

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

**Bangladesh Development Bank Limited**

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Auditors' report and consolidated financial statements  
for the year ended 31 December 2018

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**Independent Auditors' Report  
To the Shareholders of Bangladesh Development Bank Limited**

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**Report on the Audit of the Consolidated and Separate Financial Statements**

**Opinion**

We have audited the consolidated financial statements of Bangladesh Development Bank Limited (BDBL) and its subsidiaries (the Group) as well as the separate financial statements of Bangladesh Development Bank Limited (the Bank) which comprise the consolidated and separate balance sheets as at 31 December 2018 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank give a true and fair view of the consolidated balance sheet of the Group and the separate balance sheet of the Bank as at 31 December 2018, and of its consolidated and separate profit and loss accounts and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.

**Basis for Opinion**

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

**Emphasis of matter**

We draw attention to note 12.4 to the financial statements, which describes present contribution to the defined benefit funds and the future contribution thereto. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

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

*Measurement of provision for loans and advances*

The process for estimating the provision for loans and advances associated with credit risk is significant and complex. For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions. For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation. At year end the Group reported total gross loans and advances of BDT 18,971 million (2017: BDT 17,800 million) and provision for loans and advances of BDT 3,805 million (2017: BDT 3,743 million).

We tested the design and operating effectiveness of key controls focusing on the provisioning process and identification of loss events including early warning indicator. Our substantive procedures in relation to the provision for margin loans were reviewing the adequacy of the provision requirement, assessing the methodology on which the provision amounts are based, recalculating the provisions and tested the completeness and accuracy of the underlying information and finally assessing the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank's guidelines.

*Valuation of treasury bill and treasury bond*

The classification and measurement of T-Bills and T-Bonds require judgment and complex estimates. In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.

We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds. We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments. We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data. Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank's guidelines.

**Independent Auditors' Report  
To the Shareholders Bangladesh Development Bank Limited**

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*Impairment assessment of unquoted investments*

In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment.

We have assessed the processes and controls put in place by the Bank to ensure all major investment decisions are undertaken through a proper due diligence process. We tested a sample of investments valuation as at 31 December 2018 and compared our results to the recorded value. Finally we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank's guidelines.

*Measurement of deferred tax liabilities*

The company reports net deferred tax liabilities totaling to BDT 1,069 million (2017: 1,090 million) as at 31 December 2018. Significant judgment is required in relation to measurement of deferred tax liabilities.

We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of deferred tax liability. We also assessed the completeness and accuracy of the data used for estimation of liability. Finally we assessed the appropriateness and presentation of disclosures against IAS 12 – Income Tax.

*IT systems and controls*

Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively.

We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorised. We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorisation. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.

*Legal and regulatory matters*

We focused on this area because the Bank and its subsidiary (the "Group") operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established as other contingent liabilities. Overall, the legal provision represents the Group's and the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.

We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group's key controls over the legal provision and contingencies process. We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information. We also assessed the Bank's provisions and contingent liabilities disclosure.

*Carrying value of investments in subsidiary by the Bank*

The Bank has invested in equity shares of its two subsidiaries, namely BDBL Securities Limited and BDBL Investment Services Limited. As at 31 December 2018 the carrying value of these investments is BDT 1,000 million. At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in the above subsidiaries stated at cost. Management has conducted impairment assessment and calculated recoverable value of its subsidiaries in accordance with IAS 36.

We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36. In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation. We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.

**Independent Auditors' Report  
To the Shareholders of Bangladesh Development Bank Limited**

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**Other information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and our auditors' report thereon. The annual report is expected to be made available for our review after the date of this auditors' report.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to request management and those charged with governance to correct the material misstatement.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Bank in accordance with IFRSs as explained in note 2, and for such internal controls as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank's Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the consolidated and separate financial statements, Management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

**Independent Auditors' Report  
To the Shareholders of Bangladesh Development Bank Limited**

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

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

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

**Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act, 1994, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditors' Responsibility section in forming the above opinion on the consolidated financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the consolidated and separate financial statements and internal control:
  - a) internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
  - b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and its related entities {other than matters disclosed in these financial statements};
- iii) consolidated financial statements of the Bank include two subsidiaries, namely BDBL Securities Limited and BDBL Investment Services Limited reflect total assets of BDT 1,353 million and BDT 678 million respectively as at 31 December 2018 and total revenue of BDT 97 million and BDT 42 million respectively for the year ended 31 December 2018. The subsidiaries of the Bank has been audited by other component auditors who have expressed unmodified audit opinion. The results of the subsidiaries have been properly reflected in the Group's consolidated financial statements;
- iv) in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- viii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- ix) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery and Bangladesh Bank's instruction in this regard have been followed properly;
- x) the information and explanations required by us have been received and found satisfactory;
- xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 1,800 person hours; and
- xii) capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

S. F. AHMED & CO  
Chartered Accountants

Dhaka, Bangladesh  
Dated, 28 April 2019

KHAN WAHAB SHAFIQUE RAHMAN & CO  
Chartered Accountants

**Bangladesh Development Bank Limited**

**Consolidated Balance Sheet  
As at 31 December 2018**

	Notes	2018 BDT	2017 BDT
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3(a)	<b>1,759,749,563</b>	<b>2,068,528,713</b>
In hand (including foreign currencies)		56,711,532	57,902,714
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		1,703,038,031	2,010,625,999
<b>Balance with other banks and financial institutions</b>	4(a)	<b>16,070,822,888</b>	<b>15,703,619,253</b>
In Bangladesh		15,847,888,532	15,623,829,226
Outside Bangladesh		222,934,356	79,790,027
<b>Money at call and on short notice</b>	5	-	-
<b>Investments</b>	6(a)	<b>10,193,884,798</b>	<b>10,294,087,124</b>
Government		1,085,500	1,229,700
Others		10,192,799,298	10,292,857,424
<b>Loans and advances</b>	7(a)	<b>18,970,535,072</b>	<b>17,800,337,243</b>
Loans, cash credit and overdrafts, etc		18,478,633,944	17,587,755,416
Bill purchased and discounted		491,901,128	212,581,827
<b>Fixed assets including premises, furniture and fixtures</b>	8(a)	<b>7,951,060,570</b>	<b>8,092,202,511</b>
<b>Other assets</b>	9(a)	<b>4,741,420,988</b>	<b>4,440,373,563</b>
<b>Total assets</b>		<b><u>59,687,473,879</u></b>	<b><u>58,399,148,407</u></b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other Banks, financial institutions and agents</b>	10	<b>108,482,619</b>	<b>199,124,724</b>
<b>Deposits and other accounts</b>	11(a)	<b>28,305,797,875</b>	<b>28,578,236,339</b>
Current and other accounts		2,235,810,145	4,599,243,946
Bills payable		126,058,767	135,973,437
Savings Bank deposits		1,118,957,007	1,096,770,408
Fixed deposits		24,824,971,956	22,746,248,548
Other deposits		-	-
<b>Other liabilities</b>	12(a)	<b>11,992,980,743</b>	<b>10,906,491,100</b>
<b>Total liabilities</b>		<b><u>40,407,261,237</u></b>	<b><u>39,683,852,163</u></b>
<b>Shareholders' equity</b>			
<b>Total shareholders' equity</b>		<b>19,280,212,642</b>	<b>18,715,296,244</b>
Paid-up capital	13	4,000,000,000	4,000,000,000
Quasi equity	14	134,744,560	134,744,560
Statutory reserve	15	2,555,421,336	2,335,421,336
General reserve	16.1	4,347,755,114	4,047,755,114
Revaluation reserve	16.2(a)	6,601,572,270	6,700,033,996
Other reserve	16.3(a)	1,069,907,514	969,907,514
Retained earnings	16(a.i)	570,811,848	527,433,724
<b>Total liabilities and shareholders' equity</b>		<b><u>59,687,473,879</u></b>	<b><u>58,399,148,407</u></b>

**Bangladesh Development Bank Limited and Its Subsidiaries**

**Consolidated Balance Sheet  
As at 31 December 2018**

	Notes	2018 BDT	2017 BDT
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>	16.4	<b>1,565,322,126</b>	<b>581,913,670</b>
Acceptance and endorsements		-	-
Acceptance for FC guarantee		340,370,238	340,370,238
Letters of credit		591,894,760	241,543,432
Bills for collection		609,805,218	-
Other contingent liabilities		23,251,910	-
<b>Other commitments</b>		-	-
Documentary credits and other short term trade-related transaction		-	-
Liability on account of outstanding forward exchange contract		-	-
Forward assets purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
<b>Total off-balance sheet items including contingent liabilities</b>		<b>1,565,322,126</b>	<b>581,913,670</b>

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

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

Managing Director	Director	Director	Chairman
			See annexed report of the date

S. F. AHMED & CO  
Chartered Accountants

KHAN WAHAB SHAFIQUE RAHMAN & CO  
Chartered Accountants

Dhaka, Bangladesh  
Dated, 28 April 2019

**Bangladesh Development Bank Limited**

**Consolidated Profit and Loss Account  
For the year ended 31 December 2018**

	Notes	2018 BDT	2017 BDT
Interest Income	18(a)	2,814,673,567	1,923,430,468
Interest paid on borrowings, deposits, etc	19(a)	(1,582,987,686)	1,404,461,724
<b>Net interest income</b>		<b>1,231,685,881</b>	<b>518,968,744</b>
Investment income	20(a)	917,561,770	1,604,301,585
Commission, exchange and brokerage	21(a)	57,233,302	88,178,293
Other operating income	22(a)	470,004,737	295,135,139
		<b>1,444,799,809</b>	<b>1,987,615,017</b>
<b>Total operating income</b>		<b>2,676,485,690</b>	<b>2,506,583,761</b>
<b>Operating expenses</b>			
Salaries and allowances	23(a)	1,082,126,800	900,471,357
Rent, taxes, insurance, lighting, etc	24(a)	58,398,443	61,838,793
Legal expenses	25(a)	3,582,057	5,320,821
Postage, telecommunication, etc	26(a)	6,986,404	8,539,844
Stationery, printing, advertisement, etc	27(a)	7,058,575	14,584,946
Managing Director's/Chief Executive's remuneration		3,000,000	3,000,000
Directors' fees	28(a)	2,640,700	3,597,092
Auditors' fees	28(b)	1,136,250	932,000
Depreciation and repair of Bank's assets	29(a)	59,509,453	64,223,996
Other expenses	30(a)	133,438,832	169,569,199
<b>Total operating expenses</b>		<b>1,357,877,514</b>	<b>1,232,078,048</b>
<b>Profit before provision</b>		<b>1,318,608,176</b>	<b>1,274,505,713</b>
Provision for loans and advances	31(a)	70,000,000	285,050,000
Provision for diminution in value of investments		89,294,722	52,911,126
Other provisions		1,400,000	17,037,000
<b>Total provision</b>		<b>160,694,722</b>	<b>354,998,126</b>
<b>Total profit before taxes</b>		<b>1,157,913,454</b>	<b>919,507,587</b>
<b>Provision for taxation</b>			
Current tax	12(a.i)	371,367,874	259,485,178
Deferred tax	12(a.ii)	(6,832,544)	1,099,126
		<b>364,535,330</b>	<b>260,584,304</b>
<b>Net profit after tax</b>		<b>793,378,124</b>	<b>658,923,283</b>
<b>Appropriations:</b>			
Statutory reserve		220,000,000	161,000,000
General reserve		300,000,000	280,000,000
Revaluation reserve		-	2,000,000
Building fund		100,000,000	-
Dividend to Government		100,000,000	100,000,000
		<b>720,000,000</b>	<b>543,000,000</b>
<b>Retained surplus</b>	16(a)	<b>73,378,124</b>	<b>115,923,283</b>
<b>Earnings per share (EPS)</b>	33(a)	<b>19.83</b>	<b>16.47</b>

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

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

Managing Director	Director	Director	Chairman
See annexed report of the date			

S. F. AHMED & CO  
Chartered Accountants

KHAN WAHAB SHAFIQUE RAHMAN & CO  
Chartered Accountants

Dhaka, Bangladesh  
Dated, 28 April 2019

**Bangladesh Development Bank Limited**

**Consolidated Cash Flow Statement  
For the year ended 31 December 2018**

	Notes	2018 BDT	2017 BDT
<b>A. Cash flows from operating activities</b>			
Interest receipts in cash		2,635,959,362	1,894,300,382
Interest payments		(1,465,156,334)	(1,312,424,954)
Dividends receipts		719,690,179	737,926,689
Fees and commission receipts in cash		52,106,830	283,112,344
Recoveries of loans previously written-off		172,441,936	-
Cash payments to employees		(1,040,339,020)	(909,469,470)
Cash payments to suppliers		(6,123,786)	-
Income taxes paid		(355,562,058)	(261,126,025)
Receipts from other operating activities		753,384,760	1,040,450,135
Payments for other operating activities		(292,930,665)	(604,227,082)
<b>Operating profit before changes in operating assets and liabilities</b>		<b>1,173,471,204</b>	<b>868,542,019</b>
<b>Increase/(Decrease) in operating assets and liabilities</b>			
Loans and advances		(1,269,412,305)	86,676,586
Other assets		(306,677,121)	(88,342,769)
Deposits from other banks		2,500,000,000	-
Deposits from customers and others		(2,772,438,464)	2,205,400,063
Other liabilities		269,425,269	440,725,013
<b>Cash flows from / (used in) operating assets and liabilities</b>		<b>(1,579,102,621)</b>	<b>2,644,458,893</b>
<b>Net cash from / (used in) operating activities</b>		<b>(405,631,417)</b>	<b>3,513,000,912</b>
<b>B. Cash flows from investing activities</b>			
Proceeds from sale of securities		1,165,430,611	1,982,002,676
Payments for purchase of securities		(472,739,338)	(750,469,169)
Purchase of property, plant and equipment		(10,103,383)	(45,598,144)
<b>Net cash from investing activities</b>		<b>682,587,890</b>	<b>1,185,935,363</b>
<b>C. Cash flows from financing activities</b>			
Decrease in long term borrowing		(90,642,105)	(135,558,521)
Dividend paid		(130,000,000)	(110,000,000)
<b>Net cash used in financing activities</b>		<b>(220,642,105)</b>	<b>(245,558,521)</b>
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>		<b>56,314,368</b>	<b>4,453,377,754</b>
<b>E. Effects of changes in exchange rate</b>		<b>2,110,116</b>	<b>-</b>
<b>F. Cash and cash equivalents at beginning of the year</b>		<b>17,772,147,967</b>	<b>13,318,770,213</b>
<b>G. Cash and cash equivalents at end of the year (D+E+F)</b>	32(a)	<b>17,830,572,451</b>	<b>17,772,147,967</b>
<b>Cash and cash equivalents at end of the year</b>			
Cash in hand (including foreign currencies)		56,711,532	57,902,714
Balance with Bangladesh Bank and its agent bank(s)		1,703,038,031	2,010,625,999
Balance with other banks and financial institutions		16,070,822,888	15,703,619,254
		<b>17,830,572,451</b>	<b>17,772,147,967</b>

