

(e) Classification Status of Loans and Advances	Classification Status	Solo	Consolidated
		Taka in Thousand	
	Standard	9794728	9525360
	Special Mentioned Accounts	965344	965344
	Sub-Standard	738109	738109
	Doubtful	539447	539447
	Bad/Loss	6040741	6040741
	Total Loans & Advances	18078369	17809001
(f) Residual Contractual maturity breaks down of the whole portfolio, broken down by major types of credit exposure.		Solo	Consolidated
		Taka in Thousand	
	Repayable- on demand	16500	16500
	Up to 3 months	2072200	2072200
	Over 3 months but below 1 year	4135100	3865732
	Over 1 year but below 5 years	7730100	7730100
	Over 5 years	4124469	4124469
	Total Loans & Advances	18078369	17809001
(g) Provision Against Loans & Advances	Provision for Un-Classified Loan	Solo	Consolidated
		Taka in Thousand	
	Provision held at the beginning of	184112	184112
	Fully provided debts written off (-)	-	-
	Recoveries of amount Previously Written off (+)	-	-
	Specific provision for the year (+)	-	-
	Provision Transfer to other Assets	-	-
	Excess provision		
	Excess provision transferred from provision for CI Loan (+)	693770	693770
	Specific Provision For Special Me	-	-
Provision held at the end of the year	877882	877882	
Provision for Classified Loan	Provision for Classified Loan	Solo	Consolidated
		Taka in Thousand	
	Provision held at the beginning of	2904132	2904132
	Fully provided debts written off (-)	-	-
	Recoveries of amount Previously Written off (+)	-	-
	Specific provision for the year (+)	150000	150000
	Recoveries & provision no longer required (-)	-	-
	Excess provision transferred for Off-Balance Sheet Items (-)	-	-
	Excess provision transferred from provision for unclassified loan (-)	(632113)	(632113)
	Provision held at the end of the year	2422019	2422019

5. Equities: Disclosures for Banking Book Positions

Qualitative Disclosure

Equities: Disclosures for Banking Book Positions	Qualitative Disclosure	
	<p>(a) The general qualitative disclosure requirement with respect to the equity risk, including :</p> <ul style="list-style-type: none"> • Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and • Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices. 	<p>Investment in equity is mainly for investment like investment in shares, Marketable securities, Bond, Debentures etc. Quoted shares are valued at cost. Sufficient provision is maintained as per requirement. Unquoted shares are valued at cost. As per Basel-III, Provision on Shares was 484696 as on 31-12-2016 and it was deducted from common equity tier-1 capital accordingly for calculation of regulatory capital.</p>
	<p>(b) Value disclosed in the balance sheet of investment, as well as the fair value of those investments for quoted securities, a comparison to publicly quoted share values where share price is materially different from fair value.</p>	<p>Value of quoted and unquoted shares has been shown at cost and market price in the financial statements as well as in the Basel-III statement.</p>
	<p>(C) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.</p>	<p>The cumulative realized gains (losses) arising from sales and liquidations is shown in the financial statements at reporting period.</p>
	<p>(d)* Total unrealized gains (losses) *Total latent revaluation gains (losses) *Any amounts of the above included in Tier 2 capital</p>	<p style="text-align: right;">13782200 - -</p>
	<p>(e) Capital requirements broken down by appropriate equity grouping, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.</p>	<p>Regulatory capital requirement has been calculated through breaking down equities consisting with the bank's methodology. Such as Investment in quoted and unquoted shares.</p>

6. Interest Rate Risk in the Banking Book (IRRBB)

Interest Rate Risk in the Banking Book	Qualitative Disclosure	(a) The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumption loan prepayments and behavior of non-maturity deposits, and frequency of IRRBB measurement.	To manage this risk in the banking book, bank considers the impact of interest changes on both assets and liabilities. Changes in interest rates affect both the current earnings as well as net worth of the bank. BDBL periodically determine and reports the interest rate risk to the board and regulatory authority that arises due to re-pricing mismatches in interest rate sensitive assets and liabilities.																									
	Quantitative Disclosure	(b) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).	<table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th><3 Months</th> <th>3-6 Months</th> <th>6-12 Months</th> </tr> <tr> <th colspan="3">Taka in Thousand</th> </tr> </thead> <tbody> <tr> <td>Risk Sensitive Assets</td> <td>10240600</td> <td>2369400</td> <td>4738800</td> </tr> <tr> <td>Risk Sensitive Liabilities</td> <td>1512900</td> <td>2065700</td> <td>4131400</td> </tr> <tr> <td>GAP</td> <td>8727700</td> <td>303700</td> <td>607400</td> </tr> <tr> <td>Cumulative GAP</td> <td>8727700</td> <td>9031400</td> <td>9638800</td> </tr> </tbody> </table>			Particulars	<3 Months	3-6 Months	6-12 Months	Taka in Thousand			Risk Sensitive Assets	10240600	2369400	4738800	Risk Sensitive Liabilities	1512900	2065700	4131400	GAP	8727700	303700	607400	Cumulative GAP	8727700	9031400	9638800
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		At 1% change in interest, change in net interest income is Tk 96400 Thousand.																										

7. Market Risk

		(a) Views of BOD on trading/ investment activities	The Board Of Directors (BOD) keeps tight watch on the activities and trading in order to maximize profit without violating banking rules, regulations.
Market Risk	Qualitative Disclosure	Methods used to measure Market risk	Standardized approach has been used to measure the market risk. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk according to sub-categories. For each risk category, minimum capital requirement is measured separately. Capital is charged for 'specific risk' and 'general market risk' respectively.
		Market risk Management system	BDBL makes investment decision based on historical data of market movements of all comparable financial institution instruments to avoid market risk. For managing specific risk BDBL emphasizes on investment in bonds and quality financial instruments, which are less volatile in nature. A separate section under central accounts department has been established for treasury related activities. Asset-Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. ALCO meeting is held at least once in a month.

		Policies and process for mitigating market risk	miti-	There are approved policies for Market risk related instruments both on-balance sheet and off-balance sheet items. The investments are monitored and enforced on a regular basis to protect against market risks. Prevailing market condition, exchange rate, forex position and transactions are reviewed time to time to mitigate market risks.		
Qualitative Disclosure	(b) The capital requirements for:			Solo	Consolidated	
				Taka in Thousand		
				Interest rate risk	-	-
				Equity position risk	1128211	1221051
				Foreign exchange risk	15714	15714
				Commodity risk	-	-
				1143925	1236765	

8. Operational Risk

Operational risk is defined as the risk of losses resulting from inadequate or disrupted internal process, people and systems or from external events.

Operational Risk	Qualitative Disclosure	(a) Views of BOD on system to reduce Operational Risk	The BOD keeps tight watch on the activities and trading in order to maximize profit without violating banking rules, regulations. The policy for operational risks including internal control & compliance risk is approved by the board taking into account relevant guidelines of Bangladesh bank. Audit committee of the Bank oversees the Aactivities of Internal Control & Compliance Division (ICCD) to protect against all operational risk.
		Performance gap of executives and staffs	BDBL has a policy to provide equal opportunity and best working environment to the employees. BDBL's strong image plays an important role in employee motivation. As a result, there is no significant performance gap.
		Potential external events	No potential external events are expected to expose the Bank to significant operational risk.

		Policies and processes for mitigating operational risk	<p>The policy for operational risks including internal control & compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh bank. Policy guidelines on Internal Audit system is in operation. Branches are audited regularly by Internal Control & Compliance Division (ICCD).</p> <p>It is the policy of the bank to put all the branches of the bank under any form of audit at least once in a year. The audit & inspection department makes a year wise risk based audit plan to carry out comprehensive audits & inspection on the banking operations. Moreover, each and every state owned bank is audited by Government auditors and external audit firms. ICCD directly report to Audit Committee of the Bank. Bank's Anti-Money laundering activities are supervised by CAMELCO and their activities are devoted to protect against all money laundering and terrorist finance related activities. Apart from that, there is adequate check & balance at every stage of operation, authorities are properly segregated and there is at least dual control on every transaction to protect against operational risk.</p>						
	Quantitative disclosure	Approach for calculating capital charge for operational risk	Basic Indicator Approach was used for calculating capital charge for operational risk as of the reporting date.						
		b) The capital requirements for Operational Risk	<table border="1"> <thead> <tr> <th style="text-align: center;">Solo</th> <th style="text-align: center;">Consolidated</th> </tr> <tr> <th colspan="2" style="text-align: center;">Taka in Thousand</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">417558</td> <td style="text-align: center;">428724</td> </tr> </tbody> </table>	Solo	Consolidated	Taka in Thousand		417558	428724
Solo			Consolidated						
Taka in Thousand									
417558	428724								

9. Liquidity Ratio

		Views of BOD on system to reduce liquidity risk	<p>Liquidity risk is the risk that a given security or assets cannot be traded quickly in the market to prevent a loss (or make the required profit) or when a bank is unable to fulfill its commitments in time when payments falls due. Liquidity risk can be categorized into two types:</p>
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Liquidity Ratio	Qualitative Disclosure		<p>a) Funding liquidity risk: The risk that a firm may be unable to meet its current and future cash flow and collateral needs without affecting its daily operation.</p> <p>b) Market liquidity risk: The risk that a firm cannot easily offset or sell a position without incurring a loss due to inadequate depth in the market.</p> <p>The Board Of Directors (BOD) of Bangladesh Development Bank Limited keeps tight watch on managing the assets and liabilities of the bank in order to maximize shareholders' value and profitability and also to increase capital to protect the bank from any adverse financial consequences arising from liquidity risk. Various liquidity measurement reports are viewed by board. BOD plays important role in controlling the overall liquidity risk.</p>
		Methods used to measure liquidity risk	<p>The bank always tries to maintain adequate required liquidity at all times and in all situations (favorable or unfavorable). To maintain adequate liquidity BDBL identifies and monitors the driving factors of liquidity risk considering the following aspects:</p> <ul style="list-style-type: none"> a) Cash Reserve Requirement (CRR) b) Advance Deposit Ratio (ADR)/ Investment Deposit Ratio (IDR) c) Liquidity Coverage Ratio (LCR) d) Net Stable Funding Ratio (NSFR) <p>The bank also uses its own liquidity monitoring tool:</p> <ul style="list-style-type: none"> a) Liquidity Contingency Plan b) Whole Sale Borrowing & Funding Guideline
		Liquidity risk management system:	<p>At any gap at any particular maturity bucket, the liquidity risk will be managed through following systems:</p> <ul style="list-style-type: none"> (i) Fund will be mobilized first from money market. (ii) Balance deposited with other banks will be withdrawn. (iii) The excess amount of CRR with BB will be withdrawn. (iv) Marketable securities will be sold with no or very negligible losses. (v) Fund will be mobilized through Repo or Reverse Repo activities

		<p>Policies and process for mitigating excessive on and off-balance sheet leverage:</p>	<p>Liquidity ratios are a class of financial metrics used to determine a company's ability to pay off its short-term debts obligations at the lowest possible time and lowest possible cost. Generally, the higher the value of the ratio, the larger the margin of safety that indicates the company is able to cover short-term debts. A company's ability to turn short-term assets into cash to cover debts is of the utmost importance when creditors are seeking payment. For this purpose the BOD of the bank has formed Asset Liability Management Committee (ALCO) which meets at least once a month to monitor the liquidity position and take necessary steps to manage liquidity risk. The formulation of a treasury manual policy is under final stage. A Liquidity Contingency Plan has been developed to keep enough liquidity to meet crisis situation.</p>	
	Quantitative disclosure	Liquidity Ratio	Solo	Consolidated
		Liquidity Coverage Ratio	3.16	3.46
		Net Stable Funding Ratio (NSFR)	4.10	4.11
		Stock of High quality liquid assets (In “000”)	1873794.21	2056694.21
		Total net cash outflows over the next 30 calendar days (In “000”)	593517.54	593517.54
		Available amount of stable funding (In “000”)	18965928	19020536
		Required amount of stable funding (In “000”)	4630700	4658004

10. Leverage Ratio

Liquidity Ratio	Qualitative Disclosure	<p>a)Views of BOD on system to reduce excessive leverage policies and processes for managing excessive on and off-balance sheet leverage</p>	<p>In order to avoid excessive leverage in the banking system, a simple, transparent, non-risk based leverage ratio has been introduced. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based requirements. The leverage ratio is intended to achieve the following objectives:</p> <ul style="list-style-type: none"> a) Constrain the build-up of leverage in the banking sector which can damage the broader financial system and the economy b) Reinforce the risk based requirements with an easy to understand and a non-risk based measure. <p>BDBL calculates leverage ratio on quarterly basis as prescribed by Bangladesh Bank through Guidelines on Risk Based Capital Adequacy and submits to Bangladesh Bank.</p>
		<p>Approach for calculating exposure</p>	<p>A minimum Tier 1 leverage ratio of 3% is being prescribed by Bangladesh Bank both at solo and consolidated basis. BDBL maintains leverage ratio on quarterly basis. The formula for calculating leverage ratio is:</p> <p>Leverage Ratio= Tier 1 Capital (after related deduction)/ Total Exposure (after related deduction)</p>

