.50
7.	Mudaraba Deposit Pension Scheme	1.10	8.00

Dhaka Bank Limited (Islamic Banking)

Balance Sheet

As at 31 December 2017

Annexure - I (i)

	Notes	31.12.2017 Taka	31.12.2016 Taka
PROPERTY AND ASSETS			
Cash	1	**451,004,065**	**448,651,849**
Cash in hand (including foreign currencies)		29,546,878	22,687,052
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		421,457,187	425,964,798
Balance with other banks and financial institutions	2	-	-
In Bangladesh		-	-
Outside Bangladesh		-	-
Money at call and on short notice		-	-
Investment in securities		**380,000,000**	**370,000,000**
Investments	3	**5,235,965,555**	**5,035,893,361**
General Investments	3.1	5,204,601,790	4,992,829,547
Bills Discounted and Purchased	3.2	31,363,765	43,063,814
Fixed assets including premises, furniture and fixtures	4	**13,686,640**	**26,069,364**
Other Assets	5	**2,277,691,051**	**1,232,894,928**
Non-Banking Assets		-	-
Total Assets		**8,358,347,312**	**7,113,509,502**
LIABILITIES AND CAPITAL			
LIABILITIES			
Borrowings from other banks / financial Institutions and agents	6	**2,019,866,605**	**188,961,509**
Deposits and Other Accounts	7	**5,884,845,560**	**6,472,830,284**
Current Accounts & Other Accounts		157,374,204	350,467,186
Bills Payable		29,293,714	30,321,181
Savings Bank Deposits		505,835,242	404,397,931
Term Deposits		5,192,342,399	5,687,643,987
Other Liabilities	8	**453,635,147**	**451,717,708**
Total Liabilities		**8,358,347,312**	**7,113,509,502**

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	Notes	31.12. 2017 Taka	31.12. 2016 Taka
Off-balance Sheet Items			
Contingent Liabilities			
Acceptances and Endorsements		923,935,833	1,028,174,198
Letter of Credit		524,569,039	526,498,152
Letter of Guarantee		64,185,050	82,443,076
Bills for Collection		88,720,681	318,714,365
Other Contingent Liabilities		-	-
		1,601,410,601	**1,955,829,790**
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		**1,601,410,601**	**1,955,829,790**

These Financial Statements should be read in conjunction with the annexed notes 1 to 44.

AMARSTOCK

Dhaka Bank Limited (Islamic Banking)

Profit and Loss Account

For the year ended 31 December 2017

Annexure - I (ii)

	Notes	2017 Taka	2016 Taka
OPERATING INCOME			
Profit Received from Investment	9	578,622,984	545,201,570
Profit Paid on Deposits & Borrowings	10	405,560,702	369,376,997
Net Investment Income		**173,062,282**	**175,824,572**
Commission, Exchange Earnings & Brokerage	11	31,632,328	36,048,855
Other Operating Income	12	6,368,738	5,139,489
		38,001,066	41,188,344
Total Operating Income (A)		**211,063,348**	**217,012,917**
Operating Expenses			
Salary & Allowance	13	35,335,491	28,380,055
Rent, Taxes, Insurance, Lighting etc.	14	25,115,302	11,518,615
Legal Expenses		586,880	559,082
Postage, Stamp, Telecommunication etc.	15	880,512	783,691
Stationery, Printing, Advertisement etc.	16	1,089,445	1,230,450
Shariah Council Meeting Expenses		240,075	116,168
Depreciation of Bank's Assets	17	4,621,806	4,033,644
Repair of Bank's Assets	18	1,572,361	1,067,880
Other Expenses	19	7,457,176	6,133,024
TOTAL Operating Expenses (B)		**76,899,049**	**53,822,609**
Operating Profit During the Year (A - B)		**134,164,300**	**163,190,308**

These Financial Statements should be read in conjunction with the annexed notes 1 to 44.

Dhaka Bank Limited (Islamic Banking)
Notes to the Financial Statements
For the year ended 31 December 2017

			31.12. 2017 Taka	31.12. 2016 Taka
1.	**Cash**			
	Cash in hand	(Note: 1.1)	29,546,878	22,687,052
	Balance with Bangladesh Bank and its agent bank(s)	(Note: 1.2)	421,457,187	425,964,798
			451,004,065	**448,651,849**
1.1	**Cash in hand**			
	In Local Currency		29,546,878	22,687,052
	In Foreign Currencies		-	-
			29,546,878	**22,687,052**
1.2	**Balance with Bangladesh Bank and its agent bank(s)**			
	In Local Currency			
	Al-Wadiah Current Account		421,457,187	425,964,798
	In Foreign Currencies		-	-
			421,457,187	**425,964,798**
2.	**Balance with other banks and financial institutions**			
	In Bangladesh			
	Mudaraba Term Deposits			
	Social Islami Bank Limited		-	-
	Outside Bangladesh		-	-
			-	**-**
3.	**Investments**			
	General Investments		5,204,053,137	4,992,829,547
	Bills Purchased & Discounted		31,912,419	43,063,814
			5,235,965,555	**5,035,893,361**
3.1	**General Investments**			
	In Bangladesh			
	Murabaha (Purchase Order)		1,617,308,501	1,554,413,967
	Murabaha (Term Financing)		863,130,452	774,443,037
	MPI Trust Receipt		500,123,945	441,258,503
	Murabaha Import Bill (PAD)		-	1,663,603
	Bai Muajjal		1,411,525,857	1,355,363,201
	Ijara (Lease Financing) (Note-3.5)		446,765,998	220,613,195
	Shirkatul Mulk (Hire Purchase)		306,257,415	424,040,241
	Others		58,940,969	221,033,800
			5,204,053,137	**4,992,829,547**
	Outside Bangladesh		-	-
			5,204,053,137	**4,992,829,547**

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		31.12.2017 Taka	31.12.2016 Taka
3.2	**Bills Purchased & Discounted**		
	Payable in Bangladesh:		
	Inland bills purchased	31,912,419	43,063,814
	Payable outside Bangladesh:		
	Foreign bills purchased & discounted	-	-
		31,912,419	**43,063,814**
3.3	**Residual maturity grouping of investments including bills purchased and discounted**		
	Repayable on Demand	1,792,072,276	1,977,689,670
	Not more than 3 months	1,081,631,916	1,285,235,238
	More than 3 months but not more than 6 months	1,077,104,112	728,760,647
	More than 6 months but not more than 1 year	689,581,656	271,845,246
	More than 1 year but not more than 5 years	499,263,797	750,453,611
	More than 5 years	96,311,798	21,908,949
		5,235,965,555	**5,035,893,361**
3.4	**Maturity grouping of bills purchased & discounted**		
	Payable within 1 month	8,584,952	20,216,972
	Over 1 month but less than 3 months	14,881,442	15,718,715
	Over 3 months but less than 6 months	8,446,025	7,128,127
	6 months or more	-	-
		31,912,419	**43,063,814**
3.5	**Investment in lease / izara finance**		
	Lease rental receivable within 1 year	340,096,089	188,122,607
	Lease rental receivable more than 1 year	106,669,908	46,952,105
	Total lease/ izara rental receivable	**446,765,998**	**235,074,712**
	Less: unearned interest receivable	-	14,461,517
	Net investment in lease/izara finance	**446,765,998**	**220,613,195**
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
	d. Investments to Customer's Group:		
	Agriculture investments	-	-
	Commercial investment	28,997,741	4,138,031,390
	Export financing	48,204,528	182,472,085
	Consumer investment scheme	118,817,648	37,976,889
	SME investment	402,676,883	385,324,282
	Staff investments	38,528,510	38,561,715
	Others	4,598,740,245	251,932,915
		5,235,965,555	**5,035,893,361**
3.7	**Investments under the following broad categories**		
	Investments	1,312,088,326	3,637,466,345
	Bai Murabaha/ Bai Muajjal	3,891,964,810	1,355,363,201
		5,204,053,137	4,992,829,547
	Bills Purchased and discounted	31,912,419	43,063,814
		5,235,965,555	**5,035,893,361**

AMARSTOCK

			31.12.2017 Taka	31.12.2016 Taka
3.8	**Industry - wise investments including bills purchased & discounted**			
	Textile & Garment Industries		1,632,860,634	1,857,158,428
	Chemical Industries		815,891,925	12,650,000
	Food & alied Industries		205,048,059	205,005,622
	Transport & Communication		34,590,826	18,004,266
	Housing & Construction Industries		280,261,861	199,168,483
	Engineering & Metal Industres including Ship Breaking		1,604,691,475	1,622,072,653
	Energy & Power Industries		327,625,050	327,625,050
	Service Industries		14,955,383	16,721,426
	Other Industries		320,040,343	777,487,432
			5,235,965,555	**5,035,893,361**
3.9	**Geographical Location - wise investments**			
	Dhaka Region		3,249,303,617	2,983,840,452
	Chittagong Region		1,986,661,938	2,052,052,909
	Sylhet Region		-	-
	Other		-	-
			5,235,965,555	**5,035,893,361**
3.10	**Sector - wise investments**			
	In Bangladesh			
	Government & Autonomous bodies		-	-
	Financial Institutions (Public & Private)		-	-
	Other Public Sector		-	-
	Private Sector		5,235,965,555	5,035,893,361
			5,235,965,555	**5,035,893,361**
	Outside Bangladesh		-	-
			5,235,965,555	**5,035,893,361**
3.11	**Classification of investments**			
	Unclassified (including staff investment)		4,455,485,251	4,781,373,616
	Sub-Standard		-	-
	Doubtful		-	-
	Bad or loss		780,480,304	254,519,745
			5,235,965,555	**5,035,893,361**
3.12	**Provision required for investments**			
	Status:	Rate %		
	Unclassified	0.25,1,2,5 & 100	5,436,506	575,580,738
	Special Mention Account	0.25, 1	226,568	109,888
			5,663,074	**575,690,626**
	Classified:			
	Sub-Standard	20	-	-
	Doubtful	50	-	-
	Bad or loss	100	348,719,136	127,020,404
			348,719,136	**127,020,404**
	Required provision for investments		**354,382,210**	**702,711,030**
	Total provision maintained		**354,382,210**	**702,711,030**
	Excess / short provision as at 31 December		-	-

		31.12.2017 Taka	31.12.2016 Taka
3.13	**Securities against investments including bills purchased & discounted**		
	a. Secured		
	Collateral of movable / immovable assets	4,747,625,063	3,399,853,865
	Local Banks & Financial Institutions guarantee		43,063,814
	Government Guarantee		-
	Foreign Banks Guarantee		-
	Export documents		-
	Fixed Deposits Receipts		-
	1 Own FDR	3,512,454	-
	2 FDR of Other Banks	-	-
	Government bonds	146,808,872	-
	Personal Guarantee	161,586,079	38,561,715
	Other Securities	176,433,087	1,554,413,967
		5,235,965,555	**5,035,893,361**
	b. Unsecured	-	-
		5,235,965,555	**5,035,893,361**
4.	**Premises and Fixed Assets**		
	Land	-	277,000
	Building	-	24,323,000
	Furniture and Fixture including Office decoration	7,026,510	5,030,760
	Office Appliances & Equipment	18,676,224	12,128,950
	Computer	3,368,164	3,196,164
	Software	421,959	421,959
	Bank's Vehicle	2,850,375	2,850,375
		32,343,232	**48,228,209**
	Less: Accumulated depreciation	18,656,592	22,158,845
		13,686,640	**26,069,364**
5.	**Other Assets**		
	Stationery, stamps, printing materials etc.	35,162	74,912
	Profit accrued on investment but not collected,	4,233,750	16,935,000
	Advance rent	8,770,930	6,744,913
	Security deposit;	315,000	315,000
	Preliminary, formation and organization expenses, renovation / development expenses and prepaid expenses	779,069	675,894
	Branch Adjustments	2,260,453,350	1,205,261,889
	Suspense Account	190,769	196,408
	Others	2,913,021	2,690,912
		2,277,691,051	**1,232,894,928**
6.	**Borrowings From Other Banks, Financial Institutions & Agents**		
	Bangladesh Bank refinance		
	Export development fund	15,937,286	188,961,509
	Islami Investment bond's fund	2,003,929,319	-
		2,019,866,605	**188,961,509**
7.	**Deposits & Other Accounts**		
7.1	**Current and Other Accounts**		
	Current Account	130,319,172	102,183,112
	Foreign Currency Deposits	3,425,175	2,279,631
	Margin under Letter of Credit	6,656,236	12,168,290
	Margin under Letter of Guarantee	5,353,238	7,834,178
	Deposits Awaiting Disposal	4,241,866	552,331
	Sundry Deposit	7,378,518	225,449,644
		157,374,204	**350,467,186**