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

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

Managing Director

Director

Director

Chairman

Dhaka, Bangladesh  
Dated, 28 April 2019

**Bangladesh Development Bank Limited**

**Consolidated Statement of Changes in Equity  
For the year ended 31 December 2018**

Particulars	Paid-up capital BDT	Quasi equity BDT	Statutory reserve BDT	General reserve BDT	Revaluation reserve BDT	Other reserve BDT	Retained earnings BDT	Profit/ (Loss) BDT	Total equity BDT
<b>Balance at 01 January 2018</b>	4,000,000,000	134,744,560	2,335,421,336	4,047,755,114	6,700,033,996	969,907,514	527,433,724	-	18,715,296,244
Change in accounting policy	-	-	-	-	-	-	-	-	-
Restated Balance	<u>4,000,000,000</u>	<u>134,744,560</u>	<u>2,335,421,336</u>	<u>4,047,755,114</u>	<u>6,700,033,996</u>	<u>969,907,514</u>	<u>527,433,724</u>	-	<u>18,715,296,244</u>
Share Issued (BDBL Securities)	-	-	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of	-	-	-	-	-	-	-	-	-
Surplus/Deficit on revaluation of investments	-	-	-	-	-	-	-	-	-
Adjustment for sold assets	-	-	-	-	-	-	-	-	-
Dep. during the year	-	-	-	-	(113,176,838)	-	-	-	(113,176,838)
Adjustment for deferred tax	-	-	-	-	14,715,112	-	-	-	14,715,112
Difference arises in currency transaction	-	-	-	-	-	-	-	-	-
Net gain and losses not recognized in the profit and loss account	-	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	-	-	793,378,124	793,378,124
Appropriations made during the year	-	-	220,000,000	300,000,000	-	100,000,000	73,378,124	(693,378,124)	-
Dividend to Govt./BDBL	-	-	-	-	-	-	(30,000,000)	(100,000,000)	(130,000,000)
<b>Balance at 31 December 2018</b>	<u><b>4,000,000,000</b></u>	<u><b>134,744,560</b></u>	<u><b>2,555,421,336</b></u>	<u><b>4,347,755,114</b></u>	<u><b>6,601,572,270</b></u>	<u><b>1,069,907,514</b></u>	<u><b>570,811,848</b></u>	-	<u><b>19,280,212,642</b></u>
<b>Balance at 31 December 2017</b>	<u><b>4,000,000,000</b></u>	<u><b>134,744,560</b></u>	<u><b>2,335,421,336</b></u>	<u><b>4,047,755,114</b></u>	<u><b>6,700,033,996</b></u>	<u><b>969,907,514</b></u>	<u><b>527,433,724</b></u>	-	<u><b>18,715,296,244</b></u>

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

Managing Director

Director

Director

Chairman

Dhaka, Bangladesh  
Dated, 28 April 2019

**Bangladesh Development Bank Limited**

**Balance Sheet  
As at 31 December 2018**

	Notes	2018 BDT	2017 BDT
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	3	<b>1,759,744,279</b>	<b>2,068,497,171</b>
Cash in hand (including foreign currencies)		56,706,248	57,871,172
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		1,703,038,031	2,010,625,999
<b>Balance with other banks and financial institutions</b>	4	<b>15,641,211,836</b>	<b>15,536,298,074</b>
In Bangladesh		15,418,277,480	15,456,508,047
Outside Bangladesh		222,934,356	79,790,027
<b>Money at call and on short Notice</b>	5	-	-
<b>Investments</b>	6	<b>9,814,130,919</b>	<b>9,996,814,568</b>
Government		1,085,500	1,229,700
Others		9,813,045,419	9,995,584,868
<b>Loans and advances</b>	7	<b>19,307,160,674</b>	<b>17,945,967,530</b>
Loans, cash credit and overdrafts, etc		18,815,259,546	17,733,385,703
Bill purchased and discounted		491,901,128	212,581,827
<b>Fixed assets including premises, furniture and fixtures</b>	8	<b>7,940,379,714</b>	<b>8,079,804,144</b>
<b>Other assets</b>	9	<b>4,728,319,608</b>	<b>4,430,600,640</b>
<b>Total assets</b>		<b>59,190,947,030</b>	<b>58,057,982,127</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other Banks, financial institutions and agents</b>	10	<b>108,482,619</b>	<b>199,124,724</b>
<b>Deposits and other accounts</b>	11	<b>28,312,287,371</b>	<b>28,580,252,789</b>
Current and other accounts		2,242,299,641	4,601,260,396
Bills payable		126,058,767	135,973,437
Savings Bank deposits		1,118,957,007	1,096,770,408
Fixed deposits		24,824,971,956	22,746,248,548
Other deposits		-	-
<b>Other liabilities</b>	12	<b>11,667,890,872</b>	<b>10,726,797,566</b>
<b>Total liabilities</b>		<b>40,088,660,862</b>	<b>39,506,175,079</b>
<b>Shareholders' equity</b>			
<b>Total shareholders' equity</b>		<b>19,102,286,168</b>	<b>18,551,807,048</b>
Paid-up capital	13	4,000,000,000	4,000,000,000
Quasi equity	14	134,744,560	134,744,560
Statutory reserve	15	2,555,421,336	2,335,421,336
General reserve	16.1	4,347,755,114	4,047,755,114
Revaluation reserve	16.2	6,601,572,270	6,700,033,996
Other reserve	16.3	1,065,907,514	965,907,514
Retained earnings	16.5	396,885,374	367,944,528
<b>Total liabilities and shareholders' equity</b>		<b>59,190,947,030</b>	<b>58,057,982,127</b>

**Bangladesh Development Bank Limited****Balance Sheet  
As at 31 December 2018**

	<b>Notes</b>	<b>2018 BDT</b>	<b>2017 BDT</b>
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>	16.4	<b>1,565,322,126</b>	<b>581,913,670</b>
Acceptance and endorsements		-	-
Acceptance for FC guarantee		340,370,238	340,370,238
Letters of credit		591,894,760	241,543,432
Bills for collection		609,805,218	-
Other contingent liabilities		23,251,910	-
<b>Other commitments</b>		-	-
Documentary credits and other short term trade related transaction		-	-
Liability on account of outstanding forward exchange contract		-	-
Forward assets purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal stand by facilities, credit lines and other commitments		-	-
<b>Total off-balance sheet items including contingent liabilities</b>		<b>1,565,322,126</b>	<b>581,913,670</b>

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

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

Managing Director	Director	Director	Chairman
			See annexed report of the date

S. F. AHMED & CO  
Chartered Accountants

Dhaka, Bangladesh  
Dated, 28 April 2019

KHAN WAHAB SHAFIQUE RAHMAN & CO  
Chartered Accountants





**Bangladesh Development Bank Limited**

**Profit and Loss Account  
For the year ended 31 December 2018**

	Notes	2018 BDT	2017 BDT
Interest income	18	2,738,916,029	1,926,901,334
Interest paid on borrowings, deposits, etc	19	(1,582,987,686)	(1,404,461,724)
<b>Net Interest Income</b>		<b>1,155,928,343</b>	<b>522,439,610</b>
Income from investments	20	843,953,668	1,503,799,532
Commission, exchange and brokerage	21	20,355,811	22,232,597
Other operating income	22	468,154,507	293,208,675
		<b>1,332,463,986</b>	<b>1,819,240,804</b>
<b>Total operating income</b>		<b>2,488,392,329</b>	<b>2,341,680,414</b>
<b>Operating expenses</b>			
Salaries and allowances	23	1,062,231,130	881,447,758
Rent, taxes, insurance, lighting, etc	24	51,805,898	55,230,037
Legal expenses	25	3,425,307	5,042,671
Postage, telecommunication, etc	26	6,895,357	8,406,761
Stationery, printing, advertisement, etc	27	6,123,786	13,601,274
Managing Director's/Chief Executive's remuneration		3,000,000	3,000,000
Directors' fees	28	1,490,400	2,235,250
Auditors' fees		1,007,250	828,500
Depreciation and repair of Bank's assets	29	56,343,471	60,562,157
Other expenses	30	123,376,090	155,809,557
<b>Total operating expenses</b>		<b>1,315,698,689</b>	<b>1,186,163,965</b>
<b>Profit before provision</b>		<b>1,172,693,640</b>	<b>1,155,516,449</b>
Provision for loans and advances	31	70,000,000	285,050,000
Provision for diminution in value of investments		9,500,000	48,800,000
Other provisions		1,400,000	17,037,000
<b>Total provision</b>		<b>80,900,000</b>	<b>350,887,000</b>
<b>Total profit before taxes</b>		<b>1,091,793,640</b>	<b>804,629,449</b>
<b>Provision for taxation</b>			
Current tax		350,000,000	240,000,000
Deferred tax		(7,147,206)	1,467,062
		342,852,794	241,467,062
<b>Net profit after tax</b>		<b>748,940,846</b>	<b>563,162,387</b>
<b>Appropriations:</b>			
Statutory reserve		220,000,000	161,000,000
General reserve		300,000,000	280,000,000
Building fund		100,000,000	-
Dividend to Government		100,000,000	100,000,000
		720,000,000	541,000,000
<b>Retained surplus</b>		<b>28,940,846</b>	<b>22,162,387</b>
<b>Earnings per share (EPS)</b>	33	<b>18.72</b>	<b>14.08</b>

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

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

Managing Director	Director	Director	Chairman
See annexed report of the date			

S. F. AHMED & CO  
Chartered Accountants

KHAN WAHAB SHAFIQUE RAHMAN & CO  
Chartered Accountants

Dhaka, Bangladesh  
Dated, 28 April 2019

**Bangladesh Development Bank Limited**

**Cash Flow Statement**

**For the year ended 31 December 2018**

	Notes	2018 BDT	2017 BDT
<b>A. Cash flows from operating activities</b>			
Interest receipts in cash		2,647,135,190	1,936,893,050
Interest payments		(1,508,007,773)	(1,312,424,954)
Dividend receipts		693,020,159	737,926,689
Fees and commission receipts in cash		20,355,811	22,232,597
Recoveries on loans previously written-off		172,441,936	-
Cash payments to employees		(1,040,339,020)	(909,469,470)
Cash payments to suppliers		(6,123,786)	(8,406,761)
Income taxes paid		(348,027,264)	(243,700,911)
Receipts from other operating activities	22(b)	453,494,117	1,040,450,135
Payments for other operating activities	30(b)	(207,557,852)	(254,601,857)
<b>Operating profit before changes in operating assets and liabilities</b>		<b>876,391,518</b>	<b>1,008,898,518</b>
<b>Increase/(Decrease) in operating assets and liabilities</b>			
Loans and advances		(1,269,412,305)	86,676,586
Other assets		(306,677,121)	(88,342,769)
Deposits from other banks		2,500,000,000	-
Deposits from customers and others		(2,767,965,418)	2,205,400,063
Other liabilities		269,425,269	440,725,013
<b>Cash flows from/ (used in) operating assets and liabilities</b>		<b>(1,574,629,575)</b>	<b>2,644,458,893</b>
<b>Net cash from / (used in) operating activities</b>		<b>(698,238,057)</b>	<b>3,653,357,411</b>
<b>B. Cash flows from investing activities</b>			
Proceeds from sale of securities		1,034,140,999	1,982,002,676
Payments for purchase of securities		(341,601,551)	(750,469,169)
Purchase of property, plant and equipment		(9,608,533)	(44,353,347)
<b>Net cash from investing activities</b>		<b>682,930,915</b>	<b>1,187,180,160</b>
<b>C. Cash flows from financing activities</b>			
Decrease in long term borrowing		(90,642,105)	(135,558,521)
Dividend paid		(100,000,000)	(100,000,000)
<b>Net cash (used in) financing activities</b>		<b>(190,642,105)</b>	<b>(235,558,521)</b>
<b>D. Net increase/(Decrease) in cash and cash equivalents (A+B+C)</b>		<b>(205,949,247)</b>	<b>4,604,979,050</b>
<b>E. Effects of changes in exchange rate</b>		2,110,116	-
<b>F. Cash and cash equivalents at beginning of the year</b>		<b>17,604,795,246</b>	<b>12,999,816,196</b>
<b>G. Cash and cash equivalents at end of the year (D+E+F)</b>	32	<b>17,400,956,115</b>	<b>17,604,795,246</b>
<b>Cash and cash equivalents at end of the year</b>			
Cash in hand (including foreign currency)		56,706,248	57,871,172
Balance with Bangladesh Bank and its agent bank(s)		1,703,038,031	2,010,625,999
Balance with other banks and financial institutions		15,641,211,836	15,536,298,075
		<b>17,400,956,115</b>	<b>17,604,795,246</b>

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

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

Managing Director

Director

Director

Chairman

Dhaka, Bangladesh  
Dated, 28 April 2019

**Bangladesh Development Bank Limited**

**Statement of Changes in Equity  
For the year ended 31 December 2018**

Particulars	Paid-up capital BDT	Quasi equity BDT	Statutory reserve BDT	General reserve BDT	Revaluation reserve BDT	Other reserves BDT	Retained earnings BDT	Profit/ (loss) BDT	Total BDT
<b>Balance at 01 January 2018</b>	4,000,000,000	134,744,560	2,335,421,336	4,047,755,114	6,700,033,996	965,907,514	367,944,528	-	18,551,807,048
Surplus/deficit on revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus/deficit on revaluation of investments	-	-	-	-	-	-	-	-	-
Adjustment for sold assets	-	-	-	-	-	-	-	-	-
Depreciation during the year	-	-	-	-	(113,176,838)	-	-	-	(113,176,838)
Adjustment for deferred tax	-	-	-	-	14,715,112	-	-	-	14,715,112
Difference arises in currency transac	-	-	-	-	-	-	-	-	-
Net gain and losses not recognised in the profit and loss	-	-	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	-	-	-	748,940,846	748,940,846
Appropriations made during the year	-	-	220,000,000	300,000,000	-	100,000,000	28,940,846	(648,940,846)	-
Dividend to Govt.	-	-	-	-	-	-	-	(100,000,000)	(100,000,000)
<b>Balance at 31 December 2018</b>	<b>4,000,000,000</b>	<b>134,744,560</b>	<b>2,555,421,336</b>	<b>4,347,755,114</b>	<b>6,601,572,270</b>	<b>1,065,907,514</b>	<b>396,885,374</b>	<b>-</b>	<b>19,102,286,168</b>
<b>Balance at 31 December 2017</b>	<b>4,000,000,000</b>	<b>134,744,560</b>	<b>2,335,421,336</b>	<b>4,047,755,114</b>	<b>6,700,033,996</b>	<b>965,907,514</b>	<b>367,944,528</b>	<b>-</b>	<b>18,551,807,048</b>