Quantitative Disclosure	b) Leverage ratio is calculated on the basis of Basel-III guidelines and the bank's outstanding data & information.	Components		
		Solo	Console	
		Taka in Thousand		
		On-balance sheet exposure	54541433	54899353
		Off-balance sheet exposure	825734	825734

11. Remuneration:

Remuneration	Qualitative Disclosure	
	<p>a) Information relating to the bodies that oversee remuneration. Disclosure should include:</p> <p>Name, composition and mandate of the main body overseeing remuneration.</p> <p>External consultant whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.</p> <p>A description of the scope of the bank's remuneration policy (e.g. by region, business lines), including the extent to which it is applicable to foreign subsidiaries and branches.</p> <p>A description of the types of employees considered as material risk takers and as senior managers including the number of employees in each group</p> <p>b) Information relating to the design and structure of remuneration processes:</p> <p>An overview of the key features and objectives of remuneration policy.</p> <p>Whether the remuneration committee reviewed the firm's remuneration policy during the last year, and if so, and an overview of any changes that were made.</p> <p>A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the business they oversee.</p>	<p>Bangladesh Development Bank Limited is one of the state owned specialized commercial banks operating in Bangladesh, has been playing important role in the overall financial development of the country especially in the industrial development of the country since inception. As BDBL is a state owned bank, the remuneration system is governed under National Pay Scale announced by the Government of the People's Republic of Bangladesh time to time. A fixation unit of Human Resource Department works on pay fixation as per national pay scale. National Pay Scale 2015 is being fully exercised and will continue till new pay scale is declared by the Government of the People's Republic Of Bangladesh.</p> <p>The branch managers, Zonal Head, Divisional Head and senior management of the head office are considered as the material risk takers.</p> <p>The remuneration process is reviewed only when a new national pay scale is declared by the Government of the People's Republic of Bangladesh.</p> <p>Not Applicable</p> <p>Salary Structure: Salary component is as under: (i) Basic salary;(ii)House Rent Allowance and; (iii) Medical Allowance.</p> <p>Remuneration Type:</p> <ul style="list-style-type: none"> • Employees under pension basis; • Employees under gratuity basis; • Employees under contractual basis; • Employees under outsourcing basis.

	<p>c) Description of the ways in which current and future risks are taken into account in the remuneration process:</p> <p>An overview of the key risks that the bank takes into account when implementing remuneration measures.</p> <p>An overview of the nature and type of the key measures used to take account of these risks; including risks difficult to measure (values need not be disclosed).</p> <p>A discussion of the ways in which these measures affect remuneration.</p> <p>A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration.</p>	Not Applicable
	<p>d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration. Disclosures should include:</p> <p>An overview of main performance metrics for bank, top-level business lines and individuals.</p> <p>A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance.</p> <p>A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak.</p>	Not Applicable

Remuneration	Qualitative Disclosure	<p>E) Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance. Disclosures should include:</p> <p>A discussion of the bank’s policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance.</p> <p>A discussion of the bank’s policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through clawback arrangements.</p>	<p>As a state owned entity the remuneration system is governed under National Pay Scale announced by the Government of the People’s Republic of Bangladesh. Moreover, various cash and on-cash benefits are provided as per the approval of the Board of Directors. The various cash and non-cash benefits include:</p> <ul style="list-style-type: none"> • Bank provides car for top level Executive employees • Car loan facility • House loan facility • Staff loan at reduced interest rate • Travel allowance/TA/DA as required • Festival bonus • Allowance for employees’ meritorious students • Recreation leave for 15 days after every three year • Maternity leave
		<p>f) Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms. Disclosures should include:</p> <p>An overview of the forms of variable remuneration offered (i.e. cash, shares and share-linked instruments and other forms).</p> <p>A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees), a description of the factors that determine the mix and their relative importance.</p>	<p>There are no different forms of variable remuneration (i.e. cash, shares and share-lined instruments and other forms). There are no performance based rewards. But in some special cases an increment is added as reward for outstanding performance of any employee. However, there is an incentive system on overall performance (based on profit) that is considered variable remuneration. Salary and all types of benefits provided by the bank are in the form of cash.</p>
		<p>g) Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.</p>	<p>Not Applicable</p>

	<p>k) Number of employees having received a variable remuneration award during the financial year.</p> <p>Number and total amount of guaranteed bonuses awarded during the financial year.</p> <p>Number and total amount of sign-on awards made during the financial year.</p> <p>Number and total amount of severance payments made during the financial year.</p>	Not Applicable									
	<p>i) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. Total amount of deferred remuneration paid out in the financial year.</p>	Not Applicable									
	<p>j) Breakdown of amount of remuneration awards for the financial year to show:</p> <ul style="list-style-type: none"> - Fixed and variable. - Deferred and non-deferred. - Different forms used (cash, shares and share linked instruments, other forms). 	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">Taka in Thousand</th> </tr> </thead> <tbody> <tr> <td>Fixed Pay (including 2 festival bonus)</td> <td style="text-align: center;">46900</td> </tr> <tr> <td>Variable Pay (3 incentive bonus equivalent to 3 month's basic salary)</td> <td style="text-align: center;">81694</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: center;">128594</td> </tr> </tbody> </table>	Particulars	Taka in Thousand	Fixed Pay (including 2 festival bonus)	46900	Variable Pay (3 incentive bonus equivalent to 3 month's basic salary)	81694	Total	128594	
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Variable Pay (3 incentive bonus equivalent to 3 month's basic salary)	81694										
Total	128594										
	<p>k) Quantitative information about employees 'exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. claw backs or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:</p> <p>Total amount of outstanding deferred Remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.</p> <p>Total amount of reductions during the financial year due to ex post explicit adjustments.</p> <p>Total amount of reductions during the financial year due to ex post implicit adjustments.</p>										

Report on Sustainable Banking



Report on Sustainable Banking

Sustainable development is a state of development that meets the needs of the present without destroying the ability of future generation to meet their own needs.

A sustainability report is a report published by a company or an organization about the economic, environmental and social impacts caused by its everyday activities. So a sustainability report presents the organization's values, governance model and demonstrate the link between its strategy and its commitment to a sustainable global economy.

Systematic sustainability reporting helps organizations to measure the impacts they cause or experience, set goals and manage change. A sustainability report is the key platform for communicating sustainability performance and impacts-whether positive or negative.

But here sustainability for banks means building a successful business today and delivering value over the long term. So, sustainability is a journey for long term. Along the way, organizations need to set goals, measure performance and integrate a sustainable strategy into their core planning.

A sustainable economy should combine long term profitability with ethical behavior, social justice and environmental care. This means that when companies or organizations consider sustainability and integrate it into how to operate, they must consider four key areas of their performance and impacts :

- Economic ;
- Environmental ;
- Social ; and
- Human Rights.

According to Global Reporting Initiative's (GRI's) Sustainability Reporting Framework, BDBL is reporting on sustainable banking system that enables it to measure, understand and communicate this information. BDBL's missions are to :

- make sustainable long term financial performance.
- provide sustainable and responsible financial services.
- contribute significantly in socio-economic development.
- create good governance, regulation and stakeholder engagement.
- help in building green environment.
- make a positive and consistent employee experience.

BUSINESS PARTNERS

Customers and clients are our business partners. Our relationship with them is based on mutual trust and respect. We sincerely strive to improve business relationship with them for mutual benefits and proudly offer various contemporary financial products and services to meet their needs without any hidden cost. We are fully aware of increasing the shareholders value by optimizing financial performance at least cost.

REGULATORY AUTHORITIES

Being a responsible corporate body, we conform to all stringent regulations issued by the Government of Bangladesh, Bangladesh Bank, and Bangladesh Securities & Exchange Commission.

ECONOMIC CONTRIBUTION

BDBL contributes indirectly to the economies by way of providing loans & advances to the industrial ventures which ultimately produces goods & services and create employment opportunities for the people of the country. The loans & advances provided to different industrial ventures by the bank was Tk. 1807.84 crore in 2016. It was Tk. 1813.75 crore in 2015.

BDBL has contributed significantly to the Government's drive in collection of revenue. As per law, the bank deducts taxes, VAT and excise duty at source from various payments and services and deposits the same to government exchequer. Besides, the bank also pays income tax on its earnings.

The total payment to government exchequer from 2015-2016 is depicted below :

Payment to National Exchequer

(Tk. in crore)

Particulars	2016	2015
Payment of advance Income Tax	4.14	15.48
Tax deducted at source and deposited	17.15	20.82
VAT deducted at source and deposited	2.86	2.88
Excise duty deducted and deposited	1.33	0.79
Total	25.48	39.97

Future Outlook

- Manage BDBL capital prudently which will enable it to meet future requirements.
- Operate in emerging markets for taking advantage of growth opportunities.
- Price BDBL products appropriately which will increase sales opportunities and competitiveness.
- Lend more responsibly to mitigate the risk of the customers on their repayments.
- Offer secured banking structures which will reduce the risk of financial crime and engenders trust and confidence among our customers.

ENVIRONMENTAL CONTRIBUTION

GREEN BANKING

As a part of green banking, BDBL is attaching importance to the activities that are not harmful to the environment. It has established a separate Mobile & Green Banking Department and various measures have been adopted to ensure green banking. Among others, green financing, creating awareness among employees for efficient use of water, electricity and paper giving preference to preservation of ecosystem while financing commercial projects and reuse of equipment are the some initiatives for turning BDBL as a green bank.

As per Bangladesh Bank's guidelines, BDBL has prepared its Green Banking Policy which is implemented in III phases. The bank has formed a Risk Management Committee comprising 05 (five) members of the Board of Directors. The function of the Committee is to review the bank's green and environmental policies, strategies and programs for governing the overall green banking activities of the bank. Besides, it has also formulated a Green Banking Cell consisting of 05 (five) members of the bank headed by a General Manager.

Alongside Credit Risk Grading (CRG), Environment Risk Rating (ERR) has been made obligatory by the Central Bank for all banks at the time of processing of loan proposals. With the concurrence of the Central Bank's guidelines, BDBL has formulated Environment Risk Management Manual and conducting ERR for the projects as well as the credit facilities that fall within the threshold limit.

For In-house Environmental Management, BDBL has installed solar power system on its roof top for energy efficiency. Besides, in order to reduce paper based work, e-recruitment, e-procurement, documentation management system, leave management system, personal file update system, online salary and account statement, online office orders etc. have been introduced through intranet of bank. In addition, all the departments of bank's Head Office including all its branch offices have been brought under computer network (WAN, LAN). For availability of open data, BDBL has introduced its own website which is updated all time. Most of the regulatory reporting from bank is done through web upload and Enterprise Data Warehouse (EDW) System. Bangladesh Automated Cheque Processing System (BACPS), Bangladesh Electronic Fund Transfer Network (BEFTN), Credit Information Bureau Online and Enterprise Resources Planning (ERP) have already started operation.

BDBL has signed 06 (six) refinancing agreements with Bangladesh Bank which are as follows :-

- Refinancing scheme under ADB Fund.
- Refinancing scheme for Agro-products processing industries.
- Bangladesh Bank Fund (Women Entrepreneurs).
- Refinancing scheme for renewable energy and environment-friendly projects.
- Refinancing scheme for new entrepreneurs in cottage, Micro and Small Enterprise sector.
- Refinancing scheme for 10 taka account holder.

Under these schemes, bank has so far financed 714 projects with Tk. 62.64 crore in 2016.

Lastly, as a responsible corporate organization, BDBL has arranged a number of trainings, seminars, workshops etc. for making its employees environment sensitized.

BDBL monitors evolving environmental regulations and put in place the necessary measures to comply. It is actively engaging with government to ensure effective balance between addressing climate change and the impacts of related regulation on the economy and business. BDBL has an obligation to manage the environmental and social impacts by its activities, products and services have on society, and to respond strategically to the risks that global environmental and social pressures place on our ability to create sustainable value for the stakeholders.

