

Bangladesh Development Bank Limited and Its Subsidiaries

Independent Auditors' Report and Audited Consolidated and Separate Financial Statements For the year ended 31 December 2021

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Independent Auditors' Report to the Shareholders of Bangladesh Development Bank Limited for the year ended 31 December 2021

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Bangladesh Development Bank Limited (BDBL) and its subsidiaries (the "Group") as well as the separate financial statements of Bangladesh Development Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2021 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 notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and 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 2021, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 2.6.1, 2.43 and 23.1 to the financial statements, which describes the policy of charging depreciation of revalued assets, disclosure of FRC Policy on use of Audited Financial Statements in Processing Loans (Compliance of BRPD circular no. 04 & 35) with disclosure of percentage of verification and present contribution to the employees' pension fund and the future contribution thereto. Our opinion is not modified in respect of these matters.

Key Audit Matters

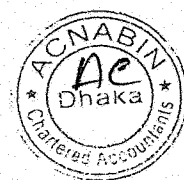
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on accompanying financial statements.

1) Measurement of provision for loans and advances	
See notes # 7, 7(a), 12.6 & 12.7 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The process for estimating the provision for loans and advances is associated with credit risk and is judgmental, significant and complex. While estimating such provision certain judgmental factors need to be considered including:</p> <ul style="list-style-type: none"> • Future business performance of the borrower; • Key assumptions relating to further business performance of the borrower; • Market value of the collateral; • Ability to repossess collateral; and • Recovery rates. <p>Furthermore, these provisions are processed manually that deals with voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank issued time to time.</p> <p>Due to high level of judgment involved and using some manual process in estimating the provision for loans and advances, we considered this to be a key audit matter.</p> <p>At year end the Group and the Bank reported total gross loans and advances of BDT 23,893.49 million (2020: BDT 21,014.68 million) and provision as required by Bangladesh Bank for loans and advances of BDT 4,061.40 million (2020: BDT 3,897.50 million).</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; and • Reviewed quarterly Classification of Loans (CL). <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; • Evaluated the balances of loans and advances and provisions of overseas branches whether those are properly incorporated in the gross balances thereon; and <p>Finally, we compared the amount of provision requirement as determined by Bangladesh Bank inspection team to the actual amount of provision maintained.</p>



2) Legal and regulatory matters	
The key audit matter	How the matter was addressed in our audit
<p>We focused on this area because the Bank and its subsidiary (the "Group") operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established as other contingent liabilities.</p> <p>Overall, the legal provision represents the Group's and the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.</p>	<p>We obtained an understanding of the Group and the Bank's key controls over the legal compliance.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>
3) Carrying value of investments in subsidiaries by the Bank	
See note # 9 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The Bank has invested in equity shares of its subsidiaries namely BDBL Securities Limited and BDBL Investment Services Limited. As at 31 December 2021 the carrying value of these investment in the subsidiaries is BDT 1,000 million (2020: BDT 1,000 million).</p> <p>The Bank is required to perform impairment test of investment in subsidiaries when impairment indication exists. The impairment testing is considered to be a key audit matter due to the complexity and judgments required in determining the assumptions to be used to estimate the recoverable amount which is higher of fair value less costs to sell and value in use.</p> <p>Management has not conducted impairment assessment and calculated recoverable value of its subsidiaries as no impairment indication exist.</p>	<p>We have reviewed management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36, Impairment of Assets.</p> <p>In particular, our discussion with the Management were focused on the continued appropriateness of the value in use model, the key assumption used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p>



4) Loans and Advances	
See note #7 & 7(a) to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in our audit
<p>Loans and advances are the vital component of financial statements of the bank. Income of the bank is primarily reliant on the portfolio of loans and advances. Management performance is highly dependent on the target achievement of loans and advances. Loan disbursement requires robust documentation followed by approval from appropriate level of authority.</p> <p>We identified loans and advances as a key audit matter because there is an inherent risk of fraud and error in disbursement of loans and advances by management to meet specific targets or expectations.</p> <p>At year end the Group and the Bank reported total gross loans and advances of BDT 23,893.49 million (2020: BDT 21,014.68 million)</p>	<p>We tested the design and operating effectiveness of key controls focusing on credit appraisal, loan disbursement procedures and monitoring process of loans and advances.</p> <p>We performed procedures to check whether the bank has ensured appropriate documentation as per Bangladesh bank regulations and Bank's policy before disbursement of loans and advances. In addition, we have performed procedures to check whether the loans and advances is recorded completely and accurately and that are existed at the reporting date.</p>
5) IT systems and controls	
The key audit matter	How the matter was addressed in our audit
<p>Our audit procedures have been focused on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>We have focused on master data management, user access management and developer access to the production environment and changes to the IT environment. Among others, these are key to ensuring operating effectiveness of manual with automated control as well as fully automated control systems.</p>	<p>We tested the design and operating effectiveness of the bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Group's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. Where deficiencies were identified, we tested compensating controls or performed alternate procedures.</p> <p>In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.</p>



6) Impact of COVID-19 on financial reporting	
The key audit matter	How the matter was addressed in our audit
<p>The effects of the COVID-19 pandemic have significant global implications for economies, markets and businesses, including volatility and possible material uncertainties. The operations of the Bank itself have been affected due to the restrictions brought about by the COVID-19 pandemic. There is an increasing probability that assertions and estimates related to reporting may be materially impacted due to impact of financial market volatility, deteriorating credit or liquidity concerns, government interventions, and disruptions in production and supply chain, among other matters.</p>	<p>Detailed substantive tests were conducted in order to mitigate the additional risks of material misstatements due to the impact of COVID-19. Testing the Bank's and Group's ability to function as a going concern by reviewing profitability, liquidity and operations, we performed detailed analytical procedures on the financial statements of the Bank, including but not limited to variance and common size analysis of balances. We have evaluated the appropriateness and sufficiency of the Management's explanations for the deviations amongst balances and ratios of current year to that of the comparative. We analyzed the disclosures provided by the Bank to rationalize the impact of COVID-19 on financial statements, and checked their appropriateness and sufficiency. We also checked that all COVID-19 impacts are accurately reflected in the financial statements, and disclosed in their entirety of magnitude to the financial statements as a whole; and scrutinize that the impacts of events after the reporting period, and ensure their true and fair reflection and disclosure in the financial statements. Our testing did not identify any issues with regards to impact of COVID-19 on financial reporting. Moreover, the bank has maintained @2% Special General Provision COVID-19 in addition to the general provision as per Circular provided by Bangladesh Bank (Note# 12.6.1).</p>

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the Bank.



Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 2, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991(as amended up to date) 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. In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate

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financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

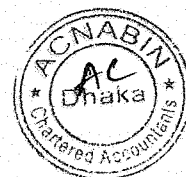
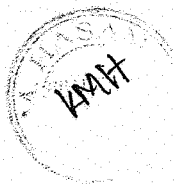
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

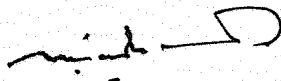
In accordance with the Companies Act, 1994, the Bank Company Act, 1991 (as amended up to date), The Securities and Exchange Rules 2020 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditors' Responsibility section in forming the above opinion on the consolidated financial statements of the Group and 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 consolidated and separate financial statements and internal control:
 - a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate; and
 - b) 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 Group and its related entities (other than matters disclosed in these financial statements);
- (iii) financial statements for the year ended 31 December 2021 of subsidiaries namely BDBL Securities Limited and BDBL Investment Services Limited have been audited by K. M. Hasan & Co., Chartered Accountants and have been properly reflected in the consolidated financial statements;
- (iv) 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;
- (v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;



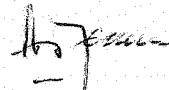
- (viii) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) adequate provisions have been made for loans & advance and other assets which are, in our opinion, doubtful of recovery as explained in note no. 12.6, 12.7 & 12.5.b;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 5,760 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Signed for & on behalf of
K. M. HASAN & CO.
Chartered Accountants



Md. Amirul Islam, FCA
Senior Partner
ICAB Enrollment No. 331
DVC: 2205090331AS674023

Signed for & on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrollment No. 787

DVC: 2205090787AS953056

Dhaka, Bangladesh
Dated: 28 April 2022

Bangladesh Development Bank Limited and Its Subsidiaries
Consolidated Balance Sheet
As at 31 December 2021

	Notes	2021 Taka	2020 Taka
PROPERTY AND ASSETS			
Cash	3(a)	1,990,000,377	2,362,629,982
In hand (including foreign currencies)		96,221,417	83,850,821
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		1,893,778,960	2,278,779,161
Balance with other banks and financial institutions	4(a)	12,773,010,190	9,932,408,640
In Bangladesh		11,969,539,059	8,914,379,821
Outside Bangladesh		803,471,131	1,018,028,819
Money at call and on short notice	5	650,000,000	100,000,000
Investments	6(a)	10,211,187,843	10,074,067,390
Government		894,400	548,300
Others		10,210,293,443	10,073,519,090
Loans and advances	7(a)	23,893,495,928	21,014,688,938
Loans, cash credit and overdrafts, etc		23,298,844,627	20,621,912,488
Bill purchased and discounted		594,651,301	392,776,450
Fixed assets including premises, furniture and fixtures	8(a)	7,807,417,209	7,766,488,956
Other assets	9(a)	4,769,113,056	4,684,405,284
Total assets		62,094,224,603	55,934,689,190
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, financial institutions and agents	10	158,402,623	332,192,781
Deposits and other accounts	11(a)	29,004,666,489	24,216,289,953
Current and other accounts		3,429,150,175	2,724,601,035
Bills payable		112,056,316	132,101,882
Savings bank deposits		2,044,526,815	1,713,722,396
Fixed deposits		23,418,933,183	19,645,864,640
Other deposits		-	-
Other liabilities	12(a)	13,555,383,009	12,124,913,414
Total liabilities		42,718,452,121	36,673,396,148
Shareholders' equity			
Total shareholders' equity		19,375,772,482	19,261,293,041
Paid-up capital	13	6,000,000,000	4,000,000,000
Quasi equity	14	134,744,560	134,744,560
Statutory reserve	15	2,664,871,336	2,614,571,336
General reserve	16.1	2,347,755,114	4,347,755,114
Revaluation reserve	16.2(a)	6,320,705,403	6,411,967,551
Other reserve	16.3(a)	1,100,420,676	1,076,128,516
Retained earnings	16(a.i)	807,275,393	676,125,964
Total liabilities and shareholders' equity		62,094,224,603	55,934,689,190



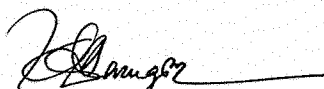
Bangladesh Development Bank Limited and Its Subsidiaries

Consolidated Balance Sheet

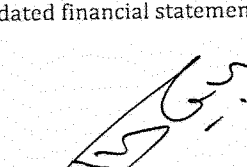
As at 31 December 2021

	Notes	2021 Taka	2020 Taka
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	16.4	1,200,806,689	1,070,752,530
Acceptance and endorsements		-	-
Acceptance for FC guarantee		-	340,370,238
Letters of credit		757,335,731	368,842,751
Bills for collection		376,968,243	306,346,914
Other contingent liabilities		66,502,715	55,192,627
Other commitments		-	-
Documentary credits and other short term trade-related transaction		-	-
Liability on account of outstanding forward exchange contract		-	-
Forward assets purchased and forward deposit 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		1,200,806,689	1,070,752,530

The annexed notes from 1 to 35 form an integral part of these consolidated financial statements.


Managing Director


Director

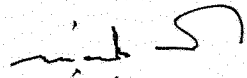

Director

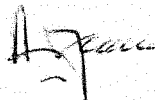

Chairman

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

Signed for & on behalf of
K. M. HASAN & CO.
Chartered Accountants

Signed for & on behalf of
ACNABIN
Chartered Accountants


Md. Amirul Islam, FCA
Senior Partner
ICAB Enrolment No. 331
DVC: 2205090331AS674023


Md. Moniruzzaman, FCA
Partner
ICAB Enrolment No. 787

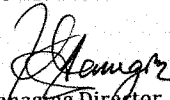
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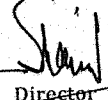
Dhaka, Bangladesh
Dated: 28 April 2022

Bangladesh Development Bank Limited and Its Subsidiaries
Consolidated Profit and Loss Account
For the year ended 31 December 2021

	Notes	2021 Taka	2020 Taka
Interest Income	18(a)	1,724,442,000	1,917,809,218
Interest paid on borrowings, deposits, etc	19(a)	(1,592,862,269)	(1,588,268,863)
Net interest income		131,579,731	329,540,355
Investment income	20(a)	1,266,286,685	611,692,782
Commission, exchange and brokerage	21(a)	174,290,251	65,954,225
Other operating income	22(a)	363,208,755	412,324,432
		1,803,785,691	1,089,971,439
Total operating income		1,935,365,422	1,419,511,794
Operating expenses			
Salaries and allowances	23(a)	912,540,557	946,083,855
Rent, taxes, insurance, lighting, etc	24(a)	63,090,975	63,272,364
Legal expenses	25(a)	1,734,941	1,964,964
Postage, telecommunication, etc	26(a)	9,869,644	6,866,790
Stationery, printing, advertisement, etc	27(a)	11,748,531	9,262,291
Managing Director's/Chief Executive's remuneration		3,762,460	3,700,000
Directors' fees	28(a)	2,102,387	2,307,540
Auditors' fees	28(b)	968,667	1,317,500
Depreciation and repair of Bank's assets	29(a)	106,506,255	63,130,545
Other expenses	30(a)	157,706,501	131,775,521
		1,270,030,918	1,229,681,370
Total operating expenses		665,334,504	189,830,425
Profit before provision			
Provision for loans and advances	31(a)	158,999,961	-
Provision for diminution in value of investments		70,651,738	17,284,665
Other provisions		-	-
Total provision		229,651,699	17,284,665
Total profit before taxes		435,682,805	172,545,760
Provision for taxation			
Current tax	12(a.i)	237,197,876	89,370,135
Deferred tax	12(a.ii)	(7,895,099)	(4,635,580)
		229,302,777	84,734,554
Net profit after tax		206,380,028	87,811,205
Appropriations:			
Statutory reserve		50,300,000	22,150,000
General reserve		-	-
Revaluation reserve		-	-
Start up fund		638,440	448,896
Building fund		-	-
Dividend to Government		-	-
		50,938,440	22,598,896
Retained surplus	16(a)	155,441,588	65,212,309
Earnings per share (EPS)	33(a)	3.44	1.46

The annexed notes from 1 to 35 form an integral part of these consolidated financial statements.


 Managing Director

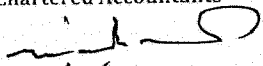

 Director


 Director


 Chairman

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


Signed for & on behalf of
 K. M. HASAN & CO.
 Chartered Accountants



Md. Amirul Islam, FCA
 Senior Partner
 ICAB Enrolment No. 331
 DVC: 2205090331AS674023

Dhaka, Bangladesh
 Dated: 28 April 2022

Signed for & on behalf of
 ACNABIN
 Chartered Accountants

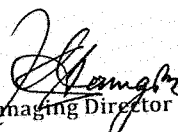

 Md. Moniruzzaman, FCA
 Partner
 ICAB Enrolment No. 787

DVC: 2205090787AS953056

Bangladesh Development Bank Limited and Its Subsidiaries
Consolidated Cash Flow Statement
For the year ended 31 December 2021

Notes	2021 Taka	2020 Taka
A. Cash flows from operating activities		
Interest receipts in cash	1,752,564,746	1,930,339,698
Interest payments	(1,467,265,709)	(1,723,680,167)
Dividends receipts	301,686,380	185,359,073
Fees and commission receipts in cash	174,290,251	65,954,225
Recoveries of loans previously written-off	61,534,314	92,454,986
Cash payments to employees	(883,896,474)	(895,284,890)
Cash payments to suppliers	2,391,859	9,394,668
Income taxes paid	(200,967,146)	(154,602,160)
Receipts from other operating activities	2,008,144,450	1,047,229,104
Payments for other operating activities	(1,322,369,829)	(602,280,823)
	426,112,842	(45,116,286)
Operating profit before changes in operating assets and liabilities		
Increase/(Decrease) in operating assets and liabilities		
Loans and advances	(2,851,177,257)	(1,374,783,790)
Other assets	(5,872,917)	(1,237,600,534)
Deposits from other banks	-	-
Deposits from customers and others	4,788,376,536	(3,429,301,571)
Other liabilities	1,012,235,378	292,894,054
Cash flow from/(used in) operating assets and liabilities	2,943,561,740	(5,748,791,841)
Net cash flow from/(used in) operating activities	3,369,674,582	(5,793,908,128)
B. Cash flows from investing activities		
Proceeds from sale of securities	2,612,882,022	1,946,830,470
Payments for purchase of securities	(2,605,585,893)	(630,780,827)
Purchase of fixed asset (property, plant and equipment)	(207,706,352)	(42,294,831)
Net cash (used in)/flow from investing activities	(200,410,223)	1,273,754,812
C. Cash flows from financing activities		
Decrease in long term borrowing	(175,806,158)	295,862,328
Dividend paid	-	-
Net cash (used in)/flow from financing activities	(175,806,158)	295,862,328
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	2,993,458,201	(4,224,290,989)
E. Effects of changes in exchange rate	24,513,744	3,988,237
F. Cash and cash equivalents at beginning of the year	12,395,038,622	16,615,341,373
G. Cash and cash equivalents at end of the year (D+E+F)	15,413,010,567	12,395,038,622
Cash and cash equivalents at end of the year		
Cash in hand (including foreign currencies)	96,221,417	83,850,821
Balance with Bangladesh Bank and its agent bank(s)	1,893,778,960	2,278,779,161
Balance with other banks and financial institutions	13,423,010,190	10,032,408,640
	15,413,010,567	12,395,038,622

The annexed notes from 1 to 35 form an integral part of these consolidated financial statements.

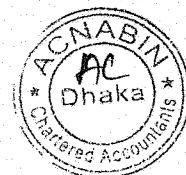

Managing Director


Director


Director


Chairman

Dhaka, Bangladesh
Dated: 28 April 2022



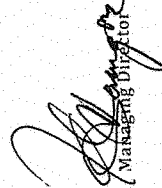
Bangladesh Development Bank Limited and Its Subsidiaries
Consolidated Statement of Changes in Equity
For the year ended 31 December 2021

Particulars	Paid-up capital	Quasi equity	Statutory reserve	General reserve	Revaluation reserve	Other reserve	Retained earnings	Profit/(Loss)	(Amount in Taka)
									Total equity
Balance as at 01 January 2021	4,000,000,000	134,744,560	2,614,571,336	4,347,755,114	6,411,967,551	1,076,128,516	676,125,964	-	19,261,293,041
Bonus share issued	2,000,000,000	-	-	(2,000,000,000)	-	-	(24,292,160)	-	(104,899,013)
Transfer to Capital Reserve	-	-	-	-	(104,899,013)	-	-	-	13,636,865
Dep. during the year	-	-	-	-	13,636,865	-	-	206,380,028	206,380,028
Adjustment for deferred tax	-	-	-	-	-	-	-	(205,741,588)	-
Net profit for the year	-	-	50,300,000	-	-	24,292,160	155,441,588	(638,440)	(638,440)
Appropriations made during the year	-	-	-	-	-	-	-	-	-
Appropriations of profit to other liability for Start up fund	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	6,000,000,000	134,744,560	2,664,871,336	2,347,755,114	6,320,705,403	1,100,420,676	807,275,393	-	19,375,772,482

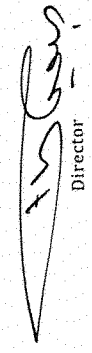
For the year ended 31 December 2020

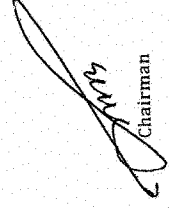
Particulars	Paid-up capital	Quasi equity	Statutory reserve	General reserve	Revaluation reserve	Other reserve	Retained earnings	Profit/(Loss)	(Amount in Taka)
									Total equity
Balance as at 01 January 2020	4,000,000,000	134,744,560	2,592,421,336	4,347,755,114	6,505,569,700	1,074,351,242	612,690,929	-	19,261,293,041
Transfer to Capital Reserve	-	-	-	-	-	1,777,274	(1,777,274)	-	(107,588,731)
Dep. during the year	-	-	-	-	(107,588,731)	-	-	-	13,986,582
Adjustment for deferred tax	-	-	-	-	13,986,582	-	-	87,811,205	87,811,205
Net profit for the year	-	-	22,150,000	-	-	-	65,212,309	(87,362,309)	(448,896)
Appropriations made during the year	-	-	-	-	-	-	-	-	-
Appropriations of profit to other liability for Start up fund	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	4,000,000,000	134,744,560	2,614,571,336	4,347,755,114	6,411,967,551	1,076,128,516	676,125,964	-	19,261,293,041

Dhaka, Bangladesh
Dated: 28 April, 2022


Managing Director


Director


Director


Chairman



Bangladesh Development Bank Limited

Balance Sheet
As at 31 December 2021

	Notes	2021 Taka	2020 Taka
PROPERTY AND ASSETS			
Cash	3	1,990,000,377	2,362,629,982
Cash in hand (including foreign currencies)		96,221,417	83,850,821
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		1,893,778,960	2,278,779,161
Balance with other banks and financial institutions	4	12,358,213,539	9,706,431,206
In Bangladesh		11,554,742,408	8,688,402,386
Outside Bangladesh		803,471,131	1,018,028,819
Money at call and on short Notice	5	650,000,000	100,000,000
Investments	6	8,397,227,868	8,404,523,997
Government		894,400	548,300
Others		8,396,333,468	8,403,975,697
Loans and advances	7	24,134,333,604	21,289,651,005
Loans, cash credit and overdrafts, etc		23,539,682,303	20,896,874,555
Bill purchased and discounted		594,651,301	392,776,450
Fixed assets including premises, furniture and fixtures	8	7,797,780,000	7,754,832,735
Other assets	9	5,829,063,323	5,683,568,219
Total assets		61,156,618,711	55,301,637,143
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, financial institutions and agents	10	158,402,623	332,192,781
Deposits and other accounts	11	29,005,102,268	24,218,902,631
Current and other accounts		3,429,585,954	2,727,213,713
Bills payable		112,056,316	132,101,882
Savings Bank deposits		2,044,526,815	1,713,722,396
Fixed deposits		23,418,933,183	19,645,864,640
Other deposits		-	-
Other liabilities	12	12,998,498,298	11,727,869,499
Total liabilities		42,162,003,189	36,278,964,911
Shareholders' equity			
Total shareholders' equity		18,994,615,522	19,022,672,232
Paid-up capital	13	6,000,000,000	4,000,000,000
Quasi equity	14	134,744,560	134,744,560
Statutory reserve	15	2,664,871,336	2,614,571,336
General reserve	16.1	2,347,755,114	4,347,755,114
Revaluation reserve	16.2	6,320,705,403	6,411,967,551
Other reserve	16.3	1,065,907,514	1,065,907,514
Retained earnings	16.5	460,631,595	447,726,157
Total liabilities and shareholders' equity		61,156,618,711	55,301,637,143



Bangladesh Development Bank Limited

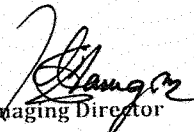
Balance Sheet As at 31 December 2021

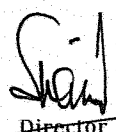
Notes	2021 Taka	2020 Taka
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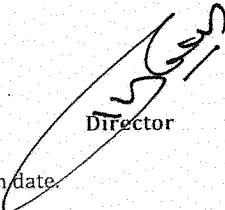
OFF-BALANCE SHEET ITEMS

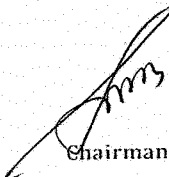
Contingent liabilities	16.4	1,200,806,689	1,070,752,530
Acceptance and endorsements		-	340,370,238
Acceptance for FC guarantee		757,335,731	368,842,751
Letters of credit		376,968,243	306,346,914
Bills for collection		66,502,715	55,192,627
Other contingent liabilities		-	-
Other commitments			
Documentary credits and other short term trade related transaction		-	-
Liability on account of outstanding forward exchange contract		-	-
Forward assets purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal stand by facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		1,200,806,689	1,070,752,530

The annexed notes from 1 to 35 form an integral part of these financial statements.