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

Managing Director

Director

Director

Chairman

Dhaka, Bangladesh  
Dated, 28 April 2019

**Bangladesh Development Bank Limited**

**Liquidity Statement (Analysis of Maturity of Assets and Liabilities)  
As at 31 December 2018**

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
<b>Assets</b>						
Cash in hand	56,706,248	-	-	-	-	56,706,248
Balance with Bangladesh Bank and Sonali Bank (incl. foreign currencies)	114,400,000	-	-	-	1,588,638,031	1,703,038,031
Balance with other banks and financial institutions and agents	8,879,400,000	5,103,700,000	1,658,111,836	-	-	15,641,211,836
Money at call and on short notice	-	-	-	-	-	-
Investments	1,085,500	7,114,500	3,328,500,000	2,360,300,000	4,117,130,919	9,814,130,919
Loans and advances	1,206,100,000	1,888,600,000	4,084,500,000	8,419,500,000	3,708,460,674	19,307,160,674
Fixed assets including premises, furniture and fixtures	-	-	-	-	7,940,379,714	7,940,379,714
Other assets	94,500,000	522,600,000	647,600,000	3,322,100,000	141,519,608	4,728,319,608
Non-banking assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>10,352,191,748</b>	<b>7,522,014,500</b>	<b>9,718,711,836</b>	<b>14,101,900,000</b>	<b>17,496,128,946</b>	<b>59,190,947,030</b>
<b>Liabilities</b>						
Borrowing from Bangladesh Bank, Other banks, financial institutions and agents	7,200,000	21,500,000	65,100,000	14,682,619	-	108,482,619
Deposits and other accounts	1,340,800,000	2,611,700,000	7,306,800,000	17,052,987,371	-	28,312,287,371
Provision and other liabilities	-	241,900,000	1,318,800,000	2,334,200,000	7,702,990,872	11,667,890,872
<b>Total Liabilities</b>	<b>1,348,000,000</b>	<b>2,875,100,000</b>	<b>8,690,700,000</b>	<b>19,401,869,990</b>	<b>7,702,990,872</b>	<b>40,088,660,862</b>
<b>Net liquidity gap</b>	<b>9,004,191,748</b>	<b>4,646,914,500</b>	<b>1,028,011,836</b>	<b>(5,299,969,990)</b>	<b>9,793,138,074</b>	<b>19,102,286,168</b>

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

Managing Director

Director

Director

Chairman

Dhaka, Bangladesh  
Dated, 28 April 2019

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

**1. General information**

**1.1 Establishment and status of the Bank**

Bangladesh Development Bank Limited (“BDBL” or 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 business of two specialised Banks ie. Bangladesh Shilpa Bank (BSB) and Bangladesh Shilpa Rin Sangstha (BSRS) constituted respectively under the Bangladesh Shilpa Bank Order, 1972 (President Order No.129 of 1972) and Bangladesh Shilpa Rin Sangstha Order, 1972 (President Order No.128 of 1972) with all of their assets, benefits, rights, powers, authorities, privileges, liabilities, borrowings and obligations and to carry on with the same business. Two vendors agreements were executed between the Government Bangladesh and Bangladesh Development Bank Limited on 31 December 2009 in this regard.

The registered office of the Bank is located at 8 Rajuk Avenue, Motijheel, Dhaka-1000.

BDBL established two subsidiary companies; one is BDBL Securities Limited, a fully owned subsidiary company which was incorporated on 23 May 2011 with the Registrar of Joint Stock Companies & Firms with an authorised and paid up capital of BDT 500 million and BDT 200 million respectively. The company is a member of Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. and obtained Stock Broker and Stock Dealer Licenses of DSE on 18 January 2012 and CSE on 15 May 2012. The other subsidiary is BDBL Investment Services Limited, a another fully owned subsidiary company which was incorporated on 06 August, 2014 with authorised and paid up capital of BDT 500 million and BDT 200 million respectively. A vendor's Agreement was signed on 11 September, 2014 between BDBL and BISL for transfer of membership of DSE Trading Right Entitlement Certificate (TREC) # 152 and shares (7,215,106 share of BDT 10 each). DSE approved conversion of DSE TREC # 152 and shares in favour of BISL at its 813th Board Meeting held on 26 November 2015 and then BSEC issued Stock Dealer and Stock Broker Registration Certificate in favour of BISL on 19 January 2016.

**1.2 Principal activities**

Bangladesh Development Bank Limited extends financial assistance both in local and foreign currencies for setting up of new industries and provides all kinds of commercial banking services to its customer through its branches in Bangladeshe as laid down in the Bank Company Act 1991 and directives received from Bangladesh Bank from time to time.

**2. Significant accounting policies**

**2.1 Basis of presentation of financial statements**

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

**2.2 Consolidation of accounts**

A separate set of records for consolidating the statements 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. Separate consolidated financial statements have been drawn consolidating the ‘BDBL Securities Limited and BDBL Investment Services Limited.

**2.3 Use of estimates and judgments**

**2.3.1 Fixed assets and depreciation**

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

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

## Bangladesh Development Bank Limited

### Notes to the financial statements

For the year ended 31 December 2018

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

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

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

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

#### 2.4 Investments

- 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 amortised cost.
- 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 fall in value below cost. 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 are accounted for by deducting the average cost of investments from selling price thereof.

#### 2.5 Loans and advances

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

## Bangladesh Development Bank Limited

### Notes to the financial statements

For the year ended 31 December 2018

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

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

#### 2.6 Rental income

Rental income is accounted for on accrual basis.

#### 2.7 Revenue recognition

Revenue is recognised as follows which satisfy all condition of revenue recognition as prescribed by IFRS 9 Financial Instruments.

(i) Interest is calculated on unclassified loan and advances calculated daily but charged quarterly.

(ii) Interest is charged on classified loans and advances as per Bangladesh Bank's BRPD circular no. 14 of 23 September 2012 and other related circulars and such interest is not taken into income.

(ii) Dividend income is recognised when shareholders' right to receive is established.

(v) Commission and discount on bills purchased and discounted are recognised at the time of realisation.

#### 2.8 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.

#### 2.9 Cash Flow statements

Cash flow statements have been prepared in accordance with the IAS-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.

#### 2.10 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.

#### 2.11 Statement of changes in equity

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

#### 2.12 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.

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

**2.13 Retirement benefit scheme**

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

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

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

**2.14 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.

**2.15 Asset revaluation reserve**

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

**2.16 Provision for taxation**

Provision for current income tax has been made @ 40% as prescribed in the Finance Act, 2018 on accounting profit made by the Bank after considering some of the add backs to income and disallowances of expenditure as per income tax laws.

**2.17 Deposits and other accounts**

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

**2.18 Reconciliation position**

- a. Nostro A/C:

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

- b. Inter-branch transactions:

As CBS-Core Banking System has been established, inter-branch transactions are performed reciprocally and the balance is netted-off at a particular point of time. The position of inter branch outstanding entries as on 31 December, 2018 is as under:

Outstanding Period	Debit Entry		Credit Entry		Total Entry
	No. of entry	BDT '000'	No. of entry	BDT '000'	
Less than 3 months	113	2,370	41	490	154
3 months to 6 months	102	2,115	67	1,203	169
6 months to 9 months	98	985	105	1,319	203
9 months to 12 months	92	1,748	86	2,957	178
More than 12 months	227	3,738	338	4,101	565
<b>Total</b>	<b>632</b>	<b>10,956</b>	<b>637</b>	<b>10,070</b>	<b>1,269</b>
Unadjusted amount (Credit)		<b>886</b>			

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

**2.19 Core risk management**

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

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

The Credit Policy, ALM Manual, SME Manual, Credit Risk Management Manual & Checklist, Risk Management Policy of the bank and other core risk Manuals cover full range of commercial lending activities, project loan, SME loan and all other risk associated credit, market and operational activities of the bank. As core Risk Management is vital for continuous and harmonious improvement for banking operation, the bank is managing 7 (seven) core risks aiming to minimize the possible risks as well as the already existing risks in banking business. Core Risks are as follows:

**a. Credit risk management**

Credit risk is one of the major risks faced by the Bank. This can be described as potential loss arising from contractual failure of the borrower with the Bank. The failure may result from unwillingness or inability of the counter party in discharging financial obligation. Therefore, bank's Credit risk management activities have been designed to address all these issues. The bank reviews Credit Risk Management manual as per updated Credit Policy (Board approved) and the updated Credit Risk Management Guideline of the Bangladesh Bank. Credit risk in the Bank's Portfolio is monitored, reviewed and analyzed by the Loan Operation Department, SME Department and General Advances Department. Credit Risk Management Committee of the Bank independently coordinates the overall Credit Risk Management activities of the Bank. Credit Risk Grading (CRG) system is followed by BDBL as per Bangladesh Bank's instruction following all the criteria. BDBL also follows Bangladesh Bank guidelines regarding CIB reporting, Loan Classification & provisioning, bad debts written-off and interest suspense.

**b. Asset liability risk management**

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

**c. Foreign exchange risk management**

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

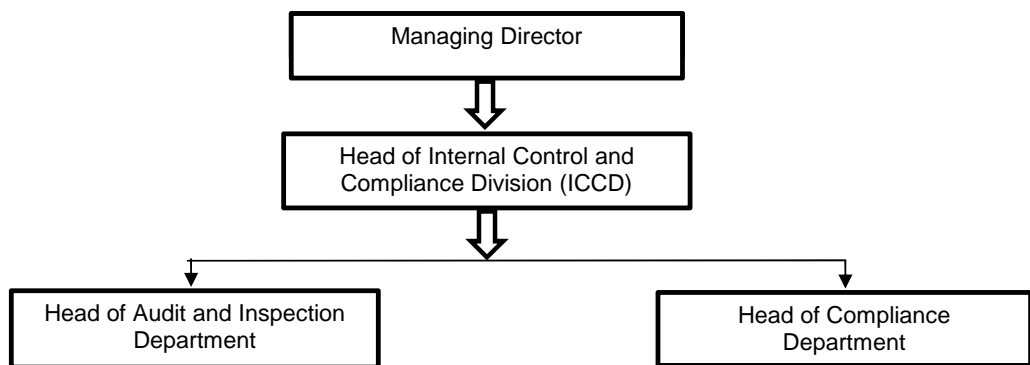
**d. Money laundering and terrorist financing risk management**

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

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

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

Operational loss may arise from errors and fraud due to regulatory failure of Internal Control and Compliance. Internal Control and Compliance Division undertakes periodical and special audit of the Branches and Departments at Head Office for review of the operation and compliance of the statutory requirement. The Audit Committee of the Board subsequently reviews the report of the Internal Control and Compliance Division. Internal Control and Compliance (ICC) structure of BDBL is shown below:



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

Audit & Inspection Department performs risk-oriented reviews of the design and operating effectiveness of BDBL's system of internal controls. Internal audit is conducted at periodic intervals to ensure compliance of the policies of the Bank and regulatory bodies. The Bank has designed Internal Control and Compliance Risk Management Manual as per Bangladesh Bank's respective guideline. For oversight of Internal Control and Compliance Risk in Bank, Bank's Internal Control & Compliance Risk Management Committee plays crucial role in assessing, monitoring, mitigating and controlling the risk(s) associated with Internal Control and Compliance (ICC).

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

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

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

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

Risk management is an important business discipline that an organization should embrace to minimize the effects of risks on its returns and capitals. Bank has introduced two different departments namely IT Operation and IT System Department to manage all the IT activities in sound, compliant and standard way/manner. IT Operation Department is assigned to develop IT infrastructure and IT System Department is responsible for deployment and secure operation of different software including Core Banking System (CBS). The Bank has a standard and compliant Data Centre (DC) in its Head Office premises. Also, a near Disaster Recovery Site (DRS) has been placed at Bank's Karwan Bazar Bhaban, Dhaka. Far DRS is being planned to set up at Jessore high-tech park in association with the High-tech park Authority, BCC, ICB, Sonali Bank Ltd, Janata Bank Limited, Agrani Bank Ltd, Rupali Bank Ltd and CDBI. For the interim period we will keep sensitive data at our Khulna Branch also. There are sufficient physical as well as logical access control systems to protect the Bank's IT assets and client interest usefully. The sensitive information is kept in the restricted area in the networking environment.

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

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

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

**Objectives of environmental risk management**

- i. To promote sustainable environment friendly initiatives undertaking through adoption of a set of principles and strict adherence to those principles;
- ii. To contribute to the national/global interest through avoidance of financing in specific industry(ies) being harmful or tend to be causing harm to the environment even if they are financially viable;
- iii. To create an atmosphere for the bank and its clients to work within an ideal business environment through innovative marketing of innovative banking products;
- iv. To encourage the employees, the existing and potential clients and other stakeholders to develop, practice & promote for developing & using Environment friendly/Green Technology/products/ production process;
- v. To develop the attitude among the employees to motivate, encourage the stakeholders through initialization of appropriate in-house environmental risk management system through introduction of appropriate technology;
- vi. To sponsor awareness programs for environment friendly products/technology through practice of Corporate Social Responsibilities (CSR);

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

**Sustainable Finance Committee**

Sustainable financing mainly focuses on core banking practices especially green banking, corporate social responsibility, financial inclusion and financial education. The society and environment oriented banking practices gradually created the concept of sustainable banking. BDBL has a thirteen (13) member "Sustainable Finance Committee" headed by Deputy Managing Director-1 and a six (06) member "Sustainable Finance Unit" headed by Deputy General Manager of General Advances Department. A full pledged Sustainable Finance Department is being opened soon to look after the sustainable financing as per the guidelines and instructions of Bangladesh Bank.

The functional areas of the committee are as follows:

- A. Taking necessary approval, monitoring and supervision of activities of Sustainable Finance Unit at management level.
- B. Setting annual target for the unit and evaluating it; and

C. Ensuring proper coordination and cooperation on the activities of the unit among the related divisions.

**2.20 Implementation of Basel-III**

**Calculation of MCR**

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

**Implementation of ICAAP**

The key principle of the Supervisory Review process (SRP) as per Bangladesh Bank Guidelines is that “banks have a process for assessing overall capital adequacy in relation to their risk profile and a strategy for maintaining their capital at an adequate level”. The Board approved the ‘Supervisory Review Process Team’ of the bank and the ‘ICCAP Manual & Checklist’ to establish the Internal Capital Adequacy Assessment Process (ICCAP). BDBL has prepared and submitted ICAAP report and Supervisory Review Process Documents (i.e. Supplementary Documents) to the Bangladesh Bank on the basis of audited accounts as on 31 December 2017.

**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 2018 depicts very strong position of the bank’s capability to absorb any sort of shock relating to Capital Adequacy.

**Risk management report**

The bank, as per Bangladesh Bank instruction, prepares and submits ‘Monthly Risk Management Report’ and ‘Half-Yearly Comprehensive Risk Management Report (CRMR)’ to the Bangladesh Bank. The reports are prepared by the Risk Management Department and reviewed by the Management-Level Risk Management Committee and the Board level Risk Management Committee of the bank. Here it is to be noted that, Comprehensive Risk Management Report (CRMR) covers the core risk issues of the Bank.

