

**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 2016

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Chartered Accountants  
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7, Rajuk Avenue  
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**Bangladesh Development Bank Limited**

**Independent Auditors' Report to the Shareholders  
For the year ended 31 December 2016**

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We have audited the accompanying consolidated financial statements of Bangladesh Development Bank Limited (BDBL) and its subsidiaries (the Group) as well as the separate financial statements of Bangladesh Development Bank Limited (the Bank) which comprise the consolidated and the separate balance sheet as at 31 December 2016, the consolidated and separate profit and loss accounts consolidated and separate statements of changes in equity, consolidated and separate cash flow statements, liquidity statement for the year then ended, and a summary of significant accounting policies and other explanatory notes and annexures thereto.

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

Management is responsible for the preparation of the consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in the note 2 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Companies Act 1991 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 2016, 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 as explained in note 2.



**Bangladesh Development Bank Limited**

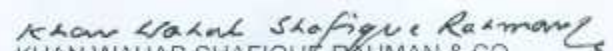
**Independent Auditors' Report to the Shareholders  
For the year ended 31 December 2016**

**Report on other legal and regulatory requirements**

In accordance with the Companies Act 1994, the Bank Companies Act 1991 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 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; and
- (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.

  
S. F. AHMED & CO  
Chartered Accountants

  
KHAN WAHAB SHAFIQUE RAHMAN & CO  
Chartered Accountants

Dhaka, Bangladesh  
Dated, 30 April 2016



Bangladesh Development Bank Limited

Consolidated Balance Sheet  
As at 31 December 2016

	Notes	2016 BDT	2015 BDT
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3(a)	<b>1,897,390,523</b>	<b>1,888,032,264</b>
In hand (including foreign currencies)		59,017,753	67,038,158
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		1,838,372,770	1,820,994,106
<b>Balance with other banks and financial institutions</b>	4(a)	<b>11,254,667,772</b>	<b>7,970,507,349</b>
In Bangladesh		11,217,308,802	7,895,692,615
Outside Bangladesh		37,359,170	74,814,734
<b>Money at call and on short notice</b>	5	-	-
<b>Investments</b>	6(a)	<b>11,672,394,103</b>	<b>11,535,470,019</b>
Government		3,541,400	4,174,300
Others		11,668,852,703	11,531,295,719
<b>Loans and advances</b>	7(a)	<b>17,809,001,073</b>	<b>17,964,535,490</b>
Loans, cash credit and overdrafts, etc		17,494,935,008	17,681,872,556
Bill purchased and discounted		314,066,065	282,662,934
<b>Fixed assets including premises, furniture and fixtures</b>	8(a)	<b>8,204,413,518</b>	<b>8,338,131,683</b>
<b>Other assets</b>	9(a)	<b>4,061,486,431</b>	<b>3,681,888,440</b>
<b>Total assets</b>		<b>54,899,353,420</b>	<b>51,378,565,245</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other Banks, financial institutions and agents</b>	10	<b>334,683,245</b>	<b>404,372,248</b>
<b>Deposits and other accounts</b>	11(a)	<b>26,206,124,357</b>	<b>23,162,311,267</b>
Current and other accounts		5,741,793,700	5,971,750,722
Bills payable		133,832,303	123,764,864
Savings Bank deposits		1,068,402,892	695,918,616
Fixed deposits		19,282,095,462	16,370,879,065
Other deposits		-	-
<b>Other liabilities</b>	12(a)	<b>9,834,998,060</b>	<b>9,761,884,576</b>
<b>Total liabilities</b>		<b>36,375,805,662</b>	<b>33,328,568,091</b>
<b>Shareholders' equity</b>			
<b>Total shareholders' equity</b>		<b>18,523,547,758</b>	<b>18,049,997,154</b>
Paid-up capital	13	4,000,000,000	4,000,000,000
Quasi equity	14	134,744,560	134,744,560
Statutory reserve	15	2,174,421,338	2,074,221,338
General reserve	16.1	3,767,755,114	3,597,755,114
Revaluation reserve	16.2(a)	7,057,182,895	6,904,700,553
Other reserve	16.3(a)	967,907,514	967,907,514
Retained earnings	16(a.i)	421,536,339	370,668,077
<b>Total liabilities and shareholders' equity</b>		<b>54,899,353,420</b>	<b>51,378,565,245</b>




**Bangladesh Development Bank Limited and Its Subsidiaries**


**Consolidated Balance Sheet  
As at 31 December 2016**

	Notes	2016 BDT	2015 BDT
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>	16.4	<b>825,734,287</b>	<b>1,150,182,181</b>
Acceptance and endorsements		-	-
Acceptance for FC guarantee		340,370,238	437,788,157
Letters of credit		485,364,049	712,394,024
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>825,734,287</b>	<b>1,150,182,181</b>

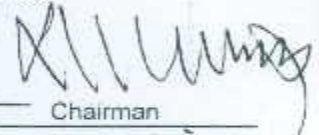
These financial statements should be read in conjunction with annexed notes.

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 2016




**Bangladesh Development Bank Limited**

**Consolidated Profit and Loss Account  
For the year ended 31 December 2016**

	Notes	2016 BDT	2015 BDT
Interest Income	18(a)	2,005,732,106	2,218,187,430
<u>Less: Interest paid on deposits and borrowings, etc</u>	19(a)	1,702,720,244	1,890,324,098
<b>Net interest income</b>		<b>303,011,862</b>	<b>327,863,334</b>
Investment income	20(a)	946,037,514	1,642,381,663
Commission, exchange and brokerage	21(a)	49,229,828	43,849,396
Other operating income	22(a)	667,107,412	267,192,446
		<b>1,662,374,754</b>	<b>1,953,423,505</b>
<b>Total operating income</b>		<b>1,965,386,616</b>	<b>2,281,286,839</b>
<b>Operating expenses</b>			
Salaries and allowances	23(a)	947,776,249	636,094,327
Rent, taxes, insurance, lighting, etc	24(a)	72,118,067	59,622,572
Legal expenses	25(a)	5,373,738	5,297,499
Postage, telegram, telephone and stamps	26(a)	8,774,951	9,521,135
Stationery, printing, advertisement, etc	27(a)	35,500,854	44,720,026
Managing Director's/Chief Executive's remuneration		2,638,356	3,560,000
Directors' fees	28(a)	3,085,670	2,469,350
Auditors' fees	28(b)	1,003,000	991,500
Depreciation and repair of Bank's assets	29(a)	64,403,129	70,485,416
Other expenditure	30(a)	153,001,115	162,977,590
<b>Total operating expenses</b>		<b>1,293,675,129</b>	<b>995,739,414</b>
<b>Profit/ (loss) before provision</b>		<b>671,711,487</b>	<b>1,285,547,425</b>
Provision for loans and advances	31(a)	150,000,000	577,800,000
Provision for diminution in value of investments		2,567,303	24,697,371
Other provisions		-	-
<b>Total provision</b>		<b>152,567,303</b>	<b>602,497,371</b>
<b>Total profit/(loss) before taxes</b>		<b>519,144,184</b>	<b>683,050,054</b>
<b>Provision for taxation for the period</b>			
Current tax	12(a.i)	125,388,409	163,833,128
Deferred tax	12(a.ii)	(1,856,992)	(29,958,263)
		<b>123,531,417</b>	<b>133,874,865</b>
<b>Net profit after taxation</b>		<b>395,612,767</b>	<b>549,175,189</b>
<b>Appropriations:</b>			
Statutory reserve		100,200,000	126,500,000
General reserve		170,000,000	280,000,000
Revaluation reserve		1,220,940	-
Dividend to Government		100,000,000	100,000,000
		371,420,940	506,500,000
<b>Retained surplus</b>	16(a)	<b>24,191,827</b>	<b>42,675,189</b>
<b>Earning per share (EPS)</b>	33(a)	<b>9.89</b>	<b>13.73</b>

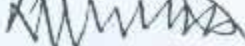
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for and on behalf of Board of Directors of Bangladesh Development Bank Limited

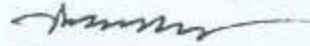
  
Managing Director

  
Director

  
Director

  
Chairman

See annexed report of the date

  
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KHAN WAHAB SHAFIQUE RAHMAN & CO  
Chartered Accountants

Dhaka, Bangladesh  
Dated, 30 April 2018



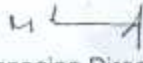
**Bangladesh Development Bank Limited**


**Consolidated Cash Flow Statement  
For the year ended 31 December 2016**

	Notes	2016 BDT	2015 BDT
<b>A. Cash flows from operating activities</b>			
Interest receipts in cash		2,060,162,161	2,218,354,769
Interest payments		(1,656,856,112)	(1,890,371,256)
Dividends receipts		829,745,771	904,964,349
Fees and commission receipts in cash		47,351,887	43,849,396
Recoveries of loans previously written-off		376,535,510	11,500,000
Cash payments to employees		(899,314,826)	(639,654,327)
Income taxes paid		(307,700,625)	(407,116,176)
Receipts from other operating activities		530,982,297	992,416,827
Payments for other operating activities		(345,080,494)	(310,500,100)
<b>Operating profit before changes in operating assets and liabilities</b>		<b>635,825,569</b>	<b>923,443,482</b>
<b>Increase/(Decrease) in operating assets and liabilities</b>			
Loans and advances		87,954,121	(1,454,559,824)
Other assets		(34,921,041)	(298,368,531)
Deposits from customers and others		2,991,304,841	21,590,677
Other liabilities		(398,880,513)	376,294,172
<b>Cash flows from operating assets and liabilities</b>		<b>2,645,457,408</b>	<b>(1,355,043,506)</b>
<b>Net cash from / (used in) operating activities</b>		<b>3,281,282,977</b>	<b>(431,600,024)</b>
<b>B. Cash flows from investing activities</b>			
Proceeds from sale of securities		447,245,482	1,391,705,694
Payments for purchase of securities		(247,767,508)	(1,330,019,801)
Purchase/Sale of property, plant and equipment		(17,553,266)	(40,230,864)
<b>Net cash from / (used in) investing activities</b>		<b>181,924,708</b>	<b>21,455,029</b>
<b>C. Cash flows from financing activities</b>			
Decrease in long term borrowing		(69,689,003)	(269,557,801)
Dividend paid		(100,000,000)	(100,000,000)
<b>Net cash from / (used in) financing activities</b>		<b>(169,689,003)</b>	<b>(369,557,801)</b>
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>		<b>3,293,518,682</b>	<b>(779,702,796)</b>
<b>E. Effects of changes in exchange rate</b>		-	<b>692,933</b>
<b>F. Cash and cash equivalents at beginning of the year</b>		<b>9,858,539,613</b>	<b>10,637,549,476</b>
<b>G. Cash and cash equivalents at end of the year (D+E+F)</b>	32(a)	<b>13,152,058,295</b>	<b>9,858,539,613</b>
<b>Cash and cash equivalents at end of the year</b>			
Cash in hand		59,017,753	67,038,158
Balance with Bangladesh Bank and its agent bank(s)		1,838,372,770	1,820,994,106
Balance with other banks		11,254,667,772	7,970,507,349
		<b>13,152,058,295</b>	<b>9,858,539,613</b>

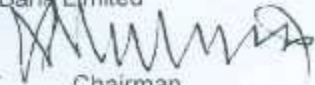
These financial statements should be read in conjunction with annexed notes.