Managing Director

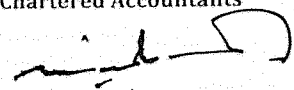

Director


Director


Chairman

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

Signed for & on behalf of
K. M. HASAN & CO.
Chartered Accountants



Md. Amirul Islam, FCA
Senior Partner
ICAB Enrolment No. 331
DVC: 2205090331AS674023

Signed for & on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner
ICAB Enrolment No. 787

DVC: 2205090787AS953056

Dhaka, Bangladesh
Dated: 28 April 2022

Bangladesh Development Bank Limited

Profit and Loss Account For the year ended 31 December 2021

	Notes	2021 Taka	2020 Taka
Interest income	18	1,754,574,023	1,928,321,715
Interest paid on borrowings, deposits, etc	19	(1,592,862,269)	(1,588,268,863)
Net Interest Income		161,711,754	340,052,852
Income from investments	20	1,016,784,059	514,035,398
Commission, exchange and brokerage	21	85,735,205	35,805,023
Other operating income	22	360,302,894	410,619,129
		1,462,822,158	960,459,550
Total operating income		1,624,533,912	1,300,512,402
Operating expenses			
Salaries and allowances	23	885,076,422	924,662,912
Rent, taxes, insurance, lighting, etc	24	59,137,643	58,045,493
Legal expenses	25	1,594,641	1,760,964
Postage, telecommunication, etc	26	9,690,569	6,725,033
Stationery, printing, advertisement, etc	27	11,082,678	8,841,768
Managing Director's/Chief Executive's remuneration		3,762,460	3,700,000
Directors' fees	28	852,587	1,336,800
Auditors' fees		807,667	1,179,500
Depreciation and repair of Bank's assets	29	101,830,019	60,249,617
Other expenses	30	139,941,275	123,395,422
		1,213,775,961	1,189,897,509
Total operating expenses		410,757,951	110,614,893
Profit before provision		158,999,961	-
Provision for loans and advances	31	-	-
Provision for diminution in value of investments		-	-
Other provisions		158,999,961	-
Total provision		251,757,990	110,614,893
Total profit before taxes		63,843,878	44,889,600
Provision for taxation			
Current tax	12.1.1	195,808,084	70,394,491
Deferred tax	12.1.2	(7,893,972)	(4,669,198)
		187,914,112	65,725,293
Net profit after tax		63,843,878	44,889,600
Appropriations:			
Statutory reserve		50,300,000	22,150,000
General reserve		-	-
Start up fund		638,440	448,896
Dividend to Government		-	-
		50,938,440	22,598,896
Retained surplus		12,905,438	22,290,704
Earnings per share (EPS)	33	1.06	0.75

The annexed notes from 1 to 35 form an integral part of these financial statements.

Managing Director

Director

Director

Chairman

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

Signed for & on behalf of
K. M. HASAN & CO.
Chartered Accountants

Md. Amirul Islam, FCA
Senior Partner
ICAB Enrolment No. 331
DVC. 2205090331AS674023

Signed for & on behalf of
ACNABIN
Chartered Accountants

Md. Moniruzzaman, FCA
Partner
ICAB Enrolment No. 787

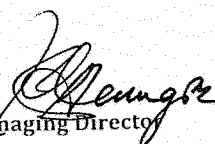
DVC:2205090787AS953056


Dhaka, Bangladesh
Dated: 28 April 2022

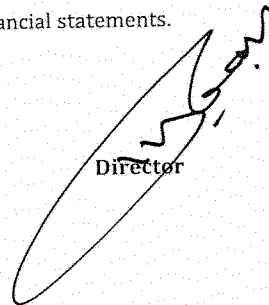
Bangladesh Development Bank Limited
Cash Flow Statement
For the year ended 31 December 2021

	Notes	2021 Taka	2020 Taka
A. Cash flows from operating activities			
Interest receipts in cash		1,761,068,681	1,947,366,712
Interest payments		(1,507,498,786)	(1,751,117,741)
Dividend receipts		250,777,364	141,430,645
Fees and commission receipts in cash		85,735,205	35,805,023
Recoveries on loans previously written-off		61,534,314	92,454,986
Cash payments to employees		(883,896,474)	(895,284,890)
Cash payments to suppliers		2,391,859	9,394,668
Income taxes paid		(172,919,731)	(133,142,323)
Receipts from other operating activities	22(b)	900,639,344	634,113,419
Payments for other operating activities	30(b)	(261,635,163)	(222,473,929)
		236,196,613	(141,453,430)
Operating profit before changes in operating assets and liabilities			
Increase/(Decrease) in operating assets and liabilities			
Loans and advances		(2,851,177,257)	(1,374,783,790)
Other assets		(5,872,917)	(1,237,600,534)
Deposits from other banks		-	-
Deposits from customers and others		4,786,199,637	(3,426,975,881)
Other liabilities		1,012,235,378	292,894,054
Cash flow from/(used in) operating assets and liabilities		2,941,384,841	(5,746,466,151)
Net cash flow from/(used in) operating activities		3,177,581,454	(5,887,919,582)
B. Cash flows from investing activities			
Proceeds from sale of securities		2,612,882,022	1,946,830,470
Payments for purchase of securities		(2,605,585,893)	(630,780,827)
Purchase of property, plant and equipment		(206,448,440)	(41,892,441)
Net cash (used in)/flow from investing activities		(199,152,311)	1,274,157,202
C. Cash flows from financing activities			
Increase in long term borrowing		(173,790,158)	296,366,328
Dividend paid		-	-
Net cash (used in)/flow from financing activities		(173,790,158)	296,366,328
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)		2,804,638,985	(4,317,396,052)
E. Effects of changes in exchange rate		24,513,744	3,988,237
F. Cash and cash equivalents at beginning of the year		12,169,061,187	16,482,469,002
G. Cash and cash equivalents at end of the year (D+E+F)	32	14,998,213,916	12,169,061,187
Cash and cash equivalents at end of the year			
Cash in hand (including foreign currency)		96,221,417	83,850,821
Balance with Bangladesh Bank and its agent bank(s)		1,893,778,960	2,278,779,161
Balance with other banks and financial institutions		13,008,213,539	9,806,431,206
		14,998,213,916	12,169,061,187

The annexed notes from 1 to 35 form an integral part of these financial statements.


Managing Director


Director


Director


Chairman

Dhaka, Bangladesh
Dated: 28 April 2022



Bangladesh Development Bank Limited

Statement of Changes in Equity

For the year ended 31 December 2021

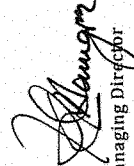
Particulars	(Amount in Taka)								
	Paid-up capital	Quasi equity	Statutory reserve	General reserve	Revaluation reserve	Other reserves	Retained earnings	Profit/(loss)	Total equity
Balance as at 01 January 2021	4,000,000,000	134,744,560	2,614,571,336	4,347,755,114	6,411,967,551	1,065,907,514	447,726,157	-	19,022,672,232
Bonus share issued	2,000,000,000	-	-	(2,000,000,000)	(104,899,013)	-	-	-	(104,899,013)
Depreciation during the year	-	-	-	-	13,636,865	-	-	-	13,636,865
Adjustment for deferred tax	-	-	-	-	-	-	-	63,843,878	63,843,878
Net profit for the year	-	-	50,300,000	-	-	-	12,905,438	(63,205,438)	-
Appropriations made during the year	-	-	-	-	-	-	-	(638,440)	(638,440)
Appropriations of profit to other liability for Start up fund	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	6,000,000,000	134,744,560	2,664,871,336	2,347,755,114	6,320,705,403	1,065,907,514	460,631,595	-	18,994,615,522

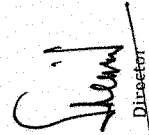
For the year ended 31 December 2020

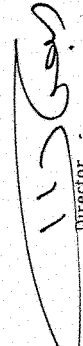
Particulars	(Amount in Taka)								
	Paid-up capital	Quasi equity	Statutory reserve	General reserve	Revaluation reserve	Other reserves	Retained earnings	Profit/(loss)	Total equity
Balance as at 01 January 2020	4,000,000,000	134,744,560	2,592,421,336	4,347,755,114	6,505,569,700	1,065,907,514	425,435,452	-	19,071,833,676
Depreciation during the year	-	-	-	-	(107,588,731)	-	-	-	(107,588,731)
Adjustment for deferred tax	-	-	-	-	13,986,582	-	-	-	13,986,582
Net profit for the year	-	-	22,150,000	-	-	-	22,290,704	44,889,600	44,889,600
Appropriations made during the year	-	-	-	-	-	-	-	(44,440,704)	-
Appropriations of profit to other liability for Start up fund	-	-	-	-	-	-	-	(448,896)	(448,896)
Balance as at 31 December 2020	4,000,000,000	134,744,560	2,614,571,336	4,347,755,114	6,411,967,551	1,065,907,514	447,726,157	-	19,022,672,232

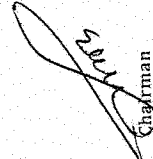
Dhaka, Bangladesh

Dated: 28 April 2022


Managing Director


Director

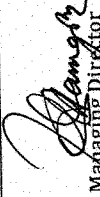

Director


Chairman



Bangladesh Development Bank Limited
Liquidity Statement (Analysis of Maturity of Assets and Liabilities)
As at 31 December 2021

Particulars	(Amount in Taka)					Total
	Not more than 1 month term	1-3 months term	3-12 months term	1-5 years term	Above 5-years term	
Assets						
Cash in hand	96,221,417	-	-	-	-	96,221,417
Balance with Bangladesh Bank and Sonali Bank (incl. foreign currencies)	1,543,200,000	-	-	-	350,578,960	1,893,778,960
Balance with other banks and financial institutions and agents	4,549,400,000	5,991,700,000	1,817,113,539	-	-	12,358,213,539
Money at call and on short notice	650,000,000	-	-	-	-	650,000,000
Investments	-	8,000,000	4,001,200,000	1,456,500,000	2,931,527,868	8,397,227,868
Loans and advances	1,164,300,000	2,156,600,000	3,284,900,000	14,106,800,000	3,421,733,604	24,134,333,604
Fixed assets including premises, furniture and fixtures	-	-	-	-	7,797,780,000	7,797,780,000
Other assets	86,400,000	664,900,000	613,400,000	2,244,700,000	2,219,663,323	5,829,063,323
Non-banking assets	-	-	-	-	-	-
Total Assets	8,089,521,417	8,821,200,000	9,716,613,539	17,808,000,000	16,721,283,755	61,156,618,711
Liabilities						
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	-	-	33,400,000	125,002,623	-	158,402,623
Deposits and other accounts	2,871,500,000	7,268,500,000	4,959,100,000	13,906,002,268	-	29,005,102,268
Provision and other liabilities	153,800,000	153,800,000	994,400,000	2,501,600,000	9,348,698,298	12,998,498,298
Total Liabilities	2,871,500,000	7,422,300,000	5,986,900,000	16,532,604,891	9,348,698,298	42,162,003,189
Net liquidity gap	5,218,021,417	1,398,900,000	3,729,713,539	1,275,395,109	7,372,585,457	18,994,615,522


Managing Director


Director


Director


Chairman

Dhaka, Bangladesh
Dated: 28 April 2022

- i) Balance with other banks and financial institutions, Money at call and on short notice are on the basis of their maturity.
- ii) Investments are on the basis of their maturity.
- iii) Loans and advances are on the basis of their maturity.
- iv) Fixed assets including premises land and buildings, furniture and fixtures are on the basis of their useful life.
- v) Other assets are on the basis of their adjustment.
- vi) Borrowings from Bangladesh Bank, other banks, financial institutions and agents are on the basis of their payment.
- vii) Deposits and other accounts are on the basis of their maturity and payment.
- viii) Provision and other liabilities are on the basis of their adjustment.



Bangladesh Development Bank Limited and Its Subsidiaries
Notes to the consolidated and separate financial statements
As at & for the year ended 31 December 2021

1. Status of the Bank

1.1 Legal form of the Bank

Bangladesh Development Bank Limited ("BDBL" or the "Bank") a state owned Bank was incorporated in Bangladesh on 16th November, 2009 under the Companies Act, 1994 to acquire and take-over, as a going concern, the undertakings and business of two specialized Banks i.e.. Bangladesh Shilpa Bank (BSB) and Bangladesh Shilpa Rin Sangstha (BSRS) constituted respectively under the Bangladesh Shilpa Bank Order, 1972 (President Order No.129 of 1972) and Bangladesh Shilpa Rin Sangstha Order, 1972 (President Order No.128 of 1972) with all of their assets, benefits, rights, powers, authorities, privileges, liabilities, borrowings and obligations and to carry on with the same business. Two vendors agreements were executed between the Government Bangladesh and Bangladesh Development Bank Limited on 31 December 2009 in this regard. The Bank has 49 Branches & 02 (two) 100% owned subsidiaries named BDBL Securities Limited (BSL) and BDBL Investment Services Limited (BISL).

The registered office of the Bank is located at 8 Rajuk Avenue, Motijheel, Dhaka-1000 and the website address is www.bdbl.com.bd

1.2 Nature of business

Bangladesh Development Bank Limited extends financial assistance both in local and foreign currencies for setting up of new industries and provides all kinds of commercial banking services to its customer through its branches in The principal activities of the bank are to provide a comprehensive range of financial services:

- (a) personal and commercial banking, including accepting deposits, remittance, money transfer, foreign exchange transaction, guarantee, commitments, trade and services, cash management, etc. to its customers.
- (b) Fund based services include short term & long term loans, Project wise industrial credit, discounting and purchasing bills, consumers and staff loans, House & car loans etc.

1.3 BDBL Securities Limited (BSL)

BDBL Securities Limited, a fully owned subsidiary company which was incorporated on 23 May 2011 with the Registrar of Joint Stock Companies & Firms with an authorised and paid up capital of BDT 500 million and BDT 200 million respectively. The company is a member of Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. and obtained Stock Broker and Stock Dealer Licenses of DSE on 18 January 2012 and CSE on 15 May 2012.

1.4 BDBL Investment Services Limited (BISL)

BDBL Investment Services Limited, another fully owned subsidiary company which was incorporated on 06 August, 2014 with authorised and paid up capital of BDT 500 million and BDT 200 million respectively. A vendor's Agreement was signed on 11 September, 2014 between BDBL and BISL for transfer of membership of DSE Trading Right Entitlement Certificate (TREC) # 152 and shares (7,215,106 share of BDT 10 each). DSE approved conversion of DSE TREC # 152 and shares in favor of BISL at its 813th Board Meeting held on 26 November 2015 and then BSEC issued Stock Dealer and Stock Broker Registration Certificate in favor of BISL on 19 January 2016.

2. Significant accounting policies

2.1 Basis of preparation of the financial statements

The consolidated financial statements of the Group and separate financial statements the Bank have been prepared under the historical cost convention in accordance with International Financial Reporting Standards (IFRSs) with reference to the provisions of the Bank Company Act, 1991 (as amended up to date) and other circulars/instructions of Bangladesh Bank and the Companies Act, 1994.

In case any requirement of the Bank Companies Act 1991 (as amended up to date) and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs as adopted, the requirements of the Bank Company Act 1991 and provisions and circulars issued by Bangladesh Bank shall prevail.

As such the Group and the Bank has departed from those which are the requirements of IAS and IFRS in order to comply with the rules and regulations of Bangladesh Bank are disclosed below:

i) Presentation of financial statements

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



Bangladesh Bank: A format of financial statements (i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) is prescribed in the "First Schedule" of section 38 of the Bank Company Act 1991 (as amended) and BRPD circular no. 15 dated 09 November 2009 of Bangladesh Bank. Assets and liabilities are not classified under current and non-current heading in the prescribed format of financial statements.

ii) **Investment in shares and securities**

IFRS: As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income 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

iii) **Revaluation gains/losses on Government securities**

IFRS: As per requirement of IFRS 9 "Financial Instruments: where securities will fall under the category of fair value through profit or loss account and any change in fair value of the asset is recognised through profit or loss account. 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 amortized cost are measured at effective interest rate method and interest income is recognized through the profit and loss account.

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

iv) **Provision on investments and off-balance sheet items**

IFRS: As per IFRS 9 an entity shall recognise an impairment allowance on investments (loan) based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for investment (loan) at an amount equal to the lifetime expected credit losses if the credit risk on these investments has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those investments (loans) for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on investments that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012), BRPD circular No. 05 (29 May 2013), BRPD circular No. 16 (18 November 2014), BRPD Circular No. 15 (27 September 2017), BRPD Circular No. 01 (20 February 2018), BRPD Circular No. 03 (21 April 2019) and BRPD Circular No. 07 (19 March 2020) 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 sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively (except short-term agricultural and micro-credits where 5% for sub-standard and doubtful investments and 100% for bad & loss investments) 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 (except LC issued against Fast Track Electricity Project & Bills for Collection according to BRPD circular letter no. 01 dated 03 January 2018 & BRPD circular no. 07 dated 21 June 2018 respectively). Such provision policies are not specifically in line with those prescribed by IFRS 9 "Financial Instruments".

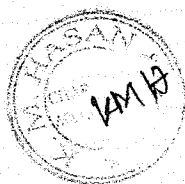
v) **Recognition of investment income in suspense**

IFRS: Investments (Loans) to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these Investments (Loans).

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

vi) **Other comprehensive income**

IFRS: As per IAS 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.

vii) **Financial instruments – presentation and disclosure**

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

viii) **Financial guarantees**

IFRS: As per IFRS 9, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtors fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognised less, income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD 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**

IFRS: Cash and cash equivalent items should be reported as cash items as per IAS 7 "Statement of Cash Flows".

Bangladesh Bank: Some cash and cash equivalent items such as 'money at call 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 balance sheet, and treasury bills, prize bonds are shown in investments.

x) **Non-Banking assets**

IFRS: No indication of Non-Banking asset is found in any IFRS.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, there must exist a face item named Non-Banking asset.

xi) **Cash flow statement**

IFRS: 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 14 dated 25 June 2003 and BRPD 15 dated 09 November 2009, cash flow is the mixture of direct and indirect methods.

xii) **Balance with Bangladesh Bank: (Cash Reserve Requirement)**

IFRS: Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7 "Statement of Cash Flows".

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

xiii) **Presentation of intangible asset**

IFRS: An intangible asset must be identified and recognised, and the disclosure must be given as per IAS 38 "Intangible Assets".

Bangladesh Bank: There is no regulation for intangible assets in BRPD 14 dated 25 June 2003.

xiv) **Off-balance sheet items**

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

Bangladesh Bank: As per BRPD 14 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) **Disclosure of appropriation of profit**

IFRS: There is no requirement to show appropriation of profit in the face of statement of comprehensive income.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, an appropriation of profit should be disclosed in the face of profit and loss account.

xvi) **Investments net off provision**

IFRS: Loans and advances/Investments should be presented net off provision.

Bangladesh Bank: As per BRPD 14 dated 25 June 2003, provision on loans and investments are presented separately as liability and cannot be net-off against loans and advances.



xvii) **Recognition of Interest in Suspense**

IFRS: Loans and advances/Investments to customers are generally classified as “loans and receivables” as per IFRS 9 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 investment is classified, profit on such investments are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an profit in suspense account, which is presented as liability in balance sheet.

2.2 Consolidation

The consolidated Financial Statements include the Financial Statements of Bangladesh Development Bank Limited (BDBL) including and the Financial Statements of its subsidiaries named BDBL Securities Limited (BSL) and BDBL Investment Services Limited (BISL) made up to the end of the financial year.