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

**Market discipline**

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

**2.21 Audit committee**

**2.21.1 Member**

An audit committee has been reconstituted by the Board of Directors of the Bank in its 214th meeting held on 04 July, 2018. 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	Syed Aftear Hussain Pear	BCom	Director	Member
5	Kazi Tariqul Islam	MSc.	Director	Member

## Bangladesh Development Bank Limited

### Notes to the financial statements

For the year ended 31 December 2018

#### 2.21.2 Activities

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

During the year 2018 the committee conducted 10 (Ten) 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 2017;
- Review of key performance indicators of the branches
- Review of compliance and implementation of comprehensive inspection report as on 31 December 2017 by Bangladesh Bank
- Approval of internal audit plan of BDBL for the year 2019.

#### 2.22 Board of directors

Name of the directors and the entities in which they have interest during as on 31 December 2018 are as under:

Sl. No.	Name	Designation in the Bank	Name of the firms/companies in which interest as proprietor, partner, director, managing agent, guarantor, employee.	Remarks
1.	Shahabuddin Ahmed	Director and Acting Chairman	Secretary, Ministry of Food, Government of Bangladesh	Appointed as Director on 06 January 2016 and Acting Chairman from 19 December 2017
2.	Md. Ekhlatur Rahman	Director	Additional Secretary, Finance Division, Ministry of Finance, Government of Bangladesh	Appointed on 06 January 2016
3.	Mushtaque Ahmed	Director	-	Appointed on 14 January 2016
4.	Md. Abu Hanif Khan	Director	-	Appointed on 14 January 2016
5.	Dr. A. K. Ubaidur Rob	Director	Country Director, Population Council; Director, Green Valley Plantation Ltd, Director, Jantrik Technologies Ltd, Director, Apace Filling Station Ltd, Director, Eco Plantation and Industries Ltd	Appointed on 26 January 2016
6.	Syed Aftear Hossain Pear	Director	-	Reappointed on 24 April 2016
7.	Salma Nasreen, ndc	Director	Additional Secretary, Bank and Financial Institution Division, Ministry of Finance, Government of Bangladesh	Appointed on 01 November 2016
8.	Kazi Tariqul Islam	Director	Joint Secretary (Retired)	Appointed on 30 May 2018
9.	Manjur Ahmed	Managing Director	Bangladesh Development Bank Limited	Appointed on 09 May 2016

## Bangladesh Development Bank Limited

### Notes to the financial statements

For the year ended 31 December 2018

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#### 2.23 Related Party Transaction

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

SL No.	Particulars	BSL	BISL
1.	Receivable against salaries	12,847,428	6,149,055
2.	Receivable against shares	22,090,511	37,068,983

#### 2.24 General

- i. Figures have been rounded off to the nearest taka.
- ii. The previous year's figure have been rearranged, where necessary, to conform to the presentation of 31 December 2018.

**Bangladesh Development Bank Limited**

**Notes to the financial statements  
For the year ended 31 December 2018**

		<b>2018</b>	<b>2017</b>
		BDT	BDT
<b>3. Cash</b>			
<b>3.1 Cash in hand</b>			
In local currency		56,706,248	57,871,172
In foreign currencies		-	-
<b>Balance with Bangladesh Bank and Sonali Bank Limited</b>	Note: 3.2	<u>1,703,038,031</u>	<u>2,010,625,999</u>
		<u><b>1,759,744,279</b></u>	<u><b>2,068,497,171</b></u>
<b>3(a) Consolidated cash in hand</b>			
Bangladesh Development Bank Limited	Note: 3.1	1,759,744,279	2,068,497,171
BDBL Securities Limited		-	-
BDBL Investment Services Limited		5,284	31,542
		<u>1,759,749,563</u>	<u>2,068,528,713</u>
<b>3.2 Balance with Bangladesh Bank and Sonali Bank Limited</b>			
Local currency - Bangladesh Bank		1,623,102,304	1,937,612,347
Local currency - Sonali Bank Limited		14,645,278	20,428,413
Foreign currency - Bangladesh Bank		65,290,449	52,585,239
		<u>1,703,038,031</u>	<u>2,010,625,999</u>
<b>3.3 Cash reserve ratio (CRR)</b>			
Required reserve (5.5% of demand and time liabilities)		1,492,283,000	1,589,250,000
Actual reserve held with Bangladesh Bank		1,574,000,000	1,937,293,000
Excess reserve (average/day)		<u>81,717,000</u>	<u>348,043,000</u>
Cash reserve ratio (CRR) has been calculated and maintained in accordance with the Section 33 of the Bank Companies Act 1991 and subsequent BCD circular no. 13 dated 24 May 1992; BRPD circular no. 12 dated 20 September 1999, BRPD circular no. 22 dated 06 November 2003, BRPD circular no. 11 dated 25 November 2005, BRPD circular no. 01 dated 12 January 2009 & MPD circular no. 04 dated 01 December 2010, and MPD circular no. 01 dated 23 June 2014.			
<b>3.3.1 Statutory liquidity ratio (SLR)</b>			
This is not applicable for Bangladesh Development Bank Limited, since both Bangladesh Shilpa Bank and Bangladesh Shilpa Rin Sangstha were exempted from maintaining SLR vide Notification from Ministry of Finance.			
<b>4. Balance with other banks and financial institutions</b>			
In Bangladesh	Note: 4.1	15,418,277,480	15,456,508,047
Outside Bangladesh	Note: 4.2	222,934,356	79,790,027
		<u>15,641,211,836</u>	<u>15,536,298,074</u>
<b>4.1 In Bangladesh</b>			
<b>Current and other accounts:</b>			
Current account		70,936,470	91,836,897
Term deposit	Note: 4.1.1	13,036,138,464	13,175,146,156
Term deposit - depreciation fund	Note: 4.1.2	72,000,000	72,000,000
Term deposit - building fund	Note: 4.1.3	460,000,000	510,000,000
Term deposit - loan redemption fund	Note: 4.1.4	204,959,500	204,959,500
Short term deposit	Note: 4.1.5	1,574,243,046	1,402,565,494
		<u>15,418,277,480</u>	<u>15,456,508,047</u>

**Bangladesh Development Bank Limited**

**Notes to the financial statements  
For the year ended 31 December 2018**

	<b>2018</b>	<b>2017</b>
	BDT	BDT
<b>4.1.1 Term deposit</b>		
AB Bank Limited	180,000,000	820,000,000
National Bank of Pakistan	350,000,000	50,000,000
The Premier Bank Limited	10,000,000	-
ICB Islami Bank Limited	5,146,156	5,146,156
National Bank Limited	300,000,000	-
Al-Arafa Islami Bank Limited	800,000,000	2,000,000,000
Standard Bank Limited	1,990,000,000	1,730,000,000
EXIM Bank Limited	1,200,000,000	2,000,000,000
Union Bank Limited	250,000,000	-
Phoenix Finance and Investment Limited	150,000,000	300,000,000
GSP Finance Company (BD) Limited	-	150,000,000
Reliance Finance Limited	500,000,000	500,000,000
Meghna Bank Limited	530,992,308	500,000,000
Peoples Leasing and Financial Services Limited	50,000,000	50,000,000
Union Capital Limited	-	200,000,000
Karmasangsthan Bank	40,000,000	40,000,000
Simanto Bank Limited	-	200,000,000
Pubali Bank Limited	-	200,000,000
NCC Bank Limited	-	400,000,000
Social Islami Bank Limited	10,000,000	310,000,000
Bangladesh Commerce Bank Limited	450,000,000	1,450,000,000
BRAC Bank Limited	800,000,000	200,000,000
NRB Global Bank Limited	600,000,000	400,000,000
Meghna Bank Limited	-	300,000,000
South Bangla Agriculture and Commerce Bank Limited	370,000,000	1,320,000,000
Islamic Finance and Investment Limited	100,000,000	50,000,000
IFIC Bank Limited	1,000,000,000	-
ONE Bank Limited	250,000,000	-
Investment Corporation of Bangladesh	3,000,000,000	-
Lanka Bangla Finance Limited	100,000,000	-
	<b>13,036,138,464</b>	<b>13,175,146,156</b>

**4.1.2 Term deposit - depreciation fund**

NRB Global Bank Limited	72,000,000	-
EXIM Bank Limited	-	72,000,000
	<b>72,000,000</b>	<b>72,000,000</b>

Depreciation fund was created by erstwhile BSB with a view to meet capital replacement obligation of the organisation as per directive of Ministry of Finance through office memorandum no. MF(ABW-3)MISC-17/85/94(13) dated 15 August 1985. The Board of Directors of that Bank in its 100th ordinary meeting held on the 19 January 1988 approved the creation and investment of the fund in Government approved securities/term deposit, when necessary, for the purpose mentioned above.

**4.1.3 Term deposit - building fund**

Union Bank Limited	50,000,000	-
South Bangla Agriculture and Commerce Bank Limited	350,000,000	200,000,000
NRB Global Bank Limited	60,000,000	310,000,000
	<b>460,000,000</b>	<b>510,000,000</b>

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

**4.1.4 Term deposit - loan redemption fund**

ICB Islamic Bank Limited	4,959,500	4,959,500
First Security Islami Bank Limited	50,000,000	50,000,000
Union Bank Limited	150,000,000	150,000,000
	<b>204,959,500</b>	<b>204,959,500</b>

Loan redemption fund was created by erstwhile BSB by transferring BDT 50 million (60 million subsequently) per month from the loan recovery amount in order to capacitate the Bank to repay the Bangladesh Bank borrowings.

**Notes to the financial statements**  
**For the year ended 31 December 2018**

	<b>2018</b>	<b>2017</b>	
	BDT	BDT	
<b>4.1.5 Short term deposit</b>			
Agrani Bank Limited	62,712,250	32,565,494	
First Finance Limited	150,000,000	250,000,000	
Premier Leasing and Finance Limited	124,200,000	130,000,000	
Peoples Leasing and Financial Services Limited	235,000,000	270,000,000	
The Farmers Bank Limited	250,000,000	250,000,000	
Bangladesh Industrial Finance Company Limited	220,330,796	200,000,000	
FAS Finance and Investment Limited	158,500,000	170,000,000	
International Leasing and Financial Services Limited	23,500,000	100,000,000	
Bagladesh Commerce Bank Limited	100,000,000	-	
BRAC Bank Limited	100,000,000	-	
Lanka bangla Finance Limited	100,000,000	-	
Phoenix Finance and Investment Limited	50,000,000	-	
	<b>1,574,243,046</b>	<b>1,402,565,494</b>	
<b>4.2 Outside Bangladesh</b>			
Modhumoti Bank Limited	4,700,213	4,658,021	
Mashreq Bank, USA	211,714,666	59,613,430	
BHF Bank AG, Germany	1,794,865	3,101,642	
Sonali Bank Limited, India	3,438,620	11,092,134	
Axis Bank, India	1,285,992	1,324,800	
	<b>222,934,356</b>	<b>79,790,027</b>	
<p>Foreign currency transactions have been converted into BDT at the rates prevailing on the transaction dates. At the balance sheet date the monetary assets and liabilities are converted into BDT using exchange rate prevailing on that date. The resultant gain during and at the end of year has been reflected in the profit and loss account of the Bank.</p> <p>Details are shown in <a href="#">Annex D</a>.</p>			
<b>4.3 Maturity-wise grouping</b> (balance with other banks and financial institutions)			
On demand	184,600,000	1,410,800,000	
Less than three months	13,798,500,000	11,487,500,000	
More than three months but less than one year	1,658,111,836	2,637,998,074	
More than one year but less than five years	-	-	
More than five years	-	-	
	<b>15,641,211,836</b>	<b>15,536,298,074</b>	
<b>4(a) Consolidated balance with other banks and financial institutions</b>			
<b>In Bangladesh</b>			
Bangladesh Development Bank Limited	Note: 4.1	15,418,277,480	15,456,508,047
BDBL Securities Limited		349,398,864	115,522,950
BDBL Investment Services Limited		80,212,188	51,798,229
		<b>15,847,888,532</b>	<b>15,623,829,226</b>
<b>Outside Bangladesh</b>			
Bangladesh Development Bank Limited	Note: 4.2	222,934,356	79,790,027
BDBL Securities Limited		-	-
BDBL Investment Services Limited		-	-
		<b>222,934,356</b>	<b>79,790,027</b>
		<b>16,070,822,888</b>	<b>15,703,619,253</b>
<b>5. Money at call and on short notice</b>			
In Bangladesh		-	-
Outside Bangladesh		-	-
		<b>-</b>	<b>-</b>
<b>6. Investments</b>			
Government securities	Note: 6.1	1,085,500	1,229,700
Other investment	Note: 6.2	9,813,045,419	9,995,584,868
		<b>9,814,130,919</b>	<b>9,996,814,568</b>
<p>Details are shown in <a href="#">Annex F</a>.</p>			

**Notes to the financial statements**  
**For the year ended 31 December 2018**

	2018 BDT	2017 BDT
<b>6.1 Government securities</b>		
Treasury bonds	-	-
Prize bond	1,085,500	1,229,700
	<b>1,085,500</b>	<b>1,229,700</b>
<b>6.2 Other investments</b>		
Shares	7,570,067,436	8,262,606,885
Debentures	32,977,983	32,977,983
Investment in bonds	150,000,000	240,000,000
Investment in Bangladesh fund	1,060,000,000	1,060,000,000
Investment in subsidiaries	1,000,000,000	400,000,000
	<b>9,813,045,419</b>	<b>9,995,584,868</b>
<b>6.2.1 Investment in shares by listing status</b>		
Quoted shares	7,449,764,000	8,142,303,449
Unquoted shares	71,891,336	71,891,336
Others*	48,412,100	48,412,100
	<b>7,570,067,436</b>	<b>8,262,606,885</b>
Market value	<b>24,491,759,967</b>	<b>31,176,773,132</b>
<p>Investment in quoted and unquoted shares are recorded at cost. At 31 December 2018 market value/fair value of this investment is above cost, thus no provision is required to make for the year. However, a provision of BDT 9,500,000 has been made for the year against other investments as directed by Bangladesh Bank.</p>		
<b>6.3 Maturity-wise grouping of investments</b>		
On demand	1,085,500	1,229,700
Less than three months	7,114,500	8,300,000
More than three months but less than one year	3,328,500,000	2,528,500,000
More than one year but less than five years	2,360,300,000	3,977,000,000
More than five years	4,117,130,919	3,481,784,868
	<b>9,814,130,919</b>	<b>9,996,814,568</b>
<b>6.4 Provision for investment</b>		
Required provision	139,690,083	130,190,083
Provision maintained	139,690,083	130,190,083
<b>Provision excess/(shortage)</b>	<b>-</b>	<b>-</b>
<b>6(a) Consolidated investment</b>		
<b>(i) Government securities</b>		
Bangladesh Development Bank Limited	1,085,500	1,229,700
BDBL Securities Limited	-	-
BDBL Investment Services Limited	-	-
	<b>1,085,500</b>	<b>1,229,700</b>
<b>(ii) Other investments</b>		
Bangladesh Development Bank Limited	9,813,045,419	9,995,584,868
<u>Less:</u> Investment in Subsidiaries	(1,000,000,000)	(400,000,000)
BDBL Securities Limited	809,819,461	488,668,518
BDBL Investment Services Limited	569,934,418	208,604,038
	<b>10,192,799,298</b>	<b>10,292,857,424</b>
	<b>10,193,884,798</b>	<b>10,294,087,124</b>
<b>7. Loans and advances</b>		
<b>Loans, cash credits, overdrafts, etc</b>		
In Bangladesh	18,815,259,546	17,733,385,703
Outside Bangladesh	-	-
	<b>18,815,259,546</b>	<b>17,733,385,703</b>
<b>Bills purchased and discounted :</b>		
In Bangladesh	491,901,128	212,581,827
Outside Bangladesh	-	-
	<b>491,901,128</b>	<b>212,581,827</b>
	<b>19,307,160,674</b>	<b>17,945,967,530</b>

