

Strictly Private & Confidential

INFORMATION MEMORANDUM

4th Non-convertible Subordinated Floating Rate Bond of BDT 5,000 Million for Dutch-Bangla Bank Limited



Dutch-Bangla Bank Limited
Your Trusted Partner

Issuer: Dutch-Bangla Bank Limited

Head Office: 47, Motijheel C/A, Dhaka 1000, Bangladesh

Trustee: Sena Kalyan Insurance Company Limited

Type of Security: Unsecured Subordinated Floating Rate Bond

Total Face Value: Up to BDT 5,000 Million

Face Value of Each Bond is: BDT 10,000,000

Issue Price of Each Bond is: BDT 10,000,000

Number of Securities: 500

Total Issue Amount: BDT 5,000,000,000

Coupon Rate/ discount rate and YTM: Floating

Issue Date of IM: 27 September 2023

Credit Rating status of the Issue:

Long Term Rating: AA₁(Hyb)

Conducted by Credit Rating Agency of Bangladesh Limited (CRAB)

Credit Rating of the Bank/ Issuer:

(i) Conducted by Credit Rating Agency of Bangladesh Limited (CRAB):

Long Term Rating: AAA, Short-Term Rating: ST1; Outlook: Stable

(ii) Conducted by Moody's Investors Service: B2; Outlook: Stable

"If you have any query about this document, you may consult the issuer, arranger and the trustee."

Arranger

Prime Bank Investment Limited



Prime Bank Investment Ltd.
Powering Investment Solutions
(A Subsidiary of Prime Bank)


10/9/23
Mohammed Mesbahul Alam
Company Secretary
Dutch-Bangla Bank Limited


10/9/23
Mohammed Shahid Ullah, FCA
Deputy Managing Director & CFO
Dutch-Bangla Bank Limited
Head Office, Dhaka.


10/9/23
Abul Kashem Md. Shirin
Managing Director & CEO
Dutch-Bangla Bank Limited


10/9/23
Brig Gen Shafique Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.



ARRANGER'S DISCLAIMER

Dutch-Bangla Bank Limited (the "**Issuer**") has authorized Prime Bank Investment Limited ("PBIL" or the "**Arranger**") to distribute this Information Memorandum in connection with the proposed transaction outlined in it (the "**Transaction**") and the bond proposed to be issued in the Transaction (the "**Bond**").

"**Prime Bank Investment Limited**" means Prime Investment and its directors, representatives or employees and/or any persons connected with them.

Nothing in this Information Memorandum constitutes an offer of the bond for sale in any other jurisdiction where such offer or placement would be in violation of any law, rule or regulation.

The Issuer has prepared this Information Memorandum and the Issuer is solely responsible for its contents. The Issuer will comply with all laws, rules and regulations and has obtained all regulatory, governmental and corporate approvals for the issuance of the Bond. All the information contained in this Information Memorandum has been provided by the Issuer or is from publicly available information, and such information has not been independently verified by the Arranger. No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Arranger or its affiliates for the accuracy, completeness, reliability, correctness or fairness of this Information Memorandum or any of the information or opinions contained therein, and the Arranger hereby expressly disclaim, to the fullest extent permitted by law, any responsibility for the contents of this Information memorandum and any liability, whether arising in tort or contract or otherwise, relating to or resulting from this Information Memorandum or any information or errors contained therein or any omissions there from. By accepting this Information Memorandum, you agree that the Arranger will not have any such liability.

You should carefully read and retain this Information Memorandum. However, you are not to construe the contents of this Information Memorandum as investment, legal, accounting, regulatory or tax advice, and you should consult with your own advisors as to all legal, accounting, regulatory, tax, financial and related matters concerning an investment in the Bond.


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Head Office, Dhaka.


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Sena Kalyan Insurance Company Ltd.

ISSUER'S DISCLAIMER

This Information Memorandum is neither a prospectus nor a statement in lieu of prospectus. The issue of non-convertible zero coupon bonds are being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the bond issue to the public in general. Apart from this Information Memorandum, no information memorandum or prospectus has been prepared in connection with the offering of this issue.

This Information Memorandum has been prepared to provide general information about the issuer to potential investors to whom it is addressed and who are willing and eligible to subscribe to the bond issue. This Information Memorandum does not purport to contain all the information that any potential investor may require. Neither does this Information Memorandum nor any other information supplied in connection with the bond issue is intended to provide the basis of any credit or other evaluation and any recipient of this Information Memorandum should not consider such receipt a recommendation to purchase any bonds. Each potential investor contemplating the purchase of any bonds should make his/her own independent investigation of the financial condition and affairs of the issuer and his/her own appraisal of the creditworthiness of the issuer.

Potential investors should consult their own financial, legal, tax, and other professional advisors as to the risks and investment considerations arising from an investment in the bonds and should possess the appropriate resources to analyse such investment and the suitability of such investment to such investor's particular circumstances.

The information relating to the company contained in this Information Memorandum is believed by the issuing company to be accurate in all respects as to the date hereof.

It is the responsibility of potential investors to also ensure that they will sell/ transfer these Bonds in strict accordance with this Information Memorandum and other applicable laws. None of the intermediaries or their agents or advisors associated with this issue undertake to review the financial condition or affairs of the issuer during the life of the arrangements contemplated by this Information Memorandum or have any responsibility to advise any investor or potential investor in the bonds of any information available with or subsequently coming to the attention of the intermediaries, agents or advisors.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Information Memorandum or in any material made available by the issuer to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the issuer.

The contents of this Information Memorandum are intended to be used only by those potential investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.



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The person who is in receipt of this Information Memorandum shall maintain utmost confidentiality regarding the contents of this Information Memorandum and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding its contents, without the prior written consent of the issuer till the time the Information Memorandum comes within public domain. Notwithstanding the foregoing, a bond holder may provide this Information Memorandum to a potential investor for the sole purpose of transferring the bonds.

Each person receiving this Information Memorandum acknowledges that:

- Such person has been afforded an opportunity to request and to review and has reviewed and received this Information Memorandum and all additional information considered by an individual to be necessary to verify the accuracy or to supplement the information herein; and
- Such person has not relied on any intermediary that may be associated with the issuance of the bonds in connection with his/her investigation of the accuracy of such information or his/her investment decision.

The issuer does not undertake to update the Information Memorandum to reflect subsequent events after the date of the Information Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the issuer. Neither the delivery of this Information Memorandum nor any sale of bonds made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the issuer since the date hereof.

This Information Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the bonds or the distribution of this Information Memorandum in any jurisdiction where such action is required. The distribution of this Information Memorandum and the offering and sale of the bonds may be restricted by law in certain jurisdiction. Persons into whose possession this Information Memorandum comes are required to inform themselves about and to observe any such restrictions.



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7 September 2023

Mr. Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Tajwar Center (5th Floor), House: 34
Road: 19/A, Block: E, Banani
Dhaka-1213, Bangladesh

LETTER OF AUTHORITY

Dear Sir,

We refer to the Subordinated Floating Rate Bond Issue of BDT 5,000 million (the "Bonds") which, you (the Arranger) is arranging at our request, the principal terms and conditions of which are set forth in the attached Information Memorandum (the "Information Memorandum"): Dutch-Bangla Bank Limited (the Issuer), the undersigned, confirms that:

- Except as otherwise provided in the Information Memorandum, all the information contained therein relating to the company and its business has been provided to you by us;
- We confirm that we are fully responsible for all material statements, facts and opinions in the Information Memorandum.
- To the best of our knowledge the Information Memorandum does not omit any fact in the context of the proposed facility although the Information Memorandum does not purport to be all the information which investors may require in order to evaluate the issuer's business.
- The forecasts contained in the Information Memorandum were made after due and careful consideration on our part based on the best information available to us and we consider them fair and reasonable on the circumstances now prevailing; and
- The information (including forecast) in the Information Memorandum fairly represents the basis on which the Issuer and its shareholders are proceeding with the business.

The Issuer does not however make any express or implied representation of warranty as to the fairness, accuracy; or completeness of the information (including statements of opinion) or forecasts. Appropriate warranties or other undertakings in relation to the information and forecasts will be given on the bond documents and no representations or warranties other than those specially set forth on the bond documents shall be deemed to be given to any party.

We hereby request and authorize you to distribute this Information Memorandum to prospective investors who may subscribe the Bonds. We understand that as per local practice, no confidentiality agreement will be signed between the Arranger and the prospective participants (including their relevant staff members and board of directors) to whom the Information Memorandum shall be placed and we confirm our consent to the distribution of "Information Memorandum" and other relevant documents to prospective investors distributed in this manner.

Sincerely,
Sd/-

Abul Kashem Md. Shirin
Managing Director & CEO
Dutch-Bangla Bank Limited



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10/9/23

3. REPORT TO THE ELIGIBLE INVESTORS

Issuer has obtained information regarding Bangladesh and its economics from various publications made by the government of Bangladesh and other sources. Although, the Issuer believes that its sources are reliable, but there is no scope for the Issuer to make verification of information independently by any independent sources. Issuer has obtained information about the Trustee i.e. Sena Kalyan Insurance Company Limited from the Trustee and Issuer does not accept any responsibility for the information contained in the section entitled "The Trustee." Issuer also does not accept any responsibility for the information contained in the section entitled "Credit Rating." We are not making any representation to you concerning the accuracy or completeness of the information contained in the section "The Trustee" or in the section "Credit Rating."

The distribution of this Information Memorandum and the offering is restricted only in Bangladesh. It is not intended or made to offer or sale of the Bonds in any other jurisdiction. The offerings will not be offered to the public at large in Bangladesh, or outside Bangladesh.

We may withdraw this offering at any time, and we reserve the right to reject any offer to purchase the Bonds in whole or in part and to sell to any prospective investor less than the full amount of the Bonds sought by such investor.

We have obtained approval of the Bangladesh Securities and Exchange Commission for issue of Bonds and the distribution of this Information Memorandum through letter No. [] dated [] and the Bangladesh Bank has given its approval through letter No. BRPD(BS)/661/14B(P)/2022/12711 dated 26 December 2022 and amendment through letter No. BRPD(BS)/661/14B(P)/2023/7356 dated 7 September 2023.



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4. RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT THE RISKS

Risk management

Risk is defined by Issuer as risk of potential losses or foregone profits that can be triggered by internal and external factors. Therefore, the objectives of risk management are identification of potential risks in our operations and transactions, in our assets, liabilities, income, cost and off-balance sheet exposures and independent measurement and assessment of such risks and taking timely and adequate measures to manage and mitigate such risks within a risk-return framework. A summarized position of various inherent and potential risks, The Issuer is facing, while conducting its business and operations and steps taken by the Bank to effectively manage and mitigate such risks by management of Issuer.

a. Interest rate risk

Interest rate risk is the potential impact on the Bank's earnings (Net Interest Income- NII) and net asset values due to changes in market interest rates. Interest rate risk arises when the Bank's principal and interest cash flows (including final maturities), for both On and Off-balance sheet exposures, have mismatched re-pricing dates. The portfolio of assets and liabilities in the banking book sensitive to interest rate changes is the element of interest rate risk. The immediate impact of changes in interest rates is on the Bank's net interest income (difference between interest income accrued on rate sensitive asset portfolio and interest expenses accrued on rate sensitive liability portfolio) for particular period of time, while the long term impact is on the Bank's net worth since the economic value of the Bank's assets, liabilities and off-balance sheet exposures are affected.

An effective risk management process that maintains interest rate risk within prudent levels is essential to the safety and soundness of Bank. Interest Rate Risk primarily has been managing and monitoring by the Bank's Asset Liability Committee (ALCO). ALCO comprises of the senior management of the Bank. Asset Liability Management (ALM) Desk is on the Treasury Division Front Office (TDFO) of the Bank which acts as secretariat of ALCO. ALCO is chaired by the Managing Director & CEO. The Committee meets at least once in a month. The Board approves all risk management policies, sets limits and reviews compliance on a regular basis. Interest rate risk managed/ oversight by the ALCO through ALM policy guidelines. The Bank adjusts/ revises Interest rate on lending and deposits/ borrowing regularly in compliance with the guiding regulatory stances as and when required as well as based on the current competitive market scenario and future outlook.

b. Foreign Exchange Risks with risk mitigation policy

Foreign exchange risk is the potential loss arising from changes in foreign currency exchange rate in either direction. Assets and liabilities denominated in foreign currencies generally entail foreign exchange risks.


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The Bank operates its foreign exchange and money market activities under a centralized and single functional area. DBBL's dealing room is equipped with advanced technology and experienced personnel. Bank's Exchange Rate Committee meets on a daily basis to review the prevailing market condition, exchange rate, exposure and transactions to mitigate foreign exchange risk.

Bank's ALCO has been in close vigilance for managing the foreign exchange risk throughout the year. An ALCO Sub-committee Chaired by the Deputy Managing Director & COO meets daily to fix the Bank's foreign exchange rates against the respective currencies upon reviewing the foreign exchange movement, DBBL portfolio position, overall demand-supply position of the market and takes measures for optimizing the exchange position. The Risk Management Division also reviews the market risk parameters on monthly basis and recommends on portfolio concentration.

c. Non-Repayment Risks

Non-repayment risk arises when an executed transaction is not settled as the standard settlement system. Non-repayment risk addresses to the risk when it is not fulfilled its contractual obligations (payment or received), but the counterparty fails or defaults to do the same. Although Bank gets high credit rating standards among local private commercial banks in Bangladesh for the last nine consecutive years which denotes very strong capacity to meet their financial commitments i.e. DBBL always maintained strong capacity in repaying all its obligations to the depositors and lenders. In rare case, being a financial intermediary which is generally subject to absorb any untoward systemic risks & adversities, the Bank may fail to repay its obligations arising from the bonds to be issued in extreme unusual cases. In the event of default the investors might suffer from financial loss.

However, since its inception, DBBL have not any instance of default in repaying its obligations to depositors and lenders. DBBL's furthermore, in case of any event of default or non-repayment, the Trustee would give notice period to the Issuer in protecting the Event of Default and take further steps to ensure the interest of the investors.

d. Prepayment, Call or Refunding Risks

The risk associated with the early unscheduled return of principal on a fixed-income security. This risk may exist in a bond that has prepayment, call or refunding option.

Early unscheduled return of principal of the Bond is not allowed, so the bondholders will not be exposed to prepayment or call or refunding risks associated with investing in the Bonds.

e. Security Risks

Collateral Security Risk pertains from the adverse changes in the value of collaterals securing the credit exposure of the Bank and it takes the worst turn in case of default situation, In banking arena, components of security risk are more related with the operational part i.e. failure of system, process, procedure or occurrence of any other incident due to supervisory lapses on the part of management. Since this bond is fully unsecured, non-convertible Tier 2 subordinated bond, specific assets are not being pledged against this bond. In the event of any insolvency proceedings (whether voluntary or involuntary) occurring in relation to the Issuer, the payment obligations under this Bond in relation to the principal and any accrued interest in relation to the Bond shall be subordinated to the payment obligations of all Senior Indebtedness, and no amount shall be payable to the Bondholders in respect of the principal or any accrued interest in relation to the Bond until all claims in respect of Senior Indebtedness admitted in such insolvency proceedings have been satisfied.



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f. Liquidity Risks

Liquidity risk is the risk that we may not meet our financial obligation as they become due. Liquidity risks also include our inability to liquidate any asset at reasonable price in a timely manner. It is the policy of the Bank to maintain adequate liquidity at all times in both local and foreign currencies. Liquidity risks are managed on a short, medium and long term basis. There are approved limits for credit/ deposit ratio, liquid assets to total assets ratio, maturity mismatch, commitments for both on-balance sheet and off-balance sheet items and borrowing from money market to ensure that loans and investments are funded by stable sources, maturity mismatches are within limits and that cash inflow from maturities of assets, customer deposits in a given period exceeds cash outflow by a comfortable margin even under a stressed liquidity scenario.

In DBBL, at the management level, the liquidity risk is primarily managed by the Treasury Division (Front Office) under oversight of ALCO which is headed by the Managing Director & CEO along with other senior management team. Treasury Division (Front Office) upon reviewing the overall funding requirements on daily basis sets their strategy to maintain a comfortable/ adequate liquidity position taking into consideration of Bank's approved credit deposit ratio, liquid assets to total assets ratio, asset-liability maturity profile, Bank's earning/ profitability as well as overall market behavior and sentiment etc. Apart from the above, Risk Management Division (RMD) also monitors & measures the liquidity risk in line with the Basel III liquidity measurement tools, namely, LCR, NSFR, Leverage Ratio. RMD addresses the key issues and strategies to maintain the Basel III liquidity ratios to the respective division (s) on regular interval.

g. Management risks

Management risk refers to the chance of descending performance by existing management team or departure of any key person as well as absence of the appropriate successors to take over the responsibility and manage the overall affairs of the Bank in an efficient manner which will finally affect the shareholders.

The existing management of Dutch-Bangla Bank Limited comprises a group of highly experience professionals and reputed in the banking industry of the country. The management of the Bank is headed by the Managing Director & CEO.

The Managing Director & CEO is supported by a group of experienced professionals comprising of the Deputy Managing Director (DMDs)/ CXOs and functional divisional heads. Being the banking institutions are highly regulated industry throughout world, DBBL as a participant of this industry is able to mitigate this risk as Bangladesh Bank monitors the management to ensure best practices in the service industry.

h. Operational Risks

Operational risk is the risk of loss resulting from inadequacy or failure of internal processes, systems and people or from external events. Operational risk also includes internal control and compliance risk. DBBL operates its business with few external risk factors relating to the socio-economic condition, political atmosphere, regulatory policy changes, natural disaster etc. based on the overall perspective of the country. Potential external events and related downside risk.



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As a part of continued surveillance, the management committee (MANCOM), Executive Risk Management Committee (ERMC), independent Risk Management Division regularly reviews different aspects of operational risk. The analytical assessment was reported to the Board/ Risk Management Committee/ Audit Committee of the Bank for reviewing and formulating appropriate policies, tools & techniques for mitigation of operational risk. Policy for Operational risks including internal control and compliance risk is approved by the Board taking into account relevant guidelines of Bangladesh Bank. A policy guideline on Risk Based Internal Audit (RBIA) System is in operation. As per RBIA, branches with high risk status and subjected to more frequent audit by Internal Control and Compliance Division (IC&CD). IC&CD directly reports to Audit Committee of the Board. Currently, DBBL is using some models or tools for mitigating operational risk such as Self-Assessment of Anti-fraud Internal Control; Quarterly Operational Report (QOR) and Departmental Control Function Check List (DCFCL) in line with the Bangladesh Bank's relevant Instructions and recommendations. It is required to submit the statement on Self-Assessment of Antifraud Internal Control to Bangladesh Bank on quarterly rest. In addition, there is a Vigilance Cell established in 2009 to reinforce the operational risk management of the Bank. Bank's Money Laundering and Terrorist financing prevention activities are headed by CAMLCO and their activities are devoted to protect against all money laundering and terrorist finance related activities. The newly established Central Customer Service & Complaint Management Cell was also engaged in mitigating the operation risks of the Bank. Apart from that, there is adequate check and balance at every stage of operation, authorities are properly segregated and there is at least dual control on every transaction to protect against operational risk.

i. Business Risks

Business risk covers the risk of losses arising from lower non-interest income and higher expenses from the budgeted amount. The business risk is resulted from the market condition, customers' behavior or technological development that may change compared to the assumptions made at the time of planning.

Business risk in DBBL is managed by setting clear targets for specific business units, in terms of business volume, income, expenditures, cost/ income ratio, quality of assets etc. with an ongoing process of continuous improvement.

j. Industry Risks

Industry risk is the possibility that a specific industry will not perform to the level or at par. When problems plague one industry, they affect the individual organization of that particular industry. They may also cross over into other industries. Industry risk also refers to the risk of the increased competition from foreign and domestic sources leading to lower revenues, profit margins, market share etc. which could have an adverse impact on the business, financial condition and result of operation.

Throughout its operation for last 27 years, DBBL has established itself as a unique bank from others. It has differentiated itself as a leader in technology and financial inclusion by reaching the latest banking services to its customers through largest ATM network in the country at free or affordable cost. DBBL has also established itself as a Bank that cares for the society. All the business activities of DBBL conducting in full conformity with social, ethical and environmental standards. DBBL is the pioneer in Social Cause programs in the country. It has been intensifying its resources and efforts on a continuous basis to reach the distressed & needy people of the society to bring smile on their faces and to improve their health and educational standards and overall quality of life which in turn minimizes its industry risk.



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Sena Kalyan Insurance Company Ltd.

k. Market Risks

Market risk is the risk of losses in On and Off-balance sheet positions arising from movements in market price such as changes in interest rate and price of equity, foreign exchange and commodity.

As such, market risk consists of the followings basic risk parameters as under:

- i. Interest rate risk;
- ii. Foreign exchange risk;
- iii. Equity price risk; and
- iv. Commodity risk.

The Treasury Division manages the Market risk including the liquidity, interest rate and foreign exchange risks with oversight from Asset-Liability Management Committee (ALCO) comprising senior executives of the Bank. The Board approves all risk management policies, sets limits and reviews compliance on a regular basis. The overall objective is to provide cost effective funding to finance the asset growth and trade related transactions, optimize the funding cost, increase spread with the lowest possible liquidity, maturity, foreign exchange and interest rate risks.

l. Technology-related risk

DBBL as a pioneer of state-of-the-art technology driven banking industry in the country is becoming more technology dependent the risks deriving from technological uses in its day by day operation. The bank may be exposed to risks such as virus attack, system collapse, system hacking, unauthorized electronic fund transfer, etc.

DBBL has been continuously striving towards bringing world class technology driven banking services, conveniences and satisfaction to its customers setting a milestone in the banking sector of the country. DBBL has also launched the first ever e-payment gateway of the country which has started bringing a change in the online purchase and other services gradually. All these have been possible with the help of a well-trained, highly professional work force and a strong IT infrastructure. DBBL has introduced multifactor authentication for some of such transactions like Third Party Funds Transfer using Internet. This is commonly termed as 2 factor authentication or 2FA. Recently, the Bank has taken steps to allow interbank Funds Transfers using Internet Banking. This will allow the customers to initiate Interbank BEFTN or RTGS transactions without going even to a branch. Dutch-Bangla Bank Limited achieved prestigious PCI DSS Certification in 2022 from a leading Qualified Security Assessor, NCC Group, UK by complying all the requirements of PCI DSS.

DBBL has started issuing of EMV Chip-based Cards for the first time in Bangladesh in 2008. With this security feature (EMV), all the DBBL cardholders are protected from any kind of frauds at home and abroad. While an EMV card may look similar to a normal card, the technology on it and supporting it is revolutionary. It uses an onboard computer chip instead of a magnetic strip and relies on DBBL's data center for on the spot verification. It features built-in encryption algorithms mandated by Visa and MasterCard which are impossible to duplicate or modify. It was designed and researched by Visa and MasterCard to be the most advanced card and eliminates the security problems of normal cards.



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The DBBL ATMs are attached with anti-skimming device. As such it is very difficult for the fraudsters to attach an anti-skimming device over the card slot of the ATM. Keeping the security and reliability in mind, DBBL identified hardware components for running different applications of the Bank. The hardware installations comprised of multi-processor clustered servers, Automated Teller Machine, POS terminal, card personalization system, high capacity UPS, Host Security Module, networking equipment, high power Generator and Precision Air Conditioning system.

Besides this, the bank has setup the largest and modern Data Center and on-line synchronized DRS (Disaster Recovery Site) to safe-guard the customer's interest. A set of servers, networking equipment, Precision Air Conditioners, Generators and UPS identical to the Data Center is installed at DRS. In case the Data Center is inoperative for any reason, the DRS will take over the control of branches, ATMs, POS terminal, internet banking, SMS & alert banking, Credit Card System, Nexus Payment Gateway, Mobile Banking and Agent Banking systems. DRS is a crucial system for any bank and is standard for all leading worldwide banks, as the success of a bank after any disaster depends highly on its DRS. Connectivity to and from DBBL networks and external networks are carefully planned and controlled. Our IT staffs are strictly following security policies when designing new or upgrading existing networks. Our consideration is for managing users, dividing networks into segments and restricting access to information based on business and security requirements.

Dutch-Bangla Bank established some important projects i.e. (i) Near Live Data Center, (ii) Document Management System and (iii) Queue Management System. Besides, another important project i.e. Expansion of existing Data Center and DRS is going on under IT Development Division.

This in turn minimizes its technology-related risk of DBBL.

m. Risks related to potential or existing Government Regulations

The terms and condition of the Bonds are based on current Bangladeshi rules and regulations. There can be no assurance as to impact of any possible judicial decisions or change to Bangladeshi law and administrative practice after the date of this Information Memorandum.

Unless any policy change that may negatively and significantly affect the industry as a whole, the business of the bank is expected not to be affected materially. Like all scheduled banks in Bangladesh, DBBL has been funding their assets from their deposits after maintaining required SLR including CRR has the bank has been consistently compliant to any such changes. The Bank attained contentedly adequate capital of 15.55% (as of 31 December 2022) compared to the regulatory requirement of 12.50%. DBBL is capable of dealing with consequences of unfavorable policy or regulatory changes made by the government. Shareholders provide the vital equity capital, depositors & lenders put their money in the Bank, borrowers take the credits for production, trading or consumptions, employees put their services to serve the customers, and government, Bangladesh Bank and Bangladesh Securities and Exchange Commission provide legal & regulatory framework, infrastructure, economic & business environment etc. to ensure smooth operations of banking activities with transparency and accountability.



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n. Risk related to potential changes in global or national policies

Banks are exposed to financial institutions at home and abroad since they often negotiate, discount export bills and extend credit facilities against commitment of other banks. Changes in existing global or national policies can have either positive or negative impacts for the Bank. The performance of the Bank will be hindered to unavoidable circumstance both in Bangladesh and worldwide like financial crisis, Russia Ukraine war, natural calamities as well as other systemic risks & vulnerabilities.

Every company operates under the economic policies formulated and imposed by the political government. The government tends to reshape these policies time to time for the sake of greater interest of the country's economy. Sometimes those changes in existing policy or any future policy framework adversely affect smooth operation of such companies.

The management of the Bank is always concerned about the prevailing and upcoming future changes in the global or national policies and response appropriately and timely to safeguard its interest.




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5. DETAILED DESCRIPTION AND INFORMATION OF ISSUER'S APPLICATION

Dutch-Bangla Bank Limited, the issuer, has applied to the Bangladesh Securities and Exchange Commission for approval for issuance of BDT 5,000 Million Floating Rate, Non-Convertible, Unsecured Subordinated Bond. The detailed description and information of i) issuer, ii) Arranger iii) particular of issue iv) Trustee, and v) Credit rating company as per Schedule "A" Part- I of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 are providing below:

1. Particulars of the Issuer, Dutch-Bangla Bank Limited

(a)	Name of the Issuer	:	Dutch-Bangla Bank Limited
(b)	Legal status of the issuer	:	Public Limited Company
(c)	Details of Contact Information	:	Fouzia Parvin Sultana Head of Risk Management Division Address: Head Office, 47 Motijee C/A, Dhaka 1000, Bangladesh Tel: +88-02-9574196-8, Ext-160 Mobile no: 01711-431523 Fax: +88-02-9561889
(d)	Date of incorporation (in case of company & Reg. No	:	4 July 1995 & C- 28754(35)/95
(e)	Date of commencement of business	:	4 July 1995
(f)	Authorized capital	:	BDT 15,000,000,000 as at 31 December 2022
(g)	Paid-up capital	:	BDT 6,957,500,000 as at 31 December 2022
(h)	Total equity	:	BDT 41,638,755,228 as at 31 December 2022
(i)	Total liabilities	:	BDT 513,834,879,218 as at 31 December 2022
(j)	Total financial obligations	:	BDT 513,834,879,218 as at 31 December 2022
(k)	Total assets	:	BDT 555,473,634,446 as at 31 December 2022
(l)	Total tangible assets	:	BDT 9,413,196,077 as at 31 December 2022
(m)	Net worth	:	BDT 41,638,755,228 as at 31 December 2022
(n)	Others	:	Not Applicable

2. Particulars of Arranger:

(a)	Name of the Arranger	:	Prime Bank Investment Limited (PBIL)
(b)	Legal status of the Arranger	:	Public Limited Company
(c)	Details of contact information of the Arranger	:	Mr. Syed M Omar Tayub Managing Director & CEO Prime Bank Investment Limited Tajwar Center (5 th Floor), House: 34 Road: 19/A, Block: E, Banani Dhaka-1213, Bangladesh Phone : +88 02 48810315 Fax : + 88 02 48810314 E-mail : info@pbil.com.bd
(d)	Name of the issue managed by the Arranger	:	List attached in annexure "A"
(e)	Others	:	Not Applicable


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3. Particulars of the Issue:

(a)	Name of the issue	:	Dutch-Bangla Bank 4 th Non-convertible Subordinated Floating Rate Bond
(b)	Type of instruments to be issued	:	Fully Redeemable, Non-convertible, Unsecured, Floating rate Subordinated Bond
(c)	Purpose of the issue	:	To consider the proceeds as Tier 2 Capital of the Bank
(d)	Number of securities and total size of the issue to be offered	:	500 bonds for total issue amount of BDT 5,000,000,000
(e)	Face value and issue price of securities mentioning discount or premium thereof	:	Face value and issue price of each Bond is BDT 10,000,000
(f)	Coupon rate/ rate of profit/ discount rate and yield to maturity (YTM)	:	To be determined as a sum of Benchmark Rate & Margin; However, during the tenor the yield will be [benchmark + margin].
(g)	Tenor or maturity	:	7 years
(h)	Details of conversion/ exchange option features	:	Not applicable as the bond is non-convertible
(i)	Mode of redemption or conversion/ exchange	:	20% of the total bond face value to be redeemed at the end of each year starting from 3 rd year
(j)	Mode of option (call or put), if any, in case of redemption or conversion/ exchange and discount or premium thereof	:	Not applicable as the bond is non-convertible and fully redeemable
(k)	Rate of return	:	To be determined as a sum of Benchmark Rate & Margin; However, during the tenor the yield will be [benchmark + margin].
(l)	Applicable tax rate	:	As per applicable Tax Laws of Bangladesh
(m)	Default protection mechanism (details of credit enhancement arrangement/ agreement, redemption reserve, sinking fund etc.), if any	:	Not applicable
(n)	Type of collateral securities being offered, if any	:	Unsecured
(o)	Status of securities holders in case of priority of payment	:	First priority
(p)	Period within which securities to be issued	:	Within 6 (six) months of regulatory approval in Single or Multiple Tranches
(q)	Nature of tradability or listing in the stock exchange(s) (Main Board/ ATB/ any other platform, mentioning the name of the stock exchange)	:	Unlisted or as per regulatory approval
(r)	Others	:	Not Applicable


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4. Particulars of the Trustee:

(a)	Name of the trustee	:	Sena Kalyan Insurance Company Limited
(b)	Paid-up capital of the trustee	:	BDT 400,000,000 as at 31 December 2022
(c)	Net worth of the trustee	:	BDT 806,672,565 as at 31 December 2022
(d)	Name of the issue(s) where performing as trustee	:	List attached in annexure "B"
(e)	Others	:	Not Applicable

5. Particulars of the Credit Rating Company:

(a)	Name of credit rating company	:	Credit Rating Agency of Bangladesh Limited (CRAB)
(b)	Credit rating status of the issuer or originator	:	Long Term Rating: AAA, Short-Term Rating: ST1; Outlook: Stable Conducted by Credit Rating Agency of Bangladesh Limited (CRAB)
(c)	Credit rating status of the issue	:	AA ₁ (Hyb)
(d)	Date and validity of rating along with surveillance rating for the issuer or originator and for the issue	:	Issuer: Date of rating 7 June 2023 and validity 30 June 2024; Issue: Date of rating 16 August 2023 and validity 16 February 2024;
(e)	Latest default rate of the credit rating company	:	0.00% [annexure "C"]
(f)	Average time to default of the rated category	:	Not applicable as default rate is zero percent.
(g)	Rating trigger, if any	:	Not Applicable
(h)	Others	:	Not Applicable


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6. DETAIL PLAN OF THE UTILIZATION OF PROCEEDS

Dutch-Bangla Bank Limited has decided to increase the Tier 2 capital to meet capital requirement under Basel III and to strengthen the regulatory capital base of the Bank.