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		31.12.2017 Taka	31.12.2016 Taka
7.2	**Bills Payable**		
	Pay Order	29,293,714	30,321,181
	Demand Draft	-	-
		29,293,714	**30,321,181**
7.3	**Savings Deposits**		
	Mudaraba Savings Accounts	**505,835,242**	**404,397,931**
7.4	**Term Deposits**		
	Mudaraba Special Notice Deposits	101,595,497	128,707,955
	Mudaraba Term Deposits	4,354,815,052	4,928,435,137
	Mudaraba Deposit Pension/Hajj Savings Scheme	735,931,851	630,500,895
		5,192,342,399	**5,687,643,987**
8.	**Other Liabilities**		
	Profit Suspense Account	433,738,595	437,193,616
	Finance from OBU for Bill Discounting	38,565	36,840
	Tax/VAT deducted at source & payable	6,519,793	4,967,861
	Excise Duty Payable	4,845,875	3,784,206
	Others	8,492,319	5,735,184
		453,635,147	**451,717,708**

		2017 Taka	2016 Taka
9.	**Profit received from Investment**		
	Murabaha Term Investment	55,249,928	51,448,227
	Investment against Imported Merchandise/Murabaha	384,625	17,696
	Investment against MPI Trust Receipt	8,467,052	583,427
	Cash Credits / Bai-Murabaha	159,678,684	111,034,162
	House Building Investment	498,503	398,836
	Transport Investment	-	227,703
	Hire Purchase/Shirkatul Mulk	66,122,806	44,814,144
	Total Profit receved from Investment	**290,401,597**	**208,524,196**
	Fund Placement with banks	-	-
	Inter Branch Profit received	288,221,387	336,677,373
		578,622,984	**545,201,570**
10.	**Profit Paid On Deposits & Borrowings**		
	Mudaraba Savings Account	12,380,080	29,405,809
	Special Notice Deposits	3,336,748	5,035,590
	Term Deposits	286,554,248	267,816,511
	Mudaraba Deposit Pension / Hajj Savings Scheme	73,956,443	61,664,484
	Inter Branch Profit paid	-	4,322,507
	Borrowing & Fund Placement	29,333,184	1,132,096
		405,560,702	**369,376,997**
11.	**Commission / Fees, Exchange Earnings & Brokerage**		
	Commission on L/C	16,968,522	17,041,195
	Commission on L/G	872,356	1,457,507
	Commission on Remittance / Bills	612,124	293,479
	Processing Fee Consumer Loan	152,000	65,500
	Other Commission / Fees	13,016,485	4,757,143
	Exchange gain including gain from foreign currency dealings	10,842	12,434,032
		31,632,328	**36,048,855**

		2017 Taka	2016 Taka
12.	**Other Operating Income**		
	Profit on Govt. Islamic Bond	930,727	879,375
	Postage charge recoveries	424,793	410,932
	Incidental charges	1,427,591	1,324,283
	Supervision & monitoring charges	15,000	22,325
	Management Fees	2,106,302	1,350,449
	ATM charges realised	223,700	171,000
	Swift charge recoveries	1,240,625	981,125
		6,368,738	**5,139,489**
13.	**Salary and Allowances**		
	Basic Salary	11,752,013	10,236,122
	Allowances	16,998,225	13,748,985
	Bonus & Ex-gratia	3,332,307	1,723,643
	Leave Fare Assistance	2,118,200	1,657,473
	Bank's contribution to Provident Fund	1,134,746	1,013,832
		35,335,491	**28,380,055**
14.	**Rent, Taxes, Insurance, Lighting Etc.**		
	Office Rent	19,462,341	6,956,562
	Electricity and Lighting	1,612,702	1,395,998
	Regulatory Charges	54,000	170,736
	Insurance	3,986,260	2,995,319
		25,115,302	**11,518,615**
15.	**Postage, Stamps, Telecommunication Etc.**		
	Stamps, Postage & Courier	371,092	308,427
	Telephone Charges	110,635	179,569
	Fax, Internet, Radio Link, & DDN Charges	398,785	295,695
		880,512	**783,691**
16.	**Stationery, Printing, Advertisement Etc.**		
	Table Stationery	248,552	270,281
	Printing Stationery	251,600	289,502
	Security Stationery	88,718	202,558
	Computer Stationery	124,220	106,410
	Advertisement	376,355	361,699
		1,089,445	**1,230,450**
17.	**Depreciation of Bank's Assets**		
	Land	-	-
	Building	50,673	608,075
	Furniture & Fixture	682,918	498,852
	Office Appliance & Equipment	3,118,785	2,144,306
	Computer	186,471	212,141
	Software	12,884	47,702
	Motor Vehicle	570,075	522,569
		4,621,806	**4,033,644**

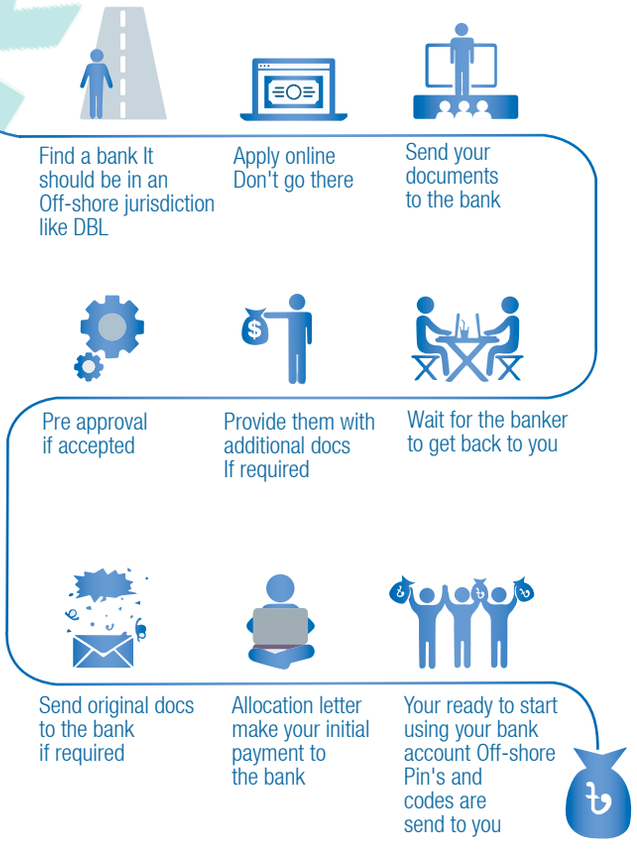
AMARSTOCK

		2017 Taka	2016 Taka
18.	**Repair & Maintenance of Bank's Assets**		
	Office Premises	682,916	234,102
	Office Equipment	646,183	326,723
	Office Furniture	6,700	23,000
	Motor Vehicle	49,062	32,700
	Computer & Office Appliances	187,500	451,355
		1,572,361	**1,067,880**
19.	**Other Expenses**		
	Contractual Service Charge	5,702,064	4,062,563
	Petrol, Oil and Lubricants	238,800	226,070
	Entertainment: canteen & other	415,264	386,828
	Donations	-	600,000
	Travelling	171,122	140,136
	Conveyance	169,654	152,129
	Training Expenses	327,799	51,750
	Books and Papers	14,809	13,718
	WASA Charges	13,520	82,320
	Staff Uniform	38,894	31,510
	Potted Plants	108,000	81,000
	ATM Network Service Charges	230,250	275,000
	Miscellaneous expenses	27,000	30,000
		7,457,176	**6,133,024**

AMARSTOCK

Off-Shore Banking





AMARSTOCK

Dhaka Bank Limited (Off-Shore Banking Unit)

Balance Sheet

As at 31 December 2017

Annexure- J

	Notes	31.12.2017		31.12.2016	
		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		**3,350,234**	**277,064,344**	**1,080,001**	**85,320,047**
In Bangladesh		-	-	-	-
Outside Bangladesh		3,350,234	277,064,344	1,080,001	85,320,047
Money at call and on short notice		-	-	-	-
Investments		-	-	-	-
Government		-	-	-	-
Others		-	-	-	-
Loans, advances and lease/investments	3	**40,623,530**	**3,359,565,907**	**17,981,726**	**1,420,556,382**
Loans, cash credits, overdrafts, etc./Investments	3.1	39,015,614	3,226,591,251	16,886,732	1,334,051,825
Bills purchased and discounted	3.2	1,607,916	132,974,656	1,094,994	86,504,557
Fixed assets including premises, furniture and fixtures				-	-
Other assets	4	**161,960,636**	**13,394,144,624**	**70,828,423**	**5,595,445,423**
Non-banking assets		-	-	-	-
Total Assets		**205,934,400**	**17,030,774,875**	**89,890,150**	**7,101,321,852**
LIABILITIES AND CAPITAL					
Liabilities					
Borrowings from other banks, financial institutions and agents	5	**77,765,577**	**6,431,213,181**	**10,682,770**	**843,938,814**
Deposits and other accounts	6	**8,669,684**	**716,982,876**	**12,027,664**	**950,185,490**
Current accounts & other accounts		7,314,895	604,941,825	11,135,025	879,666,969
Bills payable		4,811	397,892	-	-
Other deposits		1,349,978	111,643,158	892,640	70,518,521
Other liabilities	7	**114,843,827**	**9,497,584,472**	**64,684,616**	**5,110,084,677**
Total Liabilities		**201,279,087**	**16,645,780,528**	**87,395,050**	**6,904,208,981**
Capital/Shareholders' Equity					
Paid-up capital		-	-	-	-
Statutory reserve		-	-	-	-
Other reserve		-	-	-	-
Surplus in Profit and Loss Account		4,655,313	384,994,347	2,495,100	197,112,871
Total Shareholders' Equity		**4,655,313**	**384,994,347**	**2,495,100**	**197,112,871**
Total Liabilities & Shareholders' Equity		**205,934,400**	**17,030,774,875**	**89,890,150**	**7,101,321,852**

Off-Balance Sheet Items	Notes	31.12.2017		31.12.2016	
		USD	Taka	USD	Taka
CONTINGENT LIABILITIES	8				
Acceptances and Endorsements		25,447,490	2,104,507,382	12,037,463	950,959,546
Irrevocable Letters of Credit		14,325,457	1,184,715,281	12,593,801	994,910,240
Letter of Guarantee		-	-	-	-
Bills for Collection		20,149,565	1,666,369,065	6,851,349	541,256,599
Other Contingent Liabilities		-	-	-	-
Sub-total:		**59,922,512**	**4,955,591,727**	**31,482,612**	**2,487,126,386**
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		**59,922,512**	**4,955,591,727**	**31,482,612**	**2,487,126,386**

These Financial Statements should be read in conjunction with the annexed notes 1 to 16.