The consolidated Financial Statements have been prepared in accordance with IFRS 10. ‘Consolidated Financial Statements’. The consolidated Financial Statements are prepared to a common financial year ending 31 December 2021.

2.3 Subsidiary

Subsidiary is that enterprise which is controlled by the Bank. Control exists when the Bank has the power, directly or indirectly, to govern the financial and operating policies of an enterprise to obtain benefits from its activities from the date that control commences until the date that control ceases. The Financial Statements of subsidiary are included in the consolidated Financial Statements from the date that control effectively commences until the date the control effectively ceases.

2.4 Transactions eliminated on consolidation

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profit & Loss resulting from transaction between groups are also eliminated on consolidation.

2.5 Use of estimates and judgments

The preparation of Financial Statements requires the Bank to make certain estimates and to form judgments about the application of accounting policies which may affects the reported amounts of assets, liabilities, income and expenses; due to that actual results may differ to reasonable extent.

Estimates and underlying assumptions are reviewed on an ongoing basis and recognized its effects on present and future financial positions. The most significant areas where estimates and judgments have been made are on provision for investments, Income Taxes, Deferred Taxation & liquidity Statement.

2.6 Fixed assets and depreciation

Fixed assets, except land building are stated at cost less accumulated depreciation as per IAS-16. Land and building are shown at revalued amount.

Depreciation is charged on fixed assets other than motor vehicles and computer on reducing balance method. Depreciation on motor vehicles and computer is charged on straight line method. Depreciation is charged when the assets are ready to use. The relevant rates for depreciation are as follows:

Assets	Rates
Building / Premises	2.5%
Furniture and Fixtures, Interior Decoration	10%
Electric / Gas Installation	20%
Typewriters, Ceiling Fans, Office Equipment (including Computer) and SBBL Gun	20%
Motor Cars, Other Vehicles	20%
Software	25%

Depreciation at the applicable rates is charged proportionately on additions made during the year from the date when the asset are ready to use after their acquisition.

Upon disposal of items of fixed assets the net book values are eliminated from the accounts and the resulting gains or losses, if any, are transferred to Profit and Loss Account.

Repairs and maintenance costs of fixed assets are charged to Profit and Loss Account when incurred.

2.6.1 Revalued depreciation

Depreciation on revalued assets are being charged against revaluation reserve/ surplus as per Bangladesh Bank instruction since 2015 consistently.



2.6.2 Impairment of assets

An asset is impaired when its carrying amount exceeds its recoverable amount as per IAS 36 "Impairment of Assets". The Bank assesses at the end of each reporting period whether there is any indication that an asset may be impaired and/or whenever events or changes in circumstances indicate that the carrying value of the asset may not be recovered. If any such indication exists, the Bank makes an estimate of the recoverable amount of the assets. The carrying amount of the asset is reduced to its recoverable amount, if the recoverable amount is less than its carrying amount and impairment losses are recognized in the profit and loss account. However, impairment of financial assets is guided by the relevant Bangladesh Bank Circulars/Instructions and IAS 36.

2.6.3 Disposal of fixed assets

On the disposal of fixed assets, the cost and accumulated depreciation are eliminated from the fixed assets schedule and gains or losses on such disposal are reflected in the statement of comprehensive income (profit and loss account) as per provision of IAS 16 "Property, Plant and Equipment".

2.6.4 IFRS 16: Leases

Bangladesh Development Bank Limited has applied IFRS 16: "Leases" for the first time with the date of initial application of 01 January 2020 using modified retrospective approach where the bank measured the lease liability at the present value of the remaining lease payments and recognized a right-of-use asset at the date of the initial application on a lease by lease basis.

In according to IFRS 16 Leases, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

An asset is typically identified by being explicitly specified in a contract, but an asset can also be identified by being implicitly specified at the time it is made available for use by the customer. Upon lease commencement the bank recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the Bank. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar. After lease commencement, the Bank measures the right-of-use asset using a cost model. Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

The lease liability is initially measured at the present value of the lease payments payable over the lease term.

The Bank has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term. Bank only has recognised the leases for those agreements those complied the criteria of IFRS 16 Lease in the financial statements.

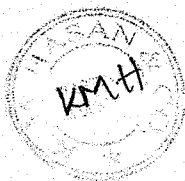
2.7 Investments

Investment in subsidiaries

Investment in subsidiary is accounted for under the cost method of accounting in the Bank's financial statements in accordance with the IAS 27 "Separate Financial Statements", IFRS 3 "Business Combination", IAS 36 "Impairment of Assets" and IFRS 10 "Consolidated Financial Statements".

2.8 Loans and advances

- i. Loans and advances have been stated at gross value as per requirement of the Bangladesh Bank.
- ii. Interest on unclassified loans and advances are calculated on a daily product basis but charged and accounted for on quarterly basis and in some cases on monthly basis.
- iii. No interest is charged on loan classified as bad loss.
- iv. Interest is charged on classified loans and advances other than bad loss as per BCD Circular no. 34 of 1989, BCD Circular no. 20 of 1994, BCD Circular no.12 of 1995, BRPD Circular no. 16 of 1998 and BRPD Circular no.9 of 2001, BRPD Circular no. 05 of 2006, BRPD Circular no.08 of 2007, BRPD Circular no.10 of 2007 and such interest is not included in income and credited to interest suspense account. This interest is credited to income on realisation.
- v. Interest and penal interest, if any, calculated on classified loans and advances are taken as income in the year of its receipt from the defaulting borrowers.
- vi. Interest on Special Mention Account (SMA) loan is charged and credited to interest income account as per Bangladesh Bank BRPD Circular no.14 dated 23 September 2012, BRPD Circular no. 05 dated 29 May 2013.
- vii. Provision for loans and advances are made on the basis of information furnished by the branches and of instructions contained in Bangladesh Bank BRPD Circular no.14 dated 23 September 2012, BRPD Circular no.19 dated 27 December 2012 and BRPD Circular 8 dated 02 August 2015, BRPD Circular no. 05 dated 29 May 2013, BRPD Circular no. 01 dated 20 February 2018, BRPD Circular no. 03 dated 21 April 2019 and other applicable circulars issued during the year 2020.



- vii. Loans and advances are written-off as per BRPD Circular no. 2 dated 13 January 2003.
- viii. The provision of the loans and advances were maintained as follows and also considering the relevant circulars issued by the year 2021.

Types of loans	Provision				
	STD	SMA	SS	DF	BL
House Finance	1%	1%	20%	50%	100%
Loan to Professionals	2%	2%	20%	50%	100%
Consumer Finance	2%	2%	20%	50%	100%
Loans to BHs/MBs/SDs	2%	2%	20%	50%	100%
Short term Agri. Credit and Micro Credit	1%	-	5%	5%	100%
SME	0.25%	0.25%	5%	20%	100%
Others	1%	1%	20%	50%	100%

* 2% Special general provision COVID-19 were maintained duly as per circular.

2.9 Rental income

Rental income is accounted for on accrual basis.

2.10 Revenue recognition

The revenue is recognized as follows complying the conditions of revenue recognition as provided in IFRS 15.

- Income from investments has been accounted for on accrual basis.
- Income from investment in Securities is recognized at the time of sale.
- Dividend income is recognised when shareholders' right to receive is established.
- Income from bills purchased and discounted is recognized at the time of realization.
- Fees and commission income are recognized when earned.

2.11 Cash flow statement

Cash flow statement is prepared principally in accordance with IAS 7 "Cash Flow Statement"; and as prescribed by BRPD Circular No. 14 dated 25 June 2003.

2.12 Off-balance sheet items

Under general Banking transactions, liabilities against acceptance, endorsement and other obligations and bills against which acceptances have been given and claims exist there against, have been shown as Off Balance Sheet items.

2.13 Foreign currency transactions

The transactions in foreign currencies are converted into equivalent Taka currency using the ruling exchange rates on the dates of such transactions. At the Balance Sheet date related assets and liabilities are converted to Taka using exchange rates prevailing on that date.

2.14 Statement of changes in equity

Statement of changes in equity is prepared principally in accordance with IAS-1 "Presentation of Financial Statements" and under the guidelines of Bangladesh Bank BRPD Circular No.14 dated 25 June 2003.

2.15 Statement of liquidity

The liquidity statement has been prepared in accordance with the remaining maturity-wise grouping of the value of the

- i. Balance with other banks and financial institutions, money at call and on short notice, etc. are on the basis of their maturity term.
- ii. Investment is on the basis of their respective maturity.
- iii. Loans and advances are on the basis of their repayment schedule.
- iv. Property, plant and equipment (lined assets) are on the basis of their useful lives.
- v. Other assets are on the basis of their realisation/amortisation.
- vi. Borrowing from government and other agencies, etc. are as per their maturity.
- vii. Deposits and other accounts are on the basis of their maturity and payment.
- viii. Provisions and other liabilities are on the basis of their payment/adjustment schedule.

2.16 Retirement benefit scheme

The Bank has number of retirement benefit schemes as applicable for the employees of Bangladesh Development Bank Limited and erstwhile Bangladesh Shilpa Bank and Bangladesh Shilpa Rin Sangstha:

- i. Gratuity and CPF Scheme:
 - (a) Contributory Provident Fund
 - (b) Gratuity Scheme



- ii. GPF and Pension and Death cum Retirement Benefit Scheme:
 - (a) General Provident Fund (GPF)
 - (b) Pension and Death cum Retirement Benefit Scheme

Contribution to the above retirement benefit schemes is made by the Bank as per rules and regulations of the respective schemes and outcome of actuarial valuation. These schemes are managed and administered by separate trust formed for

2.17 Capital/ Shareholders' equity

2.17.1 Authorised capital

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

2.17.2 Paid-up capital

Paid up capital represents total amount of share capital that has been paid in full by the Govt. Holders of ordinary shares are entitled to receive dividends as declared from time to time.

2.18 Statutory reserve

The Bank Companies Act, 1991 requires the Bank to transfer from its current year's profit before tax to reserve until such reserve together with share premium account equals to its paid up capital. Accordingly 20% of the current year's profit before tax (PBT) has been transferred to this reserve.

2.19 Asset revaluation reserve

This represent the differences between the book value and the re-valued amount of premises (Land, Building and Vehicles) of the bank as assessed by professional valuers in the year 2010. To calculate Capital Adequacy Ratio (CAR), 50% of the same was considered as a component of supplementary capital as per Bangladesh Bank BRPD circular no.24 dated 03 August 2010 up to 2014. However, as per BRPD circular 18 dated December 21,2014, the revaluation reserve for Fixed Assets (Property, Plant and Equipment) will gradually be deducted from Tier-2 capital with phase starting from 2015. Accordingly, 20% of the revaluation reserve that qualified for Tier-2 capital has been deducted while calculation eligible capital at the year ended 2015, 40% of the revaluation reserve that qualified for Tier-2 capital has been deducted while calculation eligible capital at the year ended 2016, 60% of the revaluation reserve that qualified for Tier-2 capital has been deducted while calculation eligible capital at the year ended 2017, 80% of the revaluation reserve that qualified for Tier-2 capital has been deducted while calculation eligible capital at the year ended 2018 and 100% of the revaluation reserve that qualified for Tier-2 capital has been deducted while calculation eligible capital at the year ended 2019.

2.20 Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity.

2.20.1 Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Provision for current tax has been made as under as per the Income Tax Ordinance, 1984 and the Finance Act, 2021.

- On business income, rental income and interest from bond at 40%;
- On dividend income at 20%;
- On capital gain from sale of shares at 10%;
- On capital gain from sale of assets at 15%; and
- On 82C related income as per provisions of Section 82C of the Income Tax Ordinance, 1984.

2.20.2 Deferred tax

Deferred tax is accounted for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purpose. Tax rate (@ 40%) prevailing at the balance sheet date is used to determine deferred tax. Deferred tax assets are reviewed at each reporting date and are changed to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax relating to unrealised surplus on revaluation of Land & Building is recognised directly in revaluation reserve.

2.21 Earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period as per IAS - 33 "Earnings Per Share". Diluted Earnings per Share is not required to be calculated for the year, as there exist no dilution possibilities during the year.

2.22 Reconciliation position

a. Nostro A/C:

There are five NOSTRO accounts being maintained with Foreign Banks and all those accounts are reconciled at year end. There is no outstanding entry for more than one month.



b. Inter-branch transactions:

As CBS-Core Banking System has been established, inter-branch transactions are performed reciprocally and the balance is netted-off at a particular point of time. The position of inter branch outstanding entries as on 31 December 2021 is as under:

Outstanding Period	Debit Entry		Credit Entry		Total Entry
	No. of entry	BDT '000'	No. of entry	BDT '000'	
Less than 3 months	16	617,971	20	1,201,269	36
3 months to 6 months	-	-	-	-	-
6 months to 9 months	-	-	-	-	-
9 months to 12 months	-	-	-	958	51
More than 12 months	25	993	26	1,202,227	87
Total	41	618,964	46		
Unadjusted amount (Cr.)	583,263				

*Adequate provision has been made for the amount of outstanding entries for six months and above.

2.23 Core risk management

Risk Management has become one of the most sensitive and crucial factors in the banking business all over the world. Banking sector environment of Bangladesh has undergone a monumental change in recent years. In the course of banking operations, banks are invariably faced with different types of risks that may have a potentially adverse effect on their business. Banks are obliged to establish a comprehensive and reliable risk management system in line with the established risk propensity.

To mitigate those risk factors, appropriate steps are being taken under the supervision of the top management of BDBL continuously. The overall focus of Risk Management of the bank in 2021 was on maintaining the risk profile in line with its strategy, strengthening its capital base and supporting the strategic goals. Besides, the objective of risk management policy of BDBL is to build up a strong shield against risk throughout the bank and to minimize risk by developing an early alert system and avoiding internal and external vulnerabilities.

The Credit Policy, ALM Manual, SME Manual, Credit Risk Management Manual, Comprehensive Risk Management Manual of the bank and other core risk manuals cover identification and mitigation of risk associated with commercial lending activities, project loan, SME loan and all other risk associated with credit, market and operational activities of the bank.

However, the bank has continued its effort for upgrading the initiatives taken to manage various risks of bank in a prudent manner. Core risk management manuals and other risk related policies have been revised in the previous year. Moreover, modification of the prudential regulations is done on regular basis. As part of this endeavor, Core Risk Management Committees have been reconstructed for ensuring sound risk management culture effectively in the bank. As core Risk Management is vital for continuous and harmonious improvement of the bank, BDBL is managing core risks which are as follows:

a. Asset liability risk management

The Asset Liability Committee (ALCO) of the Bank identifies, monitors, mitigates and controls the risks associated with overall asset liability management i.e. balance sheet risk, liquidity risk, advance deposit ratio (ADR), deposit mix, credit mix, gap analysis etc. under the leadership of Managing Director of the Bank. The Asset Liability Committee prepares monthly ALCO paper as per guidelines of Bangladesh Bank and reviews liquidity requirement of the Bank, the maturity of assets and liabilities, deposit and credit pricing strategy, sensitivity of assets and liabilities, management indicators/ratios and the liquidity contingency plan. As a result, the Bank always maintains optimum liquidity with required regulatory compliance. BDBL has its own Manual / Guideline for asset and liability management and the bank reviews / updates its Asset Liability Risk Management Manual & Checklist as per the updated ALM guideline of the Bangladesh Bank.

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b. **Credit risk management**

Credit risk is one of the major risks faced by the Bank. This can be described as potential loss arising from contractual failure of the borrower with the Bank. The failure may result from unwillingness or inability of the counter party in discharging financial obligation. Therefore, bank's Credit risk management activities have been designed to address all these issues. The bank reviews Credit Risk Management manual as per updated Credit Policy (Board approved) and the updated Credit Risk Management Guideline of the Bangladesh Bank. Credit risk in the Bank's Portfolio is monitored, reviewed and analyzed by the Loan Operation Department, SME Department and General Advances Department. Credit Risk Management Committee of the Bank independently coordinates the overall Credit Risk Management activities of the Bank. Internal Credit Risk Rating system (ICRRs) is followed by BDBL as per Bangladesh Bank's instruction complying all the criteria. In every eligible case, ICRR report is duly signed by Chief Risk Officer (CRO) of the bank. BDBL also follows Bangladesh Bank guidelines regarding CIB reporting, Loan Classification & provisioning, bad debts written-off and interest suspense. Besides, the Bank follows the guidelines/circulars issued by Bangladesh Bank time to time to address, assess, monitor and mitigate credit risks at different layers in loan processing. In addition, reporting is properly done by the concerned departments to the competent authority and regulatory body.

c. **Foreign exchange risk management**

Foreign Exchange Risk is defined as the possibility of losses due to change in exchange rates according to market forces. The Foreign Exchange Risk of the bank is minimal as all the transactions are carried out on behalf of the customers against underlying Foreign Exchange transactions. Treasury Section independently conducts the transactions and the Back Office of Treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Mark-to-Market rate as determined by the Bangladesh Bank at the month-end. All Nostro accounts are reconciled on monthly basis and outstanding entries beyond 30 days are reviewed by the Management for settlement. On the basis of Bangladesh Bank's Foreign Exchange Risk Management Policy and Guideline, a manual of Foreign Exchange Risk Management has been approved by BDBL's Board of Directors. The manual plays vital role in assessing, monitoring and mitigating Foreign Exchange Risks.

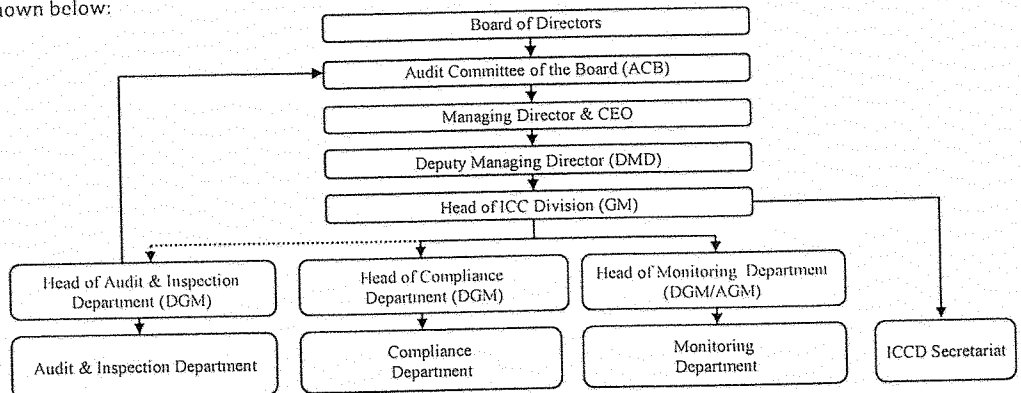
d. **Money laundering and terrorist financing risk management**

Money Laundering and Terrorist Financing Risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering and terrorist financing. For mitigating the risk, the Bank has designated Chief Compliance Officer at Head Office and Compliance Officer at Branches, who independently review the transactions of the accounts to verify suspicious transactions. Risk Management Guideline & Manual for Prevention of Money Laundering and Terrorist Financing has been prepared and uniform Know Your Customer (KYC) and Transaction Profile (TP) have been introduced. Moreover, In-house, BIBM and Bangladesh Bank training sessions/workshops are carried out continuously for all Executives and Officers in order to develop awareness and skill for identifying suspicious transactions and other Money Laundering related activities.

BDBL has a Central Compliance Committee (CCC) headed by the Chief Anti Money Laundering Compliance Officer (CAMLCO) designated as Deputy Managing Director to supervise the overall Anti Money Laundering (AML) and Combating Financing of Terrorism (CFT) activities.

e. **Internal control and compliance risk management**

"Internal Control and Compliance Risk Management Manual-2020" of BDBL has been approved by Board of Directors in August, 2020 to address the Internal Control and Compliance Risks. The main objective of the policy is to ensure uniformity and consistency in audit compliance procedure and establish a set of standard in this regard. The manual will help to establish pragmatic control environment and robust compliance culture within the bank to address all sorts of operational risks. Operational loss may arise from errors and fraud due to regulatory failure of Internal Control and Compliance. Internal Control and Compliance (ICC) structure of BDBL is shown below:



Internal Control and Compliance (ICC) Division comprises with Compliance Department to manage the cross divisional and cross regional operational risk as well as risk concentrations at branch level.

Audit & Inspection Department performs risk-oriented reviews of the design and operating effectiveness of BDBL's system of internal controls. Internal audit is conducted at periodic intervals to ensure compliance of the policies of the Bank and regulatory bodies. The Head of Audit & Inspection Department, although being a part of ICC Division administratively, shall submit the audit report directly to Audit Committee of the Board (ACB) and keep the management informed. He/she shall be accountable to the ACB for his/her audit related activities. The Bank has designed Internal Control and Compliance Risk Management Manual as per Bangladesh Bank's respective guideline. For oversight of Internal Control and Compliance Risk in Bank, Bank's Internal Control & Compliance Risk Management Committee plays crucial role in assessing, monitoring, mitigating and controlling

Monitoring Department is formed to conduct effective monitoring on the proper implementation of various control tools (DCFCL, QOR, LDCL and Self Assessment Anti-Fraud Internal Control Checklist) in all branches and divisions/departments at head office of the bank to strengthen internal check and internal control system of the bank. It conduct effective monitoring for timely submission of regulatory returns as per the calendar of returns to avoid regulatory imposition. It identify, assess and control the risks involved in manifold operational activities of the bank and prepare the Self-Assessment Anti-Fraud Internal Control Checklist for signature by the MD and counter signature by the Chairman of the Audit Committee of the Board for submission of the same to the Department of Offsite Supervision of Bangladesh Bank.

f. Information and communication technology security risk management

Information technology has improved over the years and the Bank is gradually becoming dependent on it for performing our most of the activities. Information & Communication Technology (ICT) encompasses all fields of data / information processing, transmission and communications by means of computers and telecommunication techniques.

