

**Bangladesh Development Bank Limited**  
8, Rajuk Avenue  
Dhaka 1000

**Bangladesh Development Bank Limited**

Auditors' report and consolidated financial statements  
for the year ended 31 December 2017

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**Bangladesh Development Bank Limited**

**Independent Auditors' Report to the Shareholders  
For the year ended 31 December 2017**

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

**Management's responsibility for the financial statements and internal controls**

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards and other applicable laws and regulations as explained in the note 2.1 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Companies Act 1991 (as amended) and the Bangladesh Bank Regulations require the management to ensure effective internal audit, internal control and risk management functions of the Bank. 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.

**Auditors' responsibility**

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

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

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

**Opinion**

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



**Bangladesh Development Bank Limited**

**Independent Auditors' Report to the Shareholders  
For the year ended 31 December 2017**

**Report on other legal and regulatory requirements**

In accordance with the Companies Act 1994, the Bank Companies Act 1991 (as amended) and the rules and regulations issued by Bangladesh Bank, we also report the following:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) 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 the financial statements of the Bank and considering the reports of the management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the "management's responsibility" section for the financial statements and internal control:
  - (i) internal audit, internal control and risk management arrangements of the Group and the Bank appeared to be materially adequate;
  - (ii) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities;
- (c) financial statements of all subsidiaries of the Bank which have been audited by other auditors have been properly reflected in the consolidated financial statements;
- (d) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
- (e) the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- (f) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- (g) adequate provisions have been made to the extent in concurrence with Bangladesh Bank for loans and advances which are, in our opinion, doubtful of recovery;
- (h) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- (i) the information and explanations required by us have been received and found to be satisfactory;
- (j) we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 6,400 person hours for the audit of the books and accounts of the Bank.



*[Signature]*  
S. F. AHMED & CO  
Chartered Accountants

Dhaka, Bangladesh  
Dated, 30 April 2018

*[Signature]*  
Khan Wahab Shafique Rahman & Co  
Chartered Accountants



Bangladesh Development Bank Limited

Consolidated Balance Sheet  
As at 31 December 2017

	Notes	2017 BDT	2016 BDT
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3(a)	2,068,528,713	1,897,390,523
In hand (including foreign currencies)		57,902,714	59,017,753
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		2,010,625,999	1,838,372,770
<b>Balance with other banks and financial institutions</b>	4(a)	15,703,619,253	11,254,667,772
In Bangladesh		15,623,829,226	11,217,308,602
Outside Bangladesh		79,790,027	37,359,170
<b>Money at call and on short notice</b>	5	-	-
<b>Investments</b>	6(a)	10,294,087,124	11,416,428,163
Government		1,229,700	3,541,400
Others		10,292,857,424	11,412,886,763
<b>Loans and advances</b>	7(a)	17,800,337,243	17,809,001,073
Loans, cash credit and overdrafts, etc		17,587,755,416	17,494,935,008
Bill purchased and discounted		212,581,827	314,066,065
<b>Fixed assets including premises, furniture and fixtures</b>	8(a)	8,092,202,511	8,204,413,518
<b>Other assets</b>	9(a)	4,440,373,563	4,061,486,431
<b>Total assets</b>		<u>58,399,148,407</u>	<u>54,643,387,480</u>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other Banks, financial institutions and agents</b>	10	199,124,724	334,683,245
<b>Deposits and other accounts</b>	11(a)	28,578,236,339	26,206,124,357
Current and other accounts		4,599,243,946	5,741,793,700
Bills payable		135,973,437	133,832,303
Savings Bank deposits		1,096,770,408	1,068,402,892
Fixed deposits		22,746,248,548	19,262,095,462
Other deposits		-	-
<b>Other liabilities</b>	12(a)	10,906,491,100	9,834,998,060
<b>Total liabilities</b>		<u>39,683,852,163</u>	<u>36,375,805,662</u>
<b>Shareholders' equity</b>			
<b>Total shareholders' equity</b>		18,715,296,244	18,267,581,818
Paid-up capital	13	4,000,000,000	4,000,000,000
Quasi equity	14	134,744,560	134,744,560
Statutory reserve	15	2,335,421,336	2,174,421,336
General reserve	16.1	4,047,755,114	3,767,755,114
Revaluation reserve	16.2(a)	6,700,033,996	6,801,216,955
Other reserve	16.3(a)	969,907,514	967,907,514
Retained earnings	16(a.i)	527,433,724	421,536,339
<b>Total liabilities and shareholders' equity</b>		<u>58,399,148,407</u>	<u>54,643,387,480</u>



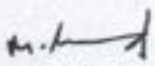
Bangladesh Development Bank Limited and Its Subsidiaries

Consolidated Balance Sheet  
As at 31 December 2017

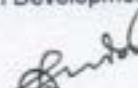
	Notes	2017 BDT	2016 BDT
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>	16.4	<b>581,913,670</b>	<b>825,734,287</b>
Acceptance and endorsements		-	-
Acceptance for FC guarantee		340,370,238	340,370,238
Letters of credit		241,543,432	485,364,049
Bills for collection		-	-
Other contingent liabilities		-	-
<b>Other commitments</b>		-	-
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		-	-
<b>Total off-balance sheet items including contingent liabilities</b>		<b>581,913,670</b>	<b>825,734,287</b>

These financial statements should be read in conjunction with the annexed notes.

for and on behalf of Board of Directors of Bangladesh Development Bank Limited


  
Managing Director

  
Director

  
Director

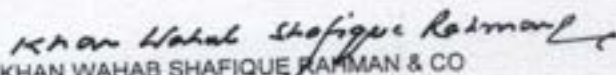
  
Chairman

See annexed report of the date

  
S. F. AHMED & CO  
Chartered Accountants

Dhaka, Bangladesh  
Dated, 30 April 2018



  
KHAN WAHAB SHAFIQUE RAHMAN & CO  
Chartered Accountants



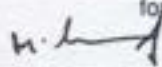
Bangladesh Development Bank Limited

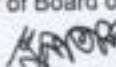
Consolidated Profit and Loss Account  
For the year ended 31 December 2017

	Notes	2017 BDT	2016 BDT
Interest Income	18(a)	1,923,430,468	2,005,732,106
Less: Interest paid on deposits and borrowings, etc	19(a)	1,404,461,724	1,702,720,244
<b>Net interest income</b>		<b>518,968,744</b>	<b>303,011,862</b>
Investment income	20(a)	1,604,301,585	946,037,514
Commission, exchange and brokerage	21(a)	88,178,293	49,229,828
Other operating income	22(a)	295,135,139	667,107,412
		<b>1,987,615,017</b>	<b>1,662,374,754</b>
<b>Total operating income</b>		<b>2,506,583,761</b>	<b>1,965,386,616</b>
<b>Operating expenses</b>			
Salaries and allowances	23(a)	900,471,357	947,776,249
Rent, taxes, insurance, lighting, etc	24(a)	61,836,793	72,118,067
Legal expenses	25(a)	5,320,821	5,373,738
Postage, telegram, telephone and stamps	26(a)	8,539,844	8,774,951
Stationery, printing, advertisement, etc	27(a)	14,584,946	35,500,854
Managing Director's/Chief Executive's remuneration		3,000,000	2,638,356
Directors' fees	28(a)	3,597,092	3,085,670
Auditors' fees	28(b)	932,000	1,003,000
Depreciation and repair of Bank's assets	29(a)	64,223,996	64,403,129
Other expenditure	30(a)	169,569,199	153,001,115
		<b>1,232,078,048</b>	<b>1,293,675,129</b>
<b>Total operating expenses</b>		<b>1,274,505,713</b>	<b>671,711,187</b>
<b>Profit/(loss) before provision</b>			
Provision for loans and advances	31(a)	285,050,000	150,000,000
Provision for diminution in value of investments		52,911,126	2,567,303
Other provisions		17,037,000	-
<b>Total provision</b>		<b>354,998,126</b>	<b>152,567,303</b>
<b>Total profit/(loss) before taxes</b>		<b>919,507,587</b>	<b>519,144,184</b>
<b>Provision for taxation for the period</b>			
Current tax	12(a.i)	259,485,178	125,388,409
Deferred tax	12(a.ii)	1,099,126	(1,856,992)
		<b>260,584,304</b>	<b>123,531,417</b>
<b>Net profit after taxation</b>		<b>658,923,283</b>	<b>395,612,767</b>
<b>Appropriations:</b>			
Statutory reserve		161,000,000	100,200,000
General reserve		280,000,000	170,000,000
Revaluation reserve		2,000,000	1,220,940
Dividend to Government		100,000,000	100,000,000
		<b>543,000,000</b>	<b>371,420,940</b>
<b>Retained surplus</b>	16(a)	<b>115,923,283</b>	<b>24,191,827</b>
<b>Earning per share (EPS)</b>	33(a)	<b>16.47</b>	<b>9.89</b>

These financial statements should be read in conjunction with the annexed notes.

for and on behalf of Board of Directors of Bangladesh Development Bank Limited

  
Managing Director

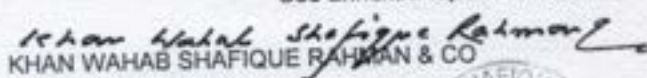
  
Director

  
Director

  
Chairman

See annexed report of the date

S. F. AHMED & CO  
Chartered Accountants

  
Khan Wahab Shafique Rahman & CO  
Chartered Accountants

Dhaka, Bangladesh  
Dated, 30 April 2018



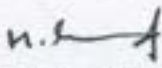
Bangladesh Development Bank Limited

Consolidated Cash Flow Statement  
For the year ended 31 December 2017

	Notes	2017 BDT	2016 BDT
<b>A. Cash flows from operating activities</b>			
Interest receipts in cash		1,894,300,382	2,060,162,161
Interest payments		(1,312,424,954)	(1,656,856,112)
Dividends receipts		737,926,689	829,745,771
Fees and commission receipts in cash		283,112,344	47,351,887
Recoveries of loans previously written-off		-	376,535,510
Cash payments to employees		(909,469,470)	(899,314,826)
Income taxes paid		(281,126,025)	(307,700,625)
Receipts from other operating activities		1,040,450,135	530,982,297
Payments for other operating activities		(604,227,082)	(345,080,494)
<b>Operating profit before changes in operating assets and liabilities</b>		<b>868,542,019</b>	<b>635,825,569</b>
<b>Increase/(Decrease) in operating assets and liabilities</b>			
Loans and advances		86,676,586	87,954,121
Other assets		(88,342,769)	(34,921,041)
Deposits from customers and others		2,205,400,063	2,991,304,841
Other liabilities		440,725,013	(398,880,513)
<b>Cash flows from operating assets and liabilities</b>		<b>2,644,458,893</b>	<b>2,645,457,408</b>
<b>Net cash from / (used in) operating activities</b>		<b>3,513,000,912</b>	<b>3,281,282,977</b>
<b>B. Cash flows from investing activities</b>			
Proceeds from sale of securities		1,982,002,676	447,245,482
Payments for purchase of securities		(750,469,169)	(247,767,508)
Purchase/Sale of property, plant and equipment		(45,598,144)	(17,553,268)
<b>Net cash from / (used in) investing activities</b>		<b>1,185,935,363</b>	<b>181,924,708</b>
<b>C. Cash flows from financing activities</b>			
Decrease in long term borrowing		(135,558,521)	(69,689,003)
Dividend paid		(110,000,000)	(100,000,000)
<b>Net cash from / (used in) financing activities</b>		<b>(245,558,521)</b>	<b>(169,689,003)</b>
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>		<b>4,453,377,754</b>	<b>3,293,518,682</b>
<b>E. Effects of changes in exchange rate</b>			
		-	-
<b>F. Cash and cash equivalents at beginning of the year</b>		<b>13,318,770,213</b>	<b>9,858,539,613</b>
<b>G. Cash and cash equivalents at end of the year (D+E+F)</b>	32(a)	<b>17,772,147,967</b>	<b>13,152,058,295</b>
<b>Cash and cash equivalents at end of the year</b>			
Cash in hand		57,902,714	59,017,753
Balance with Bangladesh Bank and its agent bank(s)		2,010,625,999	1,838,372,770
Balance with other banks		15,703,619,254	11,254,667,772
		<b>17,772,147,967</b>	<b>13,152,058,295</b>

These financial statements should be read in conjunction with the annexed notes.

for and on behalf of Board of Directors of Bangladesh Development Bank Limited

  
Managing Director

  
Director

  
Director

  
Chairman

Dhaka, Bangladesh  
Dated, 30 April 2018



## Bangladesh Development Bank Limited

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

Particulars	Paid-up capital BDT	Quasi equity BDT	Statutory reserve BDT	General reserve	Revaluation reserve BDT	Other reserves	Retained earnings BDT	Profit/ (Loss) BDT	Total equity BDT
Balance at 01 January 2017	4,000,000,000	134,744,560	2,174,421,336	3,767,755,114	7,057,182,895 (255,965,940)	967,907,514	421,536,339 (25,898)	-	18,523,547,758 (255,991,838)
Change in accounting policy									
Restated Balance	4,000,000,000	134,744,560	2,174,421,336	3,767,755,114	6,801,216,955	967,907,514	421,510,441	-	18,267,555,920
Share issued (BDBL Securities)	-	-	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of investments	-	-	-	-	-	-	-	-	-
Adjustment for sold assets	-	-	-	-	(116,259,042)	-	-	-	(116,259,042)
Dep. during the year	-	-	-	-	15,076,083	-	-	-	15,076,083
Adjustment for deferred tax	-	-	-	-	-	-	-	-	-
Difference arises in currency transaction	-	-	-	-	-	-	-	-	-
Net gain and losses not recognized in the profit and loss account	-	-	-	-	-	-	-	658,923,283	658,923,283
Net profit for the period	-	-	-	-	-	-	-	(558,923,283)	(558,923,283)
Appropriations made during the year	-	-	161,000,000	280,000,000	-	2,000,000	115,923,283 (10,000,000)	(100,000,000)	(110,000,000)
Dividend to Govt.	-	-	-	-	-	-	-	-	-
Balance at 31 December 2017	4,000,000,000	134,744,560	2,335,421,336	4,047,755,114	6,700,033,996	969,907,514	527,433,724	-	18,715,296,244
Balance at 31 December 2016	4,000,000,000	134,744,560	2,174,421,336	3,767,755,114	7,057,182,895	967,907,514	421,536,339	-	18,523,547,758