The primary objective of issuing the securities is to consider the proceeds as Tier 2 Capital of the Bank taking into consideration of regulatory stipulation. This proceed would therefore increase the Bank's capital and thus to enhance the lending scope to its borrowers and ultimately facilitates the Bank to increase its revenues/ profitability on a sustained manner.

Capital plan and management

The Bank is committed to maintaining a strong capital base to support business growth, ensuring compliance with all regulatory requirements, obtaining good credit rating, risk management rating and CAMELS rating and having a cushion to absorb any unforeseen shocks arising from credit, operational, market risks and other residual risks.

The capital maintenance and dividend policies of DBBL are pursued taking into consideration of the following factors:

- Keeping sufficient cushion to absorb unforeseen shock or stress;
- Increased capital requirement for sustainable business growth;
- Cost effective options for raising Tier 1 and Tier 2 capital;
- Improving credit rating, risk management rating and CAMELS rating of the Bank;
- Meeting regulatory requirements; and
- Meeting covenants of lenders.

The Board is responsible for ensuring capital management within a broad framework of risk management.

The Bank has been pursuing a dividend policy that must ensure satisfactory return for shareholders as well as sustainable growth of the Bank with adequate capital in terms of regulatory requirement to protect long term interest of depositors and shareholders.

As of 31 December 2022, the aggregate amount of Paid up share capital and the Statutory Reserve stood at BDT 16,150.5 million consisting of Paid up share capital of BDT 6,957.5 million and Statutory Reserve of Taka 9,193.0 million.

Besides, as per Section 13 of the Bank Company (Amended) Act, 2018 and instructions contained in BRPD Circular No. 18 dated 21 December 2014, [Guidelines on Risk Based Capital Adequacy-Revised Regulatory Capital Framework for banks in line with Basel III], the eligible regulatory capital of the Bank as of 31 December 2022 stood at Taka 51,350,205,101 against the risk based capital requirement of Taka 41,265,118,161. As a result, there was a capital surplus of Taka 10,085,086,940 in risk based capital adequacy ratio as on 31 December 2022.



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7. FEATURES OF THE DEBT SECURITY TO BE ISSUED

a. Basic Features of the Instrument

Issuer:	Dutch-Bangla Bank Limited (DBBL)																											
The Issue:	Floating Rate Non-Convertible 4 th Subordinated Bond																											
Arranger :	Prime Bank Investment Limited ("PBIL") and also referred to as the "Arranger".																											
Arrangement Basis:	Best Efforts/ Strictly Non Underwritten																											
Purpose:	To strengthen Tier 2 Capital Base																											
Investors:	Local Financial Institutions, Insurance Companies, Offshore Development Financial Institutions or other Offshore Institutions, Corporates, High Net Worth Individuals etc. and any other eligible investors.																											
Currency:	Bangladeshi Taka (BDT)																											
Face Value:	Up to BDT 5,000 Million																											
Denomination:	Denomination of each lot of Bond is indicated at BDT 10,000,000 Face Value																											
Mode of Placement:	Private Placement 100%																											
Issue Price:	100% at Par																											
Tenor:	7 years from the Issue Date																											
Expected Issue Date:	Within December 2023 or any other mutually agreeable date																											
Status of Debt:	Subordinated Non Convertible																											
Security:	Unsecured																											
Form:	Registered																											
Listing:	Unlisted or as per regulatory approval																											
Credit Rating of the Issue:	AA ₁ (Hyb) by Credit Rating Agency of Bangladesh Limited (CRAB)																											
Repayment Schedule:	20% of the total bond value to be redeemed at the end of each year starting from 3 rd year and the repayment schedule is depicted below: <table><tr><th colspan="3">Issue Size (BDT) 5,000,000,000</th></tr><tr><th>Years</th><th>Repayment (BDT)</th><th>Balance</th></tr><tr><td>End of 1st year</td><td>-</td><td>5,000,000,000</td></tr><tr><td>End of 2nd year</td><td>-</td><td>5,000,000,000</td></tr><tr><td>End of 3rd year</td><td>1000,000,000</td><td>4,000,000,000</td></tr><tr><td>End of 4th year</td><td>1000,000,000</td><td>3,000,000,000</td></tr><tr><td>End of 5th year</td><td>1000,000,000</td><td>2,000,000,000</td></tr><tr><td>End of 6th year</td><td>1000,000,000</td><td>1,000,000,000</td></tr><tr><td>End of 7th year</td><td>1000,000,000</td><td>0</td></tr></table>	Issue Size (BDT) 5,000,000,000			Years	Repayment (BDT)	Balance	End of 1 st year	-	5,000,000,000	End of 2 nd year	-	5,000,000,000	End of 3 rd year	1000,000,000	4,000,000,000	End of 4 th year	1000,000,000	3,000,000,000	End of 5 th year	1000,000,000	2,000,000,000	End of 6 th year	1000,000,000	1,000,000,000	End of 7 th year	1000,000,000	0
Issue Size (BDT) 5,000,000,000																												
Years	Repayment (BDT)	Balance																										
End of 1 st year	-	5,000,000,000																										
End of 2 nd year	-	5,000,000,000																										
End of 3 rd year	1000,000,000	4,000,000,000																										
End of 4 th year	1000,000,000	3,000,000,000																										
End of 5 th year	1000,000,000	2,000,000,000																										
End of 6 th year	1000,000,000	1,000,000,000																										
End of 7 th year	1000,000,000	0																										


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Issuer:	Dutch-Bangla Bank Limited (DBBL)
Trustee:	Sena Kalyan Insurance Company Limited
Transfer Agent:	Sena Kalyan Insurance Company Limited
Paying Agent:	Sena Kalyan Insurance Company Limited
Registrar:	Sena Kalyan Insurance Company Limited
Coupon Rate:	To be determined as a sum of Benchmark Rate & Margin; However, during the tenor the yield will be [benchmark + margin].
Benchmark Rate:	<p>Benchmark rate: The Benchmark rate shall be determined by following method:</p> <p>Average of most recent month's published 6 months tenor fixed deposit rates (Average of highest and lowest rate of each bank) of all Private Commercial Banks (excluding Shariah-based Islamic banks and Foreign banks). The issuer's 6 months tenor deposit rate to be considered at the time of calculating the average. The published deposit rate to be taken from Bangladesh Bank sources. This will be fixed semi-annually.</p> <p>The Benchmark rate will be fixed by the Trustee semi-annually on ("Interest Reset Date") the immediately preceding business day of the issuance and afterwards semi-annually throughout the tenor of the bond. For avoidance of doubt, the Benchmark Rate shall be calculated by the Trustee and notified to the Issuer and all Investors on every Interest Reset Date.</p>
Margin:	2.25%.
Transferability/ Liquidity	Freely transferable subject to the terms and conditions of the Bond documents.
Prepayment, Call, Refunding, Conversion Features:	Not applicable
Late Redemption:	Incremental charge at the rate of 2.00% per annum payable by the Issuer to the Bondholders above the amount to be paid by the Issuer to the Bondholders on the Redemption Date for failure of the Issuer to make payment to the Bondholders on the Redemption Date.
Cost Related to the Issue:	<p>Arrangement Fee: 0.40% of the Face Value Amount of the Bonds.</p> <p>Trustee Fee: Taka 395,000 for the Initial (First) year and Taka 250,000 per year for the subsequent years up to the full and final redemption of the Bonds.</p> <p>Annual trustee registration fee: Taka 50,000 per Financial year.</p> <p>Credit Rating Fee: Taka 100,000 per year up to the full and final redemption of the Bonds.</p> <p>Application Fee to BSEC: Taka 10,000.</p> <p>Consent Fee to BSEC: 0.10% on the Face Value.</p>


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Issuer:	Dutch-Bangla Bank Limited (DBBL)
Tax Features:	All payments made by the Issuer or under or in respect of the Trust Deed or the Bonds will be subject to any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Bangladesh or any political subdivision thereof or any authority thereof or therein having power to tax. The Issuer will not be Obligated pay any additional amounts in respect of such taxes, duties, assessments or governmental charges that may from time to time be deducted or withheld from such payments, but will provide or procure the provision of original or authenticated tax receipts relating to any such deductions or withholdings to Bondholders.
Documentation:	Customary Capital Market documentation including force majeure, negative pledge, cross default and indemnity provisions.
Conditions Precedent:	In form and substance satisfactory to the Arranger including without limitation: (i) due diligence having been conducted and completed, (ii) documentation for Financing and appropriate business description disclosure in the offering circular, (iii) receipt by the Arranger of appropriate legal opinions from external counsel, (iv) the Issuer having obtained all relevant approvals for Financing.
Governing Law:	The laws of The People's Republic of Bangladesh
Enforcement of Charges over securities:	At any time after the Bonds have become due and repayable, the Trustee may, at its sole discretion and without further notice in writing, take such proceedings against the Issuer as it may think fit to enforce repayment of the Bonds and to enforce the provisions of the Trust Deed, no Bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.


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8. DESCRIPTION OF COLLATERAL SECURITY AND TYPE OF CHARGES TO BE CREATED AGAINST ISSUE

The issue is unsecured Tier 2 Subordinated Bond hence no charge on assets is to be created. The issuer only owes the Bondholders an indebtedness which is secured by claims over all present and future assets of the issuer subsequent to all secured lenders/ investors.



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9. RIGHTS & OBLIGATIONS OF THE ISSUER

- (i) **Issue of the Bonds:** Upon receipt of amount in accordance with the Subscription Agreement to be entered with each investor the Issue shall issue Bonds subject to and in accordance with the provisions of the Trust Deed, Agency Agreement and the Subscription Agreement and to seal, sign and issue the Bonds. The allotted units of bond will be credited to the respective investor's Beneficiary Accounts (BO Accounts) or deliver to the Bondholder a Bond Certificate on the Closing Date to be fixed by the Issuer and the Trustee.
- (ii) **Covenant to Repay:** The Issuer has obligation that it will, as and when the Bonds or any of them become due to be redeemed or any principal on the Bonds or any of them becomes due to be repaid unconditionally pay or procure to be paid to or to the order of the Trustee in Bangladesh Taka in Dhaka in accordance with the terms and conditions of the Bond in immediately available freely transferable funds the principal amount of the Bonds or any of them becoming due for redemption or repayment on that date and shall (subject to the terms and conditions of the Bond) until all such payments (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee on the relevant dates provided for in the terms and conditions interest on the principal amount of the Bonds or any of them outstanding from time to time as set out in the Conditions provided that:
- a) every payment of principal or interest in respect of the Bonds or any of them made to or to the account of the Paying Agent in the manner provided in the Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in this Clause except to the extent that there is default in the subsequent payment thereof to the Bondholders in accordance with the Conditions;
 - b) if any payment of principal or interest in respect of the Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders or, if earlier, the seventh day after notice has been given to the Bondholders in accordance with the Conditions that the full amount has been received by the Paying Agent or the Trustee except, in the case of payment to the Paying Agent, to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions; and
 - c) in any case where payment of the whole or any part of the principal amount due in respect of any Bond is improperly withheld or refused upon due presentation of a Bond Certificate, interest shall accrue at applicable interest rate for the Bond on the whole or such part of such principal amount from the date of such withholding or refusal until the date either on which such principal amount due is paid to the Bondholders or, if earlier, the seventh day after which notice is given to the Bondholders in accordance with the terms and conditions that the full amount payable in respect of the said principal amount is available for collection by the Bondholders provided that on further due presentation thereof such payment is in fact made.



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Company Secretary
Dutch-Bangla Bank Limited



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Deputy Managing Director & CFO
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Head Office, Dhaka.



10/09/23
Abul Kashem Md. Shirin
Managing Director & CEO
Dutch-Bangla Bank Limited



10/9/23
Brig Gen Shafique Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

- (iii) **Observe instruction of the Trustee:** At any time after any Event of Default shall have occurred, the Issuer shall comply with the instruction of the Trustee subject to provision of the terms and conditions of the Bond.
- (iv) **Observe Bond Documents:** The Issuer shall have obligation to comply with, perform and observe all those provisions of this Trust Deed, the Agency Agreement, the terms and conditions of the Bond which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in this Trust Deed, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively.
- (v) **Observe Applicable Law:** The Issuer shall have obligation to comply with, perform and observe all those provisions of the applicable law including but is not limited to The Bangladesh Securities and Exchange Commission (Private Placement of Debt Securities) Rules 2021. The Issuer agrees that Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the applicable law and will be deemed to have notice of all of the provisions of the applicable law applicable to them.
- (vi) **Books of Account:** The Issuer shall at all times keep and procure that all its Subsidiaries keep such books of account as may be necessary to comply with all applicable laws and so as to enable the financial statements of the Issuer to be prepared and allow, subject to confidentiality obligations under applicable law, the Trustee and any person appointed by it free access to the same at all reasonable times and to discuss the same with responsible officers of the Issuer;
- (vii) **Notice of Event of Default:** The Issuer shall give notice in writing to the Trustee forthwith upon becoming aware of any Event of Default and without waiting for the Trustee to take any further action;
- (viii) **Corporate Governance:** The Issuer shall ensure that it and each member of its Group comply in all material respects with the corporate governance guidelines set out by the Bangladesh Bank and the Securities and Exchange Commission.
- (ix) **Information:** So far as permitted by applicable law, the Issuer shall at all times give to the Trustee such information, opinions, certificates and other evidence as it shall require and in such form as it shall require in relation to Issuer for the performance of its obligations under the Bond Documents;
- (x) **Execution of further Documents:** So far as permitted by applicable law, the Issuer shall at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to the provisions of this Trust Deed;
- (xi) **Notices to Bondholders:** The Issuer shall send or procure to be sent to the Trustee not less than 5 (five) business days prior to the date of publication, one copy of each notice to be given to the Bondholders in accordance with the Conditions and, upon publication, send to the Trustee two copies of such notice;



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- (xii) **Notification of non-payment:** The Issuer shall notify the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Bonds or any of them, pay unconditionally the full amount in the relevant currency of the moneys payable on such due date on all such Bonds;
- (xiii) **Notification of late payment:** In the event of the unconditional payment to the Trustee of any sum due in respect of the Bonds or any of them being made after the due date for payment thereof, forthwith give notice to the Bondholders that such payment has been made;
- (xiv) **Notification of redemption or repayment:** The Issuer shall within 14 (Fourteen) days prior to the Redemption Dates or purchase in respect of any Bond, give to the Trustee notice in writing of the amount of such redemption or purchase pursuant to the Conditions and duly proceed to redeem or purchase such Bonds accordingly;
- (xv) **Obligation of Agents:** The Issuer shall Observe and ensure agents comply with its obligations under the Agency Agreement; maintain the Register; and notify the Trustee immediately it becomes aware of any material breach of such obligations, or failure by any Agent to comply with such obligations, in relation to the Bonds;
- (xvi) **Authorized Signatories:** The Issuer shall upon the execution hereof and thereafter forthwith upon any change of the same, deliver to the Trustee a list of the Authorized Signatories of the Issuer, together with certified specimen signatures of the same; and
- (xvii) **Payments:** The Issuer shall Pay moneys payable by it to the Trustee hereunder without set off, counterclaim, deduction or withholding, unless otherwise compelled by law and in the event of any deduction or withholding compelled by law will pay such additional amount as will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder.
- (xviii) **Audited Financials and Annual General Meeting:** The Issuer shall complete audit of its financial statements and hold its annual general meeting within such period as may be specific by the BSEC. If no such period is prescribed, Issuer shall complete audit of its financial statements and hold its general meeting in accordance with law of its jurisdiction of incorporation. The Issuer shall submit copy of its audited financial statements along with its annual report and the minutes of its annual general meeting with the BSEC with a copy to the Bondholders within 14 days (or such other period agreed by BSEC) of the completion of audit or, as the case may be, holding of the annual general meeting.


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10. RIGHTS & OBLIGATIONS OF THE TRUSTEE

Rights of the Trustee of Non Convertible Floating Rate Subordinated Bond are, inter alia:

- (i) **Trustee's determination:** The Trustee may determine whether or not a default in the performance or observance by the Issuer of any Obligation under the provisions of the Trust Deed or contained in the Bonds is capable of remedy and if the Trustee shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer and the Bondholders.
- (ii) **Determination of questions:** The Trustee as between itself and the Bondholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of the Trust Deed and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Bondholders.
- (iii) **Trustee's discretion:** The Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by the Trust Deed or by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or no exercise thereof (save as otherwise provided by applicable law) but whenever the Trustee is under the provisions of the Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing.
- (iv) **Trustee's consent:** Any consent given by the Trustee for the purposes of the Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require.
- (v) **Conversion of currency:** Where it is necessary or desirable for any purpose in connection with the Trust Deed to convert any sum from one currency to another it shall (unless otherwise provided by the Trust Deed or required by law) be converted at such rate or rates available to the Trustee on the relevant date, in accordance with such method and as at such date for the determination of such rate of exchange, as may be specified by the Trustee in its absolute discretion as relevant and any rate, method and date so specified shall be binding on the Issuer and the Bondholders.
- (vi) **Application of proceeds:** The Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds or the delivery of any Bond Certificate to the persons entitled to it.
- (vii) **Error of judgment:** The Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters.



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- (viii) **Agents:** The Trustee may, in the conduct of the trusts of the Trust Deed instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money) and the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person provided that the Trustee had exercised reasonable care in the appointment of such person.
- (ix) **Delegation:** The Trustee may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by the Trust Deed and having exercised reasonable care in so doing, act by responsible officers or a responsible officer for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons (whether being a joint trustee of the Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in it by the Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Bondholders and the Trustee shall not be bound to supervise the proceedings or acts of and shall not in any way or to any extent be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of such delegate or sub-delegate provided that the Trustee had exercised reasonable care in the appointment of such delegate.
- (x) **Custodians and nominees:** The Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Trustee may determine, including for the purpose of depositing with a custodian the Trust Deed or any document relating to the trust created hereunder and the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person provided that the Trustee had exercised reasonable care in the appointment of such person; the Trustee is not Obligated to appoint a custodian if the Trustee invests in securities payable to bearer.
- (xi) **Confidential information:** The Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder confidential information or other information made available to the Trustee by the Issuer in connection with the Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information.


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Obligations of the Trustee of Non Convertible Floating Rate Subordinated Bond are, inter alia:

- to hold the benefit of the covenants made by the Issuer in the Trust Deed and the Conditions on trust for the Bondholders;
- to open such accounts as the Trustee deems necessary for discharging the functions of Trustee;
- to keep the money and assets representing the Trust Assets (including enforcement proceeds) and to deposit and withdraw such moneys and assets as may be required from time to time and in accordance with the terms of the Trust Deed;
- to undertake all such actions for the recoveries of any outstanding payments in accordance with the provisions of the Trust Deed and to execute all such documents, deeds and papers and to do all acts in relation thereto;
- to manage and administer the Bonds in accordance with the terms of the Trust Deed and to execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith;
- to convene any meeting of the Bond holders in accordance with the provisions of the Trust Deed and the Conditions, and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of the Trust Deed;
- to implement, give effect to and facilitate the Conditions and such other documents, deeds and agreements in contemplation thereof or in connection therewith;
- upon receipt of the instructions of such requisite majority of the Bond holders in accordance with the terms of the Trust Deed, to sell or otherwise dispose of the Trust Assets and close any bank accounts that may have been opened in pursuance of the Trust Deed after the distribution of amounts standing to their credit; and
- to do all such other acts, deeds and things as may be necessary and incidental to the above provisions unless such acts require the prior consent of the Bondholders in accordance with the terms of the Trust Deed.


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11. RIGHTS & OBLIGATIONS OF THE ARRANGER

The Issuer has appointed Prime Bank Investment Limited acting as the Arranger of the proposed Bonds.

Rights and Obligations of the Arranger of the Non-Convertible Floating Rate Subordinated Bond include:

- a. Due diligence of the issue prior to submission of the proposed bonds to external parties;
- b. Coordinate and provide integral support for preparation of Information Memorandum and appointment of relevant parties;
- c. Ensure proper documentation completion and compliance with regulatory requirements, prior to submission to regulators;
- d. Engage with regulators and Issuer for approval of the bonds;
- e. Support due diligence of prospective investors for investing in the bonds;
- f. Complete documentation of the bonds prior to subscription of the bonds; and
- g. Monitor compliance with conditions precedent prior to issuance of the bonds.



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12. RIGHTS & OBLIGATIONS OF THE ELIGIBLE INVESTORS

Rights and Obligations of the eligible Investors of Non Convertible Floating Rate Subordinated Bond are, inter alia:

- (i) **Ownership of the Bond:** Each of the Issuer, the Trustee and any Agent may deem and treat the registered holder of a Bond as the absolute owner of such Bond, free of any equity, set-off or counter claim on the part of the Issuer against the original or any intermediate Holder of such Bond (whether or not the Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon or any notice of previous loss or theft of the Bond Certificate issued in respect of that Bond) for all purposes and, except as ordered by a court of competent jurisdiction or as required by applicable law, the Issuer, the Trustee and the Agents shall not be affected by any notice to the contrary.
- (ii) **Right to receive payment:** Subject to terms and conditions of the Bond, each Bondholder shall have a right to receive payment of principal amount of the Bond on the redemption date and interest amount of the Bond on each Interest Payment Date.
- (iii) **Transfer of Bonds:** Subject to terms and conditions of the Bond Documents each Bondholder shall have the right to transfer the Bonds freely.
- (iv) **Basic Rights:** Basic rights of the Bondholders/ Investors include but are not limited to: (i) secure methods of ownership registration; (ii) obtain relevant information on the company on a timely and regular basis; (iii) participate and vote in bondholders meetings.
- (v) **Rights Subordinated:** The rights of the holders of Bonds against the Issuer (including for principal and interest) are subordinated and junior in right of payment to its Obligations (a) to its depositors, (b) under bankers' acceptances and letters of credit issued by the Issuer, (c) to Senior Creditors (including the Bangladesh Bank and the Deposit Insurance Trust Fund). In the event of any insolvency, receivership, conservatorship, reorganization, readjustment of debt or similar proceedings or any liquidation or winding up of or relating to the Issuer, whether voluntary or involuntary, all such Obligations of the Issuer shall be entitled to be paid in full before any payment shall be made to the Bondholders in respect of the Bonds. In the event of any such proceedings, after payment in full of all sums owing on such prior Obligations, the Bondholders and any other payment required to be made to a creditor in respect of indebtedness which ranks or is expressed to rank pari passu with the Bonds, shall be entitled to be paid from the remaining assets of the Issuer, the unpaid principal thereof and any unpaid premium, if any, and interest before any payment or other distribution, whether in cash, property or otherwise, shall be made on account of any capital stock or any Obligations of the Issuer ranking junior to the Bonds.



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13. DESCRIPTION OF THE ISSUER: DUTCH-BANGLA BANK LIMITED

Dutch-Bangla Bank Limited, (hereinafter named as DBBL or The Bank) a fast-growing second generation scheduled commercial bank, was incorporated on July 23, 1995 as a public limited company under the Companies Act 1994 with the vision of better Bangladesh, where arts and letters, sports and athletics, music and entertainment, science and education, health and hygiene, clean and pollution free environment and above all a society based on morality and ethics make all our lives worth living. The DBBL is a scheduled commercial bank set up as a joint venture between Bangladesh and The Netherlands. The Bank went for public issues of its shares in 2001 and its shares are listed with Dhaka Stock Exchange and Chittagong Stock Exchange as a publicly quoted company. The bank obtained the permission for conducting the Mobile Financial Services (MFS) from Bangladesh Bank on 28 April 2010. The bank started the operation of Mobile Financial Services (MFS) on 31 March 2011. The Bank obtained the permission for conducting the Agent Banking services from Bangladesh Bank on 27 July 2014. The Bank started operation of Agent Banking Services on 19 January 2015. The Off-shore Banking Unit (OBU) of the bank is the separate business entity governed by the applicable rules & regulations and guidelines of Bangladesh Bank. The bank obtained permission for conducting the operations of OBU from Bangladesh Bank on 23 February 2010 and runs its business through 2 OBUs at Centralized Processing Centre (CPC), Head Office, Dhaka and Dhaka EPZ Branch, Dhaka. The online core banking software, Flexcube has been running since 2004. DBBL was the first bank in the country to introduce online Banking services with all delivery channels.

The Bank provides all kinds of commercial banking products and services to the customers through its wide network of branches, ATMs, POS, Fast Tracks, internet banking, Mobile Financial Services (MFS), agent banking and delivery channels backed by a robust and sound IT infrastructure. DBBL's supremacy in the market is manifested in its strongest retail deposit network powered by state-of-the-art IT platform having the largest ATM network of the country. With the opening of 18 branches DBBL's total branches stood at 238 in December 2022 and 104 sub-branches compared to 76 of the previous year.

DBBL installed 17 ATMs in 2022 to reach 4,934 ATMs at the end of December 2022 and 54 new Fast Tracks inaugurated in 2022 to reach 1,396 Fast Tracks at the end of December 2022. On the other hand, the bank now has almost 6,065 Agent Banking outlets, to support the growing customer base with ease of banking services. DBBL proved to be a strong and reliable partner under the 'Trade Finance Program' (TFP) sponsored by the Asian Development Bank and was awarded the prestigious recognition as the leading partner bank in Bangladesh on 3 September 2019. It may be mentioned that DBBL has received this recognition from ADB for five consecutive years. DBBL was also awarded "Excellence in MasterCard Online Acquiring Business 2020-21" and "Excellence in MasterCard POS Acquiring Business 2020-21" by Mastercard. As on 31 December 2022 the bank's authorized and paid up capital stood at BDT 15,000.00 million and BDT 6,957.50 million respectively. However, DBBL views Corporate Social Responsibilities (CSR) as an integral part of its effort in conducting business in a socially responsible manner. Ms. Sadia Rayen Ahmed is the Chairman of the Board while Mr. Abul Kashem Md. Shirin is leading the management team as Managing Director & CEO. The Head Office of the Bank is located at 47, Motijheel Commercial Area, Dhaka-1000, Bangladesh.




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10/09/23
Abul Kashem Md. Shirin
Managing Director & CEO
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10/9/23
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Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

A. CAPITAL STRUCTURE

- **Authorized Capital:** BDT 15,000,000,000 (as at 31 December 2022)
- **Paid-up Capital:** BDT 6,957,500,000 (as at 31 December 2022)

Shareholding Structure

Sl.	Categories	31 Dec 2022		31 Dec 2021	
		Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)
1.	Sponsors & Directors (Local and Foreign)	605,243,841	86.99%	537,571,676	84.99%
2.	General Public	90,506,159	13.01%	94,928,324	15.01%
Total		695,750,000	100.0%	632,500,000	100.0%

Particulars		As at 31 Dec 2022	
		Amount in BDT	% of Total Assets
Liabilities			
Borrowings from other banks, financial institutions and agents		28,283,480,657	5.09%
Deposits and other Accounts		438,131,315,688	78.88%
Other Liabilities		37,420,082,873	6.74%
Subordinated Bond		10,000,000,000	1.80%
Total Liabilities		513,834,879,218	92.50%
Capital/Shareholders' Equity			
Paid up capital		6,957,500,000	1.25%
Share premium		11,067,500	0.00%
Statutory reserve		9,193,048,174	1.65%
Other reserve		0	0.00%
Dividend equalization account		1,766,827,195	0.32%
Asset revaluation reserve		850,413,777	0.15%
Revaluation reserve of HTM securities		355,330,921	0.06%
Retained earnings		22,504,567,661	4.05%
Total Shareholders' Equity		41,638,755,228	7.50%
Total Liabilities & Shareholders' Equity		555,473,634,446	100.00%

Total Regulatory Capital of DBBL as at 31 December 2022

Particulars	Amount in BDT
Total Assets (excluding off-balance sheet assets)	555,473,634,446
Total Risk weighted assets (RWA)	330,120,945,286
Total Common Equity Tier 1 (CET1) capital	37,388,818,255
Total Additional Tier-I Capital	-
Total Admissible Tier 1 Capital	37,388,818,255
Total Admissible Tier 2 Capital	13,961,386,846
Total Eligible Regulatory Capital (Tier 1 and 2)	51,350,205,101
Capital to Risk Weighted Assets Ratio (CRAR)	15.55%


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B. BUSINESS OF DUTCH-BANGLA BANK LIMITED (DBBL)

Dutch-Bangla Bank Limited (DBBL) is a Banking Company registered under the Companies Act, 1994 of Bangladesh with its Head Office at 47, Motijheel C/A, Dhaka 1000, Bangladesh.

The principal business/ activities of DBBL are to provide all kinds of commercial banking products and services to the customers including project finance, working capital finance and trade finance for corporate customers, SME loans to small traders & businesses; and house building loan, car loan and wide range of life style and need based loans for retail customers. There are various deposit products particularly suitable for retail and institutional customers. DBBL's state-of-the-art IT platform and online banking system provide the largest ATM network, Fast Track and POS services of the country through which customers are getting any-branch and anytime banking for 24 hours a day and 365 days a year. IT network also provides SMS banking, alert banking and internet banking services. Debit cards of MasterCard International and DBBL's propriety cards are in operation. International cards (VISA & MasterCard) of different local & international banks are accepted at DBBL's ATMs for withdrawal of money and at POS terminals for payments of shopping, hotel and dining bills etc. DBBL earlier introduced EMV supported chip based MasterCard and VISA Credit Cards for the first time in Bangladesh. Thereafter, EMV Nexus Debit Cards were introduced in 2015. The EMV feature shields DBBL customers from any kind of frauds as per the guidelines provided by MasterCard, VISA and Bangladesh Bank. Bank has taken an initiative to bring all internet banking facilities in one apps/ card namely "NEXUS PAY". NEXUS PAY will be a unique services & milestone in the country providing internet banking service to the customers.


In addition, mobile banking services were introduced in 2011, was further strengthened in 2017 by DBBL which was first of its kind in the country to provide banking services to mainly those people who are living in rural areas of the country and mostly deprived of conventional banking services. The mobile banking services were rebranded in 2016 with 'Rocket' logo for more visibility and customer-centric. The mobile banking services are now spread all over Bangladesh. DBBL also introduced Biometric Agent Banking services in 2015. This is deposit based service and extended hands of DBBL branches. The objective is to bring rural small banking customers under the banking umbrella.

As part of its strategic plan, DBBL continued to invest heavily to improve and expand IT network, ATM services, and Fast Track and card services, mobile banking and agent banking services along with branch network, business promotion and activities related to Social Cause. DBBL's strategic objective is to have a clear competitive advantage over its competitors to provide the full range of banking services via multiple delivery channels through state-of-the-art-technology at the lowest cost. DBBL awarded "Excellence in MasterCard Online Acquiring Business 2020-21" and "Excellence in MasterCard POS Acquiring Business 2020-21" by Mastercard.

DBBL's networks have expanded through different and innovative mode of delivery channels that includes 4,934 ATM units through 1,396 Fast Track, 189 ATM Booths and 7 Electronic Student Booths (ESB), a new idea of extended services for the convenience of the clients and 238 full-fledged branches & 104 Sub-branches all over the country.