For smooth operation of the bank's activities with desirable efficiency, a network-based computerized system is established in the bank. A reliable computer-based information system is essential for efficient management and operation of all the areas of the organization and the Bank is moving towards that direction.

In order to govern and control the ICT areas, covering the functions of all the Departments in the Head Office, the Zonal Offices and the Branches located in different Districts of Bangladesh, the Bank follows the Guidelines of the Bangladesh Bank. These policies are strictly followed at each level in the Bank.

Risk management is an important business discipline that an organization should embrace to minimize the effects of risks on its returns and capitals. Bank has introduced two different departments namely IT Operation and IT System Department to manage all the IT activities in sound, compliant and standard way/manner. IT Operation Department is assigned to develop IT infrastructure and IT System Department is responsible for deployment and secure operation of different software including Core Banking System (CBS). The Bank has a standard and compliant Data Centre (DC) in its Head Office premises. Besides, IT Security Unit under IT Operation Department and Card Management Unit under IT System Department have been launched to ensure data security more effective. Also, a near Disaster Recovery Site (DRS) has been placed at bank's Karwan Bazar Bhaban, Dhaka. Far DRS is being planned to set up in Hi-tech Software Park in Jashore in collaboration with other government banks and financial institutions. There are sufficient physical as well as logical access control systems to protect the bank's IT assets and client interest usefully. The sensitive information is kept in the restricted area in the networking environment.

For oversight of ICT Security Risk in Bank, there is an ICT Security Risk Management Committee which plays vital role in assessing and mitigating ICT Security Risks.

g. Environmental risk management and green Banking

Environmental risk is a facilitating element of credit risk arising from environmental issues. These increase risks as they bring an element of uncertainty or possibility of loss in the context of a financing transaction. "Environmental and Social Risk Management Policy-2019" of BDBL has been approved by Board of Directors in January, 2019 to address the Environmental and Social Risks. The main objective of the policy is to contribute in establishing an environment friendly banking business system which may be achieved through proper utilization of human & physical resources and encouraging channeling of fund to projects/businesses those expose no or very little risk to the environment/climate. Besides, Sustainable Finance Committee is working to mitigate risks arising from business operation.

- i. To promote sustainable environment friendly initiatives undertaking through adoption of a set of principles and strict adherence to those principles;
- ii. To contribute to the national/global interest through avoidance of financing in specific industry(ies) being harmful or tend to be causing harm to the environment even if they are financially viable;
- iii. To create an atmosphere for the bank and its clients to work within an ideal business environment through innovative marketing of innovative banking products;



- iv. To encourage the employees, the existing and potential clients and other stakeholders to develop, practice & promote for developing & using Environment friendly/Green Technology/products/ production process;
- v. To develop the attitude among the employees to motivate, encourage the stakeholders through initialization of appropriate in-house environmental risk management system through introduction of appropriate technology;
- vi. To sponsor awareness programs for environment friendly products/technology through practice of Corporate Social Responsibilities (CSR);

In order to identify, monitor, manage and control Environmental risk and the risk related to Green banking, Sustainable Finance Committee and Sustainable Finance Unit of the Bank play key role.

Sustainable Finance Committee

Sustainable financing mainly focuses on core banking practices especially green banking, corporate social responsibility, financial inclusion and financial education. The society and environment oriented banking practices gradually created the concept of sustainable banking. BDBL has a thirteen (13) member "Sustainable Finance Committee" headed by Deputy Managing Director-1 and a six (06) member "Sustainable Finance Unit" headed by Deputy General Manager of General Advances Department. The committee plays vital role in sustainable improvement of bank.

The functional areas of the committee are as follows:

- A. Taking necessary approval, monitoring and supervision of activities of Sustainable Finance Unit at management level.
- B. Setting annual target for the unit and evaluating it; and
- C. Ensuring proper coordination and cooperation on the activities of the unit among the related divisions.

2.24 Implementation of Basel-III

Calculation of MCR

Bangladesh Development Bank Limited is regularly reporting The Risk Based Capital Adequacy under Basel-III. The Bank is complying the minimum capital requirement under Master Circular of Capital Adequacy issued and amended from time to time by the Central Bank.

Implementation of ICAAP

The key principle of the Supervisory Review process (SRP) as per Bangladesh Bank Guidelines is that "banks have a process for assessing overall capital adequacy in relation to their risk profile and a strategy for maintaining their capital at an adequate level". The Board approved the 'Supervisory Review Process Team' of the bank and the 'ICCAP Manual & Checklist' to establish the Internal Capital Adequacy Assessment Process (ICCAP). The Bank is periodically (annually) reporting "ICAAP Report and Supervisory Review Process Documents (i.e. Supplementary Documents)" to Bangladesh Bank. The latest ICAAP Report-2020 of BDBL (based on audited accounts as on 31 December 2020).

Stress testing

The Bank is periodically reporting "Stress Testing Report" to Bangladesh Bank. In fact, Stress Testing is a simulation technique being used on asset and liability portfolios to determine their sensitivity to different financial situations. The stress testing report of BDBL, on the basis of financial statement as on 31 December 2021 depicts very strong position of the bank's capability to absorb Minor and Moderate shock relating to Capital Adequacy.

Risk management report

The bank, as per Bangladesh Bank instruction, prepares and submits 'Monthly Risk Management Report' and 'Half-Yearly Comprehensive Risk Management Report (CRMR)' to the Bangladesh Bank. The reports are prepared by the Risk Management Department and reviewed by the Management-Level Risk Management Committee and the Board level Risk Management Committee of the bank. Here it is to be noted that, Comprehensive Risk Management Report (CRMR) covers the core risk issues of the Bank. RMD also prepares "Credit Risk Assessment & Resolution Report" focusing Top 20 borrowers of the bank. The report is prepared on quarterly basis and reviewed by Managing Director & BoD of the Bank.

Besides, the department prepares "Risk Appetite Statement" in line with bank's board approved strategic planning in order to minimize risks being under a strategic business planning. The department also prepares "A Review report of Risk Management Policies and effectiveness of risk management functions" on yearly basis with a view to examining what amendments required in the existing policies.

Market discipline

Market discipline is a market based promotion of the transparency and disclosure of the risks associated with the business or entity. BDBL has already complied with the requirement of 'Market Discipline' under Basel-III Capital Adequacy Guideline. The aim of the market discipline is to inform all concerned stakeholders like depositors, creditors, shareholders, Government, Central Bank and the others about the overall risk profile and risk mitigating position of the Bank.



2.25 Liquidity Coverage Ratio (LCR)

LCR or Liquidity Coverage Ratio is a new liquidity standard introduced by the Basel Committee. This standard is built on the methodologies of traditional liquidity coverage ratio used by banks to assess exposure to contingent liquidity events. LCR aims to ensure that a bank maintains an adequate level of unencumbered, high-quality liquid assets that can be converted into cash to meet its liquidity needs for 30 calendar days. LCR goes beyond measuring the need for liquid assets over the next 30 days in a normal environment. It measures the need for liquid assets in a stressed environment, in which deposits and other sources of funds (both unsecured and secured) run off, to various extents, and unused credit facilities are also drawn down in various magnitudes. These runoffs are in addition to contractual outflows.

$$\text{LCR} = \frac{\text{Stock of quality liquid assets}}{\text{Total net cash outflows over the next 30 calendar days}} \geq 100\%$$

2.26 Net Stable Funding Ratio (NSFR)

NSFR or Net Stable Funding Ratio is another new standard introduced by the Basel Committee. The NSFR aims to limit over-reliance on short-term wholesale funding during times of abundant market liquidity and encourage better assessment of liquidity risk across all on off-balance sheet items. The minimum acceptable value of this ratio is 100 percent, indicating that available stable funding (ASF) should be at least equal to required stable funding (RSF). ASF consists of various kinds of liabilities and capital with percentage weights attached given their perceived stability. RSF consists of assets and off-balance sheet items, also with percentage weights attached given the degree to which they are illiquid or "long-term" and therefore requires stable funding. The time horizon of the NSFR is one year. Like the LCR, the NSFR calculations assume a stressed environment.

$$\text{NSFR} = \frac{\text{Available amount of stable funding (ASF)}}{\text{Required amount of stable funding (RSF)}} \geq 100\%$$

2.27 Credit Rating of the Bank

As per the BRPD circular no. 6 dated 5 July 2006, the Bank has done its credit rating by Emerging Credit Rating Limited based on the financial statements of Bangladesh Development Bank Limited dated 31 December 2020. The following ratings had been awarded:

Date of Declaration	Valid till	Rating Mode	Long Term	Short Term	Outlook
July 31, 2021	July 30, 2022	Govt. Support	AAA	ST-1	Stable
		Without Govt. Support	A-	ST-3	Developing

2.28 Audit committee

2.28.1 Member

An audit committee has been reconstituted by the Board of Directors of the Bank in its 274th meeting held on 30 November, 2021. The members of the Audit Committee are as under:

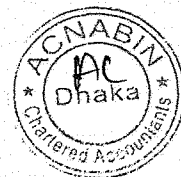
Sl. No.	Name	Qualification	Designation in the Bank	Designation in the Committee
1	Md. Ekhlasur Rahman	MSS	Director	Chairman
2	Md. Abu Hanif Khan	MSC	Director	Member
3	Subhash Chandra Sarker	MSS	Director	Member
4	Quazi Shairul Hassan	MBA (IBA)	Director	Member

2.28.2 Activities

The committee reviews the policy and planning executed by the Board of Directors for smooth operation of the bank. The committee acknowledges their responsibility for the system of internal controls, effectiveness and suitable monitoring procedures, proper accounting policies, compliance with the regulations, computerization system, management information system, different risk management of the bank, etc. The committee also ensures the implementation of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted in Bangladesh as IAS and IFRS and other applicable laws at the time of preparation of the annual financial statements. The committee meets with the external auditors and top management of the bank at the time of reviewing the annual financial statements. The committee also reports to the Board of Directors on the findings detected by the Internal Audit Division, External Auditors and Bangladesh Bank Inspection Team on a regular basis.

During the year 2021 the committee conducted 07 (Seven) meetings in which among others, the following issues were discussed:

- Review of present status of internal audit activities;
- Approval of audited accounts of BDBL for the year 2020;
- Review of key performance indicators of the branches



- Review of compliance and implementation of comprehensive inspection report as on 31 December 2019 by Bangladesh Bank
- Approval of internal audit plan of BDBL for the year 2021.

2.29 Risk Management Committee

2.29.1 Member

An Risk Management Committee has been reconstituted by the Board of Directors of the Bank in its 274th meeting held on 30 November, 2021. The members of the Risk Management Committee are as under:

Sl. No.	Name	Qualification	Designation in the Bank	Designation in the Committee
1	Shamima Nargis	MA	Director & Chairman	Chairman
2	Md. Abu Hanif Khan	MSC	Director	Member
3	Md. Abu Yusuf	MSS	Director	Member
4	Quazi Shairul Hassam	MBA (IBA)	Director	Member
5	Md. Azizur Rahman	MBS	Director	Member

2.29.2 Activities

A Risk Management Committee has been created in addition to the Executive and Audit Committee of the Board, and it is responsible for planning and leading the bank's overall risk management. The chairman of the board chairs this Committee, which is made up of 05 members of the board of Directors. The Committee's prime responsibilities is to define the risk appetite, designing organizational structure to manage risk within the bank, understanding the inherent risks of the bank, then reviewing and approving risk management policy. The Committee is also involved in enforcing and using adequate recordkeeping and reporting systems, reviewing and approving limits and reviewing at least annually and last but not the least monitoring compliance with overall risk management policies and limits.

During the year 2021 the committee conducted 02 (Two) meetings.

2.30 Executive committee

2.30.1 Member

An Executive committee has been reconstituted by the Board of Directors of the Bank in its 274th meeting held on 30 November, 2021. The members of the Executive Committee are as under:

Sl. No.	Name	Qualification	Designation in the Bank	Designation in the Committee
1	Shamima Nargis	MA	Director & Chairman	Chairman
2	Md. Abu Yusuf	MSS	Director	Member
3	Md. Azizur Rahman	MBS	Director	Member
4	Kazi Alamgir	MSC	MD & CEO	Member

2.30.2 Activities

BDBL's Executive Committee is made up of four members of Board of Directors and is led by the bank's Chairman. The committee makes emergency decisions as needed and supports the BOD in fulfilling its obligations, such as setting objectives, strategies, and general business plans for the bank's effective operation. The committee examines the Bangladesh Bank's credit rules and procedures, as well as the banking industry's other activities. The Board's Executive Committee authorizes credit applications in accordance with the Board's authorized policy. At the time of presenting credit proposals, management assures due scrutiny of the credit policy and risk management.

During the year 2021 the committee conducted 01 (One) meeting.

2.31 Loan Write off

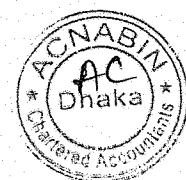
Write off describes a reduction in recognized value. It refers to recognition of the reduced or zero value of an asset. Generally, it refers to loan for which a return on the loan is now impossible or unlikely. The item's potential return is thus cancelled and removed from (Written off) the banks statement of financial position. recovery against debts written off / provided for is credited to provision or revenue considering the previous position of the loans.

2.32 Reporting Period

The Financial Statements cover one calendar year from 01 January 2021 to 31 December 2021.

2.33 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.



2.34 Corporate Governance

The Bank has given the priority to the compliance of the rules, regulations and guidelines of Bangladesh Bank, National Board of Revenue & Bangladesh Securities and Exchange Commission (BSEC). The Bank has also complied with all related International Financial Reporting Standards (IFRS).

2.35 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Bank for its own use, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Initial Recognition

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. There is two model of the initial recognition of Investment property:

- a. Cost model
- b. Fair Value model

Subsequent recognition

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the cost of the replacement is included in the carrying amount of the property, and the fair value is reassessed.

If the Investment property is measured at cost model then it shall follow the criteria as applicable IAS 16. and if the entity follow the fair market value, after initial recognition, investment property is carried at fair value.

Disposal

Changes in fair values are recognised in the income statement. Investment properties are derecognised when they have been disposed of. Where the entity disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within net gain from fair value adjustment on investment property.

Transfer of Fixed Assets to Investment Property

When an entity uses the cost model, transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

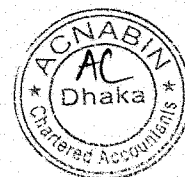
2.36 Regulatory & Legal Compliance

The bank has complied with the requirement of following regulatory & legal authority:

- (a) The Bank Company Act, 1991 (as amended up to date)
- (b) The Companies Act, 1994
- (c) Rules, Regulation and Directives issued by Bangladesh Bank
- (d) Security & Exchange Rules, 2020
- (e) Security & Exchange Ordinance, 1969
- (f) Security & Exchange Commission Act, 1993
- (g) The Income-Tax Ordinance, 1984
- (h) The Value Added Tax and Supplementary Duty Act, 2012
- (i) The Value Added Tax and Supplementary Duty Rules, 2016
- (j) Labor Act, 2006 (Amended 2013)
- (j) Other applicable laws and regulations

2.37 Workers profit Participation and Welfare Fund (WPPF) :

As per the Bangladesh Labour Act, 2006 and employer is required to pay 5% of its net profit to the (1) Worker participation Fund (2) Worker Welfare Fund and (3) Labour Trust Foundation Fund for farther appropriate disbursement to the beneficiaries as defined under the Act. There is significant ambiguity around the inclusion of Bank, Financial Institutions and Insurance Companies within the scope of chapter XV: Workers profit participation Fund (WPPF) under the Labour Act 2006 as amendment in 2013. As such the Bank and Financial Institution Division, Ministry of Finance Government of the People Republic of Bangladesh vide its letter dated February 14, 2017 requested the Ministry of Labour and Employment not to apply chapter XV: Workers Profit Participation Fund (WPPF) under the Labour Act 2006 as amended is 2013 for bank and financial institution. On the basis of the facts as stated above the management of the company believes that the possibility of a legal obligation to pay for Workers' Profit Participation Fund is bleak at the present stage. Therefore, in Consistent with the widely accepted industry practice no provision for workers participation fund has been made by the company in the reporting period for the WPPF.



2.38 Contingent liabilities and Contingent assets

A contingent liability is any possible obligation that arises from the past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or any present obligation that arises from past events but is not recognized because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- or
- the amount of the obligation cannot be measured with sufficient reliability.
- Contingent liabilities are not recognized but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.
- Contingent assets are not recognized in the financial statements as this may result in the recognition of income which

2.39 Impact of Covid-19

The Bank is continuously assessing the impact of COVID 19 in every areas of the operations and will bring to the attention to the users if there is any significant issues arised thereon. Bangaldesh Bank also have given various circulars/instuctions for the borrowers and other stakeholders of the Bank since inception of the COVID-19. The Bank is duly comlying all the relevant guideline(s) of Bangladesh Bank. The Bank is also continuously assessing the impact of regulatory guidelines and its going concern. There is no such uncertainty or threat on going concern of the Bank regarding the impact of COVID-19 for the upcoming year(s).

2.40 Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying financial statements do not include any adjustments should the bank be unable to continue as a going concern. The management also continuously assessing its going concern with the impact of COVID-19 and currently there is no possible threat on it.

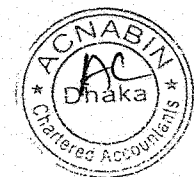
2.41 General

- i. Figures appearing in these Financial Statements have been rounded off to the nearest Taka.
- ii. Figures of previous year have been rearranged whenever necessary to conform to current year's presentation.

2.42 Compliance of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)

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

Sl. No.	IASs No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied *
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting policies, Changes in accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	12	Income Taxes	Complied
7	16	Property, Plant and Equipment	Complied
8	19	Employees Benefits	Complied
9	20	Accounting for Government Grants and Disclosure of Government Assistance	N/A
10	21	The Effects of Changes in Foreign Exchange Rates	Complied
11	23	Borrowing Costs	Complied
12	24	Related Party Disclosures	Complied
13	27	Separate Financial Statements	N/A
14	28	Investment in Associates & joint venture	Complied
16	33	Earning Per Share	N/A
17	34	Interim Financial Reporting	Complied
18	36	Impairment of Assets	Complied
19	37	Provision, Contingent Liabilities and Contingent Assets	Complied
20	38	Intangible Assets	Complied *
22	40	Investment Property	N/A
23	41	Agriculture	N/A



Sl. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time Adoption of International Financial Reporting Standards	N/A
2	2	Share-based Payment	N/A
3	3	Business Combinations	N/A
4	4	Insurance contracts	N/A
5	5	Non-Current Assets Held for Sale and Discontinued Operations	N/A
6	6	Exploration for and Evaluation of Mineral	Complied *
7	7	Financial Instruments: Disclosures	Complied
8	8	Operating Segments	Complied *
9	9	Financial Instruments	Complied
10	10	Consolidated Financial Statements	N/A
11	11	Joint Arrangements	Complied
12	12	Disclosure of Interest in other Entities	Complied
13	13	Fair Value Measurement	N/A
14	14	Regulatory Deferral Accounts	Complied
15	15	Revenue from Contract with Customers	Complied
16	16	Leases	Complied

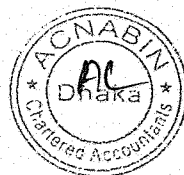
* Relevant disclosures are made according to the requirement of Bangladesh Bank.

2.43 Disclosure of FRC Policy on Use of Audited Financial Statements in Processing Loans (Compliance of BRPD circular no. 04 & 35)

Audited Financial Statements are mandatory documents for any existing company applying for new loan facility for the first time from the bank. The bank uses the Audited Financial Statements while assessing any new credit proposal or approving any new credit / Loan facilities to any new customer(s). In compliance with BRPD Circular Letter No. 04, dated January 04, 2021 and BRPD Circular Letter No. 35, dated August 17, 2021, the bank will have to obtain audited financial statements while approving any new loan or renewing any loan and have to disclose in the note to the financial statements of the clients/borrowers specifying the percentage of coverage of verification through DVS. Audited Financial Statements are preserved with the Loan File by the bank. However, in some especial circumstances where latest Audited Financial Statements may not be available, the bank uses interim Management Accounts for the Borrower Risk Rating (BRR) or ICRR for the purpose of renewal of any loan facilities. Such BRR or ICRR is approved by the Management only for Interim use with an instruction to update the same with the Audited Financial Statements. Currently the bank is unable to use the Document Verification System (DVS) as user ID for DVS from ICAB yet to be received. As soon the bank get the user ID, it will start verifying the Financial Statements using the Document Verification System (DVS) and will disclose the same in the financial statements accordingly.