Future Outlook

- Manage and measure our own carbon footprint in Bangladesh by investing in technology and resources.
- Reduce our resource consumption which will alleviate environmental impact and reduce operational cost.
- Encourage a further reduction in paper use by giving clients the option of ending printed communication for more and more products in the years ahead and by communicating digitally even more frequently.
- Encourage bank's officers and staff to use less paper by reducing the number of available printers and steadily promoting use of digital resources.
- Continue to focus beyond its own internal operation in the year ahead.
- Invest more in carbon finance and trading which will reduces carbon dioxide (CO₂) emissions while generating revenue.
- Discourage projects with unacceptable levels of carbon emission.

SOCIAL CONTRIBUTION

“Building sustainable society”

As a state-owned bank, BDBL is making strong contribution to create wealth for the communities in which we operate, providing inclusive financial services and supporting SMEs, micro-credit providers, etc.

FINANCIAL INCLUSION

Financial inclusion is one of the most important tools for ensuring financial and social stability, especially in the developing countries. Access to finance by the poor and vulnerable groups is a pre-requisite for poverty reduction and social balance. This has become an integral part of our efforts to promote inclusive growth. BDBL is dedicated to serve financial services at an affordable cost to the vast sections of the disadvantaged and low-income groups. The various financial services include: credit in the form of short, medium and long term loans & advances facilities, savings by opening of various accounts and schemes and foreign exchange business including remittance facilities.

The objective of financial inclusion is to extend the scope of activities of the organized financial system to include people with low incomes within its network. BDBL's policies aim at increasing the income and employment opportunities on the one hand and on the other; it tries to finance programs which are conducive to make the growth more inclusive.

In Year 2016

- No. of deposit A/Cs is 46,972 in 2015, it was 57,669 in 2016.
- Total deposits in 2016 is Tk. 2637.49 crore, it was Tk. 2337.17 crore in 2015.
- Total loans & advances in 2016 is Tk. 1807.84 crore, it was Tk. 1813.75 crore in 2015.
- The amount of SME agricultural loans disbursed in 2016 is Tk. 4.82 crore which was Tk. 0.97 crore in 2015.
- No. of Branches was 36 in 2015 where in 2016 it is 42.

HUMAN RESOURCE

Human resource development is one of the key competencies to enable individuals in any organization to perform current and future jobs in a strategic way. BDBL treats its human resource as distinctive resource and true capital rather only the employees. BDBL has integrated the use of training and development as a path to improve quality and capability of the officers. The Training Institute of BDBL imparts training and arranges workshop on different contemporary areas of banking for its employees. Besides, BDBL ensures a gender environmentally playing field for women workforce in terms of promotion and placement. Following the rules and regulations of the Government, women employees enjoy up 6 (six) months maternity leave with other facilities.

The bank is maintaining a welfare fund namely Benevolent Fund taking contribution from employees and the bank to support the employees and their families on the ground of medical, maternity, retirement, disability and death claim.

Staff Welfare Fund is being run by the bank out of the employees' regular contribution to stand before them for their well-being. The physical and mental well-being of the officers and staff are very important especially for the stressful effects of the performance driven culture in the Banking Sector.

Effective counseling and proper treatment for employees plays pivotal role in this respect. To get the immediate treatment, the bank appointed two doctors on part time basis at two intervals in Head Office, zonal and branch offices. Besides, area-wise part time doctors were also appointed by the bank for general treatment.

The Board and Management of the bank are always cordial in extending facilities relating to the needful welfare of the employees. Some of the areas of welfare are : contributory provident fund facility, gratuity fund, retirement benefits, leave encashment, two festival bonuses, incentive performance bonus, advance facilities for house building, transport facilities, financial assistance for complicated and expensive treatment, scholarship and educational stipend for the meritorious children of the employees, a lump sum grant / monthly grant to the families of late and retired employees and financial aid to the distressed families for purchasing cloths in religious festivals.



Report on Green Banking

Report on Green Banking

GREEN BANKING

Green Banking is a component of the global initiative by a group of stakeholders to save environment. Bangladesh is one of the most climate change vulnerable country. In line with global development and response to the environment degradation, financial sector in Bangladesh must play an important role as one of the key stakeholders. As a part of financial intermediation, Bangladesh Development Bank Limited is also responsible for safeguarding the environment.

POLICY FORMULATION AND GOVERNANCE

In accordance with Bangladesh Bank Circular No. BRPD-02, dated 27-02-2011, BDBL undertook required steps to implement the Green Banking Guidelines in three phases :-

- formulated Green Banking Policy and Strategy approved by the Board of Directors.
- approved a considerable fund in the annual budget for green banking.
- established a five-member Green Banking Cell headed by a General Manager with the responsibility of designing, evaluating and administering green banking issues of the bank.
- prepared Environment Risk Management Manual.

Apart from these, the bank also undertook the following action plan under different Phases according to Policy Guidelines for Green Banking given by Bangladesh Bank :-

- formulating sector specific environmental policy.
- applying green strategic planning while financing projects.
- financing of Green Products.
- setting up of Green Branches considering the following factors :-
 - maximum use of natural light.
 - use of online banking.
 - use of renewable energy.
 - use of energy saving bulb and other equipment.
 - use of reduced water and electricity.
 - use of recycled water.
- introducing improved In-house Environmental Management in order to save electricity and reduce water and paper consumption.
- formulating bank specific environmental risk management plan and guidelines.
- adopting rigorous programs to educate clients.
- making disclosures and reporting green banking

IN-HOUSE ENVIRONMENT MANAGEMENT

BDBL took a number of steps for In-house environment management incongruence with Green Banking Policy. The following initiatives were taken to activate In-house environment management :-

- a general circular was issued for efficient use of electricity, water, paper, eco-friendly ink, stationary, gas, fuel, etc.
- steps took for using energy savings bulbs instead of traditional bulbs / lights.
- duplex printer, pen-drive, e-mail, e-statement, automated power switching, etc. were introduced as a cohesive customs.
- LCD monitors were used instead of CRT for CCTV system for power consumption.
- instructions were given to ensure cleanliness in bank premises. and
- solar panels were installed in Head Office and some branches.

COMPLIANCE OF ENVIRONMENT RISK MANUAL (ERM)

Bank took steps to assess environmental risk along with existing credit risk to assess the credit risk measure. All projects would be rated as high, moderate and low using Environmental Due Diligence (EDD) checklist. The bank will also prepare data-base on the number of projects applicable for EDD checklists for environmental risk rating, number and amount disbursed to the rated projects financed and status of loan classification for rated projects financed. General and sector specific EDD checklists will be introduced covering poultry, dairy, cement, chemicals, pesticides, pharmaceuticals, engineering, housing, pulp & paper, sugar & distilleries, tannery, textile & apparels, ship breaking, etc.

GREEN FINANCING

Since its inception BDBL financed many projects which were environmentally responsive and avoided those projects which were harmful. Financing eco-friendly projects that helped mitigate environmental degradation by lending more for renewable energy, effluent treatment plants and other projects like bio-fertilizer plants, waste management plants, mushroom projects, etc. are priority for BDBL. Generation plants based on solar power, bio-gas and wind, and automatic brick manufacturing plants that use modern environment-friendly technology are especially favored projects of BDBL.

In 2016, the bank allocated fund for implementing green financing activities in the following ways :-

(Tk. in crore)

Sl. No.	Areas	Total Fund	Allocated for Green Banking	Use of Green Fund
1.	Long Term Loan	200.00	31.00	0.00
2.	SME Loan	300.00	15.00	1.15
3.	Short Term Loan	190.00	10.00	0.00
	Total	690.00	56.00	1.15

GREEN MARKETING

The bank is always keen to raise green awareness among its clients, stakeholders, entrepreneurs, employees, etc. Among other, it has also included installation of solar panel, bio-gas, tree plantation and agro-based projects as priority sectors in its SME loan portfolio. The Training Institute of the bank regularly arranges training, seminar and workshop on green banking to create awareness for green banking activities of the bank.

ONLINE BANKING

Online Banking is one of the important and easiest ways to save environment by doing paperless banking. It decreases use of paper, waste of paper along with reduction of carbon emission and printing & postal expenses. At present, all branches along with Head Office are fully online for branch banking. The bank has established data center and core banking software. The bank is also going to start mobile banking for its wide range of customers soon.

TRAINING AND AWARENESS

Training Institute of BDBL has organized several training courses on green banking. Executives/officers of related desk participated in these training courses. BDBL has planned to train up its clients and business houses to be encouraged and influenced to comply with the environmental regulations and undertake resource efficient and environmental activities as well as increase knowledge/awareness about green banking.

DISCLOSURE OF GREEN BANKING ACTIVITIES

- The bank has regularly been exposing its green banking activities in the Annual Report.
- It also discloses green banking activities in the website of the bank.

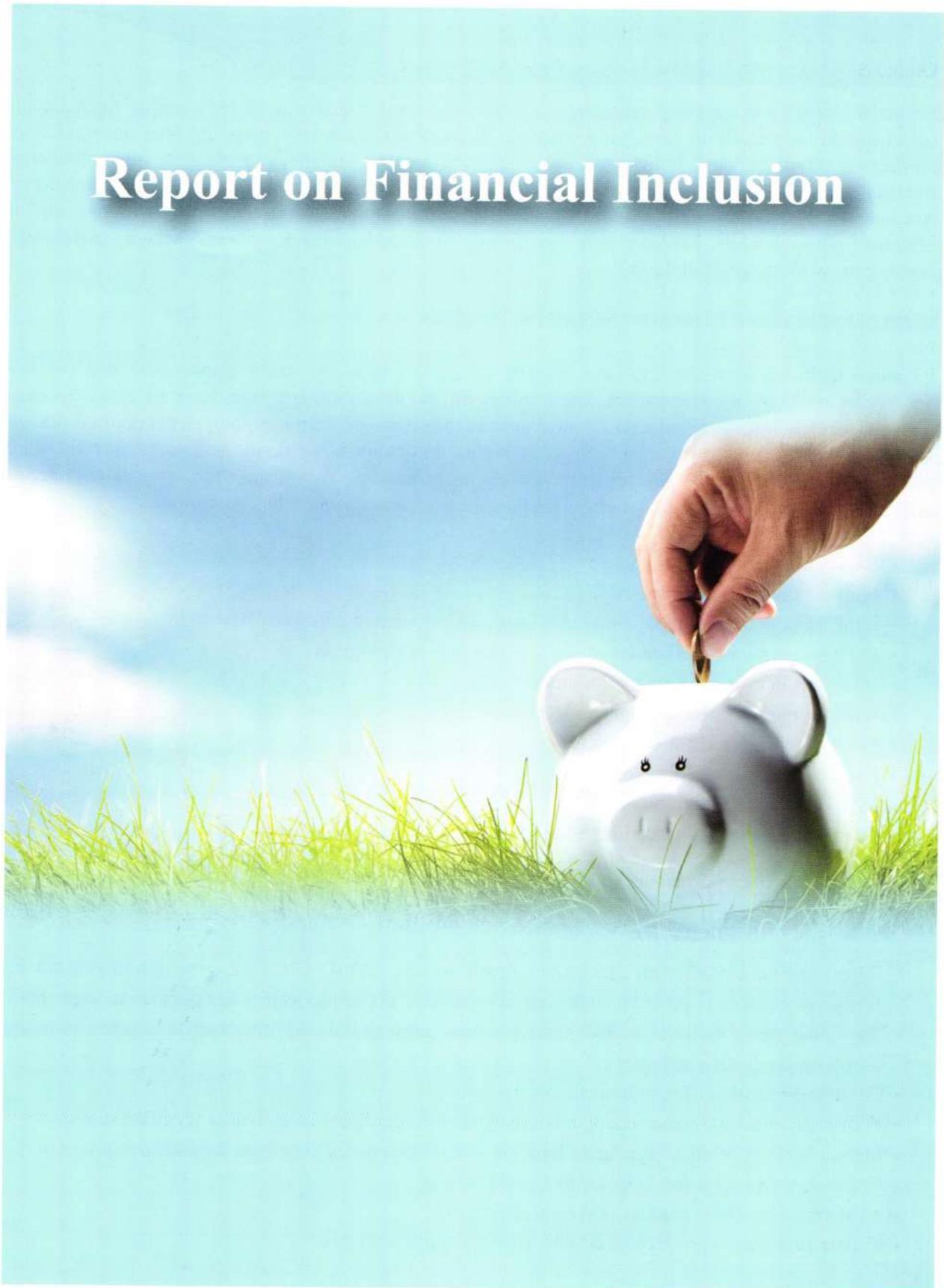
MANAGEMENT APPROACH TO GREEN BANKING

Management of BDBL has focused on socially responsible investment, designed to aid environmentally conscious businesses and consumers through better loan rates and other incentives. The bank has planned to increase sustainable green finance and has continued to increase its exposure to the sector. The bank has also a future plan to set up “Green Branch” and solar panels in all branches.