for and on behalf of Board of Directors of Bangladesh Development Bank Limited

  
Director

  
Managing Director
Dhaka, Bangladesh  
Dated, 30 April 2018
  
Chairman


Bangladesh Development Bank Limited

Balance Sheet  
As at 31 December 2017

	Notes	2017 BDT	2016 BDT
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3	2,068,497,171	1,897,356,678
Cash in hand (including foreign currencies)		57,871,172	58,983,908
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		2,010,625,999	1,838,372,770
<b>Balance with other banks and financial institutions</b>	4	15,536,298,074	11,102,459,518
In Bangladesh		15,456,508,047	11,065,100,348
Outside Bangladesh		79,790,027	37,359,170
<b>Money at call and on short Notice</b>	5	-	-
<b>Investments</b>	6	9,996,814,568	11,228,348,075
Government		1,229,700	3,541,400
Others		9,995,584,868	11,224,806,675
<b>Loans and advances</b>	7	17,945,967,530	18,078,369,324
Loans, cash credit and overdrafts, etc		17,733,385,703	17,764,303,259
Bill purchased and discounted		212,581,827	314,066,065
<b>Fixed assets including premises, furniture and fixtures</b>	8	8,079,804,144	8,190,707,492
<b>Other assets</b>	9	4,430,600,640	4,044,192,086
<b>Total assets</b>		<u>58,057,982,127</u>	<u>54,541,433,173</u>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other Banks, financial institutions and agents</b>	10	199,124,724	334,683,245
<b>Deposits and other accounts</b>	11	28,580,252,789	26,374,852,726
Current and other accounts		4,601,260,396	5,795,247,406
Bills payable		135,973,437	133,832,303
Savings Bank deposits		1,096,770,408	1,068,402,892
Fixed deposits		22,746,248,548	19,377,370,125
Other deposits		-	-
<b>Other liabilities</b>	12	10,726,797,566	9,642,069,582
<b>Total liabilities</b>		<u>39,506,175,079</u>	<u>36,351,605,553</u>
<b>Shareholders' equity</b>			
<b>Total shareholders' equity</b>		18,551,807,048	18,189,827,620
Paid-up capital	13	4,000,000,000	4,000,000,000
Quasi equity	14	134,744,560	134,744,560
Statutory reserve	15	2,335,421,336	2,174,421,336
General reserve	16.1	4,047,755,114	3,767,755,114
Revaluation reserve	16.2	6,700,033,996	6,801,216,955
Other reserve	16.3	965,907,514	965,907,514
Retained earnings	16.5	367,944,528	345,782,141
<b>Total liabilities and shareholders' equity</b>		<u>58,057,982,127</u>	<u>54,541,433,173</u>



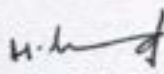
Bangladesh Development Bank Limited

Balance Sheet  
As at 31 December 2017

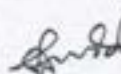
	Notes	2017 BDT	2016 BDT
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>	16.4	581,913,670	825,734,287
Acceptance and endorsements		-	-
Acceptance for FC guarantee		340,370,238	340,370,238
Letters of credit		241,543,432	485,364,049
Bills for collection		-	-
Other contingent liabilities		-	-
<b>Other commitments</b>		-	-
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		-	-
<b>Total off-balance sheet items including contingent liabilities</b>		<b>581,913,670</b>	<b>825,734,287</b>

These financial statements should be read in conjunction with the annexed notes.

for and on behalf of Board of Directors of Bangladesh Development Bank Limited

  
Managing Director

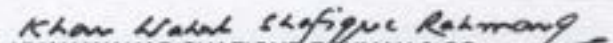
  
Director

  
Director

  
Chairman

See annexed report of the date

  
S. F. AHMED & CO  
Chartered Accountants

  
Khan Wahab Shafique Rahman & Co  
Chartered Accountants

Dhaka, Bangladesh  
Dated, 30 April 2018



Bangladesh Development Bank Limited

Profit and Loss Account  
For the year ended 31 December 2017

	Notes	2017 BDT	2016 BDT
Interest income	18	1,926,901,334	2,007,620,827
Interest paid on deposit, borrowing, etc	19	(1,404,461,724)	(1,702,720,244)
<b>Net Interest Income</b>		<b>522,439,610</b>	<b>304,900,583</b>
Income from investments	20	1,503,799,532	908,058,351
Commission, exchange and brokerage	21	22,232,597	27,318,308
Other operating income	22	293,208,675	664,377,974
		<b>1,819,240,804</b>	<b>1,599,754,633</b>
<b>Total operating income</b>		<b>2,341,680,414</b>	<b>1,904,655,216</b>
<b>Operating expenses</b>			
Salaries and allowances	23	881,447,758	931,292,059
Rent, taxes, insurance, lighting, etc	24	55,230,037	66,143,861
Legal expenses	25	5,042,671	5,230,438
Postage, telegram, telephone and stamps	26	8,406,761	8,710,372
Stationery, printing, advertisement, etc	27	13,601,274	34,606,550
Managing Director's/Chief Executive's remuneration		3,000,000	2,638,356
Directors' fees	28	2,235,250	2,162,500
Auditors' fees		828,500	788,000
Depreciation and repair of Bank's assets	29	60,562,157	60,354,076
Charges on loan losses		-	-
Other expenditure	30	155,809,557	142,186,892
<b>Total operating expenses</b>		<b>1,186,163,965</b>	<b>1,254,113,104</b>
<b>Profit/(loss) before provision</b>		<b>1,155,516,449</b>	<b>650,542,112</b>
Provision for loans and advances	31	285,050,000	150,000,000
Provision for diminution in value of investments		48,800,000	-
Other provisions		17,037,000	-
<b>Total provision</b>		<b>350,887,000</b>	<b>150,000,000</b>
<b>Total profit/(loss) before taxes</b>		<b>804,629,449</b>	<b>500,542,112</b>
<b>Provision for taxation for the year</b>			
Current tax		240,000,000	120,000,000
Deferred tax		1,467,062	(1,775,876)
		<b>241,467,062</b>	<b>118,224,124</b>
<b>Net profit/(loss) after tax</b>		<b>563,162,387</b>	<b>382,317,988</b>
<b>Appropriations:</b>			
Statutory reserve		161,000,000	100,200,000
General reserve		280,000,000	170,000,000
Building fund		-	-
Dividend to Government		100,000,000	100,000,000
		<b>541,000,000</b>	<b>370,200,000</b>
<b>Retained surplus</b>		<b>22,162,387</b>	<b>12,117,988</b>
<b>Earning per share (EPS)</b>	33	<b>14.08</b>	<b>9.56</b>

These financial statements should be read in conjunction with the annexed notes.

for and on behalf of Board of Directors of Bangladesh Development Bank Limited

Managing Director

Director

Director

Chairman

See annexed report of the date

S. F. AHMED & CO  
Chartered Accountants

Dhaka, Bangladesh  
Dated, 30 April 2018



Khan Wahab Shafique Rahman & Co  
KHAN WAHAB SHAFIQUE RAHMAN & CO  
Chartered Accountants



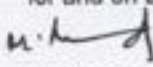
Bangladesh Development Bank Limited

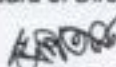
Cash Flow Statement  
For the year ended 31 December 2017

	Notes	2017 BDT	2016 BDT
<b>A. Cash flows from operating activities</b>			
Interest receipts in cash		1,936,893,050	2,060,758,715
Interest payments		(1,312,424,954)	(1,656,856,112)
Dividend receipts		737,926,689	793,545,840
Fees and commission receipts in cash		22,232,597	27,318,308
Recoveries on loans previously written-off		-	376,535,510
Cash payments to employees		(909,469,470)	(882,815,637)
Income taxes paid		(243,700,911)	(284,059,379)
Receipts from other operating activities	22(b)	1,040,450,135	466,181,853
Payments for other operating activities	30(b)	(263,008,618)	(282,133,961)
<b>Operating profit before changes in operating assets and liabilities</b>		<b>1,008,898,518</b>	<b>620,475,137</b>
<b>Increase/(Decrease) in operating assets and liabilities</b>			
Loans and advances		86,676,586	8,744,579
Other assets		(88,342,769)	(88,274,663)
Deposits from customers and others		2,205,400,063	3,003,187,859
Other liabilities		440,725,013	(365,954,434)
<b>Cash flows from operating assets and liabilities</b>		<b>2,644,458,893</b>	<b>2,557,703,340</b>
<b>Net cash from / (used in) operating activities</b>		<b>3,653,357,411</b>	<b>3,178,178,477</b>
<b>B. Cash flows from investing activities</b>			
Proceeds from sale of securities		1,982,002,676	433,444,826
Payments for purchase of securities		(750,469,169)	(247,767,508)
Purchase/Sale of property, plant and equipment		(44,353,347)	(16,107,111)
<b>Net cash from / (used in) investing activities</b>		<b>1,187,180,160</b>	<b>169,570,207</b>
<b>C. Cash flows from financing activities</b>			
Decrease in long term borrowing		(135,558,521)	(69,689,003)
Dividend paid		(100,000,000)	(100,000,000)
<b>Net cash from / (used in) financing activities</b>		<b>(235,558,521)</b>	<b>(169,689,003)</b>
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>		<b>4,604,979,050</b>	<b>3,178,059,682</b>
<b>E. Effects of changes in exchange rate</b>			
<b>F. Cash and cash equivalents at beginning of the year</b>		<b>12,999,816,196</b>	<b>9,821,756,514</b>
<b>G. Cash and cash equivalents at end of the year (D+E+F)</b>	32	<b>17,604,795,246</b>	<b>12,999,816,196</b>
<b>Cash and cash equivalents at end of the year</b>			
Cash in hand		57,871,172	58,683,908
Balance with Bangladesh Bank and its agent bank(s)		2,010,625,969	1,838,372,770
Balance with other banks		15,536,298,075	11,102,459,518
		<b>17,604,795,246</b>	<b>12,999,816,196</b>

These financial statements should be read in conjunction with the annexed notes.

for and on behalf of Board of Directors of Bangladesh Development Bank Limited

  
Managing Director

  
Director

  
Director

  
Chairman

Dhaka, Bangladesh  
Dated, 30 April 2018



Bangladesh Development Bank Limited

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

Particulars	Paid-up capital BDT	Quasi equity	Statutory reserve BDT	General reserve	Revaluation reserve BDT	Other reserves	Retained earnings BDT	Profit/ (loss) BDT	Total BDT
Balance at 01 January 2017	4,000,000,000	134,744,560	2,174,421,336	3,767,755,115	6,801,216,955	965,907,514	345,782,141	-	18,189,827,620
Surplus/deficit on revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus/deficit on revaluation of investments	-	-	-	-	-	-	-	-	-
Adjustment for sold assets	-	-	-	-	(116,259,042)	-	-	-	(116,259,042)
Depreciation during the year	-	-	-	-	15,076,083	-	-	-	15,076,083
Adjustment for deferred tax	-	-	-	-	-	-	-	-	-
Difference arises in currency transaction	-	-	-	-	-	-	-	-	-
Net gain and losses not recognised in the profit and loss account	-	-	-	-	-	-	-	563,162,387	563,162,387
Net profit for the period	-	-	-	-	-	-	22,162,387	(463,162,387)	(463,162,387)
Appropriations made during the year	-	-	161,000,000	280,000,000	-	-	-	(100,000,000)	(100,000,000)
Dividend to Govt.	-	-	-	-	-	-	-	-	-
Balance at 31 December 2017	4,000,000,000	134,744,560	2,335,421,336	4,047,755,115	6,700,033,996	965,907,514	367,944,529	-	18,551,807,048
Balance at 31 December 2016	4,000,000,000	134,744,560	2,174,421,336	3,767,755,115	6,801,216,955	965,907,514	345,782,141	-	18,189,827,620

for and on behalf of Board of Directors of Bangladesh Development Bank Limited

H. L. A.  
Managing Director



Dhaka, Bangladesh  
Dated, 30 April 2016

[Signature]  
Director



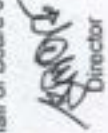
[Signature]  
Chairman

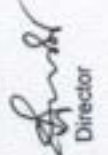
Bangladesh Development Bank Limited

Liquidity Statement (Analysis of Maturity of Assets and Liabilities)  
As at 31 December 2017

Particulars	Not more than 1 month term		1-3 months term		3-12 months term		1-5 years term		Above 5-years term		Total	
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
<b>Assets</b>												
Cash in hand	57,871,172	-	-	-	-	-	-	-	-	-	-	57,871,172
Balance with Bangladesh Bank and Sonali Bank (incl. foreign currencies)	52,300,000	-	-	-	-	-	-	-	-	-	-	2,010,625,999
Balance with other banks and financial institutions and agents	8,254,400,000	4,643,900,000	-	2,637,998,074	-	-	-	-	-	1,958,325,999	-	15,536,298,074
Money at call on short notice	-	-	8,300,000	-	-	-	-	-	-	-	-	-
Investment	1,229,700	1,994,200,000	8,300,000	2,528,500,000	4,015,800,000	3,977,000,000	9,911,100,000	3,481,784,868	3,024,867,530	8,079,804,144	196,300,640	9,996,814,568
Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
Fixed assets including premises, furniture and fixtures	-	-	410,900,000	673,900,000	-	-	-	-	-	-	-	-
Other assets	123,800,000	-	-	-	-	-	-	-	-	-	-	-
Non-banking assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>8,489,600,872</b>	<b>7,057,300,000</b>	<b>7,057,300,000</b>	<b>9,856,198,074</b>	<b>15,913,800,000</b>	<b>15,913,800,000</b>	<b>15,913,800,000</b>	<b>16,741,083,181</b>	<b>16,741,083,181</b>	<b>16,741,083,181</b>	<b>58,057,982,127</b>	<b>58,057,982,127</b>
<b>Liabilities</b>												
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	14,100,000	42,300,000	42,300,000	127,500,000	-	-	-	-	-	-	-	199,124,724
Deposits and other accounts	730,900,000	1,037,000,000	1,037,000,000	7,499,700,000	19,312,652,789	19,312,652,789	19,312,652,789	6,700,897,566	6,700,897,566	6,700,897,566	10,726,797,566	28,580,252,789
Provision and other liabilities	-	-	-	1,535,500,000	2,490,400,000	2,490,400,000	2,490,400,000	6,700,897,566	6,700,897,566	6,700,897,566	39,506,175,079	39,506,175,079
<b>Total Liabilities</b>	<b>745,000,000</b>	<b>1,079,300,000</b>	<b>1,079,300,000</b>	<b>9,162,700,000</b>	<b>21,818,277,513</b>	<b>21,818,277,513</b>	<b>21,818,277,513</b>	<b>10,040,185,615</b>	<b>10,040,185,615</b>	<b>10,040,185,615</b>	<b>18,551,807,043</b>	<b>18,551,807,043</b>
<b>Net liquidity gap</b>	<b>7,744,600,872</b>	<b>5,978,000,000</b>	<b>5,978,000,000</b>	<b>693,498,074</b>	<b>(5,904,477,513)</b>	<b>(5,904,477,513)</b>	<b>(5,904,477,513)</b>	<b>16,741,083,181</b>	<b>16,741,083,181</b>	<b>16,741,083,181</b>	<b>39,506,175,079</b>	<b>39,506,175,079</b>

for and on behalf of Board of Directors of Bangladesh Development Bank Limited

  
Managing Director

  
Director

  
Chairman



Dhaka, Bangladesh  
Dated, 30 April 2018



- i) Balance with other banks and financial institutions, Money at call 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**

**Notes to the financial statements  
For the year ended 31 December 2017**

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**1. General information**

**1.1 Establishment and status of the Bank**

Bangladesh Development Bank Limited (BDBL), "the Bank", was incorporated under the Companies Act, 1994 on 16 November 2009 to acquire and take-over, as a going concern, the undertakings and businesses of statutory bodies of 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 of the peoples Republic of Bangladesh and Bangladesh Development Bank Limited on 31 December 2009 in this regard.