	Notes	2021 Taka	2020 Taka
3. Cash			
3.1 Cash in hand			
In local currency		96,221,417	83,850,821
In foreign currencies		-	-
Balance with Bangladesh Bank and Sonali Bank Limited	Note: 3.2	1,893,778,960	2,278,779,161
		<u>1,990,000,377</u>	<u>2,362,629,982</u>
3(a) Consolidated cash in hand			
Bangladesh Development Bank Limited	Note: 3.1	1,990,000,377	2,362,629,982
BDBL Securities Limited		-	-
BDBL Investment Services Limited		-	-
		<u>1,990,000,377</u>	<u>2,362,629,982</u>
3.2 Balance with Bangladesh Bank and Sonali Bank Limited			
Local currency - Bangladesh Bank		1,843,208,592	1,374,060,767
Local currency - Sonali Bank Limited		11,617,511	10,501,151
Foreign currency - Bangladesh Bank		38,952,857	894,217,242
		<u>1,893,778,960</u>	<u>2,278,779,160</u>
3.3 Cash reserve ratio (CRR)			
Required reserve (4.00% of demand and time liabilities)		1,221,960,000	840,346,000
Actual reserve held with Bangladesh Bank		1,254,559,000	960,784,000
Excess reserve (average/day)		<u>32,599,000</u>	<u>120,438,000</u>
Cash reserve ratio (CRR) has been calculated and maintained in accordance with the Section 33 of the Bank Company Act 1991 and subsequent BCD circular no. 13 dated 24 May 1992; BRPD circular no. 12 dated 20 September 1999, BRPD circular no. 22 dated 06 November 2003, BRPD circular no. 11 dated 25 November 2005, BRPD circular no. 01 dated 12 January 2009 & MPD circular no. 04 dated 01 December 2010, MPD circular no. 01 dated 23 June 2014 and MPD circular 03, Dated 06/04/2020.			
3.3.1 Statutory liquidity ratio (SLR)			
This is not applicable for Bangladesh Development Bank Limited, since both Bangladesh Shilpa Bank and Bangladesh Shilpa Rin Sangstha were exempted from maintaining SLR vide Notification from Ministry of Finance.			
4. Balance with other banks and financial institutions			
In Bangladesh	Note: 4.1	11,554,742,408	8,688,402,386
Outside Bangladesh	Note: 4.2	803,471,131	1,018,028,819
		<u>12,358,213,539</u>	<u>9,706,431,206</u>
4.1 In Bangladesh			
Current and other accounts:			
Current account	Note: 4.1.1	70,295,750	75,642,205
Term deposit	Note: 4.1.2	8,355,146,156	6,500,146,156
Term deposit - depreciation fund	Note: 4.1.3	72,000,000	72,000,000
Term deposit - building fund	Note: 4.1.4	553,800,000	553,800,000
Term deposit - loan redemption fund	Note: 4.1.5	204,959,500	204,959,500
Short term deposit	Note: 4.1.6	2,298,541,002	1,281,854,525
		<u>11,554,742,408</u>	<u>8,688,402,386</u>
4.1.1 Current deposit			
Janata Bank Limited		45,463,869	51,298,991
Rupali Bank Limited		7,112,564	2,699,392
Sonali Bank Limited		471,638	162,483
IFIC Bank Limited		7,309,651	9,682,116
Dutch Bangla Bank Limited		253,460	66,962
AB Bank Limited		3,622	4,657
Prime Bank Limited		96,430	13,571
Trust Bank Limited		13,357	2,023,500
BDBL Securities Limited		5,757	594,046
Jamuna Bank Limited		12,842	2,842
National Bank Limited		1,706,658	538,771
Shahjalal Islami Bank Limited		2,004	2,005,522
NCC Bank Limited		4,578,033	1,534,896
Rajshahi Krishi unnayan Bank Limited		2,210,652	3,015,298
Eastern Bank Limited		130	3,130
Islami Bank Limited		1,005,598	1,996,028
Social Islami Bank Limited		49,485	-
		<u>70,295,750</u>	<u>75,642,205</u>



Notes	2021 Taka	2020 Taka
4.1.2 Term deposit		
AB Bank Limited	300,000,000	200,000,000
ICB Islami Bank Limited	5,146,156	5,146,156
National Bank limited	-	200,000,000
Padma Bank Limited	500,000,000	500,000,000
Al-Arafa Islami Bank Limited	300,000,000	100,000,000
Standard Bank Limited	300,000,000	365,000,000
EXIM Bank Limited	1,000,000,000	1,100,000,000
Union Bank Limited	-	200,000,000
Phoenix Finance and Investment Limited	140,000,000	150,000,000
Reliance Finance Limited	480,000,000	500,000,000
Peoples Leasing and Financial Services Limited	50,000,000	50,000,000
Karmasangsthan Bank	140,000,000	40,000,000
Social Islami Bank Limited	10,000,000	10,000,000
NRB Global Bank Limited	210,000,000	210,000,000
South Bangla Agriculture and Commerce Bank Limited	-	20,000,000
Islamic Finance and Investment Limited	20,000,000	50,000,000
IFIC Bank Limited	300,000,000	-
Investment Corporation of Bangladesh	2,800,000,000	2,800,000,000
Janata Bank Ltd	1,000,000,000	-
Rajshahi Krishi Unnayan Bank	300,000,000	-
Agrani Bank Ltd	500,000,000	-
	8,355,146,156	6,500,146,156
4.1.3 Term deposit - depreciation fund		
NRB Global Bank Limited	72,000,000	72,000,000
Depreciation fund was created by erstwhile BSB with a view to meet capital replacement obligation of the organisation as per directive of Ministry of Finance through office memorandum no. MF(ABW-3)MISC-17/85/94(13) dated 15 August 1985. The Board of Directors of that Bank in its 100th ordinary meeting held on the 19 January 1988 approved the creation and investment of the fund in Government approved securities/term deposit, when necessary, for the purpose mentioned above.		
4.1.4 Term deposit - building fund		
Union Bank Limited	10,000,000	10,000,000
South Bangla Agriculture and Commerce Bank Limited	-	200,000,000
The Premier Bank Limited	290,000,000	100,000,000
First Security Islami Bank Limited	143,800,000	143,800,000
Social Islami Bank Ltd	100,000,000	100,000,000
NRB Global Bank Limited	10,000,000	-
	553,800,000	553,800,000
*Building fund was made to build up a building in Uttara, Dhaka.		
4.1.5 Term deposit - loan redemption fund		
ICB Islamic Bank Limited	4,959,500	4,959,500
One Bank Limited	-	50,000,000
Union Bank Limited	150,000,000	150,000,000
First Security Islami Bank Limited	50,000,000	-
	204,959,500	204,959,500
Loan redemption fund was created by erstwhile BSB by transferring BDT 50 million (60 million subsequently) per month from the loan recovery amount in order to capacitate the Bank to repay the Bangladesh Bank borrowings.		
4.1.6 Short term deposit		
Agrani Bank Limited	93,081,996	23,495,519
First Finance Limited	136,000,000	136,000,000
Premier Leasing and Finance Limited	119,500,000	119,500,000
Peoples Leasing and Financial Services Limited	230,400,000	230,400,000
The Farmers Bank Limited	198,700,000	198,700,000
Bangladesh Industrial Finance Company Limited	221,359,006	221,359,006
FAS Finance and Investment Limited	158,500,000	158,500,000
International Leasing and Financial Services Limited	11,800,000	11,800,000
Phoenix Finance and Investment Limited	4,400,000	14,500,000
Union Capital Limited	88,800,000	88,800,000
Reliance Finance Limited	-	40,000,000
GSP Finance Co. Bangladesh Limited	36,000,000	38,800,000
Union Bank Ltd	300,000,000	-
NCC Bank Ltd.	250,000,000	-
Community Bank Bangladesh Ltd	450,000,000	-
	2,298,541,002	1,281,854,525



	Notes	2021 Taka	2020 Taka
4.2 Outside Bangladesh			
Modhumoti Bank Limited		4,800,068	4,756,469
Mashreq Bank Limited		149,748,220	847,226,561
BHF Bank AG, Germany		5,846,244	9,332,171
Sonali Bank Limited		126,704,996	71,218,394
Sonali Bank Limited		42,663	85,495,224
AB Bank(Depo)		426,625,000	-
Axis Bank Limited		89,703,940	-
		803,471,131	1,018,028,819
Foreign currency transactions have been converted into BDT at the rates prevailing on the transaction dates. At the balance sheet date the monetary assets and liabilities are converted into BDT using exchange rate prevailing on that date. The resultant gain during and at the end of year has been reflected in the profit and loss account of the Bank.			
A Schedule of Balance with other banks - outside Bangladesh (nostro account) is given in Annexure-D .			
4.3 Maturity-wise grouping (balance with other banks and financial institutions)			
On demand		177,700,000	99,600,000
Less than three months		10,363,400,000	8,660,800,000
More than three months but less than one year		1,817,113,539	946,031,205
More than one year but less than five years		-	-
More than five years		-	-
		12,358,213,539	9,706,431,206
4(a) Consolidated balance with other banks and financial institutions			
In Bangladesh			
Bangladesh Development Bank Limited	Note: 4.1	11,554,742,408	8,688,402,386
BDBL Securities Limited		188,872,539	111,567,723
BDBL Investment Services Limited		225,924,112	114,409,712
		11,969,539,059	8,914,379,821
Outside Bangladesh			
Bangladesh Development Bank Limited	Note: 4.2	803,471,131	1,018,028,819
BDBL Securities Limited		-	-
BDBL Investment Services Limited		-	-
		803,471,131	1,018,028,819
		12,773,010,190	9,932,408,641
5. Money at call and on short notice			
In Bangladesh		650,000,000	100,000,000
Outside Bangladesh		-	-
		650,000,000	100,000,000
6. Investments			
Government securities	Note: 6.1	894,400	548,300
Other investment	Note: 6.2	8,396,333,468	8,403,975,697
		8,397,227,868	8,404,523,997
A Schedule of Statement of Investment (for cost) is given in Annexure-F .			
6.1 Government securities			
Treasury bonds		-	-
Prize bond		894,400	548,300
		894,400	548,300
6.2 Other investments			
Shares	Note: 6.2.1	7,333,402,209	7,341,044,438
Debentures		2,931,259	2,931,259
Investment in Bangladesh fund		1,060,000,000	1,060,000,000
		8,396,333,468	8,403,975,697
6.2.1 Investment in shares by listing status			
Quoted shares		7,111,112,674	7,138,260,244
Unquoted shares		171,377,435	151,872,094
Others*		50,912,100	50,912,100
		7,333,402,209	7,341,044,438
Market value	(Annexure -F)	29,473,920,975	23,760,060,281
Investment in quoted and unquoted shares are recorded at cost. At 31 December 2021 market value/fair value of this investment is above cost, thus no provision is required to make for the year.			
6.3 Maturity-wise grouping of investments			
On demand		-	1,300,000
Less than three months		8,000,000	5,900,000
More than three months but less than one year		4,001,200,000	4,007,000,000
More than one year but less than five years		1,456,500,000	1,458,600,000
More than five years		2,931,527,868	2,931,723,997
		8,397,227,868	8,404,523,997

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	Notes	2021 Taka	2020 Taka
6.4 Provision for investment			
Required provision		93,643,359	93,643,359
Provision maintained		93,643,359	93,643,359
Provision excess/(shortage)		-	-
6(a) Consolidated investment			
(i) Government securities			
Bangladesh Development Bank Limited	Note: 6.1	894,400	548,300
BDBL Securities Limited		-	-
BDBL Investment Services Limited		-	-
		894,400	548,300
(ii) Other investments			
Bangladesh Development Bank Limited	Note: 6.2	8,396,333,468	8,403,975,697
Less: Investment in Subsidiaries		1,175,777,479	1,078,404,804
BDBL Securities Limited		638,182,496	591,138,589
BDBL Investment Services Limited		10,210,293,443	10,073,519,090
		10,211,187,843	10,074,067,390
7. Loans and advances			
Loans, cash credits, overdrafts, etc			
In Bangladesh		23,539,682,303	20,896,874,555
Outside Bangladesh		-	-
		23,539,682,303	20,896,874,555
Bills purchased and discounted :			
In Bangladesh		594,651,301	392,776,450
Outside Bangladesh		-	-
		594,651,301	392,776,450
		24,134,333,604	21,289,651,005
7.1 Nature-wise loans and advances			
Cash credits		4,566,353,812	3,852,528,454
Long term (amount due and not due)		12,967,365,066	10,692,784,625
Overdrafts		641,016,862	442,001,858
Local documentary bill purchased		594,651,301	392,776,450
Consumer loan		401,716,713	356,440,730
Loan against trust receipt and others		1,270,392,462	1,824,966,780
Staff loan		3,692,837,388	3,728,152,107
		24,134,333,604	21,289,651,005
7.2 Maturity-wise grouping of loans and advances			
On demand		3,320,900,000	2,885,900,000
Not more than three months		3,284,900,000	3,707,300,000
Over three months but not more than one year		14,106,800,000	11,579,300,000
Over one year but not more than five years		3,421,733,604	3,117,151,005
Over five years		24,134,333,604	21,289,651,005
7.3 Particulars of advances			
i. Debts considered good in respect of which the Bank is fully secured.		16,708,136,604	15,327,058,940
ii. Debts considered good for which the Bank hold no other security than the debtors personal security.		996,368,014	749,217,180
iii. Debts considered good and secured by the personal liabilities of one or more persons in addition to the personal security of the debtors.		-	-
iv. Debts considered doubtful or bad provision not provided for.		-	-
v. Debts due by directors or officers, employees of the banking company or any of them either severally or jointly with any other persons and debt due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies, as members, directors.		3,692,837,388	3,728,152,107
vi. Maximum total amount of advances, including temporary advances made any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons.		10,385,000	10,385,000
vii. Debts due from companies or firms in which the directors of the Bank are interested as directors, partners, or managing agents or in case of private companies, as members.		-	-



Notes	2021 Taka	2020 Taka
viii. Maximum total amount of advances including temporary advances granted during the year to the company or firm in which the directors of the banking company are interested as directors, partners, managing agents or in the case of private companies as members.	-	-
ix. 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 are interested as directors, partners or managing agents or in the case of private companies as members.	-	-
x. Due from Banking Companies	6,916,644,000	5,517,753,441
xi. Classified advances on which no interest has been charged.		
(a) The balance of bad loan written-off is BDT 15,38,08,80,719 which has been written-off as per Bangladesh Bank's Circular No. 02 dated 13 January 2003 and a debt collection department has been established to take initiative for recovery of that bad loan.	15,380,880,719	15,447,771,959
7.4 Movement of loans and advances		
Opening balance	21,289,651,005	19,983,903,304
Add: Disbursed during the year	7,279,565,000	5,116,200,000
Add: Interest charged during the year	1,739,128,406	1,335,887,960
	30,308,344,411	26,435,991,264
Less: Recovery during the year	(6,149,624,090)	(5,146,340,259)
	24,158,720,321	21,289,651,005
Add/Less: Written-off and adjustment during the year	(24,386,717)	-
	24,134,333,604	21,289,651,005
As at 31 December 2020, accumulated written-off loans stood at BDT 15,447,771,959. Classified loans and advances have been written-off during the period from the books is BDT 24,386,717. but a waiver of BDT 19,443,643 and recovery of BDT 71,834,314 have been provided/made for the written-off loans of BDT 15,380,880,719 as at 31 December 2021.		
7.5 Significant concentration-wise grouping		
Other executives and officers of the Bank	3,692,837,388	3,728,152,107
Customers	2,313,126,037	2,623,409,368
Industries	18,128,370,179	14,938,089,530
	24,134,333,604	21,289,651,005
7.6 Division-wise loans & advances		
Dhaka Division	10,695,133,604	9,673,951,005
Mymensingh Division	1,710,800,000	1,414,200,000
Chittagong Division	3,200,100,000	2,840,800,000
Khulna Division	1,394,200,000	1,136,200,000
Rajshahi Division	2,967,300,000	2,675,800,000
Sylhet Division	744,900,000	560,000,000
Barisal Division	693,400,000	518,200,000
Rangpur Division	2,728,500,000	2,470,500,000
	24,134,333,604	21,289,651,005
7.7 Classification status of loans and advances		
Unclassified loan:		
Standard	10,484,834,418	7,804,969,281
Standard (C.F)	329,549,798	281,423,494
Special mention account	2,200,915,000	3,524,542,095
Staff loan	3,692,837,388	3,716,124,070
	16,708,136,604	15,327,058,940
Classified:		
Sub-standard	304,316,000	243,306,899
Doubtful	205,237,000	201,531,725
Bad/Loss	6,916,644,000	5,517,753,441
	7,426,197,000	5,962,592,065
	24,134,333,604	21,289,651,005

As at 31 December 2021 bad/loss loans includes staff loan of BDT 12 million. These loans have been classified as bad/loss due to non-payment of loans resulting from death of employees or discontinuance of unemployment with the bank. Most of the loans are recoverable as the employees have retirement benefits unsettled with the bank.



Notes	2021 Taka	2020 Taka
Provisions required against loans and advances		
Unclassified loan:		
Standard	148,443,977	490,635,430
Standard (C.F)	57,313,108	5,628,470
Special mention account	1,082,841,900	869,501,037
Staff loan	36,928,374	37,161,194
Special General Provision-COVID-19	40,000,000	15,383,224
	1,365,527,359	1,418,309,355
Classified:		
Sub-standard	10,686,861	8,022,298
Doubtful	18,053,665	33,340,441
Bad/Loss	2,667,132,115	2,437,827,906
	2,695,872,641	2,479,190,645
Total required provision	4,061,400,000	3,897,500,000
Provisions maintained	4,061,585,687	3,897,529,735
Provisions surplus/(deficit)	185,687	29,735

7.8 Sector-wise loans & advances

Industrial sector

Food and allied products	4,395,774,332	3,701,223,854
Jute and allied fibre products	179,691,595	176,154,206
Cotton woolen and synthetic textile	5,790,139,615	5,107,663,369
Paper, paper products and printing	110,626,438	109,936,881
Tannery and its products	39,791,323	40,393,959
Non-metallic mineral products	285,573,054	278,376,867
Forest, wood products & saw mills	244,914,617	198,404,223
Metal products	1,502,853,766	1,458,034,036
Electrical machinery and goods	201,008,161	133,209,025
Machinery and spare parts	61,396,566	54,159,832
Transport sector	94,081,225	93,577,569
Chemicals and pharmaceuticals	309,972,248	308,721,473
Petro-chemicals	131,407,287	130,032,581
Service industries	915,870,494	790,275,400
Rubber goods sector	18,735,539	18,291,468
Miscellaneous sector	9,852,497,345	8,691,196,262
	24,134,333,604	21,289,651,005

7.9 Loans written-off

As per Bangladesh Bank circular no. 02 dated January 2003 and Bangladesh Bank letter no. BRPD(P)661/13(chha)/2003-2230, dated 1 June 2003 classified loans and advances have been written-off from the books as and when necessary. The balance position of the written-off loans as on 31 December 2021 is BDT 15,380,880,719. The movement of the written-off loans is as follows:

Opening balance	15,447,771,959	17,573,604,499
Add: Addition during the year	24,386,717	-
	15,472,158,676	17,573,604,499
Less: Recovery during the year	(71,834,314)	(92,454,986)
Less: Waiver during the year	(19,443,643)	(2,033,377,554)
Closing balance	15,380,880,719	15,447,771,959

Classified loans and advances have been written-off during the year from the books is BDT 24,386,717. Recovery of loans for the year under reporting is BDT 71,834,314 and waived during the year with outstanding balance of BDT 19,443,643.

7.10 Top 20 Funded Borrower as on 31-12-2021

Sl. No.	Name of the Borrower	Disbursed Amount	Outstanding Amount
1	M. M. Vegetable Oil Products Ltd.	676,181,307	1,045,718,239
2	Zarina Composite Textile Ind. Ltd.	617,049,341	715,663,110
3	Tallu Spinning Mills Ltd.	618,185,000	696,053,052
4	R. R. Spinning & Cotton Mills Ltd.	546,537,000	636,616,649
5	AA Knit Spin LTD.	500,000,000	507,788,570
6	BR Spinning Mills Ltd.	266,661,472	470,168,262
7	Confidence Power Bogura Limited	500,000,000	467,375,000
8	Delta Spinners Ltd.	268,923,000	444,854,191
9	Gonga Foundry Limited	537,527,000	437,818,742
10	Dhaka Trading House	480,000,000	420,933,624
11	BDBL Securities Ltd.	450,000,000	419,764,370
12	Media International	327,766,240	387,071,285
13	Confidence Power Rangpur Limited	367,075,926	330,368,334
14	Sonargaon Textiles Ltd.	201,335,591	303,399,707



	Notes	2021 Taka	2020 Taka
15	North Bengal Agro Concern	355,252,825	260,106,246
16	Shamsuddin Spinning Mills Ltd.	250,000,000	255,381,732
17	Tatka Agro Industries Ltd.	200,000,000	247,894,003
18	Urmee Knitwear Ltd.	424,189,101	232,228,778
19	PADAKHEP MANABIK UNNAYAN KENDRA	200,000,000	197,832,241
20	HASAN JUTE & SPINNING MILLS LTD.	149,579,000	193,839,068
Total		7,936,262,803	8,670,875,203

7.11 Non-Funded Borrower as on 31-12-2021

SL No.	Name of the Borrower	Sanctioned Amount	Outstanding Amount
1	Labib Fashion	7,500,000	10,137,327
2	Bangladesh Power Development Board (BPDB)	-	341,060,413
3	Zarina Composite Textile Industries Ltd.	300,000,000	627,700,000
4	Urmee Knitwear Ltd.	109,819,227	-
5	Awal & Brothers Chemical Industries pvt. Ltd.	40,000,000	-
6	Kanchpur Processing	5,000,000	-
Total		462,319,227	978,897,740

7.12 Top 20 Defaulter as on 31-12-2021

SL No.	Name of the Borrower	Disbursed Amount	Outstanding Amount
1	BR Spinning Mills Ltd.	266,661,472	470,168,262
2	Dhaka Trading House	480,000,000	420,933,624
3	Media International	-	387,071,285
4	Sonargaon Textiles Ltd	-	303,399,707
5	North Bengal Agro Concern	355,252,825	260,106,246
6	Tatka Agro Industries Ltd.	200,000,000	247,894,003
7	Hasan Jute & Spinning Mills Ltd.	221,935,000	193,839,068
8	North Bengal Poultry & Hatchery Ltd.	149,579,000	189,017,105
9	Ranangan Cold Storage Ltd.	158,851,909	175,540,530
10	Ganoshasthaya Grameen Textile Mills Ltd.	117,830,000	168,300,000
11	T. R. Specialized Cold Storage (Pvt) Ltd.	156,478,000	135,200,000
12	Dhanshiri Composite Ltd.	97,482,157	132,400,000
13	Jhenai Tex Ltd.	87,869,929	114,570,607
14	ASHIA AGRO INDUSTRIES (PVT) LTD.	-	106,835,173
15	SUBAT KNIT COMPOSITE LTD.	-	98,930,480
16	Bogra Multipurpose Industries Ltd.	77,200,000	91,819,314
17	Dulamia Cotton Spinning Mills Ltd.	216,971,000	86,789,273
18	A. Z. Cotton Yarn Ltd.	82,199,783	82,100,000
19	Baro Awlia Dairy Milk & Foods Ltd.	-	79,737,926
20	BIOS PRARMACEUTICALS LTD	-	79,524,943
Total		2,668,311,075	3,824,177,546