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

  
Managing Director

  
Director

  
Director

  
Chairman

Dhaka, Bangladesh  
Dated, 30 April 2016



Bangladesh Development Bank Limited

Consolidated Statement of Changes in Equity  
For the year ended 31 December 2016

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 2016	4,000,000,000	134,744,560	2,074,221,336	3,597,755,114	6,904,700,553	967,907,514	370,668,077	-	18,049,997,154
Change in accounting policy	-	-	-	-	254,745,000	-	26,676,435	-	281,421,435
Restated Balance	4,000,000,000	134,744,560	2,074,221,336	3,597,755,114	7,159,445,553	967,907,514	397,344,512	-	18,331,418,589
Share issued (BDBL Securities)	-	-	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of investments	-	-	-	-	-	-	-	-	-
Adjustment for sold assets	-	-	-	-	-	-	-	-	-
Dep. during the year	-	-	-	-	(119,055,188)	-	-	-	(119,055,188)
Adjustment for deferred tax	-	-	-	-	15,571,590	-	-	-	15,571,590
Difference arises in currency transaction	-	-	-	-	-	-	-	-	-
Net gain and losses not recognized in the profit and loss account	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	-	395,612,767	395,612,767
Appropriations made during the year	-	-	100,200,000	170,000,000	1,220,940	-	24,191,827	(295,612,767)	-
Dividend to Govt.	-	-	-	-	-	-	-	(100,000,000)	(100,000,000)
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
Balance at 31 December 2015	4,000,000,000	134,744,560	2,074,221,336	3,597,755,114	6,904,700,553	967,907,514	370,668,077	-	18,049,997,154

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



Dhaka, Bangladesh  
Dated, 30 April 2016

Managing Director

Director

Director

Chairman



**Bangladesh Development Bank Limited**

**Balance Sheet  
As at 31 December 2016**

	Notes	2016 BDT	2015 BDT
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3	<b>1,897,356,678</b>	<b>1,888,008,390</b>
Cash in hand (including foreign currencies)		58,983,908	67,014,284
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		1,838,372,770	1,820,994,106
<b>Balance with other banks and financial institutions</b>	4	<b>11,102,459,518</b>	<b>7,933,748,124</b>
In Bangladesh		11,065,100,348	7,858,933,390
Outside Bangladesh		37,359,170	74,814,734
<b>Money at call and on short Notice</b>	5	-	-
<b>Investments</b>	6	<b>11,228,348,075</b>	<b>11,414,025,393</b>
Government		3,541,400	4,174,300
Others		11,224,806,675	11,409,851,093
<b>Loans and advances</b>	7	<b>18,078,369,324</b>	<b>18,137,510,230</b>
Loans, cash credit and overdrafts, etc		17,764,303,259	17,854,847,297
Bill purchased and discounted		314,066,065	282,662,934
<b>Fixed assets including premises, furniture and fixtures</b>	8	<b>8,190,707,492</b>	<b>8,322,881,780</b>
<b>Other assets</b>	9	<b>4,044,192,086</b>	<b>3,760,265,018</b>
<b>Total assets</b>		<b>54,541,433,173</b>	<b>51,456,438,936</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other Banks, financial institutions and agents</b>	10	<b>334,683,245</b>	<b>404,372,248</b>
<b>Deposits and other accounts</b>	11	<b>26,374,852,726</b>	<b>23,371,664,867</b>
Current and other accounts		5,795,247,406	5,993,300,084
Bills payable		133,832,303	123,764,864
Savings Bank deposits		1,068,402,892	895,916,616
Fixed deposits		19,377,370,125	16,558,683,303
Other deposits		-	-
<b>Other liabilities</b>	12	<b>9,642,069,582</b>	<b>9,696,453,111</b>
<b>Total liabilities</b>		<b>36,351,605,553</b>	<b>33,472,490,226</b>
<b>Shareholders' equity</b>			
<b>Total shareholders' equity</b>		<b>18,189,827,620</b>	<b>17,983,948,710</b>
Paid-up capital	13	4,000,000,000	4,000,000,000
Quasi equity	14	134,744,560	134,744,560
Statutory reserve	15	2,174,421,336	2,074,221,336
General reserve	16.1	3,767,755,114	3,597,755,114
Revaluation reserve	16.2	6,801,216,955	6,904,700,553
Other reserve	16.3	965,907,514	965,907,514
Retained earnings	16.5	345,782,141	306,619,633
<b>Total liabilities and shareholders' equity</b>		<b>54,541,433,173</b>	<b>51,456,438,936</b>



**Bangladesh Development Bank Limited**

**Balance Sheet  
As at 31 December 2016**

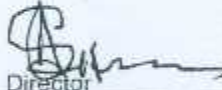
	Notes	2016 BDT	2015 BDT
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>	16.4	825,734,287	1,150,182,181
Acceptance and endorsements		-	-
Acceptance for FC guarantee		340,370,238	437,788,157
Letters of credit		485,364,049	712,394,024
Bills for collection		-	-
Other contingent liabilities		-	-
<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>825,734,287</b>	<b>1,150,182,181</b>

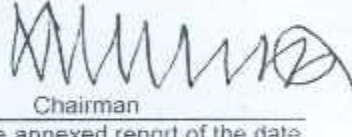
These financial statements should be read in conjunction with annexed notes.

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

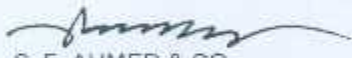
  
Managing Director

  
Director

  
Director

  
Chairman  
See annexed report of the date



  
S. F. AHMED & CO  
Chartered Accountants

Dhaka, Bangladesh  
Dated, 30 April 2016

  
Khan Wahab Shafique Rahman & CO  
Chartered Accountants



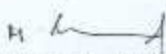
**Bangladesh Development Bank Limited**

**Profit and Loss Account  
For the year ended 31 December 2016**

	Notes	2016 BDT	2015 BDT
Interest income	18	2,007,620,827	2,208,788,121
Interest paid on deposit, borrowing, etc	19	(1,702,720,244)	(1,890,324,096)
<b>Net Interest Income</b>		<b>304,900,583</b>	<b>318,464,025</b>
Income from investments	20	908,058,351	1,573,627,728
Commission, exchange and brokerage	21	27,318,308	24,983,975
Other operating income	22	664,377,974	257,792,431
		<b>1,599,754,633</b>	<b>1,856,404,135</b>
<b>Total operating income</b>		<b>1,904,655,216</b>	<b>2,174,868,161</b>
<b>Operating expenses</b>			
Salaries and allowances	23	931,292,059	623,929,332
Rent, taxes, insurance, lighting, etc	24	66,143,861	54,007,172
Legal expenses	25	5,230,438	5,208,949
Postage, telegram, telephone and stamps	26	8,710,372	9,389,452
Stationery, printing, advertisement, etc	27	34,606,550	43,130,182
Managing Director's/Chief Executive's remuneration		2,638,356	3,560,000
Directors' fees	28	2,162,500	1,840,200
Auditors' fees		788,000	842,000
Depreciation and repair of Bank's assets	29	60,354,076	67,088,777
Charges on loan losses		-	-
Other expenditure	30	142,186,892	155,710,870
<b>Total operating expenses</b>		<b>1,254,113,104</b>	<b>964,706,933</b>
<b>Profit/(loss) before provision</b>		<b>650,542,112</b>	<b>1,210,161,227</b>
Provision for loans and advances	31	150,000,000	577,800,000
Provision for diminution in value of investments		-	-
Other provisions		-	-
<b>Total provision</b>		<b>150,000,000</b>	<b>577,800,000</b>
<b>Total profit/(loss) before taxes</b>		<b>500,542,112</b>	<b>632,361,227</b>
<b>Provision for taxation for the year</b>			
Current tax		120,000,000	145,000,000
Deferred tax		(1,775,876)	(29,940,793)
		<b>118,224,124</b>	<b>115,059,207</b>
<b>Net profit/(loss) after tax</b>		<b>382,317,988</b>	<b>517,302,020</b>
<b>Appropriations:</b>			
Statutory reserve		100,200,000	126,500,000
General reserve		170,000,000	280,000,000
Building fund		-	-
Dividend to Government		100,000,000	100,000,000
		<b>370,200,000</b>	<b>506,500,000</b>
<b>Retained surplus</b>		<b>12,117,988</b>	<b>10,802,020</b>
<b>Earning per share (EPS)</b>	33	<b>9.56</b>	<b>12.93</b>

These financial statements should be read in conjunction with annexed notes

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

  
Managing Director

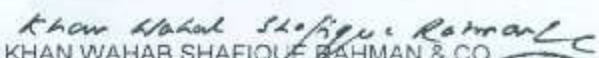
  
Director

  
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 2016



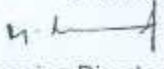
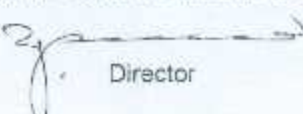


Bangladesh Development Bank Limited

Cash Flow Statement  
For the year ended 31 December 2016

	Notes	2016 BDT	2015 BDT
<b>A. Cash flows from operating activities</b>			
Interest receipts in cash		2,060,758,715	2,208,788,121
Interest payments		(1,656,856,112)	(1,890,324,096)
Dividend receipts		793,545,840	897,688,254
Fees and commission receipts in cash		27,318,308	24,983,975
Recoveries on loans previously written-off		376,535,510	11,500,000
Cash payments to employees		(882,815,637)	(627,489,332)
Income taxes paid		(284,059,379)	(399,708,616)
Receipts from other operating activities	22(b)	468,181,853	921,538,972
Payments for other operating activities	30(b)	(282,133,961)	(297,508,976)
<b>Operating profit before changes in operating assets and liabilities</b>		<b>620,475,137</b>	<b>849,468,302</b>
<b>Increase/(Decrease) in operating assets and liabilities</b>			
Loans and advances		8,744,579	(1,543,621,071)
Other assets		(88,274,663)	(266,216,979)
Deposits from customers and others		3,003,187,859	21,590,677
Other liabilities		(365,954,434)	371,944,542
<b>Cash flows from operating assets and liabilities</b>		<b>2,557,703,340</b>	<b>(1,416,302,831)</b>
<b>Net cash from / (used in) operating activities</b>		<b>3,178,178,477</b>	<b>(566,834,529)</b>
<b>B. Cash flows from investing activities</b>			
Proceeds from sale of securities		433,444,826	1,586,341,611
Payments for purchase of securities		(247,767,508)	(1,330,019,801)
Purchase/Sale of property, plant and equipment		(16,107,111)	(36,394,654)
<b>Net cash from / (used in) investing activities</b>		<b>169,570,207</b>	<b>219,927,156</b>
<b>C. Cash flows from financing activities</b>			
Decrease in long term borrowing		(69,689,003)	(269,557,801)
Dividend paid		(100,000,000)	(100,000,000)
<b>Net cash from / (used in) financing activities</b>		<b>(169,689,003)</b>	<b>(369,557,801)</b>
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>		<b>3,178,059,682</b>	<b>(716,465,174)</b>
<b>E. Effects of changes in exchange rate</b>		-	<b>692,933</b>
<b>F. Cash and cash equivalents at beginning of the year</b>		<b>9,821,756,514</b>	<b>10,537,528,755</b>
<b>G. Cash and cash equivalents at end of the year (D+E+F)</b>	32	<b>12,999,816,196</b>	<b>9,821,756,514</b>
<b>Cash and cash equivalents at end of the year</b>			
Cash in hand		58,983,908	67,014,284
Balance with Bangladesh Bank and its agent bank(s)		1,838,372,770	1,820,994,106
Balance with other banks		11,102,459,518	7,933,748,124
		<b>12,999,816,196</b>	<b>9,821,756,514</b>

These financial statements should be read in conjunction with 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 2016



Bangladesh Development Bank Limited

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

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 2016	4,300,000,000	134,744,560	2,074,221,336	3,597,755,115	6,904,700,553	965,907,514	306,619,632	-	17,983,948,710
Change in accounting policy/transfer	-	-	-	-	-	-	27,044,520	-	27,044,520
Restated balance	4,300,000,000	134,744,560	2,074,221,336	3,597,755,115	6,904,700,553	965,907,514	333,664,152	-	18,010,993,230
Surplus/deficit on revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus/deficit on revaluation of investments	-	-	-	-	-	-	-	-	-
Adjustment for sold assets	-	-	-	-	-	-	-	-	-
Depreciation during the year	-	-	-	-	(119,055,188)	-	-	-	(119,055,188)
Adjustment for deferred tax	-	-	-	-	15,571,590	-	-	-	15,571,590
Difference arises in currency transaction	-	-	-	-	-	-	-	-	-
Net gain and losses not recognised in the profit and loss account	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	-	382,317,988	382,317,988
Appropriations made during the year	-	-	100,200,000	170,000,000	-	-	12,117,988	(282,317,988)	-
Dividend to Govt.	-	-	-	-	-	-	-	(100,000,000)	(100,000,000)
<b>Balance at 31 December 2016</b>	<b>4,000,000,000</b>	<b>134,744,560</b>	<b>2,174,421,336</b>	<b>3,767,755,115</b>	<b>6,801,216,955</b>	<b>965,907,514</b>	<b>345,782,141</b>	<b>-</b>	<b>18,189,827,620</b>
Balance at 31 December 2015	4,000,000,000	134,744,560	2,074,221,336	3,597,755,115	6,904,700,553	965,907,514	306,619,632	-	17,983,948,710