**Notes to the financial statements**  
**For the year ended 31 December 2018**

	2018 BDT	2017 BDT
<b>7.1 Nature-wise loans and advances</b>		
Cash credits	4,610,009,533	4,470,649,284
Long term (amount due and not due)	8,321,758,456	7,597,343,439
Overdrafts	505,083,399	448,316,732
Local documentary bill purchased	491,901,128	212,581,827
Bridge loan	-	-
Consumer loan	242,004,472	261,151,133
Loan against trust receipt and others	1,510,765,955	1,428,982,323
Staff loan	3,625,637,731	3,526,942,792
	<b><u>19,307,160,674</u></b>	<b><u>17,945,967,530</u></b>
<b>7.2 Maturity-wise grouping of loans and advances</b>		
On demand	-	-
Not more than three months	3,094,700,000	1,994,200,000
Over three months but not more than one year	4,084,500,000	4,015,800,000
Over one year but not more than five years	8,419,500,000	8,911,100,000
Over five years	3,708,460,674	3,024,867,530
	<b><u>19,307,160,674</u></b>	<b><u>17,945,967,530</u></b>
<b>7.3 Particulars of advances</b>		
i. Debts considered good in respect of which the Bank is fully secured.	10,411,603,921	9,595,672,738
ii. Debts considered good for which the Bank hold no other security than the debtors personal security.	733,905,600	473,732,960
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.	3,625,637,731	3,526,942,792
vi. Maximum total amount of advances, including temporary advances made any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons.	10,385,000	10,385,000
vii. Debts due from companies or firms in which the directors of the Bank are interested as directors, partners, or managing agents or in case of private companies, as members.	-	-
viii. Maximum total amount of advances including temporary advances	-	-
ix. Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or in the case of private companies as members.	-	-
x. Due from Banking Companies	-	-
xi. Classified advances on which no interest has been charged.	8,157,963,298	7,969,331,850
(a) The balance of bad loan written-off is BDT 17,789,429,750 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.	17,789,429,750	18,006,666,841

**Notes to the financial statements**  
**For the year ended 31 December 2018**

	2018 BDT	2017 BDT
<b>7.4 Movement of loans and advances</b>		
Opening balance	17,945,967,530	18,078,369,324
<u>Add</u> : Disbursed during the year	5,047,482,496	4,077,771,000
<u>Add</u> : Interest charged during the year	1,325,916,178	1,173,764,090
	<b>24,319,366,204</b>	<b>23,329,904,414</b>
<u>Less</u> : Recovery during the year	5,012,205,530	5,397,034,327
	<b>19,307,160,674</b>	<b>17,932,870,087</b>
<u>Add/Less</u> : Written-off and adjustment during the year	-	13,097,443
Closing balance	<b>19,307,160,674</b>	<b>17,945,967,530</b>

As at 31 Dec 2017, accumulated written-off loans stood at 18,006,666,841. During the year under reporting no further loans have been written-off, but a waiver of BDT 44,795,155 and recovery of BDT 172,441,936 have been provided/made: making the written-off loans of BDT 17,789,429,750 as at 31 December 2018.

<b>7.5 Significant concentration-wise grouping</b>		
Other executives and officers of the Bank	3,625,637,731	3,526,942,792
Customers	2,257,853,826	2,138,450,188
Industries	13,423,669,117	12,280,574,550
	<b>19,307,160,674</b>	<b>17,945,967,530</b>

<b>7.6 Division-wise loans &amp; advances</b>		
Dhaka Division	9,576,230,848	8,411,184,914
Mymensingh Division	2,847,389,823	1,630,567,585
Khulna Division	2,153,565,897	770,758,249
Chittagong Division	388,544,465	2,877,785,858
Rajshahi Division	926,200,461	2,454,678,599
Barisal Division	1,442,177,056	432,431,186
Sylhet Division	440,519,134	271,374,678
Rangpur	1,532,532,989	1,097,186,461
	<b>19,307,160,674</b>	<b>17,945,967,530</b>

<b>7.7 Classification status of loans and advances</b>		
<b>Unclassified loan:</b>		
Standard	6,371,294,635	5,179,459,876
Standard (C.F)	120,868,681	120,562,369
Special mention account	305,835,541	775,587,185
Staff loan	3,613,605,064	3,520,063,308
	<b>10,411,603,921</b>	<b>9,595,672,738</b>

<b>Classified:</b>		
Sub-standard	521,045,350	184,355,616
Doubtful	216,548,105	196,607,326
Bad/Loss (including staff loan)	8,157,963,298	7,969,331,850
	<b>8,895,556,753</b>	<b>8,350,294,792</b>
<b>Total :</b>	<b>19,307,160,674</b>	<b>17,945,967,530</b>

As at 31 December 2018 bad/loss loans includes staff loan of BDT 12 million. These loans have been classified as bad/loss due to non-payment of loans resulting from death of employees or discontinuance of unemployment with the bank. Most of the loans are recoverable as the employees have retirement benefits unsettled with the bank.

<b>Provisions required against loans and advances</b>		
<b>Unclassified loan:</b>		
Standard	62,231,733	42,392,649
Standard (C.F)	6,043,434	6,028,118
Special mention account	2,588,782	2,878,600
Staff loan	36,136,051	35,200,633
<b>Classified:</b>		
Sub-standard	36,100,000	13,100,000
Doubtful	30,000,000	37,400,000
Bad/Loss	3,629,700,197	3,505,541,525
<b>Total</b>	<b>3,802,800,197</b>	<b>3,642,541,525</b>
<b>Provisions maintained</b>	3,804,631,825	3,742,488,500
<b>Provisions surplus/(deficit)</b>	<b>1,831,628</b>	<b>99,946,975</b>

**Notes to the financial statements**  
**For the year ended 31 December 2018**

	2018 BDT	2017 BDT
<b>7.8 Sector-wise loans &amp; advances</b>		
<b>Industrial sector</b>		
Food and allied products	3,487,453,009	3,438,804,641
Jute and allied fibre products	158,689,936	174,196,690
Cotton woolen and synthetic textile	4,740,841,458	4,564,657,404
Paper, paper products and printing	109,565,171	104,513,073
Tannery and its products	14,079,364	20,746,246
Non-metallic mineral products	181,596,703	194,263,269
Forest, wood products & saw mills	92,301,831	113,970,200
Metal products	8,462,493	762,039,822
Electrical machinery and goods	768,066,442	116,143,269
Machinery and spare parts	103,441,361	17,670,022
Transport sector	12,621,603	76,928,054
Chemicals and pharmaceuticals	81,365,840	299,778,166
Petro-chemicals	301,262,749	141,235,681
Service industries	125,009,702	705,218,989
Rubber goods sector	821,572,284	8,743,915
Miscellaneous sector	8,300,830,728	7,207,058,089
	<b><u>19,307,160,674</u></b>	<b><u>17,945,967,530</u></b>

**7.9 Loans written-off**

As per Bangladesh Bank circular no. 02 dated January 2003 and Bangladesh Bank letter no. BRPD(P)661/13(chha)/2003-2230, dated 1 June 2003 classified loans and advances have been written-off from the books as and when necessary. The balance position of the written-off loans as on 31 December 2018 is BDT 17,789,429,750. The movement of the written-off loans is as follows:

Opening balance	18,006,666,841	18,209,667,606
<u>Add:</u> Addition during the year	-	-
	<u>18,006,666,841</u>	<u>18,209,667,606</u>
<u>Less:</u> Recovery during the year	(172,441,936)	(203,000,765)
<u>Less:</u> Waiver during the year	(44,795,155)	-
Closing balance	<b><u>17,789,429,750</u></b>	<b><u>18,006,666,841</u></b>

Recovery of loans for the year under reporting is BDT 172,441,936. Two loans have been waived during the year with outstanding balance of BDT 4,043,000 and 40,752,155 totalling to BDT 44,795,155.

**Bangladesh Development Bank Limited**

**Notes to the financial statements**

**For the year ended 31 December 2018**

	<b>2018</b>	<b>2017</b>
	BDT	BDT
<b>7(a) Consolidated loans and advances</b>		
<b>(i) Loans, cash credits, overdrafts, etc</b>		
Bangladesh Development Bank Limited	18,815,259,546	17,733,385,703
<u>Less:</u> Inter group loan (Securities)	(450,000,000)	(400,000,000)
BDBL Securities Limited	113,374,398	254,369,713
	<b>18,478,633,944</b>	<b>17,587,755,416</b>
<b>(ii) Bills purchased and discounted</b>		
Bangladesh Development Bank Limited	491,901,128	212,581,827
BDBL Securities Limited	-	-
BDBL Investment Services Limited	-	-
	<b>491,901,128</b>	<b>212,581,827</b>
	<b>18,970,535,072</b>	<b>17,800,337,243</b>
<b>8. Fixed assets including premises, furniture and fixtures</b>		
Opening balance	944,965,216	900,611,870
<u>Add:</u> Addition during the year	14,426,297	52,363,117
<u>Less:</u> Disposal/adjustment during the year	4,817,764	8,009,771
	954,573,749	944,965,216
<u>Less:</u> Accumulated depreciation at the year end	603,794,880	567,938,755
	<b>350,778,869</b>	<b>377,026,461</b>
Revaluation balance at the year end	7,589,600,845	7,702,777,683
Closing balance	<b>7,940,379,714</b>	<b>8,079,804,144</b>
Details are given in <b>Annex A.</b>		
<b>8(a) Consolidated fixed assets including premises, furniture and fixtures</b>		
Bangladesh Development Bank Limited	7,940,379,714	8,079,804,144
BDBL Securities Limited	4,265,337	5,134,476
BDBL Investment Services Limited	6,415,519	7,263,891
	<b>7,951,060,570</b>	<b>8,092,202,511</b>
<b>9. Other assets</b>		
Stationery and stamps in hand	4,905,381	3,171,688
Tax paid in advance	3,251,321,709	2,903,294,445
Prepaid expenses and security deposit	30,019,441	29,033,494
Accrued income (CAD and Branches)	963,953,250	874,741,363
Suspense A/C (CAD and branches)	4,252,641	17,648,971
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	228,819,308	375,013,305
Legal expenses realizable A/C	50,687,729	47,022,134
Misc. receivable and sundry for adjustment purpose	3,460,197	3,460,197
Inter office adjustment	19,199,565	12,220,467
Temporary advance	4,541,740	9,687,884
Receivable from securities-Salary & Allowances	18,996,483	12,628,978
Receivable from BSL	22,090,512	45,796,806
Receivable from BISL	37,068,984	6,946,734
Interest receivable on bond	1,172,329	2,103,835
Other charges receivables from write-off project	8,577	8,577
	<b>4,728,319,608</b>	<b>4,430,600,640</b>
<b>9.1 Tax paid in advance</b>		
<b>Movement of the advance tax paid during the year is as follows:</b>		
Opening balance	2,903,294,445	2,659,593,534
<u>Add:</u> Addition during the year	348,027,264	243,700,911
	3,251,321,709	2,903,294,445
<u>Less:</u> Adjustment during the year	-	-
Closing balance	<b>3,251,321,709</b>	<b>2,903,294,445</b>
Year wise break-up of the above amount is shown as follows:		

Notes to the financial statements  
For the year ended 31 December 2018

**A: Erstwhile BSRS:**

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

**B: Erstwhile BSB:**

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

**C: BDBL**

Accounting year	Assessment year	Corporate advance tax	Deducted at source	Total BDT
2010	2011-2012	10,000,000	73,748,710	83,748,710
2011	2012-2013	61,232,451	89,333,534	150,565,985
2012	2013-2014	82,370,218	120,350,190	202,720,408
2013	2014-2015	60,735,632	194,793,491	255,529,123
2014	2015-2016	-	289,235,544	289,235,544
2015	2016-2017	154,782,467	244,926,149	399,708,617
2016	2017-2018	41,371,000	242,688,379	284,059,380
2017	2018-2019	15,000,000	228,700,911	243,700,911
2018	2019-2020	64,617,766	283,409,498	348,027,264
<b>Total (C)</b>		<b>490,109,534</b>	<b>1,767,186,406</b>	<b>2,257,295,942</b>

Total advance tax paid (A+B+C)

**3,251,321,709**

**9.2 Accrued income**

**CAD, Head office**

	2018 BDT	2017 BDT
Dividend	559,167,894	566,636,559
Interest on debenture/other	25,749,141	25,749,141
Rent	82,250,252	83,739,740
Accrued income on FDR	296,785,963	198,615,923
	<b>963,953,250</b>	<b>874,741,363</b>
<b>Branch Offices</b>	-	-
<b>Grand-total</b>	<b>963,953,250</b>	<b>874,741,363</b>