7.13 Loan Reschedule for the year

SL No.	No. of Borrower	Down Payment & Recovery	Outstanding Amount
1	85	54,604,103	1,076,946,425
Total		54,604,103	1,076,946,425

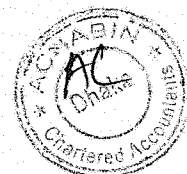
7.14 No. of Cases in Artha Rin Adalat & amount involved in that case

No. of Case	Amount
466	27,821,000,000
Total	27,821,000,000



	Notes	2021 Taka	2020 Taka
7(a) Consolidated loans and advances			
(i) Loans, cash credits, overdrafts, etc			
Bangladesh Development Bank Limited		23,539,682,303	20,896,874,555
Less: Inter group loan (BDBL Securities Limited & BDBL Investment services Ltd)		(577,819,764)	(394,673,450)
BDBL Securities Limited		118,919,672	72,869,642
BDBL Investment Services Limited		218,062,416	46,841,741
		<u>23,298,844,627</u>	<u>20,621,912,488</u>
(ii) Bills purchased and discounted			
Bangladesh Development Bank Limited		594,651,301	392,776,450
BDBL Securities Limited		-	-
BDBL Investment Services Limited		-	-
		<u>594,651,301</u>	<u>392,776,450</u>
		<u>23,893,495,928</u>	<u>21,014,688,938</u>
8. Fixed assets including premises, furniture and fixtures			
<u>Owner Occupied Property (IAS-16)</u>			
Opening balance		600,971,270	564,961,080
Add: Addition during the year		219,884,193	52,894,403
Less: Disposal/adjustment during the year		(13,435,753)	(16,884,213)
		<u>807,419,710</u>	<u>600,971,270</u>
Less: Accumulated depreciation at the year end		(463,343,738)	(410,116,412)
		<u>344,075,972</u>	<u>190,854,858</u>
Add: Revaluation balance at the year end		4,395,249,606	4,426,520,002
Written Down Value (A+B)		<u>4,739,325,578</u>	<u>4,617,374,861</u>
<u>Investment property (IAS-40)</u>			
Opening balance		4,213,035,632	-
Add: Transfer of Property, plant and equipment to Investment Property		-	4,207,153,381
Adjusted opening balance		4,213,035,632	4,207,153,381
Add: Addition during the year		-	5,882,251
		<u>4,213,035,632</u>	<u>4,213,035,632</u>
Less: Disposal during the year		-	-
		<u>4,213,035,632</u>	<u>4,213,035,632</u>
Less: Accumulated depreciation at the year end		(1,181,392,763)	(1,102,506,163)
Written Down Value (C)		<u>3,031,642,869</u>	<u>3,110,529,469</u>
<u>Lease Assets (ROU)</u>			
Opening balance		31,319,507	-
Add: Addition during the year		4,699,754	31,319,507
		<u>36,019,261</u>	<u>31,319,507</u>
Less: Disposal during the year		-	-
		<u>36,019,261</u>	<u>31,319,507</u>
Less: Accumulated depreciation at the year end		(9,207,708)	(4,391,101)
Written Down Value (D)		<u>26,811,553</u>	<u>26,928,406</u>
Total Fixed Assets including Investment property and Lease (A+B+C+D)		<u>7,797,780,000</u>	<u>7,754,832,735</u>
A Schedule of Fixed Assets is given in <u>Annexure- A</u> .			
8(a) Consolidated fixed assets including premises, furniture and fixtures			
Bangladesh Development Bank Limited	Note: 8	7,797,780,000	7,754,832,735
BDBL Securities Limited		2,893,234	3,127,680
BDBL Investment Services Limited		6,743,975	8,528,541
		<u>7,807,417,209</u>	<u>7,766,488,956</u>

*The Bank has decided to reclassify the property, plant and equipment to Investment Property those actually met the criteria of Investment Property as per International Accounting Standard (IAS) 40- Investment Property from the financial year 2021. The Bank used the cost model, for the transfer of owner- occupied property to investment property. For this reason, there is no change in the carrying amount of the property transferred and there is no change in the cost of that property for measurement or disclosure purposes (as per Para 59 of IAS 40). If there is any changes in fair market value, the adjustment will be given subsequently in future for the impairment loss.



	Notes	2021 Taka	2020 Taka
9. Other assets			
Stationery and stamps in hand		4,586,450	5,496,149
Tax paid in advance	Note: 9.1	3,635,782,647	3,653,057,110
Prepaid expenses and security deposit		18,650,737	22,363,063
Accrued income (CAD and Branches)	Note: 9.2	531,143,646	360,053,704
Suspense A/C (CAD and branches)		6,122,400	4,252,641
Exchange risk adjustment account		11,345,062	11,345,062
Depreciation fund - interest receivable		26,462,500	26,462,500
Sanchaya patra encashment A/C		210,137,417	360,996,799
Legal expenses realizable A/C		54,812,735	52,901,687
Misc. receivable and sundry for adjustment purpose	Note: 12.10.1	22,181,911	14,860,789
Inter office adjustment		-	20,055,938
Temporary advance		6,491,617	5,557,999
Investment in subsidiaries (BSI. & BISI.)		1,000,000,000	1,000,000,000
Receivable from subsidiaries (BSI. & BISI.)-Salary & Allowances		51,029,914	35,883,438
Receivable from subsidiaries (BSI. & BISI.)-Share		249,377,531	108,713,286
*Receivable from forfeited CPF		226,749	1,164,986
Deferred tax asset (for ROU Assets)	Note: 9.3	703,430	394,491
Other charges receivables from write-off project		8,577	8,577
		<u>5,829,063,323</u>	<u>5,683,568,219</u>

* The balance represents the portion of employer's contribution to those employee who have left service before completion of 05 (Five) years as per FRC Notification No 179/FRC/FRM/Proggapan/2020/2 dated 07 July 2020. This forfeited fund shown as Miscellaneous income in the Profit & Loss statement. The PF audit is completed upto 2020.

9.1 Tax paid in advance

Movement of the advance tax paid during the year is as follows:

Opening balance	3,653,057,110	3,519,914,787
Add: Addition during the year	<u>172,919,731</u>	<u>133,142,323</u>
	3,825,976,841	3,653,057,110
	<u>(190,194,194)</u>	<u>-</u>
Less: Adjustment during the year	<u>3,635,782,647</u>	<u>3,653,057,110</u>

An amount of Tk. 190,194,194 has been adjusted during the year from tax paid in advance. Out of the adjusted amount, an amount of Tk. 43,685,837 for the assessment year 2000-01 & 2003-04 has been adjusted based on the settlement certificate from tax authority and the rest for assessment year 2005-06, 2006-07, 2007-08 & 2008-09 has been adjusted as per vetted statement of the Banks' Tax consultant.

Year wise break-up of the above amount is shown as follows:

A: Erstwhile BSRS:

Accounting year	Assessment year	Corporate advance tax	Deducted at source	Total BDT
1997 - 1998	1998 - 1999	-	5,666,165	5,666,165
1998 - 1999	1999 - 2000	-	6,620,718	6,620,718
1999 - 2000	2000 - 2001	12,500,000	4,731,041	17,231,041
2000 - 2001	2001 - 2002	45,473,000	4,391,185	49,864,185
2001 - 2002	2002 - 2003	16,000,000	5,558,725	21,558,725
2002 - 2003	2003 - 2004	4,500,000	7,314,644	11,814,644
2003 - 2004	2004 - 2005	10,000,000	7,020,445	17,020,445
2004 - 2005	2005 - 2006	-	6,936,472	6,936,472
2005 - 2006	2006 - 2007	-	13,412,159	13,412,159
2006 - 2007	2007 - 2008	20,000,000	18,913,584	38,913,584
2007 - 2008	2008 - 2009	10,000,000	20,865,579	30,865,579
2008 - 2009	2009 - 2010	34,848,614	22,489,729	57,338,343
2009 - 2010	2010 - 2011	-	13,223,817	13,223,817
Total (A)		153,321,614	137,144,263	290,465,877

B: Erstwhile BSB:

Accounting year	Assessment year	Corporate advance tax	Deducted at source	Total BDT
1994-95	1995-1996	-	223,455,120	223,455,120
1995-96	1996-1997	-	1,388,566	1,388,566
1996-97	1997-1998	-	101,091,067	101,091,067
1997-98	1998-1999	-	69,230,875	69,230,875
1998-99	1999-2000	-	18,911,461	18,911,461
2000-01	2001-2002	-	13,926,730	13,926,730
2001-02	2002-2003	-	25,698,639	25,698,639
2003-04	2004-2005	-	32,943,494	32,943,494
2008-09	2009-2010	-	18,992,160	18,992,160
2009-10	2010-2011	-	7,727,586	7,727,586
Total (B)		-	513,365,698	513,365,698



C: BDBL			Notes	2021 Taka	2020 Taka
Accounting year	Assessment year	Corporate advance tax	Deducted at source	Total BDT	
2010	2011-2012	10,000,000	73,748,710	83,748,710	
2011	2012-2013	61,232,451	89,333,534	150,565,985	
2012	2013-2014	82,370,218	120,350,190	202,720,408	
2013	2014-2015	60,735,632	194,793,491	255,529,123	
2014	2015-2016	-	289,235,544	289,235,544	
2015	2016-2017	154,782,467	244,926,149	399,708,616	
2016	2017-2018	41,371,000	242,688,379	284,059,379	
2017	2018-2019	15,000,000	228,700,911	243,700,911	
2018	2019-2020	64,617,766	283,409,498	348,027,264	
2019	2020-2021	-	268,593,078	268,593,078	
2020	2021-2022	-	133,142,323	133,142,323	
2021	2022-2023	-	172,919,731	172,919,731	
Total (C)		490,109,534	2,341,841,538	2,831,951,072	

Total advance tax paid (A+B+C)

3,635,782,647

9.2 Accrued income (CAD and Branches)

CAD, Head office

Dividend

267,326,036

127,703,849

Rent

131,037,341

115,720,976

Accrued income on FDR

132,780,269

116,628,879

531,143,646

360,053,704

Branch Offices

531,143,646

360,053,704

9.3 Deferred tax asset on ROU assets

WDV of ROU

26,811,553

26,928,406

Closing balance of Lease liability

28,570,127

27,914,633

Deductible temporary difference

1,758,574

986,227

Tax Rate

40.00%

40.00%

Deferred tax asset

703,430

394,491

9(a) Consolidated other assets

Bangladesh Development Bank Limited

Note:9

5,829,063,323

5,683,568,219

Less: Receivable from subsidiaries (BSL & BISL)

(300,403,530)

(144,596,724)

Less: Investment in subsidiaries (BSL & BISL)

(1,000,000,000)

(1,000,000,000)

BDBL Securities Limited (BSL)

134,303,192

80,623,020

BDBL Investment Services Limited (BISL)

106,150,071

64,810,769

4,769,113,056

4,684,405,284

10. Borrowing from other banks, financial institutions and agents

In Bangladesh

Note:10.1

158,402,623

332,192,781

Outside Bangladesh

-

-

158,402,623

332,192,781

a) Security based segregation

Secured

-

-

Un-secured

158,402,623

332,192,781

158,402,623

332,192,781

b) Maturity based segregation

On demand

-

-

On maturity

158,402,623

332,192,781

158,402,623

332,192,781

10.1 In Bangladesh

DM 3.00 million K.F.W. loan

2,473,338

3,085,466

SME refinance from BB

155,929,285

119,107,315

*Call borrowing

-

210,000,000

158,402,623

332,192,781

*The call loan is taken from Agrani Bank Limited for fund requirement. The rate of interest is 1.00%.

11. Deposits and other accounts

Current and other accounts

Note: 11.1

3,429,585,954

2,727,213,713

Bills payable

Note: 11.2

112,056,316

132,101,882

Saving bank deposits

2,044,526,815

1,713,722,396

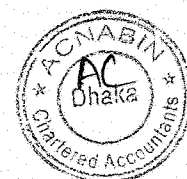
Fixed deposits

23,418,933,183

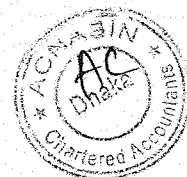
19,645,864,640

29,005,102,268

24,218,902,631



	Notes	2021 Taka	2020 Taka
11.1 Current and other accounts			
Short term deposit account		1,792,867,447	1,453,508,987
Scheme deposit		696,279,990	513,079,550
Sundry deposit		190,425,722	170,052,365
Current account		451,533,199	393,076,058
Margin deposits		86,194,756	63,911,789
Guarantee margin security deposits		127,818,531	65,767,781
Earnest money		72,200	72,200
Payable under investment scheme		81,355,311	67,625,093
Deposit in foreign currency		3,038,798	119,890
		<u>3,429,585,954</u>	<u>2,727,213,713</u>
11.2 Bills payable			
Payment order		110,947,726	131,383,053
Drafts payable		1,108,590	718,829
		<u>112,056,316</u>	<u>132,101,882</u>
11.3 Deposits and other accounts by maturity			
On demand		142,400,000	156,000,000
Repayable within one month		2,729,100,000	1,783,000,000
More than one month but not more than six months		7,268,500,000	8,037,300,000
More than six months but not more than one year		4,959,100,000	2,954,300,000
More than one year but not more than five years		13,906,002,268	11,288,302,631
More than five years but not more than ten years		-	-
Unclaimed deposits held by the bank more than ten years		-	-
		<u>29,005,102,268</u>	<u>24,218,902,631</u>
11(a) Consolidated deposit and other accounts			
(i) Current and other accounts			
Bangladesh Development Bank Limited	Note: 11.1	3,429,585,954	2,727,213,713
BDBL Securities Limited		(177,230)	(111,774)
BDBL Investment Services Limited		(258,549)	(2,500,904)
		<u>3,429,150,175</u>	<u>2,724,601,035</u>
(ii) Bills payable			
Bangladesh Development Bank Limited	Note: 11.2	112,056,316	132,101,882
BDBL Securities Limited		-	-
BDBL Investment Services Limited		-	-
		<u>112,056,316</u>	<u>132,101,882</u>
(iii) Savings bank deposit			
Bangladesh Development Bank Limited		2,044,526,815	1,713,722,396
BDBL Securities Limited		-	-
BDBL Investment Services Limited		-	-
		<u>2,044,526,815</u>	<u>1,713,722,396</u>
(iv) Fixed deposit			
Bangladesh Development Bank Limited		23,418,933,183	19,645,864,640
BDBL Securities Limited		-	-
BDBL Investment Services Limited		-	-
		<u>23,418,933,183</u>	<u>19,645,864,640</u>
		<u>29,004,666,489</u>	<u>24,216,289,953</u>
12. Other liabilities			
Provision for income tax	Note: 12.1	3,145,396,592	3,139,782,702
Provision for deferred tax	Note: 12.2	1,013,786,021	1,035,007,918
Accrued expenses	Note: 12.3	729,680,727	630,035,040
Others funds	Note: 12.4	109,660,575	148,195,326
Provision for B/D equity		48,412,100	48,412,100
Provision for B/D debenture		2,931,259	2,931,259
Provision for investment and share		42,300,000	42,300,000
Other provisions	Note: 12.5	609,347,318	621,641,707
Provision for unclassified loan	Note: 12.6	1,325,527,359	1,402,926,131
Special General Provision-COVID-19	Note: 12.6.1	40,000,000	15,383,224
Provision for classified loan	Note: 12.7	2,696,058,328	2,479,220,380
Interest suspense	Note: 12.8	2,340,683,250	1,852,950,187
Advance deposit receipts	Note: 12.9	199,785,679	181,724,809
Lease Liability	Note: 12.10	28,570,127	27,914,633
Start up fund	Note: 12.11	1,087,336	448,896
Miscellaneous	Note: 12.12	665,271,627	98,995,187
		<u>12,998,498,298</u>	<u>11,727,869,499</u>



12.1 Provision for income tax

Opening balance
Add: Provision made during the year

Less: Adjustment made during the year

Notes	2021 Taka	2020 Taka
	3,139,782,702	3,013,591,487
	195,808,084	126,191,215
	<u>3,335,590,786</u>	<u>3,139,782,702</u>
	(190,194,194)	
	<u>3,145,396,592</u>	<u>3,139,782,702</u>

12.1.1 Current Year Tax Provision:

Particulars	Amount(Tk.)	Rate	Amount(Tk.)
On Business Income/ Loss	(1,004,919,073)	40%	
On Rental Income	130,847,405	40%	52,338,962
On Dividend Income	390,399,551	20%	78,079,910
On Profit on Sale of Share Income	626,384,508	10%	62,638,451
On Profit on Sale of Assets Income	-	15%	
Excess prerequisites	1,250,000	40%	500,000
Entertainment	4,854,554	40%	1,941,822
Tax on Right use of asset (ROU)	-		308,939
			<u>195,808,084</u>

12.1.2 Current Year Deferred Tax Provision:

Deferred tax on asset revaluation reserve
Less: Adjustment during the year
Deferred tax on Right use of asset (RoU)

	(21,221,898)
	13,636,865
	308,939
	<u>(7,893,972)</u>

12.1.3 Income tax assessment status

A) Erstwhile BSB

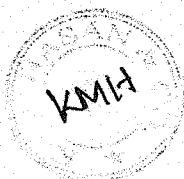
Financial Year	Assessment Year	Assessment Status
2003-2004	2004-2005	Settled upto AY 2004-05 and Tax refundable is BDT 12.65 Crore.
2008-2009	2009-2010	Pending with Appeal tribunal
2009-2010	2010-2011	ADR Revised order and Appeal order yet to be received

B) Erstwhile BSRs

Financial Year	Assessment Year	Assessment Status
1995-1996	1996-1997	
1996-1997	1997-1998	
1997-1998	1998-1999	Tax cases settled. No demand by tax authority.
1998-1999	1999-2000	
1999-2000	2000-2001	Tax assessment order has not yet been revised as per tribunal order.
2000-2001	2001-2002	"do"
2001-2002	2002-2003	"do"
2002-2003	2003-2004	"do"
2003-2004	2004-2005	Refundable BDT 17,020,445
2004-2005	2005-2006	Not yet assessed refundable BDT 6,936,472
2005-2006	2006-2007	Tax assessment has not yet been revised as order CT appeal
2006-2007	2007-2008	Self assessment
2007-2008	2008-2009	To be revised as per CT appeal
2008-2009	2009-2010	Appealed before the commissioner of taxes.
2009-2010	2010-2011	Appealed before the commissioner of taxes.