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I. Corporate Banking

Dutch-Bangla Bank offers a wide range of corporate banking services. It includes:

- a. **Project Finance:** The Bank encourages accepting purpose/ project specific development funds on competitive terms towards economic up liftment and well being of the people/ country by way of setting up a new stand alone, capital intensive project or for BMRE of an existing project.
- b. **Working Capital Finance:** The bank considers lending short – term working capital finance to entities engaged in manufacturing, assembling, processing, re-packaging of goods and commodities for domestic consumption or export market. However, unsecured loans (not collateralized) for working capital without justification or purpose is not considered.
- c. **Syndications & Structured finance:** The Bank, on case to case basis, arranges loan syndications or approves disclosed participations in syndications provided such transactions meet the parameters separately established. The bank will at all times maintain at the minimum a pari-passu status to other banks in all lending relationships. Second mortgages or lower are not be accepted as primary collateral.
- d. **Trade Finance:** Dutch-Bangla Bank prefers Trade Financing in the form of short-term (up to 12 months), self-liquidating or cash flow supported well collateralized trade transactions Work Order finance The Bank will consider financing construction contractors (work order finance). However all such transactions must meet the guidelines. Bank asks for assignment of bills receivables with concurrent authority to collect bills issued favoring Dutch-Bangla Bank.
- e. **Equity finance:** Dutch-Bangla Bank joins in hands in building partnership with entrepreneurs of high credit standing and excellent track record within the purview of regulatory restrictions. However, lending for the purpose of supplying equity in a business is not allowed nor venture capital financing.
- f. **Social and Environmental Infrastructure finance:** The Bank receives credit lines, from time to time, from home & abroad, to finance eco-efficient and sustainable projects aimed at improving environment and generating social benefits.
- g. **Custom electronic-banking projects:** If the client realizes that they need a specific banking solution and/or services to meet their needs, Dutch-Bangla Bank will create it and provide it. Projects are done on a per client basis designed specifically to meet the needs of clients. Currently large companies and Multi-nationals use these services extensively but it is not limited to them only.



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II. Retail Banking, School Banking, VIP Banking & SME Finance

➤ Retail Banking

DBBL offers a variety of Retail Lending products to meet the demands of its targeted customers. This wide range of products includes Personal Loan, Car loan, Home Loan, Secured Loan & Secured Overdraft etc. These products are designed to offer maximum flexibility & convenience for the customers keeping the pricing very competitive.

- i. Presently a good number of Banks & Non Banking Financial Institutions are offering Retail Lending products due to the retail market expansion and profitability. DBBL, one of the largest Retail Banks in the country in terms of total number of Individual customers and distribution network, has enormous potential to grow in Retail Lending side.

Year-wise DBBL Retail Loan portfolio growth and market share vis-a-vis Industry:

In Million BDT

Particulars	2022	2021	2020	2019	2018
Industry Outstanding	1,064,000	862,000	665,000	686,000	607,000
Y-o-Y Growth (%)	23.43%	29.62%	-3.06%	13.01%	9.04%
DBBL Outstanding	64,984	46,220	27,874	24,928	18,214
Y-o-Y Growth (%)	40.60%	65.82%	11.82%	36.86%	55.52%
DBBL Market Share (%)	6.11%	5.36%	4.19%	3.63%	3.00%

Product-wise DBBL Retail Loan position from 2018 to June'2022

In Million BDT

Particulars	2022	2021	2020	2019	2018
Personal Loan	38,618	26,344	13,132	11,965	8,823
Home Loan	20,706	14,764	10,520	8,580	6,045
Car Loan	361	315	262	229	201
Secured Loan	303	140	43	41	41
SOD	938	1,223	1,294	1,621	1,214
Credit Card	4,058	3,433	2,623	2,492	1,890
Grand Total	64,984	46,220	27,874	24,928	18,214

Retail Business Division was restructured and new business channels were introduced to reach larger number of retail customers & increase the business growth gradually in addition to existing Branches and other outlets.


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DBBL introduced Retail Lending Products in September 2007. The product features were revised simultaneously over the years to make it more attractive to the customers.

The features & purpose of the Retail Lending products can be defined as under:

i. **DBBL Home Loan:**

- To buy new or old house/ apartment
- To construct/ extent house/ apartment
- To renovate/alter existing house/ apartment
- Taking over of the existing housing loan from other bank/ Financial Institution
- Refinance of an own availed house/ apartment (date of purpose/ handover/ completion of construction will be no later than 1 year)

ii. **DBBL Personal Loan:**

- Medical
- Education
- Marriage
- Travel
- Festival
- Purpose of tools for professionals and setting up office premise
- Purchase of Consumer Durable & Lifestyle products
- Any other valid purpose

iii. **DBBL Car Loan:**

- Purchase of new and reconditioned vehicles for personal use only
- Refinance of an own availed car (Date of purchase no later than 1 year)

➤ **DBBL School Banking**

Dutch-Bangla Bank launched the "DBBL School Savers Account" in 2011 with the objective to implant the habit of contemporary banking practice from an early age into the students and to popularize the usage of ATM and technology.

"DBBL School Savers Account", a program designed to balance convenience for parents and their children with financial responsibility. This account enables students to manage their online account on their own schedule with convenient 24/7 access to their funds through ATM and internet. "DBBL School Savers Account" may be one of the best ways to encourage the savings aptitude of the school going students and to help a student learn how to budget, account for and manage their own fund for higher education.



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Key Features & Benefits of Account

Bangladeshi student aged below 18 (eighteen) years can open the account

- i. Interest bearing savings account
- ii. Opening deposit as minimum as BDT 100/- only
- iii. Free DBBL Nexus Debit/ATM Card
- iv. No renewal fee for DBBL Nexus Debit/ATM Card
- v. No yearly account maintenance/service fee
- vi. Free SMS alert service
- vii. 24 hour cash withdrawal facility by using the largest ATM network
- viii. e-Commerce facility for payment of tuition fees, purchasing of books, stationeries etc.
- ix. Cash-free purchase/shopping through large POS network
- x. In addition to wide range of branch network, convenient deposit facility through Cash Deposit Machine at Fast Tracks across the country
- xi. This account will be jointly operated by the student with parents or guardian

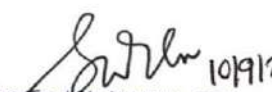
As a part of the financial inclusion endeavor in 2020, DBBL conducted Financial Literacy Campaign in 200 educational institutions across the country through its branch network, to boost up and create awareness of School Banking Products among the students, guardians and educational institutions. The bank postponed its Financial Literacy Campaign as lead bank in Bandarban district due to COVID-19 pandemic as per directives of Bangladesh Bank. As on 31 December 2022 DBBL has 606,605 numbers of School Banking Accounts including the scheme A/C.

➤ DBBL VIP Banking

Dutch-Bangla Bank believes in its uncompromising commitment to fulfill its customer needs and satisfaction and to become their first choice in banking. In order to serve better and to ensure segment wise customer services, the bank has taken initiatives to introduce **"VIP Banking"** for the existing and new high net worth customers, recognizing their contribution to the bank.

The bank commenced VIP banking operation in 2017 and VIP banking department experienced a significant business growth. At the ended of 31 December 2022 deposit portfolio of BDT 45,055.6million and 12,844VIP customers. Year to year performance of the VIP banking as under:


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Year	2022	2021	2020	2019	2018
No. of Customers	12,844	9,650	7,112	4,742	2,824
VIP Banking Deposit (in Million BDT)	45,055.6	37,957	28,942	21,608	14,354

The bank witnessed a growth of the VIP banking deposit grew by 18.70% from 2021 to December 2022. This is a reflection of customer satisfaction with VIP banking service of DBBL.

At present the bank serves its VIP banking customers through 10 exclusive VIP Lounges located in some of the prime locations of the country. Apart from the VIP Lounges, VIP customers are also served from the Branch Managers chambers in locations without lounges.

Dutch-Bangla Bank VIP Banking offers a thoughtful bouquet of exclusive services, benefits and banking solutions to the bank's prime customers. VIP customers are entitled to special facilities and privileged services through dedicated Relationship Managers and Branch Managers. Among the mentionable facilities VIP customers can enjoy 'Airport Meet & Greet' services along with access to VIP lounge at Hazrat Shahjalal International Airport at Dhaka.

➤ Small and Medium Enterprises (SME) Financing

Small and Medium Enterprises (SME) is one of the most promising segment of the business arena of this country. Consisting Cottage, Micro, Small and Medium Enterprises (CMSMEs), it is considered to be one of the most pivotal instrument to generate new employment, eliminate poverty and ensure positive impact on growth of the economy.

Keeping that in mind, to cater the financial needs of this sector, DBBL is offering several products focused on CMSME Sector. Key Features of DBBL SME Products:

- Simplified application process;
- Attractive rate of interest;
- Faster approval and disbursement;
- Flexible repayment terms;
- Financing up to Tk.750.00 million;
- Partial and full prepayment options;
- Easy and flexible collateral arrangement;
- No processing fee; and
- Simple Documentation and faster processing.


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SME products which are currently offered by DBBL

- i. **DBBL SME TERM LOAN- "Somridhi"**
 - For Expansion of existing business, procurement of machinery, other fixed assets, seasonal requirement etc.;
 - A Term Loan Financing available up to Tk.750.00 Million; and
 - Easy documentation and faster processing.
- ii. **DBBL SME PROPERTY LOAN- "Janala"**
 - Term Loan for property development;
 - Financing Up to Tk.20.00 Million;
 - Fulfilling the requirement of the landlord segment;
 - Maximum tenor up to 10 years;
 - Lowest rate offering in the market; and
 - No hidden charges.
- iii. **DBBL UDPADON**
 - Available for CMSMEs location outside Dhaka and Chittagong Metropolitan area;
 - For Expansion of existing business, procurement of machinery, other fixed assets, seasonal requirement and any valid business requirement;
 - A Term Loan Financing available up to Tk.30.00 Million;
 - Easy documentation and faster processing; and
 - Lucrative interest rate with no hidden charges.
- iv. **DBBL CASH CREDIT- "Len-Den"**
 - A Cash Credit facility to complete the requirement of Working Capital;
 - Financing available up to Tk.750.00 Million;
 - Offered to various business entities under CMSME; and
 - Easy documentation and faster processing.
- v. **DBBL FESTIVAL LOAN- "Utshab"**
 - To meet up seasonal working capital requirement;
 - Financing up to Tk.20.00 Million;
 - Bullet payment facility;
 - Easy documentation & faster processing; and
 - No hidden charges.



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vi. **DBBL UNNOYAN**

- Available for CMSMEs location outside Dhaka and Chittagong Metropolitan area;
- A Cash Credit facility to complete the requirement of Working Capital;
- Financing available up to Tk.30.00 Million;
- Easy documentation and faster processing; and
- Lucrative interest rate with no hidden charges.

vii. **DBBL WOMEN ENTREPRENEURS TERM LOAN- "Uthsaho"**

- One of the exclusive packages that fulfills the need of Women Entrepreneurs;
- Term Loan Financing up to Tk.5.00 Million;
- Easy documentation & faster processing; and
- Lucrative interest rate with no hidden charges.

viii. **DBBL DISTRIBUTOR FINANCING- "Proshar"**

- Exclusively designed for Distributor Financing;
- Working Capital Financing;
- Financing up to Tk.20.00 Million;
- Interest rate quarterly rest; and
- No Processing fees or hidden charges.

ix. **DBBL WOMEN ENTREPRENEURS CASH CREDIT- "Shofolota"**

- One of the exclusive packages that fulfills the need of Women Entrepreneurs;
- A Cash Credit Financing up to Tk.5.00 Million;
- Easy documentation & faster processing; and
- Lucrative interest rate with no hidden charges.

x. **DBBL PRANTIK**

- A specialized lending facility for marginal landless people;
- Simple processing with minimum requirements;
- Minimum documentation; and
- Maximum facility up to Taka 50,000.


xi. **DBBL START-UP FUND- "Anqur"**

- A specialized lending facility for new and innovative project;
- Age of the customer within 21 to 45 years.
- Financing up to Tk.10.00 Million;
- Repayment through equated quarterly/ half yearly installment;
- Repayment tenor maximum 60 months.


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Banking Automation

Dutch-Bangla Bank has become the gold standard of automation in the Banking industry of the country. If anyone is told to name a highly technological bank, almost 9 out of 10 persons will name Dutch-Bangla Bank. With innovative and customer centric product & services in its 27 years of operation, DBBL has successfully marked its place in the heart of the teeming millions. Starting from the largest ATM network in the country to the latest revolutionary mobile app NexusPay, each & every step of the Bank contributes towards convenience of Banking to the honorable and valued customers. It may be recalled that DBBL has been the pioneer & trendsetter in many services in the country. To name a few of the services which have been introduced for the first time in the country, are, Truly online any branch banking with all delivery channels, Internet Banking, Debit Card, SMS & Alert Banking, e-Commerce gateway, EMV chip card, Fast Track, Mobile Financial Services (MFS)- Rocket, 2 Factor Authentication (2FA), Tier-4 data center etc.

In the past year, in addition to new product, services & apps, one of the main focuses was IT security. The Bank has taken some short term & long terms initiatives to protect the interest of the honorable customers of the Bank. With the increase in electronic frauds alarmingly, it has become Bank's prime responsibility to protect its customers from any such fraudulent activities. The Bank has been very conscious about Anti-money laundering activities too. This is only because of the visionary measures supported by the Board of Directors of the Bank which has not only protected the honorable customers from such illegal activities but also made the Bank very compliant. Since its inception in 1996, the Bank has always strived towards making safe transactions. However, initially the threats were limited; the Bank's exposure to the outside world was also limited. With the expansion of the Bank's support & services, the Bank's IT devices have been more exposed to the outside world. The Bank has to keep eye not only on its own IT setup but also look after the way others communicate to the Bank. Considering these, the Bank management has formed a separate dedicated division named "IT Security Division" to look after the overall IT security of the Bank. The division has already started its operation.

Dutch-Bangla Bank Limited achieved prestigious PCI DSS Certification in 2022 from a leading Qualified Security Assessor, NCC Group, UK by complying all the requirements of PCI DSS. This achievement of the bank will ensure more secure and reliable services for its valued customers.

The Bank has continued to provide new, trail-blazing services to its customers. As a continuation to this, the Bank has launched a magnificent mobile app namely "NexusPay". It is a remarkable mobile app, first of its kind in Bangladesh, has not only eased the card transactions but also made it safest than ever. With this application, the honorable customers are able to attach all his cards and accounts whether be it a debit or credit card or an agent banking card or a rocket account. For each of the added cards, NexusPay assigns a virtual card number which is used while doing transaction. So, the actual card number is never exposed and the card is fool-proof. While performing any transactions, such as, mobile top-up, e-commerce transactions, POS transactions and funds transfer any of the cards or account can be selected as a source of fund. Now, customers are not required to carry his/her card physically.



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Recent Initiatives

❖ Near Live Data Center (NDC)

As a measure to protect valued customers' data and ensure availability of the system, Dutch-Bangla Bank has established a Near Live Data Center (NDC) at the outskirts of Dhaka city. The site is fully equipped with all the related hardware & software to run independently in case of failure of the Data center. DBBL has achieved country's 1st Rated-4 (a.k.a Tier-4) Certification for the Dumni Data Center-2 in October, 2018 for (i) Architecture, (ii) Mechanical, (iii) Electrical and (iv) Telecom. The certificate issuing authority mentioned that the data center facility under scope was physically inspected for conformity to the design criteria of the ANSI/TIA-942 standard for respective Rating level. This physical inspection covered both an assessment of all related design documents as well as a physical onsite inspection for each area under the scope of the ANSI/TIA-942 standard.

All the infrastructure equipment have been commissioned and running like Generator, UPS, Precision air-conditioning. We have started to implement bank's different services at DC-2.

This will improve the system down time which might occur in the DC due to unavoidable circumstances like failure in cooling system, power system (ATS, Generator, UPS, MDB) or at any DC non-redundant component.

❖ Up gradation of Online Sanction Screening Application to combat Anti-Money Laundering (AML) & Combating Terrorist Financing (CTF)

The Bank has introduced the online sanction screening application "Acuity Compliance Link" few years back. With this, the new customers & existing customers of the Bank are screened against the sanction lists time to time updated by various national & international organizations such as UN (United Nations), UN SC (United Nations Security Council), OFAC (Organization of Foreign Assets Control, USA), Bank of England and Her Majesty's list etc. The application also screens against PEPs (Politically Exposed Persons) data. Last year the application has been upgraded to its latest version thereby accessing to the latest features & data of the application. Thus the Bank has become more compliant and transactions are safer with this Bank.

❖ Queue Management System in Branches

The Bank has implemented Queue Management System (QMS) in all its branches to diverse queuing problems faced in branches. The QMS is capable of categorizing the services/ customers and manage it accordingly using token dispenser, Queue Pro Software and display units. The real-time statistics is monitored continuously to ensure quality service to the valued customers. Using statistical analysis the QMS made it easier for customers to direct themselves to the available counters. It has optimized productivity of branch officials by being able to identify the customer's needs as soon as they walk into the branch using the Queue Management System. The QMS has a centralized MIS system that can provide important statistical details about the waiting time of customers, processing time for transactions/ services, number of customers in a period, processing time taken by particular counter and other efficiency reports.



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❖ Core Banking Software

Like many other banking services, DBBL is the first Bank in the country to introduce truly online Banking services with all delivery channels. The truly online core banking software, Flexcube has been running since 2004. Meantime, the number of customers, accounts, ATMs, Point of Sales (POS) terminals, cards etc. has increased exponentially. To ensure better customer service, the Bank has upgraded its core banking software from its earlier version to Flexcube Universal Banking Solution (UBS) in 2012. DBBL has taken initiative for upgrading its Core Banking Software, FC UBS to version 14.x. After that the Bank has gone through some major customization too based on business needs. With these up gradations, it has been possible to provide round the clock customer service. It has the following key features:

Any Branch Banking: All the 238 branches and 104 Sub-branches are connected online with the centralized server located at the data center. After introducing the real-time online core banking software, all the new branches are opened with the online connectivity from day-1.

Online ATM/ POS service: Like the branches, all ATMs (Automated Teller Machine) & POSs (Point of Sales) are connected to the central server at the data center allowing the valued clients of the bank as well card holders of other banks to meet their financial needs. DBBL started its ATM/ POS service back in 2004 and became the leader soon. All transactions are free of cost in ATM and POS terminals for DBBL's own customers.

Internet Banking Services: This allows a customer to access his/her account from home or office by virtue of internet connectivity. The Bank has been one of the pioneers in introducing Internet Banking in the country back in 2004. This service is also offered free of charges.

Recently, the Bank has introduced interbank Funds Transfers in Internet Banking using BEFTN & NPSB channel of Bangladesh Bank. The process of incorporating RTGS transactions is also underway & expected to go live soon. This has allowed the customers to initiate Interbank BEFTN or NPSB transactions without even going to any branch.

SMS and Alert Banking Service: Considering the availability of mobile phones in almost everybody's hand, the bank has introduced SMS and Alert banking for the convenience of the customer. At this moment more than 48.5 million customers are configured to receive transaction alerts whenever there is any debit or credit transaction made to his account. DBBL customers are receiving month-end account balance SMS at the end of each month.

e-Commerce Payment Gateway (Nexus Payment Gateway): DBBL is the first bank in Bangladesh to have the e-payment gateway. This gives a person the liberty to purchase online, pay utility bills etc. Most importantly, the person doesn't necessarily have to be an account holder/ card holder of DBBL.



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DBBL has been a trend setter in the country in the field of technology banking. It is one of the pioneers in Bangladesh to introduce so many things to its valued clients. All of its 238 branches and 104 Sub-branches across the country are connected on-line making it very easy and convenient to the valued customers. They no longer require going to their home branches for banking, rather bank has introduced many delivery channels to be closer to its customers.

❖ Switching Software

A significant percentage of transactions of DBBL are performed using the most popular delivery channel ATM. As such, it is equally important to have strong switching software to handle different types of transactions as well as high volume of transactions. Considering this, the bank has upgraded its switching software too. The upgraded software has ensured better and quick response to the requested transactions; also it is capable of handling EMV transactions. All the ATMs and POS terminals are EMV-compliant. The EMV security policy has been introduced by Europay, MasterCard and VISA jointly to protect capturing card data and duplication of a card. We are again the first Bank in Bangladesh to ensure such security for our valued customers. DBBL has also introduced EMV compliant chip based MasterCard cards and VISA Cards for the first time in Bangladesh which is the most secure card in the world. The ATM/POS network of the DBBL accepts the following cards:

- EMV compliant chip cards of all the banks in the world;
- Non-EMV Visa & MasterCard cards of all the banks in the world;
- Unionpay, Diners club & Discover;
- DBBL's proprietary cards (Nexus); and
- All Cards received from NPSB.

❖ Technology Refresh (Data Center and DR Site expansion)

With the introduction of Mobile Financial Services (MFS) - Rocket and Agent Banking System along with our Core Banking System, DBBL has a customer base of more than 48.5 million. Customers and transactions are also increasing rapidly in all the 3 major systems. So to keep these huge customers and transactions smooth, Bank has already upgraded its existing Data Center and Disaster Recovery (DR) Site with new Enterprise level Server, Storage and network equipment as a part of the Technology refresh project.

❖ IT infrastructure and services enhancements

Being a technologically advanced bank, Dutch-Bangla Bank (DBBL) is always committed to bring modern technology based features in traditional banking service. Bank is continuously investing in IT sector more than any other banks in Bangladesh. To run & manage its huge IT service, the Bank has 4 divisions namely IT Operation Division-1, IT Operation Division-2, IT Development Division & IT Security Division.



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❖ Data Center -2

The bank's Data Center-2 (DC-2) is connected to the DC-1 in a sync mode with zero RPO. Both the DC-1 and DC-2 will run alternatively on monthly basis. This was implemented to improve the system down time which might occur in the DC due to unavoidable circumstances like failure in cooling system, power system (ATS, Generator, UPS, MDB) Network failure at any DC or at any DC non-redundant component, we are expected to go live with banking services shortly.

❖ Agent Banking System

DBBL introduced Agent Banking System (ABS) using third party solution on 19th January, 2015 for the rural customers who are deprived from the access to the formal banking system. The specialty of the service is that all the customers of agent banking will be authenticated through finger prints named as "Biometric Authentication".

Different initiatives were taken to increase inward foreign remittance through agent banking channel. For this reason, inward foreign remittance disbursement is also increasing. Agent banking is now issuing cheques to its valued customer. Various activities like Campaign, Uthan Boithak, and Customer awareness program are taken to increase deposit. Agent banking is emphasizing to open account for customer acquisition and also introducing different types of accounts like School banking account and Joint Account to facilitate more customer.

❖ NexusPay

Host Card Emulation (HCE) technology is the latest introduction in the payment industry. The solution is getting popularity in the developed countries due to its advanced security and fast transaction features. Using the technology we have already soft launched the mobile application "NexusPay" for this service which can be found in Google play store and apple app store. Customers can download their debit & credit card, Agent banking Card and Rocket account information to their Smartphone and using token, they can do transactions in-store, in-app and online within a single application without exposing actual card information. The customer will be able to shop by using latest technology QR code & NFC from any merchant.

❖ Video Conferencing Solution

Cisco video conferencing communication technology solutions launched at Head Office and major branches across the country, allowing users in different locations to hold face-to-face meetings without having to move to a single location.

❖ Centralized Queue Management System

IT Development Division has implemented Queue Management System (QMS) at bank's branches and Head Office Divisions for better management of the customers as well as to improve the customer service. At present, QMS has been successfully implemented at all 238 DBBL branches, which can be viewed centrally. It also helps to set KPI and measures achievement of staff against these KPI.



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Managing Director & CEO
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10/9/23
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Managing Director & CEO
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❖ Remittance Management System

IT Development Division developed the remittance management system for the Banking. For better customer service, Bank has been integrating different exchange houses with the remittance system. In the year 2022, we have integrated Paypal Inc., MoneyGram, World Remit Limited and Merchant trade Asia with our system.

As the emigrant workers from Bangladesh gradually increased over the years, DBBL is keen to enrich our Remittance Management System by continuously integrating new exchange houses. At present, DBBL has remittance drawing arrangement with 74 Exchange houses/ companies across the world. DBBL is very skilled in timely transferring the remittance received from Exchange Companies to the local beneficiaries.

❖ Automated Teller Machine (ATM)

With the help of ATMs, DBBL has been able to connect the people across the country in a digital bond. With the number of setup that has been established, modern banking service is at the tip of DBBL customers. With increasing number of ATMs, along with consistent uptime, DBBL ATMs are providing the best possible service to the people of Bangladesh and helping the government in achieving its goal to habituate the customers with the best technology based banking.

As of 31 December 2022, Bank has installed 4,934 ATMs with 1,396 Fast Tracks and 7 electronic student booths. With inclusion of regular value proposition DBBL ATM presently offers the following outstanding services:

- Accept Nexus, VISA, MasterCard, Diners Club, Discover and Union Pay cards;
- Accept other bank local cards through National Payment Switch (NPS);
- Cash withdrawal by EMV and Magnetic stripe debit, credit or pre-paid cards;
- Cash withdrawal by mobile phone- Rocket DBBL Mobile Banking (Cardless Transactions);
- Cash withdrawal by Agent Banking Card;
- Balance Inquiry;
- PIN change;
- Fund transfer (within own account and third party account within DBBL);
- Mini statement;
- Western Union Remittance pull;
- Utility Bill Payment; and
- And more to come in near future.

DBBL sets up ATMs in such a way, which is convenient for the customers and increases business demand rapidly. As per demand of the specific location, ADC Division sets up ATM Booth, having, 1 or 2 ATMs, and Electronic Student Booth (ESB) having facility to collect the tuition/ admission fees, or Fast Track with 2 or more ATMs.



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❖ Fast Track

DBBL has taken digital banking facilities at the doorstep of the people all around the country including the remote locations and the Fast Tracks have played the leading role in this regard. Now, customers don't need to go far to avail modern banking service. Bank is now privileged to serve the people of almost all the upazillas. By the end of December 2022, in total 1,396 Fast Tracks are live incorporating 443 Upazillas and 64 districts of the country.

Two/ three trained officers are posted at each FT who works from 8:00 am to 9:00 pm every day on roster basis, including Fridays and Saturdays, to serve the customers. However, automated activities like cash withdrawal, balance inquiry, fund transfer and utility payment facility through ATMs are available at FTs from 6:00 am to 12:30 am daily. Glimpse of the provided banking facilities at FT are stated as under:

- Cash withdrawal through ATM;
- Cash or Cheque Deposit at Deposit Machine;
- Provide all types of banking information to the customers;
- Assist customer regarding opening of:
 - Core Banking A/C;
 - Rocket DBBL mobile Banking A/C and
 - DBBL Agent Banking A/C.
- Assist customer regarding SME/ Retail loan from DBBL;
- Assist customer regarding Credit Cards;
- Provide Debit Cards, PIN to the customers;
- Assist customer regarding Internet Banking, SMS or Alert Banking;
- Provide Account Statement to the customers;
- KYC input of Rocket Customers in Rocket System;
- Rocket account activation/ deactivation, temporary hold/ debit & credit restriction;
- Other Rocket services, i.e., close rocket accounts, account information, like address, change, support for transaction problem etc.;
- Customer awareness on DBBL Products; and
- All other task as and when required relevant to banking operation.

Officer Service at Fast Track: Recently, Fast Track office time has been extended and adequate number of manpower has been deployed to provide full-fledged customer service for longer period of time. Customers of different professions are facilitated significantly by this service. The popularity of Fast Track service is increasing day by day, because customers are getting banking facility at their suitable time. Also, it plays a significant role in the security aspect, considering the ever increasing digital security alert around the globe.

❖ Crediting of money from Western Union to Bank account through ATM

This is a unique service of Dutch-Bangla Bank. PIN based foreign remittance beneficiary of Western Union can get his/ her remittance through all ATM of DBBL. Customer has to give some information of WU remittance including PIN or MTCN at specific menu of ATM. After verification of the given remittance information by both DBBL and WU system, the amount is credited to the beneficiary's account. Thereafter he can use this amount as per his requirement. This is an easy process of transactions.



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❖ **Cardless ATM transaction for Rocket customers**

The introduction of cardless ATM transaction has further popularized mobile banking venture in the country. Customer can withdraw cash visiting any of the DBBL ATMs without using any Card through menu driven systems of an ATM. The service is very popular and convenient as customer does not need to carry any plastic or any other device, only mobile phone having the Rocket account is the requirement for the service.

❖ **ATM Uptime**

Even though DBBL has more than 50% ATMs installed out of the total ATMs of the country and the management of this large number of ATMs is an enormous task, but still the Bank has maintained the standard of service to the customers using the channel. DBBL has kept the up time of the ATMs above world standard.

❖ **Call Center (16216)**

DBBL has the setup of the largest call centers among the banks of the country. DBBL Call Center has been providing quality services to our valuable customers since 2011. Our Call Center short code '16216' has been a well acquainted number for Bank's customers. It has become a popular service among our valuable customers to meet their day to day banking needs.

DBBL is in the process of upgrading the Call Center systems and infrastructure. After the up-gradation, customers can get services through email and web chat. The up-grade is going to increase customer service capacity by 130% through. Also, a bunch of new features is going to be offered to our customers such as, easy access, customized services, flexible service options, rich service portfolio through latest cutting-edge Multimedia Contact Center of Dutch-Bangla Bank Ltd.

❖ **Debit Cards**

DBBL is the first bank to achieve card portfolio with all EMV compliant products in this region. Even the proprietary NEXUS debit card consists of Dynamic Data Authentication (DDA) chip and Multos/Java operating system. It ensures additional layer of security for chips.

❖ **Reward Cards**

DBBL has introduced chip based Proprietary Nexus Debit card first time in Bangladesh. The most popular card brand of Bangladesh "DBBL Nexus Debit card" is now migrating to Nexus Digital Reward card to cope up the digitization era of Bangladesh. It also comes with the lucrative reward facility to our loyal customers.



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❖ VIP Cards

Aristocracy in all aspects – the most desired premium brand proprietary card especially meant for the VIP customers is the VIP Banking Cards. This fascinating card will drive the high net-worth customers to feel distinguished. The customers can avail DBBL VIP Banking Lounge at branches and Balaka VIP Lounge at Hazrat Shahjalal International Airport, Dhaka. He/she will also have enhanced ATM withdrawal limit, dedicated VIP customer services, dedicated relationship manager, reward & discount facilities and many more.

❖ Agent Banking Card

DBBL focuses on banking for all at an affordable cost. Even for the rural customer who does not have access to formal banking system DBBL offers Agent Banking service. A wide range of customers throughout the country is served by providing Agent Banking services with the help of mobile telecommunication devices/ computer system/ using biometric technology.

❖ DBBL - Bangladesh Bank Co-Branded EMV Card

The widely accepted proprietary brand NEXUS card has been migrated to most secured form of its kind i.e. EMV chip. Along with this enhanced feature DBBL also introduced a co-branded EMV card with Bangladesh Bank for its staff. Now employees of Bangladesh Bank can use their card with more comfort and security since skimming or copying chip card is not possible. The advanced security features tied up in the card to protect the interest of our valued customer.

❖ International Debit Cards

DBBL issues international debit cards - either Mastercard or Visa. As per Bangladesh Bank's circular, an international card can be issued against customer's foreign currency account like Resident Foreign Currency Deposit (RFCD) account, Foreign Currency (FC) account or Exporter Retention Quota (ERQ) account.

❖ Mastercard Debit

DBBL issues EMV chip enabled debit cards of Mastercard known as "Mastercard Debit" cards. This card can be issued for both local and international use. This card consists of both EMV chip and Magnetic stripe for wider acceptance.

❖ Visa Debit

DBBL issues chip based Visa branded debit cards called 'VISA Debit'. This card can be issued for both local and international use. VISA Debit card is accepted in all VISA chip based and magnetic stripe based POS/ATM terminals and in internet for ecommerce transactions. Since this card is EMV chip based card, the transactions of this card are more secured.



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❖ Credit Cards

DBBL has been issuing Visa EMV credit cards since November 2008 and Mastercard EMV credit cards since April, 2010. Although DBBL's entrance in credit card services was delayed, it made a difference in the market by issuing the most secure EMV credit cards from the first day. The EMV credit cards consist of Dynamic Data Authentication (DDA) chip and Multos/Java operating system. It ensures additional software level security for chips.