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,
26 April 2018

Hoda Vasi

Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka Bank Limited (Off-Shore Banking Unit)

Profit and Loss Account

For the year ended 31 December 2017

	Notes	2017		2016	
		USD	Taka	USD	Taka
Operating Income					
Interest Income/Profit Received	9	6,352,602	525,360,210	3,276,174	258,817,750
Interest/Profit paid on Deposits & Borrowings	10	2,507,629	207,380,929	1,190,242	94,029,127
Net Interest Income		**3,844,973**	**317,979,282**	**2,085,932**	**164,788,623**
Income from Investment		-	-	-	-
Commission/Fees & Exchange Earnings	11	903,323	74,704,787	593,773	46,908,045
Other Operating Income	12	102,653	8,489,390	76,962	6,080,026
Total Operating Income (A)		**4,850,949**	**401,173,459**	**2,756,667**	**217,776,694**
OPERATING EXPENSES					
Salary and allowances		104,011	8,601,672	178,020	14,063,580
Rent, taxes, insurance, electricity, etc.		5,491	454,073	8,970	708,630
Legal expenses		-	-	3,600	284,400
Postage, stamps, telecommunication, etc.		10,377	858,170	6,960	549,840
Stationery, printing, advertisement, etc.		1,204	99,604	21,840	1,725,360
Chief executive's salary and fees		-	-	-	-
Directors' fees		-	-	-	-
Auditors' fees		-		-	-
Depreciation and repairs of Bank's assets		64,111	5,302,013	18,930	1,495,470
Other expenses	13	10,442	863,580	23,247	1,836,543
Total operating expenses (b)		**195,636**	**16,179,112**	**261,567**	**20,663,823**
Profit / (Loss) Before Provision (C) = (A - B)		**4,655,313**	**384,994,347**	**2,495,100**	**197,112,871**
Less: Provision for Loans (D)		234,463	19,390,095	179,817	14,205,564
Total Profit/(Loss) before Tax (C-D)		**4,420,849**	**365,604,252**	**2,315,282**	**182,907,307**
Less: Provision for Income Tax		-	-	-	-
Net Profit / (Loss) after Tax :		**4,420,849**	**365,604,252**	**2,315,282**	**182,907,307**

These Financial Statements should be read in conjunction with the annexed notes 1 to 16.

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,
26 April 2018

HodaVasi Chowdhury & Co
Chartered Accountants

Dhaka Bank Limited (Off-Shore Banking Unit)

Cash Flow Statement

For the year ended 31 December 2017

	Notes	2017		2016	
		USD	Taka	USD	Taka
Cash Flow from Operating Acrivities:					
Interest receipts		6,352,602	525,360,210	3,276,174	258,817,750
Interest payments		(2,507,629)	(207,380,929)	(1,190,242)	(94,029,127)
Receipts from other operating activities	14	1,005,976	83,194,177	670,735	52,988,071
Payments for other operating activities	15	(195,636)	(16,179,112)	(261,567)	(20,663,823)
Operating profit before changes in current assets & liabilities		**4,655,313**	**384,994,347**	**2,495,100**	**197,112,871**
Changes in operating assets and liabilities					
Other banks		(2,318,553)	(191,744,298)	5,534,541	437,228,711
Loans and advances to customers		(23,446,306)	(1,939,009,525)	(8,077,669)	(638,135,864)
Other assets		(94,301,079)	(7,798,699,200)	(48,688,176)	(3,846,365,888)
Deposits & Borrowings from other banks		67,560,754	5,587,274,366	(5,918,249)	(467,541,643)
Deposits from customers		(2,819,862)	(233,202,614)	2,838,446	224,237,198
Other liabilities account of customers		-	-	-	-
Other liabilities		53,053,202	4,387,499,795	53,274,910	4,208,717,867
Net cash flow from operating activities (A)		**2,383,469**	**197,112,871**	**1,458,902**	**115,253,252**
Cash Flow from Investing Activities (B)		-	-	-	-
Cash Flow from Financiang Activities					
Profit/Loss remitted to Head Office		(2,383,469)	(197,112,871)	(1,458,902)	(115,253,252)
Net cash in financing activities (C)		**(2,383,469)**	**(197,112,871)**	**(1,458,902)**	**(115,253,252)**
Net increase / (Decrease) in cash (A+B+C)		-	-	-	-
Opening cash & cash equivalent		-	-	-	-
Closing cash & cash equivalent		-	-	-	-
		-	-	-	-
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		-	-	-	-
		-	-	-	-

These Financial Statements should be read in conjunction with the annexed notes 1 to 16.

Dhaka,
26 April 2018

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 2017

	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	3,350,234	277,064,344	-		-		-		-		3,350,234	277,064,344
Money at call on short notice	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-
Loans and Advances	3,498,214	289,302,297	16,450,820	1,360,482,778	11,410,655	943,661,157	9,263,841	766,119,676	-	-	40,623,530	3,359,565,907
Fixed assets including premises, furniture and fixtures	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	161,960,636	13,394,144,624	-	-	-	-	161,960,636	13,394,144,624
Non-banking assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	**6,848,448**	**566,366,641**	**16,450,820**	**1,360,482,778**	**173,371,291**	**14,337,805,781**	**9,263,841**	**766,119,676**	**-**	**-**	**205,934,400**	**17,030,774,875**
Liabilities:												
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	-	-	-	-	(77,765,577)	(6,431,213,181)	-	-	-	-	(77,765,577)	(6,431,213,181)
Deposits & Other Accounts	(7,764,923)	(642,159,132)	-	-	(904,761)	(74,823,744)	-	-	-	-	(8,669,684)	(716,982,876)
Other liabilities	(713,047)	(58,968,954)	(111,988,978)	(9,261,488,449)	(2,141,803)	(177,127,069)	-	-	-	-	(114,843,827)	(9,497,584,472)
Capital & Reserve	-	-	-	-	-	-	(4,655,313)	(384,994,347)	-	-	(4,655,313)	(384,994,347)
Total Liabilities	**(8,477,970)**	**(701,128,086)**	**(111,988,978)**	**(9,261,488,449)**	**(80,812,140)**	**(6,683,163,993)**	**(4,655,313)**	**(384,994,347)**	**-**	**-**	**(205,934,400)**	**(17,030,774,875)**
Net Liquidity Gap	**(1,629,522)**	**(134,761,445)**	**(95,538,158)**	**(7,901,005,671)**	**92,559,151**	**7,654,641,787**	**4,608,529**	**381,125,329**	**-**	**-**	**(0)**	**(0)**
Cumulative Liquidity Gap	**(1,629,522)**	**(134,761,445)**	**(97,167,680)**	**(8,035,767,116)**	**(4,608,529)**	**(381,125,329)**	**-**	**(0)**	**-**	**(0)**	**-**	**-**

IMAR STOCK

Dhaka Bank Limited (Off-Shore Banking Unit)

Notes to the Financial Statements

For the year ended 31 December 2017

1 Nature of Business

Off-Shore Banking Unit is a separate business unit of Dhaka Bank Limited, governed under the Rules & Guidelines of Bangladesh Bank. Currently, the Bank has two OBUs in DEPZ & CEPZ. The Bank obtained DEPZ Offshore Banking Unit permission vide letter no. BRPD (P)744(92)/2005-2181 dated June 18, 2005. The Bank commenced the operation of its Offshore Banking Unit with effect from May 10, 2006.

The Bank obtained CEPZ Offshore Banking Unit permission vide letter no. BRPD (P-3)744(92)/2017-123 dated January 05, 2017. The Bank commenced the operation of its CEPZ Offshore Banking Unit with effect from February 12, 2017.

2 Significant Accounting Policy

2.1 Basis of accounting

The accounting records of the 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.

	31.12.2017		31.12.2016	
	USD	Taka	USD	Taka
3 Loans and Advances				
3.1 Loans, Cash Credits & Overdrafts etc:				
In Bangladesh				
Overdraft	6,411,604	530,239,612	2,781,180	219,713,252
Term Loan	11,787,712	974,843,807	6,753,412	533,519,512
Short Term Loan	-		-	-
Loan against Accepted Bills	396,385	32,781,040	474,516	37,486,793
Loan against Trust Receipt	-		-	-
Payment against Documents	-			
Other Loans	20,419,913	1,688,726,793	6,877,624	543,332,267
	39,015,614	**3,226,591,251**	**16,886,732**	**1,334,051,825**
Outside Bangladesh			-	-
Sub-total	**39,015,614**	**3,226,591,251**	**16,886,732**	**1,334,051,825**
3.2 Bills Purchased & Discounted				
Payable in Bangladesh:				
Inland bills purchased	1,607,916	132,974,656	1,094,994	86,504,557
Payable outside Bangladesh:				
Foreign bills purchased & discounted	-	-	-	-
Sub-total	**1,607,916**	**132,974,656**	**1,094,994**	**86,504,557**
Total	**40,623,530**	**3,359,565,907**	**17,981,726**	**1,420,556,382**
3.3 Residual maturity grouping of loans including bills purchased and discounted				
Repayable on Demand	3,498,214	289,302,297	3,375,021	266,626,659
Not more than 3 months	16,450,820	1,360,482,778	5,973,379	471,896,909
More than 3 months but not more than 1 year	11,410,655	943,661,157	899,149	71,032,768
More than 1 year but not more than 5 years	9,263,841	766,119,676	1,505,560	118,939,217
More than 5 years	-	-	6,228,618	492,060,830
	40,623,530	**3,359,565,907**	**17,981,726**	**1,420,556,382**

	31.12.2017		31.12.2016	
	USD	Taka	USD	Taka
3.4 Maturity grouping of bills purchased & discounted				
Payable within 1 month	922,184	76,264,647	539,663	42,633,367
Over 1 month but less than 3 months	685,732	56,710,009	555,332	43,871,190
Over 3 months but less than 6 months	-	-	-	-
6 months or more	-	-	-	-
	1,607,916	**132,974,656**	**1,094,994**	**86,504,557**
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
Export financing	1,607,916	132,974,656	1,094,695	86,480,911
Consumer credit scheme	-	-	-	-
Small and Medium Enterprise (SME)	-	-	-	-
Staff Loan	-	-	-	-
Others	39,015,614	3,226,591,251	522,235	41,256,593
	40,623,530	**3,359,565,907**	**17,981,726**	**1,420,556,382**
3.6 Industry-wise loans including bills purchased & discounted				
Agricultural	-	-	-	-
Pharmaceuticals	-	-	-	-
Textile & Garment	32,794,605	2,712,113,795	13,047,237	1,030,731,690
Chemical	-	-	-	-
Food & allied	-	-	-	-
Transport & Communication	-	-	524,793	41,458,682
Electronics & Automobile	-	-	-	-
Housing & Construction	-	-	-	-
Engineering & Metal Industries including Ship Breaking	-	-	-	-
Energy & Power	-	-	-	-
Service	-	-	-	-
Others	7,828,925	647,452,112	4,409,696	348,366,009
	40,623,530	**3,359,565,907**	**17,981,726**	**1,420,556,382**
3.7 Geographical Location - wise Loans and Advances				
Dhaka Region	40,469,932	3,346,863,389	17,981,726	1,420,556,382
Chittagong Region	153,598	12,702,518	-	-
South Region	-	-	-	-
North Region	-	-	-	-
Sylhet Region	-	-	-	-
Other	-	-	-	-
	40,623,530	**3,359,565,907**	**17,981,726**	**1,420,556,382**
3.8 Sector wise loans				
In Bangladesh				
Government & Autonomous bodies	-	-	524,793	41,458,682
Financial Institutions (Public & Private)	-	-	-	-
Other Public Sector	-	-	-	-
Private Sector	40,623,530	3,359,565,907	17,456,933	1,379,097,700
	40,623,530	**3,359,565,907**	**17,981,726**	**1,420,556,382**
Outside Bangladesh	-	-	-	-
	40,623,530	**3,359,565,907**	**17,981,726**	**1,420,556,382**