The registered office of the Bank is located at 8 Rajuk Avenue, Motijheel, Dhaka 1000. BDBL established two subsidiary companies namely, (i) BDBL Securities Limited and (ii) BDBL Investment Securities Limited, a fully owned subsidiary company which was incorporated on 23 May 2011 with the Registrar of Joint Stock Companies and Firms with paid-up capital of BDT 200.00 million. The company is a member of Dhaka Stock Exchange Ltd (DSE) and Chittagong Stock Exchange Ltd (CSE) and obtained Stock Broker and Stock Dealer License of DSE on 18 January 2012 and CSE on 15 May, 2012 and BDBL Investment Services Limited, a fully owned subsidiary company which was incorporated on 06 August 2014 with authorised and paid-up capital of BDT 500.00 million and 200.00 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 shares of BDT 10). DSE approved conversion of DSE TREC # 152 and shares in favour of BISL at its 813th Board Meeting held on 26 November 2015 and accordingly BSEC issued Stock Dealer and Stock Broker Registration Certificate

**1.2 Principal activities**

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 customers through its branches all over Bangladesh. The BDBL inherited two memberships of Dhaka Stock Exchange Limited and one membership of Chittagong Stock Exchange Limited, acts as stock dealer and

**2. Significant accounting policies**

**2.1 Basis of presentation of financial statements**

The financial statements are prepared on a going concern basis under the historical cost convention, except for revaluation of fixed assets, and in accordance with the First Schedule (Section 38) of the Bank Companies Act 1991, Banking Regulation and Policy Department Circular no. 14 dated 25 June 2003 and 15 of 9 November 2009, other Bangladesh Bank circulars, Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) to the extent that those BAS and BFRS do not contradict with the mandatory compliance with the Bangladesh Banks requirements. Wherever appropriate, such principles are explained in succeeding notes.

**2.2 Consolidation of accounts**

A separate set of records for consolidating the statement of affairs and income and expenditure statements of the branches are maintained at the head office of the Bank based on which these financial statements have been prepared. Consolidated financial statements have been drawn consolidating the BDBL Securities Limited (where the figures for the financial year 2016 has been restated) and BDBL Investment Services Limited.

**2.3 Use of estimates and judgments**

**2.3.1 Fixed assets and depreciation**

Fixed assets, except land and premises (buildings) are stated at cost less accumulated depreciation as per BAS-16. Land and premises (buildings) 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, computer and revalued asset is charged on straight-line method. The relevant rates for depreciation are as follows:



Bangladesh Development Bank Limited

Notes to the financial statements  
For the year ended 31 December 2017

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

Depreciation at the applicable rates is charged proportionately on additions made during the year from the month of 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.

2.4 Investments

- Investments in quoted shares are stated at cost price. Market value of shares is considered on aggregate portfolio basis at the year end. Cost price being lower than market value, investment in shares is stated at cost price.
- Investment in debenture is stated at cost less redemption.
- Interest income on investment is recognised on accrual basis. Capital gain on disposal of investments is recognised as investment income when it is realised.
- Provision for investment in unquoted shares is made when there is an objective evidence of impairment (i.e. net assets below equity).
- Provision for investment in quoted shares is done on the basis of the shortfall of the market price and cost price for the traded issues. But, in case of any suspended shares provisions made for the entire cost price.
- Dividend income is recognised on accrual basis.
- Bonus shares received are accounted for at nil value.
- Profit/ Loss on sale of investments are accounted for by deducting the average cost of investments from selling price thereof.

2.5 Loans and advances

- Loans and advances have been stated at gross value as per requirement of the Bangladesh Bank.
- Interest on unclassified loans and advance are calculated on a daily product basis but charged and accounted for on quarterly basis and in some cases on yearly basis.
- No interest is charged on loan classified as bad and loss.
- Interest is charged on classified loans and advances other than bad and 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 # 05 of 2006, BRPD Circular # 08 of 2007, BRPD Circular # 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.
- Interest and penal interest, if any, calculated on classified loans and advances are taken as income in the year of receipt of such interest from the defaulting borrowers.
- Interest on Classified Loan Account is charged and credited to interest suspense account as per Bangladesh Bank BRPD Circular no.14 dated 23 September 2012, BRPD Circular # 05 dated 29 May 2013. This interest is transferred to income only on realisation.
- 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 # 05 dated 29 May 2013, BRPD Circular # 01 dated 20 February 2018 stating the following rates:



Bangladesh Development Bank Limited

Notes to the financial statements  
For the year ended 31 December 2017

General provision on	Provision rate
a. Consumer Financing (House Financing)	1%
b. Consumer Financing (Loans to Professional)	1%
c. Consumer Financing (Other than a and b)	5%
d. Small and Medium Enterprise Financing (SMEF)	0.25%
e. Short Term Agriculture and Micro Credit	2.50%
f. Loans to BHs/ MBs/ Sds against Shares, etc	2%
g. All Other Credits	1%
h. Special Mention Account (SMA)	0.25% - 5%
<b>Specific provision on</b>	
a. Substandard Loans and Advances :	
i. Short Term Agri Credit and Micro Credit	5%
ii. Other than Short Term Agri Credit and Micro Credit	20%
b. Doubtful Loans and Advances :	
i. Short Term Agri Credit and Micro Credit	5%
ii. Other than Short Term Agri Credit and Micro Credit	50%
c. Bad/Loss Loans and Advances	100%

vii. Loans and advances are written-off as per BRPD Circular no. 2 dated 13 January 2003.

2.6 Rental income

Rental income is accounted for on accrual basis.

2.7 Commission on letters of credit and letters of guarantee

Commission charged to customers on letters of credit and letters of guarantee is credited to income at the time of effecting the transactions.

2.8 Cash Flow statements

Cash flow statements have been prepared in accordance with the BAS-7 Statement of Cash Flows, under the direct method as recommended in BRPD circular no. 14 dated 25 June 2003 issued by the Banking Regulation and Policy Department of Bangladesh Bank.

2.9 Off-balance sheet items

As per the Bangladesh Bank Guidelines, off-balance sheet items have been disclosed under contingent liabilities and other commitments. The Bank has maintained general provision @ 1% against off-balance sheet exposures (L/C and guarantee) as per BRPD Circular no.10 dated 18 September 2007.

2.10 Statement of changes in equity

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



Bangladesh Development Bank Limited

Notes to the financial statements  
For the year ended 31 December 2017

**2.11 Liquidity statement**

The liquidity statement has been prepared in accordance with the remaining maturity-wise grouping of the value of the assets and liabilities as on the reporting date.

- 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.

**2.12 Retirement benefit scheme**

The Bank is continuing following 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 schemes is made by the Bank as per rules and regulations of the respective schemes. These schemes are managed and administered by separate trust formed for that purpose.

**2.13 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.

**2.14 Asset revaluation reserve**

This represents 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 21 December, 2014, the revaluation reserve for Fixed Assets (property, plant & equipment) will gradually be deducted from Tier-2 capital with phase in manner starting from 2015. Accordingly, 20% of the revaluation reserve that qualified for Tier-2 capital has been deducted each year while calculating eligible capital and 60% of the revaluation reserve that qualified for Tier-2 capital has been deducted while calculation eligible capital at the year ended 2017.

**2.15 Provision for taxation**

Provision for current income tax has been made @ 42.50% as prescribed in the Finance Act, 2017 on accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure as per income tax laws.

**2.16 Deposits and other accounts**

Deposits and other accounts include bills payable which have been analysed in terms of the maturity-wise showing separately as other deposits and inter-bank deposits.

**2.17 Reconciliation position**

- a. Nostro A/C:

There are three 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.



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b. Inter-branch transactions:

As Core Banking System (CBS) 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 December 2017 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	89	9,400	54	12,631	143
3 months to 6 months	163	3,406	116	3,026	279
6 months to 9 months	104	2,383	115	3,420	219
9 months to 12 months	101	1,768	91	1,856	192
More than 12 months	323	5,363	357	8,102	680
<b>Total</b>	<b>780</b>	<b>22,320</b>	<b>733</b>	<b>29,035</b>	<b>1,513</b>
Unadjusted amount (Credit)				6,715	

Sufficient provision has been made for the amount of outstanding entries for six month and above.

2.18 Core risk management

Banking Risks are uncertainties resulting in adverse variation of profitability or outright losses. The risk of the Bank is defined as the possibility of losses, financial or otherwise arising from its operational activities. The overall risk management aspects of the Bank covers 7 (seven) core risk areas of banking i.e. Credit Risk Management, Foreign Exchange Risk Management, Asset Liability Risk Management, Money Laundering and Terrorist Financing Risk Management, Internal Control and Compliance Risk Management, Information and Communication Technology Security Risk Management and Environmental Risk Management and Green Banking. The principal objective of the Risk Management is to evaluate business risks while safeguarding the Bank's capital, profitability and financial resources from various risks. The Bank has designed and implemented a framework of controls to identify, monitor, mitigate and manage these risks, which are summarised as follows:

a. Credit risk management

Credit risk is the risk that the counterparty to a financial institution fails to meet its contractual obligation and causes to incur a financial loss. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or activities in the same geographical region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Credit risk in the Bank's Portfolio is monitored, reviewed and analyzed by the Loan Operation Department, SME Department and General Advances Department. Credit Committee and Credit Risk Management Committee of the bank independently co-ordinate the overall Credit Risk Management activities of the bank. Credit Risk Grading (CRG) system is followed by BDBL as per Bangladesh Bank's instruction following all the criteria.

b. 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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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 their 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. Foreign Exchange Risk Management Committee of the bank plays vital role in assessing, monitoring, mitigating and managing foreign exchange risk.

d. Money laundering and terrorist financing risk management

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. 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 and 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. Training has been continuously given to all the category of Executives and Officers for developing awareness and skill for identifying suspicious transactions and other Money Laundering related activities.

BDBL has a Central Compliance Unit (CCU) headed by the Chief Anti Money Laundering Compliance Officer (CAMLCO) designated as General Manager to supervise the overall Anti Money Laundering (AML) and Combating Financing of Terrorism (CFT) activities.

e. Internal control and compliance risk management

Operational loss may arise from errors and fraud due to regulatory failure of Internal Control and Compliance. Management through Internal Control and Compliance Division controls procedures of the Bank. Internal Control and Compliance Division undertakes periodical and special audit of the Branches and Departments at Head Office for review of the operation and compliance of the statutory requirement. The Audit Committee of the Board subsequently reviews the report of the Internal Control and Compliance Division.

Internal Control and Compliance (ICC) structure of BDBL is shown below:



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



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Audit and 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. Bank's Internal Control and Compliance Risk Management Manual has been approved by the Board of Directors according to Bangladesh Bank's Guidelines on Internal Control and Compliance Risk Management. For oversight of Internal Control and Compliance Risk in Bank, Bank's Internal Control and Compliance Risk Management Committee plays crucial role in assessing, monitoring, mitigating and controlling the risk(s) associated with Internal Control and Compliance (ICC).

f. **Information and communication technology security risk management**

Information technology has improved over the years and the Bank is gradually becoming dependent on its use for performing our most of the activities. Information and 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). This year Bank has built standard and compliant Data Centre (DC) in its Head Office premises. Also, a near Disaster Recovery Site (DRS) has been placed at Bank's Karwan Bazar Bhaban, Dhaka. 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 a ICT Security Risk Management Committee which plays vital role in assessing and mitigating ICT Security Risks.

g. **Environmental risk management and green Banking**

**Definition of Environmental Risk**

Environmental risk is a facilitating element of credit risk arising from environmental issues. These can be due to environmental impacts caused by and / or due to the prevailing environmental conditions. These increase risks as they bring an element of uncertainty or possibility of loss in the context of a financing transaction.

**Objectives of environmental risk management**

The main objective of the policy will be to contribute to the national/global interest through establishing an environment friendly banking business system which may be achieved through proper utilization of human and physical resources and encouraging channeling of fund to projects/businesses those expose no or very little risk to the environment/climate.

The objectives of the policy are:

- 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/or its both existing and potential 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 and promote for developing and using Environment friendly/Green Technology/products/ production process;



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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(s) 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. A full pledged Sustainable Finance Department is being opened soon to look after the sustainable financing as per the guidelines and instructions of Bangladesh 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.

**2.19 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). BDBL has prepared and submitted ICAAP report and Supervisory Review Process Documents (i.e. Supplementary Documents) to the Bangladesh Bank on the basis of audited accounts as on 31 December 2016.

**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 2017 depicts very strong position of the bank's capability to absorb any sort of shock relating to Capital Adequacy.

**Risk management report**

The Bank is periodically preparing and submitting 'Monthly Risk Management Report' and 'Half-Yearly Comprehensive Risk Management Report (CRMR)' along with the minutes of the meeting of Management-Level Risk Management Committee to the Bangladesh Bank. Comprehensive Risk Management Report covers various aspects related to Credit, Market, Liquidity, Operational, Reputational and Compliance Risks etc. are placed before the Management Level Risk Management Committee and Board Risk Management Committee for examination and recommendation towards risk mitigation according to the prescribed format of the Bangladesh Bank.



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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.

2.20 General

- Figures have been rounded off to the nearest taka.
- The previous year's figure have been rearranged, where necessary, to conform to the presentation of 31 December 2017.