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



Managing Director

Dhaka, Bangladesh  
Dated, 30 April 2016

Director

Director

Chairman

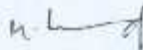


Bangladesh Development Bank Limited

Liquidity Statement (Analysis of Maturity of Assets and Liabilities)  
As at 31 December 2016

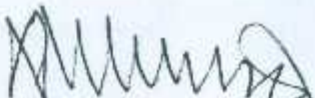
Particulars	Not more than 1 month term BDT	1-3 months term BDT	3-12 months term BDT	1-5 years term BDT	Above 5-years term BDT	Total BDT
<b>Assets</b>						
Cash in hand	58,983,908	-	-	-	-	58,983,908
Balance with Bangladesh Bank and Sonali Bank (incl. foreign currencies)	230,400,000	-	-	-	1,807,972,770	1,838,372,770
Balance with other banks and financial institutions and agents	3,556,900,000	4,595,000,000	2,950,559,518	-	-	11,102,459,518
Money at call on short notice	-	-	-	-	-	-
Investment	3,541,400	7,106,675	1,028,500,000	6,680,800,000	3,508,400,000	11,228,348,075
Loans and advances	16,500,000	2,072,200,000	4,135,100,000	7,730,100,000	4,124,469,324	18,078,369,324
Fixed assets including premises, furniture and fixtures	-	-	-	-	8,190,707,492	8,190,707,492
Other assets	247,400,000	471,900,000	345,300,000	2,876,400,000	101,192,086	4,044,192,086
Non-banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>4,113,725,308</b>	<b>7,146,206,675</b>	<b>8,459,459,518</b>	<b>17,289,300,000</b>	<b>17,532,741,672</b>	<b>54,541,433,173</b>
<b>Liabilities</b>						
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	14,100,000	42,300,000	127,400,000	150,883,245	-	334,683,245
Deposits and other accounts	780,600,000	1,272,300,000	6,197,100,000	18,124,852,726	-	26,374,852,726
Provision and other liabilities	-	-	1,242,200,000	2,323,500,000	6,078,369,582	9,642,069,582
<b>Total Liabilities</b>	<b>794,700,000</b>	<b>1,314,600,000</b>	<b>7,566,700,000</b>	<b>20,599,235,971</b>	<b>6,078,369,582</b>	<b>36,351,605,553</b>
<b>Net liquidity gap</b>	<b>3,319,025,308</b>	<b>5,831,606,675</b>	<b>892,759,518</b>	<b>(3,309,935,971)</b>	<b>11,456,372,090</b>	<b>18,189,827,620</b>

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

  
Managing Director

  
Director

  
Director

  
Chairman

Dhaka, Bangladesh  
Dated, 30 April 2016

- Balance with other banks and financial institutions, Money at call on short notice are on the basis of their maturity.
- Investments are on the basis of their maturity.
- Loans and advances are on the basis of their maturity.
- Fixed assets including premises land and buildings, furniture and fixtures are on the basis of their useful life.
- Other assets are on the basis of their adjustment.
- Borrowings from Bangladesh Bank, other banks, financial institutions and agents are on the basis of their payment.
- Deposits and other accounts are on the basis of their maturity and payment.
- 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 2016**

**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 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; named BDBL Securities Limited, a fully owned subsidiary company which was registered 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 in favour of BISL on 19 January 2016.

**1.02 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.

**2 Significant accounting policies**

**2.01 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.

**2.02 Consolidation of accounts**

A separate set of records for compiling 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 and BDBL Investment Services Limited.

**2.03 Use of estimates and judgments**

**2.03.01 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 2016**

<b>Assets</b>	<b>Rates</b>
Building / Premises	2.5%
Furniture and Fixtures	10.0%
Electric / Gas Installation	20.0%
Typewriters, Ceiling Fans, Office Equipment (including Computer) and SBBL Gun	20.0%
Motor Cars, other Vehicles	20.0%

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.

**2.04 Investments**

- i. Investments in quoted shares are stated at lower of cost and market 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.
- ii. Investment in debenture is stated at cost less redemption.
- iii. Interest income on investment is recognised on accrual basis. Capital gain on disposal of investments is recognised as investment income when it is realised.
- iv. Provision for investment in unquoted shares is made when there is an objective evidence of impairment (i.e. net assets below equity).
- v. 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.
- vi. Dividend income is recognised on accrual basis.
- vii. Bonus shares received are accounted for at nil value.
- viii. Profit/ Loss on sale of investments is accounted for by deducting the average cost of investments from selling price thereof.

**2.05 Loans and advances**

- i. Loans and advances have been stated at gross value as per requirement of the Bangladesh Bank.
- ii. Interest on unclassified loans and advance are calculated on a daily product basis but charged and accounted for on quarterly basis and in some cases on yearly basis.
- iii. No interest is charged on loan classified as bad and loss.
- iv. 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 and such interest is not included in income and credited to interest suspense account. This interest is credited to income on realisation.
- v. Interest and penal interest, if any, calculated on classified loans and advances are taken as income in the year of receipt of such interest from the defaulting borrowers.
- vi. Interest on Special Mention Account (SMA) loan is charged and credited to interest suspense account as per Bangladesh Bank BRPD Circular no.14 dated 23 September 2012. This interest is transferred to income only on realisation.
- vii. Provision for loans and advances is 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 stating the following rates:



**Bangladesh Development Bank Limited**

**Notes to the financial statements  
For the year ended 31 December 2016**

<b>General provision on</b>	<b>Provision rate</b>
a. Consumer Financing (House Financing)	2%
b. Consumer Financing (Loans to Professional)	2%
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.

**2.06 Rental income**

Rental income is accounted for on accrual basis.

**2.07 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.

**2.08 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.

**2.09 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 2016**

**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 December 21, 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 while calculating eligible capital at the year ended 2016.

**2.15 Provision for taxation**

Provision for current income tax has been made @ 42.50% as prescribed in the Finance Act, 2016 on accounting profit made by the Bank after considering allowable and non-allowable expenditures as per Income Tax Ordinance 1984.

**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 2016 is as under:

Outstanding Period	Debit Entry		Credit Entry		Total Entry
	No. of entry	BDT	No. of entry	BDT	
Less than 3 months	157	127,871	97	95,186	254
3 months to 6 months	286	42,321	153	127,066	439
6 months to 9 months	332	72,034	195	36,977	527
9 months to 12 months	234	38,541	190	21,154	424
More than 12 months	1106	21,618	873	26,356	1979
<b>Total</b>	<b>2115</b>	<b>302,385</b>	<b>1508</b>	<b>306,739</b>	<b>3623</b>
Unadjusted amount (Credit)				4,354	

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

**12.18 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, General Advances Department determines the quality of the credit portfolio and assists in minimizing potential losses. Credit Risk Management Committee of the bank independently co-ordinate the overall Credit Risk Management activities of the bank.

b. **Asset liability risk management**

The risk associated with asset liability management is identified, monitored, mitigated and managed by the Asset Liability Committee ("ALCO") of the Bank. The Asset Liability Committee prepares monthly ALCO paper as per guidelines of Bangladesh Bank. Maturity gap of assets and liabilities and interest rate movement are strongly monitored. As a result the Bank is always maintaining optimum liquidity with required regulatory compliance.



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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:

	Managing Director	
	Head of Internal Control and Compliance Division (ICCD)	
Head of Audit and Inspection Department		Head of Compliance Department

The functions of two Departments of ICC (Audit and Inspection Department and Compliance

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).



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**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)/project(s)/process(es)/business(es), 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;
- 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, Environmental Risk Management and Green Banking committee of the bank plays key role.



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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 and 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 2013, 2014 and 2015.

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 2016 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. These reports covering various aspects related to Credit, Market, Liquidity, Operational and Reputational Risks etc. are placed before the Management Level Risk Management Committee for examination and recommendation towards risk mitigation according to the prescribed format of the Bangladesh Bank.

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 Audit committee

2.20.1 Member

An audit committee has been reconstituted by the Board of Directors of the Bank in its 180th meeting held on 18 December, 2016. 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	Dr. A. K. Ubaidur Rob	Ph. D	Director	Member
5	Syed Aftear Hussain Pear	BCom	Director	Member



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**2.20.2 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, computerisation 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 review of 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 2016 the committee conducted 9 (Nine) 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 2015
- Review of key performance indicators of the branches
- Review of compliance and implementation of comprehensive inspection report as on 31 December 2015 by Bangladesh Bank
- Approval of internal audit plan of BDBL for the year 2016.

**2.21 Board of directors**

Name of the directors and the entities in which they have interest during as on 31 December, 2016 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.	Md. Yeasin Ali	Chairman	-	Appointed as Chairman on 26 November 2014
2.	Shahabuddin Ahmed	Director	Additional Secretary, Finance Division, Ministry of Finance, Government of Bangladesh	Appointed on 06 January 2016
3.	Md. Ekhlashur Rahman	Director	Additional Secretary, Finance Division, Ministry of Finance, Government of Bangladesh	Appointed on 06 January 2016
4.	Mushtaque Ahmed	Director	-	Appointed on 14 January 2016
5.	Md. Abu Hanif Khan	Director	-	Appointed on 14 January 2016
6.	Dr. A. K. Ubaidur Rob	Director	Country Director, Population Council; Director, Green Valley Plantation Limited, Director, Jantrik Technologies Limited, Director, Apace Filling Station Limited, Director, Eco Plantation and Industries Limited,	Appointed on 26 January 2016
7.	Syed Aftear Hossain Pear	Director	-	Reappointed on 24 April 2016
8.	Salma Nasreen, ndc	Director	Additional Secretary, Bank and Financial Institution Division, Ministry of Finance, Government of Bangladesh	Appointed on 01 November 2016
9.	Manjur Ahmed	Managing Director	Bangladesh Development Bank Limited	

**2.22 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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		2016 BDT	2015 BDT
<b>3. CASH</b>			
<b>3.1 Cash in hand</b>			
In local currency		58,983,908	67,014,284
In foreign currencies		-	-
<b>Balance with Bangladesh Bank and Sonali Bank Limited</b>	Note: 3.2	<u>1,838,372,770</u>	<u>1,820,994,106</u>
		<u><b>1,897,356,678</b></u>	<u><b>1,888,008,390</b></u>
<b>3(a) Consolidated cash in hand</b>			
Bangladesh Development Bank Limited	Note: 3.1	1,897,356,678	1,888,008,390
BDBL Securities Limited		-	-
BDBL Investment Services Limited		33,845	23,874
		<u><b>1,897,390,523</b></u>	<u><b>1,888,032,264</b></u>
<b>3.2 Balance with Bangladesh Bank and Sonali Bank Limited</b>			
Local currency - Bangladesh Bank		1,695,198,169	1,718,557,432
Local currency - Sonali Bank Limited		23,562,464	20,439,036
Foreign currency - Bangladesh Bank		119,612,137	81,997,636
		<u><b>1,838,372,770</b></u>	<u><b>1,820,994,106</b></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)		1,725,215,000	1,405,462,825
Actual reserve held with Bangladesh Bank		1,833,778,000	1,427,121,471
Excess reserve (average/day)		<u><b>108,563,000</b></u>	<u><b>21,658,646</b></u>
<p>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 &amp; MPD circular no. 04 dated 01 December 2010, and MPD circular no. 01 dated 23 June 2014.</p>			
<b>3.3.1 Statutory liquidity ratio (SLR)</b>			
<p>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</p>			
<b>4. Balance with other banks and financial institutions</b>			
In Bangladesh	Note: 4.1	11,065,100,348	7,858,933,390
Outside Bangladesh	Note: 4.2	37,359,170	74,814,734
		<u><b>11,102,459,518</b></u>	<u><b>7,933,748,124</b></u>
<b>4.1 In Bangladesh</b>			
<b>Current and other accounts:</b>			
Current account		116,961,813	111,046,601
Depreciation fund in savings account		-	-
Term deposit	Note: 4.1.1	8,227,154,346	6,509,154,346
Term deposit - depreciation fund	Note: 4.1.2	122,000,000	72,000,000
Term deposit - building fund	Note: 4.1.3	90,000,000	65,000,000
Term deposit - loan redemption fund	Note: 4.1.4	685,897,000	699,897,000
Short term deposit	Note: 4.1.5	1,823,087,189	401,835,442
		<u><b>11,065,100,348</b></u>	<u><b>7,858,933,390</b></u>