	31.12.2017		31.12.2016	
	USD	Taka	USD	Taka
3.9 Classification of loans & advances				
Unclassified (including staff loan)	40,623,530	3,359,565,907	17,981,726	1,420,556,382
Sub-Standard	-	-	-	-
Doubtful	-	-	-	-
Bad or loss	-	-	-	-
	40,623,530	**3,359,565,907**	**17,981,726**	**1,420,556,382**
3.10 Provision required for loans and advances				
Status **Rate%**				
Unclassified 0.25,1,2 & 5	406,235	33,595,659	179,817	14,205,564
Special Mention Account 0.25,1,2 & 5	-	-	-	
	406,235	**33,595,659**	**179,817**	**14,205,564**
Classified:				
Sub-Standard 20	-	-	-	-
Doubtful 50	-	-	-	-
Bad or loss 100	-	-	-	-
	-	-	-	-
Required provision for loans & advances	**406,235**	**33,595,659**	**179,817**	**14,205,564**
Total provision maintained	**406,235**	**33,595,659**	**179,817**	**14,205,564**
Excess / short provision as at 31 December	**-**	**-**	**-**	**-**
3.11 Securities against loans including bills purchased & discounted				
a. Secured				
Collateral of movable / immovable assets	-		16,886,732	1,334,051,825
Local Banks & Financial Institutions guarantee	-		1,094,994	86,504,557
Government Guarantee	-		-	-
Foreign Banks Guarantee	-		-	-
Export documents	-		-	-
Fixed Deposits Receipts	-		-	-
1. Own FDR	-		-	-
2. FDR of Other Banks	-		-	-
Government bonds	2,851,431	235,813,369	-	-
Personal Guarantee	31,359,688	2,593,446,232	-	-
Other Securities	6,412,410	530,306,307	-	-
b. Unsecured	-	-	-	-
	40,623,530	**3,359,565,907**	**17,981,726**	**1,420,556,382**
3.12 Particulars of Loans and Advances				
(i) Loans considered good in respect of which the bank company is fully secured;	37,772,098	3,123,752,539	16,886,732	1,334,051,825
(ii) Loans considered good against which the banking company holds no security other than the debtor's personal guarantee;	2,900,533	235,813,369	-	-
(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
(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;	-	-	-	-

	31.12.2017		31.12.2016	
	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;	2,893,053	239,255,443	3,028,550	239,255,443
4 Other Assets				
Finance to AD Branches for IBP **(See Note-9.6.2.a)**	26,580,366	2,198,196,309	25,625,350	2,024,402,632
Finance to AD Branches for Import Bill Discounting **(See Note-9.6.2.b)**	135,380,270	11,195,948,315	45,203,073	3,571,042,791
	161,960,636	**13,394,144,624**	**70,828,423**	**5,595,445,423**
5 Borrowing from Other Banks/Financial Institutions	**77,765,577**	**6,431,213,181**	**10,682,770**	**843,938,814**
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	77,765,577	6,431,213,181	10,682,770	843,938,814
Over 1 year but within 5 years	-	-	-	-
	77,765,577	**6,431,213,181**	**10,682,770**	**843,938,814**

According to BCD Circular No.(P)744(27) dated 17 December 1985 of Bangladesh Bank, Dhaka Bank maintained foreign currency accounts with Off-shore Banking Units in the manner they maintain such accounts with their foreign correspondents.

		31.12.2017		31.12.2016	
		USD	Taka	USD	Taka
6	**Deposits and Other Accounts**				
6.1	**Current and Other Accounts**				
	Foreign Currency Deposits	**7,314,895**	**604,941,825**	**11,135,025**	**879,666,969**
6.2	**Bills Payable**	**4,811**	**397,892**	**-**	**-**
6.3	**Other deposit**				
	Margin under L/C	97,585	8,070,310	81,638	6,449,411
	Term Deposit	904,761	74,823,744	402,678	31,811,545
	Deposits Awaiting Disposal	347,631	28,749,104	408,324	32,257,566
	Sundry Deposit	-	-	-	-
		1,349,978	**111,643,158**	**892,640**	**70,518,521**
		8,669,684	**716,982,876**	**12,027,664**	**950,185,490**
6.4	**Maturity grouping of deposits and other accounts**				
	Repayable on demand	7,764,923	642,159,132	11,624,987	918,373,946
	Repayable within 1 month	-	-	-	-
	Over 1 month but within 6 months	-	-	-	-
	Over 6 months but within 1 year	904,761	74,823,744	402,678	31,811,545
	Over 1 year but within 5 years	-	-	-	-
	Over 5 years but within 10 years	-	-	-	-
		8,669,684	**716,982,876**	**12,027,664**	**950,185,490**
7	**Other Liabilities**				
	Finance from Bill Discounting	2,141,803	177,127,069	891,696	70,443,948
	Import Payment Suspense	143,862	11,897,392	-	-
	Export proceeds suspense	520,194	43,020,044	1,003,596	79,284,078
	Interest Suspense Account	-	-	16,678	1,317,569
	Tax deducted at source & payable	48,991	4,051,519	27,481	2,170,988
	Branch Adjustment	111,988,978	9,261,488,449	62,745,166	4,956,868,094
		114,843,827	**9,497,584,472**	**64,684,616**	**5,110,084,677**
8	**Contingent Liabilities**				
	Acceptance & Endorsement	25,447,490	2,104,507,382	12,037,463	950,959,546
	Letters of Credit	14,325,457	1,184,715,281	12,593,801	994,910,240
	Letters of Guarantee	-		-	
	Bills for Collection	20,149,565	1,666,369,065	6,851,349	541,256,599
	Other Contingent Liabilities	-	-	-	-
		59,922,512	**4,955,591,727**	**31,482,612**	**2,487,126,386**

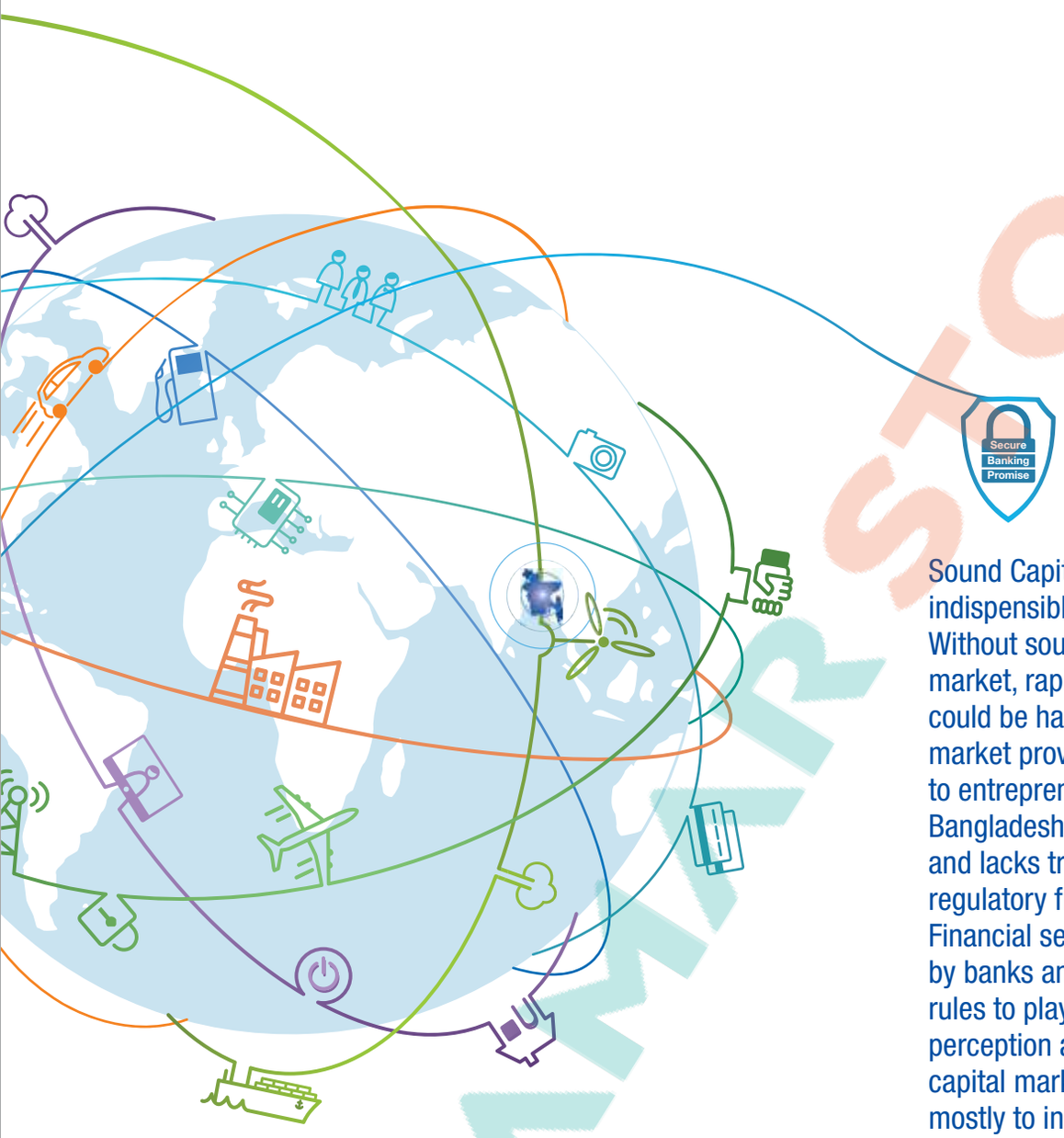
		2017		2016	
		USD	Taka	USD	Taka
9	**Interest Income**				
	Interest on Advances	6,352,602	525,360,210	3,276,174	258,817,750
	Interest on Money at call and short Notice	-		-	
	Call Lending and Fund Placement with banks	-	-	-	-
	Accounts with Foreign Banks	-	-	-	-
		6,352,602	**525,360,210**	**3,276,174**	**258,817,750**
10	**Interest / Profit Paid On Deposits & Borrowings**				
	Term Deposits	6,047	500,051	4,042	319,316
	Fund Borrowings	1,874,957	155,058,983	391,333	30,915,328
	Inter Branch Interest paid	626,625	51,821,894	794,867	62,794,483
		2,507,629	**207,380,929**	**1,190,242**	**94,029,127**

		2017		2016	
		USD	Taka	USD	Taka
11	**Commission / Fees and Exchange Earnings**				
	Commission/ Fees Income	880,041	72,779,367	552,903	43,679,331
	Exchange gain including gain form foreign currency dealings	23,282	1,925,420	40,870	3,228,714
		903,323	**74,704,787**	**593,773**	**46,908,045**
12	**Other Operating Income**				
	Postage Charge Recoveries	24,505	2,026,548	24,113	1,904,906
	Swift Charge Recoveries	77,235	6,387,370	52,850	4,175,120
	Other Fees	913	75,472	-	-
		102,653	**8,489,390**	**76,962**	**6,080,026**
13	**Other expenses**				
	Contractual service charge	3,272	270,615	7,992	631,398
	Petrol, oil and lubricants (vehicle & generator)	2,764	228,585	3,900	308,100
	Entertainment (canteen & other)	2,033	168,100	3,690	291,510
	Conveyance	503	41,568	1,095	86,505
	Training expenses	-	-	4,000	316,000
	Books and papers	-	-	285	22,515
	Potted plants	-	-	1,110	87,690
	Business development & promotion	1,270	105,001	-	-
	Bank Account Charges	601	49,711	1,175	92,825
		10,442	**863,580**	**23,247**	**1,836,543**
14	**Cash Received from Other Operating Activities**				
	Commission & Exchange	903,323	74,704,787	593,773	46,908,045
	Other Operating Income	102,653	8,489,390	76,962	6,080,026
		1,005,976	**83,194,177**	**670,735**	**52,988,071**
15	**Cash Paid for Other Operating Activities**				
	Office Operating Expenses	**(195,636)**	**(16,179,112)**	**(261,567)**	**(20,663,823)**