COMPLIANCE STATUS OF GREEN BANKING IN BDBL

Issue	Compliance Status
Own green banking policy guidelines	Yes
Green banking committee	Yes
Green banking unit	Yes
Budget allocation	Yes
Incorporation of ERM in core risk management	Yes
In-house environment management	Yes
Introduction of green banking guide	Yes
Introduction of green finance	Yes
Introduction of green product	Under process
Creation of climate risk fund	To be created
Introduction of green marketing	Under process
Online Banking	Yes
Employee training	Yes
Consumer awareness	Yes
Sector specific environmental policy	Yes
Green strategic planning	Yes
Setting up green branches	Under process
Disclosure and reporting of green banking activities	Yes

Report on Financial Inclusion



Report on Financial Inclusion

Financial inclusion is currently considered as one of the most effective tools for ensuring financial and social stability especially in developing countries. It promotes access to appropriate financial services or products at affordable cost. Bangladesh Bank has taken various initiatives to bring the huge number of financially excluded people under the financial services. It issued directives to banks for opening No-Frill Accounts (NFAs) for farmers, freedom fighters, beneficiaries under social security program, small life insurance policy holders, hardcore poor beneficiary workers, banking for minors, school banking and banking for working/street children.

BDBL'S INITIATIVE FOR FINANCIAL INCLUSION

Financial inclusion promotes inclusive growth, productive capacity, youth employment and combats poverty by unblocking advancement opportunities for the disadvantaged poor. Lack of access to basic financial services leads to significant extent of social exclusion in education, employment opportunities and social safety net. Long term stability depends highly on quality of economic and social growth which targets all population of the society in the development journey. To transport the services of financial inclusion of the bank among the beneficiaries the following arrangements has been made:

- Bank account for hardcore poor ;
- Bank account for garments workers ;
- Bank account for old-aged, disabled, widows and woman discarded by husband ;
- Bank account for beneficiaries of social safety network program ;
- Bank account for hardcore poor woman ;
- Bank account for freedom fighters ;
- Country wide expansion of branches ;
- Bank account for unemployed youth ;
- BACH & BEFTN operation ;
- Arrangement of small-scale loan ; and
- Banking for working/street children.

FUTURE OUTLOOK

- Supporting the Government's inclusive growth strategy, BDBL will come forward to implement any further steps taken to serve the underserved/un-served economic sectors and population segments ;
- Providing credit facilities to SME entrepreneurs, agricultural and other rural and urban farm and non-farm productive activities ;
- Continue expansion of rural branches of the bank ;
- Work with mutually-owned cooperative societies offering financial and other specified services ;
- Mobile banking services like Agent Banking will be introduced very soon for inclusion program ;
- Continue CSR obligation to foster financial inclusion ;
- ATM services will be continued in rural areas ; and
- IT based financial services like BACH, BEFTN will be enhanced.

Directors' Responsibility for Financial Reporting & Internal Control

The Board of Directors of BDBL is responsible to cause preparation of Financial Statements of the bank to reflect a true and fair view of the state of its affairs. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Bangladesh Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh and Companies Act, 1994, Bank Companies Act, 1991 (Amended-2013) and Bangladesh Securities and Exchange Commission Rules, 1987 as considered relevant and appropriate under the circumstances. The financial information and data provided in this Annual Report is fully consistent with financial statements.

The financial statements are required by law and International Accounting Standards as adopted by ICAB to present fairly the financial position of the company and the performance for the period. In preparing the financial statements, the followings are observed:

- ❖ Select suitable accounting policies and then apply them consistently;
- ❖ Make judgments and estimates that are reasonable and prudent;
- ❖ Ensure that financial statements have been prepared in accordance with International Accounting Standards (IAS) adopted by ICAB; and
- ❖ Prepare the financial statements on going concern basis unless it is appropriate to presume that the company will not continue in business.

In compliance with the requirements of the BSEC's Notification Dated 07 August, 2012, the Directors are also required to declare certain matters in the report which are as under:

- ✚ The financial statements prepared by the management represent fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- ✚ Proper books of accounts of the company have been maintained;
- ✚ Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment;
- ✚ International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as applicable in Bangladesh, have been followed in preparation of financial statements with appropriate disclosures;
- ✚ The system of internal control is sound in design and has been effectively implemented and monitored;
- ✚ There is no significant doubt upon the company's ability to continue as a going concern. If the company is not considered to be a going concern, the fact along with reasons should be disclosed; and
- ✚ Significant changes from last year in operating results of the company should be highlighted and reasons thereof should be explained.

The Directors fully confirm to the following procedures while preparing the annual accounts for the year 2016:

- ❖ The accounting policies, framed in accordance with the guidelines of Bangladesh Bank, are consistently applied;
- ❖ Adequate accounting records are efficiently maintained in accordance with the provisions of the applicable laws governing banks in Bangladesh;
- ❖ Practical reasonable judgment and estimates are given to provide clear descriptive picture of the state of affairs and the profit of the bank for the year 2016;
- ❖ Accounts have been prepared on a "going concern" basis; and
- ❖ Statutory payments have all been made up to date with full satisfaction of the Directors.

RESPONSIBILITY FOR INTERNAL CONTROL

To ensure adequate internal control, the bank has taken proper and sufficient care in installing a system of internal control, which is reviewed, evaluated and updated on an ongoing basis. The Compliance Department of the bank conducts periodic audits to provide reasonable assurance that the established / approved policies and procedures of the bank are constantly followed. The auditors of the bank, S.F. AHMED & CO and KHAN WAHAB SHAFIQUE RAHMAN & CO, Chartered Accountants, have carried out annual audits to review the system of internal controls, as they consider appropriate and necessary, for expressing their opinion on the financial statements. They have also examined the financial statements made available by the management together with all the financial records, related data, minutes of shareholders and Board meetings, relevant policies and expressed their opinion.

The Board of Directors is responsible for ensuring adequate internal control on financial transactions and reporting. In order to ensure effective risk management, the Board also ensures that adequate internal control system is in place and it is consistently complied with to provide reasonable assurance that financial records are reliable for preparation of financial statements, that quality of financial reporting is maintained, that assets of the bank are safeguarded against unauthorized use or disposition and that accountability for assets and business transactions are maintained. The Board monitors and updates internal control procedure on a continuous basis.

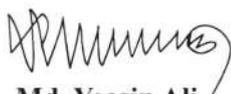
BDBL's accounting policies, financial reporting and internal control are under direct supervision of the Audit Committee of the Board that in turn Report to the Board of Directors for general oversight and supervision. Audit Committee of the Board is fully independent of Executive Management. The Committee regularly reviews reports prepared by Internal Control & Compliance Division (ICCD) covering all the business operations of the bank with particular focus on core risks.

BDBL's accounting policies, financial reporting and internal control are under direct supervision of the Audit Committee of the Board that in turn Report to the Board of Directors for general oversight and supervision. Audit Committee of the Board is fully independent of Executive Management. The Committee regularly reviews reports prepared by Internal Control & Compliance Division (ICCD) covering all the business operations of the bank with particular focus on core risks.

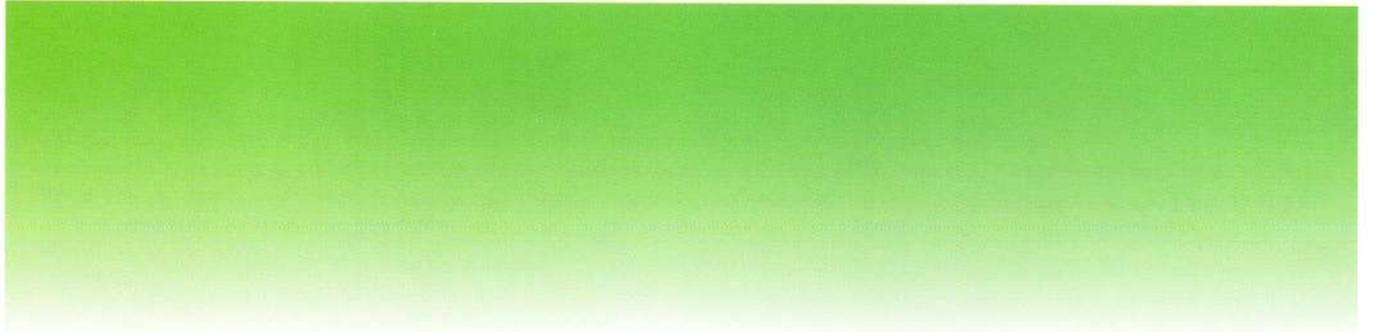
Internal Control & Compliance Division of the bank work under close coordination with Audit Committee of the Board for ensuring better internal control, effective operational procedure and reliable financial reporting. Internal Control & Compliance Division (ICCD) undertakes details audit of the activities of branches and Head Office on a regular basis. Its reports are presented directly to Audit Committee of the Board. ICCD has also direct access to the Audit Committee of the Board to discuss any matter related to their audit, adequacy of internal control procedure and compliance as well as overall risk management of the bank. The auditors have full access to the audit committee to discuss any matter related to its audit to ensure reliability of financial reporting and effectiveness of internal control procedure.

In conclusion, the Board believes that effective control was maintained over preparation of financial statements for the year ended 31 December, 2016.

With best regards
On behalf of the Board of Directors.



Md. Yeasin Ali
Chairman



Auditors' Report and Audited Financial Statements-2016

S. F. AHMED & CO
Chartered Accountants
House 51 (2nd and 3rd Floors)
Road 9, Block-F, Banani
Dhaka 1213, Bangladesh

KHAN WAHAB SHAFIQUE RAHMAN & CO
Chartered Accountants
Rupali Bima Bhaban (5th Floor)
7, Rajuk Avenue
Motijheel, Dhaka 1000, Bangladesh

Bangladesh Development Bank Limited

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

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.

S. F. AHMED & CO
Chartered Accountants
House 51 (2nd and 3rd Floors)
Road 9, Block-F, Banani

KHAN WAHAB SHAFIQUE RAHMAN & CO
Chartered Accountants
Rupali Bima Bhaban (5th Floor)
7, Rajuk Avenue
Motijheel, Dhaka 1000, Bangladesh

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.

Sd/-
S. F. AHMED & CO
Chartered Accountants

Sd/-
KHAN WAHAB SHAFIQUE RAHMAN & CO
Chartered Accountants

Dhaka, Bangladesh
Dated, 30 April 2017

S. F. AHMED & CO
 Chartered Accountants

KHAN WAHAB SHAFIQUE RAHMAN & CO
 Chartered Accountants

Bangladesh Development Bank Limited

 Consolidated Balance Sheet
 As at 31 December 2016

	Notes	2016 BDT	2015 BDT
PROPERTY AND ASSETS			
Cash	3(a)	1,897,390,523	1,888,032,264
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
Balance with other banks and financial institutions	4(a)	11,254,667,772	7,970,507,349
In Bangladesh		11,217,308,602	7,895,692,615
Outside Bangladesh		37,359,170	74,814,734
Money at call and on short notice	5	-	-
Investments	6(a)	11,672,394,103	11,535,470,019
Government		3,541,400	4,174,300
Others		11,668,852,703	11,531,295,719
Loans and advances	7(a)	17,809,001,073	17,964,535,490
Loans, cash credit and overdrafts, etc		17,494,935,008	17,681,872,556
Bill purchased and discounted		314,066,065	282,662,934
Fixed assets including premises, furniture and fixtures	8(a)	8,204,413,518	8,338,131,683
Other assets	9(a)	4,061,486,431	3,681,888,440
Total assets		54,899,353,420	51,378,565,245
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, financial institutions and agents	10	334,683,245	404,372,248
Deposits and other accounts	11(a)	26,206,124,357	23,162,311,267
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	695,916,616
Fixed deposits		19,262,095,462	16,370,879,065
Other deposits		-	-
Other liabilities	12(a)	9,834,998,060	9,761,884,576
Total liabilities		36,375,805,662	33,328,568,091
Shareholders' equity			
Total shareholders' equity		18,523,547,758	18,049,997,154
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(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
Total liabilities and shareholders' equity		54,899,353,420	51,378,565,245

S. F. AHMED & CO
Chartered Accountants

KHAN WAHAB SHAFIQUE RAHMAN & CO
Chartered Accountants

Bangladesh Development Bank Limited

Consolidated Balance Sheet
As at 31 December 2016

	Notes	2016 BDT	2015 BDT
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	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		-	-
Other commitments		-	-
Documentary credits and other short term trade-related transaction		-	-
Liability on account of outstanding forward exchange contract		-	-
Forward assets purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		825,734,287	1,150,182,181