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	2016 BDT	2015 BDT
<b>4.1.1 Term deposit</b>		
AB Bank Limited	20,000,000	-
National Bank of Pakistan	350,000,000	300,000,000
The Premier Bank Limited	150,000,000	-
ICB Islamic Bank Limited	7,154,346	9,154,346
National Bank Limited	350,000,000	700,000,000
Al-Arafa Islami Bank Limited	500,000,000	1,700,000,000
Standard Bank Limited	2,000,000,000	750,000,000
EXIM Bank Limited	1,800,000,000	1,100,000,000
First Security Islami Bank Limited	100,000,000	100,000,000
Union Bank Limited	700,000,000	-
NRB Bank Limited	600,000,000	600,000,000
Phoenix Finance and Investment Limited	150,000,000	-
GSP Finance Company (BD) Limited	150,000,000	-
Reliance Finance Limited	500,000,000	500,000,000
The Farmers Bank Limited	500,000,000	-
First Finance Limited	100,000,000	150,000,000
Peoples Leasing and Financial Services Limited	50,000,000	400,000,000
Union Capital Limited	200,000,000	150,000,000
Midland Bank Limited	-	50,000,000
	<b>8,227,154,346</b>	<b>6,509,154,346</b>

**4.1.2 Term deposit - depreciation fund**

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

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	65,000,000
South Bangla Agriculture and Commerce Bank Limited	65,000,000	-
	<b>90,000,000</b>	<b>65,000,000</b>

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

**4.1.4 Term deposit - loan redemption fund**

ICB Islamic Bank Limited	5,897,000	9,897,000
EXIM Bank Limited	120,000,000	120,000,000
First Security Islami Bank Limited	250,000,000	270,000,000
South Bangla Agriculture and Commerce Bank Limited	10,000,000	-
AB Bank Limited	-	30,000,000
Al-Arafa Islami Bank Limited	-	20,000,000
Union Bank Limited	300,000,000	250,000,000
	<b>685,897,000</b>	<b>699,897,000</b>

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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	2016 BDT	2015 BDT	
<b>4.1.5 Short term deposit</b>			
National Bank of Pakistan	100,000,000	300,000,000	
Agrani Bank Limited	13,087,189	1,835,442	
Fareast Finance and Investment Limited	100,000,000	-	
First Finance Limited	150,000,000	-	
Premier Leasing and Finance Limited	200,000,000	-	
Bangladesh Finance and Investment Company Limited	80,000,000	-	
Reliance Finance Limited	200,000,000	-	
Peoples Leasing and Financial Services Limited	200,000,000	-	
The Farmers Bank Limited	300,000,000	-	
Bangladesh Industrial Finance Company Limited	210,000,000	-	
FAS Finance and Investment Limited	170,000,000	-	
International Leasing and Financial Services Limited	100,000,000	-	
First Lease Finance and Investment Limited	-	100,000,000	
	<b>1,823,087,189</b>	<b>401,835,442</b>	
<b>4.2 Outside Bangladesh</b>			
Standard Chartered Bank, USA	3,347,197	69,125,497	
BHF Bank AG, Germany	2,171,551	2,029,695	
Sonali Bank Limited, India	31,840,422	3,659,542	
	<b>37,359,170</b>	<b>74,814,734</b>	
<p>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".</p> <p>Details are shown in Annex D.</p>			
<b>4.3 Maturity-wise grouping (balance with other banks and financial institutions)</b>			
On demand	244,500,000	83,300,000	
Less than three months	8,077,800,000	4,620,000,000	
More than three months but less than one year	2,780,159,518	3,230,448,124	
More than one year but less than five years	-	-	
More than five years	-	-	
	<b>11,102,459,518</b>	<b>7,933,748,124</b>	
<b>4(a) Consolidated balance with other banks and financial institutions</b>			
<b>In Bangladesh</b>			
Bangladesh Development Bank Limited	Note: 4.1	11,065,100,348	7,858,933,390
BDBL Securities Limited		119,249,138	36,751,525
BDBL Investment Services Limited		32,959,116	7,700
		<b>11,217,308,602</b>	<b>7,895,692,615</b>
<b>Outside Bangladesh</b>			
Bangladesh Development Bank Limited	Note: 4.2	37,359,170	74,814,734
BDBL Securities Limited		-	-
BDBL Investment Services Limited		-	-
		<b>37,359,170</b>	<b>74,814,734</b>
		<b>11,254,667,772</b>	<b>7,970,507,349</b>
<b>5. Money at call and short notice</b>			
<b>In Bangladesh</b>			
Outside Bangladesh	Note: 5.1	-	-
		-	-
		-	-



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	2016 BDT	2015 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 3,541,400	4,174,300
Other investment	Note: 6.2 11,224,806,675	11,409,851,093
	<u>11,228,348,075</u>	<u>11,414,025,393</u>
Details are shown in Annex F.		
<b>6.1 Government securities</b>		
Treasury bond	-	-
Prize bond	3,541,400	4,174,300
	<u>3,541,400</u>	<u>4,174,300</u>
<b>6.2 Other investments</b>		
Shares	Note: 6.2.1 9,310,868,692	9,385,673,111
Debentures	32,977,983	32,977,983
Investment in bond	420,960,000	551,200,000
Investment in Bangladesh fund	1,060,000,000	1,060,000,000
Investment in subsidiaries	400,000,000	400,000,000
	<u>11,224,806,675</u>	<u>11,409,851,093</u>



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	2016 BDT	2015 BDT
<b>6.2.1 Investment in shares by listing status</b>		
Quoted shares	9,086,977,356	9,161,781,775
Unquoted shares	223,891,336	203,891,336
	<u>9,310,868,692</u>	<u>9,365,673,111</u>
Market value shares	<u>23,044,486,703</u>	<u>22,980,964,041</u>
<b>Shares :</b>		
Cost	<u>9,310,868,692</u>	<u>9,365,673,111</u>
Provision for fall in market value of shares	-	130,802,525
<b>6.3 Maturity-wise grouping of investments</b>		
On demand	3,541,400	4,174,300
Less than three months	7,106,675	18,221,413
More than three months but less than one year	1,028,500,000	5,006,529,680
More than one year but less than five years	6,680,800,000	1,946,200,000
More than five years	3,508,400,000	4,438,900,000
	<u>11,228,348,075</u>	<u>11,414,025,393</u>
<b>6.4 Provision for investment</b>		
Required provision	81,390,083	157,100,000
Provision maintained	81,390,083	157,320,785
Provision excess/(shortage)	-	220,785
<b>6(a) Consolidated investment</b>		
(i) <b>Government securities</b>		
Bangladesh Development Bank Limited	Note: 6.1	3,541,400
BDBL Securities Limited		4,174,300
BDBL Investment Services Limited		-
		<u>3,541,400</u>
(ii) <b>Other investments</b>		
Bangladesh Development Bank Limited	Note: 6.2	11,224,806,675
Less: Investment in Subsidiaries		400,000,000
BDBL Securities Limited		515,307,839
BDBL Investment Services Limited		328,738,189
		<u>11,668,852,703</u>
		<u>11,672,394,103</u>
<b>7. Loans and advances</b>		
Loans, cash credits, overdrafts, etc		
In Bangladesh	17,764,303,259	17,854,847,297
Outside Bangladesh	-	-
	<u>17,764,303,259</u>	<u>17,854,847,297</u>
<b>Bills purchased and discounted :</b>		
In Bangladesh	314,066,065	282,662,934
Outside Bangladesh	-	-
	<u>314,066,065</u>	<u>282,662,934</u>
	<u>18,078,369,324</u>	<u>18,137,510,230</u>



Bangladesh Development Bank Limited

Notes to the financial statements  
For the year ended 31 December 2016

	2016 BDT	2015 BDT
<b>7.1 Nature-wise loans and advances</b>		
Cash credits	4,222,059,840	4,041,820,195
Long term (amount due and not due)	8,056,029,606	10,264,580,245
Overdrafts	455,072,174	53,328,103
Local documentary bill purchased	314,066,065	282,662,934
Bridge loan	4,325,728	42,960,564
Consumer loan	307,558,016	355,209,592
Loan against trust receipt and others	1,370,161,937	9,004,36
Staff loan	3,349,095,958	3,096,949,603
	<u>18,078,369,324</u>	<u>18,137,510,230</u>
<b>7.2 Maturity-wise grouping of loans and advances</b>		
On demand	16,500,000	165,000,000
Not more than three months	2,072,200,000	1,920,000,000
Over three months but not more than one year	4,135,100,000	4,090,600,000
Over one year but not more than five years	7,730,100,000	5,423,500,000
Over five years	4,124,469,324	6,538,410,230
	<u>18,078,369,324</u>	<u>18,137,510,230</u>
<b>7.3 Particulars of advances</b>		
i. Debts considered good in respect of which the Bank is fully secured.	10,760,072,425	11,191,885,230
ii. Debts considered good for which the Bank hold no other security than the debtors personal security.	621,624,081	637,872,525
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.	3,349,095,958	3,096,949,603
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.	300,000,000	300,000,000
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.	7,318,296,899	8,945,525,000
(a) The balance of bad loan written-off is BDT 18,209,667,606.34 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.	18,209,667,606	18,908,321,440



Bangladesh Development Bank Limited

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For the year ended 31 December 2016

	2016 BDT	2015 BDT
<b>7.4 Movement of loans and advances</b>		
Opening balance	18,137,510,230	16,501,046,016
<u>Acc:</u> Disbursed during the year	3,438,847,685	3,250,562,057
<u>Acc:</u> Interest charged during the year	1,314,080,261	1,339,342,014
	<b>22,890,438,176</b>	<b>21,090,950,087</b>
<u>Less:</u> Recovery during the year	4,825,961,408	3,046,283,000
	<b>18,064,476,768</b>	<b>18,044,667,087</b>
<u>Acc/Less:</u> Written-off and adjustment during the year	13,892,556	92,843,143
Closing balance	<b>18,078,369,324</b>	<b>18,137,510,230</b>
<b>7.5 Significant concentration-wise grouping</b>		
Other executives and officers of the Bank	3,349,095,958	3,096,949,603
Customers	2,132,792,127	408,546,699
Industries	12,596,481,239	14,632,013,928
	<b>18,078,369,324</b>	<b>18,137,510,230</b>
<b>7.6 Division-wise loans &amp; advances</b>		
Dhaka Division	12,041,538,249	13,010,723,675
Mymensingh Division	650,841,144	-
Khulna Division	786,380,807	729,962,858
Chittagong Division	1,060,477,009	1,089,968,552
Rajshahi Division	1,832,016,923	1,576,132,716
Barisal Division	426,350,680	438,125,380
Sylhet Division	212,244,971	164,626,466
Rangpur	1,088,513,761	1,147,970,583
	<b>18,078,369,324</b>	<b>18,137,510,230</b>
<b>7.7 Classification status of loans and advances</b>		
<b>Unclassified loan:</b>		
Standard	6,302,910,001	6,906,109,013
Standard (C.F)	149,602,179	147,920,279
Special mention account	965,343,783	1,040,906,336
Staff loan	3,342,216,462	3,096,949,803
	<b>10,760,072,425</b>	<b>11,191,885,230</b>
<b>Classified:</b>		
Sub-standard	738,108,907	461,500,000
Doubtful	539,447,295	1,173,900,000
Bad/Loss (including staff loan)	6,040,740,697	5,310,225,000
	<b>7,318,296,899</b>	<b>6,945,625,000</b>
<b>Total :</b>	<b>18,078,369,324</b>	<b>18,137,510,230</b>
<b>Provisions required against loans and advances</b>		
<b>Unclassified loan:</b>		
Standard	790,626,407	98,573,535
Standard (C.F)	7,480,109	7,396,014
Special mention account	46,353,576	52,045,317
Staff loan	33,422,165	30,969,496
<b>Classified:</b>		
Sub-standard	57,419,376	124,415,618
Doubtful	104,195,640	56,075,143
Bad/Loss	2,222,537,846	2,705,700,000
<b>Total</b>	<b>3,262,032,018</b>	<b>3,075,175,122</b>
<b>Provisions maintained</b>	3,299,900,858	3,088,244,528
<b>Provisions surplus/(deficit)</b>	<b>37,868,840</b>	<b>13,069,406</b>