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. 82.70, GBP=95.4143, Euro = 108.8207 (2016 : Us $ 1 = Tk 79.00) which represents the period end mid rate of exchange as at 31 December 2017.
- 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 2017 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 2017 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,
04 April 2018

Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka Bank Securities Limited

Statement of Financial Position

As on 31 December 2017

Annexure - K

	Notes	31.12.2017 Taka	31.12.2016 Taka
ASSETS			
Non Current Assets		**985,704,391**	**986,972,659**
Property, plant & equipments	4	6,488,239	7,724,270
Intangible asset	5	-	-
Investment in un-quoted shares	6	977,077,770	977,077,770
Current Assets		**4,448,167,614**	**3,958,009,281**
Cash and bank balances	07	188,576,888	184,381,826
Investment in quoted shares	08	1,881,629,593	1,500,440,363
Margin loan	09	2,088,210,237	2,057,523,809
Accounts receivable	10	93,335,781	46,405,391
Advance income tax	11	161,326,341	112,325,964
Advance, prepayments & other receivables	12	35,088,774	56,931,927
Deferred tax asset	13	2,138,382	2,170,618
Total assets		**5,433,872,005**	**4,944,981,940**
EQUITY AND LIABILITIES			
Equity		**2,056,539,337**	**1,948,466,042**
Paid up capital	14	1,801,800,000	1,716,000,000
Investment fluctuation fund	15	33,700,000	25,900,000
Retained earnings	16	221,039,337	206,566,042
Liabilities			
Current Liabilities		**3,377,332,668**	**2,996,515,898**
Short-term loan from bank and NBFI	17	2,337,592,550	2,113,441,442
Accounts payables	18	218,730,867	175,470,262
Provision for income tax	19	180,895,067	129,878,773
Provision for unrealized losses	20	583,760,904	503,173,973
Other liabilities	21	56,353,280	74,551,448
Total Liabilities		**3,377,332,668**	**2,996,515,898**
Total Equity and Liabilities		**5,433,872,005**	**4,944,981,940**

The annexed notes from 1 to 39 form an integral part of these financial statements.

Mohammad Ali
EVP & COO

Emranul Huq
Acting Managing Director

Altaf Hossin Sarker
Director

Reshadur Rahman
Chairman

This is the Statement of Financial Position referred to in our separate report of even date.

Dhaka,
04 April 2018

Hoda Vasi Chowdhury & Co
Chartered Accountants

AMARSTOCK

Dhaka Bank Securities Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2017

	Notes	2017 Taka	2016 Taka
Operating Income			
Net brokerage commission income	22	120,269,514	69,763,477
Gain on investments in shares	23	156,364,428	114,293,649
Dividend on shares	23	54,064,332	52,455,591
Net interest income	24	707,154	828,490
Fees & other income	25	1,059,799	874,258
Total operating income (A)		**332,465,228**	**238,215,466**
Operating Expenses			
Salary & allowances	26	42,148,640	32,834,624
Rent, taxes, insurance, electricity etc.	27	14,984,035	18,567,982
Legal & professional expenses	28	1,429,750	397,000
Postage, stamp, telecommunication etc.	29	811,443	610,064
Stationery, printing, advertisement etc.	30	1,912,203	1,192,067
Directors' fee & meeting expenses	31	1,173,306	938,814
Audit fees	32	287,500	287,500
Repair & maintenance of assets	33	5,865,340	6,371,664
Other expenses	34	9,690,378	8,404,428
Depreciation and amortization	35	2,113,740	3,633,135
Total Operating Expenses (B)		**80,416,335**	**73,237,278**
Profit/(Loss) before provision (C)= (A-B)		**252,048,893**	**164,978,188**
Less: Provisions for unreazilesed losses (D)			
Provision against unrealized loss in portfolio		50,000,000	25,000,000
Provision against unrealized loss in margin loan accounts		30,000,000	25,000,000
		80,000,000	50,000,000
Profit/(Loss) before tax (E)= (C-D)		**172,048,893**	**114,978,188**
Less: Provision for income tax			
Current tax:			
Current year		51,016,293	34,341,920
Prior year		12,927,069	-
		63,943,362	34,341,920
Deferred tax		32,236	(414,295)
Net Profit/(Loss) after tax :		**108,073,295**	**81,050,564**
Earnings Per Share		**0.60**	**0.45**

The annexed notes from 1 to 39 form an integral part of these financial statements.

Mohammad Ali
EVP & COO

Emranul Huq
Acting Managing Director

Altaf Hossain 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,
04 April 2018

Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka Bank Securities Limited

Statement of Cash Flows

For the year ended 31 December 2017

	2017 Taka	2016 Taka
A. Cash flow from operating activities		
Net income	172,048,893	114,978,188
Adjustments for:		
Depreciation and amortization expenses	2,113,740	3,633,135
Cash generated from operating activities before changes in operating assets and liabilities:	**174,162,633**	**118,611,323**
Increase/(Decrease) in operating liabilities:		
Accounts payable	43,260,605	(73,075,681)
Accrued expenses & other liabilities	(18,198,168)	(38,246,310)
Provision for unrealized losses	80,586,931	50,657,251
(Increase)/Decrease in operating assets:		
Accounts receivable	(46,930,390)	(28,381,037)
Income Tax Paid	(61,927,446)	(46,857,164)
Advances & prepayments	21,843,153	(30,881,901)
	18,634,685	**(166,784,842)**
Net cash flow from operating activities	**192,797,318**	**(48,173,518)**
B. Cash flow from investing activities		
Purchase of property, plant & equipment	(877,708)	(1,487,036)
Encashment of/(Investment) in shares/securities	(381,189,229)	(203,681,983)
(Increase)/Decrease in margin loan	(30,686,428)	345,262,263
Net cash flow from investing activities	**(412,753,365)**	**140,093,244**
C. Cash flows from financing activities		
Enhancement/(repayment) of loan from DBL	324,151,108	(145,656,257)
Enhancement/(repayment) of loan from UFL	(100,000,000)	-
Net cash flows from in financing activities	**224,151,108**	**(145,656,257)**
Net surplus/(use) in cash & bank balances for the period (a+b+c)	**4,195,061**	**(53,736,532)**
Cash & bank balance at beginning of the period	184,381,826	238,118,358
Cash & bank balance at the end of the period	**188,576,887**	**184,381,826**

The annexed notes from 1 to 39 form an integral part of these financial statements.

Dhaka,
04 April 2018

Mohammad Ali
EVP & COO

Emranul Huq
Acting Managing Director

Altaf Hossain Sarker
Director

Reshadur Rahman
Chairman

Dhaka Bank Securities Limited

Statement of Changes in Equity

For the year ended 31 December 2017

(Amount in Taka)

Particulars	Share Capital	Investment Fluctuation Fund	Retained Earnings	Total Equity
Balance as on January 01, 2017	1,716,000,000	25,900,000	206,566,042	1,948,466,042
Net profit/(loss) For the Period	-	-	108,073,295	108,073,295
Transfer to investment fluctuation fund	-	7,800,000	7,800,000	-
Bonus shares issued	85,800,000	-	(85,800,000)	-
Balance as at 31 December 2017	**1,801,800,000**	**33,700,000**	**221,039,337**	**2,056,539,337**
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	-	-	81,050,564	81,050,564
Transfer to Investment Fluctuation Fund	-	5,700,000	5,700,000	-
Bonus shares issued	156,000,000	-	156,000,000	-
Balance as on 31 December 2016	**1,716,000,000**	**25,900,000**	**206,566,042**	**1,948,466,042**

The annexed notes from 1 to 39 form an integral part of these financial statements.

Dhaka,
04 April 2018

Mohammad Ali
EVP & COO

Emranul Huq
Acting Managing Director

Altaf Hossain Sarker
Director

Reshadur Rahman
Chairman

AMARSTOCK

Dhaka Bank Securities Limited

Notes to the Financial Statements

For the year ended 31 December 2017

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 which was converted as a Public Company Limited by Shares in May 2016 . The company is the Trading Right Entitlement Certificate (TREC) holder of both of the stock exchanges of the country (TREC No. 193 in DSE and TREC No. 081 in CSE). The Company commenced its business operations from 13 February 2011 as a wholly owned subsidiary 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
Bangladesh Securities and Exchange Commission (BSEC)	3.1/DSE-193/2011/454	Stock Dealer Business
Bangladesh Securities and Exchange Commission (BSEC)	3.2/CSE-081/2011/260	Stock Broker Business
Bangladesh Securities and Exchange Commission (BSEC)	3.2/CSE -081/2011/261	Stock Dealer Business
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.

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

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.

Deferred Tax

Deferred Tax is calculated as per Bangladesh Accounting Standard (BAS)-12 "Income Taxes". Deferred Tax is recognized on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred Tax liabilities are recognized for all taxable temporary differences. Deferred Tax assets are generally recognized for all deductible temporary differences. Deferred Tax is measured at the tax rate that is expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.

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. In case of negative equity margin loan account, interest is credited to suspense account instead of income account where the negative equity fall below 80%

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 Investment fluctuation

As per the decision of the Board of Directors, 5% of capital gain during a year is transferred to Investment fluctuation fund account to manage the Company's future own portfolio risk.

2.15 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.

2.16 Provision against Unrealized Loss in Margin Loan

As Per Bangladesh Securities and Exchange Commission (BSEC) Circular No. SEC/CMRRCD/2009-193/181 dated 28 December 2017, the company may keep 20% Provision against Unrealized Loss in the Portfolio accounts of Margin Loan Clients as on 31 December 2017.

2.17 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.

2.18 Branch Accounting

The Company has 6 (six) Branch Offices (excluding Head Office), with no overseas branch as on 31 December 2017. Accounts of the branches are maintained at the head office which are included in the accompanying financial statements.

2.19 Reporting Period

The company's reporting period is January to December.

3. Application of Bangladesh Accounting Statndards (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
Earnings per share	33	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied

AMAR STOCK

		31.12.2017 Taka	31.12.2016 Taka
4.	**Property, Plant and Equipment**		
A.	**Cost:**		
	Opening balance	33,376,753	31,889,717
	Purchased during the year	877,708	1,487,036
	Closing balance (A)	**34,254,461**	**33,376,753**
B.	**Accumulated Depreciation:**		
	Opening balance	25,652,482	22,063,553
	Charged during the year	2,113,740	3,588,929
	Closing balance (B)	**27,766,222**	**25,652,482**
	Written Down Value (A-B)	**6,488,239**	**7,724,271**
	Details are given on Annexure - A		
5.	**Intangible assets**		
A.	**Cost:**		
	Opening balance	4,831,461	4,831,461
	Add: Purchased during the year	-	-
	Closing balance (A)	**4,831,461**	**4,831,461**
B.	**Accumulated Amortization:**		
	Opening balance	4,831,461	4,787,255
	Add: Charged during the year	-	44,206
	Closing balance (B)	**4,831,461**	**4,831,461**
C.	**Written Down Value (A-B)**	**-**	**-**
	Details are given on Annexure - A		
6.	**Investment in un-quoted shares**		
	Investment in shares of DSE	700,000,000	700,000,000
	Investment in shares of CSE	250,000,000	250,000,000
	Investment in shares of CDBL	18,277,770	18,277,770
	Energypac Power Gen. Company Ltd.	8,800,000	8,800,000
	Total	**977,077,770**	**977,077,770**
7.	**Cash & bank balances**		
	Cash in hand	**100,000**	**109,500**
	Balance with bank		
	SND/Current deposit account:		
	Bal. in SND A/C with DBL (201.150.2960)	4,135,030	4,887,121
	Bal. in Dealer A/C with IFIC (1090-358447-001)	8,595,002	2,650,955
	Bal. in UCB Dealer A/C (72-111-16472)	1,315,119	2,542,725
	DBL Sec. Trading A/C (SND A/C # 201.150.2972)	117,147,279	77,279,728
	Bal. in C/A with IFIC(No. 1090-358002)-Broker	47,685,021	43,736,225
	Bal. in C/A with UCBL (72-111-16443)	8,189,934	5,956,069
	Bal. with SCB A/C (No. 01-1183892-01)	553,434	546,515
	Bal. in IPO Application A/C (201.150.3444)	6,070	46,472,989
	Cheque in hand	850,000	200,000
		188,476,888	**184,272,326**
	Total	**188,576,888**	**184,381,826**