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

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

Sd/- Managing Director	Sd/- Director	Sd/- Director	Sd/- Chairman
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See annexed report of the date

Sd/-
S. F. AHMED & CO
Chartered Accountants

Sd/-
KHAN WAHAB SHAFIQUE RAHMAN & CO
Chartered Accountants

Dhaka, Bangladesh
Dated, 30 April 2017

S. F. AHMED & CO
 Chartered Accountants

KHAN WAHAB SHAFIQUE RAHMAN & CO
 Chartered Accountants

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
Less: Interest paid on deposits and borrowings, etc	19(a)	1,702,720,244	1,890,324,096
Net interest income		303,011,862	327,863,334
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
		1,662,374,754	1,953,423,505
Total operating income		1,965,386,616	2,281,286,839
Operating expenses			
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
Total operating expenses		1,293,675,129	995,739,414
Profit/ (loss) before provision		671,711,487	1,285,547,425
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		-	-
Total provision		152,567,303	602,497,371
Total profit/(loss) before taxes		519,144,184	683,050,054
Provision for taxation for the period			
Current tax	12(a.i)	125,388,409	163,833,128
Deferred tax	12(a.ii)	(1,856,992)	(29,958,263)
		123,531,417	133,874,865
Net profit after taxation		395,612,767	549,175,189
Appropriations:			
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
Retained surplus	16(a)	24,191,827	42,675,189
Earning per share (EPS)	33(a)	9.89	13.73

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

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

Sd/-	Sd/-	Sd/-	Sd/-
Managing Director	Director	Director	Chairman
			See annexed report of the date
Sd/-	Sd/-		
S. F. AHMED & CO	KHAN WAHAB SHAFIQUE RAHMAN & CO		
Chartered Accountants	Chartered Accountants		

 Dhaka, Bangladesh
 Dated, 30 April 2017

S. F. AHMED & CO
Chartered Accountants

KHAN WAHAB SHAFIQUE RAHMAN & CO
Chartered Accountants

Bangladesh Development Bank Limited

Consolidated Cash Flow Statement
For the year ended 31 December 2016

	Notes	2016 BDT	2015 BDT
A. Cash flows from operating activities			
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)
Operating profit before changes in operating assets and liabilities		635,825,569	923,443,482
Increase/(Decrease) in operating assets and liabilities			
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
Cash flows from operating assets and liabilities		2,645,457,408	(1,355,043,506)
Net cash from / (used in) operating activities		3,281,282,977	(431,600,024)
B. Cash flows from investing activities			
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)
Net cash from / (used in) investing activities		181,924,708	21,455,029
C. Cash flows from financing activities			
Decrease in long term borrowing		(69,689,003)	(269,557,801)
Dividend paid		(100,000,000)	(100,000,000)
Net cash from / (used in) financing activities		(169,689,003)	(369,557,801)
D. Net increase in cash and cash equivalents (A+B+C)		3,293,518,682	(779,702,796)
E. Effects of changes in exchange rate		-	692,933
F. Cash and cash equivalents at beginning of the year		9,858,539,613	10,637,549,476
G. Cash and cash equivalents at end of the year (D+E+F)	32(a)	13,152,058,295	9,858,539,613
Cash and cash equivalents at end of the year			
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
		13,152,058,295	9,858,539,613

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

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

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
Chairman

Dhaka, Bangladesh
Dated, 30 April 2017

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

Sd/-
Managing DirectorSd/-
DirectorSd/-
DirectorSd/-
ChairmanDhaka, Bangladesh
Dated, 30 April 2017

S. F. AHMED & CO
Chartered Accountants

KHAN WAHAB SHAFIQUE RAHMAN & CO
Chartered Accountants

Bangladesh Development Bank Limited

Balance Sheet
As at 31 December 2016

	Notes	2016 BDT	2015 BDT
PROPERTY AND ASSETS			
Cash	3	1,897,356,678	1,888,008,390
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
Balance with other banks and financial institutions	4	11,102,459,518	7,933,748,124
In Bangladesh		11,065,100,348	7,858,933,390
Outside Bangladesh		37,359,170	74,814,734
Money at call and on short Notice	5	-	-
Investments	6	11,228,348,075	11,414,025,393
Government		3,541,400	4,174,300
Others		11,224,806,675	11,409,851,093
Loans and advances	7	18,078,369,324	18,137,510,230
Loans, cash credit and overdrafts, etc		17,764,303,259	17,854,847,297
Bill purchased and discounted		314,066,065	282,662,934
Fixed assets including premises, furniture and fixtures	8	8,190,707,492	8,322,881,780
Other assets	9	4,044,192,086	3,760,265,018
Total assets		54,541,433,173	51,456,438,936
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, financial institutions and agents	10	334,683,245	404,372,248
Deposits and other accounts	11	26,374,852,726	23,371,664,867
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	695,916,616
Fixed deposits		19,377,370,125	16,558,683,303
Other deposits		-	-
Other liabilities	12	9,642,069,582	9,696,453,111
Total liabilities		36,351,605,553	33,472,490,226
Shareholders' equity			
Total shareholders' equity		18,189,827,620	17,983,948,710
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
Total liabilities and shareholders' equity		54,541,433,173	51,456,438,936

S. F. AHMED & CO
Chartered Accountants

KHAN WAHAB SHAFIQUE RAHMAN & CO
Chartered Accountants

Bangladesh Development Bank Limited

Balance Sheet
As at 31 December 2016

	Notes	2016 BDT	2015 BDT
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	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		-	-
Other commitments		-	-
Documentary credits and other short term trade related transaction		-	-
Liability on account of outstanding forward exchange contract		-	-
Forward assets purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal stand by facilities, credit lines and other commitments		-	-
Total off-balance sheet items including contingent liabilities		825,734,287	1,150,182,181

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

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

Sd/- Managing Director	Sd/- Director	Sd/- Director	Sd/- Chairman
			See annexed report of the date

Sd/-
S. F. AHMED & CO
Chartered Accountants

Sd/-
KHAN WAHAB SHAFIQUE RAHMAN & CO
Chartered Accountants

Dhaka, Bangladesh
Dated, 30 April 2017

S. F. AHMED & CO
Chartered Accountants

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)
Net Interest Income		304,900,583	318,464,025
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
		1,599,754,633	1,856,404,135
Total operating income		1,904,655,216	2,174,868,161
Operating expenses			
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
Total operating expenses		1,254,113,104	964,706,933
Profit/ (loss) before provision		650,542,112	1,210,161,227
Provision for loans and advances	31	150,000,000	577,800,000
Provision for diminution in value of investments		-	-
Other provisions		-	-
Total provision		150,000,000	577,800,000
Total profit/(loss) before taxes		500,542,112	632,361,227
Provision for taxation for the year			
Current tax		120,000,000	145,000,000
Deferred tax		(1,775,876)	(29,940,793)
		118,224,124	115,059,207
Net profit/ (loss) after tax		382,317,988	517,302,020
Appropriations:			
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
		370,200,000	506,500,000
Retained surplus		12,117,988	10,802,020
Earning per share (EPS)	33	9.56	12.93

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

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

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
Chairman

See annexed report of the date

Sd/-
S. F. AHMED & CO
Chartered Accountants

Sd/-
KHAN WAHAB SHAFIQUE RAHMAN & CO
Chartered Accountants

Dhaka, Bangladesh
Dated, 30 April 2017

Bangladesh Development Bank Limited

 Cash Flow Statement
 For the year ended 31 December 2016

	Notes	2016 BDT	2015 BDT
A. Cash flows from operating activities			
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)
Operating profit before changes in operating assets and liabilities		620,475,137	849,468,302
Increase/(Decrease) in operating assets and liabilities			
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
Cash flows from operating assets and liabilities		2,557,703,340	(1,416,302,831)
Net cash from / (used in) operating activities		3,178,178,477	(566,834,529)
B. Cash flows from investing activities			
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)
Net cash from / (used in) investing activities		169,570,207	219,927,156
C. Cash flows from financing activities			
Decrease in long term borrowing		(69,689,003)	(269,557,801)
Dividend paid		(100,000,000)	(100,000,000)
Net cash from / (used in) financing activities		(169,689,003)	(369,557,801)
D. Net increase in cash and cash equivalents (A+B+C)		3,178,059,682	(716,465,174)
E. Effects of changes in exchange rate		-	692,933
F. Cash and cash equivalents at beginning of the year		9,821,756,514	10,537,528,755
G. Cash and cash equivalents at end of the year (D+E+F)	32	12,999,816,196	9,821,756,514
Cash and cash equivalents at end of the year			
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
		12,999,816,196	9,821,756,514

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

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

 Sd/-
 Managing Director

 Sd/-
 Director

 Sd/-
 Director

 Sd/-
 Chairman

 Dhaka, Bangladesh
 Dated, 30 April 2017

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	4,000,000,000	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
Change in accounting policy/transfer	-	-	-	-	-	-	27,044,520	-	27,044,520
Restated balance	4,000,000,000	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)
Balance at 31 December 2016	4,000,000,000	134,744,560	2,174,421,336	3,767,755,115	6,801,216,955	965,907,514	345,782,141	-	18,189,827,620
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

Sd/-
Managing Director

Sd/-
Director

Sd/-
Director

Sd/-
Chairman

Dhaka, Bangladesh
Dated, 30 April 2017

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	1-3 months term	3-12 months term	1-5 years term	Above 5-years term	Total
	BDT	BDT	BDT	BDT	BDT	BDT
Assets						
Cash in hand	58,983,908	-	-	-	-	58,983,908
Balance with Bangladesh Bank and Sonali Bank (incl. foreign currencies)	230,400,000	-	-	-	1,607,972,770	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	2,878,400,000	101,192,086	4,044,192,086
Non-banking assets	-	-	-	-	-	-
Total Assets	4,113,725,308	7,146,206,675	8,459,459,518	17,289,300,000	17,532,741,672	54,541,433,173
Liabilities						
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	6,076,369,582	9,642,069,582
Total Liabilities	794,700,000	1,314,600,000	7,566,700,000	20,599,235,971	6,076,369,582	36,351,605,553
Net liquidity gap	3,319,025,308	5,831,606,675	892,759,518	(3,309,935,971)	11,456,372,090	18,189,827,620

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

Sd/-
Managing DirectorSd/-
DirectorSd/-
DirectorSd/-
ChairmanDhaka, Bangladesh
Dated, 30 April 2017

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

Bangladesh Development Bank Limited

Notes to the financial statements
 For the year ended 31 December 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

Assets	Rates
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

General provision on	Provision rate
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%
Specific provision on	
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.

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 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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 For the year ended 31 December 2016

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
Total	2115	302,385	1508	306,739	3623
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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For the year ended 31 December 2016

b. 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.

Bangladesh Development Bank Limited

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

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. Ekhlasur 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. Ekhlasur 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.