2.21 Audit committee

2.21.1 Member

An audit committee has been reconstituted by the Board of Directors of the Bank in its 194th meeting held on 31 July, 2017. The members of the Audit Committee are as under:

Sl. No.	Name	Qualification	Designation in the Bank	Designation in the Committee
1	Md. Eklasur Rahman	MSS, MBA	Director	Chairman
2	Mushtaque Ahmed	MA	Director	Member
3	Md. Abu Hanif Khan	MSc.	Director	Member
4	Syed Aftear Hussain Pear	BCom	Director	Member

2.21.2 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 BAS and BFRS 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 2017 the committee conducted 8 (Eight) 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 2016
- Review of key performance indicators of the branches
- Review of compliance and implementation of comprehensive inspection report as on 31 December 2016 by Bangladesh Bank
- Approval of internal audit plan of BDBL for the year 2017.



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2.22 Board of directors

Name of the directors and the entities in which they have interest during as on 31 December, 2017 are as under:

Sl. No.	Name	Designation in the Bank	Name of the firms/companies in which interest as proprietor, partner, director, managing agent, guarantor, employee.	Remarks
1.	Shahabuddin Ahmed	Director and acting Chairman	Secretary, Ministry of Food, Government of Bangladesh	Appointed as Director on 06 January 2016 and Acting Chairman from 19 December 2017
2.	Md. Ekhlashur Rahman	Director	Additional Secretary, Finance Division, Ministry of Finance, Government of Bangladesh	Appointed on 06 January 2016
3.	Mushtaque Ahmed	Director	-	Appointed on 14 January 2016
4.	Md. Abu Hanif Khan	Director	-	Appointed on 14 January 2016
5.	Dr. A. K. Ubaidur Rob	Director	Country Director, Population Council; Director, Green Valley Plantation Ltd, Director, Jantrik Technologies Ltd, Director, Apace Filling Station Ltd, Director, Eco Plantation and Industries Ltd	Appointed on 26 January 2016
6.	Syed Aftear Hossain Pear	Director	-	Reappointed on 24 April 2016
7.	Salma Nasreen, ndc	Director	Additional Secretary, Bank and Financial Institution Division, Ministry of Finance, Government of Bangladesh	Appointed on 01 November 2016
8.	Manjur Ahmed	Managing Director	Bangladesh Development Bank Limited	

2.23 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.



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		2017 BDT	2016 BDT
<b>3. CASH</b>			
<b>3.1 Cash in hand</b>			
In local currency		57,871,172	58,983,908
In foreign currencies		-	-
<b>Balance with Bangladesh Bank and Sonali Bank Limited</b>	Note: 3.2	<u>2,010,625,999</u>	<u>1,838,372,770</u>
		<u>2,068,497,171</u>	<u>1,897,356,678</u>
<b>3(a) Consolidated cash in hand</b>			
Bangladesh Development Bank Limited	Note: 3.1	2,068,497,171	1,897,356,678
BDBL Securities Limited		-	-
BDBL Investment Services Limited		31,542	33,845
		<u>2,068,528,713</u>	<u>1,897,390,523</u>
<b>3.2 Balance with Bangladesh Bank and Sonali Bank Limited</b>			
Local currency - Bangladesh Bank		1,937,612,347	1,695,198,169
Local currency - Sonali Bank Limited		20,428,413	23,562,464
Foreign currency - Bangladesh Bank		52,585,239	119,612,137
		<u>2,010,625,999</u>	<u>1,838,372,770</u>
<b>3.3 Cash reserve requirements (CRR)</b>			
<b>6.50% of average demand and time liabilities</b>			
Required reserve daily on bi-weekly (Average/Day)		1,589,250,000	1,725,215,000
Actual reserve held with Bangladesh Bank		1,937,293,000	1,833,778,000
Excess reserve (average/day)		<u>348,043,000</u>	<u>108,563,000</u>
Cash reserve requirements (CRR) has been calculated and maintained in accordance with the Section 33 of the Bank Companies 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, and MPD circular no. 01 dated 23 June 2014.			
<b>3.3.1 Statutory liquidity ratio (SLR)</b>			
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.			
<b>4. Balance with other banks and financial institutions</b>			
In Bangladesh	Note: 4.1	15,456,508,047	11,065,100,348
Outside Bangladesh	Note: 4.2	79,790,027	37,359,170
		<u>15,536,298,074</u>	<u>11,102,459,518</u>
<b>4.1 In Bangladesh</b>			
<b>Current and other accounts:</b>			
Current account		91,836,897	116,961,613
Depreciation fund in savings account		-	-
Term deposit	Note: 4.1.1	13,175,146,156	8,227,154,346
Term deposit - depreciation fund	Note: 4.1.2	72,000,000	122,000,000
Term deposit - building fund	Note: 4.1.3	510,000,000	90,000,000
Term deposit - loan redemption fund	Note: 4.1.4	204,959,500	685,897,000
Short term deposit	Note: 4.1.5	1,402,585,494	1,823,087,189
		<u>15,456,508,047</u>	<u>11,065,100,348</u>



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	2017 BDT	2016 BDT
<b>4.1.1 Term deposit</b>	820,000,000	20,000,000
AB Bank Limited	50,000,000	350,000,000
National Bank of Pakistan	-	150,000,000
The Premier Bank Limited	5,146,156	7,154,346
ICB Islami Bank Limited	-	350,000,000
National Bank Limited	2,000,000,000	500,000,000
Al-Arafa Islami Bank Limited	1,730,000,000	2,000,000,000
Standard Bank Limited	2,000,000,000	1,800,000,000
EXIM Bank Limited	-	100,000,000
First Security Islami Bank Limited	-	700,000,000
Union Bank Limited	-	600,000,000
NRB Bank Limited	300,000,000	150,000,000
Phoenix Finance and Investment Limited	150,000,000	150,000,000
GSP Finance Company (BD) Limited	500,000,000	500,000,000
Reliance Finance Limited	500,000,000	500,000,000
The Farmers Bank Limited	-	100,000,000
First Finance Limited	50,000,000	50,000,000
Peoples Leasing and Financial Services Limited	200,000,000	200,000,000
Union Capital Limited	40,000,000	-
Karmasangsthan Bank	200,000,000	-
Simanto Bank Limited	200,000,000	-
Pubali Bank Limited	400,000,000	-
NCC Bank Limited	310,000,000	-
Social Islami Bank Limited	1,450,000,000	-
Bangladesh Commerce Bank Limited	200,000,000	-
Brac Bank Limited	400,000,000	-
NRB Global Bank Limited	300,000,000	-
Meghna Bank Limited	1,320,000,000	-
South Bangla Agriculture and Commerce Bank Limited	50,000,000	-
Islamic Finance and Investment Limited	<u>13,175,146,156</u>	<u>8,227,154,346</u>

**4.1.2 Term deposit - depreciation fund**

Union Bank Limited	-	50,000,000
EXIM Bank Limited	72,000,000	72,000,000
	<u>72,000,000</u>	<u>122,000,000</u>

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 at 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.

**4.1.3 Term deposit - building fund**

Union Bank Limited	-	25,000,000
South Bangla Agriculture and Commerce Bank Limited	200,000,000	65,000,000
NRB Global Bank Limited	310,000,000	-
	<u>510,000,000</u>	<u>90,000,000</u>

Building fund was made to build up a building in Uttara, Dhaka.

**4.1.4 Term deposit - loan redemption fund**

ICB Islamic Bank Limited	4,959,500	5,897,000
EXIM Bank Limited	-	120,000,000
First Security Islami Bank Limited	50,000,000	250,000,000
South Bangla Agriculture and Commerce Bank Limited	-	10,000,000
Union Bank Limited	150,000,000	300,000,000
	<u>204,959,500</u>	<u>685,897,000</u>

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.



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	2017 BDT	2016 BDT
<b>4.1.5 Short term deposit</b>		
National Bank of Pakistan	-	100,000,000
Agrani Bank Limited	32,565,494	13,087,189
Fareast Finance and Investment Limited	-	100,000,000
First Finance Limited	250,000,000	150,000,000
Premier Leasing and Finance Limited	130,000,000	200,000,000
Bangladesh Finance and Investment Company Limited	-	80,000,000
Reliance Finance Limited	-	200,000,000
Peoples Leasing and Financial Services Limited	270,000,000	200,000,000
The Farmers Bank Limited	250,000,000	300,000,000
Bangladesh Industrial Finance Company Limited	200,000,000	210,000,000
FAS Finance and Investment Limited	170,000,000	170,000,000
International Leasing and Financial Services Limited	100,000,000	100,000,000
First Lease Finance and Investment Limited	-	-
	<b>1,402,565,494</b>	<b>1,823,087,189</b>
<b>4.2 Outside Bangladesh</b>		
Modhumoti Bank Limited	4,658,021	3,347,197
BHF Bank AG, Germany	3,101,642	2,171,551
Mashreq Bank, USA	59,613,430	-
Axis Bank, India	1,324,800	-
Sonali Bank Limited, India	11,092,134	31,840,422
	<b>79,790,027</b>	<b>37,359,170</b>
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. Exchange loss or gain arising from borrowers accounts are shown under "Exchange Equalization Reserve".		
Details are shown in <u>Annex D</u> .		
<b>4.3 Maturity-wise grouping</b> (balance with other banks and financial institutions)		
On demand	1,410,800,000	244,500,000
Less than three months	11,487,500,000	8,077,800,000
More than three months but less than one year	2,637,998,074	2,780,159,518
More than one year but less than five years	-	-
More than five years	-	-
	<b>15,536,298,074</b>	<b>11,102,459,518</b>
<b>4(a) Consolidated balance with other banks and financial institutions</b>		
<b>In Bangladesh</b>		
Bangladesh Development Bank Limited	Note: 4.1	15,458,508,047
BDBL Securities Limited		119,249,138
BDBL Investment Services Limited		32,950,116
		<b>15,623,829,228</b>
<b>Outside Bangladesh</b>		
Bangladesh Development Bank Limited	Note: 4.2	79,790,027
BDBL Securities Limited		-
BDBL Investment Services Limited		-
		<b>79,790,027</b>
		<b>15,703,619,255</b>
<b>5. Money at call and short notice</b>		
In Bangladesh	Note: 5.1	-
Outside Bangladesh		-
		<b>-</b>



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	2017 BDT	2016 BDT
<b>5.1 In Bangladesh</b>		
Janata Bank Limited	-	-
Sonali Bank Limited	-	-
Fareast Finance and Investment Limited	-	-
First Lease Finance and Investment Limited	-	-
Premier Leasing and Finance Limited	-	-
Bangladesh Finance and Investment Company Limited	-	-
Prime Finance and Investment Limited	-	-
Lanka Bangla Finance Limited	-	-
Reliance Finance Limited	-	-
Investment Corporation of Bangladesh	-	-
Peoples Leasing and Financial Services Limited	-	-
Union Capital Limited	-	-
	<u>-</u>	<u>-</u>
<b>6. Investments</b>		
Government securities	Note: 6.1 1,229,700	3,541,400
Other investment	Note: 6.2 9,995,584,868	11,224,806,675
	<u>9,996,814,568</u>	<u>11,228,348,075</u>
Details are shown in <b>Annex F.</b>		
<b>6.1 Government securities</b>		
Treasury bond	1,229,700	3,541,400
Prize bond	<u>1,229,700</u>	<u>3,541,400</u>
<b>6.2 Other investments</b>		
Shares	Note: 6.2.1 8,262,606,885	9,310,868,692
Debtentures	32,977,983	32,977,983
Investment in bond	240,000,000	420,960,000
Investment in Bangladesh fund	1,060,000,000	1,060,000,000
Investment in subsidiaries	400,000,000	400,000,000
	<u>9,995,584,868</u>	<u>11,224,806,675</u>



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	2017 BDT	2016 BDT	
<b>6.2.1 Investment in shares by listing status</b>			
Quoted shares	8,142,303,449	9,086,977,356	
Unquoted shares	71,891,336	223,691,336	
Others	48,412,100	-	
	<u>8,262,606,885</u>	<u>9,310,668,692</u>	
Market value	<u>31,176,773,132</u>	<u>23,044,486,703</u>	
<b>Shares :</b>			
Cost	<u>8,262,606,885</u>	<u>9,310,668,692</u>	
Provision for fall in market value of shares	-	-	
<b>6.3 Maturity-wise grouping of investments</b>			
On demand	1,229,700	3,541,400	
Less than three months	8,300,000	7,106,675	
More than three months but less than one year	2,528,500,000	1,028,500,000	
More than one year but less than five years	3,977,000,000	6,680,800,000	
More than five years	3,481,784,868	3,508,400,000	
	<u>9,996,814,568</u>	<u>11,228,348,075</u>	
<b>6.4 Provision for investment</b>			
Required provision	130,190,083	81,390,083	
Provision maintained	130,190,083	81,390,083	
Provision excess/(shortage)	-	-	
<b>6(a) Consolidated investment</b>			
<b>(i) Government securities</b>			
Bangladesh Development Bank Limited	Note: 6.1	1,229,700	3,541,400
BDBL Securities Limited		-	-
BDBL Investment Services Limited		-	-
		<u>1,229,700</u>	<u>3,541,400</u>
<b>(ii) Other investments</b>			
Bangladesh Development Bank Limited	Note: 6.2	9,995,584,868	11,224,806,675
Less: Investment in Subsidiaries		400,000,000	400,000,000
BDBL Securities Limited		488,668,518	515,307,839
BDBL Investment Services Limited		208,604,038	72,772,249
		<u>10,292,857,424</u>	<u>11,412,886,763</u>
		<u>10,294,087,124</u>	<u>11,416,428,163</u>
<b>7. Loans and advances</b>			
<b>Loans, cash credits, overdrafts, etc</b>			
In Bangladesh	17,733,385,703	17,764,303,259	
Outside Bangladesh	-	-	
	<u>17,733,385,703</u>	<u>17,764,303,259</u>	
<b>Bills purchased and discounted :</b>			
In Bangladesh	212,581,827	314,066,065	
Outside Bangladesh	-	-	
	<u>212,581,827</u>	<u>314,066,065</u>	
	<u>17,945,967,530</u>	<u>18,078,369,324</u>	