❖ VISA Credit Card

DBBL was the first bank to introduce EMV enabled Visa credit cards in Bangladesh. All cards have DDA chip with Multos/Java application which protects them from any alteration of card data and ensures secure transaction worldwide on any Visa accepted POS terminals and ATMs. This card has both chip and magnetic stripe so acceptability is not restricted to any type of terminals.

❖ VISA Platinum Card (the Premium brand)

DBBL has launched VISA Platinum card for its privileged customer. Visa Platinum offers a high credit limit and acceptance at more than 29 million worldwide locations, including one million ATMs in the Visa Global ATM Network. A world of privileges await with Visa Platinum. From golf to dining to shopping and more, Visa Platinum lets the valued cardholders enjoy a host of attractive lifestyle privileges and experiences. These cards are targeted to high net worth individuals who are international in outlook with large disposable income and consistency of service. The card holders get airport lounge facilities and priority pass in 600 airports, discount in hotel, dining, restaurants in almost all the tourist cities worldwide as well.

❖ MasterCard Credit Card

DBBL issues EMV enabled Mastercard credit cards too to its customers. All cards have DDA chip with Multos/Java application for protection against any alteration of card data and ensures secure transactions worldwide. This card has both chip and magnetic stripe as well for better acceptability at any type of terminals.

❖ MasterCard Titanium Card (the Premium brand)

DBBL has launched EMV brand MasterCard Titanium in Bangladesh for the first time. With this stylish Chip credit card, customers may enjoy exclusive benefits, experiences and lifestyle privileges; including access to entertainment, sport, electronics and much more. The MasterCard Titanium Credit Card opens up a world of convenience; safety and simplicity. With access to over 30 million merchants across the globe it offers an excitingly diverse range of shopping, dining and travel experiences to enrich the lifestyle including airport lounge facility and priority pass.




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❖ Virtual Card

Like the regular debit/credit card Virtual card is not a plastic card - it is just a piece of paper inside a closed envelop which carries valid card number, expiry date and CVV/CVC (card verification value/ Code). The nature of the card is pre-paid i.e. the amount or the value is pre-loaded as per the requirement of the purchaser. The virtual card is distributed from any DBBL branches. It has become very popular amongst students and IT professionals and entrepreneurs. DBBL introduced Virtual Card for the first time in Bangladesh in 2011.

Students pursuing higher education and/or scholarships abroad can pay the fees and charges, and participate at IELTS, TOEFL, GMAT, GRE exams online using this card.

The developers/ freelancers of mobile apps and games can also use 'Virtual Card' for payments of registration/ license fees to reputed online or mobile application market place like Google, iTunes, Firefox, Windows, Black berry etc., any associated license fees such as game engine or other software license for mobile application or game development, online training fees for programs such as vendor certification examination etc., any domain registration/ renewal, hosting/ cloud solutions within the scope of mobile application/ game development.

❖ Card Loyalty Program

A point-based loyalty program has been introduced for DBBL Credit card and Debit card cardholders. Customers will gain loyalty points against their card spending which can be redeemed later on upon reaching to a certain threshold point or completion of a certain period. Customers may prefer to redeem these loyalty points for their annual fee waiver, cash back to their account or gift voucher which is expendable at DBBL merchant outlets.

❖ 0% InstaPay

DBBL cardholders can buy different products and services from selected merchant outlets with monthly installments at zero percent interest. The installment period varies for different products from minimum three months to maximum twenty four months installment. Under this facility customers can buy furniture, electronics goods, jewelry and pay hospital bills etc.


❖ Acquiring UnionPay Cards

Every year travelers and workers visit Bangladesh for different purposes from Thailand, Malaysia, China, Korea, Japan, and Singapore who often have a UnionPay Card. Now UnionPay cardholders can withdraw cash from DBBL ATM or use DBBL POS for shopping. DBBL also has plans to issue UnionPay Cards to prospective clients in future.


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❖ Acquiring Diners Club Cards & Discover Cards

Diners Club International, a listed company in NYSE is owned by Discover Financial Services, a renowned direct banking and payment services company of U.S. who issues Discover and Diners Club Cards. Travelers bearing these cards can withdraw money from the DBBL ATM booths from April 2013. Also, DBBL will issue these cards for local clients in the future.

❖ E-Commerce/ Internet Payment Gateway (Nexus Gateway)

The first ever E-Commerce acquiring gateway in Bangladesh named "DBBL Nexus Gateway" was launched on June 3, 2010. This gives a person the liberty to purchase online, pay utility bills and other services. Most importantly, the person does not need to be a DBBL account holder. We accept Mastercard, Visa, DBBL Nexus cards and Rocket in our payment gateway. To secure E-Commerce transactions, 3D secure facilities have been implemented (Visa Secure and Mastercard Identity Check) which protect the merchants from fraud losses.

The following services are available through the e-merchants:

- Online purchase of goods and commodities;
- Utility bill payments/ tuition fee payments;
- Hotel Bookings; and
- Purchase of bus/ train/ cinema/ airline tickets.

❖ Second Factor Authentication for all E-Com Transactions

To secure e-commerce and electronic transaction, DBBL has introduced second factor authentication (2FA) facilities for the first time in Bangladesh. An additional authentication of the cardholder named 'second factor authentication' is performed for each e-com transaction. In this process, customer is required to enter a secret code (which is different for each transaction) in internet at the time of making e-com or electronic transaction that ensures genuine cardholder's participation and protects fraud.

Now, DBBL cardholders perform 2FA authentication for all e-com transaction in DBBL Payment Gateway and ACS based 3D secure authentication for all e-com sites. DBBL offers 2 options to generate this one time password (OTP); using hardware token or software token provided to them by the bank. At the time of registration process a cardholder chooses the option which is suitable to him/her.


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❖ NexusPay

A consolidated cardless solution of payment. It gives the flexibility of choosing any payment mode that a customer has with DBBL i.e. Nexus, Rocket, Agent Banking, VISA and MasterCard. Some Major features of this app are as below:

1. Virtual card download against customer's any credit/ debit card and Rocket account;
2. Cardless merchant payment by using QR code and NFC;
3. Send Money from downloaded card to any card or account;
4. Top up;
5. Bill Payment;
6. Balance Inquiry; and
7. Mini Statement.

❖ Chip & PIN @ POS

Chip & PIN at POS means for each and every transaction a customer tries at POS terminal with his/her Chip Card, requires PIN. This security feature facilitates customer the comfort of using card without any worries of misuse in case of lost or stolen. The POS terminal should also have the PIN reading capability, so that it can prompt customer for PIN. Fraudsters and thieves always try to keep them ahead of technology. Similarly, payment schemes like Nexus, VISA, and Mastercard etc. are also keen to protect customers' interest. With this motive DBBL adopted the newer technology for absolute convenience of the customers.

❖ e-kyc

e-KYC provides an ample scope of quick on boarding customer by verifying customer identity through digital means which can leverage saving of time and provide ease both for client and the bank. As per Bangladesh bank guideline, DBBL has already successfully implemented e-KYC process and on boarding customer using either finger print or face matching based on the requirement of account opening. DBBL already developed e-KYC in NexusPay.

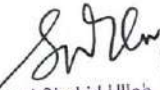
III. Financial Inclusion

Mobile Financial Services (MFS) – ROCKET


Dutch Bangla Bank has launched their mobile banking operation on 31st March 2011 with a motto to give financial services to the unbanked. Till today, DBBL Mobile Financial Services-ROCKET has reached in a new height with a remarkable growth in Agent expansion, Customer acquisition and transaction compared to previous year 2016. The most exciting & memorable event for DBBL Mobile Banking was to re-branding their Brand Logo from 'DBBL Mobile Banking' to 'ROCKET'.

Through re-branding, re-structuring the distribution channel & re-designing our marketing strategy we have been able to reach our service at the door of the customers. "ROCKET" is the symbol of Faster & Flexible banking solution with advanced technology in a fool-proof transaction that gives a comfort to a Customer. Number of Rocket customer at the ended of 31 December 2022 more than 31.82 million.


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Acceptability of "ROCKET" as Brand Logo of Mobile Banking

Brand Forum of Bangladesh always conducted survey among the people of Bangladesh in different categories. This survey was done in 2017 also and "ROCKET" has been selected as Most Loved Brand among the people of Bangladesh. This indicates that our competent management was selected the right Brand as well as Logo that is also acknowledged by the people. However, it is observed that our customers' as well as Agents' also shown their positive opinion in support of a short but suitable name for DBBL Mobile Banking Services which creates a tremendous hype.

It is expected that this will boost up the customer acquisition across the country day by day which will increase the popularity of 'ROCKET' in coming days.

Rocket Infrastructure

Regional Operation

- Zones;
- Regions;
- Mobile Banking Offices;
- Compliance Team;
- AM/ SSM/ SM;
- Trade Marketing Officers;
- Merchant Officers;
- Super Agents;
- DSRs; and
- Active Agents.

Sales Operation

- Partner Life cycle management;
- Distribution Development;
- Campaign management;
- Reporting and Commission;
- Management; and
- Agent Life cycle management.

Mobile Banking Offices

- Mobile Banking Offices;
- Compliance officers; and
- Corporate officers.

Mobile Banking Offices

While mobile banking activities will be carried out by the agents, the presence of DBBL offices and officers will give more concentrate to the customers. The setup of those offices creates jobs for the local people as well as support to infrastructure development. Presently, we have 77 nos. of Mobile Banking Offices under which 237 nos. of employees are working at 64 districts of the country to cater to different services to the customers.



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Product & Services offering through Rocket

Rocket is successfully established as a lifestyle product for the customers for its versatile product features & variations. DBBL has launched different types of products keeping in the mind of customers demand. Among these, Salary & stipend product customer can enjoy free cash-out from DBBL ATM, & they can cash-out from agent at 0.9% only; Frees, utility bill pay facility; Rocket MBS-ABS Fund transfer and Tuition fee collection system. This initiative encourages the Customer for depositing money, top up, bill pay and purchase products or sends money etc. through Rocket.

"Pre-registration" facility is very much helpful for registering the customer to Rocket Account specially for urgent requirements or bulk account opening like Garments Salary, Government Stipend projects accounts by simply dialing *322#.

Viewing the requirement of the general people DBBL is giving the fund transfer (P2P) between two Rocket accounts completely free among the same product (ATM free/ Cash in free) and Mobile Financial Services - Rocket to Agent Banking Services Fund transfer.

Being the only MFS in the Industry, we have got the access for the NID verification provided by the Election Commission from 14 Nov 2015. By this we are one step forward than anyone regarding the compliance issue. Moreover DBBL opens its Rocket Account through online screening of different sanctioned lists which leads to be the AML compliant too.

Service Network set ups of Rocket

To address the untapped market, a total number of 237 employees, 77 MB & AB Offices and 353,040 agent points are continuously working together to meet all part of customer requirements. Moreover, 238 DBBL Branches, 104 Sub-branches, 1,396 Fast Tracks, 6,065 Agent Banking Outlet, 7 Electronic Student Booth, 78,989 Merchants, Call Center (16216) and 4,934 ATMs and partner banks' branches are also working as mobile financial services (MFS)- Rocket access channel for the customers.

Some exclusive Rocket products

Process of Pre-Registration

"Pre-registration" facility enables the Customer to register Rocket account just by dialing *322# avoiding the dependency to open the account from the Agent points. When a new customer dial *322#, system will ask him whether he is interested to register Rocket or not. If yes, press "1" or "2" to cancel.

To get the full benefit of Rocket, Pre-Registered customer needs to fill up KYC form and submit it to any Agent or DBBL First Track or any Mobile Banking office with required documents. After authorization by the bank Official pre-registered customer will be allowed to do all types of transaction.



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ATM Free product & Cash-in Free Product

Considering the customers' convenience DBBL has introduced two new products such as Cash-in Free and ATM Free Product. By the name we can guess that "Cash-in free" Product means cash-in charge is free and "ATM Free" Product means cash-out is Free from ATM. All existing account holders are under ATM free product but he/ she can migrate to cash-in free product after a certain period of time by himself/ herself by dialing *322#. New customer can choose any of the option while opening the account.

Receive money through BEFTN

Any Rocket account holder can receive money through using BEFTN facility from any local bank of Bangladesh. It enables the account holder to receive foreign remittance that received by other bank and can withdraw it from ATM or agent point. Moreover, by receiving money through BEFTN, one can use this money for giving utility bills, Admission fee/ Tuition fees etc.

Inward Foreign Remittance

DBBL has already signed remittance agreement with **PayPal Inc., USA** through their remittance service named **Xoom**. Under this arrangement, Xoom's remittances are being credited **INSTANTLY** to DBBL accounts (Core, Rocket & Agent Banking) within banking operation hours. Moreover, the Xoom's Cash Pickup customer can receive their money in **Real Time** either from any DBBL branch or agent banking location. Beside this, Western Union Cash pick customers now can receive their money in **Real Time** giving MTCN no. in his/ her mobile.

Unique Cheque digit

Rocket account has robust security. The account consist of 12 digits number i.e. 11 digit mobile number and additional 1 digit cheque number. As a result, if anybody gives any wrong number while transferring money to other Rocket Account, the transaction will not be successful because of having cheque digit at the end of each Rocket Account. It prevents from fraudulent activities also. If forgotten, one can retrieve his/her cheque digit and product type from the Rocket Menu.

Linkage Facility

Rocket is having a unique facility through which a DBBL Core banking account holder can establish linkage between his/her Core banking account with his/her Rocket account that enables him to transfer money from Core banking account to Rocket account with daily limited amount completely **'Free'**. Beside this, one can send money to any DBBL Core banking account instantly with applicable charge. These facilities separate Rocket from other MFS in the market. With this facility, a Rocket account holder can easily do Top-up, Bills Payment, P2P, Merchant Payment and ATM Cash withdrawal without having any ATM Card.

Balance recharge (Air time purchase)/ Data purchase

A Rocket account holder can purchase airtime or data of any mobile operator i.e. GP, ROBI, Bangla Link, Tele Talk at any point of time having available fund in the Rocket A/c. It's a very popular product and increasing day by day to our customers.


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Rocket Mobile APPS

Smart phone penetration is very high in Bangladesh. Considering the comfort of the young generation and smooth service, ROCKET has introduced transaction facility through Apps. This service is **both android and i-phone compatible**. Customer can easily download this from **"Google Play store" and "Apple Store"**. Besides, Customer can choose the language from both Bangla and English.

Compliance & Legal Issues of Rocket

During the Customer acquisition ROCKET maintains the Central Bank guideline precisely. All the mobile Banking officials, Sales people, Super Agents, Direct Sales Representatives (DSRs) are well trained about the Central Bank guideline and Anti Money Laundering issues. Besides, Agents who give Cash-in, cash-out and Customer acquisition support to the Customers, are also communicated about the compliance issues time to time by the ROCKET representatives.

We don't allow duplicate ROCKET account for the same Customers. In this regard, Mobile Banking System doesn't allow account with the same NID. Besides, ROCKET officials maintain the options to check each NID from the election commission portal. During the KYC information input, system automatically checks the information from the UN sanction list. Every account is approved in the system by the Bank Officials after necessary checking. If required, Bank Officials call or physical visit the Customer for further checking.

Engagement of Trade Marketing Representative (TMR) in field

Brand visibility is the single, most powerful message that a consumer can receive. And the message says that, this product is good and you can trust this product. This brand visibility encourages and motivates the customer to look at the product along with the brand attributes.

One of the shortest ways to increase brand visibility, is to advertise. Advertisements can be in the form of TVC's or in the form of radio ads. They can be in print, in magazines, online or anywhere where the target audience can be found. But in Bangladesh, there are many rural or semi-urban areas which are traditionally media poor and have little access to print. Viewing the nature of MFS Product and the service provider, DBBL has engaged around **415 nos.** of Trade Marketing Representatives to delivery "Rocket" POS Materials to the retail point. Their duty don't limited only delivering this but to also ensuring the visibility by strong monitoring from their end.

Engagement of Support Direct Sales Representative (SDSR) to Super Agents

Presently, we are having around 353,040 nos. of Agents against 2,112 nos. of Direct Sales Representatives (DSR) who are working across the country within our Distribution line. Each DSR has to visit approx. 90 agents per day which is not possible. As such, we have engaged support DSR in aid to facilitate to standardize/ rationalize the geometric distribution service approach and strengthen present channel which has added value in our regular distribution service in particular as well as business as a whole. Now, DSRs visit frequency are daily 60 Nos. of agents/ day in Metro areas, 40 nos. of agent/ day in urban areas and 35 nos. of agent/ day in rural areas. We have observed a positive growth in overall transactions, activation of New Agents, Activation of New Customers and the business growth as well as to motivate the agents for support DSR project.


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Super-Agent Meet in Different Regions

DBBL successfully arranged 291 Super-Agent Meet in at the end of 2022 across the country. The ROCKET team demonstrated the Business portfolio, targets & success story and way forward of ROCKET in different Super-Agent Meet. That was a tremendous response from the field and ROCKET has got a great mileage from that for sure. Viewing this response, management of DBBL planned to arrange such Super-Agent as well as Agent Meet after justified interval.

Positive impact on the socio-economy by ROCKET

ROCKET brought a phenomenal change in the rural economy and social life-style by creating full range of financial services including savings, fund transfer, money withdraw, pay bills and others.

ROCKET inclusive banking program has increased access to financial facilitation for the people, entrepreneurship among the unemployed people. Over 353,040 Agents are now involved to give banking facilities as a new business or expansion of their previous business. Besides, it has brought dynamic solution in transferring money in the value chain of the rural marketing system. People from distinct places can do marketing of their seasonal crops, homemade products directly with the urban areas by the help of ROCKET Cash-in/out, Merchant payment services. It increases the habit of force saving among the poor person which helps the formation of domestic capital, spurring entrepreneurship. Besides, ROCKET increases women empowerment at the rural areas by introducing financial inclusion to them which significantly reduces early marriage and child mortality.

DBBL Mobile Financial Services (MFS) - ROCKET introduces technology adaption for the development of e-government services in Bangladesh. It has reduced the scope of corruption in the Government and private organizations related to salary/ fund disbursement or payment collection.

These financial developments reduce the overall income inequality, increase income growth and accelerate poverty alleviation.

Development program for the Field Staffs

DBBL Mobile Financial Services (MFS) - ROCKET has arranged regular training and development program for the Field Staffs in order to create a professional and skilled workforce. Besides, as a part of maintaining compliance issues, we have run audit and survey throughout the year at the all concerned part of the mobile Banking operation. Moreover, to create strong understanding about compliance and to be aligned to the Bangladesh Bank guidelines we have conducted several workshops for our field staffs especially on Business trend & Anti Money Laundering issue.



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Garments Salary Disbursement

A major shift to digital payments from Business to individuals is not a dream now a day in Bangladesh. The continued transition to company salary payment is an important step for a successful shift towards economy dominated by reduced amount of cash. ROCKET is the pioneer and popular payment disbursement solution for the corporate bodies and different government and private houses. Digitization of payment system is one of the priorities of the government. ROCKET is holding major portion market share of disbursement among all the MFS operating in Bangladesh. Apart from this, we are disbursing salaries/ allowances to the employees/ beneficiaries of different government organization, grants to the natural calamity affected people, insurance claims/ payments, staffs of AC Land office, UP Chairman, Member, Secretary and Village Police of different districts.

Bill Payment/ Tuition Fees/ Admission Fee

ROCKET is a lifestyle product. Nowadays, "Bills Pay" is becoming a very popular service among the Governmental/ Non-Governmental organizations and people. Presently, majority market share of Bills pay transaction has been taking place through ROCKET. ROCKET Customers can pay their different monthly or onetime payment like Educational institutions admission/ monthly fees, utility bills through this facility. To avail the service, Customer gives the Biller ID (Institution code), bill number, own ID and the amount in the respective field for making payment. Recently, DBBL has signed an agreement through which an Indian visa applicant will be able to make payment of their visa fee through ROCKET. Almost all the renowned universities are collecting their admission fee through ROCKET.

Payment Collection Business to Business (B2B) solution

There are hundreds of companies who collect their sale proceeds from their Distributors/ Depot/ Branch Office/ Sales Centers all over the country within a few moments in a hassle-free way by using the ROCKET Business to Business (B2B) payment collection solutions. DBBL's Super agents are engaged all over the country including rural area to collect money from the target sub-base such as Distributors/ Depot/ Branch Office/ Sales Centers. Corporate Head Office comes forward to know the deposit details on real time basis.

Disbursement to NGO beneficiaries

DBBL Mobile Banking is also working with most renowned International/ Local NGO's, UN bodies like WFP (World Food Program), UNDP, Islamic Relief, Muslim Aid, Caritas, Shakti Foundation, Grameen Shakti, Concern World Wide etc.



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Insurance Payment collection and Disbursement

Collection of Insurance Premium through mobile banking is an innovative method that DBBL has delivered to the insurance Industry. Self-Payment by own through a mobile is always convenient to the policy holders which saves their time and reduces the cost and tension.

Agent Banking

Agent Banking is a system of providing limited scale banking services to the underserved population through engaged agents under a valid agency agreement. The owner of an outlet conducts banking transactions on behalf of a bank. Globally these retailers are being increasingly utilized as important distribution channels for financial inclusion. Bangladesh Bank has decided to promote this complimentary channel to reach out to the unbanked and underserved segments of the society as well as existing bank customers with a range of banking services especially to geographically dispersed locations.

Agent Banking Model

- All Transactions are Real-Time.
- All Transactions are authenticated by Bio-authentication (fingerprint) of Customers.
- Customers get SMS Notifications if mobile number included at the time of Registration.
- Agent outlets are equipped with Bio-Metric devices; by which customer registration & other banking services can be done.

Products and Services of DBBL Agent Banking

Account Opening or Registration

Customer can register Biometric Account from any Agent Banking Outlet authorized by DBBL. Customer can also register from country wide at any. DBBL Branches and Fast Track Customer will get an "Account Card" mentioning Account Number and other information immediate after opening of Biometric Account. However, the Bank Official verifies the information on the KYC form and authorizes the account. Normally, it takes 1-3 working days for full approval.

Opening of a DPS account

Biometric Deposit Plus Scheme (DPS) is a special type of savings product designed for the small savers who can save money on monthly basis. The amount to be deposited every month is Tk.100/- per month or it's multiple and the tenure is 3, 5, 8 or 10 years. An attractive interest rate is offered for this product. The monthly installment is realized automatically from the Biometric Savings Account of the customer.

Opening a FDR

Biometric Fixed Deposit (FDR) is a special type of Term Deposit product designed for the savers who are willing to deposit money for specific time period. The customer can open Biometric FDR for TK.10,000/- and above amount for 3, 6 & 12 months tenure. An attractive interest rate is offered for this product. Cash transaction for opening the FDR will not be allowed. FDR will be opened by debiting one's Biometric Account and will be credited to that Account at the time of encashment.



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Cash Deposit and withdraw from Agent Outlet

Customer can deposit money immediately after registration but withdrawal is allowed only after the approval of the Account.

Linkage between Core Banking & Agent Banking

The beauty of our Agent Banking system is that our Core Banking Customers' can establish linkage by registering their Finger Print in any of DBBL Branches with his own Core Account and can enjoy cash withdrawal facilities from any Agent outlet. But deposit facility is available for all Core Banking Account holders without doing any finger print registration.

Services at Different Channels of Dutch-Bangla Bank Limited

- All Agent Outlets
- All DBBL Branches
- ALL DBBL ATMs and Fast Tracks
- Internet Payment Gateway
- Nexus Pay

Agent Outlet inauguration/ Launching Program

All the Agent Outlets are selected considering the needs & demographic condition of that area. DBBL has covered 488 Upazilla and successfully ensured footprint in those areas. Local people & other renowned citizens are invited to attend in inaugural program of Agent Outlet and a large number of people are seen to be present in each program.

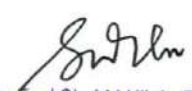
Sales and Marketing Activities

To promote the DBBL Agent Banking massive marketing activity is going on across the country through Uthan Boithak, KYC Mela, Rally, Gomvira, Jatra etc. to attract people to open biometric accounts. Presently, we are having 5,355,336 Number of Accounts as on 31 December 2022, in Agent Banking. We have emphasized on opening female account in our channel and several programs have been kicked off in this regard.

Uthan Boithak, like many other activities, is a special initiative by DBBL to increase financial literacy. It is an endeavor by the partners to bring more customers under the financial umbrella and make them understand the benefits of having bank accounts. Lot of people are still excluded from formal banking and they do not know the advantages of banking hence awareness campaign is organized to let people know the benefits and advantages of banking. Partners inform people of the locality that there will be an awareness session regarding "Agent Banking" which will be done by bank officials. Bank employees conduct the session with the help of partner and ensure interested people to open account.



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Training & Development Program

In the endeavor towards achieving excellence training and development is a must. It is a continuing process and DBBL always run training & development programs as and when required for both partners and employees. DBBL ensures two types of Training who are engaged with this Agent Banking:

- a. Class Room Training
- b. On the Job Training

Bills Pay

A Spread of 4,400+ Outlets are continuously working hard to improve and develop people's life style, Socio-economic condition along with doing their money Management efficiently & smartly. Besides traditional banking solution (Product and Services) Agent Banking department has always put effort to remain innovative & Up-to-date. Now, we are working for being ground-breaking as to be their "Life Style" product. A Customer is now being able to pay his utility & Service Bills of a good number of organizations (like DNCC, DSCC, REB, DESCO, DPDC, DCC, WASA, along with Different Schools & major Universities etc). This is how we are ensuring financial inclusiveness at one's door step and simplifying customer's life.

Salary Disbursements

We are extending our hands together to cover remote but salaried people for being digitalized for getting their wages or salary through Agent Banking Salary Disbursement facilities. Right at the moment we are serving many organizations (including RMG Factories, Government organizations, educational institutes & others) to pay employee salary through us.

VI. Green Banking

Green Banking enables banks to contribute to the economy by environmentally and socially responsive finance, process and capacity building projects to promote pollution free environment and living standards. Green banking considers social factors with environmental aspects. It has already started working well in Bangladesh. Fundamentally, green banking keeps away from as much paper work as possible and promotes electronic transactions for processing. Green banks adopt and implement environmental standards for lending. Dutch Bangla Bank Limited (DBBL) has been upholding green banking activities covering multidimensional areas which include both in-house environment management and green financing to support green economy. Bangladesh Bank has taken extensive measures to implement green practices in banking sector of Bangladesh. Banks have increased dependence on sustainable energy sources and reduced the use of paper for various banking activities by making the services available through online platform. Over the years, financing for green projects and environmental risk management projects have also experienced increase.



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Through continuous monitoring and taking appropriate actions, Bangladesh Bank (BB) is trying to expand green finance in the country. Bangladesh Bank (BB) has been integrating 'sustainability' into core banking practices through green banking, corporate social responsibility, financial inclusion and financial education. The society and environment oriented banking practices gradually created the concept of sustainable banking. Thus Bangladesh Bank has been pursuing policy and instructions in all possible areas of sustainable banking for banks and non-banking financial institutions (NBFIs). Sustainable banking mainly focuses on three broad categories - green banking, corporate social responsibility and financial inclusion.

Bangladesh Bank has pioneered green banking initiatives while they have been proactively guiding the banks and NBFIs for diverse sustainable banking initiatives since 2011. In such aspect, green banking initiatives of BB broadly categorized into the following aspects: policy initiatives, monitoring the green banking activities of banks and NBFIs, refinancing facilities from BB in diverse green products/ sectors and BB's own initiatives for environmental management. DBBL, since its inception, has been maintaining leading position in Bangladesh to provide IT based banking services to its valued customers. DBBL provides online banking through its 238 Branches, 104 Sub-branches and a number of Agents, ATM/ Fast Track, Mobile Banking viz. 'Rocket', Internet Banking, SMS Banking, App based Banking, i.e., Nexus Pay, Debit Card, Credit Card, Virtual card, E-payment and so on. Besides, DBBL has completed its process of full Centralization as per CRM Guidelines of Bangladesh Bank. Out of its 238 branches, 32 branches are powered by Solar Energy. DBBL's in-house Management are well aware regarding the DBBL Green Office Guidelines which includes among others, economic use of office equipment (Computer, Laptop, Photocopier, AC, Light etc.) and efficient use of papers and inks by encouraging paperless electronic Banking.

Sustainable Finance Unit

Banking Regulation & Policy Department, Bangladesh Bank vide their Circular no. dated February 27, 2011 outlined a detailed policy guidelines for implementing Green Banking through all scheduled banks. The Board of Directors of DBBL on 7 February 2012 approved Green Banking Policy and Strategy of Dutch-Bangla Bank Ltd. Subsequently, the EC of the Board in its 751st meeting held on 25 September 2014 approved "Revision of Green Banking Policy & Strategy of DBBL". In terms of Policy Guidelines of Sustainable Finance Department of Bangladesh Bank vide circular No. 2 dated 1st December 2016, the Board of Directors of DBBL in a meeting held on 27 December 2016 has approved formation of "Sustainable Finance Unit" under supervision of Head of Credit Risk Management Division and "Sustainable Finance Committee" with the membership of different divisional Heads of the Bank. The Board has also abolished Green Banking Cell of the Bank. Sustainable Finance Unit and Sustainable Finance Committee of DBBL are working under the guidelines of Bangladesh Bank. Mentionable that before "Sustainable Finance Unit", DBBL's green banking activities were running under "Green Banking Cell", formed under the guidelines of Bangladesh Bank. Later on, at the time of formation of Sustainable Finance Unit, the cell was abolished. Sustainable Finance Unit of DBBL ensures conducting Environmental and Social Risk Rating of the projects, it finances in order to ensure quality finance. The bank rated 236 clients in 2021 and 193 clients in 2022.



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In-house Green Management

DBBL, since its inception, has been maintaining a balanced initiative and supporting activities to contain things that may adversely affect environment and contribute to pollution. The 3R thumb rule drives us towards Reuse, Reduce and Recycle in our daily activities in order to arrest emissions from carbon footprint, a few of which are mentioned below:

- Soft archival of customer documents for electronic access and retrieval is under process which will enable us to reduce consumption of paper.
- Some of internal memos, process notes and records are in electronic form.
- Communication with the customers are being done through e-mails, SMS or ATM display, instead of letter of communication (except for regulatory requirements).
- IP phone and video conferencing system have been introduced for telecommunication among the Officials, Managers, Heads and Senior Management of the Bank.
- Solar energy has been used 32 Branches in the country.
- Meeting and Training Programs through digital platform.

Environmental and Social Management System (ESMS) in DBBL

Dutch-Bangla Bank, with the support of FMO, established an internationally standard Environmental & Social Management System (ESMS) of its own with the technical assistance of a 3rd party consultant viz. F.I. Konsult s.r.o. from Czech Republic. As part of the capacity development program, Dutch-Bangla Bank has its existing green banking policy along with internationally accepted exclusion list and launched Environmental & Social (E&S) Categorization Tool (Environmental & Social Risk Rating) in excel-based software as per ERM guidelines of Bangladesh Bank. The rating tool is a part of "Guideline on Environmental & Social Risk Management for Banks and Financial Institutions in Bangladesh. Dutch-Bangla Bank also included 'procedure for managing environmental and social risks for commercial lending operations' in their credit manual. Environmental and Social due diligence is our key issue in approving credit proposals.

Contribution for Capacity Building for Awareness Development

The bank has contributed Tk165.37 million & Tk165.51 million in 2021 & 2022, respectively for marketing, training and capacity building of officials of the bank as well as building awareness among the consumers/clients of the bank in respect of sustainable development and Tk3.44 million & Tk1.32 million in 2021 & 2022, respectively for environmental beautification. Dutch-Bangla Bank arranges necessary training programs on regular basis for capacity building of its employees on these issues. This year we have trained 284 officials of the bank on Green Banking & Sustainable Finance issues. Dutch-Bangla Bank officials also participated in different trainings, workshops and seminars on Sustainable/Green banking issue time to time at the invitation of different institutions.