Bangladesh Development Bank Limited

 Notes to the financial statements
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		2016 BDT	2015 BDT
3. CASH			
3.1 Cash in hand			
In local currency		58,983,908	67,014,284
In foreign currencies		-	-
Balance with Bangladesh Bank and Sonali Bank Limited	Note: 3.2	<u>1,838,372,770</u>	<u>1,820,994,106</u>
		<u>1,897,356,678</u>	<u>1,888,008,390</u>
3(a) Consolidated cash in hand			
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>1,897,390,523</u>	<u>1,888,032,264</u>
3.2 Balance with Bangladesh Bank and Sonali Bank Limited			
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	81,997,638
		<u>1,838,372,770</u>	<u>1,820,994,106</u>
3.3 Cash reserve requirements (CRR)			
6.50% of average demand and time liabilities			
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>108,563,000</u>	<u>21,658,646</u>
Cash reserve requirements (CRR) has been calculated and maintained in accordance with the Section 33 of the Bank Companies Act 1991 and subsequent BCD circular no. 13 dated 24 May 1992; BRPD circular no. 12 dated 20 September 1999, BRPD circular no. 22 dated 06 November 2003, BRPD circular no. 11 dated 25 November 2005, BRPD circular no. 01 dated 12 January 2009 & MPD circular no. 04 dated 01 December 2010, and MPD circular no. 01 dated 23 June 2014.			
3.3.1 Statutory liquidity ratio (SLR)			
This is not applicable for Bangladesh Development Bank Limited, since both Bangladesh Shilpa Bank and Bangladesh Shilpa Rin Sangstha were exempted from maintaining SLR vide Notification from Ministry of Finance.			
4. Balance with other banks and financial institutions			
In Bangladesh	Note: 4.1	11,065,100,348	7,858,933,390
Outside Bangladesh	Note: 4.2	37,359,170	74,814,734
		<u>11,102,459,518</u>	<u>7,933,748,124</u>
4.1 In Bangladesh			
Current and other accounts:			
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>11,065,100,348</u>	<u>7,858,933,390</u>

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	2016 BDT	2015 BDT
4.1.1 Term deposit		
AB Bank Limited	20,000,000	-
National Bank of Pakistan	350,000,000	300,000,000
The Premier Bank Limited	150,000,000	-
ICB Islami 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
	8,227,154,346	6,509,154,346
4.1.2 Term deposit - depreciation fund		
Union Bank Limited	50,000,000	-
EXIM Bank limited	72,000,000	72,000,000
	122,000,000	72,000,000
<p>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.</p>		
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	-
	90,000,000	65,000,000
<p>Building fund was made to build up a building in Uttara, Dhaka.</p>		
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
	685,897,000	699,897,000
<p>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.</p>		

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	2016 BDT	2015 BDT
4.1.5 Short term deposit		
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
	1,823,087,189	401,835,442
4.2 Outside Bangladesh		
Modhumoti Bank Limited	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
	37,359,170	74,814,734
<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>		
4.3 Maturity-wise grouping (balance with other banks and financial institutions)		
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	-	-
	11,102,459,518	7,933,748,124
4(a) Consolidated balance with other banks and financial institutions		
In Bangladesh		
Bangladesh Development Bank Limited	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
	11,217,308,602	7,895,692,615
Outside Bangladesh		
Bangladesh Development Bank Limited	37,359,170	74,814,734
BDBL Securities Limited	-	-
BDBL Investment Services Limited	-	-
	37,359,170	74,814,734
	11,254,667,772	7,970,507,349
5. Money at call and short notice		
In Bangladesh		
Bangladesh Development Bank Limited	-	-
Outside Bangladesh	-	-
	-	-

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		2016	2015
		BDT	BDT
5.1 In Bangladesh			
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		-	-
		-	-
		-	-
6. Investments			
Government securities	Note: 6.1	3,541,400	4,174,300
Other investment	Note: 6.2	11,224,806,675	11,409,851,093
		11,228,348,075	11,414,025,393
Details are shown in Annex F.			
6.1 Government securities			
Treasury bond		-	-
Prize bond		3,541,400	4,174,300
		3,541,400	4,174,300
6.2 Other investments			
Shares	Note: 6.2.1	9,310,868,692	9,365,673,111
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
		11,224,806,675	11,409,851,093

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	2016 BDT	2015 BDT
6.2.1 Investment in shares by listing status		
Quoted shares	9,086,977,356	9,161,781,775
Unquoted shares	223,891,336	203,891,336
	9,310,868,692	9,365,673,111
Market value shares	23,044,486,703	22,980,964,041
Shares :		
Cost	9,310,868,692	9,365,673,111
Provision for fall in market value of shares	-	130,802,525
6.3 Maturity-wise grouping of investments		
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
	11,228,348,075	11,414,025,393
6.4 Provision for investment		
Required provision	81,390,083	157,100,000
Provision maintained	81,390,083	157,320,785
Provision excess/(shortage)	-	220,785
6(a) Consolidated investment		
(i) Government securities		
Bangladesh Development Bank Limited	3,541,400	4,174,300
BDBL Securities Limited	-	-
BDBL Investment Services Limited	-	-
	3,541,400	4,174,300
(ii) Other investments		
Bangladesh Development Bank Limited	11,224,806,675	11,409,851,093
Less: Investment in Subsidiaries	400,000,000	400,000,000
BDBL Securities Limited	515,307,839	521,444,626
BDBL Investment Services Limited	328,738,189	-
	11,668,852,703	11,531,295,719
	11,672,394,103	11,535,470,019
7. Loans and advances		
Loans, cash credits, overdrafts, etc		
In Bangladesh	17,764,303,259	17,854,847,297
Outside Bangladesh	-	-
	17,764,303,259	17,854,847,297
Bills purchased and discounted :		
In Bangladesh	314,066,065	282,662,934
Outside Bangladesh	-	-
	314,066,065	282,662,934
	18,078,369,324	18,137,510,230

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	2016 BDT	2015 BDT
7.1 Nature-wise loans and advances		
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	42,950,554
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
	18,078,369,324	18,137,510,230
7.2 Maturity-wise grouping of loans and advances		
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
	18,078,369,324	18,137,510,230
7.3 Particulars of advances		
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	6,945,625,000
(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	18,909,321,440

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	2016 BDT	2015 BDT
7.4 Movement of loans and advances		
Opening balance	18,137,510,230	16,501,046,016
Add: Disbursed during the year	3,438,847,685	3,250,562,057
Add: Interest charged during the year	1,314,080,261	1,339,342,014
	22,890,438,176	21,090,950,087
Less: Recovery during the year	4,825,961,408	3,046,283,000
	18,064,476,768	18,044,667,087
Add/Less: Written-off and adjustment during the year	13,892,556	92,843,143
Closing balance	18,078,369,324	18,137,510,230
7.5 Significant concentration-wise grouping		
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
	18,078,369,324	18,137,510,230
7.6 Division-wise loans & advances		
Dhaka Division	12,041,538,249	13,010,723,675
Mymensingh Division	650,841,144	-
Khulna Division	766,386,607	729,962,858
Chittagong Division	1,060,477,009	1,069,968,552
Rajshahi Division	1,832,016,923	1,576,132,716
Barisal Division	426,350,660	438,125,380
Sylhet Division	212,244,971	164,626,466
Rangpur	1,088,513,761	1,147,970,583
	18,078,369,324	18,137,510,230
7.7 Classification status of loans and advances		
Unclassified loan:		
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	3,096,949,603
	10,760,072,425	11,191,885,230
Classified:		
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
	7,318,296,899	6,945,625,000
Total :	18,078,369,324	18,137,510,230
Provisions required against loans and advances		
Unclassified loan:		
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
Classified:		
Sub-standard	57,416,376	124,415,618
Doubtful	104,195,540	56,075,143
Bad/Loss	2,222,537,846	2,705,700,000
Total	3,262,032,018	3,075,175,122
Provisions maintained	3,299,900,858	3,088,244,528
Provisions surplus/(deficit)	37,868,840	13,069,406

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	2016 BDT	2015 BDT
7.8 Sector-wise loans & advances		
Industrial sector		
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	106,389,000	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	260,576,563
Service industries	763,371,000	797,151,452
Rubber goods sector	9,458,000	6,646,706
Miscellaneous sector	7,253,072,324	6,804,779,278
	18,078,369,324	18,137,510,230

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	18,209,667,606	18,909,321,440

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	2016 BDT	2015 BDT	
7(a) Consolidated loans and advances			
(i) Loans, cash credits, overdrafts, etc			
Bangladesh Development Bank Limited	17,764,303,259	17,854,847,297	
<u>Less: Inter group loan (Securities)</u>	400,000,000	330,088,959	
BDBL Securities Limited	130,631,749	157,114,218	
	17,494,935,008	17,681,872,556	
(ii) Bills purchased and discounted			
Bangladesh Development Bank Limited	314,066,065	282,662,934	
BDBL Securities Limited	-	-	
BDBL Investment Services Limited	-	-	
	314,066,065	282,662,934	
	17,809,001,073	17,964,535,490	
8. Fixed assets including premises, furniture and fixtures			
Opening balance	884,504,760	860,566,148	
<u>Add: Addition during the year</u>	44,616,731	36,394,654	
<u>Less: Disposal/adjustment during the year</u>	28,509,620	12,456,042	
	900,611,871	884,504,760	
<u>Less: Accumulated depreciation at the year end</u>	528,941,103	499,714,893	
	371,670,768	384,789,867	
Revaluation balance at the year end	7,819,036,725	7,938,091,913	
Closing balance	8,190,707,492	8,322,881,780	
Details are given in Annex A.			
8(a) Consolidated fixed assets including premises, furniture and fixtures			
Bangladesh Development Bank Limited	Note: 8	8,190,707,492	8,322,881,780
BDBL Securities Limited		5,989,529	7,538,660
BDBL Investment Services Limited		7,716,497	7,711,243
		8,204,413,518	8,338,131,683
9. Other assets			
Stationery and stamps in hand		4,072,324	4,089,619
Stocks and stores (Spare parts)		-	200,970
Tax paid in advance	Note: 9.1	2,659,593,534	2,375,534,155
Prepaid expenses and security deposit		30,503,897	18,766,965
Utility bill receivable from tenants		-	-
Accrued income (CAD and Branches)	Note: 9.2	820,376,489	871,755,070
BSRS pension and death cum Rtd. benefit scheme		-	-
Suspense A/C (CAD and branches)		11,845,590	4,697,766
Investment, gratuity and benevolent fund	Note: 9.3	-	11,845,362
Exchange risk adjustment account		61,359,262	61,359,262
Depreciation fund - interest receivable		26,462,500	26,462,500
Sanchaya patra encashment A/C		316,568,118	215,329,612
Legal expenses realizable A/C		42,587,528	38,797,814
Misc. receivable and sundry for adjustment purpose		5,551,055	12,327,842
Inter office adjustment	Note: 12.10.1	1,554,064	-
Temporary advance		11,626,053	12,574,348
Receivable from securities		25,418,968	18,885,449
Receivable from BSL		11,043,402	75,118,151
Receivable from BDBL Investment Services Limited		11,982,312	7,740,744
Interest receivable on bond		3,638,413	4,770,812
Other charges receivables from write-off project		8,577	8,577
		4,044,192,086	3,760,265,018

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	2016 BDT	2015 BDT
9.1 Tax paid in advance		
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
	2,659,593,534	2,375,534,155
Less : Adjustment during the year	-	-
Closing balance	2,659,593,534	2,375,534,155

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

A: Erstwhile BSRS:

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

B: Erstwhile BSB:

Accounting year	Assessment year	Corporate advance tax	Deducted at source	Total BDT
1994-95	1995-1996	-	223,455,120	223,455,120
1995-96	1996-1997	-	1,388,566	1,388,566
1996-97	1997-1998	-	101,091,067	101,091,067
1997-98	1998-1999	-	69,230,875	69,230,875
1998-99	1999-2000	-	18,911,461	18,911,461
1999-00	2000-2001	-	12,737,817	12,737,817
2000-01	2001-2002	-	13,926,730	13,926,730
2001-02	2002-2003	-	25,698,639	25,698,639
2002-03	2003-2004	-	30,948,020	30,948,020
2003-04	2004-2005	-	32,943,494	32,943,494
2004-05	2005-2006	-	22,924,846	22,924,846
2005-06	2006-2007	-	25,020,846	25,020,846
2006-07	2007-2008	-	24,016,003	24,016,003
2007-08	2008-2009	50,000,000	24,546,660	74,546,660
2008-09	2009-2010	-	18,992,160	18,992,160
2009-10	2010-2011	-	7,727,587	7,727,587
Total (B)		50,000,000	653,559,891	703,559,891

C: BDBL

Accounting year	Assessment year	Corporate advance tax	Deducted at source	Total BDT
2010	2011-2012	10,000,000	73,748,710	83,748,710
2011	2012-2013	61,232,451	89,333,534	150,565,985
2012	2013-2014	82,370,218	120,350,190	202,720,408
2013	2014-2015	60,735,632	194,793,491	255,529,123
2014	2015-2016	-	289,235,544	289,235,544
2015	2016-2017	154,782,467	244,926,149	399,708,616
2016	2017-2018	41,371,000	242,688,379	284,059,379
Total (C)		410,491,768	1,255,075,997	1,665,567,766

Total advance tax paid (A+B+C)
2,659,593,534

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		2016 BDT	2015 BDT
9.2	Accrued income		
	CAD, Head office		
	Interest on debenture/other	574,281,133	640,108,011
	Rent	83,212,925	46,184,532
	Accrued income from FDR	162,882,431	185,462,528
		820,376,489	871,755,070
	Branch Offices	-	-
	Grand-total	820,376,489	871,755,070
9.3	Investment: gratuity and benevolent fund		
	Opening balance	11,845,362	15,376,753
	Add : Investment during the year	-	7,921,034
		11,845,362	23,297,787
	Less : Encashment/adjustment during the year	11,845,362	11,452,425
	Closing balance	-	11,845,362
9(a)	Consolidated other assets		
	Bangladesh Development Bank Limited	4,044,192,086	3,760,265,018
	Less: Receivable from BSL	36,462,370	94,003,600
	Less: Receivable from BISL	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
		4,061,486,431	3,681,888,440
10.	Borrowing from other banks, financial institutions and agents		
	In Bangladesh	334,683,245	404,372,248
	Outside Bangladesh	-	-
		334,683,245	404,372,248
a)	As per following segregation		
	Secured	-	-
	Un-secured	334,683,245	404,372,248
		334,683,245	404,372,248
b)	As per following maturity grouping		
	On demand	-	-
	On maturity	334,683,245	404,372,248
		334,683,245	404,372,248
10.1	In Bangladesh		
	DM 3.00 million K.F.W. loan	5,533,978	6,146,106
	SME refinance from BB	329,149,267	398,226,142
		334,683,245	404,372,248
11.	Deposits and other accounts		
	Current and other accounts	5,795,247,406	5,993,300,084
	Bills payable	133,832,303	123,764,864
	Saving bank deposits	1,068,402,892	695,916,616
	Fixed deposits	19,377,370,125	16,558,683,303
		26,374,852,726	23,371,664,867
11.1	Current and other accounts		
	Short term deposit account	4,144,824,028	4,431,142,269
	Scheme deposit	933,199,959	868,742,581
	Sundry deposit	185,848,344	160,238,286
	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 scheme	36,336,076	31,250,976
	Investors deposit account	-	1,955,781
	Deposit in foreign currency	7,257,123	11,362,425
		5,795,247,406	5,993,300,084