Bangladesh Development Bank Limited

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	2017 BDT	2016 BDT
<b>7.1 Nature-wise loans and advances</b>		
Cash credits	4,470,649,284	4,222,059,640
Long term (amount due and not due)	7,597,343,439	8,056,029,606
Overdrafts	448,316,732	455,072,174
Local documentary bill purchased	212,581,827	314,066,065
Bridge loan	-	4,325,728
Consumer loan	261,151,133	307,558,016
Loan against trust receipt and others	1,428,982,323	1,370,161,937
Staff loan	3,526,942,792	3,349,095,958
	<u>17,945,967,530</u>	<u>18,078,369,324</u>
<b>7.2 Maturity-wise grouping of loans and advances</b>		
On demand	-	16,500,000
Not more than three months	1,994,200,000	2,072,200,000
Over three months but not more than one year	4,015,800,000	4,135,100,000
Over one year but not more than five years	8,911,100,000	7,730,100,000
Over five years	3,024,867,530	4,124,469,324
	<u>17,945,967,530</u>	<u>18,078,369,324</u>
<b>7.3 Particulars of advances</b>		
i. Debts considered good in respect of which the Bank is fully secured.	9,595,672,738	10,760,072,425
ii. Debts considered good for which the Bank hold no other security than the debtors personal security.	473,732,960	621,624,061
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.	3,526,942,792	3,349,095,958
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	10,360,000
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.		
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		
xi. Classified advances on which no interest has been charged.	8,350,294,792	7,318,296,899
(a) The balance of bad loan written-off is BDT 18,006,666,841.00 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.	18,006,666,841	18,209,667,606



Bangladesh Development Bank Limited

Notes to the financial statements  
For the year ended 31 December 2017

	2017 BDT	2016 BDT
<b>7.4 Movement of loans and advances</b>		
Opening balance	18,078,369,324	18,137,510,230
Add: Disbursed during the year	4,077,771,000	3,438,847,685
Add: Interest charged during the year	1,173,784,090	1,314,080,261
	<u>23,329,904,414</u>	<u>22,890,438,176</u>
Less: Recovery during the year	5,397,034,327	4,825,961,408
	<u>17,932,870,087</u>	<u>18,064,476,768</u>
Add/Less: Written-off and adjustment during the year	13,097,443	13,892,556
Closing balance	<u>17,945,967,530</u>	<u>18,078,369,324</u>
<b>7.5 Significant concentration-wise grouping</b>		
Other executives and officers of the Bank	3,526,942,792	3,349,095,958
Customers	2,138,450,188	2,132,792,127
Industries	12,280,574,550	12,596,481,239
	<u>17,945,967,530</u>	<u>18,078,369,324</u>
<b>7.6 Division-wise loans &amp; advances</b>		
Dhaka Division	6,411,184,914	12,041,538,249
Mymensingh Division	1,630,567,585	650,841,144
Khulna Division	770,758,249	766,386,607
Chittagong Division	2,877,785,858	1,060,477,009
Rajshahi Division	2,454,678,599	1,832,016,923
Barisal Division	432,431,166	426,350,660
Sylhet Division	271,374,678	212,244,971
Rangpur	1,097,186,461	1,088,513,761
	<u>17,945,967,530</u>	<u>18,078,369,324</u>
<b>7.7 Classification status of loans and advances</b>		
<b>Unclassified loan:</b>		
Standard	5,179,459,876	6,302,910,001
Standard (C.F)	120,562,369	149,602,179
Special mention account	775,587,185	965,343,783
Staff loan	3,520,063,308	3,342,216,462
	<u>9,595,672,738</u>	<u>10,760,072,425</u>
<b>Classified:</b>		
Sub-standard	184,355,616	738,108,907
Doubtful	196,607,326	539,447,295
Bad/Loss (including staff loan)	7,969,331,850	6,040,740,697
	<u>8,350,294,792</u>	<u>7,318,296,899</u>
<b>Total :</b>	<u>17,945,967,530</u>	<u>18,078,369,324</u>
<b>Provisions required against loans and advances</b>		
<b>Unclassified loan:</b>		
Standard	42,392,649	790,626,407
Standard (C.F)	6,028,118	7,480,109
Special mention account	2,878,600	46,353,576
Staff loan	35,200,633	33,422,165
<b>Classified:</b>		
Sub-standard	13,100,000	57,416,376
Doubtful	37,400,000	104,195,540
Bad/Loss	3,505,541,525	2,222,537,846
<b>Total</b>	<u>3,642,541,525</u>	<u>3,262,032,018</u>
<b>Provisions maintained</b>	3,742,488,500	3,299,900,858
<b>Provisions surplus/(deficit)</b>	<u>99,946,975</u>	<u>37,868,840</u>



Bangladesh Development Bank Limited

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	2017 BDT	2016 BDT
<b>7.8 Sector-wise loans &amp; advances</b>		
<b>Industrial sector</b>		
Food and allied products	3,438,804,641	3,327,914,000
Jute and allied fibre products	174,196,690	184,544,000
Cotton woolen and synthetic textile	4,564,657,404	4,720,325,000
Paper, paper products and printing	104,513,073	106,369,000
Tannery and its products	20,746,246	58,200,000
Non-metallic mineral products	194,263,269	199,703,000
Forest, wood products & saw mills	113,970,200	115,624,000
Metal products	762,039,822	522,287,000
Electrical machinery and goods	116,143,269	117,267,000
Machinery and spare parts	17,670,022	15,529,000
Transport sector	76,928,054	74,484,000
Chemicals and pharmaceuticals	299,778,166	319,062,000
Petro-chemicals	141,235,681	291,120,000
Service industries	705,218,989	763,371,000
Rubber goods sector	8,743,915	9,458,000
Miscellaneous sector	7,207,058,069	7,253,072,324
	<b>17,945,967,530</b>	<b>18,078,369,324</b>

**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 2017 is BDT 18,006,666,841.00 The movement of the written-off loans is as follows:

Opening balance	18,209,667,606	18,909,321,440
Add: Addition during the year	-	-
	18,209,667,606	18,909,321,440
Less: Recovery and adjustment during the year	203,000,765	699,653,834
Closing balance	<b>18,006,666,841</b>	<b>18,209,667,606</b>



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	2017 BDT	2016 BDT	
<b>7(a) Consolidated loans and advances</b>			
(i) Loans, cash credits, overdrafts, etc			
Bangladesh Development Bank Limited	17,733,385,703	17,764,303,259	
Less: Inter group loan (Securities)	400,000,000	400,000,000	
BDBL Securities Limited	254,369,713	130,631,749	
	<u>17,587,755,416</u>	<u>17,494,935,008</u>	
(ii) Bills purchased and discounted			
Bangladesh Development Bank Limited	212,581,827	314,066,065	
BDBL Securities Limited	-	-	
BDBL Investment Services Limited	-	-	
	<u>212,581,827</u>	<u>314,066,065</u>	
	<u>17,800,337,243</u>	<u>17,809,001,073</u>	
<b>8. Fixed assets including premises, furniture and fixtures</b>			
Opening balance	900,611,871	884,504,780	
Add: Addition during the year	52,363,117	44,616,731	
Less: Disposal/adjustment during the year	8,009,771	28,509,620	
	944,965,218	900,611,871	
Less: Accumulated depreciation at the year end	567,938,756	528,941,103	
	377,026,462	371,670,768	
Revaluation balance at the year end	7,702,777,683	7,819,036,725	
Closing balance	<u>8,079,804,144</u>	<u>8,190,707,492</u>	
Details are given in <u>Annex A</u> .			
<b>8(a) Consolidated fixed assets including premises, furniture and fixtures</b>			
Bangladesh Development Bank Limited	Note: 8	8,079,804,144	8,190,707,492
BDBL Securities Limited		5,134,476	5,989,529
BDBL Investment Services Limited		7,283,891	7,716,497
		<u>8,092,202,511</u>	<u>8,204,413,518</u>
<b>9. Other assets</b>			
Stationery and stamps in hand		3,171,686	4,072,324
Tax paid in advance	Note: 9.1	2,903,294,445	2,659,593,534
Prepaid expenses and security deposit		29,033,494	30,503,897
Utility bill receivable from tenants		-	-
Accrued income (CAD and Branches)	Note: 9.2	874,741,363	820,376,489
BSRS pension and death cum Rtd. benefit scheme		-	-
Suspense A/C (CAD and branches)		17,648,971	11,845,590
Investment, gratuity and benevolent fund	Note: 9.3	-	-
Exchange risk adjustment account		61,359,262	61,359,262
Depreciation fund - interest receivable		26,482,500	26,482,500
Sanchaya patra encashment A/C		375,013,305	316,568,118
Legal expenses realizable A/C		47,022,134	42,587,528
Misc. receivable and sundry for adjustment purpose		3,460,197	5,551,055
Inter office adjustment	Note: 12.10.1	12,220,467	1,554,064
Temporary advance		9,687,884	11,628,053
Receivable from securities-Salary & Allowances		12,628,978	25,418,968
Receivable from BSL		45,796,806	11,043,402
Receivable from BISL		6,946,734	11,982,312
Interest receivable on bond		2,103,835	3,638,413
Other charges receivables from write-off project		8,577	8,577
		<u>4,430,600,640</u>	<u>4,044,192,086</u>



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	2017 BDT	2016 BDT
<b>9.1 Tax paid in advance</b>		
Movement of the advance tax paid during the year is as follows:		
Opening balance	2,659,593,534	2,375,534,155
Add: Addition during the year	243,700,911	284,059,379
	<u>2,903,294,445</u>	<u>2,659,593,534</u>
Less: Adjustment during the year	-	-
Closing balance	<u>2,903,294,445</u>	<u>2,659,593,534</u>

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
<b>Total (A)</b>		<b>153,321,614</b>	<b>137,144,263</b>	<b>290,465,877</b>

**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
1999-00	2000-2001	-	12,737,817	12,737,817
2000-01	2001-2002	-	13,926,730	13,926,730
2001-02	2002-2003	-	25,698,639	25,698,639
2002-03	2003-2004	-	30,948,020	30,948,020
2003-04	2004-2005	-	32,943,494	32,943,494
2004-05	2005-2006	-	22,924,846	22,924,846
2005-06	2006-2007	-	25,020,846	25,020,846
2006-07	2007-2008	-	24,016,003	24,016,003
2007-08	2008-2009	50,000,000	24,546,660	74,546,660
2008-09	2009-2010	-	18,992,160	18,992,160
2009-10	2010-2011	-	7,727,587	7,727,587
<b>Total (B)</b>		<b>50,000,000</b>	<b>653,559,891</b>	<b>703,559,891</b>

**C: BDBL**

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	399,708,617
2016	2017-2018	41,371,000	242,688,379	284,059,380
2017	2018-2019	15,000,000	228,700,911	243,700,911
<b>Total (C)</b>		<b>425,491,768</b>	<b>1,483,776,908</b>	<b>1,909,268,678</b>

Total advance tax paid (A+B+C)

2,903,294,445



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		2017 BDT	2016 BDT
9.2	Accrued income		
	CAD, Head office		
	Dividend	566,636,559	-
	Interest on debenture/other	25,749,141	574,261,133
	Rent	83,739,740	83,212,925
	Accrued income from FDR	198,615,923	162,882,431
		<u>874,741,363</u>	<u>820,376,489</u>
	Branch Offices	-	-
	Grand-total	<u>874,741,363</u>	<u>820,376,489</u>
9.3	investment: gratuity and benevolent fund		
	Opening balance	-	11,845,362
	Add: Investment during the year	-	-
		-	<u>11,845,362</u>
	Less: Encashment/adjustment during the year	-	11,845,362
	Closing balance	-	-
9(a)	Consolidated other assets		
	Bangladesh Development Bank Limited	4,430,600,640	4,044,192,086
	Less: Receivable from BSL	51,737,634	36,462,370
	Less: Receivable from BISL	13,634,884	11,982,311
	BOBL Securities Limited	61,559,058	57,437,240
	BOBL Investment Services Limited	13,586,383	8,301,786
		<u>4,440,373,563</u>	<u>4,061,486,431</u>
10.	Borrowing from other banks, financial institutions and agents		
	In Bangladesh	199,124,724	334,683,245
	Outside Bangladesh	-	-
		<u>199,124,724</u>	<u>334,683,245</u>
a)	Security based segregation		
	Secured	-	-
	Un-secured	199,124,724	334,683,245
		<u>199,124,724</u>	<u>334,683,245</u>
b)	Maturity based segregation		
	On demand	-	-
	On maturity	199,124,724	334,683,245
		<u>199,124,724</u>	<u>334,683,245</u>
10.1	In Bangladesh		
	DM 3.00 million K.F.W. loan	4,921,850	5,533,976
	SME refinance from BB	194,202,874	329,149,267
		<u>199,124,724</u>	<u>334,683,245</u>
11.	Deposits and other accounts		
	Current and other accounts	4,601,260,396	5,795,247,406
	Bills payable	135,973,437	133,832,303
	Saving bank deposits	1,096,770,408	1,068,402,892
	Fixed deposits	22,746,248,548	19,377,370,125
		<u>28,580,252,789</u>	<u>26,374,852,726</u>
11.1	Current and other accounts		
	Short term deposit account	3,007,609,401	4,144,824,028
	Scheme deposit	982,621,821	933,199,959
	Sundry deposit	196,579,043	185,848,344
	Current account	326,220,347	433,091,221
	Margin deposits	10,644,024	54,264,603
	Guarantee margin security deposits	35,734,915	353,852
	Earnest money	72,200	72,200
	Payable under investment scheme	41,725,252	36,336,076
	Deposit in foreign currency	53,393	7,257,123
		<u>4,601,260,396</u>	<u>5,795,247,406</u>