Bangladesh Development Bank Limited

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	2016 BDT	2015 BDT
<b>7.8 Sector-wise loans &amp; advances</b>		
<b>Industrial sector</b>		
Food and allied products	3,327,914,000	3,427,771,373
Jute and allied fibre products	184,544,000	126,479,726
Cotton woolen and synthetic textile	4,720,325,000	5,220,415,137
Paper, paper products and printing	106,388,000	105,574,261
Tannery and its products	58,200,000	88,471,329
Non-metallic mineral products	199,703,000	230,816,763
Forest, wood products & saw mills	115,624,000	
Metal products	522,287,000	564,154,831
Electrical machinery and goods	117,287,000	98,674,592
Machinery and spare parts	15,529,000	17,470,706
Transport sector	74,484,000	70,703,095
Chemicals and pharmaceuticals	319,062,000	317,824,418
Petro-chemicals	291,120,000	260,575,563
Service industries	763,371,000	797,151,452
Rubber goods sector	9,458,000	6,645,706
Miscellaneous sector	7,253,072,324	6,804,779,278
	<b>18,078,369,324</b>	<b>18,137,510,230</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 2016 is BDT 18,209,667,606. The movement of the written-off loans is as follows:

Opening balance	18,909,321,440	19,644,394,234
Add: Addition during the year	18,909,321,440	19,644,394,234
Less: Recovery and adjustment during the year	699,653,834	735,072,794
Closing balance	<b>18,209,667,606</b>	<b>18,909,321,440</b>



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Notes to the financial statements  
For the year ended 31 December 2016

	2016 BDT	2015 BDT
<b>7(a) Consolidated loans and advances</b>		
(i) Loans, cash credits, overdrafts, etc		
Bangladesh Development Bank Limited	17,764,303,265	17,854,847,297
Less: Inter group loan (Securities)	400,000,300	330,068,959
BDBL Securities Limited	130,631,748	157,114,218
	<u>17,494,935,008</u>	<u>17,681,872,556</u>
(ii) Bills purchased and discounted		
Bangladesh Development Bank Limited	314,066,065	282,662,934
BDBL Securities Limited	-	-
BDBL Investment Services Limited	-	-
	<u>314,066,065</u>	<u>282,662,934</u>
	<u>17,809,001,073</u>	<u>17,964,536,490</u>
<b>8. Fixed assets including premises, furniture and fixtures</b>		
Opening balance	884,504,750	880,566,140
Add: Addition during the year	44,616,731	36,394,654
Less: Disposal/adjustment during the year	28,509,620	12,450,042
	900,611,871	884,504,760
Less: Accumulated depreciation at the year end	528,841,103	499,714,893
	<u>371,670,768</u>	<u>384,789,867</u>
Revaluation balance at the year end	7,819,036,725	7,938,091,913
Closing balance	<u>8,190,707,492</u>	<u>8,322,881,780</u>
Details are given in Annex A.		
<b>8(a) Consolidated fixed assets including premises, furniture and fixtures</b>		
Bangladesh Development Bank Limited	8,190,707,492	8,322,881,780
BDBL Securities Limited	5,989,529	7,538,360
BDBL Investment Services Limited	7,716,497	7,711,243
	<u>6,204,413,518</u>	<u>6,338,131,583</u>
<b>9. Other assets</b>		
Stationery and stamps in hand	4,072,324	4,089,619
Stocks and stores (Spare parts)	-	200,970
Tax paid in advance	-	-
Prepaid expenses and security deposit	2,659,563,534	2,375,534,155
Utility bill receivable from tenants	30,503,897	18,766,965
Accrued income (CAD and Branches)	-	-
BSRS pension and death cum Rtd. benefit scheme	820,376,489	671,755,070
Suspense A/C (CAD and branches)	-	-
Investment, gratuity and benevolent fund	11,845,590	4,697,766
Exchange risk adjustment account	-	11,845,362
Depreciation fund - interest receivable	81,359,262	81,359,262
Sanchaya patra encashment A/C	26,462,500	26,462,500
Legal expenses realizable A/C	316,568,118	215,329,612
Misc. receivable and sundry for adjustment purpose	42,587,528	38,797,814
Inter office adjustment	5,551,055	12,327,842
Temporary advance	1,554,084	-
Receivable from securities	11,626,053	12,674,348
Receivable from BSL	25,418,968	18,885,449
Receivable from BDBL Investment Services Limited	11,043,402	75,118,151
Interest receivable on bond	11,662,312	7,740,744
Other charges receivables from write-off project	3,638,413	4,770,612
	8,577	8,577
	<u>4,044,192,086</u>	<u>3,760,265,018</u>



Bangladesh Development Bank Limited

Notes to the financial statements  
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	2016 BDT	2015 BDT
<b>9.1 Tax paid in advance</b>		
Movement of the advance tax paid during the year is as follows:		
Opening balance	2,375,534,155	1,975,825,539
Add: Addition during the year	284,059,379	399,708,616
	<b>2,659,593,534</b>	<b>2,375,534,155</b>
Less: Adjustment during the year		
Closing balance	<b>2,659,593,534</b>	<b>2,375,534,155</b>

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	-	6,620,719	6,620,719
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	-	101,091,057	101,091,057
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	24,546,560	74,546,560
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	194,733,491	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	284,059,379
<b>Total (C)</b>		<b>410,491,768</b>	<b>1,255,075,997</b>	<b>1,665,567,766</b>

Total advance tax paid (A+B+C)

**2,659,593,534**



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		2016 BDT	2015 BDT
9.2	<b>Accrued income</b>		
	<b>CAD, Head office</b>		
	Interest on debenture/other	574,281,133	640,108,011
	Rent	83,212,925	46,184,532
	Accrued income from FDR	162,882,431	165,462,526
		<u>820,376,489</u>	<u>871,755,070</u>
	<b>Branch Offices</b>		
	<b>Grand-total</b>	<u>820,376,489</u>	<u>871,755,070</u>
9.3	<b>Investment: gratuity and benevolent fund</b>		
	Opening balance	11,845,362	15,376,753
	Add: Investment during the year	-	7,921,034
		<u>11,845,362</u>	<u>23,297,787</u>
	Less: Encashment/adjustment during the year	11,845,352	11,452,425
	Closing balance	<u>-</u>	<u>11,845,362</u>
9(a)	<b>Consolidated other assets</b>		
	Bangladesh Development Bank Limited	4,044,192,086	3,760,265,018
	Note:9		
	Less: Receivable from BSL	36,462,370	94,003,600
	Less: Receivable from BSL	11,982,311	7,740,744
	BDBL Securities Limited	57,437,240	20,630,134
	BDBL Investment Services Limited	8,301,786	2,737,632
		<u>4,061,486,431</u>	<u>3,681,888,440</u>
10.	<b>Borrowing from other banks, financial institutions and agents</b>		
	In Bangladesh	334,683,245	404,372,248
	Note:10.1		
	Outside Bangladesh	-	-
		<u>334,683,245</u>	<u>404,372,248</u>
a)	<b>As per following segregation</b>		
	Secured	-	-
	Un-secured	334,683,245	404,372,248
		<u>334,683,245</u>	<u>404,372,248</u>
b)	<b>As per following maturity grouping</b>		
	On demand	-	-
	On maturity	334,683,245	404,372,248
		<u>334,683,245</u>	<u>404,372,248</u>
10.1	<b>In Bangladesh</b>		
	DM 3.00 million K.F.W. loan	5,533,978	6,146,106
	SME refinance from BB	326,149,267	398,226,142
		<u>334,683,245</u>	<u>404,372,248</u>
11.	<b>Deposits and other accounts</b>		
	Current and other accounts	5,795,247,406	5,993,300,084
	Note: 11.1		
	Bi ls payable	133,832,303	123,764,864
	Note: 11.2		
	Saving bank deposits	1,068,402,892	695,916,616
	Fixed deposits	19,377,370,125	16,558,683,303
		<u>26,374,852,726</u>	<u>23,371,664,867</u>
11.1	<b>Current and other accounts</b>		
	Short term deposit account	4,144,824,028	4,431,142,269
	Scheme deposit	933,199,959	858,742,581
	Sundry deposit	185,648,344	160,236,286
	Current account	433,091,221	379,078,426
	Margin deposits	54,264,603	109,103,287
	Guarantee margin security deposits	353,852	353,852
	Earnest money	72,200	72,200
	Payable under investment schemes	36,338,076	31,250,976
	Investors deposit account	-	1,955,781
	Deposit in foreign currency	7,257,123	11,362,425
		<u>5,795,247,406</u>	<u>5,993,300,084</u>



Bangladesh Development Bank Limited

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		2016 BDT	2015 BDT
<b>11.2 Bills payable</b>			
Payment order		130,960,325	118,308,425
Drafts payable		2,871,978	5,456,439
		<u>133,832,303</u>	<u>123,764,864</u>
<b>11.3 Deposits and other accounts by maturity</b>			
On demand		378,200,000	1,000,000,000
Repayable within one month		402,400,000	5,900,000,000
More than one month but not more than six months		1,272,300,000	9,050,000,000
More than six months but not more than one year		6,197,100,000	5,150,000,000
More than one year but not more than five years		18,124,852,726	1,271,664,857
More than five years but not more than ten years		-	-
Unclaimed deposits held by the bank more than ten years		-	-
		<u>26,374,852,726</u>	<u>23,371,664,867</u>
<b>11(a) Consolidated deposit and other accounts</b>			
(i) Current and other accounts			
Bangladesh Development Bank Limited	Note: 11.1	5,795,247,406	5,993,300,084
BDBL Securities Limited		(3,867,072)	(785,407)
BDBL Investment Services Limited		(49,666,634)	(20,763,955)
		<u>5,741,793,700</u>	<u>5,971,750,722</u>
(ii) Bills payable			
Bangladesh Development Bank Limited	Note: 11.2	133,832,303	123,764,864
BDBL Securities Limited		-	-
BDBL Investment Services Limited		-	-
		<u>133,832,303</u>	<u>123,764,864</u>
(iii) Savings bank deposit			
Bangladesh Development Bank Limited		1,068,402,892	695,916,616
BDBL Securities Limited		-	-
BDBL Investment Services Limited		-	-
		<u>1,068,402,892</u>	<u>695,916,616</u>
(iv) Fixed deposit			
Bangladesh Development Bank Limited		19,377,370,125	16,553,683,303
BDBL Securities Limited		-	-
BDBL Investment Services Limited		(115,274,683)	(187,804,238)
		<u>19,262,095,462</u>	<u>16,370,879,065</u>
		<u>26,206,124,357</u>	<u>23,162,311,267</u>
<b>12. Other liabilities</b>			
Provision for income tax	Note: 12.1	2,303,591,487	2,183,591,487
Provision for deferred tax	Note: 12.2	1,104,015,294	1,121,274,770
Accrued expenses	Note: 12.3	784,658,215	804,615,765
Others funds	Note: 12.4	37,220,759	12,601,385
Provision for B/D equity		48,412,100	66,972,100
Provision for B/D debenture		32,977,983	46,518,260
Provision for investment and share		-	43,890,425
Other provisions	Note: 12.5	457,699,481	423,067,203
Provision for unclassified loan	Note: 12.6	877,882,256	164,112,387
Provision for classified loan	Note: 12.7	2,422,018,602	2,904,132,141
Interest suspense	Note: 12.8	1,221,694,148	1,225,851,722
Advance deposit receipts	Note: 12.9	142,997,110	170,191,238
Miscellaneous	Note: 12.10	208,903,149	509,694,229
		<u>9,642,069,582</u>	<u>9,896,453,111</u>
<b>12.1 Provision for income tax</b>			
Opening balance		2,183,591,487	2,038,591,487
Add: Provision made during the year		120,000,000	145,000,000
		<u>2,303,591,487</u>	<u>2,183,591,487</u>
Less: Adjustment made during the year		-	-
Closing balance		<u>2,303,591,487</u>	<u>2,183,591,487</u>



Bangladesh Development Bank Limited

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2016  
BDT

2015  
BDT

12.1.1 Tax status

A) Erstwhile BSB

Financial Year	Assessment Year	Assessment Status
2003-2004	2004-2005	Settled upto AY 2004-05 and Tax refundable is BDT 12.65 Croro.
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) Erstwhile BSRS

Financial Year	Assessment Year	Assessment Status
1996-1998	1996-1997	Tax cases settled. No demand by tax authority.
1996-1997	1997-1998	
1997-1998	1998-1999	
1998-1999	1999-2000	Tax assessment order has not yet been revised as per tribunal order.
1999-2000	2000-2001	
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	2005-2007	Tax assessment has not yet been revised as order CT appeal
2006-2007	2007-2008	Self assessment
2007-2008	2008-2009	To be revised as per CT appeal
2008-2009	2009-2010	Appealed before the commissioner of taxes.
2009-2010	2010-2011	Appealed before the commissioner of taxes.