Financing 10 (Ten) Taka account holders

Bangladesh Bank formed a revolving re-financing fund of Taka 2.0 billion for strengthening financial inclusion programmes through providing loans to Taka 10.00 account holders in 2014. Subsequently, in the context of ongoing economic hardships due to the pandemic effect of COVID-19, the central bank has enhanced the fund from Taka 2.0 billion to Taka 5.0 billion in 2021 for Taka 10.00/ Taka 50.00/ Taka 100.00 account holders vide FID circular no. 1 dated 5 September 2021. The aim of the fund is to bring un-banked people in the banking network for facilitating their business activities. Marginal traders benefited from the re-financing scheme. Under the scheme, the banks are allowed to disburse the collateral-free loan to Taka.10.00/ Taka 50.00/ Taka 100.00 account holders. Individual borrower can borrow maximum Taka 0.50 million under the scheme. Under a group consisting of 2-5 persons, each member can borrow maximum Taka 0.40 million, where, the group can borrow maximum Taka 2.00 million Dutch-Bangla Bank has signed the Participation Agreement with Bangladesh Bank in 2014 and made finance to different borrowers through MFI linkage.


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Under the scheme of Bangladesh Bank, DBBL has extended loan to 8 individual clients for Tk0.40 million in 2022. Dutch-Bangla Bank has currently 19,530 nos. 10 (Ten) Taka, 81 nos. 50 (fifty) Taka and 716 nos. 100 (one hundred) Taka account holders.

Online Banking facilities

Dutch-Bangla Bank is the first bank in Bangladesh to introduce fully automated electronic banking. The further additions and features are continuously being added and upgraded. A Dutch-Bangla Bank Ltd. client has unrivaled access to banking from any Dutch-Bangla Bank branch, ATM and POS. All of these services are affordable for everyone. The services under electronic banking were provided with the same mindset as Dutch-Bangla Bank Ltd. undertakes its Corporate Social Responsibility tasks.

Mobile Banking (ROCKET)

Dutch-Bangla Bank has pioneered Mobile Banking in Bangladesh. It was the first bank to offer banking facilities through a wide range of mobile phones. Rocket is a banking process without bank branch which provides financial services to unbanked communities efficiently at affordable cost. It is much more effective in developing savings habit. Dutch-Bangla Bank is providing banking and financial services, such as cash-in, cash out, merchant payment, utility payment, salary disbursement, foreign remittance, government allowance disbursement, ATM money withdrawal through Rocket. It is in a true sense of paperless banking. Currently Dutch-Bangla Bank has 31.82 million mobile banking customers.

Agent Banking

As part of financial inclusion, Dutch-Bangla Bank has started Agent Banking which is limited scale banking and financial services to the underserved population through engagement of agents under a valid agency agreement, rather than a teller/ cashier. This is a 100% secured new banking process where every transaction is done by verification of customers' finger-print through biometric machine. Agent banking is helping the customers deposit and withdraw funds and other admissible services at banking agents, i.e., retail outlets that turn deposit to electronic funds. Now, Dutch-Bangla Bank has 6,065 agent banking outlets throughout the country.

Dutch-Bangla Bank NexusPay

NexusPay of Dutch-Bangla Bank is the first fully cardless solution in Bangladesh. NexusPay works with all bank cards, including Nexus, Visa, MasterCard, Dutch-Bangla Bank Agent banking and Rocket Mobile Banking. The numbers of Merchants accepting Dutch-Bangla Bank NexusPay (QR Code) stood at 36,227 at the year ended, 2022. Numbers of Dutch-Bangla Bank NexusPay users stood at 5,266,404 at the year ended 2022. Dutch-Bangla Bank has launched Toll Collection System. The bank collects Toll Payment through 11 Fast Track Lanes throughout the country.

E-Payment Gateway facilities

Dutch-Bangla Bank is the first bank in Bangladesh to introduce e-payment gateway. This gives a person the liberty to purchase online, pay utility bills etc. through online. Most importantly, the person does not need to be a Dutch-Bangla Bank account holder. Currently there are 6,512 e-Com Merchants or MSP (Merchant Service Provider) registered with Dutch-Bangla Bank Nexus Payment Gateway and this is increasing day by day. Currently, we accept MasterCard, Visa and Dutch-Bangla Bank Nexus cards in our payment gateway.

VII. Social Cause

DBBL since its inception has been a pioneer in establishing and providing different banking services to society. The bank distinguishes itself not only by its achievement but also by its performance and innovations including its commitment to the society through CSR activities. Dutch-Bangla Bank Foundation was established in 2001 to perform CSR related activities in areas of broad society concerns.


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In the reporting year 2022, Tk.693.05 million was contributed to the purpose of social cause compared to Tk.421.42 million in previous year. Of the total contribution, 59.83% was expended in educational sector followed by disaster management (28.86%), health sector (9.13%) and social development, awareness & others (2.18%). Bank's major CSR contributions are as follows:

Education Sector: DBBL has been giving priority to the educational sector by various means like awarding scholarships to meritorious students who need financial aid. In continuation of this initiative, DBBL has taken the largest scholarship program of the country. Around 63,301 students of HSC and graduation level were awarded scholarships under this program in 37 different phases up to December 2022. In this connection, DBBL has spent about Tk.414.66 million in 2022 towards education sector. Of which Tk.346.12 million was expended for awarding scholarship to the students, Tk.59.20 million to Prime Minister's Education Trust and Tk.9.34 million for organizing Mathematical, Physics & Informatics Olympiads.

Health Sector: DBBL also contributes towards health sector by various means. The bank has spent about Tk.63.25 million to provide different health care services to the poor people and towards infrastructure development of health sector in the reporting year 2022. Of which Tk.42.59 million went for Smile Brighter & Cataract operation program, Tk.18.33 million for implementing special CSR, Tk.1.34 million for Development of health infrastructure and rest of Tk.0.99 million for treatment to different helpless persons.

Disaster Management: DBBL has supported people who are affected by natural as well as man-made disasters. DBBL donated Tk.100.00 million to Prime Minister's Relief Fund for helping the destitute & cold affected poor persons and Tk.100.00 million to Prime Minister's Relief & Welfare Fund for flood affected people of the country in the reporting year 2022.

Social Development, Environmental Beautification and others: DBBL contributes to social development of the country through construction of houses, bridges, roads, mosques, donations to charitable organizations and others. DBBL contributed Tk.10.00 million in the beautification project of Mazar Gate of Hazrat Shah Paran (R.), Sylhet and Tk.0.40 million as yearly maintenance cost (food & administrative) for the Child Daycare Centre of Privates Banks in 2022. DBBL had constructed a monument in the crossing of Hotel Intercontinental and State Guest's House Jamuna. The Bank is also engaged in beautification of the road islands and footpaths from Kakrail Crossing to Hotel Intercontinental of Dhaka metro as a part of environmental beautification. In its continuation, the Bank contributed Tk.1.32 million for beautification and maintenance of project in the reporting year 2022.

Besides, the Bank provided humanitarian support of Tk.2.00 million among 1,000 poor families @ Tk.2,000.00 in the flood affected areas as a part of the programs observing National Mourning Day-2022, 47th death anniversary of Father of the Nation Bangabandhu Sheikh Mujibur Rahman. Among others, DBBL contributed Tk.1.42 million for the maintenance cost of No-Frill accounts for the marginal farmers in the reporting year 2022.



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C. BOARD OF DIRECTORS AND MANAGEMENT

Strategic oversight and management of the bank is engulfed within the board and its committees, set-up to provide guidance and director of overall activities of the bank.

Board of Directors

The Bank's Board comprises of 7 members including the Managing Director & CEO. Ms. Sadia Rayen Ahmed is the present Chairman of the Bank. Mr. Sayem Ahmed is the sponsor director of the Board. Apart from this Mr. Abedur Rashid Khan is a nominated director of Horizon Associates Limited and Ms. Tang Yuen Ha, Ada is a nominated director of Ecotrim Hong Kong Limited. The Board is involved in policy formulations, strategic direction setting, business plan approval, approval of financial position and results and review of various activities and also providing necessary directions to the management for conducting businesses in a competitive and profitable manner by managing risks and complying with the regulatory requirements. The Board has three sub committees, Executive Committee, Audit Committee and Risk Management Committee.

Executive Committee (EC)

The Executive Committee of the Board has 3 members and is headed by Mr. Abedur Rashid Khan as Chairman. The Executive Committee reviews all the credit proposals beyond the delegation of management and approve loans, other than large loans (10% or above of regularly capital). Large loans are recommended by the EC for approval by the Board. It is also responsible for administration, investment aspect, expansion of business etc. The Board ratifies the decision of all Executive Committee meetings and assesses the operational results.

Audit Committee

The Audit Committee of the Board was duly constituted by the bank comprising of 3 members of the Board of Directors. The Committee is headed by Mr. Ekramul Haq, FCA, independent director as Chairman as per the revised corporate governance guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC). The Committee meets to review and monitor regulatory compliance, financial reporting, internal control & internal audit functions, and other operational activities.

Risk Management Committee

In compliance with the regulatory norms, a Committee named as "Risk Management Committee of the Board" has been formed. The 3-member committee is chaired by Mr. Abedur Rashid Khan. The Terms of Reference (ToR) of the Committee is determined as per the guidelines/ circulars of Bangladesh Bank issued and in-force from time to time.

The Committee mainly reviews and discusses the observations and findings on Monthly Risk Management Report (MRMR) along with other relevant risk parameters related with credit portfolio, liquidity, market and operational risk management submitted through the Risk Management Division of the Bank on quarterly rest. The Committee also reviews the risk appetite capacity of the Bank commensurate with its capital base, stress test results and implementation of Bank's ICAAP etc. The decisions/ resolutions of the Committee were submitted to Bangladesh Bank for regulatory compliance. The resolutions were also disseminated to all concerned of the Bank for ensuring compliance and implementation.



10/9/23
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Company Secretary
Dutch-Bangla Bank Limited



10/9/23
Mohammed Shahid Ullah, FCA
Deputy Managing Director & CFO
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Head Office, Dhaka.



10/9/23
Abul Kashem Md. Shirin
Managing Director & CEO
Dutch-Bangla Bank Limited



10/9/23
Brig Gen Shafique Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

Board of Directors

Sl.	Name of Directors	Status with the Bank
1.	Ms. Sadia Rayen Ahmed	Chairman
2.	Mr. Sayem Ahmed	Director
3.	Mr. Abedur Rashid Khan	Nominee Director
4.	Ms. Tang Yuen Ha, Ada	Nominee Director
5.	Mr. Ekramul Haq, FCA	Independent Director
6.	Mr. Mohammed Salim, FCMA, CPFA	Independent Director
7.	Mr. Abul Kashem Md. Shirin	Managing Director & CEO Director (Ex-officio)

Executive Committee

Sl.	Name	Status with the Committee
1	Mr. Abedur Rashid Khan	Chairman
2	Mr. Sayem Ahmed	Member
3	Mr. Abul Kashem Md. Shirin	Member

Audit Committee

Sl.	Name	Status with the Committee
1	Mr. Ekramul Haq, FCA	Chairman
2	Mr. Mohammed Salim, FCMA, CPFA	Member
3	Ms. Tang Yuen Ha, Ada	Member

Risk Management Committee

Sl.	Name	Status with the Committee
1	Mr. Abedur Rashid Khan	Chairman
2	Mr. Sayem Ahmed	Member
3	Mr. Ekramul Haq, FCA	Member


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Senior Management:

The management of the Bank is headed by the Managing Director & CEO, Mr. Abul Kashem Md. Shirin. Mr. Shirin is leading the management as Managing Director & CEO since 1 November 2016. Before joining as the Managing Director & CEO, Mr. Shirin was the Deputy Managing Director of the same Bank for around 8 years. The Managing Director & CEO is supported by a group of experienced professionals comprising of the Deputy Managing Directors (DMDs)/ CXOs and functional divisional heads.

The top management team of the bank comprises the following members:

Sl.	Name	Designation
1.	Mr. Abul Kashem Md. Shirin	Managing Director & CEO
2.	Mr. Shahidur Rahman Khan	Deputy Managing Director & Chief Risk Officer
3.	Mr. Md. Abedur Rahman Sikder	Deputy Managing Director & Chief Operating Officer
4.	Mr. Md. Ahteshamul Haque Khan	Deputy Managing Director & Chief Corporate Business Officer
5.	Mr. Md. Shahadat Hossain	Deputy Managing Director
6.	Mr. Md. Shah Alam Patwary	Deputy Managing Director
7.	Mr. Mohammed Shahid Ullah	Deputy Managing Director & Chief Financial Officer
8.	Mr. Md. Abdullah Al Mamun	Deputy Managing Director & CAMLCO
9.	Mr. Uttam Kumar Saha	Deputy Managing Director & CFTO

Management Committees

For smooth functioning of the Bank, management has formed several Committees. These include the following, among others:

i. Management Executive Committee (MEC)

The Board of Directors of the Bank in 2015 approved a Committee named as "Management Executive Committee (MEC)" comprising of top management of the Bank under some specific Terms of Reference (ToR). The Managing Director & CEO is the Chairman and all DMDs are the members of the Committee. The committee discusses and reviews operational issues including HR related issues, budget achievement and expenditure control measure, and development of business of the bank.

ii. Management Committee (MANCOM) comprises of nine (9) senior members of the management and is headed by the Managing Director & CEO. The committee meets to oversee the business strategy and performance of the Bank.


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Managing Director & CEO
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- iii. **Credit Committee:** The Board of Directors of the Bank in its 231st held on 26 January 2021 reconstructed Credit Committee headed by Managing Director & CEO. Bank's Credit Committee review the credit proposals in compliance with the regulatory stipulations and Compliance was made with the BB observations on credit risk management including yearly review of Bank's Credit Policy highlighting the succession plan, business delegation power, maximum industry cap, key responsibilities etc.
- iv. **Executive Risk Management Committee (ERMC)** in compliance with the Bangladesh Bank's instruction DBBL established a separate Risk Management Division (RMD) for strengthening the overall risk management system of the Bank. ERMC among others actively managed the credit risk, liquidity risk, operational risk, capital management functions, and made evaluation of stress test results. The activities, observations and recommendations of ERMC were regularly reported to the board RMC of the Bank for review and to Bangladesh Bank for regulatory compliance.
- v. **Asset Liability Committee (ALCO)** comprising of 16 members is headed by the Managing Director & CEO. The committee meets to monitor market risk, interest rate risk and liquidity risks of the Bank. It discusses latest position of deposits, cost of deposits, L/D ratio, interbank dependency, mobilization of wholesale funds, interest rate of peer banks etc.

The Bank has some other committees for smooth functioning of its business and affairs, such as: Credit Committee, Purchase Committee and ALCO Sub-committee. Besides, in compliance with Bangladesh Bank instruction, the Bank has also formed Basel Committee, Supervisory Review Process (SRP) Team and Sustainable Finance Unit etc. under separate terms of reference.



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D. DESCRIPTION OF ENCUMBERED AND UNENCUMBERED ASSETS WITH VALUE THEREOF

Dutch-Bangla Bank Limited did not hold any encumbered assets/ securities as on 31 December 2022.

The value of the assets of Dutch-Bangla Bank Limited (including Off-Shore Banking Operations) comprises of Cash, Loans and Advances/ Investments, Fixed Assets including premises, furniture and fixtures, etc. and as of 31 December 2022 was **BDT 555,473,634,446** and the total value of these assets is unencumbered.

Particulars in BDT	31-Dec-22
Cash	48,180,791,953
In hand (including foreign currencies)	26,488,896,328
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	21,691,895,625
Balance with other banks and financial institutions	10,188,566,415
In Bangladesh	6,823,427,791
Outside Bangladesh	3,365,138,624
Money at call and short notice	-
Investments	101,673,460,593
Government	92,427,177,159
Others	9,246,283,434
Loans and advances	364,000,842,669
Loans, cash credits, overdrafts, etc.	344,867,385,158
Bills purchased and discounted	19,133,457,511
Fixed assets including land, building, furniture and fixtures	9,413,196,077
Other assets	22,016,776,739
Non-banking assets	-
TOTAL ASSETS	555,473,634,446



10/9/23

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10/9/23

Abul Kashem Md. Shirin
Managing Director & CEO
Dutch-Bangla Bank Limited



10/9/23

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Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

E. PROFILE OF BOARD OF DIRECTORS/ OWNERS OF THE ISSUER

i) Ms. Sadia Rayen Ahmed, Director & Chairman

Ms. Sadia Rayen Ahmed is a Director to the Board of Dutch-Bangla Bank Limited. She completed her Honors Double – Major in Political Science & English from University of Toronto, St. George Canada. She is a businesswoman and currently holding the positions of Director of Kader Compact Spinning Limited. She is also holding the position of Deputy Managing Director of (i) MSA Spinning Ltd.; (ii) MSA Textiles Ltd.; (iii) Kader Synthetic Fibres Ltd.; (iv) AA Synthetic Fibres Ltd.; (v) AA Power Generation Co. Ltd.; (vi) AA Yarn Mills Ltd.; (vii) AA Coarse spun Ltd.; (viii) AA Knitspin Ltd.; (ix) AA Ringspin Ltd.; and (x) AA Rotor Spinning Mills Ltd.

ii) Mr. Sayem Ahmed, Sponsor Director

Mr. Sayem Ahmed is a renowned businessman of the country. He did his Bachelor of Software Engineering & Certified Managerial Accountant (CMA) from University of Toronto, Canada. He is a businessman having 23 years of experience and currently holding the positions of Director of i) Kader Compact Spinning Limited, ii) AA Yarn Mills Limited, iii) MSA Textiles Limited. He is also holding the position of *Deputy Managing Director* of i) Kader Synthetic Fibres Limited, ii) MSA Spinning Limited, iii) AA Synthetic Fibres Limited, and iv) AA Power Generation Co. Limited.

(iii) Mr. Abedur Rashid Khan, Nominated Director of Horizon Associates Limited

Mr. Abedur Rashid Khan is a respected businessman in Bangladesh. He is a nominated director of Horizon Associates Limited. Experience: He is a businessman having 33 years of experience specially in Export - Import trading. He is Proprietor of Avanti International and Chairman of Nextgen Trading Ltd.

(iv) Ms. Tang Yuen Ha, Ada, Nominated Director of Ecotrim Hong Kong Limited

Ms. Tang Yuen Ha, Ada, is a nominee Director to the Board of Dutch-Bangla Bank Limited of Ecotrim Hong Kong Limited. She is a University Graduate. She has 28 years of business experience. Currently she is the Managing Director of Etasia (BD) Limited.

(v) Mr. Ekramul Haq, FCA, Independent Director

Mr. Ekramul Haq is an Independent Director to the Board of Dutch-Bangla Bank Limited. He is Fellow Member of the Institute of Chartered Accountants of Bangladesh. He is a Chartered Accountant and currently, he is a Senior Partner at Rahman Mustafiz Haq & Co., Chartered Accountants since 2003 - till to date. Altogether, 50 years experience of Audit and Accountancy profession in different capacities of various organizations.

(vi) Mr. Mohammed Salim, FCMA, CPFA, Independent Director

Mr. Mohammed Salim is a Qualified Cost and Management Accountant having long 35 (thirty five) years professional experiences in different organizations. He did his i) Master of Commerce (M.Com), University of Dhaka, ii) Master of Business Administration (MBA), University of HULL, UK, and iii) Diploma in Management Studies (DMS), University of HULL, UK.

Presently he is working as a Senior Financial Management Consultant, Digitizing Implementation Monitoring and Public Procurement Project (DIMAPPP), IDA financed, Central Procurement Technical Unit (CPTU), IMED, Ministry of Planning, Government of Bangladesh. He is a fellow member of the Institute of Cost and Management Accountants of Bangladesh (FCMA), member of Institute of Public Accountant (MIPA), Australia, Member of Certified Management Accountant (CMA), USA and Certified Public Finance Accountant (CPFA) from the Chartered Institute of Public Finance Accountants, UK.



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10/09/23
Abul Kashem Md. Shirin
Managing Director & CEO
Dutch-Bangla Bank Limited



10/9/23
Brig Gen Shaheed Sifatunn psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

(vii) Mr. Abul Kashem Md. Shirin, Ex-officio Director (Managing Director & CEO)

A visionary banker and a dynamic leader who has successfully introduced IT based banking in Bangladesh. He did his Master of Engineering from BUET, Dhaka and Master of Engineering from Asian Institute of Technology, Bangkok, Thailand. He has 37 years of banking experience.

F. BRIEF DESCRIPTION OF ASSETS AND LIABILITIES

Assets (as at 31 December 2022)

Cash, Bank Balances, Money at Call on Short Notice and Investments

Items	Total Asset	% of Total Asset
Cash	48,180,791,953	8.67%
Balance with other banks and financial institutions	10,188,566,415	1.83%
Money at call on short notice	-	0.00%
Investments	101,673,460,593	18.30%
Loans and advances	364,000,842,669	65.53%
Fixed assets including land, building, furniture and fixtures	9,413,196,077	1.69%
Other assets	22,016,776,739	3.96%
Non-banking Assets	-	0.00%
Total Assets	555,473,634,446	100.00%

Loans and Advances

Item	Amount in BDT
Loans and advances	364,000,842,669
In Bangladesh	
Loans	272,255,672,367
Cash credit	39,995,382,130
Overdraft	32,616,330,661
Outside Bangladesh	-
Bills purchased and discounted	19,133,457,511
Payable in Bangladesh	2,202,817,312
Payable outside Bangladesh	16,930,640,199
Total Loans and Advances	364,000,842,669


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Fixed Assets

Item	Amount in BDT
Land	748,360,000
Building	422,393,227
Interior decoration	1,688,247,161
Furniture and fixtures	536,100,267
Other machinery and equipment	3,128,303,968
Computer equipment	7,060,379,613
Computer software	722,972,040
Motor vehicles	76,241,828
ATM Booth	1,459,753,646
ATM and Fast Track (ATM & Deposit Machine)	3,654,179,255
Right of use of asset- IFRS 16: lease	4,321,695,996
Books	194,591
Total Cost	23,818,821,592
Less: Accumulated depreciation	14,405,625,618
Fixed Assets under Main Operation	9,413,195,974
OBU Fixed Assets at Cost	128,253
Less: Accumulated depreciation	128,150
Fixed Assets under OBU	103
Total Fixed Assets	9,413,196,077

Other Assets

Items	Amount in BDT
Income generating other assets	-
Non-income generating other assets	22,059,739,844
Stationery, stamps, printing materials in stock	336,766,729
Advance rent and advertisement	789,471,465
Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable	1,669,457,588
Security deposits	23,355,272
Preliminary, formation and organization expenses, renovation/development expenses and prepaid expenses	546,299,034
Branch adjustment (net)	-
Suspense account	728,621,312
Silver	-
Others	17,965,768,444
Off-shore Banking Unit	277,534
Less: Inter Bank transactions	(43,240,639)
Total Other Assets	22,016,776,739


10/9/23
Mohammed Mesbahul Alam
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10/9/23
Abul Kashem Md. Shirin
Managing Director & CEO
Dutch-Bangla Bank Limited


10/9/23
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Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

Liabilities (as at 31 December 2022)

Borrowings from other banks, financial institutions and agents

Items	Amount in BDT
Borrowings from other banks, financial institutions and agents	
(a) In Bangladesh	16,799,684,366
Secured	16,798,476,012
Refinance from Bangladesh Bank	16,798,476,012
Housing	107,128
Financial Stimulus Fund	234,021,926
Low Income Group	750,000,000
Export Development Fund (EDF)	15,021,989,965
Small and Medium Enterprise (SME)	26,235,000
Financial Sector Support Project (FSSP)	766,121,993
Unsecured	1,208,354
From Other Bank	-
From Off-shore Banking Unit, Dutch-Bangla Bank Limited	1,208,354
(b) Outside Bangladesh	-
(c) Off-shore Banking Unit	15,772,032,622
(d) Less: Inter Bank transactions	(4,288,236,331)
Total (a+b+c+d)	28,283,480,657

Deposits and Other Accounts

Items	Amount in BDT
Current deposits and other accounts	124,906,569,030
Bills payable	5,995,156,148
Savings bank deposits	205,224,044,867
Term deposits	102,005,545,643
Total	438,131,315,688

Subordinated Debt

Items	Amount in BDT
DBBL 1 st Subordinated Debt	2,000,000,000
DBBL 2 nd Subordinated Debt	3,000,000,000
DBBL 3 rd Subordinated Debt	5,000,000,000
Total	10,000,000,000


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Other Liabilities

Items	Amount in BDT
Unclaimed dividend	2,575,957
Provision for expenses	617,406,303
Contribution to Dutch-Bangla Bank Limited Employees' Superannuation Fund	76,000,000
Contribution to Dutch-Bangla Bank Limited Employees' Gratuity Fund	639,000,000
Provision for interest on credit lines, refinance scheme and subordinated debt	96,743,177
Branch adjustment (net)	1,319,151,270
Provision for classified assets	1,118,841,430
Provision for taxation	8,299,857,700
Accumulated provision for loans and advances including off-balance sheet exposures	14,908,472,649
Cumulative balance of interest suspense account	5,926,045,140
Start-up Fund	167,215,122
Risk Fund for fixed assets	38,890,895
Lease liability- IFRS-16	3,168,872,496
CSR Fund	180,150,876
Others	476,333,505
Off-shore Banking Unit	427,766,992
Less: Inter Bank transactions	(43,240,639)
Total	37,420,082,873

G. DESCRIPTION OF PREVIOUSLY ISSUED DEBT OR SECURITIES

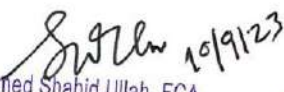
I) Previously Issued Debt Instruments

Dutch-Bangla Bank Limited (DBBL) has made three issuances of unsecured non-convertible subordinated bonds to the local market under Private Placement to enhance the Bank's capital base (Tier 2 Capital) in line with the Basel III framework. The bonds were issued in compliance with the applicable Bangladesh Securities and Exchange Commission issuance rules and other applicable rules & regulations issued by Bangladesh Bank for issuance of Subordinated Bonds. Detail of the issuance is provided below:

Issue Date	Amount Issued in BDT	Amount Repaid in BDT as on 31 Dec 2022	Outstanding in BDT as on 31 Dec 2022
13 Jun 2017	5,000,000,000	3,000,000,000	2,000,000,000
27 Dec 2018	5,000,000,000	2,000,000,000	3,000,000,000
10 Dec 2020	5,000,000,000	Not Applicable	5,000,000,000


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Strictly Private & Confidential


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II) Previously Issued Equity Securities

Year	Particulars	BDT
Before IPO Upto 2000	Sponsors' Ordinary Capital @ BDT 100/share	180,000,000
2001	Initial Public Offering @ BDT 150/share (including Taka 50 premium per share)	22,135,000
2007	Bonus Shares @ 3.94719/share for each share of BDT 100	797,865,000
2008	Bonus Shares @ 0.50/share for each share of BDT 100	500,000,000
2009	Bonus Shares @ 0.333/share for each share of BDT 100	500,000,000
2018	Bonus Shares @ 1.50/share for each share of BDT 10	3,000,000,000
2019	Bonus Shares @ 0.1/share for each share of BDT 10	500,000,000
2020	Bonus Shares @ 0.15/share for each share of BDT 10	825,000,00
2021	Bonus Shares @ 0.1/share for each share of BDT 10*	632,500,000
Total		6,957,500,000



10/9/23

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10/9/23

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14. AUDITED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022 OF THE ISSUER, DUTCH-BANGLA BANK LIMITED

a. Balance Sheet (as at 31 December 2022)

Dutch-Bangla Bank Limited				
Balance Sheet				
As at 31 December 2022				
PROPERTY AND ASSETS	Notes	2022 Taka	2021 Taka	
Cash				
In hand (including foreign currencies)	4	26,488,896,328	17,853,114,090	
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	5	21,691,895,625	17,863,639,768	
		48,180,791,953	35,716,753,858	
Balance with other banks and financial institutions	6			
In Bangladesh		6,823,427,791	12,404,257,887	
Outside Bangladesh		3,365,138,624	956,190,048	
		10,188,566,415	13,360,447,935	
Money at call on short notice	7	-	-	
Investments	8			
Government		92,427,177,159	107,955,029,777	
Others		9,246,283,434	8,726,283,434	
		101,673,460,593	116,681,313,211	
Loans and advances	9			
Loans, cash credits, overdrafts, etc.		344,867,383,158	299,879,503,769	
Bills purchased and discounted		19,133,457,511	19,568,567,985	
		364,000,842,669	319,448,071,754	
Fixed assets including land, building, furniture and fixtures	10	9,413,196,077	7,806,988,757	
Other assets	11	22,016,776,739	21,386,202,543	
Non-banking assets		-	-	
TOTAL ASSETS		555,473,634,446	514,399,778,058	
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other banks, financial institutions and agents	12	28,283,480,657	28,974,520,236	
Deposits and other accounts	13			
Current deposits and other accounts		124,906,569,030	104,093,219,774	
Bills payable		5,995,156,148	4,219,947,608	
Savings bank deposits		205,224,044,867	191,210,176,186	
Term deposits		102,005,545,643	101,977,001,852	
		438,131,315,688	401,500,345,420	
Other liabilities	14	37,420,082,873	34,958,550,601	
Subordinated debt	15	10,000,000,000	12,000,000,000	
TOTAL LIABILITIES		513,834,879,218	477,433,416,257	
Shareholders' equity				
Paid up share capital	16.2	6,957,500,000	6,325,000,000	
Share premium	17	11,067,500	11,067,500	
Statutory reserve	18	9,193,048,174	9,193,048,174	
Other reserve	19	-	-	
Dividend equalization account	20	1,766,827,195	1,766,827,195	
Assets revaluation reserve	21	850,413,777	850,413,777	
Revaluation reserve of HTM securities	22	355,330,921	181,135,270	
Retained earnings	23	22,504,567,661	18,638,869,885	
TOTAL SHAREHOLDERS' EQUITY		41,638,755,228	36,966,361,801	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		555,473,634,446	514,399,778,058	

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Brig Gen Shafique Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.



	Notes	2022 Taka	2021 Taka
		Total	Total
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	24		
Acceptances and endorsements		54,705,039,374	56,280,687,848
Letters of guarantee		6,448,878,817	5,336,987,314
Irrevocable letters of credit		36,229,244,553	44,519,600,967
Bills for collection		-	-
Other contingent liabilities		7,473,547,834	3,194,100,077
Total contingent liabilities		104,856,710,580	109,331,376,206
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total other commitments		-	-
Total off-balance sheet items including contingent liabilities		104,856,710,580	109,331,376,206
Net Asset Value (NAV) Per Share	23.3	59.85	53.13

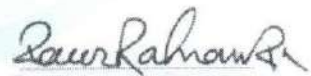
The annexed notes 1 to 50 form an integral part of these financial statements.

 Chairman
 A.B. Khan Director
 Director


Managing Director & CEO

Auditors' report to the Shareholders
See annexed report of date

DVC No.: 2304181259AS556748
Dhaka, 18 April 2023


Ziaur Rahman Zia FCA, Partner
Enrolment Number: 1259
A. Qasem & Co.
Chartered Accountants



 10/9/23
Mohammed Mesbahul Alam
Company Secretary
Dutch-Bangla Bank Limited

 10/9/23
Mohammed Shahid Ullah, FCA
Deputy Managing Director & CFO
Dutch-Bangla Bank Limited
Head Office, Dhaka.