		31.12.2017 Taka	31.12.2016 Taka
8.	**Investment in marketable securities**		
	Investment in own portfolio/dealer account	1,881,629,593	1,500,440,363
	Total	**1,881,629,593**	**1,500,440,363**
9.	**Margin loan**		
	Margin loans -General clients	2,446,217,072	2,752,429,241
	Rescheduled margin loans to affected clients	-	5,982,024
	Total margin loans	**2,446,217,072**	**2,758,411,265**
	Less: Closing balance of interest suspense A/C	358,006,835	700,887,456
	Net margin loan outstanding	**2,088,210,237**	**2,057,523,809**
10.	**Account receivables**		
	Receivable from non-margin clients	2,937,451	2,559,079
	Receivable from Dhaka Stock Exchange (DSE)	90,397,892	43,640,553
	Receivable from Chittagong Stock Exchange(CSE)	438	205,759
		93,335,781	**46,405,391**
11.	**Advance Income Tax**		
	Opening Balance	112,325,964	65,468,800
	Add: Addition during the year (Note 11.1)	49,000,377	46,857,164
		161,326,341	**112,325,964**
11.1	**Advance income tax (Addition)**		
	AIT/TDS on brokerage commission - DSE	21,780,847	10,738,968
	AIT/TDS on brokerage commission - CSE	66,665	50,656
	Advance income tax paid	14,650,606	25,963,455
	TDS/ AIT (Interest income, dividend income, etc)	12,502,259	10,104,086
		49,000,377	**46,857,164**
12.	**Advance, prepayments & other receivables**		
	Non-interest bearing block A/C (small investors scheme)	-	586,932
	Prepaid rent -premises	13,545,000	-
	Prepaid insurance - fire & burglary	24,386	25,503
	Prepaid non-judicial stamp	1,000	5,200
	Advance - purchase of floor space @ DSE Tower	850,000	850,000
	Receivable against cash dividend	20,657,761	25,350,048
	Advance-IPO application for dealer A/C	-	30,000,000
	Suspense account (Adj)	10,626	114,245
	Total	**35,088,774**	**56,931,927**
13.	**Deferred Tax liability/(asset)**		
	Opening balance	(2,170,618)	(1,756,323)
	Add: Addition during the year	32,236	(414,295)
		(2,138,382)	**(2,170,618)**
14.	**Share capital**		
	Authorized capital		
	500,000,000 ordinary shares @ Tk. 10 each	**5,000,000,000**	**5,000,000,000**
	Paid up capital		
	Opening balance	1,716,000,000	1,560,000,000
	Add: Stock dividend	85,800,000	156,000,000
		1,801,800,000	**1,716,000,000**

AMARSTOCK

		31.12.2017 Taka	31.12.2016 Taka
15.	**Investment fluctuation fund**		
	Opening balance	25,900,000	20,200,000
	Add: Addition during the year	7,800,000	5,700,000
		33,700,000	**25,900,000**
16.	**Retained earnings**		
	Opening Balance	206,566,042	287,215,479
	Add: Net profit for the period	108,073,295	81,050,563
		314,639,337	**368,266,042**
	Less: Bonus shares issued	85,800,000	156,000,000
	Transfer to Investment fluctuation fund	7,800,000	5,700,000
		93,600,000	161,700,000
		221,039,337	**206,566,042**
17.	**Short-term Loan from bank and NBFI**		
	Loan from Dhaka Bank Ltd.	2,237,592,550	1,913,441,442
	Loan from United Finance Ltd.	100,000,000	200,000,000
	Total	**2,337,592,550**	**2,113,441,442**
18.	**Accounts Payable**		
	Payable to clients	190,769,559	109,401,738
	IPO application money	-	46,330,000
	Payable to DSE	27,716,262	19,519,135
	Payable to CSE	-	307
	Payable to CDBL	245,046	219,081
		218,730,867	**175,470,262**
19.	**Provision for income tax**		
	Opening balance	129,878,773	95,536,853
	Add: Provision made during the period	51,016,293	34,341,920
	Closing balance as on date	**180,895,067**	**129,878,773**
20.	**Provision for unrealized losses**		
	Provision for unrealized loss in portfolio	200,000,000	150,000,000
	Provision for unrealized loss in margin loan A/C	375,000,000	345,000,000
	Provision for small affected margin clients	8,760,904	8,173,972
	Total	**583,760,904**	**503,173,972**
20.1	**Provision against unrealized loss in portfolio**		
	Opening balance	150,000,000	125,000,000
	Add: Addition during the year	50,000,000	25,000,000
		200,000,000	**150,000,000**
20.2	**Provision against unrealized loss in margin loan accounts**		
	Opening balance	345,000,000	320,000,000
	Add: Addition during the year	30,000,000	25,000,000
		375,000,000	**345,000,000**
20.3.	**Provision for small affected margin clients**		
	Opening balance	8,173,972	7,516,721
	Add: Adjustment during the year	586,932	657,251
		8,760,904	**8,173,972**

		31.12.2017 Taka	31.12.2016 Taka
21.	**Liabilities for other accrued expenses**		
	Accrued interest expenses - Loan from Banks & NBFIs	55,444,623	72,861,233
	Audit fees	287,500	287,500
	Accrued expenses-Others	193,500	714,862
	VAT current A/C	273,453	498,398
	Withholding tax liabilities	154,205	189,455
	Total	**56,353,280**	**74,551,448**
		2017 Taka	**2016 Taka**
22.	**Brokerage commission income**		
	Brokerage - DSE	136,998,666	77,574,067
	Brokerage - CSE	407,283	374,115
		137,405,949	**77,948,181**
	Less: Direct expenses		
	Laga charges	(11,322,488)	(5,370,335)
	Howla charges	(2,522)	(5,924)
	CDBL Exp.-Daily settlement (Pay in/Pay out)	(5,811,425)	(2,808,445)
		(17,136,435)	**(8,184,704)**
	Net brokerage commission	**120,269,514**	**69,763,477**
23.	**Income from own portfolio**		
	Gain/(Loss) on sale of shares	156,364,428.27	114,293,649
	Dividend on shares	54,064,332	52,455,591
		210,428,761	**166,749,241**
24.	**Net interest income**		
	Interest income charged on margin loan	139,770,626	154,569,293
	Interest income on bank deposit A/C	7,769,919	4,662,325
	Interest income for the period	**147,540,545**	**159,231,618**
	Less: Interest expenses on borrowed funds	(146,833,391)	(158,403,128)
	Net interest income	**707,154**	**828,490**
25.	**Fees & other income**		
	Account opening fees	70,703	45,639
	BO renewal fees	480,700	484,000
	IPO processing fees	7,810	9,310
	Other income	195,906	125,406
	Central Depository Bangladesh Limited (CDBL) Income (Note: 25.1)	304,681	209,903
		1,059,799	**874,258**
25.1.	**Central Depository Bangladesh Limited (CDBL) income**		
	CDBL income (A)		
	CDBL income-Transfer In/Out	246,592	50,034
	CDBL income-Bonus/Right/IPO/Split/Demat	102,298	307,340
	CDBL Income-Pledge/Unpledge	310,653	102,400
		659,542	**459,774**
	Less: CDBL expenses (B)		
	CDBL exp.-Transfer In/Out	137,373	29,981
	CDBL exp.-Bonus/Right/IPO/Split/Demat	36,858	159,808
	CDBL exp.-Pledge/Unpledge	174,630	54,083
	CDBL exp.-Monthly connection fees	6,000	6,000
		354,861	**249,872**
		304,681	**209,903**

		2017 Taka	2016 Taka
26.	**Salary and allowances**		
	Basic salaries	15,052,941	12,196,022
	Allowances	18,717,362	13,701,378
	Leave fare assistances	2,738,901	2,149,426
	Employer's contribution to Provident Fund	1,485,860	1,221,700
	Bonus	4,153,576	3,566,098
		42,148,640	**32,834,624**
27.	**Rent, rates ,taxes, insurance, lighting etc**		
	Rent expenses - Adamjee Court (1st Flr)	10,721,072	14,950,390
	Insurance expense	74,988	80,592
	Electricity bill-Adamjee Court	1,945,516	2,315,455
	Fuel exp. - Generator/Pool car	1,303,533	1,221,545
	Renewal of registration certificates, trade license etc	938,926	1,024,683
	Total	**14,984,035**	**19,592,665**
28.	**Legal & professional fees expenses**		
	Professional fees & Legal Expenses	1,429,750	397,000
	Total	**1,429,750**	**397,000**
29.	**Postage, stamp, telecom etc**		
	Postage & courier	41,297	25,853
	Stamps-Judicial/Non-Judicial	35,140	28,385
	Telephone/Fax/PABX expenses	195,316	162,440
	Mobile/Internet/Cable Tv bills	539,690	393,386
		811,443	**610,064**
30.	**Stationary, printing, advertisement etc**		
	Stationeries exp.- (Printed Materials)	808,824	464,915
	Stationeries - General (Table/Petty stationeries)	163,879	242,882
	Stationeries- Computer consumable (Paper & Accessories)	624,475	466,090
	Publicity expenses (Leaflet, Banner, Bill board etc)	315,025	18,180
		1,912,203	**1,192,067**
31.	**Directors' fee & meeting expenses**		
	Director's fees	478,400	524,400
	Meeting, seminar & conference expenses	694,906	414,414
		1,173,306	**938,814**
32.	**Statutory audit fee**		
	Audit fee for the year	287,500	287,500
		287,500	**287,500**
33.	**Repair & maintenance of assets**		
	Network connectivity expense	1,734,200	1,896,000
	Repair, replacement & maintenance - Office premises	792,932	793,945
	Repair, replacement & maintenance - Furnitures & fixtures	255,020	105,375
	Repair, replacement & maintenance - Office & electric appliances	823,853	724,026
	Rep., replacement & maint.- Computer, software, printer, UPS etc	831,452	674,392
	Repair, replacement & maintenance - Vehicles	590,469	449,880
	Water and sewerage	795,518	679,651
	Contribution to investors' protection fund	41,896	23,713
		5,865,340	**6,371,664**

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		2017 Taka	2016 Taka
34.	**Other expenses**		
	Bank charges	36,105	25,419
	Excise duty expense	97,000	85,500
	Commission expenses- Bank guarantees	921,100	575,400
	Cleaning & maintenance services	1,287,100	1,039,129
	Contractual service charges	442,871	795,433
	Staff uniform expenses	56,724	110,859
	Support staff expense	1,893,806	1,378,195
	Security guard expenses	2,305,152	2,135,174
	Training & development Executives	47,667	18,333
	Conveyance expense-Local	279,254	344,049
	Regular Canteen expense	1,704,463	1,516,921
	Entertainment Expense	70,940	165,975
	Business promotion expenses	445,554	120,576
	Newspapers	80,130	80,360
	Miscellaneous - (Others)	22,512	13,105
		9,690,378	**8,404,428**
35.	**Depreciation and amortization expenses**		
	Depreciation-Furniture and fixtures	1,275,716	1,226,665
	Depreciation-Office appliances & equipments	297,920	593,474
	Depreciation-Computer	540,104	1,170,692
	Depreciation-Motor vehicles	-	598,098
	Amortization expense-Software	-	44,206
		2,113,740	**3,633,135**
36.	**Earning Per Share (EPS)**		
	a) Net profit after tax	108,073,295	81,050,564
	b) Total number of ordinary shares outstanding	180,180,000	171,600,000
	Earning Per Share (EPS) (a ÷ b)	**0.60**	**0.47**
	Earning Per Share (EPS) - Restated		**0.45**

37. Related party transaction

Name of the related party	Relationship	Nature of transaction	Transacton during year	Balance as at 31.12.17	Balance as at 31.12.16
Dhaka Bank Limited	Parent Company	Loan	324,151,108	2,237,592,550	1,913,441,442
Mr. A. T. M. Hayatuzzaman Khan	Spouse of Director	Advance Rent for Leased Premises	2,241,000	11,205,000	-

38. Issuance of Bonus Share

To be declared in next Board Meeting and AGM

39. Date of authorisation

The Board of director has authorised these financial statements for issue on 04 April 2018.