C) BDBL

Financial Year	Assessment Year	Assessment Status
2010	2011-2012	DP BDT 7,47,000.00 not credited. The taxes Appellate Tribunal order dated 29 April 2015 available but revised order is yet to be received.
2011	2012-2013	DP BDT 11,000,000.00 not credited. The taxes Appellate Tribunal order disposed dated 30 April 2015.
2012	2013-2014	TDS BDT 1,948,242 not credited. The appeal filed on 27 June 2016 for rectification.
2013	2014-2015	TDS BDT 542,649 not credited. The appeal filed on 18 October 2016 for rectification.
2014	2015-2016	Return file normal in procedure.
2015	2016-2017	Return filed
2016	2017-2018	Return filed
2017	2018-2019	Return filed
2018	2019-2020	Return filed
2019	2020-2021	Return filed
2020	2021-2022	Return filed
2021	2022-2023	Yet to be filed



	Notes	2021 Taka	2020 Taka
12.2 Provision for deferred tax			
A. Deferred tax on fixed asset			
Deferred tax liabilities have been computed in accordance with IAS-12 based on taxable temporary difference in carrying amount of the fixed assets and its tax base as follows:			
WDV of fixed assets as per tax records		334,888,414	167,962,700
WDV of fixed assets as per accounts		504,202,763	356,239,632
Taxable temporary difference		(169,314,349)	(188,276,932)
Applicable tax rate		40.00%	40.00%
Deferred tax liabilities		(67,725,740)	(75,310,773)
B. Deferred tax on asset revaluation reserve			
Asset revaluation reserve on 01 January 2021*		6,411,967,551	6,505,569,700
Less: Adjustment for depreciation during the year		104,899,013	107,588,731
		6,307,068,538	6,397,980,969
Applicable tax rate		15%	15%
Deferred tax liability		(946,060,281)	(959,697,145)
Total deferred tax liability (A+B)		(1,013,786,021)	(1,035,007,918)
*Detail of the revaluation reserve given in Annexure A and Note: 16.2(a).			
12.3 Accrued expense			
Accrued interest		629,403,512	544,040,029
Accrued expense		100,277,215	85,995,011
		729,680,727	630,035,040
12.4 Other funds			
Pension and death cum retirement fund		79,923,232	58,455,265
Employees provident fund		9,775,221	28,432,777
Employees gratuity fund		18,040,625	54,380,625
Employees benevolent fund		1,921,497	6,926,659
		109,660,575	148,195,326
12.5 Other provisions			
12.5.a Other provisions (Miscellaneous)			
Provision for bonus		78,066,438	73,124,030
Provision for unadjusted inter branch current account		2,800,000	2,800,000
Dividend payable to Govt.		100,000,000	100,000,000
Payable to Govt. against share dividend		52,113,410	46,050,207
		232,979,848	221,974,237
12.5.b Provision for other assets			
Provision for realisable legal expenses		53,648,000	52,898,000
Provision for interest on depreciation fund		26,462,500	26,462,500
Provision for off balance sheet items		12,008,067	10,707,525
Provision for exchange risk adjustment A/C		11,345,000	11,345,000
Provision for investment in other bank and financial institution*		213,611,300	213,611,300
Provision for other assets		59,292,603	84,643,145
		376,367,470	399,667,470
12.6 Provision for un-classified loan			
Provision held at the beginning of the year		1,402,926,131	105,429,126
Less: Fully provided debts written-off		-	-
Add: Recoveries of amount previously written-off		-	-
Add: Specific provision for the year		-	427,995,969
Less: Excess provision transferred to provision to CL loan		(77,398,772)	-
Add: Specific provision for special mentioned A/C		-	869,501,037
Provision held at the end of the year		1,325,527,359	1,402,926,131
12.6.1 Special General Provision-COVID-19		40,000,000	15,383,224
As per BRPD circular letter no-53 of Bangladesh Bank dated 30 Dec, 2021 Bank has to maintain additional 2% Special General provision COVID-19 for unclassified loans.			
12.7 Provision for classified loan			
Provision held at the beginning of the year		2,479,220,380	3,792,100,609
Less: Fully provided debts written-off/loan liquidated		(18,244,009)	-
Add: Recoveries of amount previously written-off		-	-
Add: Specific provision for the year		134,383,185	-
Add: Recoveries and provision no longer required		-	-
Less: Excess provision transferred to provision for Unclassified (SMA) Special Rescheduling and one time exit and Writ projects		-	(1,312,880,229)
Add: Excess provision transferred from un-classified loan		77,398,772	-
Add: Excess provision transferred from other asset		23,300,000	-
Provision held at the end of the year		2,696,058,328	2,479,220,380
Total provision maintained		4,061,585,687	3,897,529,735
Required provision		4,061,400,000	3,897,500,000
(Shortfall)/Excess		185,687	29,735



	Notes	2021 Taka	2020 Taka
12.8 Interest suspense			
Opening balance		1,017,973,559	715,344,666
Add: Credited/Added during the year		926,809,858	482,860,323
Less: Transferred to interest income		(12,654,323)	(123,227,689)
Less: Written-off during the year		-	-
Less: Adjustment during the year		(243,983,360)	(57,003,741)
		1,688,145,734	1,017,973,559
Add: Interest suspense A/C (IDCP)		652,537,516	834,976,628
		<u>2,340,683,250</u>	<u>1,852,950,187</u>

12.9 Advance deposits receipts		52,537,820	44,563,820
Other deposits received in advance		702,793	665,130
L/C Charges Received in Advance		2,192,246	661,422
Advance rent received on Bank's premises		95,865,266	95,413,575
Sundry - unadjusted recovery from loan		48,487,554	40,420,862
Sundry deposits(write-off)		<u>199,785,679</u>	<u>181,724,809</u>

12.10 Lease Liability		27,914,633	-
Opening balance		6,956,462	27,914,633
Add: Addition during the year		34,871,095	27,914,633
		(6,300,968)	-
Less: Disposal/Adjustment during the year		<u>28,570,127</u>	<u>27,914,633</u>

The Bank has recognised the IFRS 16 Lease from the financial year 2020 and it measured lease liability in respect of the appropriate criteria. The lease liability will be paid within the lease term to the lessor. The interest was capitalised and charged accordingly.

Lease Liabilities-Current Portion

This represents short term lease liabilities which are payable within next 12 (twelve) months from January 2022.

4,781,025

Lease Liability-Non Current Portion

This represents total lease liabilities less current portion.

23,789,102

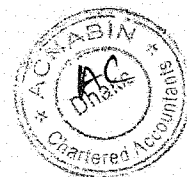
12.11 Start up fund		448,896	-
Opening balance		638,440	448,896
Add: Addition during the year		<u>1,087,336</u>	<u>448,896</u>
Closing Balance			

As per Bangladesh Bank SME/SPD circular no. 05 dated 26 April 2021, this fund was created through compulsory appropriation of 1% Net profit after tax of 2021 and bank has to maintain it from 2020 to following five years to facilitate/finance start up entrepreneurs.

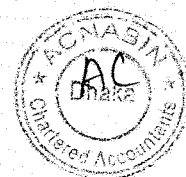
12.12 Miscellaneous		46,028,469	46,028,469
FCTA exchange premium		7,446,350	7,446,350
FCTA penal premium		6,394,900	6,394,900
Liabilities towards BSB and EPF		750,000	14,940,000
Sanchaya patra sold		9,988,928	8,495,120
Special adjustment account		725,542	725,542
Managed fund		1,444	1,444
Liability for other finance		348,007	2,636,600
Other payable		-	1,700,771
Suspense others		4,581,062	4,545,630
Liability for other expenses		5,744,073	6,080,361
Employees Income Tax		583,262,852	-
Inter office adjustment account	Note: 12.10.1	<u>665,271,627</u>	<u>98,995,187</u>

12.13 Inter office adjustment account		(8,226,258,313)	(5,916,543,834)
CAD current account in branch office book		8,811,913,913	5,896,256,330
Branch office current account in CAD's book		(426,972,585)	(435,847,499)
LAD's current account in CAD's book		423,864,957	435,364,185
CAD's current account in LAD's book		(530,310,946)	(532,943,253)
LAD's current account in branch office book		530,363,284	532,995,591
Branch office current account in LAD's book		136,000	136,000
Brokerage house C/A in Pr. Br.		526,542	526,542
Inter branch current account		<u>583,262,852</u>	<u>(20,055,938)</u>

*The balance of 2021 of inter office adjustment account is transferred to Other Liabilities for having positive balance.



	Notes	2021 Taka	2020 Taka
12(a) Consolidated other liabilities			
Bangladesh Development Bank Limited	Note: 12	12,998,498,298	11,727,869,499
BDBL Securities Limited		449,977,836	305,291,411
BDBL Investment Services Limited		407,310,405	236,349,228
Less: Payable to BDBL (BSL & BISL)		(300,403,530)	(144,596,724)
		<u>13,555,383,009</u>	<u>12,124,913,414</u>
12.a.i Consolidated current tax			
Bangladesh Development Bank Limited		195,808,084	70,394,491
BDBL Securities Limited		19,535,376	7,058,496
BDBL Investment Services Limited		21,854,416	11,917,148
		<u>237,197,876</u>	<u>89,370,135</u>
12.a.ii Consolidated deferred tax			
Bangladesh Development Bank Limited		(7,893,972)	(4,669,198)
BDBL Securities Limited		47,526	71,708
BDBL Investment Services Limited		(48,653)	(38,090)
		<u>(7,895,099)</u>	<u>(4,635,580)</u>
13 Share Capital			
Authorised capital:			
100,000,000 shares of Taka 100 each		<u>10,000,000,000</u>	<u>10,000,000,000</u>
Issued, subscribed and paid-up capital:			
60,000,000 Shares of Taka 100 each fully paid by the government and government nominated shareholders		<u>6,000,000,000</u>	<u>4,000,000,000</u>
13.1 Capital to risk weighted asset ratio (CRAR)			
Consolidated CRAR			
i) Core capital (Tier-i)			
Paid-up capital		6,000,000,000	4,000,000,000
General reserve		2,347,755,114	4,347,755,114
Statutory reserve		2,664,871,336	2,614,571,336
Retained earnings		807,275,393	676,125,964
Less: Provision shortfall as per RBCA (Basel-III)		(440,373,839)	(217,530,805)
		<u>11,379,528,004</u>	<u>11,420,921,610</u>
ii) Supplementary capital (Tier-ii)			
General provision		653,007,358	126,670,734
		<u>653,007,358</u>	<u>126,670,734</u>
iii) Additional supplementary capital (Tier-iii)			
Total supplementary capital (ii+iii)		<u>653,007,358</u>	<u>126,670,734</u>
A Total eligible capital (Tier-i+ii+iii)		<u>12,032,535,362</u>	<u>11,547,592,344</u>
B Total risk weighted assets		<u>52,371,622,817</u>	<u>48,833,878,989</u>
C Required capital (10% of risk weighted assets)		<u>5,237,162,282</u>	<u>4,883,387,899</u>
D Capital conservation buffer (2.5% on risk weighted assets)		<u>1,309,290,570</u>	<u>1,220,846,975</u>
E Total required capital with conservation buffer (C+D)		<u>6,546,452,852</u>	<u>6,104,234,874</u>
F Capital surplus (A-E)		<u>5,486,082,510</u>	<u>5,443,357,470</u>
Capital adequacy ratio		22.98%	23.65%
Core capital to risk weighted assets		21.73%	23.39%
Supplementary capital to risk weighted assets		1.25%	0.26%
Solo CRAR			
i) Core capital (Tier-i)			
Paid-up capital		6,000,000,000	4,000,000,000
General reserve		2,347,755,114	4,347,755,114
Statutory reserve		2,664,871,336	2,614,571,336
Retained earnings		460,631,595	447,726,157
Less: Provision shortfall as per RBCA (Basel-III)		(337,587,358)	(964,050,849)
		<u>11,135,670,687</u>	<u>10,446,001,758</u>
ii) Supplementary capital (Tier-ii)			
General provision		653,007,358	126,670,734
		<u>653,007,358</u>	<u>126,670,734</u>
iii) Additional supplementary capital (Tier-iii)			
Total supplementary capital (ii+iii)		<u>653,007,358</u>	<u>126,670,734</u>
A Total eligible capital (Tier-i+ii+iii)		<u>11,788,678,045</u>	<u>10,572,672,492</u>
B Total risk weighted assets		<u>50,431,895,455</u>	<u>46,204,960,323</u>



	Notes	2021 Taka	2020 Taka
C	Required capital (10% of risk weighted assets)	5,043,189,546	4,620,496,032
D	Capital conservation buffer (2.5% on risk weighted assets)	1,260,797,386	1,155,124,008
E	Total required capital with conservation buffer	6,303,986,932	5,775,620,040
F	Capital surplus (A-E)	5,484,691,113	4,797,052,452
	Capital adequacy ratio	23.38%	22.88%
	Core capital to risk weighted assets ratio	22.08%	22.61%
	Supplementary capital to risk weighted assets ratio	1.30%	0.27%

14. **Quasi equity**
This was created as per government decision in 1982 by converting the 3rd, 5th, 6th and 8th UK credits received by erstwhile BSB. This liability has been waived by the Government of Bangladesh.

15. Statutory reserve			
Opening balance		2,614,571,336	2,592,421,336
Add: Addition made for the year		50,300,000	22,150,000
		<u>2,664,871,336</u>	<u>2,614,571,336</u>
16. General, revaluation and other reserve		<u>9,734,368,031</u>	<u>11,825,630,179</u>

This is the cumulative reserve maintained in notes General reserve 16.1, Asset revaluation reserve 16.2 & Other reserves in 16.3 accordingly.

16.1 General reserve			
Opening balance		4,347,755,114	4,347,755,114
Add: Addition/Adjustment during the year		(2,000,000,000)	-
		<u>2,347,755,114</u>	<u>4,347,755,114</u>

16.2 Asset revaluation reserve			
Opening balance		6,411,967,551	6,505,569,700
Less: Adjustment for depreciation for the year		(104,899,013)	(107,588,731)
Add/(Less): Adjustment for deferred tax	Note: 16.2.1	13,636,865	13,986,582
		<u>6,320,705,403</u>	<u>6,411,967,551</u>

Asset-wise break-up of revaluation surplus is as under:

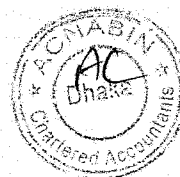
Particulars	Land Taka	Building Taka	Motor vehicle Taka	Total Taka
Valuation surplus	2,761,481,888	3,650,485,662	1	6,411,967,551
Less: Adjustment for disposal of asset	-	104,899,013	-	104,899,013
Less: Adjustment for depreciation	-	-	-	-
Add: Adjustment for deferred tax liabilities @15%	(2)	13,636,867	-	13,636,865
Balance as at 31 December 2021	<u>2,761,481,886</u>	<u>3,559,223,516</u>	<u>1</u>	<u>6,320,705,403</u>

16.2(a) **Consolidated asset revaluation reserve**

Bangladesh Development Bank Limited	Note: 16.2	6,320,705,403	6,411,967,551
BDBI Investment Services Limited		-	-
		<u>6,320,705,403</u>	<u>6,411,967,551</u>

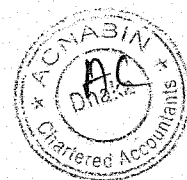
16.2.1 Deferred tax liabilities on asset revaluation reserve has been computed in accordance with IAS-12, on the assumption that this will be taxable in the form of capital gain and hence relevant tax rate is applied.

16.3 Other reserve		<u>1,065,907,514</u>	<u>1,065,907,514</u>
Capital reserve			
Opening balance		66,503,916	66,503,916
Add: Appreciation made for the year		-	-
		<u>66,503,916</u>	<u>66,503,916</u>
Reserve for unforeseen losses			
Opening Balance		560,000	560,000
Add: Appreciation made during the year		-	-
		<u>560,000</u>	<u>560,000</u>
Building fund			
Opening balance		639,241,000	639,241,000
Add: Appropriation made for the year		-	-
		<u>639,241,000</u>	<u>639,241,000</u>



Notes	2021 Taka	2020 Taka
Special assistance fund		
Opening balance	109,161,572	109,161,572
Add: Appreciation made for the year	-	-
	<u>109,161,572</u>	<u>109,161,572</u>
In accordance with the Industrial Policy 1986, a Special Assistance Fund (SAF) was created by erstwhile BSB as the prime DFI of the country to provide concessional loans to projects:		
a. Based on local innovation and invention of product and process;		
b. Utilizing locally manufactured capital goods; and		
c. For production of capital machinery and other non-traditional items.		
Equity adjustment reserve	43,206,475	43,206,475
Opening balance	-	-
Add: Appreciation made for the year	-	-
Less: Adjustment during the year	<u>43,206,475</u>	<u>43,206,475</u>
Exchange equalisation reserve	131,518,243	131,518,243
Opening Balance	-	-
Add: Addition/adjustment for the year	<u>131,518,243</u>	<u>131,518,243</u>
Special reserve	75,716,308	75,716,308
Opening balance	-	-
Add: Appreciation made for the period	-	-
Less: Adjustment during the year	<u>75,716,308</u>	<u>75,716,308</u>
Special reserve was created by erstwhile BSRS as per section 29(1)(V) of the Income Tax Ordinance, 1984.		
16.3(a) Consolidated other reserve	1,065,907,514	1,065,907,514
Bangladesh Development Bank Limited	28,461,709	6,436,584
BDBL Securities Limited	6,051,453	3,784,418
BDBL Investment Services Limited	<u>1,100,420,676</u>	<u>1,076,128,516</u>
16.4 Contingent liabilities		340,370,238
Acceptance for FC guarantee	757,335,731	368,842,751
Letters of credit	376,968,243	306,346,914
Bills for collection	66,502,715	55,192,627
Other contingent liabilities	<u>1,200,806,689</u>	<u>1,070,752,530</u>
16.5 Retained earnings	447,726,157	425,435,453
Opening Balance	12,905,438	22,290,704
Add: Appropriation during the year	-	-
Add: Adjustment during the year	<u>460,631,595</u>	<u>447,726,157</u>
16(a) Consolidated current year retained earnings	12,905,438	22,290,704
Bangladesh Development Bank Limited	104,461,358	20,251,247
BDBL Securities Limited	38,074,792	22,670,356
BDBL Investment Services Limited	<u>155,441,588</u>	<u>65,212,307</u>
16(a.i) Consolidated retained earnings	460,631,595	447,726,157
Bangladesh Development Bank Limited	222,739,431	140,303,198
BDBL Securities Limited	123,904,367	88,096,610
BDBL Investment Services Limited	<u>807,275,393</u>	<u>676,125,965</u>

Note: 16.5



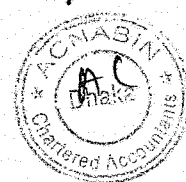
	Notes	2021 Taka	2020 Taka
17. Profit and loss account			
Profit before tax during the year		251,757,990	110,614,893
Less: Provision for income tax		(195,808,084)	(70,394,491)
Less: Provision for Deferred Tax		7,893,972	4,669,198
Less: Statutory Reserve		(50,300,000)	(22,150,000)
Less: General Reserve		-	-
Less: Start up Fund		(638,440)	(448,896)
Less: Dividend to Government		-	-
Less: Retained Surplus		(12,905,438)	(22,290,704)
		<u>219,171,824</u>	<u>227,497,309</u>
18. Interest income			
Interest on taka loans		219,171,824	227,497,309
Interest on amount due		632,411	64,640,588
Interest on money at call and on short notice		71,279,017	120,055,960
Interest on term deposit		624,694,105	766,391,859
Interest on F.C. A/C. with Bangladesh Bank		2,298,993	8,614,829
Interest on advances		679,484,872	561,649,536
Interest on staff loan		100,013,496	121,420,522
Interest on LTR		27,093,913	24,749,886
Interest on LDBP		29,905,392	33,301,226
		<u>1,754,574,023</u>	<u>1,928,321,715</u>
18(a) Consolidated interest income			
Bangladesh Development Bank Limited	Note: 18	1,754,574,023	1,928,321,715
BDBL Securities Limited		9,794,881	11,445,187
BDBL Investment Services Limited		306,173	4,918,317
Less: Interest income from Subsidiaries		(40,233,077)	(26,876,001)
		<u>1,724,442,000</u>	<u>1,917,809,218</u>
19. Interest paid on borrowing, deposits			
Interest on L/C borrowing from GOB		80,642	97,476
Interest on borrowing from B. Bank		6,332,720	1,321,692
Interest on deposit at call		11,738,889	2,574,028
Interest on F.D. account		1,402,816,176	1,426,529,025
Interest on S.B account and schemes		95,291,999	118,933,825
Interest on deposit pension scheme and SND		74,345,135	36,437,013
Interest expense on Lease		2,256,708	2,375,804
		<u>1,592,862,269</u>	<u>1,588,268,863</u>
19 (a) Consolidated interest paid on borrowing, deposits			
Bangladesh Development Bank Limited	Note: 19	1,592,862,269	1,588,268,863
Interest income from Subsidiaries		(40,233,077)	26,876,001
Less: Interest paid to BDBL		(40,233,077)	26,876,001
		<u>1,592,862,269</u>	<u>1,588,268,863</u>
20. Investment income			
Profit on sale of shares/securities		626,384,508	265,437,156
Dividend on shares/securities		390,399,551	194,097,885
Interest on debentures		-	48,018,135
Interest on bond		-	6,482,222
		<u>1,016,784,059</u>	<u>514,035,398</u>
20(a) Consolidated investment income			
Bangladesh Development Bank Limited	Note: 20	1,016,784,059	514,035,398
BDBL Securities Limited		162,303,753	64,544,180
BDBL Investment Services Limited		87,198,873	33,113,204
		<u>1,266,286,685</u>	<u>611,692,782</u>
21. Commission, exchange and brokerage			
Other fees commission and charges		3,299,263	2,332,822
Commission on F.C./ L/C		9,883,438	5,839,106
Commission on bills for collection		1,213,775	894,072
Acceptance commission		1,000	3,035
Exchange commission		58,087,636	16,322,117
Brokerage commission		10,581,697	10,091,794
Commission on remittance		49,961	9,699
Commission on Taka guarantee		2,618,435	312,378
		<u>85,735,205</u>	<u>35,805,023</u>



	Notes	2021 Taka	2020 Taka
21(a) Consolidated commission, exchange and brokerage			
Bangladesh Development Bank Limited	Note: 21	85,735,205	35,805,023
BDBL Securities Limited		30,196,521	10,597,266
BDBL Investment Services Limited		58,358,525	19,551,936
		<u>174,290,251</u>	<u>65,954,225</u>
22. Other operating income			
Rent on Bank's premises		246,714,327	263,755,841
Profit on sale of assets		-	114,256
Technical examination fees		6,357,732	5,008,535
Legal amount and documentation charges		115,492	183,450
Gain or loss on re-valuation of F.C A/C		24,513,744	3,988,237
Income from write-off loan account		61,534,314	92,454,986
Miscellaneous earnings		21,067,285	45,113,824
		<u>360,302,894</u>	<u>410,619,129</u>
22(a) Consolidated other operating income			
Bangladesh Development Bank Limited	Note: 22	360,302,894	410,619,129
BDBL Securities Limited		1,937,357	807,573
BDBL Investment Services Limited		968,504	897,730
		<u>363,208,755</u>	<u>412,324,432</u>
22(b) Receipt from other operating activities			
Profit on sale of securities		626,384,508	265,437,156
Interest on bond		-	54,500,357
Rent on Bank's premises		246,714,327	263,755,841
Others		27,540,509	50,420,065
		<u>900,639,344</u>	<u>634,113,419</u>
23. Salaries and allowances			
Salaries and allowances		496,437,641	508,067,409
Bank's contribution to employees P.F and gratuity fund		25,083,666	23,501,521
Staff salary (outsourcing)		51,542,951	56,634,968
Staff overtime allowances		12,998,389	10,080,398
Employees pension fund	Note: 23.1	181,041,026	176,670,161
Staff welfare facilities		16,281,847	12,709,820
Staff education expenses		71,500	60,500
Incentive Bonus	Note: 23.2	46,025,000	78,372,961
Festival Bonus		55,594,402	58,565,174
		<u>885,076,422</u>	<u>924,662,912</u>
Managing Director/Chief Executive's remuneration		<u>3,762,460</u>	<u>3,700,000</u>
Breakup of the remuneration includes in the total Salary and allowances			
Basic		1,500,000	1,500,000
House rent		1,050,000	1,050,000
Medical allowance		300,000	300,000
House maintenance		300,000	300,000
Entertainment		150,000	150,000
Bonus		462,460	400,000
		<u>3,762,460</u>	<u>3,700,000</u>
23.1	An actuarial valuation had been carried out by a professional actuarial firm as at 31 December 2017 to determine any surplus or deficit for these defined benefit plans. A shortfall of BDT 2,164 million has been reported in the said valuation report. However, as per bank's board decision in this regard Tk. 250.00 million lumpsum to be contributed in the pension and death cum retirement fund each year on the profitability of the Bank. Whereas Tk. 50.00 million has been provided for the said fund to meet the shortfall in the year 2021 due to insufficiency of profitability. The left will be maintained accordingly in the following years.		
23.2	Incentive bonus represents three months basic salary of the employees.		
23(a) Consolidated salaries and allowances			
Bangladesh Development Bank Limited	Note: 23	885,076,422	924,662,912
BDBL Securities Limited		16,598,703	13,676,551
BDBL Investment Services Limited		10,865,432	7,744,392
		<u>912,540,557</u>	<u>946,083,855</u>
24. Rent, taxes, insurance, lighting			
Rent and property taxes		35,551,656	35,681,158
Electricity, light and gas		13,503,543	11,621,981
Insurance, telex and rental		10,082,444	10,742,354
		<u>59,137,643</u>	<u>58,045,493</u>