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		2017 BDT	2016 BDT
<b>11.2 Bills payable</b>			
Payment order		133,359,165	130,960,325
Drafts payable		2,614,272	2,871,978
		<u>135,973,437</u>	<u>133,832,303</u>
<b>11.3 Deposits and other accounts by maturity</b>			
On demand		82,600,000	378,200,000
Repayable within one month		648,300,000	402,400,000
More than one month but not more than six months		1,037,000,000	1,272,300,000
More than six months but not more than one year		7,499,700,000	6,197,100,000
More than one year but not more than five years		19,312,652,789	18,124,852,726
More than five years but not more than ten years		-	-
Unclaimed deposits held by the bank more than ten years		-	-
		<u>28,580,252,789</u>	<u>26,374,852,726</u>
<b>11(a) Consolidated deposit and other accounts</b>			
(i) Current and other accounts			
Bangladesh Development Bank Limited	Note: 11.1	4,601,260,396	5,795,247,406
BDBL Securities Limited		(1,340,683)	(3,887,072)
BDBL Investment Services Limited		(675,767)	(49,566,634)
		<u>4,599,243,946</u>	<u>5,741,793,700</u>
(ii) Bills payable			
Bangladesh Development Bank Limited	Note: 11.2	135,973,437	133,832,303
BDBL Securities Limited		-	-
BDBL Investment Services Limited		-	-
		<u>135,973,437</u>	<u>133,832,303</u>
(iii) Savings bank deposit			
Bangladesh Development Bank Limited		1,096,770,408	1,068,402,892
BDBL Securities Limited		-	-
BDBL Investment Services Limited		-	-
		<u>1,096,770,408</u>	<u>1,068,402,892</u>
(iv) Fixed deposit			
Bangladesh Development Bank Limited		22,746,248,548	19,377,370,125
BDBL Securities Limited		-	(115,274,663)
BDBL Investment Services Limited		-	-
		<u>22,746,248,548</u>	<u>19,262,095,462</u>
		<u>28,578,236,339</u>	<u>26,206,124,357</u>
<b>12. Other liabilities</b>			
Provision for income tax	Note: 12.1	2,543,591,487	2,303,591,487
Provision for deferred tax	Note: 12.2	1,090,406,273	1,104,015,294
Accrued expenses	Note: 12.3	725,900,512	784,658,215
Others funds	Note: 12.4	50,805,927	37,220,759
Provision for B/D equity		48,412,100	48,412,100
Provision for B/D debenture		32,977,983	32,977,983
Provision for investment and share		48,800,000	-
Other provisions	Note: 12.5	486,962,470	457,698,481
Provision for unclassified loan	Note: 12.6	86,533,833	877,882,256
Provision for classified loan	Note: 12.7	3,655,954,667	2,422,018,602
Interest suspense	Note: 12.8	1,335,759,002	1,221,694,146
Advance deposit receipts	Note: 12.9	261,816,610	142,997,110
Miscellaneous	Note: 12.10	378,876,701	208,903,149
		<u>10,726,797,566</u>	<u>9,642,069,582</u>
<b>12.1 Provision for income tax</b>			
Opening balance		2,303,591,487	2,183,591,487
Add: Provision made during the year		240,000,000	120,000,000
		<u>2,543,591,487</u>	<u>2,303,591,487</u>
Less: Adjustment made during the year		-	-
Closing balance		<u>2,543,591,487</u>	<u>2,303,591,487</u>



Bangladesh Development Bank Limited

Notes to the financial statements  
For the year ended 31 December 2017

	2017 BDT	2016 BDT
<b>12.1.1 Tax status</b>		
<b>A) Erstwhile BSB</b>		
<b>Financial Year</b>	<b>Assessment Year</b>	<b>Assessment Status</b>
2003-2004	2004-2005	Settled upto AY 2004-05 and Tax refundable is BDT 12.65 Crore.
2004-2005	2005-2006	Final as per under section 82BB of ITO 1984
2005-2006	2006-2007	Final as per under section 82BB of ITO 1984
2006-2007	2007-2008	Final as per under section 82BB of ITO 1984
2007-2008	2008-2009	Final as per under section 83(2) of ITO 1984
2008-2009	2009-2010	Pending with Appeal tribunal
2009-2010	2010-2011	ADR Revised order and Appeal order yet to be received
<b>B) Erstwhile BSRS</b>		
<b>Financial Year</b>	<b>Assessment Year</b>	<b>Assessment Status</b>
1995-1996	1996-1997	Tax cases settled, No demand by tax authority.
1996-1997	1997-1998	
1997-1998	1998-1999	
1998-1999	1999-2000	
1999-2000	2000-2001	Tax assessment order has not yet been revised as per tribunal order.
2000-2001	2001-2002	"
2001-2002	2002-2003	"
2002-2003	2003-2004	"
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.
<b>C) BDBL</b>		
<b>Financial Year</b>	<b>Assessment Year</b>	<b>Assessment Status</b>
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	Not yet filed
<b>12.2 Provision for deferred tax</b>		
<b>A. Deferred tax on fixed asset</b>		
Deferred tax liabilities have been computed in accordance with BAS-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	170,886,410	163,477,326
WDV of fixed assets as per accounts	377,151,319	371,670,767
Taxable/(deductible) temporary difference	(206,264,909)	(208,193,441)
Applicable tax rate	42.50%	42.50%
Deferred tax assets/(liabilities)	(87,662,686)	(88,482,212)
<b>B. Deferred tax on asset revaluation reserve</b>		
Asset revaluation reserve on 01-01-2017	6,801,216,955	6,904,700,553
Less: Adjustment for depreciation during the year	116,259,042	119,055,188
Less: Adjustment for sold assets	-	15,424,822
	6,684,957,913	6,770,220,543
Applicable tax rate	15%	15%
Deferred tax asset/(liability)	(1,002,743,687)	(1,015,533,081)
<b>Total deferred tax liability (A+B)</b>	<b>(1,090,406,273)</b>	<b>(1,104,015,294)</b>



Bangladesh Development Bank Limited

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For the year ended 31 December 2017

	2017 BDT	2016 BDT
<b>12.3 Accrued expense</b>		
Accrued interest	631,961,189	723,997,939
Accrued expense	93,939,343	60,641,034
Accrued payroll	-	19,242
	<u>725,900,512</u>	<u>784,658,215</u>
<b>12.4 Other funds</b>		
Pension and death cum retirement	1,920,060	3,644,406
Employees provident fund	20,206,818	15,968,310
Employees gratuity fund	21,886,723	13,828,455
Employees benevolent fund	6,792,326	3,779,568
	<u>50,805,927</u>	<u>37,220,759</u>
	<u>456,962,470</u>	<u>457,698,481</u>
<b>12.5 Total other provisions</b>		
<b>12.5.a Other provisions</b>		
Provision for bonus	129,430,790	137,688,145
Provision for unadjusted inter branch current account	4,850,000	10,000,000
Dividend payable to Govt.	100,000,000	100,000,000
Payable to Govt. against share dividend	27,214,210	26,729,866
	<u>261,495,000</u>	<u>274,418,011</u>
<b>12.5.b Provision for other assets</b>		
Provision for realisable legal expenses	44,805,000	31,386,788
Provision for interest on depreciation fund	26,462,500	26,462,500
Provision for off balance sheet items	5,820,000	11,600,000
Provision for exchange risk adjustment A/C	61,359,262	61,359,262
Provision for other asset	67,020,708	52,471,920
	<u>205,467,470</u>	<u>183,280,470</u>
<b>12.6 Provision for un-classified loan</b>		
Provision held at the beginning of the year	877,882,256	184,112,387
Fully provided debts written-off(-)	-	-
Recoveries of amount previously written-off(+)	-	-
Specific provision for the year (+)	-	-
Provision transfer to other assets	-	-
Excess provision transferred from provision to CL loan	(791,348,423)	693,769,869
Specific provision for special mentioned A/C(+)	-	-
Provision held at the end of the Year	<u>86,533,833</u>	<u>877,882,256</u>
<b>12.7 Provision for classified loan</b>		
Provision held at the beginning of the year	2,422,018,602	2,904,132,141
Fully provided debts written-off/loan liquidated(-)	-	-
Recoveries of amount previously written-off(+)	-	-
Specific provision for the year (+)	345,050,000	150,000,000
Recoveries and provision no longer required (-)	-	-
Excess provision transferred to provision for off-balance sheet items (-)	-	-
Excess provision transferred from un-classified loan (+)	888,888,065	(632,113,539)
Provision held at the end of the year	<u>3,655,954,667</u>	<u>2,422,018,602</u>
<b>Total provision maintained</b>	<u>3,742,488,500</u>	<u>3,299,900,858</u>
Bangladesh Bank vide its letter no. BRPD (P-1)/661/13/2018-2650 dated 18 April 2018 instructed to maintain provision at least Tk:3,842,541,525 against required provision of Tk:3,823,100,000 for loans & advances of 2017. The remaining amount of provision will be maintained for three consecutive years equally starting from 2018.		
<b>12.8 Interest suspense</b>		
Opening balance	365,000,895	1,064,001,334
Add: Credited during the year	54,454,367	473,501,191
Less: Transferred to income	46,113,561	423,382,043
Less: Written-off during the year	-	-
Less: Adjustment during the year	(345,426,494)	749,119,767
Closing balance	718,767,995	365,000,895
Add: Interest suspense A/C (IDCP)	816,991,007	856,693,451
	<u>1,335,759,002</u>	<u>1,221,694,146</u>



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	2017 BDT	2016 BDT
<b>12.9 Advance deposits receipts</b>		
Other deposits received in advance	9,236,875	5,797,935
Sundry deposits (cash credit and bridge loan)	-	300,000
Advance rent received on Bank's premises	1,916,808	3,791,300
Sundry - unadjusted recovery from loan	50,556,129	70,405,267
Sundry deposits (LAD)	-	-
Sundry deposits( write-off)	200,106,800	62,702,608
	<u>261,816,610</u>	<u>142,997,110</u>
<b>12.10 Miscellaneous</b>		
FCTA exchange premium	46,028,469	101,090,785
FCTA penal premium	7,446,350	13,980,633
Liabilities towards BSB and EPF	6,394,900	6,394,900
Sanchaya patra sold	256,539,450	26,457,910
Inter branch adjustment account	-	-
Special adjustment account	924,673	-
Managed fund	725,542	725,542
Exchange equalization account	50,014,200	50,014,200
Liability for other finance	1,444	1,444
Other payable	20,164	21,021
Suspense others	-	818,958
Liability for other expenses	3,871,211	4,568,767
Employees Income Tax	6,910,298	4,628,988
	<u>378,876,701</u>	<u>208,903,149</u>
<b>12.10.1 Inter office adjustment account</b>		
CAD current account in branch office book	(12,307,280,006)	(9,746,772,069)
Branch office current account in CAD's book	12,294,625,284	9,734,477,252
LAD's current account in CAD's book	89,785,799	154,943,243
CAD's current account in LAD's book	(90,264,514)	(155,421,958)
LAD's current account in branch office book	232,899,242	34,554,136
Branch office current account in LAD's book	(232,838,814)	(34,332,211)
Brokerage house C/A in CAD's book	-	2,167,440
Brokerage house C/A in Pr. Br.	136,000	8,283,560
Inter branch current account	526,542	526,542
	<u>(12,220,467)</u>	<u>(1,554,065)</u>
<b>12(a) Consolidated other liabilities</b>		
Bangladesh Development Bank Limited	10,726,797,566	9,642,069,582
BDBL Securities Limited	204,472,697	168,618,033
BDBL Investment Services Limited	40,693,355	72,755,126
Less: Payable to BDBL (BSL)	(51,737,634)	(11,043,402)
Less: Payable to BDBL(BISL)	(13,634,684)	(37,401,279)
	<u>10,906,491,100</u>	<u>9,834,998,060</u>
<b>12.a.i Consolidated current tax</b>		
Bangladesh Development Bank Limited	240,000,000	120,000,000
BDBL Securities Limited	12,865,442	3,102,373
BDBL Investment Services Limited	6,599,736	2,286,036
	<u>259,465,178</u>	<u>125,388,409</u>
<b>12.a.ii Consolidated deferred tax</b>		
Bangladesh Development Bank Limited	1,467,062	(1,775,676)
BDBL Securities Limited	(157,858)	(216,776)
BDBL Investment Services Limited	(210,078)	135,660
	<u>1,099,126</u>	<u>(1,856,992)</u>

Note: 12.10.1

Note: 12



Bangladesh Development Bank Limited

Notes to the financial statements  
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	2017 BDT	2016 BDT
<b>13 Capital</b>		
<b>Authorised capital:</b>		
100,000,000 shares of BDT 100 each	10,000,000,000	10,000,000,000
<b>Issued, subscribed and paid-up capital:</b>		
40,000,000 Shares of BDT 100 each fully paid by the government and government nominated shareholders	4,000,000,000	4,000,000,000
<b>13.1 Capital to risk weighted asset ratio (CRAR):</b>		
<b>CONSOLIDATED STATEMENT</b>		
<b>i) Core capital (Tier-i)</b>		
Paid-up capital	4,000,000,000	4,000,000,000
General reserve	4,047,755,114	3,767,755,114
Statutory reserve	2,335,421,336	2,174,421,336
Retained earnings	527,433,724	421,536,339
<b>Less: Provision shortfall as per RBCA (Basel-III)</b>	<b>216,601,837</b>	<b>493,553,513</b>
	<b>10,694,008,337</b>	<b>9,870,159,276</b>
<b>ii) Supplementary capital (Tier-II)</b>		
General provision	92,353,833	174,833,150
Assets revaluation reserves (40% of 50% of revaluation reserve)	1,340,006,799	2,117,154,868
<b>Less: Any investment exceeding approved limit as per Bank companies act 1991</b>	<b>-</b>	<b>-</b>
	<b>1,432,360,632</b>	<b>2,291,988,018</b>
<b>iii) Additional supplementary capital (Tier-III)</b>		
Short term subordinated debt	-	-
<b>Total supplementary capital (ii+iii)</b>	<b>1,432,360,632</b>	<b>2,291,988,018</b>
<b>A Total eligible capital (Tier-i+ii+iii)</b>	<b>12,126,368,969</b>	<b>12,162,147,294</b>
<b>B Total risk weighted assets</b>	<b>45,668,092,494</b>	<b>47,441,973,216</b>
10% of total risk weighted assets	4,566,809,249	4,744,197,322
<b>C Required capital (10% of risk weighted assets or BDT 400.00 crore whichever is higher)</b>	<b>4,566,809,249</b>	<b>4,744,197,322</b>
<b>D Capital Conservation Buffer (1.25% on Tier-I Capital)</b>	<b>133,675,104</b>	
<b>E Total Required Capital with Conservation Buffer (C+D)</b>	<b>4,700,484,353</b>	
<b>F Capital surplus (A-E)</b>	<b>7,425,884,616</b>	<b>7,417,949,972</b>
Capital adequacy ratio	26.55%	25.64%
Core capital to risk weighted assets	23.42%	20.60%
Supplementary capital to risk weighted assets	3.14%	4.83%
<b>SOLO STATEMENT</b>		
<b>i) Core capital (Tier-i)</b>		
Paid-up capital	4,000,000,000	4,000,000,000
General reserve	4,047,755,114	3,767,755,114
Statutory reserve	2,335,421,336	2,174,421,336
Retained earnings	357,944,528	345,782,141
<b>Less: Provision shortfall as per RBCA (Basel-III)</b>	<b>205,787,853</b>	<b>484,696,448</b>
	<b>10,545,333,126</b>	<b>9,803,262,143</b>
<b>ii) Supplementary capital (Tier-II)</b>		
General provision	92,353,833	174,833,150
Assets revaluation reserves (40% of 50% of revaluation reserve)	1,340,006,799	2,040,365,086
<b>Less: Any investment exceeding approved limit as per Bank Companies Act 1991</b>	<b>-</b>	<b>-</b>
	<b>1,432,360,632</b>	<b>2,215,198,236</b>
<b>iii) Additional supplementary capital (Tier-III)</b>		
Short term subordinated debt	-	-
<b>Total supplementary capital (ii+iii)</b>	<b>1,432,360,632</b>	<b>2,215,198,236</b>
<b>A Total eligible capital (Tier-i+ii+iii)</b>	<b>11,977,693,758</b>	<b>12,018,460,379</b>
<b>B Total risk weighted assets</b>	<b>45,010,641,948</b>	<b>46,665,016,616</b>
10% of total risk weighted assets	4,501,664,195	4,666,501,662
<b>C Required capital (10% of risk weighted assets or BDT 400.00 crore which ever is higher)</b>	<b>4,501,664,195</b>	<b>4,666,501,662</b>
<b>D Capital Conservation Buffer (1.25% on Tier-I Capital)</b>	<b>131,816,664</b>	<b>61,270,388</b>
<b>E Total Required Capital with Conservation Suffer</b>	<b>4,633,480,859</b>	<b>4,727,772,050</b>
<b>F Capital surplus (A-E)</b>	<b>7,344,212,898</b>	<b>7,290,688,329</b>
Capital adequacy ratio	26.61%	25.76%
Core capital to risk weighted assets ratio	23.43%	21.01%
Supplementary capital to risk weighted assets ratio	3.18%	4.75%