**Bangladesh Development Bank Limited**

**Notes to the financial statements  
For the year ended 31 December 2018**

		<b>2018</b>	<b>2017</b>
		BDT	BDT
<b>9(a) Consolidated other assets</b>			
Bangladesh Development Bank Limited	Note:9	4,728,319,608	4,430,600,640
Less: Receivable from BSL		34,937,940	51,737,634
Less: Receivable from BISL		43,218,039	13,634,884
BDBL Securities Limited		69,816,412	61,559,058
BDBL Investment Services Limited		21,440,947	13,586,383
		<b>4,741,420,988</b>	<b>4,440,373,563</b>
<b>10. Borrowing from other banks, financial institutions and agents</b>			
In Bangladesh	Note:10.1	108,482,619	199,124,724
Outside Bangladesh		-	-
		<b>108,482,619</b>	<b>199,124,724</b>
<b>a) Security based segregation</b>			
Secured		-	-
Un-secured		108,482,619	199,124,724
		<b>108,482,619</b>	<b>199,124,724</b>
<b>b) Maturity based segregation</b>			
On demand		-	-
On maturity		108,482,619	199,124,724
		<b>108,482,619</b>	<b>199,124,724</b>
<b>10.1 In Bangladesh</b>			
DM 3.00 million K.F.W. loan		4,309,722	4,921,850
SME refinance from BB		104,172,897	194,202,874
		<b>108,482,619</b>	<b>199,124,724</b>
<b>11. Deposits and other accounts</b>			
Current and other accounts	Note: 11.1	2,242,299,641	4,601,260,396
Bills payable	Note: 11.2	126,058,767	135,973,437
Saving bank deposits		1,118,957,007	1,096,770,408
Fixed deposits		24,824,971,956	22,746,248,548
		<b>28,312,287,371</b>	<b>28,580,252,789</b>
<b>11.1 Current and other accounts</b>			
Short term deposit account		641,422,334	3,007,609,401
Scheme deposit		694,896,557	982,621,821
Sundry deposit		233,169,361	196,579,043
Current account		574,948,761	326,220,347
Margin deposits		11,065,195	10,644,024
Guarantee margin security deposits		36,806,462	35,734,915
Earnest money		72,200	72,200
Payable under investment scheme		47,288,455	41,725,252
Deposit in foreign currency		2,630,316	53,393
		<b>2,242,299,641</b>	<b>4,601,260,396</b>
<b>11.2 Bills payable</b>			
Payment order		123,831,567	133,359,165
Drafts payable		2,227,200	2,614,272
		<b>126,058,767</b>	<b>135,973,437</b>
<b>11.3 Deposits and other accounts by maturity</b>			
On demand		103,200,000	82,600,000
Repayable within one month		1,237,600,000	648,300,000
More than one month but not more than six months		2,611,700,000	1,037,000,000
More than six months but not more than one year		7,306,800,000	7,499,700,000
More than one year but not more than five years		17,052,987,371	19,312,652,789
More than five years but not more than ten years		-	-
Unclaimed deposits held by the bank more than ten years		-	-
		<b>28,312,287,371</b>	<b>28,580,252,789</b>
<b>11(a) Consolidated deposit and other accounts</b>			
(i) Current and other accounts			
Bangladesh Development Bank Limited	Note:11.1	2,242,299,641	4,601,260,396
Less: BDBL Securities Limited		(6,124,433)	(1,340,683)
Less: BDBL Investment Services Limited		(365,063)	(675,767)
		<b>2,235,810,145</b>	<b>4,599,243,946</b>

**Bangladesh Development Bank Limited**

**Notes to the financial statements  
For the year ended 31 December 2018**

		2018 BDT	2017 BDT
(ii) Bills payable			
Bangladesh Development Bank Limited	Note:11.2	126,058,767	135,973,437
BDBL Securities Limited		-	-
BDBL Investment Services Limited		-	-
		<u>126,058,767</u>	<u>135,973,437</u>
(iii) Savings bank deposit			
Bangladesh Development Bank Limited		1,118,957,007	1,096,770,408
BDBL Securities Limited		-	-
BDBL Investment Services Limited		-	-
		<u>1,118,957,007</u>	<u>1,096,770,408</u>
(iv) Fixed deposit			
Bangladesh Development Bank Limited		24,824,971,956	22,746,248,548
BDBL Securities Limited		-	-
BDBL Investment Services Limited		-	-
		<u>24,824,971,956</u>	<u>22,746,248,548</u>
		<u>28,305,797,875</u>	<u>28,578,236,339</u>
<b>12. Other liabilities</b>			
Provision for income tax	Note: 12.1	2,893,591,487	2,543,591,487
Provision for deferred tax	Note: 12.2	1,068,543,954	1,090,406,273
Accrued expenses	Note: 12.3	775,087,432	725,900,512
Others funds	Note: 12.4	284,184,498	50,805,927
Provision for B/D equity		48,412,100	48,412,100
Provision for B/D debenture		32,977,983	32,977,983
Provision for investment and share		58,300,000	48,800,000
Other provisions	Note: 12.5	470,698,579	466,962,470
Provision for unclassified loan	Note: 12.6	107,000,000	86,533,833
Provision for classified loan	Note: 12.7	3,697,631,825	3,655,954,667
Interest suspense	Note: 12.8	1,560,438,871	1,335,759,002
Advance deposit receipts	Note: 12.9	479,495,651	261,816,610
Miscellaneous	Note: 12.10	191,528,492	378,876,701
		<u>11,667,890,872</u>	<u>10,726,797,566</u>
<b>12.1 Provision for income tax</b>			
Opening balance		2,543,591,487	2,303,591,487
Add: Provision made during the year		350,000,000	240,000,000
		<u>2,893,591,487</u>	<u>2,543,591,487</u>
Less: Adjustment made during the year		-	-
Closing balance		<u>2,893,591,487</u>	<u>2,543,591,487</u>
<b>12.1.1 Tax status</b>			
<b>A) Erstwhile BSB</b>			

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	Return filed
2017	2018-2019	Return filed
2018	2019-2020	Not yet filed

	2018 BDT	2017 BDT
<b>12.2 Provision for deferred tax</b>		
<b>A. Deferred tax on fixed asset</b>		
Deferred tax liabilities have been computed in accordance with IAS-12 based on taxable temporary difference in carrying amount of the fixed assets and its tax base as follows:		
WDV of fixed assets as per tax records	149,490,418	170,886,410
WDV of fixed assets as per accounts	350,778,869	377,151,319
Taxable/(deductible) temporary difference	(201,288,451)	(206,264,909)
Applicable tax rate	40.00%	42.50%
<b>Deferred tax assets/(liabilities)</b>	<b>(80,515,381)</b>	<b>(87,662,586)</b>
<b>B. Deferred tax on asset revaluation reserve</b>		
Asset revaluation reserve on 01 January 2018*	6,700,033,996	6,801,216,955
Less: Adjustment for depreciation during the year	113,176,838	116,259,042
Less: Adjustment for sold assets	-	-
	<b>6,586,857,158</b>	<b>6,684,957,913</b>
Applicable tax rate	15%	15%
<b>Deferred tax asset/(liability)</b>	<b>(988,028,574)</b>	<b>(1,002,743,687)</b>
<b>Total deferred tax liability (A+B)</b>	<b>(1,068,543,954)</b>	<b>(1,090,406,273)</b>
*See Annex and Note: 16.2(a)		
<b>12.3 Accrued expense</b>		
Accrued interest	706,941,082	631,961,169
Accrued expense	68,146,350	93,939,343
	<b>775,087,432</b>	<b>725,900,512</b>
<b>12.4 Other funds</b>		
Pension and death cum retirement	238,761,290	1,920,060
Employees provident fund	11,954,379	20,206,818
Employees gratuity fund	31,727,374	21,886,723
Employees benevolent fund	1,741,455	6,792,326
	<b>284,184,498</b>	<b>50,805,927</b>
An actuarial valuation had been carried out by a professional actuarial firm as at 31 December 2017 to determine any surplus or deficit for these defined benefit plans. A shortfall of BDT 2,164 million has been reported in the said valuation report. However, as per the suggestion of actuarial report, based on probable cash outflows from the funds, an amount of BDT 348 million has been contributed to the funds and provisioned for the year to reduce the shortfall and a further BDT 338 million contribution will be made each year until the shortfall make up to an acceptable level.		
<b>12.5 Total other provisions</b>	<b>470,698,579</b>	<b>466,962,470</b>
<b>12.5.a Other provisions</b>		
Provision for bonus	130,331,673	129,430,790
Provision for unadjusted inter branch current account	10,500,000	4,850,000
Dividend payable to Govt.	100,000,000	100,000,000
Payable to Govt. against share dividend	28,649,436	27,214,210
	<b>269,481,109</b>	<b>261,495,000</b>
<b>12.5.b Provision for other assets</b>		
Provision for realisable legal expenses	47,100,000	44,805,000
Provision for interest on depreciation fund	26,462,500	26,462,500
Provision for off balance sheet items	15,653,500	5,820,000
Provision for exchange risk adjustment A/C	61,359,262	61,359,262
Provision for other asset	50,642,208	67,020,708
	<b>201,217,470</b>	<b>205,467,470</b>

**Bangladesh Development Bank Limited**

**Notes to the financial statements  
For the year ended 31 December 2018**

	2018 BDT	2017 BDT
<b>12.6 Provision for un-classified loan</b>		
Provision held at the beginning of the year	86,533,833	877,882,256
<u>Less:</u> Fully provided debts written-off	-	-
<u>Add:</u> Recoveries of amount previously written-off	-	-
<u>Add:</u> Specific provision for the year	-	-
Provision transfer to other assets	-	-
Excess provision transferred from provision to CL loan	20,466,167	(791,348,423)
<u>Add:</u> Specific provision for special mentioned A/C	-	-
<b>Provision held at the end of the Year</b>	<b>107,000,000</b>	<b>86,533,833</b>
<b>12.7 Provision for classified loan</b>		
Provision held at the beginning of the year	3,655,954,667	2,422,018,602
<u>Less:</u> Fully provided debts written-off/loan liquidated	-	-
<u>Add:</u> Recoveries of amount previously written-off	-	-
<u>Add:</u> Specific provision for the year	70,000,000	345,050,000
<u>Less:</u> Recoveries and provision no longer required	(7,856,675)	-
<u>Less:</u> Excess provision transferred to provision for off-balance sheet Items	-	-
<u>Less:</u> Excess provision transferred to un-classified loan	(20,466,167)	888,886,065
<b>Provision held at the end of the year</b>	<b>3,697,631,825</b>	<b>3,655,954,667</b>
<b>Total provision maintained</b>	<b>3,804,631,825</b>	<b>3,742,488,500</b>
<b>Required provision</b>	<b>3,802,800,197</b>	<b>3,642,541,525</b>
<b>Excess/(Shortfall)</b>	<b>1,831,628</b>	<b>99,946,975</b>
<b>12.8 Interest suspense</b>		
Opening balance	718,767,995	365,000,695
<u>Add:</u> Credited during the year	217,310,715	54,454,367
<u>Less:</u> Transferred to income	218,635,149	46,113,561
<u>Less:</u> Written-off during the year	-	-
<u>Less:</u> Adjustment during the year	-	(345,426,494)
Closing balance	717,443,561	718,767,995
<u>Add:</u> Interest suspense A/C (IDCP)	842,995,310	616,991,007
	<b>1,560,438,871</b>	<b>1,335,759,002</b>
<b>12.9 Advance deposits receipts</b>		
Other deposits received in advance	19,038,636	9,236,875
L/C Charges Received in Advance	226,140	-
Advance rent received on Bank's premises	2,036,210	1,916,806
Sundry - unadjusted recovery from loan	113,656,759	50,556,129
Sundry deposits( write-off)	344,537,906	200,106,800
	<b>479,495,651</b>	<b>261,816,610</b>
<b>12.10 Miscellaneous</b>		
FCTA exchange premium	46,028,469	46,028,469
FCTA penal premium	7,446,350	7,446,350
Liabilities towards BSB and EPF	6,394,900	6,394,900
Sanchaya patra sold	64,619,450	256,539,450
Special adjustment account	1,895,012	924,673
Managed fund	725,542	725,542
Exchange equalization account	50,014,200	50,014,200
Liability for other finance	1,444	1,444
Other payable	19,263	20,164
Suspense others	1,265,949	-
Liability for other expenses	6,519,154	3,871,211
Employees Income Tax	6,598,759	6,910,298
	<b>191,528,492</b>	<b>378,876,701</b>
<b>12.10.1 Inter office adjustment account</b>		
CAD current account in branch office book	(8,335,224,735)	(12,307,280,006)
Branch office current account in CAD's book	8,315,793,604	12,294,825,284
LAD's current account in CAD's book	96,174,009	89,785,799
CAD's current account in LAD's book	(96,657,323)	(90,264,514)
LAD's current account in branch office book	500,090,211	232,889,242
Branch office current account in LAD's book	(500,037,873)	(232,838,814)
Brokerage house C/A in Pr. Br.	136,000	136,000
Inter branch current account	526,542	526,542
	<b>(19,199,565)</b>	<b>(12,220,467)</b>

**Bangladesh Development Bank Limited**

**Notes to the financial statements**

**For the year ended 31 December 2018**

	<b>2018</b>	<b>2017</b>
	BDT	BDT
<b>12(a) Consolidated other liabilities</b>		
Bangladesh Development Bank Limited	11,667,890,872	10,726,797,566
BDBL Securities Limited	284,857,487	204,472,697
BDBL Investment Services Limited	118,388,363	40,593,355
Less: Payable to BDBL (BSL)	(34,937,940)	(51,737,634)
Less: Payable to BDBL(BISL)	(43,218,039)	(13,634,884)
	<b>11,992,980,743</b>	<b>10,906,491,100</b>
<b>12.a.i Consolidated current tax</b>		
Bangladesh Development Bank Limited	350,000,000	240,000,000
BDBL Securities Limited	13,127,854	12,885,442
BDBL Investment Services Limited	8,240,020	6,599,736
	<b>371,367,874</b>	<b>259,485,178</b>
<b>12.a.ii Consolidated deferred tax</b>		
Bangladesh Development Bank Limited	(7,147,206)	1,467,062
BDBL Securities Limited	60,920	(157,858)
BDBL Investment Services Limited	253,742	(210,078)
	<b>(6,832,544)</b>	<b>1,099,126</b>
<b>13 Capital</b>		
<b>Authorised capital:</b>		
100,000,000 shares of BDT 100 each	<b>10,000,000,000</b>	<b>10,000,000,000</b>
<b>Issued, subscribed and paid-up capital:</b>		
40,000,000 Shares of BDT 100 each fully paid by the government and government nominated shareholders	<b>4,000,000,000</b>	<b>4,000,000,000</b>
<b>13.1 Capital to risk weighted asset ratio (CRAR):</b>		
<b>CONSOLIDATED STATEMENT</b>		
<b>i) Core capital (Tier-i)</b>		
Paid-up capital	4,000,000,000	4,000,000,000
General reserve	4,347,755,114	4,047,755,114
Statutory reserve	2,555,421,336	2,335,421,336
Retained earnings	570,811,848	527,433,724
Less: Provision shortfall as per RBCA (Basel-III)	732,226,286	216,601,837
	<b>10,741,762,012</b>	<b>10,694,008,337</b>
<b>ii ) Supplementary capital (Tier-ii)</b>		
General provision	122,653,500	92,353,833
Assets revaluation reserves (20% of 50% of revaluation reserve)	660,157,227	1,340,006,799
	<b>782,810,727</b>	<b>1,432,360,632</b>
<b>iii) Additional supplementary capital (Tier-iii)</b>	-	-
<b>Total supplementary capital (ii+iii)</b>	<b>782,810,727</b>	<b>1,432,360,632</b>
<b>A Total eligible capital (Tier-i+ii+iii)</b>	<b>11,524,572,739</b>	<b>12,126,368,969</b>
<b>B Total risk weighted assets</b>	<b>43,435,252,629</b>	<b>45,668,092,494</b>
<b>C Required capital(10% of risk weighted assets)</b>	<b>4,343,525,263</b>	<b>4,566,809,249</b>
<b>D Capital conservation buffer (1.875% on risk weighted assets)</b>	<b>814,410,987</b>	<b>133,675,104</b>
<b>E Total required capital with conservation buffer (C+D)</b>	<b>5,157,936,249</b>	<b>4,700,484,353</b>
<b>F Capital surplus (A-E)</b>	<b>6,366,636,489</b>	<b>7,425,884,615</b>
<b>Capital adequacy ratio</b>		
Core capital to risk weighted assets	26.53%	26.55%
Supplementary capital to risk weighted assets	1.80%	3.14%
<b>SOLO STATEMENT</b>		
<b>i) Core capital (Tier-i)</b>		
Paid-up capital	4,000,000,000	4,000,000,000
General reserve	4,347,755,114	4,047,755,114
Statutory reserve	2,555,421,336	2,335,421,336
Retained earnings	396,885,374	367,944,528
Less: Provision shortfall as per RBCA (Basel-III)	710,845,108	205,787,853
	<b>10,589,216,716</b>	<b>10,545,333,126</b>
<b>ii ) Supplementary capital (Tier-ii)</b>		
General provision	122,653,500	92,353,833
Assets revaluation reserves (20% of 50% of revaluation reserve)	660,157,227	1,340,006,799
	<b>782,810,727</b>	<b>1,432,360,632</b>