Dhaka,
04 April 2018

Mohammad Ali
EVP & COO

Emranul Huq
Acting Managing Director

Altaf Hossain Sarker
Director

Reshadur Rahman
Chairman

Dhaka Bank Securities Limited

Fixed Assets

For the Period ended on December 31, 2017

A. Properties, plant & equipment

Annexure-A

Particulars	Cost			Rate %	Depreciation			Written down value as on 31.12.2017
	Balance as on 01.01.2017	Addition during the Period	Balance as on 31.12.2017		Balance as on 01.01.2017	Charges/ Addition during the period	Balance as on 31.12.2017	
Furnitures & fixtures	12,757,154	-	12,757,154	10%	6,920,113	1,275,716	8,195,829	4,561,325
Office appliances & equipments	6,996,020	153,208	7,149,228	20%	6,198,722	297,920	6,496,642	652,585
Computer	10,633,074	724,500	11,357,574	20%	9,543,141	540,104	10,083,245	1,274,329
Motor vehicles	2,990,505	-	2,990,505	20%	2,990,505	-	2,990,505	-
Total	**33,376,753**	**877,708**	**34,254,461**		**25,652,482**	**2,113,740**	**27,766,222**	**6,488,239**
As on 31 December 2016	**31,889,717**	**1,487,036**	**33,376,753**		**22,063,553**	**3,588,929**	**25,652,482**	**7,724,271**

Dhaka Bank Securities Limited

Fixed assets schedule

For the Period ended on December 31, 2017

B. Intangible assets

Particulars	Cost			Rate %	Amortzation			Written down value as on 31.12.2017
	Balance as on 01.01.2017	Addition during the Period	Balance as on 31.12.2017		Balance as on 01.01.2017	Charges/ Addition during the period	Balance as on 31.12.2017	
Software	4,831,461	-	4,831,461	20%	4,831,461	-	4,831,461	-
Total	**4,831,461**	**-**	**4,831,461**		**4,831,461**	**-**	**4,831,461**	**-**
As on 31 December 2016	**4,831,461**	**-**	**4,831,461**		**4,787,255**	**44,206**	**4,831,461**	**-**

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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 2017 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 2017 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.

Hoda Vasi

Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka,
24 April 2018

Dhaka Bank Investment Limited
Statement of Financial Position
As at 31 December 2017

	Notes	31.12.2017 Taka	31.12.2016 Taka
ASSETS			
Non Current Assets			
Preliminary Expenditure	4	1,107,825	1,107,825
Current Assets			
Cash and Bank Balance	5	286,821,899	279,366,635
Advance Income Tax	6	4,092,946	3,263,995
		290,914,845	282,630,630
Total Assets		**292,022,670**	**283,738,455**
EQUITY AND LIABILITES			
Equity			
Paid up Capital	7	250,000,000	250,000,000
Retained Earnings	8	26,096,065	20,786,075
Total Equity		**276,096,065**	**270,786,075**
Liabilities			
Non-Current Liabilities		-	-
Current Liabilities			
Provision for Income Tax	9	14,407,880	11,548,655
Other Liabilities	10	1,518,725	1,403,725
		15,926,605	12,952,380
Total Liabilities		**15,926,605**	**12,952,380**
Total Equity and Liabilities		**292,022,670**	**283,738,455**

These Financial Statements should be read in conjunction with the annexed notes 1 to 12.

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 event date.

Dhaka,
24 April 2018

Hoda Vasi Chowdhury & Co
Chartered Accountants

AMARSTOCK

Dhaka Bank Investment Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2017

	Notes	2017 Taka	2016 Taka
Operating Income			
Interest income		-	-
Other Income	11	8,289,515	8,276,649
		8,289,515	**8,276,649**
Operating Expense			
General & administrative expenses	12	(120,300)	(120,300)
Profit Before Tax		**8,169,215**	**8,156,349**
Provision for Income Tax (Current Tax)		(2,859,225)	(2,854,722)
Net Profit after Tax		**5,309,990**	**5,301,627**
Other comprehensive Income		-	-
Net Profit for the period		**5,309,990**	**5,301,627**

These Financial Statements should be read in conjunction with the annexed notes 1 to 12.

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 event date.

Dhaka,
24 April 2018

Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka Bank Investment Limited

Statement of Cash Flows

For the year ended 31 December 2017

		2017 Taka	2016 Taka
a.	**Cash Flows from Operating Activities**		
	Other Income	8,289,515	8,276,649
	Operating Expenses	(120,300)	(120,300)
	Cash generated from operating activities before changes in operating assets and liabilities	**8,169,215**	**8,156,349**
	Changes in Operating Assets and Liabilities		
	Advance Income Tax	(828,952)	(827,665)
	Provision for Audit Fees	115,000	115,000
	Net Cash Flow from Operating Activities	**7,455,264**	**7,443,684**
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)	**7,455,264**	**7,443,684**
	Cash & Bank Balance at Beginning of the year	279,366,635	271,922,951
	Cash & Bank Balance at the end of the year*	**286,821,899**	**279,366,635**
	***Cash & Bank Balance**		
	Cash in Hand	-	-
	Cash at Bank	286,821,899	279,366,635
		286,821,899	**279,366,635**

These Financial Statements should be read in conjunction with the annexed notes 1 to 12.

Dhaka,
24 April 2018

Emranul Huq
Managing Director

Md. Amirullah
Director

Khondoker Jamil Uddin
Chairman

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Dhaka Bank Investment Limited

Statement of Changes in Equity

For the year ended 31 December 2017

(Amount In Taka)

Particulars	Share Capital	Retained Eanings	Total Equity
Opening Balance	**-**	**-**	**-**
Paid up Share Capital	250,000,000	20,786,075	270,786,075
Add: Adjustment for prior year*	-	-	-
Net profit for the year	-	5,309,990	5,309,990
Balance as on 31 December 2017	**250,000,000**	**26,096,065**	**276,096,065**

These Financial Statements should be read in conjunction with the annexed notes 1 to 12.

Dhaka,
24 April 2018

Emranul Huq
Managing Director

Md. Amirullah
Director

Khondoker Jamil Uddin
Chairman

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Dhaka Bank Investment Limited
Notes to the Financial Statements
For the year ended 31 December 2017

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.

			31.12.2017 Taka	31.12.2016 Taka
4.	**Preliminary Expenditure**			
	Preliminary Expenditure		1,107,825	1,107,825
	Less: Amortization for the year		-	-
			1,107,825	**1,107,825**
5.	**Cash & Bank Balance**			
	Cash in Hand		-	-
	Cash at Bank	(Note: 5.1)	286,821,899	279,366,635
			286,821,899	**279,366,635**
5.1	**Cash at Bank**			
	Name of Bank	**Branch**	**A/C #**	
	Dhaka Bank Limited	Local Office	201.150.3401	68,027,817	114,971,897
	Dhaka Bank Limited	Gulshan Circle-2	102.150.0018	118,794,082	164,394,738
	LankaBangla Finance Limited		0005 22800000571	100,000,000	-
				286,821,899	**279,366,635**

			31.12.2017 Taka	31.12.2016 Taka
6.	**Advance Income Tax**			
	Opening Balance		3,263,995	2,436,330
	Add: Addition during the year	(Note: 6.1)	828,952	827,665
			4,092,946	**3,263,995**
6.1	**Addition during the year**			
	Tax deducted at source		**828,952**	**827,665**
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 2015 is as follows:

Sl. No.	Name of Shareholders	Number of Shares held	% Of Shareholding	31.12.2017 Amount in Taka	31.12.2016 Amount in Taka
1.	Dhaka Bank Limited, Represented by			249,999,940	249,999,940
	Mr. Khondoker Jamil Uddin	24,999,994	99.999976		
	Mr. Md. Amirullah				
	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**

8.	**Retained Earnings**			
	Opening Balance		20,786,075	15,484,448
	Add: Net Profit for the Period		5,309,990	5,301,627
	Add: Adjustment for prior year*		-	-
			26,096,065	**20,786,075**

* 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	11,548,655	8,693,933
	Add: Addition during the year	2,859,225	2,854,722
		14,407,880	**11,548,655**
10.	**Other Liabilities**		
	Payable to Dhaka Bank Limited	1,173,725	1,173,725
	Provision for Audit Fees	345,000	230,000
		1,518,725	**1,403,725**

		2017 Taka	2016 Taka
11.	**Other Income**		
	Interest on SND A/C	**8,289,515**	**8,276,649**
12.	**General & administrative expenses**		
	Audit Fees	115,000	**115,000**
	Bank Charges & Other	5,300	**5,300**
		120,300	**120,300**

Disclosures On Risk Based Capital
(under Pillar-3 of Basel-III framework)

Notes to the Financial Statements
For the year ended 31 December 2017

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 financial statements (provisional) of the bank and its subsidiaries as at and for the year ended December 31, 2017. 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 2017.

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 66.44% (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 33.56% of total eligible capital and almost 50.51% of Tier-1 capital.

Non-convertible Subordinated Bond

Dhaka Bank Limited 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 vide 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. 20.63% of Tier-I capital has been considered as a component of Supplementary Capital (Tier-2) of the Bank.

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	722.30	722.30
	Statutory Reserve	641.82	641.82
	General Reserve	0.66	0.66
	Retained Earnings	150.23	95.35
	Minority Interest in Subsidiaries	0.01	0.00
	Sub-Total:	**1,515.02**	**1,460.13**
	Less : Regulatory Adjustment:		
	Book value of Goodwill and value of all other Intangible Assets**	3.98	3.98
	Deferred Tax Assets (DTA)	2.39	2.18
	Sub-Total:	**6.37**	**6.16**
	Total Common Equity Tire- 1 Capital (CET 1)	**1,508.65**	**1,453.97**
	Additional Tire- 1 Capital (AT- 1)	**0.00**	**0.00**
	Total Tier-1 Capital (A):	**1,508.65**	**1,453.97**
B.	**Tier-2 Capital (Gone Concern Capital):**		
	General Provision (including provision for Off-Balance Sheet Exposure)	420.26	420.26
	Assets Revaluation Reserves up to 80%	12.97	12.97
	Revaluation Reserve for HTM & HFT Securities (up to 80%)	1.23	1.23
	Non-convertible Subordinated Bond	300.00	300.00
	Sub Total:	**734.46**	**734.46**
	Less : Regulatory Adjustment	**0**	**0**
	Total Tier-2 Capital (B):	**734.46**	**734.46**
C.	**Total Eligible Regulatory Capital (A+B):**	**2,243.11**	**2,188.43**

**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, 2017 was 11.25% 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	14,619.27	14,473.78
	Off-Balance Sheet	2,213.70	2,213.70
	For Market Risk	685.39	370.17
	For Operational Risk	1,281.29	1,237.70
	Total:	**18,799.65**	**18,295.35**

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Sl. No.	Particulars	Amount (in crore BDT)	
		Consolidated	Solo
2.	**Minimum Capital Required:**		
	For Credit Risk	1,893.71	1,877.34
	For Market Risk	77.11	41.64
	For Operational Risk	144.15	139.24
	Total:	**2,114.97**	**2,058.22**
3.	**Total Eligible Regulatory Capital:**		
	Tier-1 Capital/Core Capital	1,508.64	1,453.96
	Total Tier-2 Capital/Supplementary Capital	734.47	734.47
		2,243.11	**2,188.43**
4.	**Capital Adequacy Ratio:**		
	Tier-1 Capital to RWA	8.02%	7.95%
	Tier-2 Capital to RWA	3.91%	4.01%
	Total:	**11.93%**	**11.96%**

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 (11.25% for 2017).