 10/09/23
Abul Kashem Md. Shirin
Managing Director & CEO
Dutch-Bangla Bank Limited

 10/9/23
Brig Gen Shauque Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

b. Profit & Loss Account (for the year ended as at 31 December 2022)

Dutch-Bangla Bank Limited
Profit and Loss Account
For the year ended 31 December 2022

	Notes	2022 Taka	2021 Taka
Interest income	26	24,640,667,324	22,219,818,602
Interest paid on deposits and borrowings etc.	27	7,743,357,385	6,695,649,883
Net interest income		16,897,309,939	15,524,168,719
Investment income	28	7,329,985,743	7,351,325,461
Commission, exchange and brokerage	29	3,772,788,865	1,922,359,013
Other operating income	30	3,947,729,900	3,405,310,516
Total operating income		31,947,814,447	28,203,163,709
Salary and allowances	32	6,605,727,874	5,671,768,812
Rent, taxes, insurance, electricity, etc.	34	2,316,270,778	2,202,286,031
Legal expenses	35	3,248,845	3,172,955
Postage, stamp, telecommunications, etc.	36	371,786,198	416,664,564
Stationery, printings, advertisements, etc.	37	335,261,524	333,382,392
Managing Director & CEO's salary and allowances	38	17,900,000	16,430,000
Directors' fees	39	362,995	359,340
Auditors' fees	40	2,026,509	976,278
Depreciation and repair of bank's assets	41	3,144,845,533	2,845,560,122
Other expenses	42	6,787,581,785	5,105,713,295
Total operating expenses		19,585,012,032	16,598,913,789
Profit before provision		12,362,802,415	11,607,249,920
Provision for loans and off-balance sheet exposures	14.1.3		
Specific provision for loans	14.1.3.1.A	2,446,048,573	1,456,840,074
General provision for loans	14.1.3.1.B	312,829,349	428,471,239
Special general provision - Covid 19 for loans	14.1.3.1.B	236,658,789	1,324,014,886
General provision for off-balance sheet exposures	14.1.3.1.B	(7,230,464)	265,208,844
		2,988,306,247	3,474,535,043
Other provision	14.1.1.1	507,892,430	-
Total provision		3,496,198,677	3,474,535,043
Profit before taxes		8,866,603,738	8,132,714,877
Provision for taxation			
Current tax	14.1.2	4,428,800,730	3,216,094,480
Deferred tax	11.2.2	(1,223,886,665)	(644,457,516)
		3,204,914,065	2,571,636,964
Net profit after taxation		5,661,689,673	5,561,077,913
Appropriations			
Statutory reserve	18	-	-
Other reserve	19	-	-
Retained surplus to retained earnings	23.1	5,661,689,673	5,561,077,913
Earnings per share (EPS)	23.2	8.14	7.99

The annexed notes 1 to 50 form an integral part of these financial statements.

 Chairman
 Director
 Director

 Managing Director & CEO

Auditors' report to the Shareholders
See annexed report of date:

 Ziaur Rahman Zia FCA, Partner
Enrolment Number: 1259
A. Qasem & Co.
Chartered Accountants

DVC No.: 2304181259AS556748
Dhaka, 18 April 2023

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 10/9/23
Mohammed Mesbahul Alam
Company Secretary
Dutch-Bangla Bank Limited

 10/9/23
Mohammed Shahid Ullah, FCA
Deputy Managing Director & CFO
Dutch-Bangla Bank Limited
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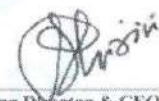
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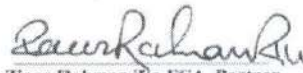


C. Cash Flow Statement (for the year ended 31 December 2022)

Dutch-Bangla Bank Limited			
Cash Flow Statement			
For the year ended 31 December 2022			
	Notes	2022 Taka	2021 Taka
Cash flows from operating activities			
Interest receipts in cash	43.1	31,786,597,017	29,684,211,494
Interest payments	43.2	(7,505,451,082)	(6,810,028,487)
Dividend receipts in cash		5,712,284	6,117,132
Gain on sale of shares		-	-
Gain on sale of securities		846,476,984	2,191,832,137
Recoveries of loan previously written-off		44,190,683	133,926,562
Fee and commission receipts in cash		915,095,196	982,634,950
Cash payments to employees		(6,590,634,982)	(5,688,625,918)
Cash payments to suppliers		(3,596,554,570)	(2,768,434,267)
Income taxes paid		(3,993,029,871)	(3,835,411,133)
Receipts from other operating activities	44.1	6,804,250,879	4,306,205,143
Payments for other operating activities	44.2	(7,315,552,710)	(6,859,952,364)
Operating profit before changes in operating assets and liabilities		11,401,099,828	11,342,475,249
Increase/(decrease) in operating assets and liabilities			
Statutory deposits		-	-
Purchase/sale of trading securities		20,170,958,444	10,155,785,850
Loans and advances to other banks		-	-
Loans and advances to customers		(41,169,565,424)	(48,665,204,284)
Other assets	45.1	(4,506,616,610)	(1,179,674,905)
Deposits from other banks		(8,903,093)	22,676,943
Deposits from customers		36,547,536,677	38,951,713,334
Other liabilities account of customers		(4,436,230,259)	3,178,470,859
Other liabilities	45.2	3,218,780,762	(127,136,222)
Net cash from operating activities		21,217,060,325	13,679,106,824
Cash flows from investing activities			
Payments for purchase of securities		(152,117,656,268)	(153,457,656,290)
Proceeds from sale of securities		146,953,626,564	139,209,612,608
Purchase of property, plant and equipment		(3,892,295,502)	(1,720,213,227)
Sale proceeds of property, plant and equipment		236,486,852	56,059,955
Net cash used in investing activities		(8,819,838,354)	(15,912,196,954)
Cash flows from financing activities			
Receipts from issue of loan capital and debt securities		-	-
Payment for redemption of loan capital and debt securities		(2,000,000,000)	(2,000,000,000)
Dividends paid		(1,105,989,296)	(835,890,676)
Net cash from financing activities		(3,105,989,296)	(2,835,890,676)
Net increase / (decrease) in cash (A+B+C)		9,291,232,675	(5,068,980,806)
Cash and cash-equivalents at beginning of the year		49,085,093,293	54,154,074,099
Cash and cash-equivalents at end of the year (D+E)	48	58,376,325,968	49,085,093,293
Net Operating Cash Flow Per Share (NOCEPS)		30.50	19.66

 Chairman
 Director
 Director

 Managing Director & CEO
Auditors' report to the Board of Directors'
See annexed report of date


 Ziaur Rahman Zia FCA, Partner
Enrolment Number: 1259
A. Qasem & Co
Chartered Accountants

Page 10



For the detailed Audited Financials as at 31 December 2022, please see Annexure 1.

 10/9/23
Mohammed Mesbahul Alam
Company Secretary
Dutch-Bangla Bank Limited

 10/9/23
Mohammed Shahid Ullah, FCA
Deputy Managing Director & CFO
Dutch-Bangla Bank Limited
Head Office, Dhaka.

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Managing Director & CEO
Dutch-Bangla Bank Limited

 10/9/23
Brig Gen Shafique Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

15. COMPARATIVE FINANCIAL STATEMENTS FOR LAST THREE YEARS

STATUS OF THE BANK

Dutch-Bangla Bank Limited (the "Bank") is a scheduled commercial bank set up as a joint venture between Bangladesh and The Netherlands. Incorporated as a public limited company under the Companies Act 1994, the Bank obtained license from Bangladesh Bank on 23 July 1995 and started its banking business with one branch on 3 June 1996. The number of branches were 238 and sub-branches were 104 as at 31 December 2022 all over Bangladesh. The Bank is listed with Dhaka Stock Exchange and Chittagong Stock Exchange as a publicly quoted company.

NATURE OF BUSINESS

Main operation

The principal activities of the Bank are to carry on all kinds of commercial banking business in Bangladesh.

Mobile Banking Services

The Bank obtained the permission for conducting the Mobile Banking Services from Bangladesh Bank on 28 April 2010 and started operation of Mobile Banking Services on 31 March 2011.

The principal activities of the Mobile Banking Services are to provide banking services to Mobile Banking customers through Mobile Phone and multiple delivery channels within the applicable rules & regulations and guidelines of Bangladesh Bank.

Mobile Banking Services are part of Main Operation of the Bank.

Agent Banking Services

The Bank obtained the permission for conducting the Agent Banking services from Bangladesh Bank on 27 July 2014 and started operation of Agent Banking Services on 19 January 2015.

The principal activities of the Agent Banking Services are to provide banking services to the Bank customers through engagement of agents who conducts Banking Transaction on behalf of the Bank under a valid agency agreements rather than Bank's own Tellers/Cashiers to deliver the services within the applicable rules & regulations and guidelines of Bangladesh Bank.

Agent Banking Services are part of Main Operation of the Bank.

Off-shore Banking Unit (OBU)

The Off-shore Banking Unit (OBU) of the Bank is the separate business entity governed by the applicable rules & regulations and guidelines of Bangladesh Bank. The Bank obtained the permission for conducting the operations of OBU from Bangladesh Bank on 23 February 2010. The Bank started the operation of OBU on 12 July 2010. The number of OBUs were two as at 31 December 2022 located at Centralized Processing Centre (CPC), Head Office, Dhaka and Dhaka EPZ Branch, Dhaka.

The principal activities of the OBUs are to provide commercial banking services through its Units within the rules & regulations and guidelines of Bangladesh Bank applicable for the Off-shore Banking Units.



10/9/23
Mohammed Mesbahul Alam
Company Secretary
Dutch-Bangla Bank Limited



10/9/23
Mohammed Shahid Ullah, FCA
Deputy Managing Director & CFO
Dutch-Bangla Bank Limited
Head Office, Dhaka.



10/9/23
Abul Kashem Md. Shirin
Managing Director & CEO
Dutch-Bangla Bank Limited



10/9/23
Brig Gen Shafiqul Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

Comparative financials of Dutch-Bangla Bank Limited is provided in the following pages.

Balance Sheet: Dutch-Bangla Bank Limited

Particulars in BDT	31-Dec-22	31-Dec-21	31-Dec-20
PROPERTY AND ASSETS			
Cash	48,180,791,953	35,716,753,858	40,888,815,445
In hand (including foreign currencies)	26,488,896,328	17,853,114,090	17,030,120,126
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	21,691,895,625	17,863,639,768	23,858,695,319
Balance with other banks and financial institutions	10,188,566,415	13,360,447,935	13,256,630,254
In Bangladesh	6,823,427,791	12,404,257,887	12,574,309,059
Outside Bangladesh	3,365,138,624	956,190,048	682,321,195
Money at call and short notice	-	-	-
Investments	101,673,460,593	116,681,313,211	112,589,792,279
Government	92,427,177,159	107,955,029,777	106,718,508,845
Others	9,246,283,434	8,726,283,434	5,871,283,434
Loans and advances	364,000,842,669	319,448,071,754	273,382,907,030
Loans, cash credits, overdrafts, etc.	344,867,385,158	299,879,503,769	257,165,934,137
Bills purchased and discounted	19,133,457,511	19,568,567,985	16,216,972,893
Fixed assets including land, building, furniture and fixtures	9,413,196,077	7,806,988,757	7,882,842,294
Other assets	22,016,776,739	21,386,202,543	24,354,460,906
Non-banking assets	-	-	-
TOTAL ASSETS	555,473,634,446	514,399,778,058	472,355,448,208
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	28,283,480,657	28,974,520,236	25,796,052,059
Deposits and other accounts	438,131,315,688	401,500,345,420	362,610,989,745
Current deposits and other accounts	124,906,569,030	104,093,219,774	89,092,047,606
Bills payable	5,995,156,148	4,219,947,608	3,925,305,619
Savings bank deposits	205,224,044,867	191,210,176,186	170,213,630,379
Term deposits	102,005,545,643	101,977,001,852	99,380,006,141
Other liabilities	37,420,082,873	34,958,550,601	37,691,753,730
Subordinated debt	10,000,000,000	12,000,000,000	14,000,000,000
TOTAL LIABILITIES	513,834,879,218	477,433,416,257	440,098,795,534
Shareholders' equity			
Paid up share capital	6,957,500,000	6,325,000,000	5,500,000,000
Share premium	11,067,500	11,067,500	11,067,500
Statutory reserve	9,193,048,174	9,193,048,174	9,193,048,174
Other reserve	-	-	-
Dividend equalization account	1,766,827,195	1,766,827,195	1,766,827,195
Assets revaluation reserve	850,413,777	850,413,777	850,413,777
Revaluation reserve of HTM securities	355,330,921	181,135,270	96,905,831
Retained earnings	22,504,567,661	18,638,869,885	14,838,390,197
TOTAL SHAREHOLDERS' EQUITY	41,638,755,228	36,966,361,801	32,256,652,674
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	555,473,634,446	514,399,778,058	472,355,448,208


10/9/23
Mohammed Mesbahul Alam
Company Secretary
Dutch-Bangla Bank Limited


10/9/23
Mohammed Shahid Ullah, FCA
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Head Office, Dhaka.

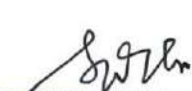

10/9/23
Abul Kashem Md. Shirin
Managing Director & CEO
Dutch-Bangla Bank Limited


10/9/23
Brig Gen Shafique Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

Profit and Loss Account: Dutch-Bangla Bank Limited

Particulars in BDT	31-Dec-22	31-Dec-21	31-Dec-20
Interest income	24,640,667,324	22,219,818,602	22,194,983,159
Interest paid on deposits and borrowings etc.	7,743,357,385	6,695,649,883	8,065,280,264
Net interest income	16,897,309,939	15,524,168,719	14,129,702,895
Investment income	7,329,985,743	7,351,325,461	7,143,871,577
Commission, exchange and brokerage	3,772,788,865	1,922,359,013	1,725,671,452
Other operating income	3,947,729,900	3,405,310,516	3,615,083,897
Total operating income	31,947,814,447	28,203,163,709	26,614,329,821
Salary and allowances	6,605,727,874	5,671,768,812	5,219,592,498
Rent, taxes, insurance, electricity, etc.	2,316,270,778	2,202,286,031	2,326,134,531
Legal expenses	3,248,845	3,172,955	2,359,569
Postage, stamp, telecommunications, etc.	371,786,198	416,664,564	377,009,483
Stationery, printings, advertisements, etc.	335,261,524	333,382,392	404,615,350
Managing Director & CEO's salary and allowances	17,900,000	16,430,000	14,670,000
Directors' fees	362,995	359,340	228,000
Auditors' fees	2,026,500	576,278	609,500
Depreciation and repair of bank's assets	3,144,845,533	2,845,560,122	2,337,846,612
Other expenses	6,787,581,785	5,105,713,295	5,429,948,523
Total operating expenses	19,585,012,032	16,595,913,789	16,113,014,066
Profit before provision	12,362,802,415	11,607,249,920	10,501,315,755
Specific provision for loans	2,446,048,573	1,456,840,074	(33,091,881)
General provision for loans	312,829,349	428,471,239	(48,549,711)
Special general provision- Covid 19 for loans	236,658,789	1,324,014,886	817,531,599
General provision for off-balance sheet exposures	(7,230,464)	265,208,844	75,652,163
Provision for loans and off-balance sheet exposures	2,988,306,247	3,474,535,043	811,542,170
Other provision	507,892,430	-	28,935,000
Total provision	3,496,198,677	3,474,535,043	840,477,170
Profit before taxes	8,866,603,738	8,132,714,877	9,660,838,585
Current tax	4,428,800,730	3,216,094,480	3,852,516,597
Deferred tax	(1,223,886,665)	(644,457,516)	309,577,349
Provision for taxation	3,204,914,065	2,571,636,964	4,162,093,946
Net profit after taxation	5,661,689,673	5,561,077,913	5,498,744,639
Appropriations			
Statutory reserve	-	-	-
Retained surplus to retained earnings	5,661,689,673	5,561,077,913	5,498,744,639
Earnings per share (EPS)	8.14	8.79	8.69


14/9/23
Mohammed Mesbahul Alam
Company Secretary
Dutch-Bangla Bank Limited


10/9/23
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Deputy Managing Director & CFO
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Head Office, Dhaka.


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Managing Director & CEO
Dutch-Bangla Bank Limited


14/9/23
Brig Gen Shauque Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

Cash Flow Statement: Dutch-Bangla Bank Limited

Particulars in BDT	31-Dec-22	31-Dec-21	31-Dec-20
A) Cash flows from operating activities			
Interest receipts in cash	31,786,597,017	34,589,536,019	24,379,376,974
Interest payments	(7,505,451,082)	(6,810,028,487)	(7,997,624,283)
Dividend receipts in cash	5,712,284	6,117,132	5,711,803
Gain on sale of shares	-	-	-
Gain on sale of securities	846,476,984	2,191,832,137	902,712,473
Recoveries of loan previously written-off	44,190,683	133,926,562	138,671,837
Fee and commission receipts in cash	915,095,196	982,634,950	792,670,438
Cash payments to employees	(6,590,634,982)	(5,688,625,918)	(5,237,364,256)
Cash payments to suppliers	(3,596,554,570)	(2,768,434,267)	(3,560,251,010)
Income taxes paid	(3,993,029,871)	(3,835,411,133)	(4,164,359,285)
Receipts from other operating activities	6,804,250,879	4,306,205,143	4,529,813,126
Payments for other operating activities	(7,315,552,710)	(6,859,952,364)	(4,933,370,800)
Operating profit before changes in operating assets and liabilities	11,401,099,828	16,247,799,774	4,855,987,017
Increase/ (decrease) in operating assets and liabilities			
Statutory deposits	-	-	-
Purchase /sale of trading securities	20,170,958,444	10,155,785,850	(47,299,253,951)
Loans and advances to other banks	-	-	-
Loans and advances to customers	(41,169,565,424)	(53,570,528,809)	(14,762,190,992)
Other assets	(4,506,616,610)	(1,179,674,905)	(1,464,127,359)
Deposits from other banks	(8,903,093)	22,676,943	(81,645,298)
Deposits from customers	36,547,536,677	38,951,713,334	60,501,567,429
Other liabilities account of customers	(4,436,230,259)	1,554,188,564	10,873,774,455
Other liabilities	3,218,780,762	(127,136,222)	4,545,933,332
Net cash from operating activities	21,217,060,325	12,054,824,529	17,170,044,633
B) Cash flows from investing activities			
Payments for purchase of securities	(152,117,656,268)	(153,457,656,290)	(151,802,938,576)
Proceeds from sale of securities	146,953,626,564	139,209,612,608	141,617,748,750
Purchase of property, plant and equipment	(3,892,295,502)	(1,720,213,227)	(3,979,286,638)
Sale proceeds of property, plant and equipment	236,486,852	56,059,955	36,519,042
Net cash used in investing activities	(8,819,838,354)	(15,912,196,954)	(14,127,957,422)
C) Cash flows from financing activities			
Receipts from issue of loan capital and debt securities	-	-	5,000,000,000
Payment for redemption of loan capital and debt securities	(2,000,000,000)	(2,000,000,000)	(1,530,625,000)
Dividends paid	(1,105,989,296)	(835,890,676)	(748,765,465)
Net cash from financing activities	(3,105,989,296)	(2,835,890,676)	2,720,609,535
D) Net increase/ (decrease) in cash (A+B+C)	9,291,232,675	(6,693,263,101)	5,762,696,746
E) Cash and cash-equivalents at beginning of the year	49,085,093,293	61,314,398,944	55,551,702,197
F) Cash and cash-equivalents at end of the year (D+E)	<u>58,376,325,968</u>	<u>54,621,135,843</u>	<u>61,314,398,943</u>
Net Operating Cash Flow per share	30.50	19.06	27.15


10/9/23
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Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

16. RATIOS FOR THE LAST THREE ACCOUNTING YEARS

Key Ratios of Dutch-Bangla Bank Limited for last Three year is provided follows.

Ratios	31-Dec-22	31-Dec-21	31-Dec-20
Non-Performing Loan (NPL) to Total Loan (%)	4.29%	3.75%	2.17%
Common Equity Tier 1 (CET1)	11.33%	11.05%	11.10%
Tier 1 Capital to Risk-weighted Asset Ratio	11.33%	11.05%	11.10%
Tier 2 Capital to Risk-weighted Asset Ratio	4.23%	5.36%	6.13%
Capital to Risk-weighted Asset Ratio (CRAR)	15.55%	16.41%	17.23%
Current Ratio (Times)	1.12	1.06	1.03
Quick Ratio (Times)	1.12	1.06	1.03
Cost-Income Ratio	61.30%	58.84%	60.54%
Credit-Deposit Ratio (as per BB methodology)	76.50%	71.80%	67.50%
Debt to Equity Ratio (Before Issue)	24.02%	32.46%	43.40%
Debt to Equity Ratio (After Issue)	36.02%	45.99%	58.90%
Debt/Liability to Total Assets Ratio ¹	92.50%	92.81%	93.17%
Debt Service Coverage Ratio (Times)*	4.52	4.02	5.34
Earning base in Assets (%)	87.36%	88.90%	86.19%
Gross Profit Ratio*	31.15%	33.26%	30.28%
Net Interest Margin on average total interest earning assets*	3.59%	3.59%	3.85%
Gross Profit Margin (%)*	31.15%	33.26%	30.28%
Operating Profit Margin (%)*	38.70%	41.16%	39.46%
Net Income (Net Profit after Tax) Ratio (%)*	17.72%	19.72%	20.66%
NPAT Margin (%)*	14.26%	15.93%	15.86%
Return on (average) Investment - ROI (%)*	6.71%	6.41%	8.52%
Return on (average) Assets - ROA (%)*	1.06%	1.13%	1.27%
Return on (average) Equity - ROE (%)*	14.41%	16.07%	18.42%
Asset Turnover Ratio (%)*	7.42%	7.07%	8.04%
Net Operating Cash Flow to Net Income (Times)	3.75	2.46	3.12
Yield on loans and advances (%)	7.20%	7.70%	8.20%
Earnings Per Share – EPS in BDT*	8.14	8.79	10.00
Net Asset Value Per Share – NAVPS in BDT	59.85	58.44	58.65
Closing Market price per share	62.60	78.10	65.00
Price earning (P/E) ratio (Times)	7.69	8.88	6.50
Market Capitalization (In Millions BDT)	43,553.95	49,398.25	35,750.00

*ANNUALIZED.

¹ considering total liabilities as Debts. However, except this ratio, while calculating other ratios relative to debt, namely, Debt to Equity Ratio (before and after the proposed issue), Debt service coverage ratio etc. considering 'Debt' only as the outstanding amount of 'Subordinated Debts' & its pertinent amounts (such as accrued interests, principal repayment during the year under report, where applicable) as of the respective dates.


10/9/23
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10/9/23
Abul Kashem Md. Shirin
Managing Director & CEO
Dutch-Bangla Bank Limited


10/9/23
Brig Gen Sharique Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

17. CREDIT RATING SUMARRY OF THE ISSUE AND ISSUER

Credit Rating of Issuer: Dutch-Bangla Bank Limited

Credit Rating Agency: Credit Rating Agency of Bangladesh Limited (CRAB)

Date of Rating	Validity	Long Term	Short Term	Rated By	Outlook
7 June 2023	30 June 2024	AAA	ST-1	CRAB*	Stable

Credit Rating of the Issue: 4th Floating Rate Subordinated Bond

Credit Rating Agency: Credit Rating Agency of Bangladesh Limited (CRAB)

Date of Rating	Validity	Long Term Rating	Rated By
16 August 2023	16 February 2024	AA1 _(Hyb)	CRAB

Credit Rating Report of the Dutch-Bangla Bank Limited 4th Floating Rate Subordinated Bond has been conducted by Credit Rating Agency of Bangladesh Limited (CRAB) based on Audited Financial Statements up to 31 December 2022 and other relevant quantitative as well as qualitative information up to the date of rating declaration.

For detailed Credit Rating Report of the Issue, please see Annexure 2.



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Managing Director & CEO
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10/9/23

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Managing Director & CEO
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18. LATEST DEFAULT MATRIX AND TRANSITION STATISTICS OF CRC

Default Matrix of Credit Rating Agency of Bangladesh Limited (CRAB), the rating agency of the 4th Subordinated Bond:

CREDIT RATING AGENCY OF BANGLADESH LIMITED



Date: 14th June, 2023

CRAB RATINGS' DEFAULT STUDY-2022

Rating Category	1-Year Default Rate	3-Year Cumulative Default Rate (CDR)
AAA	0.00%	0.00%
AA	0.00%	0.00%
A	0.00%	0.00%
BBB	0.00%	0.00%
BB	0.00%	0.00%
B	0.00%	0.00%
CCC	0.00%	0.00%



Nur Elahee Molla
Head of Rating



10/9/23

Mohammed Mesbahul Alam
Company Secretary
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Transition statistics of Credit Rating Agency of Bangladesh Limited (CRAB) for the year 2022 the rating agency of the 4th Subordinated Bond:

CREDIT RATING AGENCY OF BANGLADESH LIMITED



Date : 14th June, 2023

CRAB RATINGS' TRANSITION MATRIX - 2022

Previous Rating	Rating after 1 year						
	AAA	AA	A	BBB	BB	B	CCC
AAA	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AA	1.51%	97.73%	0.76%	0.00%	0.00%	0.00%	0.00%
A	0.00%	4.23%	93.46%	2.31%	0.00%	0.00%	0.00%
BBB	0.00%	0.00%	5.80%	94.20%	0.00%	0.00%	0.00%
BB	0.00%	0.00%	0.00%	32.86%	64.28%	2.86%	0.00%
B	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%
CCC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Each row corresponds to a previous rating.

Each column corresponds to a rating after 1 year.



Nur Elahee Molla
Head of Rating



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Abul Kashem Md. Shirin
Managing Director & CEO
Dutch-Bangla Bank Limited



10/9/23
Brig Gen Shafique Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

19. DESCRIPTION OF THE TRUSTEE: SENA KALYAN INSURANCE COMPANY LIMITED (SKICL)

Company Overview

Sena Kalyan Insurance Company is a concern of Sena Kalyan Sangstha (SKS) of Bangladesh Armed Forces. Born through the Great War of Liberation, Bangladesh Armed Forces have earned a time tested confidence of the people of the country and with that sky high image, Sena Kalyan Insurance Company Limited is designed to serve all sections of the people by upholding the principles of transparent perception and corporate practices in the field of insurance. This new member of the Insurance Industry of Bangladesh commenced its business since 10 September 2013 and already emerged as a viable and very promising general insurance company in the country. The shareholding structure of the company is institutional, which is unique in our industry. The Board of Directors is composed of ex-officio Senior military officers.

The Chairman of the Board is a serving Major General of Bangladesh Army, who is also the chairman of Sena Kalyan Sangstha. All the shares of the company is owned by Sena Kalyan Sangstha, which has already emerged as one of the viable business organizations in Bangladesh: This feature is a special point of trust and confidence of our valued partners. The Chief of Army Staff of Bangladesh Army is the chairman of the Board of Trustee and thus it adds value to our transparent dealing with the valued partners. It is worth mentioning here that we are the insurer of US Bangla Airlines and very promptly handled the claims of 2018 US-Bangla crash in Nepal on 12th March 2018.

Vision, Mission and Core Values

Vision: Sena Kalyan Insurance Company Limited will strive towards upholding the principles of transparent perception and corporate practices thus turning it to be a viably profitable insurance company in the country.

Mission: To pursue ongoing endeavors to become a leading insurance company by providing innovative products and customer friendly services through highly motivated team of dedicated professionals and ensure profit for the sponsors and shareholders.

Core Values:

- Trust
- Integrity
- Professionalism

Board of Directors:

- 1) Chairman : Maj Gen Iftekhar Anis, BSP, awc, afwc, psc, PEng
- 2) Vice Chairman : Cdre A.F.M Rafiqul Islam (L), NDU, PSC, BN
- 3) Member : Brig Gen Md Shakhawat Hossain, ndu, psc
- 4) Member : Air Cdre Md Shaharul Huda, BSP, ndc, psc
- 5) Member : Brig Gen Md Hasan Jahangir, SUP, ndc, psc
- 6) Member : Brig Gen A K M Asif Iqbal, BVM, BAMS, ndc
- 7) Member : Brig Gen Mohd Muinul Haq Mamun, psc
- 8) Member : M.M. Mostafa Bilal, Independent Director
- 9) Member : Ahamed Ihteyaz Thamid, Independent Director
- 10) Member : Brig Gen Md Shafique Shamim, psc (Retd), CII (cert), ABIA, Managing Director & CEO



10/9/23
Mohammed Mesbahul Alam
Company Secretary
Dutch-Bangla Bank Limited



10/9/23
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Deputy Managing Director & CFO
Dutch-Bangla Bank Limited
Head Office, Dhaka.



10/09/23
Abul Kashem Md. Shirin
Managing Director & CEO
Dutch-Bangla Bank Limited



10/9/23
Brig Gen Shafique Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

Executives of the Head Office:

- | | |
|---|--|
| • Chief Executive Officer | : Brig Gen Shafique Shamim, psc (Retd), MDS, MBA, CII (Cert) |
| • Col Md Abue Masud Nakib PBGM (Retd) | : EVP, Mkt Dept & Head of Corporate Affairs |
| • Chief Financial Officer | : Maloy Kumar Saha |
| • Head of Marketing Department | : Lt Col AKM Nazimul Islam, psc (Retd.) |
| • Head of Underwriting Department | : Pronab Kumar Saha |
| • Head of Claim & Re-insurance Dept | : Tajul Islam |
| • Head of Admin Department | : Sqn Ldr Md Mostafa Zaman (Retd) |
| • Head of Information & technology Dept | : Mohammad Shakhawat Hossain |
| • Company Secretary | : M.M. Sajedul Islam |
| • Head of HR | : Khadiza Khanom Mili |

Key Features

- **Nature of Business:** Non-life insurance/ General insurance
- **Date of Incorporation:** 03 September, 2013
- **Date of Registration:** 03 September, 2013
- **Date of Commencement of Business:** 10 September, 2013
- **Authorized Capital:** Tk. 100,00,00,000
- **Paid up Capital:** Tk. 40,00,00,000 [Sponsor 60% & General Public 40%]
- **Date of Listing:** 07 November, 2021
- **Current Credit Rating:** Long Term Rating: AA+, Short Term Rating : ST-1
- **Credit Rating Company:** Alpha Credit Rating Limited.
- **Company's Registration No:** C-111100/13
- **E-Tax Identification Number (E-TIN):** 833679619109, LTU, Dhaka
- **VAT Registration Number:** 001108614-0101
- **Auditors:** FAMES & R, Chartered Accountants

Classes of Business:

We transact in all types of General Insurance Business. The company's policies are liberal contracts free from restrictive conditions and the premiums charged are strictly moderated consistent with absolute security. Businesses being transacted are as follows:

Fire Business

1. Fire and its allied perils Insurance: Riot, Strike & Damage, Flood, Cyclone, Earthquake (Fire & Shock), Malicious Damage, Explosion, Aircraft Damage, Impact Damage and Bursting of pipes etc.
2. Industrial All Risks Insurance (IAR)
3. Commercial General Liability & Excess Liability
4. Hotel Owners' All Risks Insurance (HOAR) & Business Interruption
5. Property All Risks Insurance (Fire, Flood, Cyclone & Earthquake)
6. Power Plant Operational Package Insurance (PPOPI)


Marine Insurance

1. Marine Cargo Import (Steamer/Powered Vessel, Rail/Lorry/Truck, Air)
2. Marine Cargo Export (Steamer/Powered Vessel, Rail/Lorry/Truck, Air)
3. Inland Transit Insurance (Rail/Road, Water Borne)/ Goods in Transit Insurance)
4. Marine Hull (Comprehensive, Total Loss Only (TLO, Sue & Labour, Salvage)
5. Shipbuilders' Insurance Policy


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Engineering Insurance

1. Boiler and Pressure Vessel Insurance (BPV)
2. Cold Storage Comprehensive Insurance
3. Construction/Contractors' All Risks Insurance (CAR)/ Erection All Risks Insurance (EAR)
4. Machinery Breakdown Insurance (MBD)
5. Electronic Equipment Insurance (EEI)
6. Deterioration of Stock (DOS)

Motor Insurance (Comprehensive & Act Only Liability Insurance)

1. Private Vehicle (PV)
2. Commercial Vehicle (CV)
3. Motorcycle (MC)

Aviation Insurance

1. Hull, Spares All Risks, Combined Single Liability)
2. Liability/Excess Liability Insurance [TPL, PLL, CLL & CPA]
3. Hull War & Hull deductible Insurance

Miscellaneous/ Accident/ Liability Insurance

1. Overseas Mediclaim (Business & Holidays; Studies & Employment: OMP)
2. Burglary & House Breaking Insurance (BG)
3. Money Insurance (Cash-in-Business premises in strong room vault/safe, A.T.M. Booth and/or on counter & Cash in Transit) for scheduled Banks.
4. Personal Accident Insurance (Individual & Group) (PA)
5. Peoples' Personal Accident (Individual & Group) (PPA)
6. Fidelity Guarantee Insurance (FG), Professional Indemnity Insurance (PII)
7. Commercial General Liability & Excess Liability Insurance (CGL)
8. Automobile Liability Insurance, Public & Product Liability Insurance
9. Workmen's Compensation Insurance
10. Cash in Safe, Cash on Counter & Cash in Transit for other than scheduled Banks
11. Safe Deposit Box (Bank Lockers) All Risks Insurance (SDB)
12. Directors' & Officers' liability Insurance
13. Bankers' Blanket Bond , Electronic & Computer Crime Insurance
14. Livestock/ Cattle Insurance Policy


Re-Insurance Protection

SKICL has started to give financial safety & security of its client. The company has good Treaty arrangement with Sadharan Bima Corporation and from the very beginning has been taking proper re-insurance protection from them. At present, hundred percent of the total portfolios of the company is re-insured with the state-owned Sadharan Bima Corporation, Bangladesh, the only re-insurer of the country. Besides, SKICL obtains Facultative re-insurance beyond its Treaty limit from SBC and is looking for in the coming days to arrange reinsurance coverage with some noted overseas Re-insurers.