	2018 BDT	2017 BDT		
iii) Additional supplementary capital (Tier-iii)	-	-		
Total supplementary capital (ii+iii)	782,810,727	1,432,360,632		
<b>A Total eligible capital (Tier-i+ii+iii)</b>	<b>11,372,027,443</b>	<b>11,977,693,758</b>		
<b>B Total risk weighted assets</b>	<b>42,190,186,319</b>	<b>45,016,641,948</b>		
<b>C Required capital (10% of risk weighted assets)</b>	<b>4,219,018,632</b>	<b>4,501,664,195</b>		
<b>D Capital conservation buffer (1.875% on risk weighted assets)</b>	<b>791,065,993</b>	<b>131,816,664</b>		
<b>E Total required capital with conservation buffer</b>	<b>5,010,084,625</b>	<b>4,633,480,859</b>		
<b>F Capital surplus (A-E)</b>	<b>6,361,942,818</b>	<b>7,344,212,898</b>		
<b>Capital adequacy ratio</b>	<b>26.95%</b>	<b>26.61%</b>		
Core capital to risk weighted assets ratio	25.10%	23.43%		
Supplementary capital to risk weighted assets ratio	1.85%	3.18%		
<b>14. Quasi equity</b>	<b>134,744,560</b>	<b>134,744,560</b>		
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.				
<b>15. Statutory reserve</b>				
Opening balance	2,335,421,336	2,174,421,336		
Add: Addition made for the year	220,000,000	161,000,000		
Closing balance	<b>2,555,421,336</b>	<b>2,335,421,336</b>		
<b>16. General, revaluation and other reserve</b>	<b>12,015,234,898</b>	<b>11,713,696,624</b>		
<b>16.1 General reserve</b>				
Opening balance	4,047,755,114	3,767,755,114		
Add: Addition during the year	300,000,000	280,000,000		
Closing balance	<b>4,347,755,114</b>	<b>4,047,755,114</b>		
<b>16.2 Asset revaluation reserve</b>				
Opening balance	6,700,033,996	6,801,216,955		
Less: Adjustment for depreciation for the year	113,176,838	116,259,042		
Add/(Less): Adjustment for deferred tax	14,715,112	15,076,083		
Closing balance	<b>6,601,572,270</b>	<b>6,700,033,996</b>		
Asset-wise break-up of revaluation surplus is as under:				
	Land BDT	Building BDT	Motor vehicle BDT	Total BDT
Valuation surplus	2,761,481,177	3,938,552,818	1	6,700,033,996
Less: Adjustment for disposal of asset	-	-	-	-
Less: Adjustment for depreciation	-	113,176,838	-	113,176,838
Add: Adjustment for deferred tax liabilities @15%	813	14,714,299	-	14,715,112
<b>Balance</b>	<b>2,761,481,990</b>	<b>3,840,090,279</b>	<b>1</b>	<b>6,601,572,270</b>
<b>16.2(a) Consolidated asset revaluation reserve</b>				
Bangladesh Development Bank Limited		Note: 16.2	6,601,572,270	6,700,033,996
BDBL Investment Services Limited			-	-
			<b>6,601,572,270</b>	<b>6,700,033,996</b>
<b>16.2.1</b> Deferred tax liabilities on asset revaluation reserve has been computed in accordance with IAS-12, on the assumption that this will be taxable in the form of capital gain and hence relevant tax rate is applied.				
<b>16.3 Other reserve</b>				
<b>Capital reserve</b>				
Opening balance			66,503,915	66,503,915
Add: Appreciation made for the year			-	-
Closing balance			<b>66,503,915</b>	<b>66,503,915</b>
<b>Reserve for unforeseen losses</b>				
Opening Balance			560,000	560,000
Add: Appreciation made during the year			-	-
Closing balance			<b>560,000</b>	<b>560,000</b>
<b>Building fund</b>				
Opening balance			539,241,000	539,241,000
Add: Appropriation made for the year			100,000,000	-
Closing balance			<b>639,241,000</b>	<b>539,241,000</b>

**Notes to the financial statements**  
**For the year ended 31 December 2018**

	2018 BDT	2017 BDT
<b>Special assistance fund</b>		
Opening balance	109,161,572	109,161,572
Add: Appreciation made for the year	-	-
Closing balance	<u>109,161,572</u>	<u>109,161,572</u>
In accordance with the Industrial Policy 1986, a Special Assistance Fund (SAF) was created by erstwhile BSB as the prime DFI of the country to provide concessional loans to projects:		
a. Based on local innovation and invention of product and process;		
b. Utilizing locally manufactured capital goods; and		
c. For production of capital machinery and other non-traditional items.		
<b>Equity adjustment reserve</b>		
Opening balance	43,206,475	43,206,475
Add: Appreciation made for the year	-	-
Less: Adjustment during the year	-	-
Closing balance	<u>43,206,475</u>	<u>43,206,475</u>
<b>Exchange equalisation reserve</b>		
Opening Balance	131,518,243	131,518,243
Add: Addition/adjustment for the year	-	-
Closing balance	<u>131,518,243</u>	<u>131,518,243</u>
<b>Special reserve</b>		
Opening balance	75,716,308	75,716,308
Add: Appreciation made for the period	-	-
Less: Adjustment during the year	-	-
Closing balance	<u>75,716,308</u>	<u>75,716,308</u>
	<u>1,065,907,514</u>	<u>965,907,514</u>
Special reserve was created by erstwhile BSRS as per section 29(1)(V) of the Income Tax Ordinance, 1984.		
<b>16.3(a) Consolidated other reserve</b>		
Bangladesh Development Bank Limited	1,065,907,514	965,907,514
BDBL Securities Limited	4,000,000	4,000,000
BDBL Investment Services Limited	-	-
	<u>1,069,907,514</u>	<u>969,907,514</u>
<b>16.4 Contingent liabilities</b>		
Acceptance for FC guarantee	340,370,238	340,370,238
Letters of credit	591,894,760	241,543,432
Irrevocable letter of credits	-	-
Bills for collection	609,805,218.00	-
Other contingent liabilities	23,251,910.00	-
<b>Total</b>	<u>1,565,322,126</u>	<u>581,913,670</u>
<b>16.5 Retained earnings</b>		
Opening Balance	367,944,528	345,782,141
Add: Appropriation during the year	28,940,846	22,162,387
Add: Adjustment during the year	-	-
Closing balance	<u>396,885,374</u>	<u>367,944,528</u>
<b>16(a) Consolidated current year retained earnings</b>		
Bangladesh Development Bank Limited	28,940,846	22,162,387
BDBL Securities Limited	17,752,115	66,238,165
BDBL Investment Services Limited	28,618,561	27,522,731
	<u>75,311,522</u>	<u>115,923,283</u>
<b>16(a.i) Consolidated retained earnings</b>		
Bangladesh Development Bank Limited	396,885,374	367,944,528
BDBL Securities Limited	113,941,418	118,122,701
BDBL Investment Services Limited	59,985,056	41,366,495
	<u>570,811,848</u>	<u>527,433,724</u>

Note: 16.5

**Bangladesh Development Bank Limited**

**Notes to the financial statements  
For the year ended 31 December 2018**

		<b>2018</b>	<b>2017</b>
		BDT	BDT
<b>17. Profit and loss account</b>			
Profit before tax during the year		1,091,793,640	804,629,449
<u>Less:</u> Provision for income tax		350,000,000	240,000,000
<u>Less:</u> Provision for Deferred Tax		(7,147,206)	1,467,062
<u>Less:</u> Statutory Reserve		220,000,000	161,000,000
<u>Less:</u> General Reserve		300,000,000	280,000,000
<u>Less:</u> Building Fund		100,000,000	-
<u>Less:</u> Dividend to Government		100,000,000	100,000,000
<u>Less:</u> Retained Surplus		28,940,846	22,162,387
		<u>-</u>	<u>-</u>
<b>18. Interest income</b>			
Interest on taka loans		376,874,809	304,723,904
Interest on amount due		2,442,414	4,502,559
Interest on money at call and on short notice		239,314,988	206,517,564
Interest on term deposit		1,399,099,035	703,678,204
Interest on F.C. A/C. with Bangladesh Bank		590,130	521,217
Interest on advances		564,513,532	564,494,381
Interest on staff loan		123,934,799	115,100,700
Interest on LTR		13,621,356	11,548,035
Interest on LDBP		18,524,966	15,814,770
		<u>2,738,916,029</u>	<u>1,926,901,334</u>
<b>18(a) Consolidated interest income</b>			
Bangladesh Development Bank Limited	Note: 18	2,738,916,029	1,926,901,334
BDBL Securities Limited		74,574,339	29,062,209
BDBL Investment Services Limited		44,034,638	10,059,593
<u>Less:</u> Interest income from Subsidiaries		42,851,439	42,592,668
		<u>2,814,673,567</u>	<u>1,923,430,468</u>
<b>19. Interest paid on borrowing, deposit</b>			
Interest on L/C borrowing from GOB		131,142	147,976
Interest on borrowing from B. Bank		8,395,628	15,895,185
Interest on deposit at call		27,405,750	48,612,486
Interest on F.D. account		1,380,650,755	1,037,311,378
Interest on S.B account and schemes		124,073,183	145,121,555
Interest on deposit pension scheme and SND		42,331,228	157,373,144
		<u>1,582,987,686</u>	<u>1,404,461,724</u>
<b>19 (a) Consolidated interest paid on borrowing, deposit</b>			
Bangladesh Development Bank Limited	Note: 19	1,582,987,686	1,404,461,724
BDBL Securities Limited		42,851,439	42,592,668
<u>Less:</u> Interest paid to BDBL		42,851,439	42,592,668
		<u>1,582,987,686</u>	<u>1,404,461,724</u>
<b>20. Investment income</b>			
Profit on sale of shares/securities		132,483,680	699,377,587
Dividend on shares/securities		685,551,494	756,031,256
Interest on debentures		-	-
Interest on bond		25,918,494	48,390,689
		<u>843,953,668</u>	<u>1,503,799,532</u>
<b>20(a) Consolidated investment income</b>			
Bangladesh Development Bank Limited	Note: 20	843,953,668	1,503,799,532
BDBL Securities Limited		41,956,851	72,662,070
BDBL Investment Services Limited		31,651,251	27,839,983
		<u>917,561,770</u>	<u>1,604,301,585</u>
<b>21. Commission, exchange and brokerage</b>			
Other fees commission and charges		1,641,082	1,635,863
Commission on F.C./ L/C		3,681,647	2,702,738
Commission on bills for collection		998,631	1,548,001
Acceptance commission		-	134,988
Exchange commission		8,091,774	10,650,543
Brokerage commission		5,243,321	5,236,999
Commission on remittance		80	820
Commission on Taka guarantee		699,276	322,645
		<u>20,355,811</u>	<u>22,232,597</u>

**Bangladesh Development Bank Limited**

**Notes to the financial statements  
For the year ended 31 December 2018**

		<b>2018</b>	<b>2017</b>
		BDT	BDT
<b>21(a) Consolidated commission, exchange and brokerage</b>			
Bangladesh Development Bank Limited	Note: 21	20,355,811	22,232,597
BDBL Securities Limited		27,809,939	52,093,926
BDBL Investment Services Limited		9,067,552	13,851,770
		<b>57,233,302</b>	<b>88,178,293</b>
<b>22. Other operating income</b>			
Rent on Bank's premises		272,731,739	261,568,971
Profit on sale of assets		13,953	1,363
Technical examination fees		2,894,583	3,152,805
Legal amount and documentation charges		412,446	296,366
Gain or loss on re-valuation of F.C A/C		2,110,116	-
Income from write-off loan account		172,441,936	-
Miscellaneous earnings		17,549,734	28,189,170
		<b>468,154,507</b>	<b>293,208,675</b>
<b>22(a) Consolidated other operating income</b>			
Bangladesh Development Bank Limited	Note: 22	468,154,507	293,208,675
BDBL Securities Limited		838,734	981,734
BDBL Investment Services Limited		1,011,496	944,730
		<b>470,004,737</b>	<b>295,135,139</b>
<b>22(b) Receipt from other operating activities</b>			
Profit on sale of securities		132,483,680	699,377,587
Interest on bond		25,918,494	48,390,689
Rent on Bank's premises		272,731,739	261,042,156
Others		22,360,204	31,639,703
		<b>453,494,117</b>	<b>1,040,450,135</b>
<b>23. Salaries and allowances</b>			
Salary and allowances		499,694,124	499,431,317
Bank's contribution to employees P.F and gratuity fund		16,091,900	12,944,424
Staff salary (outsourcing)		46,211,824	56,068,629
Staff overtime allowances		11,595,406	11,840,487
Employees pension fund		341,466,168	135,127,700
Staff welfare facilities		12,535,700	36,208,145
Staff education expenses		71,333	46,000
Bonus		134,564,675	129,781,056
		<b>1,062,231,130</b>	<b>881,447,758</b>
<b>Managing Director/Chief Executive's remuneration</b>		<b>3,000,000</b>	<b>3,000,000</b>
<b>23(a) Consolidated salary and allowances</b>			
Bangladesh Development Bank Limited	Note: 23	1,062,231,130	881,447,758
BDBL Securities Limited		14,552,817	13,296,279
BDBL Investment Services Limited		5,342,853	5,727,320
		<b>1,082,126,800</b>	<b>900,471,357</b>
<b>24. Rent, taxes, insurance, lighting</b>			
Rent and property taxes		34,330,214	34,243,333
Electricity, light and gas		9,941,253	10,422,700
Insurance, telex and rental		7,534,431	10,564,004
		<b>51,805,898</b>	<b>55,230,037</b>
<b>24(a) Consolidated rent, taxes, insurance, lighting</b>			
Bangladesh Development Bank Limited	Note: 24	51,805,898	55,230,037
BDBL Securities Limited		4,172,091	4,169,372
BDBL Investment Services Limited		2,420,454	2,439,384
		<b>58,398,443</b>	<b>61,838,793</b>
<b>25. Legal and professional expenses</b>			
Legal and documentation charges		1,540,559	2,812,441
Professional charges		1,884,748	2,230,230
		<b>3,425,307</b>	<b>5,042,671</b>
<b>25(a) Consolidated legal and professional expenses</b>			
Bangladesh Development Bank Limited	Note: 25	3,425,307	5,042,671
BDBL Securities Limited		116,500	240,900
BDBL Investment Services Limited		40,250	37,250
		<b>3,582,057</b>	<b>5,320,821</b>