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		2016 BDT	2015 BDT
11.2 Bills payable			
Payment order		130,960,325	118,308,425
Drafts payable		2,871,978	5,456,439
		133,832,303	123,764,864
11.3 Deposits and other accounts by maturity			
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	6,150,000,000
More than one year but not more than five years		18,124,852,726	1,271,664,867
More than five years but not more than ten years		-	-
Unclaimed deposits held by the bank more than ten years		-	-
		26,374,852,726	23,371,664,867
11(a) Consolidated deposit and other accounts			
(i) Current and other accounts			
Bangladesh Development Bank Limited	Note: 11.1	5,795,247,406	5,993,300,084
BDBL Securities Limited		(3,887,072)	(785,407)
BDBL Investment Services Limited		(49,566,634)	(20,763,955)
		5,741,793,700	5,971,750,722
(ii) Bills payable			
Bangladesh Development Bank Limited	Note: 11.2	133,832,303	123,764,864
BDBL Securities Limited		-	-
BDBL Investment Services Limited		-	-
		133,832,303	123,764,864
(iii) Savings bank deposit			
Bangladesh Development Bank Limited		1,068,402,892	695,916,616
BDBL Securities Limited		-	-
BDBL Investment Services Limited		-	-
		1,068,402,892	695,916,616
(iv) Fixed deposit			
Bangladesh Development Bank Limited		19,377,370,125	16,558,683,303
BDBL Securities Limited		-	-
BDBL Investment Services Limited		(115,274,663)	(187,804,238)
		19,262,095,462	16,370,879,065
		26,206,124,357	23,162,311,267
12. Other liabilities			
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	66,912,100
Provision for B/D debenture		32,977,983	46,518,260
Provision for investment and share		-	43,890,425
Other provisions	Note: 12.5	457,698,481	423,067,203
Provision for unclassified loan	Note: 12.6	877,882,256	184,112,387
Provision for classified loan	Note: 12.7	2,422,018,602	2,904,132,141
Interest suspense	Note: 12.8	1,221,694,146	1,225,851,722
Advance deposit receipts	Note: 12.9	142,997,110	170,191,236
Miscellaneous	Note: 12.10	208,903,149	509,694,229
		9,642,069,582	9,696,453,111
12.1 Provision for income tax			
Opening balance		2,183,591,487	2,038,591,487
Add: Provision made during the year		120,000,000	145,000,000
		2,303,591,487	2,183,591,487
Less: Adjustment made during the year		-	-
Closing balance		2,303,591,487	2,183,591,487

Bangladesh Development Bank Limited

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		2016	2015
		BDT	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 Crore.
2004-2005	2005-2006	Final as per under section 82BB of ITO 1984
2005-2006	2006-2007	Final as per under section 82BB of ITO 1984
2006-2007	2007-2008	Final as per under section 82BB of ITO 1984
2007-2008	2008-2009	Final as per under section 83(2) of ITO 1984
2008-2009	2009-2010	Pending with Appeal tribunal
2009-2010	2010-2011	ADR Revised order and Appeal order yet to be received

B) Erstwhile BSRS

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

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	163,477,326	178,005,372
WDV of fixed assets as per accounts	371,670,767	384,789,866
Taxable/(deductible) 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	-	-
	6,770,220,543	6,889,275,731
Applicable tax rate	15%	15%
Deferred tax asset/(liability)	(1,015,533,081)	(1,033,391,360)
Total deferred tax liability (A+B)	(1,104,015,294)	(1,121,274,770)

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	2016 BDT	2015 BDT
12.3 Accrued expense		
Accrued interest	723,997,939	678,133,807
Accrued expense	60,641,034	123,229,636
Accrued payroll	19,242	3,252,322
	784,658,215	804,615,765
12.4 Other funds		
Pension and death cum retirement	3,644,406	2,802,713
Employees provident fund	15,968,310	4,914,677
Employees gratuity fund	13,828,455	4,883,995
Employees benevolent fund	3,779,588	-
	37,220,759	12,601,385
12.5 Total other provisions	457,698,481	423,067,203
12.5.a Other provisions		
Provision for bonus	137,688,145	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
	274,418,011	220,070,153
12.5.b Provision for other assets		
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
	183,280,470	202,997,050
12.6 Provision for un-classified loan		
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	693,769,869	47,500,000
Specific provision for special mentioned A/C.(+)	-	-
Provision held at the end of the Year	877,882,256	184,112,387
12.7 Provision for classified loan		
Provision held at the beginning of the year	2,904,132,141	2,239,181,146
Fully provided debts written-off/loan liquidated(-)	-	-
Recoveries of amount previously written-off(+)	-	138,150,995
Specific provision for the year (+)	150,000,000	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	2,422,018,602	2,904,132,141
Total provision maintained	3,299,900,858	3,088,244,528
<p>Bangladesh Bank vide its letter no. BRPD (P-1)/661/13/2017-2394 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.</p>		
12.8 Interest suspense		
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 (IDCP)	856,693,451	161,850,388
	1,221,694,146	1,225,851,722

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	2016 BDT	2015 BDT
12.9 Advance deposits receipts		
Other deposits received in advance	5,797,935	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	70,405,267	-
Sundry deposits (LAD)	-	-
Sundry deposits(write-off)	62,702,608	61,589,427
	142,997,110	170,191,236
12.10 Miscellaneous		
FCTA exchange premium	101,090,785	101,090,785
FCTA penal premium	13,980,633	13,980,633
Liabilities towards BSB and EPF	6,394,900	6,394,900
Sanchaya patra sold	26,457,910	12,703,360
Inter branch adjustment account	-	316,945,581
Special adjustment account	-	-
Managed fund	725,542	725,542
Exchange equalization account	50,014,200	50,014,200
Liability for other finance	1,444	1,444
Other payable	21,021	22,835
Suspense others	818,958	1,146,654
Liability for other expenses	4,568,767	4,734,106
Rent received in advance	4,828,988	1,934,188
	208,903,149	509,694,229
12.10.1 Inter office adjustment account		
CAD current account in branch office book	(9,746,772,069)	(5,846,874,251)
Branch office current account in CAD's book	9,734,477,252	6,145,464,420
LAD's current account in CAD's book	154,943,243	200,368,092
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	2,187,440	(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)
	(1,554,065)	316,945,581
12(a) Consolidated other liabilities		
Bangladesh Development Bank Limited	9,642,069,582	9,696,453,111
BDBL Securities Limited	168,618,033	60,276,273
BDBL Investment Services Limited	72,755,126	5,155,192
Less: Payable to BDBL (Client A/C.)	(11,043,402)	-
Less: Payable to BDBL	(37,401,279)	-
	9,834,998,060	9,761,884,576
12.a.i Consolidated current tax		
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
	125,388,409	163,833,128
12.a.ii Consolidated deferred tax		
Bangladesh Development Bank Limited	(1,775,876)	(29,940,793)
BDBL Securities Limited	(216,776)	(140,979)
BDBL Investment Services Limited	135,660	123,509
	(1,856,992)	(29,958,263)

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	2016 BDT	2015 BDT
13 Capital		
Authorised capital: 100,000,000 shares of BDT 100 each	<u>10,000,000,000</u>	<u>10,000,000,000</u>
Issued, subscribed and paid-up capital: 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>
13.1 Capital to risk weighted asset ratio (CRAR):		
CONSOLIDATED STATEMENT		
i) Core capital (Tier-i)		
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	370,668,077
Less: Provision shortfall as per RBCA (Basel-III)	493,553,513	909,318,928
	<u>9,870,159,276</u>	<u>9,133,325,599</u>
ii) Supplementary capital (Tier-ii)		
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>
iii) Additional supplementary capital (Tier-iii)		
Short term subordinated debt	-	-
Total supplementary capital (ii+iii)	<u>2,291,988,018</u>	<u>2,934,923,371</u>
A Total eligible capital (Tier-i+ii+iii)	<u>12,162,147,294</u>	<u>12,068,248,970</u>
B Total risk weighted assets	<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
C Required capital (10% of risk weighted assets or BDT 400.00 crore whichever is higher)	4,744,197,322	4,733,651,529
D Capital surplus (A-C)	<u>7,417,949,972</u>	<u>7,334,597,440</u>
Capital adequacy ratio		
Core capital to risk weighted assets	25.64%	25.49%
Supplementary capital to risk weighted assets	4.83%	6.20%
SOLO STATEMENT		
i) Core capital (Tier-i)		
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)	484,696,448	843,637,629
	<u>9,803,262,143</u>	<u>9,134,958,454</u>
ii) Supplementary capital (Tier-ii)		
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>
iii) Additional supplementary capital (Tier-iii)		
Short term subordinated debt	-	-
Total supplementary capital (ii+iii)	<u>2,215,198,236</u>	<u>2,934,923,371</u>
A Total eligible capital (Tier-i+ii+iii)	<u>12,018,460,379</u>	<u>12,069,881,825</u>
B Total risk weighted assets	<u>46,665,016,616</u>	<u>46,842,720,001</u>
10% of total risk weighted assets	4,666,501,662	4,684,272,000
C Required capital (10% of risk weighted assets or BDT 400.00 crore which ever is higher)	4,666,501,662	4,684,272,000
D Capital surplus (A-C)	<u>7,351,958,717</u>	<u>7,385,609,825</u>
Capital adequacy ratio		
Core capital to risk weighted assets ratio	21.01%	19.50%
Supplementary capital to risk weighted assets ratio	4.75%	6.27%
	25.76%	25.77%

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	2016 BDT	2015 BDT		
14. Quasi equity	134,744,560	134,744,560		
This was created as per government decision in 1982 by converting the 3rd, 5th, 6th and 8th UK credits received by erstwhile BSB. This liability has been waived by the Government of Bangladesh.				
15. Statutory reserve				
Opening balance	2,074,221,336	1,947,721,336		
Add: Addition made for the year	100,200,000	126,500,000		
Closing balance	2,174,421,336	2,074,221,336		
16. General, revaluation and other reserve	11,534,879,583	11,468,363,180		
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	3,767,755,114	3,597,755,114		
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. 07.00.0000.140.31.037.2015-38 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	7,012,807,417		
Less: Adjustment for disposed of asset	-	-		
Less: Adjustment for depreciation for the year	119,055,188	123,531,686		
Add/(Less): Adjustment for deferred tax	15,571,590	15,424,822		
Closing balance	6,801,216,955	6,904,700,553		
Asset-wise break-up of revaluation surplus is as under:				
	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
Balance	2,761,486,603	4,039,550,117	180,235	6,801,216,955
16.2(a) Consolidated asset revaluation reserve				
Bangladesh Development Bank Limited		Note: 16.2	6,801,216,955	6,904,700,553
BDBL Investment Services Limited			255,965,940	-
			7,057,182,895	6,904,700,553
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			66,503,915	66,503,915
Reserve for unforeseen losses				
Opening Balance			560,000	560,000
Add: Appreciation made during the year			-	-
Closing balance			560,000	560,000
Building fund				
Opening balance			539,241,000	539,241,000
Add: Appropriation made for the year			-	-
Closing balance			539,241,000	539,241,000