C) BDBL

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

12.2 Provision for deferred tax

A. Deferred tax on fixed asset

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	183,477,326	178,005,372
WDV of fixed assets as per accounts	371,670,767	384,789,866
Taxable/(eductible) temporary difference	(208,193,441)	(206,784,494)
Applicable tax rate	42.50%	42.50%
Deferred tax assets/(liabilities)	(88,482,212)	(87,883,410)

B. Deferred tax on asset revaluation reserve

Asset revaluation reserve on 01-01-2016	6,889,275,731	7,012,807,417
Less: Adjustment for depreciation during the year	119,055,188	123,531,686
Less: Adjustment for sold assets	-	-
Applicable tax rate	6,770,220,543	6,889,275,731
Deferred tax asset/(liability)	15%	15%
	(1,015,533,081)	(1,033,391,360)
Total deferred tax liability (A+B)	(1,104,015,294)	(1,121,274,770)



Bangladesh Development Bank Limited

Notes to the financial statements  
For the year ended 31 December 2016

	2016 BDT	2015 BDT
<b>12.3 Accrued expense</b>		
Accrued interest	723,997,939	678,133,607
Accrued expense	60,641,034	123,229,636
Accrued payroll	19,242	3,252,322
	<u>784,658,215</u>	<u>804,615,765</u>
<b>12.4 Other funds</b>		
Pension and death cum retirement	3,644,405	2,802,713
Employees provident fund	15,968,310	4,914,677
Employees gratuity fund	13,828,455	4,883,995
Employees benevolent fund	3,779,568	-
	<u>37,220,739</u>	<u>12,601,385</u>
<b>12.5 Total other provisions</b>	<u>457,698,481</u>	<u>423,067,203</u>
<b>12.5.a Other provisions</b>		
Provision for bonus	137,686,145	83,340,287
Provision for unadjusted inter branch current account	10,000,000	10,000,000
Dividend payable to Govt.	100,000,000	100,000,000
Payable to Govt. against share dividend	26,729,866	26,729,866
	<u>274,418,011</u>	<u>220,070,153</u>
<b>12.5.b Provision for other assets</b>		
Provision for realisable legal expenses	31,386,788	31,386,788
Provision for interest on depreciation fund	26,462,500	26,462,500
Provision for off balance sheet items	11,600,000	11,600,000
Provision for exchange risk adjustment A/C	61,359,262	61,359,262
Provision for other asset	52,471,920	72,188,500
	<u>183,280,470</u>	<u>202,997,050</u>
<b>12.6 Provision for un-classified loan</b>		
Provision held at the beginning of the year	184,112,387	136,612,387
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 for CL loan	693,769,669	47,500,000
Specific provision for special mentioned A/C(+)	-	-
Provision held at the end of the Year	<u>877,882,256</u>	<u>184,112,387</u>
<b>12.7 Provision for classified loan</b>		
Provision held at the beginning of the year	2,904,132,141	2,239,191,146
Fully provided debts written-off/loan liquidated(-)	-	-
Recoveries of amount previously written-off(+)	-	138,150,995
Specific provision for the year (+)	130,000,000	577,800,000
Recoveries and provision no longer required (-)	-	-
Excess provision transferred to provision for off-balance sheet items (-)	-	(3,500,000)
Excess provision transferred to un-classified loan (+)	(632,113,539)	(47,500,000)
Provision held at the end of the year	<u>2,422,018,602</u>	<u>2,904,132,141</u>
<b>Total provision maintained</b>	<u>3,299,900,858</u>	<u>3,088,244,528</u>
Bangladesh Bank vide its letter no. BRPD (P-1)/65*/13/2017-2394 dated 23 April 2017 instructed to keep additional provision of BDT 66,479,200 for writs filed against clients as of 2016 (this does not however, apply to classified clients, as per order of the honorable High Court Division and BRPD Circular). 20% of this provision has been taken in 2016 (BDT 66,479,200); 40% will be taken in 2017 and the rest 40% in 2018		
<b>12.8 Interest suspense</b>		
Opening balance	1,064,001,334	948,807,274
Add: Credited during the year	473,501,191	342,945,462
Less: Transferred to income	423,382,043	209,339,846
Less: Written off during the year	-	-
Less: Adjustment during the year	749,119,787	18,411,556
Closing balance	365,000,695	1,064,001,334
Add: Interest suspense A/C (DCP)	856,693,451	161,850,388
	<u>1,221,694,146</u>	<u>1,225,851,722</u>



Bangladesh Development Bank Limited

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	2016 BDT	2015 BDT
<b>12.9 Advance deposits receipts</b>		
Other deposits received in advance	6,797,935	85,140,466
Sundry deposits (cash credit and bridge loan)	300,000	21,500,000
Advance rent received on Bank's premises	3,791,300	1,961,343
Sundry - unadjusted recovery from loan	70,435,267	-
Sundry deposits (LAD)	-	-
Sundry deposits (write-off)	62,702,608	61,569,427
	<u>142,997,110</u>	<u>170,191,236</u>
<b>12.10 Miscellaneous</b>		
FCTA exchange premium	101,090,785	101,090,785
FCTA penal premium	13,980,833	13,980,833
Liabilities towards RSB and EPF	6,394,900	6,394,900
Sanchaya para sold	26,457,910	12,703,360
Inter branch adjustment account	-	316,945,581
Special adjustment account	-	-
Managed fund	725,842	725,542
Exchange equalization account	50,014,200	50,014,200
Liability for other finance	1,444	1,444
Other payable	21,021	22,835
Suspense others	818,958	1,146,664
Liability for other expenses	4,568,767	4,734,106
Rent received in advance	4,828,988	1,934,189
	<u>208,903,149</u>	<u>509,694,229</u>
<b>12.10.1 Inter office adjustment account</b>		
CAD current account in branch office book	(9,746,772,088)	(5,846,874,251)
Branch office current account in CAD's book	9,734,477,252	5,145,464,420
LAD's current account in CAD's book	154,943,243	200,388,092
CAD's current account in LAD's book	(155,421,958)	(199,264,052)
LAD's current account in branch office book	34,554,136	-
Branch office current account in LAD's book	(34,332,211)	-
Brokerage house C/A in CAD's book	2,187,448	(7,879,692)
Brokerage house C/A in Pr. Br.	8,283,560	29,089,044
Inter branch current account	526,542	(3,957,979)
	<u>(1,554,065)</u>	<u>316,945,581</u>
<b>12(a) Consolidated other liabilities</b>		
Bangladesh Development Bank Limited	9,642,059,582	9,696,453,111
BDBL Securities Limited	168,618,033	60,270,273
BDBL Investment Services Limited	72,755,126	5,165,192
Less: Payable to BDBL (Client A/c)	(11,043,402)	-
Less: Payable to BDBL	(37,401,279)	-
	<u>9,834,998,060</u>	<u>9,761,884,576</u>
<b>12.a.i Consolidated current tax</b>		
Bangladesh Development Bank Limited	120,000,000	145,000,000
BDBL Securities Limited	3,102,373	15,917,519
BDBL Investment Services Limited	2,286,036	2,915,609
	<u>125,388,409</u>	<u>163,833,128</u>
<b>12.a.ii Consolidated deferred tax</b>		
Bangladesh Development Bank Limited	(1,775,875)	(29,940,793)
BDBL Securities Limited	(216,773)	(140,979)
BDBL Investment Services Limited	135,680	123,609
	<u>(1,856,968)</u>	<u>(29,958,163)</u>



Bangladesh Development Bank Limited

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For the year ended 31 December 2016

	2016 BDT	2015 BDT
<b>13 Capital</b>		
<b>Authorised capital:</b>		
100,000,000 shares of BDT 100 each	<u>10,000,000,000</u>	<u>10,000,000,000</u>
<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	<u>4,000,000,000</u>	<u>4,000,000,000</u>
<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	3,767,755,114	3,597,755,114
Statutory reserve	2,174,421,336	2,074,221,336
Retained earnings	421,536,339	370,568,077
Less: Provision shortfall as per RBCA (Basel-III)	<u>493,553,513</u>	<u>509,318,929</u>
	<u>9,870,159,276</u>	<u>9,133,325,599</u>
<b>ii) Supplementary capital (Tier-II)</b>		
General provision	174,833,150	173,043,150
Assets revaluation reserves (60% of 50% of revaluation reserve)	2,117,154,868	2,761,880,221
Less: Any investment exceeding approved limit as per Bank companies act 1991	-	-
	<u>2,291,988,018</u>	<u>2,934,923,371</u>
<b>iii) Additional supplementary capital (Tier-III)</b>		
Short term subordinated debt	-	-
Total supplementary capital (ii+iii)	<u>2,291,988,018</u>	<u>2,934,923,371</u>
<b>A Total eligible capital (Tier-I+ii+iii)</b>	<u>12,162,147,294</u>	<u>12,068,248,970</u>
<b>B Total risk weighted assets</b>	<u>47,441,973,216</u>	<u>47,336,515,294</u>
10% of total risk weighted assets	4,744,197,322	4,733,651,529
<b>C Required capital (10% of risk weighted assets or BDT 400.00 crore whichever is higher)</b>	<u>4,744,197,322</u>	<u>4,733,651,529</u>
<b>D Capital surplus (A-C)</b>	<u>7,417,949,972</u>	<u>7,334,597,440</u>
Capital adequacy ratio	25.64%	25.49%
Core capital to risk weighted assets	20.80%	19.29%
Supplementary capital to risk weighted assets	4.83%	6.20%
<b>SOLO STATEMENT</b>		
<b>i) Core capital (Tier-I)</b>		
Paid-up capital	4,000,000,000	4,000,000,000
General reserve	3,767,755,114	3,597,755,114
Statutory reserve	2,174,421,336	2,074,221,336
Retained earnings	345,782,141	306,619,633
Less: Provision shortfall as per RBCA (Basel-III)	<u>484,395,448</u>	<u>843,637,629</u>
	<u>9,803,262,143</u>	<u>9,134,958,454</u>
<b>ii) Supplementary capital (Tier-II)</b>		
General provision	174,833,150	173,043,150
Assets revaluation reserves (60% of 50% of revaluation reserve)	2,040,365,086	2,761,880,221
Less: Any investment exceeding approved limit as per Bank Companies Act 1991	-	-
	<u>2,215,198,236</u>	<u>2,934,923,371</u>
<b>iii) Additional supplementary capital (Tier-III)</b>		
Short term subordinated debt	-	-
Total supplementary capital (ii+iii)	<u>2,215,198,236</u>	<u>2,934,923,371</u>
<b>A Total eligible capital (Tier-I+ii+iii)</b>	<u>12,018,460,379</u>	<u>12,069,881,825</u>
<b>B Total risk weighted assets</b>	<u>46,665,016,618</u>	<u>46,842,720,001</u>
10% of total risk weighted assets	4,666,501,662	4,684,272,000
<b>C Required capital (10% of risk weighted assets or BDT 400.00 crore which ever is higher)</b>	<u>4,666,501,662</u>	<u>4,684,272,000</u>
<b>D Capital surplus (A-C)</b>	<u>7,351,958,717</u>	<u>7,385,609,825</u>
Capital adequacy ratio	21.01%	15.50%
Core capital to risk weighted assets ratio	4.75%	6.27%
Supplementary capital to risk weighted assets ratio	25.76%	25.77%



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For the year ended 31 December 2016

	2016 BDT	2015 BDT
14. Quasi equity	<u>134,744,560</u>	<u>134,744,560</u>
This was created as per government decision in 1962 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	2,074,221,336	1,947,721,336
Add: Addition made for the year	100,200,000	126,500,000
Closing balance	<u>2,174,421,336</u>	<u>2,074,221,336</u>
16. General, revaluation and other reserve	<u>11,534,879,583</u>	<u>11,468,363,180</u>
16.1 General reserve		
Opening balance	3,597,755,114	3,144,338,374
Add: Addition during the year	170,000,000	280,000,000
Add: Transferred from counterpart fund	-	173,416,740
Closing balance	<u>3,767,755,114</u>	<u>3,597,755,114</u>

The amount of KFW counterpart fund account and denish credit counterpart fund account of BDT 165,929,516.51 and 7,487,224.01 respectively has been transferred to general reserve as per government instruction vide letter no. 07.00.0000.140.31.037.2015-36 Dated: 13-12-2015. This liability has been waived by the Government of Bangladesh.