**Bangladesh Development Bank Limited**

**Notes to the financial statements  
For the year ended 31 December 2018**

		<b>2018</b>	<b>2017</b>
		BDT	BDT
<b>26. Postage, telecommunication, etc</b>			
Postage and telegram		3,590,146	3,255,063
Telephone - local and trunk call		3,305,211	5,151,698
		<u><b>6,895,357</b></u>	<u><b>8,406,761</b></u>
<b>26(a) Consolidated postage, telegram and telephone</b>			
Bangladesh Development Bank Limited	Note: 26	6,895,357	8,406,761
BDBL Securities Limited		49,497	77,599
BDBL Investment Services Limited		41,550	55,484
		<u><b>6,986,404</b></u>	<u><b>8,539,844</b></u>
<b>27. Stationery, printing and advertisement</b>			
Printing and stationery		4,386,815	11,065,603
Advertisement		1,736,971	2,535,671
		<u><b>6,123,786</b></u>	<u><b>13,601,274</b></u>
<b>27(a) Consolidated stationery, printing and advertisement</b>			
Bangladesh Development Bank Limited	Note: 27	6,123,786	13,601,274
BDBL Securities Limited		839,925	775,205
BDBL Investment Services Limited		94,864	208,467
		<u><b>7,058,575</b></u>	<u><b>14,584,946</b></u>
<b>28. Directors' fees</b>			
Each director is paid BDT 8,000 per meeting per attendance.			
<b>28(a) Consolidated Director fees</b>			
Bangladesh Development Bank Limited	Note: 28	1,490,400	2,235,250
BDBL Securities Limited		681,100	572,942
BDBL Investment Services Limited		469,200	788,900
		<u><b>2,640,700</b></u>	<u><b>3,597,092</b></u>
<b>(b) Consolidated auditor fees</b>			
Bangladesh Development Bank Limited		1,007,250	828,500
BDBL Securities Limited		60,000	46,000
BDBL Investment Services Limited		69,000	57,500
		<u><b>1,136,250</b></u>	<u><b>932,000</b></u>
<b>29. Depreciation and repair of Bank's assets</b>			
Depreciation of fixed assets		36,785,921	38,707,590
Repair and maintenance of Bank's properties		19,557,550	21,854,567
		<u><b>56,343,471</b></u>	<u><b>60,562,157</b></u>
<b>29(a) Consolidated Depreciation and repair of Bank's assets</b>			
Bangladesh Development Bank Limited	Note: 29	56,343,471	60,562,157
BDBL Securities Limited		2,048,804	2,527,641
BDBL Investment Services Limited		1,117,178	1,134,198
		<u><b>59,509,453</b></u>	<u><b>64,223,996</b></u>
<b>30. Other expenses</b>			
Entertainment		7,324,170	9,114,952
Donation and subscription		1,615,895	1,659,310
Sundries		7,778,734	7,645,956
Books and periodicals		40,383	60,172
Lunch subsidy		32,731,219	34,312,000
Business development expenditure		543,039	863,915
Expenditure in minor assets		149,925	123,543
Staff training expenses		3,405,842	2,287,671
Liveries and uniform		1,381,742	868,785
Local conveyance		3,739,289	3,909,855
Staff medical facilities		220,500	253,000
TA/DA and conveyances		6,230,500	6,483,046
TA/DA Directors		575,000	666,000
Motor car running expenses		5,037,476	6,401,351
Staff bus facilities		13,061,677	13,617,944
Honorarium		1,713,994	2,181,810
Branch opening expense		220	336,247
Other expenditure		13,142,661	34,943,598
Corporate Social Responsibility		30,000	-
Sports, culture and recreation		2,542,100	2,384,493
Executive car maintenance allowances		20,845,779	26,666,072
Interest waived		1,265,945	1,029,837
		<u><b>123,376,090</b></u>	<u><b>155,809,557</b></u>

**Bangladesh Development Bank Limited**

**Notes to the financial statements  
For the year ended 31 December 2018**

		<b>2018</b>	<b>2017</b>
		BDT	BDT
<b>30(a) Consolidated other expenses</b>			
Bangladesh Development Bank Limited	Note: 30	123,376,090	155,809,557
BDBL Securities Limited		5,221,352	7,595,838
BDBL Investment Services Limited		4,841,390	6,163,804
		<u><b>133,438,832</b></u>	<u><b>169,569,199</b></u>
<b>30(b) Payment for other operating activities</b>			
Rent, taxes, insurance and lighting		51,805,898	55,230,037
Law charges		3,425,307	5,042,671
Postage, telegram and telephone		6,895,357	8,406,761
Audit fee		1,007,250	828,500
Stationary, printing and advertisement		6,123,786	13,601,274
Directors' fee		1,490,400	2,235,250
Repair & maintenance of Bank's properties		19,557,550	21,854,567
Motor car running expenses		5,037,476	6,401,351
Staff bus facilities		13,061,677	13,617,944
Staff canteen		32,731,219	34,312,000
Others		66,421,932	101,478,263
		<u><b>207,557,852</b></u>	<u><b>263,008,618</b></u>
<b>31. Provision for loans and advances and other investments</b>			
<b>Provision for loan and advances</b>			
For unclassified loans		-	-
For classified loans		70,000,000	285,050,000
		<u><b>70,000,000</b></u>	<u><b>285,050,000</b></u>
<b>Other provision</b>			
Off-Balance sheet items		-	-
Investment in shares		9,500,000	48,800,000
Others		1,400,000	17,037,000
		<u><b>10,900,000</b></u>	<u><b>65,837,000</b></u>
		<u><b>80,900,000</b></u>	<u><b>350,887,000</b></u>
<b>31(a) Consolidated provision for loans and advances</b>			
Bangladesh Development Bank Limited	Note: 31	70,000,000	285,050,000
BDBL Securities Limited (Margin Loan)		-	-
BDBL Investment Services Limited		-	-
		<u><b>70,000,000</b></u>	<u><b>285,050,000</b></u>
<b>Provision for investment &amp; others</b>			
Bangladesh Development Bank Limited		10,900,000	65,837,000
BDBL Securities Limited		45,578,848	1,939,746
BDBL Investment Services Limited		34,215,874	2,171,380
		<u><b>90,694,722</b></u>	<u><b>69,948,126</b></u>
<b>32. Closing cash and cash equivalent</b>			
Cash in hand		56,706,248	57,871,172
Balance with Bangladesh Bank (including foreign currencies)		1,703,038,031	2,010,625,999
Balance held with other banks		15,641,211,836	15,536,298,075
		<u><b>17,400,956,115</b></u>	<u><b>17,604,795,246</b></u>
<b>32(a) Consolidated closing cash and cash equivalent</b>			
Bangladesh Development Bank Limited	Note: 32	17,400,956,115	17,604,795,246
BDBL Securities Limited		355,523,297	116,863,633
BDBL Investment Services Limited		80,582,535	52,505,538
<u>Less:</u> Intergroup cash and cash equivalent (BSL)		6,124,433	1,340,683
<u>Less:</u> Intergroup cash and cash equivalent (BISL)		365,063	675,767
		<u><b>17,830,572,451</b></u>	<u><b>17,772,147,967</b></u>
<b>33. Earnings per share (EPS)</b>			
a) Profit attributable to ordinary share holders		748,940,846	563,162,387
b) Weighted average number of outstanding shares		40,000,000	40,000,000
<b>Earnings per share (EPS) (a ÷ b)</b>		<u><b>18.72</b></u>	<u><b>14.08</b></u>
Earnings per Share (EPS) has been calculated in accordance with "International Accounting Standard (IAS) - 33. Earnings per Share" which has been shown on the face of Profit & Loss Account. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.			
<b>33(a) Consolidated earnings per share</b>			
a) Profit attributable to ordinary equity holders		793,378,124	658,923,283
b) Weighted average number of outstanding shares		40,000,000	40,000,000
<b>Earnings per share (EPS) (a ÷ b)</b>		<u><b>19.83</b></u>	<u><b>16.47</b></u>

Details of fixed assets  
As at 31 December 2018

Particulars	Cost / Revaluation					Depreciation				Written down value at 31 December
	At 01 January	Addition	Disposal/ adjustment	Total at 31 December	Rate (%)	Up to 01 January	charged	Disposal/ adjustment	Total to 31 December	
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT	
<b>At cost :</b>										
Land	13,854,848	-	-	13,854,848	-	-	-	-	-	13,854,848
Land & Building	578,215,498	-	-	578,215,498	2.5	329,685,445	6,963,854	-	336,649,299	241,566,199
Building U/C	304,490	-	-	304,490	2.5	-	-	-	-	304,490
Vehicles	92,769,923	-	-	92,769,923	20	87,594,899	4,804,301	1	92,399,199	370,724
Equipments	51,834,437	1,044,535	489,456	52,389,516	20	36,791,719	3,056,563	391,659	39,456,623	12,932,893
Computer equipments and software	133,075,527	12,485,894	4,060,946	141,500,475	20	77,508,487	18,026,048	284,792	95,249,743	46,250,732
Furniture and fixtures	50,633,409	895,868	187,012	51,342,265	10	26,585,805	2,460,729	172,998	28,873,536	22,468,729
Sundry asset	1,131,749	-	80,350	1,051,399	20	1,131,741	-	80,347	1,051,394	5
Interior decorator	23,145,335	-	-	23,145,335	10	8,640,660	1,474,426	-	10,115,086	13,030,249
<b>Sub-Total (A)</b>	<b>944,965,216</b>	<b>14,426,297</b>	<b>4,817,764</b>	<b>954,573,749</b>		<b>567,938,756</b>	<b>36,785,921</b>	<b>929,797</b>	<b>603,794,880</b>	<b>350,778,869</b>
<b>At revaluation :</b>										
Land	3,175,704,168	-	-	3,175,704,168	-	-	-	-	-	3,175,704,168
Premises	5,415,734,325	-	-	5,415,734,325	2.5	888,660,811	113,176,838	-	1,001,837,649	4,413,896,676
Vehicles	8,620,180	-	-	8,620,180	20	8,620,179	-	-	8,620,179	1
<b>Sub-Total:(B)</b>	<b>8,600,058,673</b>	<b>-</b>	<b>-</b>	<b>8,600,058,673</b>		<b>897,280,990</b>	<b>113,176,838</b>	<b>-</b>	<b>1,010,457,828</b>	<b>7,589,600,845</b>
<b>At 31 December 2018 (A+B)</b>	<b>9,545,023,889</b>	<b>14,426,297</b>	<b>4,817,764</b>	<b>9,554,632,422</b>		<b>1,465,219,746</b>	<b>149,962,759</b>	<b>929,797</b>	<b>1,614,252,708</b>	<b>7,940,379,714</b>
<b>At 31 December 2017</b>	<b>9,500,670,543</b>	<b>52,363,117</b>	<b>8,009,771</b>	<b>9,545,023,889</b>		<b>1,309,963,051</b>	<b>154,966,618</b>	<b>(290,076)</b>	<b>1,465,219,746</b>	<b>8,079,804,144</b>

## Detail of information on advances

More than 15% of bank's total capital (funded and non-funded)

As at 31 December 2018

Sl. No.	Name of the Borrower	Outstanding as on 31 December 2018			Remarks
		Funded	Non funded	Total	
	Nil	-	-	-	-
	<b>Total</b>	-	-	-	-

**Highlights on the overall activities of the Bank  
As at 31 December 2018**

SI no.	Particulars	2018 BDT	2017 BDT
1	Paid-up capital	4,000,000,000	4,000,000,000
2	Total capital	19,102,286,168	18,551,807,048
3	Capital surplus / (deficit)	6,361,942,818	7,344,212,898
4	Total assets	59,190,947,030	58,057,982,127
5	Total deposits	28,312,287,371	28,580,252,789
6	Total loans and advances	19,307,160,674	17,945,967,530
7	Total contingent liabilities and commitments	1,565,322,126	581,913,670
8	Credit deposit ratio (%)	68.19%	62.79%
9	Percentage of classified loans against total loans and advances	46.07%	46.53%
10	Profit after tax and provision	748,940,846	563,162,387
11	Amount of classified loans during the year	8,895,556,753	8,350,294,792
12	Provisions kept against classified loans	3,697,631,825	3,655,954,667
13	Provision surplus / (deficit)	1,831,628	99,946,975
14	Cost of fund (%)	8.25%	7.93%
15	Interest earning assets	25,839,952,660	25,232,750,208
16	Non-interest earning assets	33,350,994,370	32,825,231,919
17	Return on investment (ROI)(%)	8.60%	15.04%
18	Return on assets (ROA)(%)	1.27%	0.97%
19	Income from investments	843,953,668	1,503,799,532
20	Earning per share	18.72	14.08
21	Net income per share	18.72	14.08
22	Price earning ratio	N/A	N/A

Balance with other banks - outside Bangladesh (nostro account)  
As at 31 December 2018

Name of the Bank	Name of the Country	Currency Name	2018			2017		
			Amount in FC	Conversion rate per unit FC	Amount in BDT	Amount in FC	Conversion rate per unit FC	Amount in BDT
Modhumoti Bank Limited	Bangladesh	USD	56,256.29	83.55	4,700,213	56,256.29	82.8000	4,658,021
Mashreq Bank Limited	USA	USD	2,533,987.62	83.55	211,714,666	719,968.96	82.8000	59,613,430
BHF Bank AG, Germany	Germany	EUR	18,868.73	95.12	1,794,865	31,452.73	98.6128	3,101,642
Sonali Bank Limited	India	ACU	41,156.43	83.55	3,438,620	133,962.97	82.8000	11,092,134
Axis Bank Limited	India	ACU	15,391.89	83.55	1,285,992	16,000.00	82.8000	1,324,800
<b>Total</b>					<b>222,934,356</b>			<b>79,790,027</b>

**Name of the Directors of BDBL and their interest in other different entities  
As at 31 December 2018**

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

**Statement of Investment**  
**As at 31 December 2018**

<b>Particulars</b>	<b>Cost Price / BDT</b>	<b>Market Price / BDT</b>
Bangladesh Bank prize bond	1,085,500	1,085,500
Bond	150,000,000	150,000,000
Debenture	32,977,983	32,977,983
Investment in subsidiaries	1,000,000,000	1,000,000,000
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	7,449,764,000	24,419,868,631
Un-quoted share	71,891,336	71,891,336
<b>Total</b>	<b>9,814,130,919</b>	<b>26,784,235,550</b>