Claim Settlement:

SKICL believes that prompt settlement of claims is the most important strategy to procure insurance business and earn confidence from the clients. Bearing this strategy in mind, priority is given to provide prompt services to the clients in the event of loss of their properties under the scope of respective Insurance Policy. It is SKICL's vision to settle the Insurance Claim within the shortest possible time with entire satisfaction of the clients. The company commenced business at the later part of 2013 and by now has settled about 833 claims of various types while 74 claims are in the process of settlement.


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SKICL's Commitment:

- Prudent Underwriting.
- 100% Re-Insurance protection.
- Prompt Settlement of Claim.
- Friendly relations with valued clients.

Financial Highlights of SKICL in the last three audited years is provided below:

Detail in BDT	31 Dec 2022	31 Dec 2021	31 Dec 2020
Authorised Capital	1,000,000,000	1,000,000,000	1,000,000,000
Paid-up Capital	400,000,000	400,000,000	240,000,000
Total Assets	1,483,708,535	1,381,812,243	978,292,139
Net Worth	806,672,565	748,373,312	506,203,422
Revenue	800,567,286	780,226,042	580,522,233
Gross Profit	82,294,297	80,985,987	66,824,517
Net Profit after Tax	114,330,734	106,150,316	94,275,660
Cash Flow from Operating Activities	178,110,068	246,513,763	221,715,530
Cash and Cash Equivalents	1,033,953,274	1,128,915,663	793,496,960

List of Issuances in which SKICL is acting as Trustee:

Amount in Taka crore

Sl	Name of Issuer	Name of Issue	Maturity Period	Date of Subscription	Issue Amount	Disbursed Amount	Repaid Amount	Outstanding amount as on 06/08/23
1	Trust Bank Ltd Bond-III	Non convertible, Unsecured, Subordinated	26-10-23	27-10-16	400	400	320	80
2	Trust Bank Ltd Bond-IV	Non convertible, Unsecured Subordinated	19-12-25	19-12-18	500	500	200	300
3	Rangpur Metal Ind. Limited	Non convertible, Secured, Zero Coupon	25-03-25	30-04-19	100	100	72.38	27.62
4	Exim Bank Ltd	Unsecured Mudaraba Subordinated Bond	15-06-28	16-06-21	500	500	0	500
5	SAJIDA Foundation	Non Convertible Unsecured Green Zero Coupon Bond	09-02-24	09-02-22	100	100	50	50
6	IFIC Bank Ltd (2nd sub Bond)	Non Convertible Subordinated Bond	13-09-28	14-09-21	500	500	0	500


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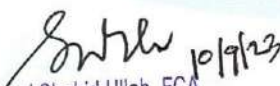

19/9/23
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Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

SI	Name of Issuer	Name of Issue	Maturity Period	Date of Subscription	Issue Amount	Disbursed Amount	Repaid Amount	Outstanding amount as on 06/08/23
7	Southeast Bank Ltd (5th Issue)	7 year Subordinated Bond 5th Issue	29-12-28	30-12-21	500	500	0	500
8	ONE Bank Ltd	Floating Rate Subordinated Bond	19-09-2029	20-09-2022	400	400	0	400
9	IFIC Bank Ltd (3rd sub Bond)	3rd Floating Rate Subordinated Bond	19-09-2029	20-09-2022	500	500	0	500
10	Paramount Textiles PLC	Zero Coupon Bond	Fund not yet disbursed		250	N/A	N/A	N/A
11	BURO Bangladesh	Non-convertible Sustainable Finance Zero Coupon	Fund not yet disbursed		150	N/A	N/A	N/A
12	IFIC Bank Ltd (4th sub Bond)	4th Non convertible Sub Bond	Application process is running		500	N/A	N/A	N/A

For the Due Diligence Certificate of Trustee, please see Annexure 3.



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20. MODUS OPERANDI OF THE ISSUE

Any Scheduled bank, Corporate, Financial Institution and/or Insurance Company is subject to duly registered in Bangladesh and operating its business under the license or approval duly issued by the respective competent authority or institution of the Government of Bangladesh.

a. Application Procedure:

The Bonds shall be distributed through private placement. Each investor (Bondholder) shall enter into a separate Subscription Agreement with the Issuer and shall be bound by the terms and conditions contained in such Subscription Agreement containing in details the rights and obligations of the investors.

Undertaking to Issue

The Issuer will, subject to and in accordance with the provisions of the Subscription Agreement, on the Closing Date, duly execute and credited to the respective investor's Beneficiary Accounts (BO Accounts) or deliver to the Bondholder a Bond Certificate attached with the Conditions, representing the allocation amount of Bonds subscribed.

Undertaking to Subscribe

The investor will, subject to and in accordance with the provisions of the Subscription Agreement, on the Closing Date, subscribe and pay the aggregate purchase price for the allocation, in Bangladesh Taka for same day value to such account as the Issuer designates.

Subscription and Closing: Subject to the conditions precedent contained in the Subscription Agreement, the closing of the issue of the Bonds shall take place on the Closing Date.

Investor Representation Letter: On the date indicated in the Subscription Agreement, the Bondholders will execute and deliver a letter addressed to the Issuer.

Payment of net issue proceeds: On each Closing Date, of the Bondholders shall pay the purchase price of Bonds to the Issuer in Bangladesh Taka.

Issuance of Bond

Notwithstanding anything contained anywhere in this Trust Deed, the Bonds shall be issued in dematerialized form as per the CDBL Bye Laws and the Issuer shall apply to the respective stock exchange(s) for listing in the Alternative Trading Board (ATB) immediately from the date of availing ATB facilities under the Bangladesh Securities and Exchange Commission (Alternative Trading System) Rules, 2019 and respective regulations of the stock exchange(s) in this regard.



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If the procedure of dematerialization of the Bonds is not completed with the Central Depository Bangladesh Limited (CDBL) before the Issue Date of the Bonds as per the CDBL Bye Laws and after completion of dematerialization of the Subordinated Bond through CDBL, the allotted units of the bond will be credited to respective investor's Beneficiary Owner Account (BO Accounts). If the Bonds are not issued in demat form each series of Bonds will be issued in script form and represented by Bond Certificates. On the date on which any Bond Certificates are issued, the Register shall be completed by or on behalf of the Issuer by the Registrar. On or promptly following the date of issuance, the Registrar shall procure delivery of the duly executed and authenticated Bond Certificates to the registered Bondholders.

Bond Certificates

Unless the Bonds are not issued in demat form, the Bond Certificates will be printed in accordance with applicable legal requirements substantially set out in the forms provided in the Bond Documents or Trust Deed. The Bond Certificates will be endorsed with the Conditions.

b. Allotment:

On the closing date, to be determined, the Issuer shall allot and issue the Bonds, in registered form in a minimum denomination of BDT 10,000,000 and integral multiples thereof. The Bonds shall be issued in dematerialised form as per the CDBL Bye Laws on the Alternative Trading Board ("ATB") of the respective stock exchange(s). The Issuer will ensure that the applicable BO accounts, as provided by each Investor, are credited with the subscribed amount of the bonds. In case of unavailability of issue in dematerialised form, a bond certificate (each a "Bond Certificate") will be issued to each Bondholder in respect of its registered holding of each series of Bonds. Each Bond and each Bond Certificate will be numbered serially with an identifying number which will be recorded on the relevant Bond Certificate and in the register of Bondholders (the "Register"), which will be kept by Registrar on behalf of the Issuer.

Each of the Issuer, the Trustee and any Agent may deem and treat the registered holder of a Bond as the absolute owner of such Bond, free of any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate Holder of such Bond (whether or not the Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon or any notice of previous loss or theft of the Bond Certificate issued in respect of that Bond) for all purposes and, except as ordered by a court of competent jurisdiction or as required by applicable law, the Issuer, the Trustee and the Agents shall not be affected by any notice to the contrary.



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c. Refund:

There is no option to exercise prepayment of the Bonds either by the Issuer or the Investor. In case of any necessary refunds due to error in system or calculation, such transfers will be made via cheque or CDBL transfer, as per available system and agreed upon by the relevant parties.

d. Transfer:

The Bonds are transferable subject to the terms and conditions set out in the Bond Documents. Each Bond shall be transferred in accordance with the conditions detailed out in Trust Deed.

i. **Transfer of Bonds in dematerialized form as per CDBL Bye Laws**

Subject to the relevant Bond conditions, a Bond may be transferred to another Person in Bangladesh (a "**Transferee**") in the CDBL System upon initiation and upon issuance of a duly completed Transfer Request Form 14 to CDBL as referred to under Bye Law 11.5 under the CDBL Bye Laws. On receipt of a valid Transfer Request Form 14, the Participant or CDBL, in the case of Direct Accounts, shall enter a Transaction into the CDBL System in accordance with the User Manual. On the Settlement Date specified in the Transaction, the Bonds will be debited from the balance in the delivering Account and credited to the receiving Account. For the purpose of this paragraph, the following definitions shall mean:

- i. "**CDBL System**" means all systems and application programs relevant to the operations of CDBL including all of the computer hardware and software maintained and used by CDBL and the software used by a Participant, or an Issuer or his agent to communicate with the CDBL System;
- ii. "**CDBL Participant**" means any Person entitled to participate in CDBL under the CDBL Bye Laws;
- iii. "**Settlement**" means the completion of a Transaction by delivery of Bonds from one Account to another;
- iv. "**Settlement Date**" means a Business Day when the Settlement of a Transaction is due to take place;
- v. "**Transaction**" means any transaction in the CDBL System which causes a debit or credit to be made to an Account which may be effected by:
 - (a) an electronic message, or
 - (b) a set of electronic messages of a kind specified by CDBL for use in the CDBL System;
- vi. "**User Manual**" means the CDBL User Manual issued by CDBL for the Issuer as amended from time to time;



10/9/23

Mohammed Mesbahul Alam
Company Secretary
Dutch-Bangla Bank Limited



10/9/23

Mohammed Shahid Ullah, FCA
Deputy Managing Director & CFO
Dutch-Bangla Bank Limited
Head Office, Dhaka.



10/9/23

Abul Kashem Md. Shirin
Managing Director & CEO
Dutch-Bangla Bank Limited



10/9/23

Brig Gen Shafique Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

ii. Register

When issued in script form, the Issuer will maintain an authoritative Register and will procure that the Registrar will maintain the Duplicate Register in respect of the Bonds, in accordance with the provisions of the Agency Agreement. In these Conditions, the "Holder" of a Bond means the person in whose name such Bond is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "Bondholder" shall be construed accordingly. The Register shall be *prima facie* evidence of any matter in relation to the rights under the Bonds. Bondholders and the Trustee shall be entitled to inspect the Register and take copies there from upon payment of fees as may be prescribed by the Issuer from time to time.

iii. Transfer via script and certificate will be as detailed in the Trust Deed.

e. Trading or Listing with the Stock Exchange:

The Bonds will be issued on private placement basis among the Eligible Investors. It will not be issued publicly and hence will not be listed on the Stock Exchange. Subject to regulatory approval for trading on the Alternative Trading Board, the Bonds maybe traded after issuance as per trading guidelines of the relevant exchange.

f. Repayment and Coupon Payment:

Unless previously redeemed or purchased and cancelled, the principal on the Bonds will be amortized and paid annually on a pro rata basis to the Bondholder in instalments of 20% per year commencing at the third anniversary of the Bonds from the issue Date. The final maturity of the Bonds will be at the end of seventh year of the Bonds from the issue Date. Payments on the Bonds shall be made without deduction for or on account of taxes in Bangladesh.

The bond is to be repaid/ redeemed in 5 equal annual Instalments starting from end of 3rd year and each 12 months from there after as per following table for the Bond:

Repayment/ Redemption Schedule

No of Installment	Installment due (In Months)	Total Repayment
1	36	1,000,000,000
2	48	1,000,000,000
3	60	1,000,000,000
4	72	1,000,000,000
5	84	1,000,000,000
Total		5,000,000,000


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Managing Director & CEO
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Incremental charge at the rate of 2% per annum payable by the Issuer to the Bondholders above the amount to be paid by the Issuer to the Bondholders on the Redemption Date for failure of the Issuer to make payment to the Bondholders on the Redemption Date.

Coupon payment on the "Bond" is to be paid semi-annual basis on the interest payment dates. The interest payment dates shall be determined depending upon bond issue date. Interest payment will be payable semi-annually calculated on the actual number of days over a 365-day basis in the relevant period.

g. Redemption or Conversion or Exchange

The bond will be fully redeemed. There is no option of convertibility or exchange of the bond. The bond is to be redeemed in 5 equal annual Instalments starting from end of 3rd year and each 12 months from there after as per the table given above.

h. Details of Conversion or Exchange Option Exercise Procedures, if applicable

The bond is non-convertible and fully redeemable; hence conversion or exchange options are not applicable for this issue.

i. Termination and Final Settlement of the Proposed Bond

Date of Commencement of the Trust: The Trust hereby created shall be established from the date of this Trust Deed.

Date of Termination and final settlement of the Trust (Bond): The Trust shall continue to exist until all liabilities including the principal, premium (if any) and interest are repaid in full in accordance with the terms and conditions of the Bonds and Trust Deed.

Any Scheduled bank, Corporate, Financial Institution and/or Insurance Company is subject to duly registered in Bangladesh and operating its business under the license or approval duly issued by the respective competent authority or institution of the Government of Bangladesh.



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Managing Director & CEO
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21. DETAILS OF FEES STRUCTURE AND EXPENSES

The issuance of this bond will incur following fees and expenses:

Fee Type	Party to be Paid	Fee Structure/ Amount
Regulatory Fees	Bangladesh Securities and Exchange Commission	<ul style="list-style-type: none"> • Application Fee: BDT 10,000 • Annual Trustee Registration fee: BDT 50,000 • Consent Fees: 0.10% on the Face Value
Arrangement Fee	Prime Bank Investment Limited	0.40% of the Face Value Amount of bond
Trustee Fee	Sena Kalyan Insurance Company Limited	BDT 395,000 for the 1 st year and BDT 250,000 per annum for subsequent years till final redemption of bond
Annual Trustee Registration fees	Bangladesh Securities and Exchange Commission	BDT 50,000.
Credit Rating Fee	Credit Rating Agency of Bangladesh Limited	BDT 100,000 per annum till final redemption of bond
Legal Expenses	Lex Juris	BDT 150,000

All fees are quoted net of applicable tax and VAT.


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10/09/23
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Managing Director & CEO
Dutch-Bangla Bank Limited


10/9/23
Brig Gen Shafique Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.



ANNEXURE-1: AUDITED FINANCIAL STATEMENTS OF DUTCH-BANGLA BANK LIMITED AS OF 31 DECEMBER 2022


10/9/23

Mohammed Mesbahul Alam
Company Secretary
Dutch-Bangla Bank Limited


10/9/23

Mohammed Shahid Ullah, FCA
Deputy Managing Director & CFO
Dutch-Bangla Bank Limited
Head Office, Dhaka.


10/10/23

Abul Kashem Md. Shirin
Managing Director & CEO
Dutch-Bangla Bank Limited


10/9/23

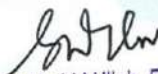
Brig Gen Shafique Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.



ANNEXURE-2: CREDIT RATING REPORT OF THE ISSUE


10/9/23

Mohammed Mesbahul Alam
Company Secretary
Dutch-Bangla Bank Limited


10/9/23

Mohammed Shahid Ullah, FCA
Deputy Managing Director & CFO
Dutch-Bangla Bank Limited
Head Office, Dhaka.


10/9/23

Abul Kashem Md. Shirin
Managing Director & CEO
Dutch-Bangla Bank Limited


10/9/23

Brig Gen Shafique Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.



ANNEXURE-3: DUE DILIGENCE CERTIFICATE OF THE TRUSTEE


10/9/23
Mohammed Mesbahul Alam
Company Secretary
Dutch-Bangla Bank Limited


10/9/23
Mohammed Shahid Ullah, FCA
Deputy Managing Director & CFO
Dutch-Bangla Bank Limited
Head Office, Dhaka.


20/09/23
Abul Kashem Md. Shirin
Managing Director & CEO
Dutch-Bangla Bank Limited


10/9/23
Brig Gen Sharique Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

Annexure A**Credentials of Prime Bank Investment Limited****Issue Manager of Initial Public Offering (IPO):**

1. Fortune Shoes Limited
2. Sea Pearl Beach Resort & Spa Limited
3. Union Bank Limited
4. Meghna Insurance Company Limited
5. Global Islami Bank Limited

Ongoing IPO Assignments:

1. Dhaka Thai Limited

Issue Manager of Qualified Investor Offer (QIO):

1. BD Paints Limited
2. Al-Madina Pharmaceuticals Limited

Issue Manager & Lead Arranger, Corporate Advisor for Issuance of Bond:

1. Prime Bank Ltd - Subordinated Bond-3
2. Al-Arafah Islami Bank Ltd - 2nd Mudaraba Subordinated Bond
3. Union Bank Ltd - 1st Subordinated Bond
4. Al-Arafah Islami Bank Ltd - 3rd Mudaraba Subordinated Bond
5. IBBL Mudaraba Perpetual bond
6. Al Arafah Mudaraba Perpetual Bond
7. SIBL Mudaraba Perpetual Bond

Registrar to the Issue for IPO Under Book Building Method:

1. Aman Cotton Fibrous Limited
2. Walton Hi-Tech Industries Limited

Trustee Service:

1. North West Power Generation Company Ltd. (7 Years Maturity)
2. Aamra Networks Limited (5 years maturity)

Mergers & Acquisitions (M&A):

1. Paper Processing & Packaging Limited and Magura Paper Mills Limited
2. Bangladesh Monospool Paper Manufacturing Co. Limited and Pearl Paper and Board Mills Limited

Mergers & Acquisitions (M&A) and Related Trainings:

1. Zaman Group (Merger of Best Electronics Ltd & Zaman Manufacturing Ltd)
2. Mitsui & Co. (Asia Pacific) Pte. Ltd, a Japanese Company Liaison Office in Dhaka

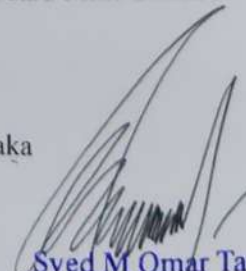
Underwriting & Capital Raising Service:

Underwriting & capital raising services for IPO and RSO of 25 companies

Prime Bank Investment Limited

(A Subsidiary of Prime Bank Limited)

Corporate Office: Tajwar Centre (5th Floor), House: 34, Road No: 19/A, Block: E, Banani, Dhaka- 1213
Phone: +8802-48810315-16, Fax: +8802-48810314, Email: info@pbil.com.bd



Syed M Omar Tayub
Managing Director & CEO
Prime Bank Investment Limited
Head Office, Dhaka



**ANNEXURE-1: AUDITED FINANCIAL STATEMENTS OF DUTCH-BANGLA
BANK LIMITED AS OF 31 DECEMBER 2022**


10/9/23

Mohammed Mesbahul Alam
Company Secretary
Dutch-Bangla Bank Limited


10/9/23

Mohammed Shahid Ullah, FCA
Deputy Managing Director & CFO
Dutch-Bangla Bank Limited
Head Office, Dhaka.


10/10/23

Abul Kashem Md. Shirin
Managing Director & CEO
Dutch-Bangla Bank Limited


10/9/23

Brig Gen Shafique Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

**Independent auditor's report
and
audited financial statements
of
Dutch-Bangla Bank Limited
As at & for the year ended 31 December 2022**

Independent Auditor's Report
To the Shareholders of Dutch Bangla Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dutch Bangla Bank Limited (the "Bank"), which comprise the Balance Sheet as at 31 December 2022 and Profit and Loss Account, Cash Flow Statement and Statement of Changes in Equity for the year then ended, summary of significant accounting policies, other explanatory notes and annexures thereto.

In our opinion, the accompanying financial statements of the Bank give a true and fair view of the financial position of the Bank as at 31 December 2022, and of its financial performance and its Cash Flows Statement for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 and comply with the Bank Company Act, 1991 (as amended up to date), the Companies Act, 1994, the rules and regulations issued by the Bangladesh Bank, the rules and regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable laws and regulations.

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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), rules and regulations issued by the Bangladesh Bank and the Bangladesh Securities & Exchange Commission (BSEC), 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of the most significant in the audit of the financial statements for the financial year 2022. These matters were addressed in the context of the audit of the financial statements, and informing the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter described below our description of how our audit addressed the matter is provided in that context.

Description of key audit matters	Our response to key audit matters
<p>Measurement of provision for loans and advances</p> <p>With reference to Note 14.1.3 to the financial statements, the process for calculating the provision for loans and advances portfolio associated with credit risk is significant and complex. The bank calculates provision for loans and advances by considering various factors such as rate of provision, loan category, expiry date, outstanding balance, interest suspense amount, and value of eligible collateral as per BRPD circular no. 14 dated 23 September 2012 and its subsequent amendments.</p> <p>To minimize covid 19 impact, Bangladesh Bank issued BRPD Circular Letter No.56 dated 10 December 2020 related to BRPD Circular No. 17 dated 28 September 2020; BRPD circular No.52 dated 29 December 2021 related to BRPD Circular No. 19 dated 26 August 2021 and BRPD Circular No.53 dated 22 December 2022 related to BRPD Circular No.-14 dated 22 June 2022 for "Special General Provision-COVID-19".</p> <p>According to the circular, commercial banks must keep an extra provision for those borrowers who have availed of payment by deferral (PBD) facilities. The calculation of the new provisioning rule will have to be implemented based on the outstanding (deferral payment) loans as of 31 December 2022. The Bank has kept this "Special General Provision-COVID-19" as of 31 December 2022 BDT 2,378.21 million as per the circular.</p> <p>In Bangladesh, non-performing loans have been increasing day by day. Banks need to maintain provisions for additional non-performing loans in line with the central bank's guidelines. The Bank identifies impaired loan accounts and calculates required provisions manually. Furthermore, management has incentive to maintain lower provisions for loans and advances to overstate profit. Considering these factors, we have considered measurement of provision for loans and advances as a significant risk as well as a key audit matter.</p> <p>At year end 2022, the Bank reported total gross loans and advances of BDT 364,000.84 million (2021: BDT 319,448.07 million) and provision for loans and advances of BDT 15,085.69 million (2021: BDT 12,030.90 million).</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed the appropriateness of the approvals for the transfer of interests to the Income account in accordance with the Bangladesh Bank's guidelines. • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines. Reviewed the grounds for recommendations for approvals in cases of transfer of interests to Income account; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; • Finally, compared the amount of provision requirement as determined by the Bangladesh Bank inspection team to the actual amount of provision maintained.
See note nos. 9 and 14.1.3 to the financial statements.	

Recognition of interest income on loans and advances

Recognition of interest income has a significant and wide influence on financial statements. Recognition and measurement of interest income involvement in complex IT environments.

We identify recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the Bank and therefore there is an inherent risk of fraud and error and overstatement in recognition of interest by management to meet specific targets or expectations.

- We tested the design and operating effectiveness of key controls over recognition and measurement of interest on loans and advances.
- We performed test of operating effectiveness on automated control in place to measure and recognize interest income.
- We have also performed substantive procedures to check whether interest income is recognized completely and accurately.
- We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.

See note no. 26 to the financial statements.

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 authorized.
- We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.
- We considered the control environment relating to various interfaces, configurations and other application layer controls identified as key to our audit.
- We performed the Tests of IT General Controls to evaluate the Application Development and Database, Hosting Platforms and segregation of incompatible duties relevant to application and database change management.

Other matter

The financial statements of the Bank for the year ended 31 December 2021 were audited by Hoda Vasi Chowdhury & Co., Chartered Accountants who expressed an unqualified opinion on those statements on 06 March 2022.

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of the Bank in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 and comply with the Bank Company Act, 1991 (as amended up to date), the Companies Act, 1994, the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable Laws and Regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 (as amended up to date) and the Bangladesh Bank guidelines 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 the Bangladesh Bank on instances of fraud and forgeries.

In preparing the financial statements, management is responsible for assessing 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 Bank or to cease operations or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control;
- 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 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 auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern;
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

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 auditor's 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 Securities and Exchange Rules, 1987, the Bank Company Act, 1991 (as amended up to date), the Financial Reporting Act, 2015, 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 purposes 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 Auditor's Responsibility section in forming the above opinion on the 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 financial statements and internal control:
 - a. internal audit, internal control and risk management arrangements of the Bank 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 Bank.
- iii) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appeared from our examination of those books;
- iv) The balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- v) The records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- vi) The expenditures incurred were for the purpose of the Bank's business for the year;
- vii) The financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by the Bangladesh Bank;
- viii) Adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- ix) The information and explanations required by us have been received and found satisfactory;
- x) We have reviewed over 80% of the risk-weighted assets of the Bank and spent over 3,000 person-hours; and
- xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

A. Qasem & Co.
Chartered Accountants
RJSC Firm Registration Number: 2-PC7202



Ziaur Rahman Zia FCA
Partner
Enrolment Number: 1259
DVC: **2304181259AS556748**
Place: Dhaka
Date: 18 April 2023

Dutch-Bangla Bank Limited

Balance Sheet As at 31 December 2022

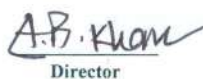
PROPERTY AND ASSETS	Notes	2022 Taka	2021 Taka
Cash			
In hand (including foreign currencies)	4	26,488,896,328	17,853,114,090
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	5	21,691,895,625	17,863,639,768
		48,180,791,953	35,716,753,858
Balance with other banks and financial institutions	6		
In Bangladesh		6,823,427,791	12,404,257,887
Outside Bangladesh		3,365,138,624	956,190,048
		10,188,566,415	13,360,447,935
Money at call on short notice	7	-	-
Investments	8		
Government		92,427,177,159	107,955,029,777
Others		9,246,283,434	8,726,283,434
		101,673,460,593	116,681,313,211
Loans and advances	9		
Loans, cash credits, overdrafts, etc.		344,867,385,158	299,879,503,769
Bills purchased and discounted		19,133,457,511	19,568,567,985
		364,000,842,669	319,448,071,754
Fixed assets including land, building, furniture and fixtures	10	9,413,196,077	7,806,988,757
Other assets	11	22,016,776,739	21,386,202,543
Non-banking assets		-	-
TOTAL ASSETS		555,473,634,446	514,399,778,058
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	12	28,283,480,657	28,974,520,236
Deposits and other accounts	13		
Current deposits and other accounts		124,906,569,030	104,093,219,774
Bills payable		5,995,156,148	4,219,947,608
Savings bank deposits		205,224,044,867	191,210,176,186
Term deposits		102,005,545,643	101,977,001,852
		438,131,315,688	401,500,345,420
Other liabilities	14	37,420,082,873	34,958,550,601
Subordinated debt	15	10,000,000,000	12,000,000,000
TOTAL LIABILITIES		513,834,879,218	477,433,416,257
Shareholders' equity			
Paid up share capital	16.2	6,957,500,000	6,325,000,000
Share premium	17	11,067,500	11,067,500
Statutory reserve	18	9,193,048,174	9,193,048,174
Other reserve	19	-	-
Dividend equalization account	20	1,766,827,195	1,766,827,195
Assets revaluation reserve	21	850,413,777	850,413,777
Revaluation reserve of HTM securities	22	355,330,921	181,135,270
Retained earnings	23	22,504,567,661	18,638,869,885
TOTAL SHAREHOLDERS' EQUITY		41,638,755,228	36,966,361,801
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		555,473,634,446	514,399,778,058



	Notes	2022 Taka	2021 Taka
		Total	Total
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	24		
Acceptances and endorsements		54,705,039,374	56,280,687,848
Letters of guarantee		6,448,878,817	5,336,987,314
Irrevocable letters of credit		36,229,244,555	44,519,600,967
Bills for collection		-	-
Other contingent liabilities		7,473,547,834	3,194,100,077
Total contingent liabilities		104,856,710,580	109,331,376,206
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total other commitments		-	-
Total off-balance sheet items including contingent liabilities		104,856,710,580	109,331,376,206
Net Asset Value (NAV) Per Share	23.3	59.85	53.13

The annexed notes 1 to 50 form an integral part of these financial statements.


Chairman


Director


Director


Managing Director & CEO

Auditors' report to the Shareholders
See annexed report of date

DVC No.: **2304181259AS556748**
Dhaka, 18 April 2023


Ziaur Rahman Zia FCA, Partner
Enrolment Number: 1259
A. Qasem & Co.
Chartered Accountants



Dutch-Bangla Bank Limited
Profit and Loss Account
For the year ended 31 December 2022

	Notes	2022 Taka	2021 Taka
Interest income	26	24,640,667,324	22,219,818,602
Interest paid on deposits and borrowings etc.	27	7,743,357,385	6,695,649,883
Net interest income		16,897,309,939	15,524,168,719
Investment income	28	7,329,985,743	7,351,325,461
Commission, exchange and brokerage	29	3,772,788,865	1,922,359,013
Other operating income	30	3,947,729,900	3,405,310,516
Total operating income		31,947,814,447	28,203,163,709
Salary and allowances	32	6,605,727,874	5,671,768,812
Rent, taxes, insurance, electricity, etc.	34	2,316,270,778	2,202,286,031
Legal expenses	35	3,248,845	3,172,955
Postage, stamp, telecommunications, etc.	36	371,786,198	416,664,564
Stationery, printings, advertisements, etc.	37	335,261,524	333,382,392
Managing Director & CEO's salary and allowances	38	17,900,000	16,430,000
Directors' fees	39	362,995	359,340
Auditors' fees	40	2,026,500	576,278
Depreciation and repair of bank's assets	41	3,144,845,533	2,845,560,122
Other expenses	42	6,787,581,785	5,105,713,295
Total operating expenses		19,585,012,032	16,595,913,789
Profit before provision		12,362,802,415	11,607,249,920
Provision for loans and off-balance sheet exposures	14.1.3		
Specific provision for loans	14.1.3.1.A	2,446,048,573	1,456,840,074
General provision for loans	14.1.3.1.B	312,829,349	428,471,239
Special general provision - Covid 19 for loans	14.1.3.1.B	236,658,789	1,324,014,886
General provision for off-balance sheet exposures	14.1.3.1.B	(7,230,464)	265,208,844
		2,988,306,247	3,474,535,043
Other provision	14.1.1.1	507,892,430	-
Total provision		3,496,198,677	3,474,535,043
Profit before taxes		8,866,603,738	8,132,714,877
Provision for taxation			
Current tax	14.1.2	4,428,800,730	3,216,094,480
Deferred tax	11.2.2	(1,223,886,665)	(644,457,516)
		3,204,914,065	2,571,636,964
Net profit after taxation		5,661,689,673	5,561,077,913
Appropriations			
Statutory reserve	18	-	-
Other reserve	19	-	-
		-	-
Retained surplus to retained earnings	23.1	5,661,689,673	5,561,077,913
Earnings per share (EPS)	23.2	8.14	7.99

The annexed notes 1 to 50 form an integral part of these financial statements.