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	2017 BDT	2016 BDT
14. Quasi equity	<u>134,744,560</u>	<u>134,744,560</u>
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	2,174,421,336	2,074,221,336
Add: Addition made for the year	161,000,000	100,200,000
Closing balance	<u>2,335,421,336</u>	<u>2,174,421,336</u>
16. General, revaluation and other reserve	<u>11,713,696,624</u>	<u>11,534,879,583</u>
16.1 General reserve		
Opening balance	3,767,755,114	3,597,755,114
Add: Addition during the year	280,000,000	170,000,000
Closing balance	<u>4,047,755,114</u>	<u>3,767,755,114</u>
16.2 Asset revaluation reserve		
Opening balance	6,801,216,955	6,904,700,553
Less: Adjustment for disposed of asset	-	-
Less: Adjustment for depreciation for the year	116,259,042	119,055,188
Add/(Less): Adjustment for deferred tax	15,076,083	15,571,590
Closing balance	<u>6,700,033,996</u>	<u>6,801,216,955</u>

Note: 16.2.1

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

Particulars	Land BDT	Building BDT	Motor vehicle BDT	Total BDT
Valuation surplus	2,761,486,603	4,039,550,117	180,235	6,801,216,955
Less: Adjustment for disposal of asset	-	-	-	-
Less: Adjustment for depreciation	-	-	-	-
Add: Adjustment for deferred tax liabilities @15%	-	-	-	-
Balance	<u>2,761,486,603</u>	<u>4,039,550,117</u>	<u>180,235</u>	<u>6,801,216,955</u>

16.2(a) Consolidated asset revaluation reserve				
Bangladesh Development Bank Limited		Note: 16.2	6,700,033,996	6,801,216,955
BOBL Investment Services Limited			-	-
			<u>6,700,033,996</u>	<u>6,801,216,955</u>

16.2.1 Deferred tax liabilities on asset revaluation reserve has been computed in accordance with BAS-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

Capital reserve

Opening balance	66,503,915	66,503,915
Add: Appreciation made for the year	-	-
Closing balance	<u>66,503,915</u>	<u>66,503,915</u>

Reserve for unforeseen losses

Opening Balance	560,000	560,000
Add: Appreciation made during the year	-	-
Closing balance	<u>560,000</u>	<u>560,000</u>

Building fund

Opening balance	539,241,000	539,241,000
Add: Appropriation made for the year	-	-
Closing balance	<u>539,241,000</u>	<u>539,241,000</u>



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	2017 BDT	2016 BDT
<b>Special assistance fund</b>		
Opening balance	109,161,572	109,161,572
Add: Appreciation made for the year	-	-
Closing balance	<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.		
<b>Equity adjustment reserve</b>		
Opening balance	43,206,475	43,206,475
Add: Appreciation made for the year	-	-
Less: Adjustment during the year	-	-
Closing balance	<u>43,206,475</u>	<u>43,206,475</u>
<b>Exchange equalisation reserve</b>		
Opening Balance	131,518,243	131,518,243
Add: Addition/adjustment for the year	-	-
Closing balance	<u>131,518,243</u>	<u>131,518,243</u>
<b>Special reserve</b>		
Opening balance	75,716,308	75,716,308
Add: Appreciation made for the period	-	-
Less: Adjustment during the year	-	-
Closing balance	<u>75,716,308</u>	<u>75,716,308</u>
	<u>965,907,514</u>	<u>965,907,514</u>
Special reserve was created by erstwhile BSRS as per section 29(1)(V) of the Income Tax Ordinance, 1984.		
<b>16.3(a) Consolidated other reserve</b>		
Bangladesh Development Bank Limited	965,907,514	965,907,514
BDBL Securities Limited	4,000,000	2,000,000
BDBL Investment Services Limited	-	-
	<u>969,907,514</u>	<u>967,907,514</u>
<b>16.4 Contingent liabilities</b>		
Acceptance for FC guarantee	340,370,238	340,370,238
Letters of credit	241,543,432	485,364,049
Irrevocable letter of credits	-	-
Bills for collection	-	-
Other contingent liabilities	-	-
Total	<u>581,913,670</u>	<u>825,734,287</u>
<b>16.5 Retained earnings</b>		
Opening Balance	345,782,141	306,619,633
Add: Appropriation during the year	22,162,387	12,117,988
Add: Adjustment during the year	-	27,044,520
Closing balance	<u>367,944,528</u>	<u>345,782,141</u>
<b>16(a) Consolidated current year retained earnings</b>		
Bangladesh Development Bank Limited	22,162,387	12,117,988
BDBL Securities Limited	66,238,165	3,988,798
BDBL Investment Services Limited	27,522,731	8,085,042
	<u>115,923,283</u>	<u>24,191,828</u>
<b>16(a.i) Consolidated retained earnings</b>		
Bangladesh Development Bank Limited	367,944,528	345,782,141
BDBL Securities Limited	118,122,701	61,884,535
BDBL Investment Services Limited	41,366,495	13,869,663
	<u>527,433,724</u>	<u>421,536,339</u>

Note: 16.5



Bangladesh Development Bank Limited

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	2017 BDT	2016 BDT	
<b>17. Profit and loss account</b>			
Profit before tax during the year	804,629,449	500,542,112	
<u>Less: Provision for income tax</u>	240,000,000	120,000,000	
<u>Less: Provision for deferred tax</u>	1,467,062	1,775,876	
<u>Less: Statutory reserve</u>	161,000,000	100,200,000	
<u>Less: General reserve</u>	280,000,000	170,000,000	
<u>Less: Building fund</u>	-	-	
<u>Less: Dividend to Government</u>	100,000,000	100,000,000	
<u>Less: Retained surplus</u>	22,162,387	12,117,988	
	<u>-</u>	<u>-</u>	
<b>18. Interest income</b>			
Interest on taka loans	304,723,904	463,895,854	
Interest on amount due	4,502,559	19,315,848	
Interest on money at call and on short notice	206,517,564	92,345,074	
Interest on term deposit	703,678,204	651,314,640	
Interest on F.C. A/C. with Bangladesh Bank	521,217	332,311	
Interest on advances	564,494,381	628,065,641	
Interest on staff loan	115,100,700	109,979,165	
Interest on LTR	11,548,035	22,431,262	
Interest on LDBP	15,814,770	19,941,232	
	<u>1,926,901,334</u>	<u>2,007,620,827</u>	
<b>18(a) Consolidated interest income</b>			
Bangladesh Development Bank Limited	Note: 18	1,926,901,334	2,007,620,827
BDBL Securities Limited		29,062,209	26,269,842
BDBL Investment Services Limited		10,059,593	11,858,081
<u>Less: Interest income from Subsidiaries</u>		42,592,668	40,014,644
		<u>1,923,430,468</u>	<u>2,005,732,106</u>
<b>19. Interest paid on borrowing, deposit</b>			
Interest on L/C borrowing from GOB	147,976	165,170	
Interest on borrowing from B. Bank	15,895,185	18,598,645	
Interest on deposit at call	48,612,486	30,238,597	
Interest on F.D. account	1,037,311,378	1,315,152,625	
Interest on S.B account and schemes	145,121,555	149,102,919	
Interest on STD account	-	-	
Interest on deposit pension scheme and SND	157,373,144	189,462,288	
	<u>1,404,461,724</u>	<u>1,702,720,244</u>	
<b>19 (a) Consolidated interest paid on borrowing, deposit</b>			
Bangladesh Development Bank Limited	Note: 19	1,404,461,724	1,702,720,244
BDBL Securities Limited		42,592,668	40,014,644
BDBL Investment Services Limited		-	-
<u>Less: Interest paid to BDBL</u>		42,592,668	40,014,644
		<u>1,404,461,724</u>	<u>1,702,720,244</u>
<b>20. Investment income</b>			
Profit on sale of shares/securities	699,377,587	115,949,127	
Dividend on shares/securities	756,031,256	727,718,962	
Interest on debentures	-	-	
Interest on bond	48,390,689	64,390,262	
	<u>1,503,799,532</u>	<u>908,058,351</u>	
<b>20(a) Consolidated investment income</b>			
Bangladesh Development Bank Limited	Note: 20	1,503,799,532	908,058,351
BDBL Securities Limited		72,662,070	29,737,756
BDBL Investment Services Limited		27,839,983	8,241,407
		<u>1,604,301,585</u>	<u>946,037,514</u>



Bangladesh Development Bank Limited

Notes to the financial statements  
For the year ended 31 December 2017

	2017 BDT	2016 BDT
<b>21. Commission, exchange and brokerage</b>		
Other fees commission and charges	1,635,863	510,798
Commission on F.C / L/C	2,702,738	3,842,188
Commission on bills for collection	1,548,001	1,371,692
Acceptance commission	134,988	1,203,789
Exchange commission	10,650,543	10,838,046
Brokerage commission	5,236,999	7,848,683
Commission on remittance	820	17,770
Commission on Taka guarantee	322,645	1,685,342
	<u>22,232,597</u>	<u>27,318,308</u>
<b>21(a) Consolidated commission, exchange and brokerage</b>		
Bangladesh Development Bank Limited	Note: 21	22,232,597
BDBL Securities Limited		52,093,926
BDBL Investment Services Limited		13,851,770
		<u>88,178,293</u>
		<u>49,229,828</u>
<b>22. Other operating income</b>		
Rent on Bank's premises	261,568,971	251,966,987
Profit on sale of assets	1,363	759,523
Technical examination fees	3,152,805	4,819,753
Legal amount and documentation charges	296,366	753,943
Miscellaneous earnings	28,189,170	29,542,258
Gain or loss on re-valuation of F.C A/C	-	-
Income from write-off loan account	-	376,535,510
	<u>293,208,675</u>	<u>664,377,974</u>
<b>22(a) Consolidated other operating income</b>		
Bangladesh Development Bank Limited	Note: 22	293,208,675
BDBL Securities Limited		981,734
BDBL Investment Services Limited		944,730
		<u>295,135,139</u>
		<u>667,107,412</u>
<b>22(b) Receipt from other operating activities</b>		
Profit on sale of securities	699,377,587	115,949,127
Interest on bond	48,390,689	64,390,262
Rent on Bank's premises	261,042,156	251,966,987
Others	31,839,703	35,875,477
	<u>1,040,450,135</u>	<u>468,181,853</u>
<b>23. Salaries and allowances</b>		
Salary and allowances	499,431,317	506,159,257
Bank's contribution to employees P.F and gratuity fund	12,944,424	11,848,986
Staff salary (outsourcing)	56,068,629	45,850,213
Staff overtime allowances	11,840,487	11,276,205
Employees pension fund	135,127,700	155,864,177
Staff welfare facilities	36,208,145	18,362,030
Staff education expenses	46,000	21,400
Bonus	129,781,056	181,909,791
	<u>881,447,758</u>	<u>931,292,059</u>
<b>Managing Director/Chief Executive's remuneration</b>	<u>3,000,000</u>	<u>2,638,356</u>
<b>23(a) Consolidated salary and allowances</b>		
Bangladesh Development Bank Limited	Note-23	881,447,758
BDBL Securities Limited		13,296,279
BDBL Investment Services Limited		5,727,320
		<u>900,471,357</u>
		<u>931,292,059</u>
		<u>11,678,954</u>
		<u>4,805,236</u>
		<u>947,776,249</u>



Bangladesh Development Bank Limited

Notes to the financial statements  
For the year ended 31 December 2017

		2017 BDT	2016 BDT
<b>24. Rent, taxes, insurance, lighting</b>			
Rent and property taxes		34,243,333	45,526,415
Electricity, light and gas		10,422,700	12,399,568
Insurance, telex and rental		10,564,004	8,217,878
		<u>55,230,037</u>	<u>66,143,861</u>
<b>24(a) Consolidated rent, taxes, insurance, lighting</b>			
Bangladesh Development Bank Limited	Note-24	55,230,037	66,143,861
BDBL Securities Limited		4,169,372	3,836,244
BDBL Investment Services Limited		2,439,384	2,137,962
		<u>61,838,793</u>	<u>72,118,067</u>
<b>25. Legal and professional expenses</b>			
Legal and documentation charges		2,812,441	3,502,438
Professional charges		2,230,230	1,728,000
		<u>5,042,671</u>	<u>5,230,438</u>
<b>25(a) Consolidated legal and professional expenses</b>			
Bangladesh Development Bank Limited	Note-25	5,042,671	5,230,438
BDBL Securities Limited		240,900	105,800
BDBL Investment Services Limited		37,250	37,500
		<u>5,320,821</u>	<u>5,373,738</u>
<b>26. Postage, telegram and telephone</b>			
Postage and telegram		3,255,063	2,851,201
Telephone - local and trunk call		5,151,696	5,859,171
		<u>8,406,761</u>	<u>8,710,372</u>
<b>26(a) Consolidated postage, telegram and telephone</b>			
Bangladesh Development Bank Limited	Note-26	8,406,761	8,710,372
BDBL Securities Limited		77,599	39,478
BDBL Investment Services Limited		55,484	25,101
		<u>8,539,844</u>	<u>8,774,951</u>
<b>27. Stationery, printing and advertisement</b>			
Printing and stationery		11,065,603	13,735,560
Advertisement		2,535,671	20,870,990
		<u>13,601,274</u>	<u>34,606,550</u>
<b>27(a) Consolidated stationery, printing and advertisement</b>			
Bangladesh Development Bank Limited	Note-27	13,601,274	34,606,550
BDBL Securities Limited		775,205	651,166
BDBL Investment Services Limited		208,467	243,138
		<u>14,584,946</u>	<u>35,500,854</u>
<b>28. Directors' fees</b>		<u>2,235,250</u>	<u>2,162,500</u>
Each director is paid BDT 8,000 per meeting per attendance.			
<b>28(a) Consolidated Director fees</b>			
Bangladesh Development Bank Limited	Note-28	2,235,250	2,162,500
BDBL Securities Limited		572,942	518,370
BDBL Investment Services Limited		788,900	404,800
		<u>3,597,092</u>	<u>3,085,670</u>