16.2 Asset revaluation reserve		
Opening balance	6,904,700,553	7,012,607,417
Less: Adjustment for disposed of asset	-	-
Less: Adjustment for depreciation for the year	119,055,188	123,531,588
Add/Less: Adjustment for deferred tax	15,571,590	15,424,822
Closing balance	<u>6,801,216,955</u>	<u>6,904,700,553</u>

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

Particulars	Land BDT	Building BDT	Motor vehicle BDT	Total BDT
Valuation surplus	2,761,450,430	4,143,069,888	180,235	6,904,700,553
Less: Adjustment for disposal of asset	-	-	-	-
Less: Adjustment for depreciation	-	119,055,188	-	119,055,188
Add: Adjustment for deferred tax liabilities @15%	36,173	15,535,417	-	15,571,590
<b>Balance</b>	<b>2,761,486,603</b>	<b>4,039,550,117</b>	<b>180,235</b>	<b>6,801,216,955</b>

16.2(a) Consolidated asset revaluation reserve		
Bangladesh Development Bank Limited	6,801,216,955	6,904,700,553
BDBL Investment Services Limited	255,865,840	-
	<u>7,057,182,895</u>	<u>6,904,700,553</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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	2016 BDT	2015 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	2,000,000	2,000,000
BDBL Investment Services Limited	-	-
	<u>967,907,514</u>	<u>967,907,514</u>
<b>16.4 Contingent liabilities</b>		
Acceptance for FC guarantee	340,370,238	437,788,157
Letters of credit	485,364,049	712,394,024
Irrevocable letter of credits	-	-
Bills for collection	-	-
Other contingent liabilities	-	-
Total	<u>825,734,287</u>	<u>1,150,182,181</u>
<b>16.5 Retained earnings</b>		
Opening Balance	306,619,633	332,257,272
Add: Appropriation during the year	12,117,988	10,802,019
Add: Adjustment during the year	27,044,520	(36,439,668)
Closing balance	<u>345,782,141</u>	<u>306,619,633</u>
<b>16(a) Consolidated current year retained earnings</b>		
Bangladesh Development Bank Limited	12,117,988	10,802,019
BDBL Securities Limited	3,988,798	26,581,976
BDBL Investment Services Limited	8,085,042	5,291,195
	<u>24,191,827</u>	<u>42,675,190</u>
<b>16(a.i) Consolidated retained earnings</b>		
Bangladesh Development Bank Limited	345,782,141	306,619,633
BDBL Securities Limited	61,884,535	57,895,738
BDBL Investment Services Limited	13,869,663	5,152,706
	<u>421,536,339</u>	<u>370,668,077</u>

Note: 16.5



Bangladesh Development Bank Limited

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	2016 BDT	2015 BDT	
<b>17. Profit and loss account</b>			
Profit during the year	500,542,112	632,361,226	
Less: Provision for income tax	120,000,000	145,000,000	
Add: Provision for deferred tax	1,775,876	29,940,793	
Less: Statutory reserve	100,200,000	125,500,000	
Less: General reserve	170,000,000	280,000,000	
Less: Building fund	-	-	
Less: Dividend to Government	100,000,000	100,000,000	
Less: Retained surplus	12,117,988	10,802,019	
	<u>2,007,620,827</u>	<u>2,208,788,121</u>	
<b>18. Interest income</b>			
Interest on take loans	463,895,654	497,021,637	
Interest on amount due	19,315,848	59,946,838	
Interest on money at call and on short notice	92,345,074	64,674,175	
Interest on term deposit	651,514,640	747,317,932	
Interest on F.C. A/C with Bangladesh Bank	332,311	84,110	
Interest on advances	628,065,641	697,199,797	
Interest on staff loan	109,979,165	101,407,466	
Interest on LTR	22,431,262	25,627,065	
Interest on LDBP	19,941,232	15,519,081	
	<u>2,007,620,827</u>	<u>2,208,788,121</u>	
<b>18(a) Consolidated interest income</b>			
Bangladesh Development Bank Limited	Note: 18	2,007,620,827	2,208,788,121
BDBL Securities Limited		26,269,842	20,973,387
BDBL Investment Services Limited		11,856,081	15,616,068
Less: Interest income from Subsidiaries		40,014,644	27,190,146
		<u>2,005,732,106</u>	<u>2,218,187,430</u>
<b>19. Interest paid on borrowing, deposit</b>			
Interest on L/C borrowing from GOB	165,170	181,643	
Interest on borrowing from B. Bank	18,598,645	18,374,494	
Interest on deposit at call	30,238,597	38,717,353	
Interest on F.D. account	1,315,152,625	1,532,154,057	
Interest on S.B account and schemes	149,102,919	118,000,454	
Interest on STD account	-	4,556,150	
Interest on deposit pension scheme and SND	189,462,288	178,339,905	
	<u>1,702,720,244</u>	<u>1,890,324,096</u>	
<b>19(a) Consolidated interest paid on borrowing, deposit</b>			
Bangladesh Development Bank Limited	Note: 19	1,702,720,244	1,890,324,096
BDBL Securities Limited		40,014,644	27,190,146
BDBL Investment Services Limited		-	-
Less: Interest paid to BDBL		40,014,644	27,190,146
		<u>1,702,720,244</u>	<u>1,890,324,096</u>
<b>20. Investment income</b>			
Profit on sale of shares/securities	115,949,127	600,526,829	
Dividend on shares/securities	727,718,962	697,686,254	
Interest on debentures	-	-	
Interest on bond	64,390,262	75,412,645	
	<u>908,058,351</u>	<u>1,573,627,728</u>	
<b>20(a) Consolidated investment income</b>			
Bangladesh Development Bank Limited	Note: 20	908,058,351	1,573,627,728
BDBL Securities Limited		29,737,756	68,753,935
BDBL Investment Services Limited		8,241,407	-
		<u>946,037,514</u>	<u>1,642,381,663</u>



**Bangladesh Development Bank Limited**

Notes to the financial statements  
For the year ended 31 December 2016

		2016 BDT	2015 BDT
<b>21. Commission, exchange and brokerage</b>			
Other fees commission and charges		510,798	1,134,654
Commission on F.C./L/C		3,842,188	2,343,225
Commission on bills for collection		1,371,692	8,214,523
Acceptance commission		1,203,789	
Exchange commission		10,838,045	9,553,564
Brokerage commission		7,848,683	3,643,155
Commission on remittance		17,770	93,354
Commission on Taka guarantee		1,685,342	1,500
		<b>27,318,308</b>	<b>24,983,975</b>
<b>21(a) Consolidated commission, exchange and brokerage</b>			
Bangladesh Development Bank Limited	Note: 21	27,318,308	24,983,975
BDBL Securities Limited		20,033,579	18,865,421
BDBL Investment Services Limited		1,877,941	-
		<b>49,229,828</b>	<b>43,849,396</b>
<b>22. Other operating income</b>			
Rent on Bank's premises		251,966,987	220,963,219
Profit on sale of assets		750,523	783,893
Technical examination fees		4,819,753	5,686,395
Legal amount and documentation charges		753,943	1,924,143
Miscellaneous earnings		29,542,250	16,241,846
Gain or loss on re-valuation of F.C./L/C		-	692,933
Income from write-off loan account		376,535,510	11,500,000
		<b>664,377,974</b>	<b>257,792,431</b>
<b>22(a) Consolidated other operating income</b>			
Bangladesh Development Bank Limited	Note: 22	664,377,974	257,792,431
BDBL Securities Limited		1,349,243	9,400,015
BDBL Investment Services Limited		1,380,195	-
		<b>667,107,412</b>	<b>267,192,446</b>
<b>22(b) Receipt from other operating activities</b>			
Profit on sale of securities		115,949,127	600,525,829
Interest on bond		64,390,262	75,413,645
Rent on Bank's premises		251,966,987	220,963,219
Others		35,875,477	24,636,279
		<b>468,181,853</b>	<b>921,538,972</b>
<b>23. Salaries and allowances</b>			
Salary and allowances		506,159,257	380,273,369
Bank's contribution to employees P.F and gratuity fund		11,848,986	9,015,236
Staff salary (outsourcing)		45,850,213	37,030,918
Payroll taxes		-	-
Staff overtime allowances		11,276,205	10,576,348
Employees gratuity and pension		155,864,177	92,341,087
Staff welfare facilities		18,362,030	14,301,625
Staff education expenses		21,400	-
Bonus		181,900,791	80,390,749
		<b>931,292,059</b>	<b>623,929,332</b>
<b>Managing Director/Chief Executive's remuneration</b>		<b>2,638,356</b>	<b>3,560,000</b>
<b>23(a) Consolidated salary and allowances</b>			
Bangladesh Development Bank Limited	Note: 23	931,292,059	623,929,332
BDBL Securities Limited		11,678,954	9,613,141
BDBL Investment Services Limited		4,805,236	2,551,854
		<b>947,776,249</b>	<b>636,094,327</b>



Bangladesh Development Bank Limited

Notes to the financial statements  
For the year ended 31 December 2016

		2016 BDT	2015 BDT
<b>24. Rent, taxes, insurance, lighting</b>			
Rent and property taxes		45,526,415	25,788,308
Electricity, light and gas		12,399,568	18,120,781
Insurance, telex and rental		8,217,878	10,098,083
		<u>66,143,861</u>	<u>54,007,172</u>
<b>24(a) Consolidated rent, taxes, insurance, lighting</b>			
Bangladesh Development Bank Limited	Note-24	66,143,861	54,007,172
BDBL Securities Limited		3,836,244	3,597,491
BDBL Investment Services Limited		2,137,962	2,017,909
		<u>72,118,067</u>	<u>59,622,572</u>
<b>25. Legal and professional expenses</b>			
Legal and documentation charges		3,502,438	3,591,949
Professional charges		1,728,000	1,617,000
		<u>5,230,438</u>	<u>5,208,949</u>
<b>25(a) Consolidated legal and professional expenses</b>			
Bangladesh Development Bank Limited	Note-25	5,230,438	5,208,949
BDBL Securities Limited		105,800	88,550
BDBL Investment Services Limited		37,500	-
		<u>5,373,738</u>	<u>5,297,499</u>
<b>26. Postage, telegram and telephone</b>			
Postage and telegram		2,851,201	2,060,974
Telephone - local and trunk call		5,859,171	7,328,478
		<u>8,710,372</u>	<u>9,389,452</u>
<b>26(a) Consolidated postage, telegram and telephone</b>			
Bangladesh Development Bank Limited	Note-26	8,710,372	9,389,452
BDBL Securities Limited		39,478	131,283
BDBL Investment Services Limited		25,101	400
		<u>8,774,951</u>	<u>9,521,135</u>
<b>27. Stationery, printing and advertisement</b>			
Printing and stationery		13,735,560	15,752,595
Advertisement		20,870,990	27,377,587
		<u>34,606,550</u>	<u>43,130,182</u>
<b>27(a) Consolidated stationery, printing and advertisement</b>			
Bangladesh Development Bank Limited	Note-27	34,606,550	43,130,182
BDBL Securities Limited		651,166	1,326,089
BDBL Investment Services Limited		243,138	283,755
		<u>35,500,854</u>	<u>44,720,026</u>
<b>28. Directors' fees</b>		<u>2,162,500</u>	<u>1,840,200</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	2,162,500	1,840,200
BDBL Securities Limited		518,370	400,450
BDBL Investment Services Limited		404,800	228,700
		<u>3,085,670</u>	<u>2,469,350</u>