	Notes	2021 Taka	2020 Taka
24(a) Consolidated rent, taxes, insurance, lighting			
Bangladesh Development Bank Limited	Note: 24	59,137,643	58,045,493
BDBL Securities Limited		3,584,362	3,363,236
BDBL Investment Services Limited		368,970	1,863,635
		<u>63,090,975</u>	<u>63,272,364</u>
25. Legal and professional expenses			
Legal and documentation charges		900,724	1,484,214
Professional charges		693,917	276,750
		<u>1,594,641</u>	<u>1,760,964</u>
25(a) Consolidated legal and professional expenses			
Bangladesh Development Bank Limited	Note: 25	1,594,641	1,760,964
BDBL Securities Limited		82,800	146,500
BDBL Investment Services Limited		57,500	57,500
		<u>1,734,941</u>	<u>1,964,964</u>
26. Postage, telecommunication, etc			
Postage and telegram		5,456,222	3,789,874
Telephone - local and trunk call		1,729,574	2,935,159
Internet & Connectivity charge		2,504,773	-
		<u>9,690,569</u>	<u>6,725,033</u>
26(a) Consolidated postage, telegram and telephone			
Bangladesh Development Bank Limited	Note: 26	9,690,569	6,725,033
BDBL Securities Limited		72,215	61,425
BDBL Investment Services Limited		106,860	80,332
		<u>9,869,644</u>	<u>6,866,790</u>
27. Stationery, printing and advertisement			
Printing and stationery		8,455,534	6,674,616
Advertisement		2,627,144	2,167,152
		<u>11,082,678</u>	<u>8,841,768</u>
27(a) Consolidated stationery, printing and advertisement			
Bangladesh Development Bank Limited	Note: 27	11,082,678	8,841,768
BDBL Securities Limited		544,427	361,296
BDBL Investment Services Limited		121,426	59,227
		<u>11,748,531</u>	<u>9,262,291</u>
28. Directors' fees		<u>852,587</u>	<u>1,336,800</u>
Each director is paid BDT 8,000 per board meeting for per attendance.			
28(a) Consolidated Director fees			
Bangladesh Development Bank Limited	Note: 28	852,587	1,336,800
BDBL Securities Limited		532,200	483,140
BDBL Investment Services Limited		717,600	487,600
		<u>2,102,387</u>	<u>2,307,540</u>
(b) Consolidated auditor fees			
Bangladesh Development Bank Limited		807,667	1,179,500
BDBL Securities Limited		80,500	69,000
BDBL Investment Services Limited		80,500	69,000
		<u>968,667</u>	<u>1,317,500</u>
29. Depreciation and repair of Bank's assets			
Depreciation of fixed assets (including lease)		63,301,916	39,060,668
Repair and maintenance of Bank's properties		38,528,103	21,188,949
		<u>101,830,019</u>	<u>60,249,617</u>



	Notes	2021 Taka	2020 Taka
29(a) Consolidated Depreciation and repair of Bank's assets			
Bangladesh Development Bank Limited	Note: 29	101,830,019	60,249,617
BDBL Securities Limited		1,779,898	1,586,344
BDBL Investment Services Limited		2,896,338	1,294,584
		<u>106,506,255</u>	<u>63,130,545</u>
30. Other expenses			
Entertainment		7,728,802	6,144,445
Donation and subscription		9,616,000	350,000
Sundries		9,421,790	8,517,030
Books and periodicals		68,205	65,726
Lunch subsidy		30,911,100	28,988,266
Business development expenditure		1,388,298	1,124,807
Expenditure in minor assets		128,969	134,253
Staff training expenses		4,615,065	4,513,749
Liveries and uniform		724,070	1,192,640
Local conveyance		3,843,982	3,428,616
Staff medical facilities		1,261,333	1,489,073
TA/DA and conveyances		4,838,873	3,686,690
TA/DA Directors'		34,230	28,635
Motor car running expenses		4,915,990	4,147,233
Staff bus facilities		12,463,813	11,219,592
Honorarium		2,095,499	1,103,625
Branch opening expense		681,690	6,779
Other expenditure		29,331,057	29,052,931
Corporate Social Responsibility		2,065,949	-
Sports, culture and recreation		-	3,033,908
Executive car maintenance allowances		11,122,224	13,654,047
Generator & Substation		2,684,336	1,513,377
		<u>139,941,275</u>	<u>123,395,422</u>
30(a) Consolidated other expenses			
Bangladesh Development Bank Limited	Note: 30	139,941,275	123,395,422
BDBL Securities Limited		5,319,301	2,678,276
BDBL Investment Services Limited		12,445,925	5,701,822
		<u>157,706,501</u>	<u>131,775,521</u>
30(b) Payment for other operating activities			
Rent, taxes, insurance and lighting		59,137,643	58,045,493
Law charges		1,594,641	1,760,964
Postage, telegram and telephone		9,690,569	6,725,033
Audit fee		807,667	1,179,500
Stationary, printing and advertisement		11,082,678	8,841,768
Directors' fee		852,587	1,336,800
Repair & maintenance of Bank's properties		38,528,103	21,188,949
Motor car running expenses		4,915,990	4,147,233
Staff bus facilities		12,463,813	11,219,592
Lunch Subsidy		30,911,100	28,988,266
Others		91,650,372	79,040,331
		<u>261,635,163</u>	<u>222,473,929</u>
31. Provision for loans and advances and other investments			
Provision for loan and advances			
For unclassified loans		158,999,961	-
For classified loans		158,999,961	-
31(a) Consolidated provision for loans and advances			
Bangladesh Development Bank Limited	Note: 31	158,999,961	-
BDBL Securities Limited (Margin Loan)		-	-
BDBL Investment Services Limited		-	-
		<u>158,999,961</u>	<u>-</u>
Provision for investment & others			
Bangladesh Development Bank Limited		18,943,437	10,710,986
BDBL Securities Limited		51,708,301	6,573,679
BDBL Investment Services Limited		70,651,738	17,284,665
		<u>70,651,738</u>	<u>17,284,665</u>



	Notes	2021 Taka	2020 Taka
32. Closing cash and cash equivalent		96,221,417.00	83,850,821.00
Cash in hand		1,893,778,960	2,278,779,161
Balance with Bangladesh Bank (including foreign currencies)		13,008,213,539	9,806,431,206
Balance held with other banks		14,998,213,916	12,169,061,187

32(a) Consolidated closing cash and cash equivalent

	Note: 32	14,998,213,916	12,169,061,187
Bangladesh Development Bank Limited		189,049,769	111,679,497
BDBL Securities Limited		226,182,661	116,910,616
BDBL Investment Services Limited		(177,230)	(111,774)
Less: Intergroup cash and cash equivalent (BSL)		(258,549)	(2,500,904)
Less: Intergroup cash and cash equivalent (BISL)		15,413,010,567	12,395,038,622

33. Earnings per share (EPS)

a) Profit attributable to ordinary share holders	63,843,878	44,889,600
b) Weighted average number of outstanding shares	60,000,000	60,000,000
Earnings per share (EPS) (a ÷ b)	1.06	0.75

Earnings per Share (EPS) has been calculated in accordance with "International Accounting Standard (IAS) - 33. Earnings per Share" which has been shown on the face of Profit & Loss Account. During the year 20000000 nos. of bonus share with a face value of Tk. 100 each has been issued as per the decision approved by 11th AGM of the bank dated 23/09/2021. The voucher has been recorded on 12/10/2021. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

33(a) Consolidated earnings per share

a) Profit attributable to ordinary equity holders	206,380,028	87,811,205
b) Weighted average number of outstanding shares	60,000,000	60,000,000
Earnings per share (EPS) (a ÷ b)	3.44	1.46

34 Related parties and its transactions

Name of the Directors of BDBL and their interest in the bank as at 31 December 2021

Name	Present Address	Date of Appointment	Number of Shares
Shamima Nargis	Islam Heights, Apartment No# 5/A, 10/8, Block A, Iqbal Road, Mohammadpur, Dhaka-1207	11/14/2021	1 Share
Md. Ekhlasur Rahman	Falguni-1, Eskaton Garden, Officers Colony, Dhaka-1000.	06/01/2019 (Re-appointment)	1 Share
Md. Abu Hanif Khan	Flat # D-2, 4/1, Dilu Road, New Eskaton, Dhaka-1000.	14/01/2019 (Re-appointment)	1 Share
Subhash Chandra Sarker	Flat # C-1, Bosilia Asset, House No # 44, Road No # 4/A, Dhanmondi R/A, Dhaka	1/14/2019	1 Share
Md. Abu Yusuf	Road: 7/a, House # 91/M, Flat # A/6,, Dhanmondi R/A, Dhaka-1209	2/10/2019	1 Share
Quazi Shairul Hassan	House # 59, Flat # S 5, Road: 25/A, Banani, Dhaka-1213.	12/29/2019	1 Share
Md. Azizur Rahman	Director General-2, Additional Secretary, Prime Minister's Office, Dhaka	6/21/2021	1 Share
Kazi Alamgir	Exora, Flat # 2 D, 35 lakecircus, Kalabagan, Dhaka-1205.	11/27/2019	N/A

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Notes	2021 Taka	2020 Taka
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Particulars of directors and their interest in other entities as at 31 December 2021

Name	Status in Bank	Name of the firms/Companies in which interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Status
Shamima Nargis	Director & Chairman	Government of the People's Republic of Bangladesh.	Ex- Senior Secretary
		BDBL Securities Ltd. (BSL)	Chairman
Md. Ekhlashur Rahman	Director	Government of the People's Republic of Bangladesh.	Ex-Additional Secretary
Md. Abu Hanif Khan	Director	Rajshahi Krishi Unnyan Bank	Ex-DMD
Subhash Chandra Sarker	Director	Government of the People's Republic of Bangladesh.	Ex-Additional Secretary
Md. Abu Yusuf	Director	Government of the People's Republic of Bangladesh.	Ex- Joint Secretary
Quazi Shairul Hassan	Director	SABINCO	Ex- Managing Director
Md. Azizur Rahman	Director	Government of the People's Republic of Bangladesh.	Additional Secretary
Kazi Alamgir	Managing Director & CEO	BDBL Investment Services Ltd. (BISL)	Chairman
		Investment Corporation of Bangladesh (ICB)	Director

Related party relationship disclosure during the year 2021 (in compliance of IAS-24)

Name of related party	Relationship	Nature of Transaction	Amount in (TK)
BDBL Securities Ltd. (BSL)	Subsidiary Company	Investment in subsidiary Company	500,000,000
BDBL Investment Services Ltd. (BISL)	Subsidiary Company	Investment in subsidiary Company	500,000,000
Investment Corporation of Bangladesh (ICB)	Associate Company	Investment in associate Company	2,831,423,500

Related Party Transaction

All the directors of the Bank are appointed by the Government of Bangladesh. There was no related party transaction involved with the directors and they have no loan liability with the Bank during the year. The following transactions related with fully owned two subsidiaries for deputed employees salaries and claim for share sale.

	(Amount in TK.)	
	BSL	BISL
Receivable against salaries		
Opening balance	15,239,389	20,644,049
Addition	6,097,481	9,048,995
Deduction/Adjustment	-	-
Closing balance	<u>21,336,870</u>	<u>29,693,044</u>
Receivable against shares		
Opening balance	19,956,262	88,757,024
Addition	92,109,720	48,554,525
Deduction/Adjustment	-	-
Closing balance	<u>112,065,982</u>	<u>137,311,549</u>
Overdraft Loan		
Opening balance	394,673,450	-
Addition	25,090,920	158,055,394
Deduction/Adjustment	-	-
Closing balance	<u>419,764,370</u>	<u>158,055,394</u>

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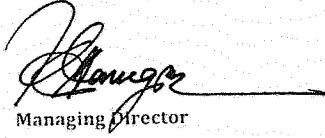
35. Events after the reporting period

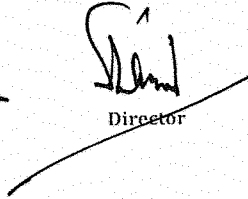
35.1 Approval of financial statements

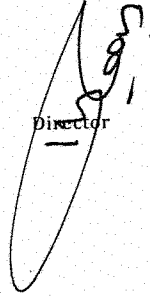
The Board of Directors of the Bank in its 282th meeting held on 28 April 2022 approved the financial statements and authorised the same for issue.

35.2 Others

There is no other significant event that has occurred between the reporting date and the date when the financial statements were authorised for issue by the Board of Directors.


Managing Director


Director


Director

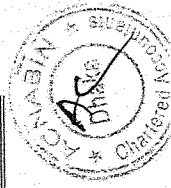

Chairman

Dhaka, Bangladesh
Dated: 28 April 2022



Bangladesh Development Bank Limited
Schedule of fixed assets
As at 31 December 2021

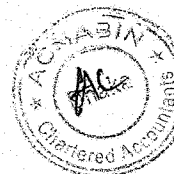
Particulars	Cost / Revaluation			Depreciation			Written down value as at 31.12.2021	
	Balance as at 01.01.2021	Addition during the year	Disposal/ adjustment during the year	Balance as at 31.12.2021	Rate (%)	Charged during the year		Disposal/ adjustment during the year
Owner Occupied Property								
At cost								
Land	13,854,848	-	-	13,854,848	-	-	-	13,854,848
Premises and Building	174,876,704	-	-	174,876,704	2.5	2,253,420	-	106,878,041
Building U/C	304,490	-	-	304,490	2.5	-	-	304,490
Vehicles	87,269,598	1,088,525	1,088,525	87,269,598	20	87,269,559	-	87,269,559
Equipments	54,453,391	4,518,522	35,561	58,936,352	20	44,179,974	-	46,359,194
Computer equipments and software	191,901,398	210,335,658	12,308,667	389,928,389	20	127,481,015	-	172,917,365
Furniture and fixtures	53,677,928	1,791,310	3,000	55,466,238	10	32,912,511	-	35,108,102
Sundry asset	1,053,888	171,203	-	1,225,091	20	1,051,394	-	1,051,394
Interior decorator	23,579,025	1,978,975	-	25,558,000	10	12,597,338	-	13,760,083
Sub-Total (A)	600,971,270	219,884,193	13,435,753	807,419,710		410,116,412		463,343,738
At revaluation								
Land	3,175,704,168	-	-	3,175,704,168	-	-	-	3,175,704,168
Premises and Building	1,614,430,402	-	-	1,614,430,402	2.5	363,614,569	-	394,884,965
Vehicles	8,620,180	-	-	8,620,180	20	8,620,179	-	8,620,179
Sub-Total (B)	4,798,754,750	-	-	4,798,754,750		31,270,396		403,505,144
Particulars	Adjusted opening balance as at 01.01.2020	Addition during the year	Disposal/ adjustment during the year	Balance as at 31.12.2020	Rate (%)	Charged during the year	Disposal/ adjustment during the year	Balance as at 31.12.2020
Investment Property								
Premises and Buildings (at cost)	411,731,709	-	-	411,731,709	2.5	246,346,935	5,257,983	251,604,918
Revalued Premises & Buildings	3,801,303,923	-	-	3,801,303,923	2.5	856,159,228	73,628,617	929,787,845
Sub-Total (C)	4,213,035,632	-	-	4,213,035,632		1,102,506,163	78,886,600	1,181,392,763
Lease Asset (IFRS-16)								
Right of Use (ROU) Assets	31,319,507	4,699,754	-	36,019,261	As per Lease Term	4,391,101	-	9,207,708
Sub-Total (D)	31,319,507	4,699,754	-	36,019,261		4,391,101	-	9,207,708
Balance as at 31.12.2021	9,644,081,159	224,583,947	13,435,753	9,855,229,353		1,889,248,424	168,200,929	2,057,449,353
Balance as at 31.12.2020	9,570,869,211	90,096,161	16,884,213	9,644,081,159		1,755,448,744	146,649,399	1,889,248,424



AM/10

Bangladesh Development Bank Limited
Detail of information on advances
More than 15% of bank's total capital (funded and non-funded)
As at 31 December 2021

Sl. No.	Name of the Borrower	Outstanding as at 31 December 2021			Remarks
		Funded	Non funded	Total	
	Nil	-	-	-	-
	Total	-	-	-	-



Bangladesh Development Bank Limited
Highlights on the overall activities of the Bank
As at 31 December 2021

SL. No.	Particulars	2021 Taka	2020 Taka
1	Paid-up capital	6,000,000,000	4,000,000,000
2	Total capital	18,994,615,522	19,022,672,232
3	Capital surplus / (deficit)	5,484,691,113	4,797,052,451
4	Total assets	61,156,618,711	55,301,637,143
5	Total deposits	29,005,102,268	24,218,902,631
6	Total loans and advances	24,134,333,604	21,289,651,005
7	Total contingent liabilities and commitments	1,200,806,689	1,070,752,530
8	Credit deposit ratio (%)	82.66%	87.91%
9	Percentage of classified loans against total loans and advances	30.77%	28.01%
10	Profit after tax and provision	63,843,878	44,889,600
11	Amount of classified loans during the year	7,426,197,000	5,962,592,065
12	Provisions kept against classified loans	2,696,058,328	2,479,220,380
13	Provision surplus / (deficit)	185,687	29,735
14	Cost of fund (%)	7.78%	8.13%
15	Interest earning assets	29,760,918,802	26,058,708,855
16	Non-interest earning assets	31,395,699,909	29,242,928,288
17	Return on investment (ROI)(%)	12.11%	6.12%
18	Return on assets (ROA)(%)	0.10%	0.08%
19	Income from investments	1,016,784,059	514,035,398
20	Earning per share	1.06	0.75
21	Net income per share	1.06	0.75
22	Price earning ratio	N/A	N/A



Annexure-D

Bangladesh Development Bank Limited
Balance with other banks - outside Bangladesh (nostro account)
As at 31 December 2021

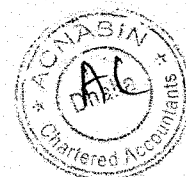
Name of the Bank	Name of the Country	Currency Name	2021			2020			
			Amount in FC	Conversion rate per unit FC	Amount in Taka	Amount in FC	Conversion rate per unit FC	Amount in Taka	
Modhumoti Bank Limited	Bangladesh	USD	56,256	85.33	4,800,068	56,256	84.55	4,756,469	
Mashreq Bank Limited	USA	USD	1,755,033	85.33	149,748,220	10,020,421	84.55	847,226,561	
BHF Bank AG, Germany	Germany	EUR	59,949	97.52	5,846,244	89,190	104.63	9,332,171	
Sonali Bank Limited	India	ACU	1,484,969	85.33	126,704,996	842,323	84.55	71,218,394	
Sonali Bank Limited	UK	USD	500	85.33	42,663	-	0.00	-	
AB Bank(Depo)	Bangladesh	USD	5,000,000	85.33	426,625,000	-	0.00	-	
Axis Bank Limited	India	ACU	1,051,321	85.33	89,703,940	1,011,179	84.55	85,495,224	
Total						803,471,131			1,018,028,819



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Bangladesh Development Bank Limited
Name of the Directors of BDBL and their interest in other different entities
As at 31 December 2021

Name	Status in Bank	Name of Firms/Companies in which interested
Shamima Nargis	Director & Chairman	Government of the People's Republic of Bangladesh.
		BDBL Securities Ltd. (BSL)
Md. Ekhlasur Rahman	Director	Government of the People's Republic of Bangladesh.
Md. Abu Hanif Khan	Director	Rajshahi Krishi Unnyan Bank
Subhash Chandra Sarker	Director	Government of the People's Republic of Bangladesh.
Md. Abu Yusuf	Director	Government of the People's Republic of Bangladesh.
Quazi Shairul Hassan	Director	SABINCO
Md. Azizur Rahman	Director	Government of the People's Republic of Bangladesh.
Kazi Alamgir	Managing Director & CEO	BDBL Investment Services Ltd. (BISL)
		Investment Corporation of Bangladesh (ICB)



Bangladesh Development Bank Limited
Statement of Investment
As at 31 December 2021

Particulars	Cost Price Taka	Market Price Taka
Investment in share		
Quoted shares	7,111,112,674	29,302,543,540
Un-quoted share	171,377,435	171,377,435
Sub total	7,282,490,109	29,473,920,975
Investment in Debenture & Equity		
Debenture	2,931,259	2,931,259
Other equity	50,795,000	50,795,000
EFAS-1983	117,100	117,100
Sub total	53,843,359	53,843,359
Others		
Bangladesh Bank prize bond	894,400	894,400
Bangladesh fund	1,060,000,000	1,060,000,000
Sub total	1,060,894,400	1,060,894,400
Grand Total	8,397,227,868	30,588,658,734

* Market value of Taka 30,588,658,734 of the Investment has been disclosed Taka 29,473,920,975 for quoted & unquoted share investment and the left Taka 1,114,737,759 was shown for Debenture, Equity, Prize bond and Bangladesh Fund.