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).

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	183.99	183.98
Claims on Bangladesh Government and Bangladesh Bank	3,155.12	3,155.12
Claims on Banks & NBFI	1,499.31	1,482.35
Claims on Corporate	9,110.95	9,125.89
Credit Risk Mitigation	642.00	642.00
Claims included in retail portfolio & Small Enterprise	2,044.54	2,044.54
Claims on Consumer Loan	97.46	97.46
Claims fully secured by residential property	79.08	79.08
Claims fully secured by commercial real estate	1,209.09	1,209.09
Past due claims	479.03	479.03
Capital market exposure	208.82	248.51
Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in banking book	653.50	504.93
Investments in premises, plant and equipment and all other fixed assets	426.94	426.29
All other assets:		
I) Claims on GOB & BB	306.18	306.18
ii) Staff Loan / Investment	130.50	130.50
iii) Other Assets	1,849.87	1,825.85
Total:	**22,076.37**	**21,940.79**

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(Amount in Crore BDT)

Types of Loan	2017	2016
Secured Overdraft/Quard	3,490.70	3,168.60
Cash Credit/Murabaha	687.15	681.98
House Building Loan	100.98	188.09
Transport Loan	118.09	56.35
Term Loan	5,194.90	4,405.76
Loan Against Trust Receipt	622.21	423.10
Payment Against Documents	15.62	11.06
Loan Against Imported Merchandize	0.20	0.19
Loan Against Accepted Bills	22.83	140.47
Packing Credit	63.17	39.65
Lease Finance / Izara	334.82	223.31
Credit Card	35.07	29.52
Retail Loan	275.62	49.99
Bills Purchased and discounted	321.08	312.63
Other Loans (Including Bai-Muajjal)	4,119.28	3,738.24
Grand Total	**15,401.70**	**13,468.93**

4.2.2 Geographical Distribution of Exposure (Region Based):

(Amount in Crore BDT)

Particulars	2017	2016
Urban		
Dhaka Region	10,609.94	9,068.96
Chittagong Region	2,743.84	2,414.97
South Region	415.71	234.07
North Region	329.13	240.33
Sylhet Region	202.11	87.28
Other	62.41	511.75
Sub. Total	**14,363.15**	**12,557.34**
Rural		
Dhaka Region	720.59	451.90
Chittagong Region	118.34	111.59
South Region	-	0.00
North Region	187.86	166.60
Sylhet Region	11.76	12.82
Other	-	168.68
Sub. Total	**1,038.56**	**911.59**
Grand Total	**15,401.70**	**13,468.93**

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4.2.3 Industry or counterparty type distribution of exposures:

(Amount in Crore BDT)

Industry	2017	2016
Agriculture	196.20	166.04
Pharmaceuticals	209.60	85.69
Textile & Garment	4,245.55	3,701.47
Chemical	615.30	141.80
Food & allied	1,056.50	913.52
Transport & Communication	543.55	227.08
Electronics & Automobile	96.82	3.53
Housing & Construction	1,699.96	1,640.72
Engineering & Metal Industries including Ship Breaking & Building	1,399.33	1,238.09
Energy & Power	525.77	422.00
Service	504.47	571.23
Other	4,308.66	4,357.76
Grand Total	**15,401.70**	**13,468.93**

4.2.4 Residual contractual maturity of credit exposure:

(Amount in Crore BDT)

Particulars	2017	2016
On demand	1,966.90	1,406.58
Up to one month	1,767.13	1,689.09
Not more than three months	2,347.72	2,487.56
More than three months but not more than six months	3,033.92	2,917.52
More than six months but not more than one year	1,897.33	1,920.45
More than one year but not more than five years	3,292.07	2,534.44
More than five years	1,096.63	513.30
Total	**15,401.70**	**13,468.93**

4.2.5 Major Industry type amount of impaired loans:

(Amount in Crore BDT)

Industry Name	SS	DF	BL	Total
Agricultural	0.83	0.36	3.84	5.03
Pharmaceuticals	-	-	-	-
Textile & Garment	2.26	0.35	56.02	58.63
Chemical	0.29	0.17	19.57	20.03
Food & allied	2.15	173.05	46.90	222.10
Transport & Communication	-	-	12.16	12.16
Electronics & Automobile	-	-	-	-
Housing & Construction	15.62	-	160.88	176.50
Engineering & Metal Industries including Ship Breaking	0.00	-	110.97	110.98
Energy & Power	-	-	3.08	3.08
Service	3.37	0.62	55.67	59.67
Others	7.64	6.41	238.66	252.71
Grand Total	**32.15**	**180.98**	**707.75**	**920.89**

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4.2.6 Gross Non Performing Assets (NPAs)

(Amount in Crore BDT)

	2017	2016
Gross Non Performing Assets (NPAs)	920.89	540.29
Non Performing Assets (NPAs) to Outstanding Loans & Advances	5.98%	4.01%
Movement of Non Performing Assets (NPAs):		
Opening Balance	540.29	549.06
Additions	439.14	271.22
Reductions	58.55	279.99
Closing Balance	**920.89**	**540.29**
Movement of specific provisions for NPAs:		
Provision held at the beginning of the year	240.91	190.27
Specific provision	261.40	95.40
Recoveries from written off loans	-	5.05
Fully provided debt written off	(51.11)	(46.05)
Provision no longer required	**(10.48)**	**(3.76)**
Provision held at the end of the year	**440.72**	**240.91**

5. Equities: Disclosures for Banking Book Positions

5.1 Qualitative Disclosures

Dhaka Bank has considerable investment in equity shares of various companies and mutual funds and has active participation in the secondary market through Dhaka Bank Securities Ltd. The bank also participates in the primary market by the purchase of shares and securities from IPOs. In the investment process Dhaka Bank Ltd. strictly follow the internal policies and procedures put into place in this respect.

Valuation of Equity Securities

Shares and securities are valued as per the prescribed guideline of Bangladesh Bank and adequate provision is maintained accordingly for unrealized losses (if any).

Capital Charge for Equity Position Risk

Capital charge for equities are calculated on the basis of their current market value in the bank's trading book. This capital charge is calculated taking into account both the specific risk and the general market risk factor by applying the same rate of minimum capital adequacy ratio (11.25% for 2017).

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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	208.08	22.61
	Market Price	184.36	25.78
	Difference	(23.72)	3.17
2.	The cumulative realized gains (losses) arising from sales and liquidation	15.64	0.11
3.	Total unrealized gains (losses)	**(23.72)**	**3.17**
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	16.34	0.58
	• General Market Risk	16.34	0.58

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	3,434.78	3,701.82	5,438.41	4,492.75	1,824.03
Rate Sensitive Liabilities	2,635.12	4,538.22	3,916.73	2,803.86	903.37
GAP	799.66	(836.40)	1,521.69	1,688.89	920.66
Cumulative GAP	799.66	(36.74)	1,484.95	3,173.84	4,094.50
Adjusted Interest Rate Changes	1.00%	1.00%	1.00%	1.00%	1.00%
Quarterly Earnings Impact	2.00	(2.09)	3.80	4.22	2.30
Accumulated Earnings Impact	2.00	(0.09)	3.71	7.93	10.24
Earning Impact/Avg. Quarterly Net Profit	2.05%	(2.14%)	3.90%	4.33%	2.36%

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	0.00	0.00
Equity position risk	32.68	1.16
Foreign exchange risk	35.86	35.86
Commodity risk	-	-
Total	**68.54**	**37.02**

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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	128.13	123.77

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	100.06%
Net Stable Funding Ratio (NSFR)	101.52%
Stock of High quality liquid assets	3,308.00
Total net cash outflows over the next 30 calendar days	3,306.07
Available amount of stable funding	17,239.50
Required amount of stable funding	16,980.67

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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	5.41%	5.24%
On balance sheet exposure	22,642.13	22,504.57
Off balance sheet exposure	5,269.24	5,269.24
Total exposure	27,905.00	27,767.65

*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, SEVP & CFO 3. M Rezaur Rahman, SVP & Head, Human Resources Division 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 2017, we have 100 branches, 3 SME service centers, and 2 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 46 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: <u>Fixed base:</u> 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. <u>Performance base:</u> 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, Travel Passage and Performance Bonus as variable payments. Long term benifits include Gratuity, Provident Fund, Superannuation Fund and Leave and 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: 1413 employees Number of total guaranteed bonus(festival bonus): 2 Total amount of guaranteed bonus (festival bonus): BDT 10,71,04,364.00 Number of severance payments: 64 employees Total amount of severance payments: BDT. 14,77,77,727.00 which includes Provident Fund, Gratuity Fund and Superannuation Fund.
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 216,56,81,055.00, • Variable: BDT 860,00,000.00 • Deferred: BDT 121,317,240.00 • Non-deferred: Nil • Different forms used: Nil
Quantitative information about employees' exposure to implicit (e.g. fluctuations in the value of share or performance units) and explicit adjustments (e.g. claw backs or similar reversals or downward revaluations of awards) of deferred remuneration: Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments. Total amount of reductions during the financial year due to ex post implicit adjustments.	(K)	Not applicable for Dhaka Bank Limited

DHAKA BANK LIMITED

Registered Office: Biman Bhaban, 100 Motijheel C/A, Dhaka-1000

Notice of the 23rd Annual General Meeting

Notice is hereby given to all the members of Dhaka Bank Limited that the 23rd Annual General Meeting of the members of the Company will be held on Thursday, June 28, 2018 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, 2017 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 2017 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 re-appoint the 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.

June 05, 2018

By order of the Board
Sd/-
Arham Masudul Huq
SEVP & Company Secretary

NOTES

1. The 'Record Date' was on Monday, May 21, 2018. 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. Merchant Banks and Depository Participants (DPs) are requested to provide the list of their margin clients who held 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 sale proceeds of fractional bonus shares.
5. No gift or benefit in cash or kind shall be offered to the shareholders in the 23rd Annual General Meeting of the Company in compliance with the Bangladesh Securities and Exchange Commission's Circular No.SEC/CMRRCD/2009-193/154 dated 24.10.2013.

AMARSTOCK

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 23rd Annual General Meeting of Dhaka Bank Limited being held on Thursday, June 28, 2018 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 23rd Annual General Meeting of the Company scheduled to be held on Thursday, June 28, 2018 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..... , 2018.

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 23rd 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 23rd Annual General Meeting of Dhaka Bank Limited being held on Thursday, June 28, 2018 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) .....

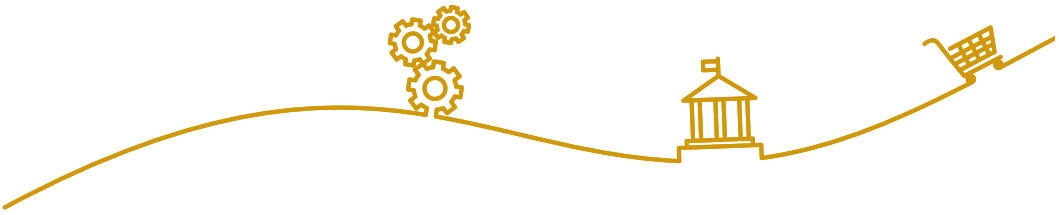
Signature of the Proxy .....

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.

FAIR STOCK

EXCELLENCE IN BANKING



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

Paper Rhyme