Bangladesh Development Bank Limited

Notes to the financial statements  
For the year ended 31 December 2017

		2017 BDT	2016 BDT
<b>(b) Consolidated auditor fees</b>			
Bangladesh Development Bank Limited		828,500	788,000
BDBL Securities Limited		46,000	165,000
BDBL Investment Services Limited		57,500	50,000
		<u>932,000</u>	<u>1,003,000</u>
<b>29. Depreciation and repair of Bank's assets</b>			
Depreciation of fixed assets		38,707,590	38,048,728
Repair and maintenance of Bank's properties		21,854,567	22,305,348
		<u>60,562,157</u>	<u>60,354,076</u>
<b>29(a) Consolidated Depreciation and repair of Bank's assets</b>			
Bangladesh Development Bank Limited	Note-29	60,562,157	60,354,076
BDBL Securities Limited		2,527,641	2,885,669
BDBL Investment Services Limited		1,134,198	1,163,384
		<u>64,223,996</u>	<u>64,403,129</u>
<b>30. Other expenditure</b>			
Entertainment		9,114,952	9,654,656
Donation and subscription		1,659,310	1,615,000
Sundries		7,645,956	8,190,789
Books and periodicals		60,172	211,884
Lunch subsidy		34,312,000	36,508,429
Business development expenditure		863,915	2,090,633
Expenditure in minor assets		123,543	162,283
Staff training expenses		2,287,671	3,211,568
Liveries and uniform		868,785	1,731,526
Local conveyance		3,909,855	5,030,320
Staff medical facilities		253,000	835,110
T/DA and conveyances		6,483,046	8,222,795
T/DA Directors		666,000	479,100
Motor car running expenses		6,401,351	8,748,383
Staff bus facilities		13,617,944	14,292,114
Honorarium		2,181,810	2,321,025
Branch opening expense		336,247	1,166,470
Other expenditure		34,943,598	17,780,819
Stock exchange charges		-	594,597
Sports, culture and recreation		2,384,493	2,478,916
Executive car maintenance allowances		26,666,072	16,818,174
Interest waived		1,029,837	42,301
		<u>155,809,557</u>	<u>142,186,892</u>
<b>30(a) Consolidated other expenses</b>			
Bangladesh Development Bank Limited	Note-30	155,809,557	142,186,892
BDBL Securities Limited		7,595,838	8,053,388
BDBL Investment Services Limited		6,163,804	2,760,825
		<u>169,569,199</u>	<u>153,001,115</u>
<b>30(b) Payment for other operating activities</b>			
Rent, taxes, insurance and lighting		55,230,037	66,143,861
Law charges		5,042,671	5,230,438
Postage, telegram and telephone		8,406,761	8,710,372
Audit fee		828,500	788,000
Stationary, printing and advertisement		13,601,274	34,606,550
Directors' fee		2,235,250	2,162,500
Repair & maintenance of Bank's properties		21,854,567	22,305,348
Motor car running expenses		6,401,351	8,748,383
Staff bus facilities		13,617,944	14,292,114
Staff canteen		34,312,000	36,508,429
Others		101,478,263	82,637,966
		<u>263,008,618</u>	<u>282,133,961</u>



Bangladesh Development Bank Limited

Notes to the financial statements  
For the year ended 31 December 2017

	2017 BDT	2016 BDT	
<b>31. Provision for loans and advances and other investments</b>			
Provision for loan and advances			
For unclassified loans	-	-	
For classified loans	285,050,000	150,000,000	
	<u>285,050,000</u>	<u>150,000,000</u>	
Other provision			
Off-Balance sheet items	-	-	
Investment in shares	48,800,000	-	
Others	17,037,000	-	
	<u>65,837,000</u>	<u>-</u>	
	<u>350,887,000</u>	<u>150,000,000</u>	
<b>31(a) Consolidated provision for loans and advances</b>			
Bangladesh Development Bank Limited	Note-31	285,050,000	150,000,000
BDBL Securities Limited (Margin Loan)		-	-
BDBL Investment Services Limited		-	-
		<u>285,050,000</u>	<u>150,000,000</u>
Provision for investment & Others			
Bangladesh Development Bank Limited		65,837,000	-
BDBL Securities Limited		1,939,746	2,567,303
BDBL Investment Services Limited		2,171,380	-
		<u>69,948,126</u>	<u>2,567,303</u>
<b>32. Closing cash and cash equivalent</b>			
Cash in hand		57,871,172	58,983,908
Balance with Bangladesh Bank (including foreign currencies)		2,010,625,999	1,838,372,770
Balance held with other banks		15,536,298,075	11,102,459,518
		<u>17,604,795,246</u>	<u>12,999,816,196</u>
<b>32(a) Consolidated closing cash and cash equivalent</b>			
Bangladesh Development Bank Limited	Note-32	17,604,795,246	12,999,816,196
BDBL Securities Limited		116,863,633	123,136,210
BDBL Investment Services Limited		52,505,538	197,834,258
Less: Intergroup cash and cash equivalent (BSL)		1,340,683	3,887,072
Less: Intergroup cash and cash equivalent (BISL)		675,767	164,841,297
		<u>17,772,147,967</u>	<u>13,152,058,295</u>
<b>33. Earnings per share (EPS)</b>			
a) Profit attributable to ordinary share holders		563,162,387	382,317,988
b) Weighted average number of outstanding shares		40,000,000	40,000,000
Earnings per share (EPS) (a + b)		<u>14.08</u>	<u>9.56</u>
Earnings per Share (EPS) has been calculated in accordance with "Bangladesh Accounting Standard (BAS) - 33. Earnings per Share" which has been shown on the face of Profit & Loss Account. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.			
<b>33(a) Consolidated earnings per share</b>			
a) Profit attributable to ordinary equity holders		658,923,283	395,612,767
b) Weighted average number of outstanding shares		40,000,000	40,000,000
Earnings per share (EPS) (a + b)		<u>16.47</u>	<u>9.89</u>

**34. General**

- Figures have been rounded to the nearest Taka (BDT)
- The previous year's figure have been rearranged, where necessary, to conform to the presentation of 31 December 2017.



Bangladesh Development Bank Limited

Details of fixed assets  
As at 31 December 2017

Particulars	Cost / Revaluation				Depreciation						
	At 01 January	Addition	Disposal/ adjustment	Total at 31 December	Rate (%)	Up to 01 January	charged	Disposal/ adjustment	Total to 31 December	Written down value at 31 December	
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT	BDT	
<b>At cost:</b>											
Land	13,854,848	-	-	13,854,848	-	-	-	-	-	13,854,848	
Land & Building	578,215,498	-	-	578,215,498	2.5	322,348,883	7,336,562	-	329,685,445	248,530,053	
Building UIC	304,490	-	-	304,490	2.5	-	-	-	-	304,490	
Vehicles	92,769,923	-	-	92,769,923	20	81,091,347	6,503,553	1	87,594,899	5,175,024	
Equipments	49,962,947	2,469,217	597,728	51,834,437	20	33,127,252	3,740,260	75,793	36,791,719	15,042,716	
Computer equipments and software	93,396,899	46,751,279	7,072,651	133,075,527	20	60,826,064	16,356,726	(325,096)	77,508,486	55,567,041	
Furniture and fixtures	48,661,538	2,311,263	339,392	50,633,409	10	23,894,703	2,650,941	(40,161)	26,585,805	24,047,604	
Sundry asset	1,131,749	-	-	1,131,749	20	1,131,741	-	-	1,131,741	6	
Interior decorator	22,313,977	831,358	-	23,145,335	10	6,521,113	2,119,534	(13)	8,640,690	14,504,675	
<b>Sub-Total (A)</b>	<b>900,611,870</b>	<b>52,363,117</b>	<b>8,009,771</b>	<b>944,965,216</b>		<b>528,941,103</b>	<b>38,707,576</b>	<b>(290,076)</b>	<b>567,938,756</b>	<b>377,026,461</b>	
<b>At revaluation:</b>											
Land	3,175,704,168	-	-	3,175,704,168	-	-	-	-	-	3,175,704,168	
Premises	5,415,734,325	-	-	5,415,734,325	2.5	772,582,003	116,078,808	-	888,660,811	4,527,073,514	
Vehicles	8,620,180	-	-	8,620,180	20	8,439,945	180,234	-	8,620,179	1	
<b>Sub-Total (B)</b>	<b>8,600,058,673</b>	<b>-</b>	<b>-</b>	<b>8,600,058,673</b>		<b>781,021,948</b>	<b>116,259,042</b>	<b>-</b>	<b>897,280,990</b>	<b>7,702,777,683</b>	
<b>At 31 December 2017 (A+B)</b>	<b>9,500,670,543</b>	<b>52,363,117</b>	<b>8,009,771</b>	<b>9,545,023,889</b>		<b>1,309,963,051</b>	<b>154,966,618</b>	<b>(290,076)</b>	<b>1,465,219,746</b>	<b>8,079,804,144</b>	
<b>At 31 December 2016 (A+B)</b>	<b>9,484,563,433</b>	<b>44,616,731</b>	<b>28,509,620</b>	<b>9,500,670,544</b>		<b>1,161,681,653</b>	<b>157,103,916</b>	<b>8,822,518</b>	<b>1,309,963,051</b>	<b>8,190,707,492</b>	



Bangladesh Development Bank Limited

Annex B

Detail of information on advances  
More than 15% of bank's total capital (funded and non-funded)  
As at 31 December 2017

Sl. No.	Name of the Borrower	Outstanding as on 31 December 2017			Remarks
		Funded	Non funded	Total	
	Nil	-	-	-	-
	Total	-	-	-	-



Bangladesh Development Bank Limited

Annex C

Highlights on the overall activities of the Bank  
As at 31 December 2017

Sl no.	Particulars	2017 BDT	2016 BDT
1	Paid-up capital	4,000,000,000	4,000,000,000
2	Total capital	18,551,807,048	18,189,827,620
3	Capital surplus / (deficit)	7,344,212,898	7,290,688,329
4	Total assets	58,057,982,127	54,541,433,173
5	Total deposits	28,580,252,789	26,374,852,726
6	Total loans and advances	17,945,967,530	18,078,369,324
7	Total contingent liabilities and commitments	581,913,670	825,734,287
8	Credit deposit ratio (%)	62.79%	68.54%
9	Percentage of classified loans against total loans and advances	46.53%	40.48%
10	Profit after tax and provision	563,162,387	382,317,988
11	Amount of classified loans during the year	8,350,294,792	7,318,296,899
12	Provisions kept against classified loans	3,655,954,667	2,422,018,602
13	Provision surplus / (deficit)	99,946,975	37,868,840
14	Cost of fund (%)	7.93%	9.23%
15	Interest earning assets	25,232,750,208	22,129,170,960
16	Non-interest earning assets	32,825,231,919	32,412,262,213
17	Return on investment (ROI)(%)	15.04%	8.09%
18	Return on assets (ROA)(%)	0.97%	0.70%
19	Income from investments	1,503,799,532	908,058,351
20	Earning per share	14.08	9.56
21	Net income per share	14.08	9.56
22	Price earning ratio	N/A	N/A



Bangladesh Development Bank Limited

Balance with other banks - outside Bangladesh (nostro account)  
As at 31 December 2017

Annex D

Name of the Bank	Name of the Country	Currency Name	2017			2016		
			Amount in FC	Conversion rate per unit FC	Amount in BDT	Amount in FC	Conversion rate per unit FC	Amount in BDT
Modhumoti Bank Limited	Bangladesh	USD	56,256.29	82.8000	4,658,021	42,369.6	79.0	3,347,197
BHF Bank AG, Germany	Germany	EUR	31,452.73	98.6128	3,101,642	26,328.6	82.5	2,171,551
Sorsali Bank Limited	India	ACU	133,962.97	82.8000	11,092,134	403,043.3	79.0	31,840,422
Axis Bank Limited	India	ACU	16,000.00	82.8000	1,324,800	-	-	-
Mashreq Bank Limited	USA	USD	719,968.96	82.8000	59,613,430	-	-	-
<b>Total</b>					<b>79,790,027</b>			<b>37,359,170</b>



Bangladesh Development Bank Limited

Annex E

Name of the Directors of BDBL and their interest in other different entities  
As at 31 December 2017

Name	Status in Bank	Name of Firms/Companies in which interested
Shahabuddin Ahmed	Director & Acting Chairman	Nil
Md. Ekhlisur Rahman	Director	Nil
Mushtaque Ahmed	Director	Nil
Md. Abu Hanif Khan	Director	Nil
Dr. A.K. Ubaidur Rob	Director	> Director, Green Valley Plantation Limited > Director, Jantric Technologies Limited > Director, Apace Filling Limited > Director, Eco Plantation & Industries Limited > Country Director, Population Council
Syed Aftear Hussain Pear	Director	Nil
Saima Nasreen, ndc	Director	Nil
Manjur Ahmed	Managing Director	Nil



Bangladesh Development Bank Limited

Annex F

Statement of Investment  
As at 31 December 2017

Particulars	Cost Price / BDT	Market Price / BDT
Bangladesh Bank prize bond	1,229,700	1,229,700
Bond	240,000,000	240,000,000
Debenture	32,977,983	32,977,983
Investment in subsidiaries	400,000,000	400,000,000
Bangladesh fund	1,060,000,000	1,060,000,000
Other equity	48,295,000	48,295,000
EFAS-1983	117,100	117,100
Quoted share	8,142,303,449	31,104,881,798
Un-quoted share	71,891,336	71,891,336
<b>Total</b>	<b>9,996,814,568</b>	<b>32,959,392,915</b>