Bangladesh Development Bank Limited

Notes to the financial statements  
For the year ended 31 December 2016

		2016 BDT	2015 BDT
<b>(b) Consolidated auditor fees</b>			
Bangladesh Development Bank Limited		788,000	842,000
BDBL Securities Limited		185,000	103,500
BDBL Investment Services Limited		50,000	46,000
		<b>1,003,000</b>	<b>991,500</b>
<b>29. Depreciation and repair of Bank's assets</b>			
Depreciation of fixed assets		38,048,728	39,708,626
Repair and maintenance of Bank's properties		22,305,348	27,380,151
		<b>60,354,076</b>	<b>67,088,777</b>
<b>29(a) Consolidated Depreciation and repair of Bank's assets</b>			
Bangladesh Development Bank Limited	Note-29	60,354,076	67,088,777
BDBL Securities Limited		2,885,689	2,886,024
BDBL Investment Services Limited		1,163,384	510,615
		<b>64,403,129</b>	<b>70,485,416</b>
<b>30. Other expenditure</b>			
Entertainment		9,654,656	10,787,646
Donation and subscription		1,615,000	1,628,640
Corporate social responsibility		-	7,114,890
Sundries		8,190,789	10,952,645
Books and periodicals		211,884	348,811
Lunch subsidy		36,508,429	39,757,100
Business development expenditure		2,090,633	4,901,613
Expenditure in minor assets		162,283	489,611
Staff training expenses		3,211,568	5,451,659
Liveries & uniform		1,731,526	1,300,467
Local conveyance		5,030,320	6,556,689
Staff medical facilities		635,110	371,705
TA/DA and conveyances		8,222,795	10,994,260
TA/DA Directors		479,100	1,627,000
Motor car running expenses		8,748,383	10,377,813
Staff bus facilities		14,292,114	13,929,489
Honorarium		2,321,025	1,828,785
Branch opening expense		1,166,470	1,027,455
Other expenditure		17,780,819	10,997,865
Stock exchange charges		594,597	1,618,124
Sports, culture and recreation		2,478,915	1,825,394
Executive car maintenance allowances		10,818,174	11,442,180
Interest waived		42,301	321,028
		<b>142,186,892</b>	<b>155,710,870</b>
<b>30(a) Consolidated other expenses</b>			
Bangladesh Development Bank Limited	Note-30	142,186,892	155,710,870
BDBL Securities Limited		8,053,398	5,600,197
BDBL Investment Services Limited		2,760,825	1,866,523
		<b>153,001,115</b>	<b>162,977,590</b>
<b>30(b) Payment for other operating activities</b>			
Rent, taxes, insurance and lighting		66,143,851	54,007,172
Law charges		5,230,438	5,208,949
Postage, telegram and telephone		8,710,372	9,389,452
Audit fee		785,000	842,000
Stationery, printing and advertisement		34,608,550	43,130,182
Directors' fee		2,162,500	1,840,200
Repair & maintenance of Bank's properties		22,305,348	27,380,151
Motor car running expenses		8,748,383	10,386,213
Staff bus facilities		14,292,114	13,929,489
Staff canteen		36,508,429	39,768,700
Others		82,637,966	91,646,468
		<b>282,133,961</b>	<b>297,508,976</b>



Bangladesh Development Bank Limited

Notes to the financial statements  
For the year ended 31 December 2016

		2016 BDT	2016 BDT
<b>31. Provision for loans and advances and other investments</b>			
<b>Provision for loan and advances</b>			
For unclassified loans			
For classified loans		150,000,000	577,800,000
		<u>150,000,000</u>	<u>577,800,000</u>
<b>Other provision</b>			
Off-Balance sheet items		-	-
Investment in shares		-	-
Others		-	-
		<u>150,000,000</u>	<u>577,800,000</u>
<b>31(a) Consolidated provision for loans and advances</b>			
Bangladesh Development Bank Limited	Note-31	150,000,000	577,800,000
BDBL Securities Limited (Margin Loan)		-	-
BDBL Investment Services Limited		-	-
		<u>150,000,000</u>	<u>577,800,000</u>
<b>Provision for investment</b>			
Bangladesh Development Bank Limited		-	-
BDBL Securities Limited		2,567,303	24,697,371
BDBL Investment Services Limited		-	-
		<u>2,567,303</u>	<u>24,697,371</u>
<b>32. Closing cash and cash equivalent</b>			
Cash in hand		58,983,908	67,014,284
Balance with Bangladesh Bank (including foreign currencies)		1,838,372,770	1,820,964,106
Balance held with other banks		11,102,459,518	7,933,748,124
		<u>12,999,816,196</u>	<u>9,821,756,514</u>
<b>32(a) Consolidated closing cash and cash equivalent</b>			
Bangladesh Development Bank Limited	Note-32	12,999,816,196	9,821,756,514
BDBL Securities Limited		123,136,210	37,536,932
BDBL Investment Services Limited		197,834,258	97,393,106
Less: Intergroup cash and cash equivalent (BSL)		3,887,072	785,407
Less: Intergroup cash and cash equivalent (BISL)		164,841,297	97,361,630
		<u>13,152,058,295</u>	<u>9,858,639,613</u>
<b>33. Earnings per share (EPS)</b>			
a) Profit attributable to ordinary share holders		382,317,986	517,302,019
b) Weighted average number of outstanding shares		40,000,000	40,000,000
<b>Earnings per share (EPS) (a ÷ b)</b>		<u>9.56</u>	<u>12.93</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		395,612,767	549,175,189
b) Weighted average number of outstanding shares		40,000,000	40,000,000
<b>Earnings per share (EPS) (a ÷ b)</b>		<u>9.89</u>	<u>13.73</u>

**34. General**

i. Figures have been rounded to the nearest Taka (BDT)

ii. The previous year's figure have been rearranged, where necessary, to conform to the presentation of 31 December 2016



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 2016

Sl. No.	Name of the Borrower	Outstanding as on 31 December 2016			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 2016

Sl no.	Particulars	2016 BDT	2015 BDT
1	Paid-up capital	4,000,000,000	4,000,000,000
2	Total capital	18,189,827,620	17,983,948,710
3	Capital surplus / (deficit)	7,351,958,717	7,385,609,825
4	Total assets	54,541,433,173	51,456,438,936
5	Total deposits	26,374,852,726	23,371,664,867
6	Total loans and advances	18,078,339,324	15,137,510,230
7	Total contingent liabilities and commitments	825,734,287	1,150,182,181
8	Credit deposit ratio (%)	58.54%	77.60%
9	Percentage of classified loans against total loans and advances	40.48%	38.29%
10	Profit after tax and provision	382,317,988	517,302,020
11	Amount of classified loans during the year	7,318,296,899	6,945,825,000
12	Provisions kept against classified loans	2,422,018,602	2,904,132,141
13	Provision surplus / (deficit)	37,858,840	13,069,408
14	Cost of fund (%)	9.23%	9.22%
15	Interest earning assets	22,129,170,960	18,184,726,576
16	Non-interest earning assets	32,412,262,213	33,271,712,360
17	Return on investment (ROI)(%)	8.09%	13.79%
18	Return on assets (ROA)(%)	0.70%	1.01%
19	Income from investments	908,058,351	1,573,627,728
20	Earning per share	9.56	12.93
21	Net income per share	9.56	12.93
22	Price earning ratio	N/A	N/A



Bangladesh Development Bank Limited

Annex A

Schedule of fixed assets  
As at 31 December 2016

Particulars	Cost / Revaluation				Rate (%)	Depreciation				Written down value at 31 December 2016
	At 01 January 2016	Addition	Disposal/ adjustment	Total at 31 December 2016		Up to 01 January 2016	charged	Disposal/ adjustment	Total to 31 December 2016	
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT	
<b>At cost :</b>										
Land	13,854,848	-	-	13,854,848	-	-	-	-	-	13,854,848
Premises	578,215,498	-	-	578,215,498	2.5	315,788,200	6,500,683	-	322,348,883	255,966,615
Building U/C	304,490	-	-	304,490	2.5	-	-	-	-	304,490
Vehicles	95,706,523	916,350	3,854,950	92,789,923	20	73,215,256	10,812,688	2,935,597	81,091,347	11,678,576
Equipments	46,528,584	3,896,658	464,295	49,962,947	20	29,444,807	4,185,143	502,098	33,127,252	16,835,694
Computer equipments and software	86,155,105	18,388,022	11,148,230	93,398,900	20	64,462,560	11,328,594	4,866,089	60,826,065	32,572,835
Furniture and fixtures	42,953,421	5,697,429	(10,686)	48,681,538	10	20,966,868	2,963,953	26,119	23,894,702	24,766,836
Sundry asset	1,131,749	-	-	1,131,749	20	1,131,741	-	-	1,131,741	8
Interior decorator	19,654,536	15,714,272	13,054,833	22,313,977	10	4,705,461	2,206,667	391,015	6,521,113	15,792,864
<b>Sub-Total (A)</b>	<b>884,504,760</b>	<b>44,616,731</b>	<b>28,509,620</b>	<b>900,611,871</b>		<b>499,714,893</b>	<b>38,048,728</b>	<b>8,822,518</b>	<b>528,941,103</b>	<b>371,570,767</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	653,526,815	119,355,188	-	772,582,003	4,643,152,322
Vehicles	8,620,180	-	-	8,620,180	20	8,439,945	-	-	8,439,945	180,235
<b>Sub-Total (B)</b>	<b>8,600,058,673</b>	<b>-</b>	<b>-</b>	<b>8,600,058,673</b>		<b>661,966,760</b>	<b>119,055,188</b>	<b>-</b>	<b>781,021,948</b>	<b>7,819,036,725</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>
<b>At 31 December 2015 (A+B)</b>	<b>9,460,624,822</b>	<b>36,394,654</b>	<b>12,456,042</b>	<b>9,484,563,433</b>		<b>1,003,948,324</b>	<b>163,240,311</b>	<b>5,506,983</b>	<b>1,161,681,652</b>	<b>8,322,881,780</b>



Bangladesh Development Bank Limited

Annex D

Balance with other banks - outside Bangladesh (nostro account)  
As at 31 December 2016

Name of the Bank	Name of the Country	Currency Name	2016			2015		
			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	42,369.6	79.0	3,347,197	879,459.3	78.6	69,125,497
BHF Bank AG, Germany	Germany	EUR	26,328.6	82.4788	2,171,551	23,635.9	85.9	2,029,696
Sonal Bank	India	ACU	403,043.3	79.000	31,840,422	46,569.1	78.6	3,659,542
Total					37,359,170			74,814,734



Bangladesh Development Bank Limited

Annex E

Name of the Directors of BDBL and their interest in other different entities  
As at 31 December 2016

Name	Status in Bank	Name of Firms/Companies in which interested
Mr. Yeasin Ali	Chairman	Nil
Shahbuddin Ahmed	Director	Nil
Mr. Ekhtiasur Rahman	Director	Nil
Mustaque Ahmed	Director	Nil
Mr. 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
Salma Nasreen, ndc	Director	Nil
Manjur Ahmed	Managing Director	Nil



Bangladesh Development Bank Limited

Annex F

Statement of Investment  
As at 31 December 2016

Particulars	Cost Price / BDT	Market Price / BDT
Bangladesh Bank prize bond	3,541,400	3,541,400
Bond	420,960,000	420,960,000
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	9,038,565,256	22,820,595,367
Un-quoted share	223,891,336	223,891,336
<b>Total</b>	<b>11,228,348,075</b>	<b>25,010,378,186</b>