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	2016 BDT	2015 BDT
Special assistance fund		
Opening balance	109,161,572	109,161,572
Add: Appreciation made for the year	-	-
Closing balance	109,161,572	109,161,572
In accordance with the Industrial Policy 1986, a Special Assistance Fund (SAF) was created by erstwhile BSB as the prime DFI of the country to provide concessional loans to projects:		
a. Based on local innovation and invention of product and process;		
b. Utilizing locally manufactured capital goods; and		
c. For production of capital machinery and other non-traditional items.		
Equity adjustment reserve		
Opening balance	43,206,475	43,206,475
Add: Appreciation made for the year	-	-
Less: Adjustment during the year	-	-
Closing balance	43,206,475	43,206,475
Exchange equalisation reserve		
Opening Balance	131,518,243	131,518,243
Add: Addition/adjustment for the year	-	-
Closing balance	131,518,243	131,518,243
Special reserve		
Opening balance	75,716,308	75,716,308
Add: Appreciation made for the period	-	-
Less: Adjustment during the year	-	-
Closing balance	75,716,308	75,716,308
	965,907,514	965,907,514
Special reserve was created by erstwhile BSRS as per section 29(1)(V) of the Income Tax Ordinance, 1984.		
16.3(a) Consolidated other reserve		
Bangladesh Development Bank Limited	965,907,514	965,907,514
BDBL Securities Limited	2,000,000	2,000,000
BDBL Investment Services Limited	-	-
	967,907,514	967,907,514
16.4 Contingent liabilities		
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	825,734,287	1,150,182,181
16.5 Retained earnings		
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	(36,439,658)
Closing balance	345,782,141	306,619,633
16(a) Consolidated current year retained earnings		
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
	24,191,827	42,675,190
16(a.i) Consolidated retained earnings		
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	6,152,706
	421,536,339	370,668,077

Note: 16.5

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	2016 BDT	2015 BDT
17. Profit and loss account		
Profit during the year	500,542,112	632,361,226
<u>Less:</u> Provision for income tax	120,000,000	145,000,000
<u>Add:</u> Provision for deferred tax	1,775,876	29,940,793
<u>Less:</u> Statutory reserve	100,200,000	126,500,000
<u>Less:</u> General reserve	170,000,000	280,000,000
<u>Less:</u> Building fund	-	-
<u>Less:</u> Dividend to Government	100,000,000	100,000,000
<u>Less:</u> Retained surplus	12,117,988	10,802,019
	<u>-</u>	<u>-</u>
18. Interest income		
Interest on taka 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	651,314,640	747,317,932
Interest on F.C. A/C. with Bangladesh Bank	332,311	84,110
Interest on advances	628,065,641	697,189,797
Interest on staff loan	109,979,165	101,407,466
Interest on LTR	22,431,262	25,627,085
Interest on LDBP	19,941,232	15,519,081
	<u>2,007,620,827</u>	<u>2,208,788,121</u>
18(a) Consolidated interest income		
Bangladesh Development Bank Limited	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
<u>Less:</u> Interest income from Subsidiaries	40,014,644	27,190,146
	<u>2,005,732,106</u>	<u>2,218,187,430</u>
19. Interest paid on borrowing, deposit		
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	1,532,154,097
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>
19 (a) Consolidated interest paid on borrowing, deposit		
Bangladesh Development Bank Limited	1,702,720,244	1,890,324,096
BDBL Securities Limited	40,014,644	27,190,146
BDBL Investment Services Limited	-	-
<u>Less:</u> Interest paid to BDBL	40,014,644	27,190,146
	<u>1,702,720,244</u>	<u>1,890,324,096</u>
20. Investment income		
Profit on sale of shares/securities	115,949,127	600,525,829
Dividend on shares/securities	727,718,962	897,688,254
Interest on debentures	-	-
Interest on bond	64,390,262	75,413,645
	<u>908,058,351</u>	<u>1,573,627,728</u>
20(a) Consolidated investment income		
Bangladesh Development Bank Limited	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>

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Bangladesh Development Bank Limited

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

	2016 BDT	2015 BDT
21. Commission, exchange and brokerage		
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	10,838,046	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
	27,318,308	24,983,975
21(a) Consolidated commission, exchange and brokerage		
Bangladesh Development Bank Limited	27,318,308	24,983,975
BDBL Securities Limited	20,033,579	18,865,421
BDBL Investment Services Limited	1,877,941	-
	49,229,828	43,849,396
22. Other operating income		
Rent on Bank's premises	251,966,987	220,963,219
Profit on sale of assets	759,523	783,893
Technical examination fees	4,819,753	5,686,395
Legal amount and documentation charges	753,943	1,924,143
Miscellaneous earnings	29,542,258	16,241,848
Gain or loss on re-valuation of F.C A/C	-	692,933
Income from write-off loan account	376,535,510	11,500,000
	664,377,974	257,792,431
22(a) Consolidated other operating income		
Bangladesh Development Bank Limited	664,377,974	257,792,431
BDBL Securities Limited	1,349,243	9,400,015
BDBL Investment Services Limited	1,380,195	-
	667,107,412	267,192,446
22(b) Receipt from other operating activities		
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
	468,181,853	921,538,972
23. Salaries and allowances		
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	181,909,791	80,390,749
	931,292,059	623,929,332
Managing Director/Chief Executive's remuneration	2,638,356	3,560,000
23(a) Consolidated salary and allowances		
Bangladesh Development Bank Limited	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
	947,776,249	636,094,327

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

		2016 BDT	2015 BDT
24. Rent, taxes, insurance, lighting			
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
		66,143,861	54,007,172
24(a) Consolidated rent, taxes, insurance, lighting			
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
		72,118,067	59,622,572
25. Legal and professional expenses			
Legal and documentation charges		3,502,438	3,591,949
Professional charges		1,728,000	1,617,000
		5,230,438	5,208,949
25(a) Consolidated legal and professional expenses			
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	-
		5,373,738	5,297,499
26. Postage, telegram and telephone			
Postage and telegram		2,851,201	2,060,974
Telephone - local and trunk call		5,859,171	7,328,478
		8,710,372	9,389,452
26(a) Consolidated postage, telegram and telephone			
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
		8,774,951	9,521,135
27. Stationery, printing and advertisement			
Printing and stationery		13,735,560	15,752,595
Advertisement		20,870,990	27,377,587
		34,606,550	43,130,182
27(a) Consolidated stationery, printing and advertisement			
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	263,755
		35,500,854	44,720,026
28. Directors' fees		2,162,500	1,840,200
Each director is paid BDT 8,000 per meeting per attendance.			
28(a) Consolidated Director fees			
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
		3,085,670	2,469,350

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

		2016 BDT	2015 BDT
(b) Consolidated auditor fees			
Bangladesh Development Bank Limited		788,000	842,000
BDBL Securities Limited		165,000	103,500
BDBL Investment Services Limited		50,000	46,000
		1,003,000	991,500
29. Depreciation and repair of Bank's assets			
Depreciation of fixed assets		38,048,728	39,708,626
Repair and maintenance of Bank's properties		22,305,348	27,380,151
		60,354,076	67,088,777
29(a) Consolidated Depreciation and repair of Bank's assets			
Bangladesh Development Bank Limited	Note-29	60,354,076	67,088,777
BDBL Securities Limited		2,885,669	2,886,024
BDBL Investment Services Limited		1,163,384	510,615
		64,403,129	70,485,416
30. Other expenditure			
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	4,961,613
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		835,110	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		2,478,916	1,825,394
Executive car maintenance allowances		16,818,174	11,442,183
Interest waived		42,301	321,028
		142,186,892	155,710,870
30(a) Consolidated other expenses			
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	1,666,523
		153,001,115	162,977,590
30(b) Payment for other operating activities			
Rent, taxes, insurance and lighting		66,143,861	54,007,172
Law charges		5,230,438	5,208,949
Postage, telegram and telephone		8,710,372	9,389,452
Audit fee		788,000	842,000
Stationary, printing and advertisement		34,606,550	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	10,366,213
Staff bus facilities		14,292,114	13,929,489
Staff canteen		36,508,429	39,768,700
Others		82,637,966	91,646,468
		282,133,961	297,508,976

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Bangladesh Development Bank Limited

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

	2016 BDT	2015 BDT
31. Provision for loans and advances and other investments		
Provision for loan and advances		
For unclassified loans	-	-
For classified loans	150,000,000	577,800,000
	150,000,000	577,800,000
Other provision		
Off-Balance sheet items	-	-
Investment in shares	-	-
Others	-	-
	150,000,000	577,800,000
31(a) Consolidated provision for loans and advances		
Bangladesh Development Bank Limited	150,000,000	577,800,000
BDBL Securities Limited (Margin Loan)	-	-
BDBL Investment Services Limited	-	-
	150,000,000	577,800,000
Provision for investment		
Bangladesh Development Bank Limited	-	-
BDBL Securities Limited	2,567,303	24,697,371
BDBL Investment Services Limited	-	-
	2,567,303	24,697,371
32. Closing cash and cash equivalent		
Cash in hand	58,983,908	67,014,284
Balance with Bangladesh Bank (including foreign currencies)	1,838,372,770	1,820,994,106
Balance held with other banks	11,102,459,518	7,933,748,124
	12,999,816,196	9,821,756,514
32(a) Consolidated closing cash and cash equivalent		
Bangladesh Development Bank Limited	12,999,816,196	9,821,756,514
BDBL Securities Limited	123,136,210	37,536,932
BDBL Investment Services Limited	197,834,258	97,393,105
Less: Intergroup cash and cash equivalent (BSL)	3,887,072	785,407
Less: Intergroup cash and cash equivalent (BISL)	164,841,297	97,361,530
	13,152,058,295	9,858,539,613
33. Earnings per share (EPS)		
a) Profit attributable to ordinary share holders	382,317,988	517,302,019
b) Weighted average number of outstanding shares	40,000,000	40,000,000
Earnings per share (EPS) (a ÷ b)	9.56	12.93
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.		
33(a) Consolidated earnings per share		
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
Earnings per share (EPS) (a ÷ b)	9.89	13.73
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.		

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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	18,078,369,324	18,137,510,230
7	Total contingent liabilities and commitments	825,734,287	1,150,182,181
8	Credit deposit ratio (%)	68.54%	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	6,945,625,000
12	Provisions kept against classified loans	2,422,018,602	2,904,132,141
13	Provision surplus / (deficit)	37,868,840	13,069,406
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

Schedule of fixed assets
As at 31 December 2016

Annex A

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	BDT
At cost :										
Land	13,854,848	-	-	13,854,848	-	-	-	-	-	13,854,848
Premises	578,215,498	-	-	578,215,498	2.5	315,788,200	6,560,683	-	322,348,883	255,866,615
Building U/C	304,490	-	-	304,490	2.5	-	-	-	-	304,490
Vehicles	95,706,523	918,350	3,854,950	92,769,923	20	73,215,256	10,812,688	2,936,597	81,091,347	11,678,576
Equipments	46,528,584	3,898,658	464,295	49,962,947	20	29,444,807	4,185,143	502,698	33,127,252	16,835,694
Computer equipments and software	86,155,108	18,388,022	11,146,230	93,396,900	20	54,462,560	11,329,594	4,966,089	60,826,065	32,570,835
Furniture and fixtures	42,953,421	5,697,429	(10,688)	48,661,538	10	20,966,868	2,953,953	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	19,654,538	15,714,272	13,054,833	22,313,977	10	4,705,461	2,206,667	391,015	6,521,113	15,792,864
Sub-Total (A)	884,504,760	44,616,731	28,509,620	900,611,871		499,714,893	38,048,728	8,822,518	528,941,103	371,670,767
At revaluation :										
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	119,055,188	-	772,582,003	4,643,152,322
Vehicles	8,620,180	-	-	8,620,180	20	8,439,945	-	-	8,439,945	180,235
Sub-Total:(B)	8,600,058,673	-	-	8,600,058,673		661,966,760	119,055,188	-	781,021,948	7,819,036,725
At 31 December 2016 (A+B)	9,484,563,433	44,616,731	28,509,620	9,500,670,544		1,161,681,653	157,103,916	8,822,518	1,309,963,051	8,190,707,492
At 31 December 2015 (A+B)	9,460,624,822	36,394,654	12,456,042	9,484,563,433		1,003,948,324	163,240,311	5,506,983	1,161,681,652	8,322,881,780

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	2,029,695
Sonali Bank	India	ACU	403,043.3	79.000	31,840,422	46,559.1	78.6	3,659,542
Total					37,359,170			74,814,734

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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
Md. Yeasin Ali	Chairman	Nil
Shahbuddin Ahmed	Director	Nil
Md. Ekhlasur Rahman	Director	Nil
Mustaque Ahmed	Director	Nil
Md. Abu Hanif Khan	Director	Nil
Dr. A.K. Ubaidur Rob	Director	> Director, Green Valley Plantation Limited > Director, Jantric Technologies Limited > Director, Apace Filling Limited > Director, Eco Plantation & Industries Limited > Country Director, Population Council
Syed Aftear Hussain Pear	Director	Nil
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
Total	11,228,348,075	25,010,378,186