 Chairman

 Director

 Director

 Managing Director & CEO

Auditors' report to the Shareholders
See annexed report of date


Ziaur Rahman Zia FCA, Partner
Enrolment Number: 1259
A. Qasem & Co.
Chartered Accountants

DVC No.: **2304181259AS556748**
Dhaka, 18 April 2023



Dutch-Bangla Bank Limited

Cash Flow Statement


For the year ended 31 December 2022

	Notes	2022 Taka	2021 Taka
Cash flows from operating activities			
Interest receipts in cash	43.1	31,786,597,017	29,684,211,494
Interest payments	43.2	(7,505,451,082)	(6,810,028,487)
Dividend receipts in cash		5,712,284	6,117,132
Gain on sale of shares		-	-
Gain on sale of securities		846,476,984	2,191,832,137
Recoveries of loan previously written-off		44,190,683	133,926,562
Fee and commission receipts in cash		915,095,196	982,634,950
Cash payments to employees		(6,590,634,982)	(5,688,625,918)
Cash payments to suppliers		(3,596,554,570)	(2,768,434,267)
Income taxes paid		(3,993,029,871)	(3,835,411,133)
Receipts from other operating activities	44.1	6,804,250,879	4,306,205,143
Payments for other operating activities	44.2	(7,315,552,710)	(6,859,952,364)
Operating profit before changes in operating assets and liabilities		11,401,099,828	11,342,475,249
Increase/(decrease) in operating assets and liabilities			
Statutory deposits		-	-
Purchase /sale of trading securities		20,170,958,444	10,155,785,850
Loans and advances to other banks		-	-
Loans and advances to customers		(41,169,565,424)	(48,665,204,284)
Other assets	45.1	(4,506,616,610)	(1,179,674,905)
Deposits from other banks		(8,903,093)	22,676,943
Deposits from customers		36,547,536,677	38,951,713,334
Other liabilities account of customers		(4,436,230,259)	3,178,470,859
Other liabilities	45.2	3,218,780,762	(127,136,222)
Net cash from operating activities		21,217,060,325	13,679,106,824
Cash flows from investing activities			
Payments for purchase of securities		(152,117,656,268)	(153,457,656,290)
Proceeds from sale of securities		146,953,626,564	139,209,612,608
Purchase of property, plant and equipment		(3,892,295,502)	(1,720,213,227)
Sale proceeds of property, plant and equipment		236,486,852	56,059,955
Net cash used in investing activities		(8,819,838,354)	(15,912,196,954)
Cash flows from financing activities			
Receipts from issue of loan capital and debt securities		-	-
Payment for redemption of loan capital and debt securities		(2,000,000,000)	(2,000,000,000)
Dividends paid		(1,105,989,296)	(835,890,676)
Net cash from financing activities		(3,105,989,296)	(2,835,890,676)
Net increase / (decrease) in cash (A+B+C)		9,291,232,675	(5,068,980,806)
Cash and cash-equivalents at beginning of the year		49,085,093,293	54,154,074,099
Cash and cash-equivalents at end of the year (D+E)	48	58,376,325,968	49,085,093,293
Net Operating Cash Flow Per Share (NOCFPS)		30.50	19.66


Chairman


Director


Director


Managing Director & CEO

Auditors' report to the Board of Directors'
See annexed report of date


Ziaur Rahman Zia FCA, Partner
Enrolment Number: 1259
A. Qasem & Co
Chartered Accountants



Dutch-Bangla Bank Limited
Statement of Changes in Equity
For the year ended 31 December 2022

Figures in Taka

Particulars	Paid up share capital	Share premium	Statutory reserve	Dividend equalization account	Assets revaluation reserve	Revaluation reserve of HTM securities	Retained earnings	Total
Balance at 1 January 2022	6,325,000,000	11,067,500	9,193,048,174	1,766,827,195	850,413,777	181,135,270	18,638,869,885	36,966,361,801
Changes in accounting policy	-	-	-	-	-	-	-	-
Restated balance	6,325,000,000	11,067,500	9,193,048,174	1,766,827,195	850,413,777	181,135,270	18,638,869,885	36,966,361,801
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	174,195,651	-	174,195,651
Currency translation differences	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-	-
Payment of dividend for the year 2021	-	-	-	-	-	-	(1,106,875,000)	(1,106,875,000)
Transfer for dividend for the year 2021	632,500,000	-	-	-	-	-	(632,500,000)	-
Net profit for the year 2022	-	-	-	-	-	-	5,661,689,673	5,661,689,673
Transfer to Start up Fund for the previous year's net profit after taxation	-	-	-	-	-	-	(56,616,897)	(56,616,897)
Issue of share capital	-	-	-	-	-	-	-	-
Appropriations during the year	-	-	-	-	-	-	-	-
Balance at 31 December 2022	6,957,500,000	11,067,500	9,193,048,174	1,766,827,195	850,413,777	355,330,921	22,504,567,661	41,638,755,228
Balance at 31 December 2021	6,325,000,000	11,067,500	9,193,048,174	1,766,827,195	850,413,777	181,135,270	18,638,869,885	36,966,361,801

 Chairman
 Director
 Director

 Managing Director & CEO
 Auditors' report to the Board of Directors
 See annexed report of date

DVC No.: **2304181259AS556748**
Dhaka, 18 April 2023


 Ziaur Rahman Zia FCA, Partner
 Enrolment Number: 1259
 A. Qasem & Co
 Chartered Accountants



Dutch-Bangla Bank Limited
Liquidity Statement
(Assets and liabilities maturity analysis)
As at 31 December 2022

Particulars	Residual Maturities					Total Taka
	Within one month	Within one to three months	Within three to twelve months	Within one to five years	More than five years	
	Taka	Taka	Taka	Taka	Taka	
Assets						
Cash in hand	26,488,896,328	-	-	-	-	26,488,896,328
Balance with BB, other banks and financial institutions	7,182,572,682	3,120,000,000	4,251,817,808	-	17,326,071,550	31,880,462,040
Money at call on short notice	-	-	-	-	-	-
Investments	6,165,201,379	5,278,967,531	20,001,971,475	24,443,065,240	45,784,254,968	101,673,460,593
Loans and advances	64,561,008,221	80,007,268,850	125,929,634,360	83,113,820,758	10,389,110,480	364,000,842,669
Fixed assets including land, building, furniture and fixtures	135,528,240	234,679,878	1,019,299,198	3,783,080,621	4,240,608,140	9,413,196,077
Other assets	403,428,437	9,407,506,114	4,613,060,457	7,592,781,731	-	22,016,776,739
Non-banking assets	-	-	-	-	-	-
Total assets [A]	104,936,635,287	98,048,422,373	155,815,783,297	118,932,748,351	77,740,045,139	555,473,634,446
Liabilities						
Borrowings from other banks, financial institutions and agents	8,510,384,345	6,155,208,229	7,089,376,826	4,635,624,734	1,892,886,522	28,283,480,657
Deposits	72,364,173,508	82,626,520,214	111,740,174,101	99,835,402,825	65,569,888,893	432,136,159,540
Other accounts	5,995,156,148	-	-	-	-	5,995,156,148
Provision and other liabilities	13,606,527,270	1,571,484,933	8,318,027,511	4,299,776,139	9,624,267,020	37,420,082,873
Subordinated debt	-	-	2,000,000,000	8,000,000,000	-	10,000,000,000
Total liabilities [B]	100,476,241,270	90,353,213,375	129,147,578,438	116,770,803,698	77,087,042,436	513,834,879,218
Net Liquidity Gap [A-B]	4,460,394,016	7,695,208,998	26,668,204,859	2,161,944,653	653,002,703	41,638,755,229
Cumulative liquidity surplus	4,460,394,016	12,155,603,014	38,823,807,873	40,985,752,526	41,638,755,229	-



Dutch-Bangla Bank Limited

Balance Sheet As at 31 December 2022 (Main Operation)

PROPERTY AND ASSETS	Notes	2022 Taka	2021 Taka
Cash			
In hand (including foreign currencies)	4	26,488,896,328	17,853,114,090
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	5	21,691,895,625	17,863,639,768
		48,180,791,953	35,716,753,858
Balance with other banks and financial institutions	6		
In Bangladesh		11,076,947,384	17,910,691,156
Outside Bangladesh		3,365,138,624	956,190,048
		14,442,086,008	18,866,881,204
Money at call on short notice	7	-	-
Investments	8		
Government		92,427,177,159	107,955,029,777
Others		9,246,283,434	8,726,283,434
		101,673,460,593	116,681,313,211
Loans and advances	9		
Loans, cash credits, overdrafts, etc.		344,073,062,155	299,139,586,778
Bills purchased and discounted		2,205,651,087	1,789,290,459
		346,278,713,242	300,928,877,237
Fixed assets including land, building, furniture and fixtures	10	9,413,195,974	7,806,988,675
Other assets	11	22,059,739,844	21,398,168,624
Non-banking assets		-	-
TOTAL ASSETS		542,047,987,614	501,398,982,809
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	12	16,799,684,366	17,431,389,584
Deposits and other accounts	13		
Current deposits and other accounts		124,887,149,933	104,037,941,646
Bills payable		5,995,156,148	4,219,947,608
Savings bank deposits		205,224,044,867	191,210,176,186
Term deposits		102,005,545,643	101,977,001,852
		438,111,896,591	401,445,067,292
Other liabilities	14	37,035,556,520	34,724,894,125
Subordinated debt	15	10,000,000,000	12,000,000,000
TOTAL LIABILITIES		501,947,137,477	465,601,351,001
Shareholders' equity			
Paid up share capital	16.2	6,957,500,000	6,325,000,000
Share premium	17	11,067,500	11,067,500
Statutory reserve	18	9,193,048,174	9,193,048,174
Other reserve	19	-	-
Dividend equalization account	20	1,766,827,195	1,766,827,195
Assets revaluation reserve	21	850,413,777	850,413,777
Revaluation reserve of HTM securities	22	355,330,921	181,135,270
Retained earnings	23	20,966,662,570	17,470,139,892
TOTAL SHAREHOLDERS' EQUITY		40,100,850,137	35,797,631,808
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		542,047,987,614	501,398,982,809



	Notes	2022 Taka Main Operation	2021 Taka Total
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	24		
Acceptances and endorsements		54,705,039,374	56,280,687,848
Letters of guarantee		6,448,878,817	5,336,987,314
Irrevocable letters of credit		36,229,244,555	44,519,600,967
Bills for collection		-	-
Other contingent liabilities		7,473,547,834	3,194,100,077
Total contingent liabilities		104,856,710,580	109,331,376,206
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total other commitments		-	-
Total off-balance sheet items including contingent liabilities		104,856,710,580	109,331,376,206

The annexed notes 1 to 50 form an integral part of these financial statements.


Chairman


Director


Managing Director & CEO

Auditors' report to the Shareholders
See annexed report of date

DVC No.: **2304181259AS556748**
Dhaka, 18 April 2023


Ziaur Rahman Zia FCA, Partner
Enrolment Number: 1259
A. Qasem & Co.
Chartered Accountants




Dutch-Bangla Bank Limited
Profit and Loss Account
For the year ended 31 December 2022
(Main Operation)

	Notes	2022 Taka	2021 Taka
Interest income	26	23,775,093,514	21,685,161,443
Interest paid on deposits and borrowings etc.	27	7,194,459,996	6,464,334,647
Net interest income		16,580,633,518	15,220,826,796
Investment income	28	7,329,985,743	7,351,325,461
Commission, exchange and brokerage	29	3,772,788,865	1,922,359,013
Other operating income	30	3,900,792,805	3,392,544,588
Total operating income		31,584,200,931	27,887,055,858
Salary and allowances	32	6,604,640,327	5,671,530,507
Rent, taxes, insurance, electricity, etc.	34	2,316,270,778	2,202,286,031
Legal expenses	35	3,248,845	3,172,955
Postage, stamp, telecommunications, etc.	36	371,786,198	416,663,984
Stationery, printings, advertisements, etc.	37	335,261,524	333,382,392
Managing Director & CEO's salary and allowances	38	17,900,000	16,430,000
Directors' fees	39	362,995	359,340
Auditors' fees	40	2,026,500	576,278
Depreciation and repair of bank's assets	41	3,144,845,533	2,845,560,122
Other expenses	42	6,786,260,263	5,105,353,101
Total operating expenses		19,582,602,963	16,595,314,710
Profit before provision		12,001,597,968	11,291,741,148
Provision for loans and off-balance sheet exposures	14.1.3		
Specific provision for loans	14.1.3.1.A	2,446,048,573	1,456,840,074
General provision for loans	14.1.3.1.B	320,800,000	394,819,345
Special general provision - Covid 19 for loans	14.1.3.1.B	236,658,789	1,324,014,886
General provision for off-balance sheet exposures	14.1.3.1.B	(7,230,464)	265,208,844
		2,996,276,898	3,440,883,149
Other provision	14.1.1.1	507,892,430	-
Total provision		3,504,169,328	3,440,883,149
Profit before taxes		8,497,428,640	7,850,857,999
Provision for taxation			
Current tax	14.1.2	4,428,800,730	3,216,094,480
Deferred tax	11.2.2	(1,223,886,665)	(644,457,516)
		3,204,914,065	2,571,636,964
Net profit after taxation		5,292,514,575	5,279,221,035
Appropriations			
Statutory reserve	18	-	-
Other reserve	19	-	-
		-	-
Retained surplus to retained earnings	23.1	5,292,514,575	5,279,221,035

The annexed notes 1 to 50 form an integral part of these financial statements.


Chairman


Director


Director


Managing Director & CEO

Auditors' report to the Shareholders
See annexed report of date


Ziaur Rahman Zia FCA, Partner
Enrolment Number: 1259
A. Qasem & Co.
Chartered Accountants

DVC No.: **2304181259AS556748**
Dhaka, 18 April 2023



Dutch-Bangla Bank Limited

Cash Flow Statement

For the year ended 31 December 2022
(Main Operation)

	Notes	2022 Taka	2021 Taka
A) Cash flows from operating activities			
Interest receipts in cash	43.1	31,061,677,325	29,179,457,536
Interest payments	43.2	(7,112,584,746)	(6,575,350,097)
Dividend receipts in cash		5,712,284	6,117,132
Gain on sale of shares		-	-
Gain on sale of securities		846,476,984	2,191,832,137
Recoveries of loan previously written-off		44,190,683	133,926,562
Fee and commission receipts in cash		915,095,196	982,634,950
Cash payments to employees		(6,589,547,435)	(5,688,387,613)
Cash payments to suppliers		(3,596,554,570)	(2,768,434,267)
Income taxes paid		(3,993,029,871)	(3,835,411,133)
Receipts from other operating activities	44.1	6,757,313,784	4,293,439,215
Payments for other operating activities	44.2	(7,314,231,188)	(6,859,591,590)
Operating profit before changes in operating assets and liabilities		11,024,518,446	11,060,232,832
Increase/(decrease) in operating assets and liabilities			
Statutory deposits		-	-
Purchase /sale of trading securities		20,170,958,444	10,155,785,850
Loans and advances to other banks		-	-
Loans and advances to customers		(45,897,551,764)	(45,329,915,423)
Other assets	45.1	(4,506,616,610)	(1,179,672,222)
Deposits from other banks		(8,903,093)	22,676,943
Deposits from customers		36,594,665,682	39,089,903,515
Other liabilities account of customers		(631,705,218)	(1,647,911,914)
Other liabilities	45.2	3,218,780,762	(127,136,222)
Net cash from operating activities		19,964,146,649	12,043,963,359
B) Cash flows from investing activities			
Payments for purchase of securities		(152,117,656,268)	(153,457,656,290)
Proceeds from sale of securities		146,953,626,564	139,209,612,608
Purchase of property, plant and equipment		(3,892,295,502)	(1,720,213,227)
Sale proceeds of property, plant and equipment		236,486,852	56,059,955
Net cash used in investing activities		(8,819,838,354)	(15,912,196,954)
C) Cash flows from financing activities			
Receipts from issue of loan capital and debt securities		(2,000,000,000)	(2,000,000,000)
Payment for redemption of loan capital and debt securities		(1,105,989,296)	(835,890,676)
Dividends paid		(3,105,989,296)	(2,835,890,676)
Net cash from financing activities		(3,105,989,296)	(2,835,890,676)
D) Net increase / (decrease) in cash (A+B+C)		8,038,318,999	(6,704,124,271)
E) Cash and cash-equivalents at beginning of the year		54,591,526,562	61,295,650,833
F) Cash and cash-equivalents at end of the year (D+E)	48	62,629,845,561	54,591,526,562


Chairman


A.P. Khan
Director


Director


Managing Director & CEO

Auditors' report to the Board of Directors'
See annexed report of date

DVC No.: **2304181259AS556748**
Dhaka, 18 April 2023


Ziaur Rahman Zia FCA, Partner
Enrolment Number: 1259
A. Qasem & Co
Chartered Accountants



Dutch-Bangla Bank Limited

Statement of Changes in Equity For the year ended 31 December 2022 (Main Operation)

Figures in Taka

Particulars	Paid up share capital	Share premium	Statutory reserve	Dividend equalization account	Assets revaluation reserve	Revaluation reserve of HTM securities	Retained earnings	Total
Balance at 1 January 2022	6,325,000,000	11,067,500	9,193,048,174	1,766,827,195	850,413,777	181,135,270	17,470,139,892	35,797,631,808
Changes in accounting policy	-	-	-	-	-	-	-	-
Restated balance	6,325,000,000	11,067,500	9,193,048,174	1,766,827,195	850,413,777	181,135,270	17,470,139,892	35,797,631,808
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	174,195,651	-	174,195,651
Currency translation differences	-	-	-	-	-	-	-	-
Net gains and losses not recognized in the income	-	-	-	-	-	-	-	-
Payment of dividend for the year 2021	-	-	-	-	-	-	(1,106,875,000)	(1,106,875,000)
Transfer for dividend for the year 2021	632,500,000	-	-	-	-	-	(632,500,000)	-
Net profit for the year 2022	-	-	-	-	-	-	5,292,514,575	5,292,514,575
Transfer to Start up Fund for the previous year's net profit after taxation	-	-	-	-	-	-	(56,616,897)	(56,616,897)
Issue of share capital	-	-	-	-	-	-	-	-
Appropriations during the year	-	-	-	-	-	-	-	-
Balance at 31 December 2022	6,957,500,000	11,067,500	9,193,048,174	1,766,827,195	850,413,777	355,330,921	20,966,662,570	40,100,850,137
Balance at 31 December 2021	6,325,000,000	11,067,500	9,193,048,174	1,766,827,195	850,413,777	181,135,270	17,470,139,892	35,797,631,808


Chairman


Director


Director


Managing Director & CEO

Auditors' report to the Board of Directors'
See annexed report of date

DVC No.: **2304181259AS556748**
Dhaka, 18 April 2023


Ziaur Rahman Zia FCA, Partner
Enrolment Number: 1259
A. Qasem & Co
Chartered Accountants



Dutch-Bangla Bank Limited

Notes to the Financial Statements As at and for the year ended 2022

1. Status of the Bank

- 1.1 Dutch-Bangla Bank Limited (the "Bank") is a scheduled commercial bank set up as a joint venture between Bangladesh and The Netherlands. Incorporated as a public limited company under the Companies Act 1994, the Bank obtained license from Bangladesh Bank on 23 July 1995 and started its banking business with one branch on 3 June 1996. The number of branches were 238 and sub-branches were 104 as at 31 December 2022 all over Bangladesh. The Bank is listed with Dhaka Stock Exchange and Chittagong Stock Exchange as a publicly quoted company.

1.2 Nature of business

Main operation

The principal activities of the Bank are to carry on all kinds of commercial banking business in Bangladesh.

Mobile Banking Services

The Bank obtained the permission for conducting the Mobile Banking Services from Bangladesh Bank on 28 April 2010 and started operation of Mobile Banking Services on 31 March 2011.

The principal activities of the Mobile Banking Services are to provide banking services to Mobile Banking customers through Mobile Phone and multiple delivery channels within the applicable rules & regulations and guidelines of Bangladesh Bank.

Mobile Banking Services are part of Main Operation of the Bank.

Agent Banking Services

The Bank obtained the permission for conducting the Agent Banking services from Bangladesh Bank on 27 July 2014 and started operation of Agent Banking Services on 19 January 2015.

The principal activities of the Agent Banking Services are to provide banking services to the Bank customers through engagement of agents who conducts Banking Transaction on behalf of the Bank under a valid agency agreements rather than Bank's own Tellers/Cashiers to deliver the services within the applicable rules & regulations and guidelines of Bangladesh Bank.

Agent Banking Services are part of Main Operation of the Bank.

Off-shore Banking Unit (OBU)

The Off-shore Banking Unit (OBU) of the Bank is the separate business entity governed by the applicable rules & regulations and guidelines of Bangladesh Bank. The Bank obtained the permission for conducting the operations of OBU from Bangladesh Bank on 23 February 2010. The Bank started the operation of OBU on 12 July 2010. The number of OBUs were two as at 31 December 2022 located at Centralized Processing Centre (CPC), Head Office, Dhaka and Dhaka EPZ Branch, Dhaka.

The principal activities of the OBUs are to provide commercial banking services through its Units within the rules & regulations and guidelines of Bangladesh Bank applicable for the Off-shore Banking Units.

2. Significant accounting policies and basis of preparation of financial statements

2.1 Basis of accounting

The financial statements of the Bank have been prepared under historical cost convention except investments which are measured at present value and in accordance with "First Schedule" of the Bank Companies Act, 1991 as amended under sub-section 38(4) of the Act, relevant Bangladesh Bank Circulars, International Accounting Standard (IASs) and International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act, 1994, the Financial Reporting Act, 2015, the Securities and Exchange Rules, 1987 and other rules and regulations applicable for Banks in Bangladesh.

In cases, any requirement of provisions and circulars issued by Bangladesh Bank differs with those of other regulatory authorities, the provisions & circulars issued by Bangladesh Bank prevailed. Material departures from the requirement of IAS & IFRS are as follows:

2.1.1 Investment in shares and Securities

IFRS

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



Bangladesh Bank:

As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment.

2.1.2 Revaluation gain/loss on Government securities**IFRS**

As per requirement of IFRS 9, all financial assets are into two classifications - measured at amortised cost and measured at fair value. For securities like treasury bills and treasury bonds designated as "held for trading" falls under "fair value measurement" and any change in the fair value is recognized through fair value through profit and loss account. T-bills and T-Bonds not designated as "held for trading" (i.e., held to maturity) are measured at amortized cost method and interest income is recognized through the profit and loss account.

Bangladesh Bank:

As per DOS circular no. 05 dated 26 May 2008, HFT securities are revalued on the basis of marking to market and at year end any gains on revaluation of securities which have not matured as at the balance sheet date are recognized in other reserve as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortization of discount are recognized in the profit and loss account.

2.1.3 Provision on loans and advances**IFRS**

As per IFRS 9, an entity shall recognise an impairment allowance on loans & advances based on the expected credit loss. Expected credit losses are required to be measured through a loss allowance at an amount equal to the (i) 12-month expected credit losses or (ii) full lifetime expected credit losses. For loans & Advances whose credit risk increased significantly since initial recognition, a loss allowance for full lifetime expected credit losses is required. For loans & advances whose credit risk didn't increase significantly, a loss allowance equal to the 12-month expected credit losses is required.

Bangladesh Bank:

As per BRPD circular No.24 (17 November 2019), BRPD circular No.6 (19 May 2019), BRPD circular No.4 (16 May 2019), BRPD circular No.3 (21 April 2019), BRPD circular No.15 (27 September 2017), BRPD circular No.16 (18 November 2014), BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013 & BRPD circular no. 16 dated 18 November 2014, a general provision @ 0.25% to 2% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided @ 5% & 20%, @ 5%, 20% & 50% and @ 100% respectively for loans and advances depending on time past due. Again as per BRPD circular no. 10 dated 18 September 2007, BRPD circular no. 14 dated 23 September 2012, a general provision @ 1% is required to be provided for all off-balance sheet exposures and BRPD circular no. 50 dated 14 December 2021, a special general provision-Covid-19 @ 2% is required to be provided for deferral loans. Such provision policies are not specifically in line with those prescribed by IFRS 9.

2.1.4 Recognition of interest in suspense**IFRS**

Loans and advances to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognized through effective interest rate method to the gross carrying amount over the term of the loan. Once a loan is impaired, interest income is recognized in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank:

As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified, interest on such loans are not allowed to be recognized as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

2.1.5 Other comprehensive income**IFRS**

As per IAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of Other Comprehensive Income are to be included in a Single Other Comprehensive Income (OCI) Statement.

Bangladesh Bank:

Bangladesh Bank has issued templates for financial statements as per BRPD circular no. 14 dated 25 June 2003, which will strictly be followed by all banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income (OCI) Statement. As such the company does not prepare the other comprehensive income statement. However elements of OCI, if any, are shown in the statements of changes in equity.



2.1.6 Financial instruments – presentation and disclosure

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

2.1.7 Repo and Reverse Repo transactions

IFRS

As per IFRS 9 when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo), the arrangement is treated as a loan and the underlying asset continues to be recognised at amortised cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).

Bangladesh Bank:

As per DOS Circular letter no. 6 dated 15 July 2010 and subsequent clarification in DOS circular no. 2 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book. However, as per Debt Management Department (DMD) circular letter no. 7 dated 29 July 2012, non primary dealer banks are eligible to participate in the Assured Liquidity Support (ALS) program, whereby such banks may enter collateralized repo arrangements with Bangladesh Bank. Here the selling bank accounts for the arrangement as a loan, thereby continuing to recognize the asset.

2.1.8 Financial guarantees

IFRS

As per IFRS 9, financial guarantees are contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value plus transaction costs that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of:

(i) the amount of the loss allowance and (ii) the amount initially recognised less, the cumulative amount of income recognised in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank:

As per BRPD circular no. 14 dated 25 June 2003, financial guarantees such as letter of credit, letter of guarantee will be treated as Off-Balance Sheet items. No liability is recognized for the guarantee except the cash margin.

2.1.9 Cash and cash equivalent

IFRS

Cash and cash equivalent items should be reported as cash item as per IAS 7.

Bangladesh Bank:

Some cash and cash equivalent items such as 'money at call and on short notice', Treasury bills, Bangladesh Bank bills and Prize bond are not shown as cash and cash equivalent. Money at call and on short notice presented on the face of the balance sheet, and Treasury bills, Prize bonds are shown in investments.

2.1.10 Cash flow statement

IFRS

Cash flow statement can be prepared either in direct method or in indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank:

As per BRPD circular no. 14 dated 25 June 2003, cash flows is the mixture of direct and indirect method.

2.1.11 Balance with Bangladesh Bank: (CRR)

IFRS

Balance with Bangladesh Bank should be treated as other asset as it is not available for use in day to day operations as per IAS 7.

Bangladesh Bank:

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

2.1.12 Presentation of intangible asset

IFRS

An intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38.



Bangladesh Bank:

There is no requirement for regulation of intangible assets in BRPD circular no. 14 dated 25 June 2003.

2.1.13 Off-balance sheet items

IFRS

There is no concept of off-balance sheet items in any IFRS; the off-balance sheet item e.g., Letter of credit, Letter of guarantee etc are considered as contingent liability and require disclosure on note to the financial statements.

Bangladesh Bank:

As per BRPD circular no. 14 dated 25 June 2003, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of balance sheet.

2.1.14 Disclosure of appropriation of profit

IFRS

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

Bangladesh Bank:

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

2.1.15 Loans and advance net of provision

IFRS

Loans and advances should be presented net of provisions.

Bangladesh Bank:

As per BRPD circular no. 14 dated 25 June 2003, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

2.1.16 Name of Financial Statements

IFRS

As per IAS 1 : Presentation of financial statements, Components of financial statements are defined as statement of financial position and statement of profit or loss and other comprehensive income.

Bangladesh Bank:

As per BRPD 14, statement of financial position is defined as "Balance Sheet" whilst statement of profit or loss and other comprehensive income is defined as "Profit and Loss Account"

2.2 IFRS 16: Leases

IFRS 16 Leases is effective for the annual reporting periods beginning on or after 1 January 2019. IFRS 16 defines that a contract is (or contains) a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16 significantly changes how a lessee accounts for operating leases. Under previous IAS 17, an entity would rent an office building or a branch premises for several years with such a rental agreement being classified as operating lease would have been considered as an off balance sheet item. However, IFRS 16 does not require a lease classification test and hence all leases shall be accounted for as on balance sheet item (except some limited exception i.e. short-term lease, leases for low value items).

Under IFRS 16, an entity shall be recognizing a right-of-use (ROU) asset (i.e. the right to use the office building, branches, service center, call center, warehouse, etc.) and a corresponding lease liability. The asset and the liability are initially measured at the present value of unavoidable lease payments. The depreciation of the lease asset (ROU) and the interest on the lease liability is recognized in the profit or loss account over the lease term.

2.3 Functional and presentation currency

These financial statements are presented in Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.

2.4 Use of estimates and judgements

The preparation of financial statements requires management to make informed judgements, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses reported in the financial statements. Actual results may differ from these estimates.

2.5 Foreign currency transactions

Foreign currency transactions are converted into Taka using the exchange rates prevailing on the dates of respective transactions. In terms of instructions contained in Bangladesh Bank's Letter No. BRPD(R)717/2004-959 dated 21 November 2004, foreign currency assets and liabilities are translated into Taka at the weighted average rate as on balance sheet date as determined by Bangladesh Bank. Gains and losses arising from foreign currency transactions are credited/charged to profit and loss account.



2.6 Taxation

As per provisions of **International Accounting Standard (IAS) 12 'Income Taxes'**, provision for income taxes has been made as under:

2.6.1 Current tax

Provision for current income tax has been made @ 37.50% on taxable profit as per Income Tax Ordinance 1984 and as per Finance Act 2022.

2.6.2 Deferred tax

Deferred tax is accounted for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purpose. Tax rate (@ 37.50%) prevailing at the balance sheet date is used to determine deferred tax.

2.7 Bases for valuation of assets

2.7.1 Loans and advances

- a) Loans and advances are stated at gross amount. Provision and interest suspense against loans and advances are shown separately as other liabilities. Interest income is accounted for on accrual basis until the loans and advances are defined as classified accounts as per Bangladesh Bank guidelines.

Interest on classified loans (other than bad/loss loans) are credited to interest suspense account instead of income account. Such interest kept in suspense account is reversed to income account only when respective loan accounts are regularized and /or realized in cash, in accordance with Bangladesh Bank guidelines.

As per Bangladesh Bank directives, interest on loans and advances classified as bad/loss is not accounted for. A separate memorandum record is maintained for such interest on bad/loss loans.

- b) Provision for loans and advances is made on the basis of the year end review by the management of the Bank in line with the instructions contained in BRPD Master Circular No. 14 dated 23 September 2012, BRPD Circular No. 19 dated 27 December 2012, BRPD Circular No. 05 and 06 dated 29 May 2013, BRPD Circular No. 15 dated 23 December 2013, BRPD Circular No. 16 dated 18 November 2014, BRPD Circular No. 08 dated 02 August 2015, BRPD Circular No. 01 dated 20 February 2018, BRPD circular No. 24 (17 November 2019), BRPD circular No.6 (19 May 2019), BRPD circular No. 4 (16 May 2019), BRPD circular No. 3 (21 April 2019), BRPD circular No. 16 (21 July 2020) and BRPD circular No. 52 (20 October 2020), issued by Bangladesh Bank on the following basis:

Category / status of loans and advances	Rates	
	Bangladesh Bank's requirement	Maintained by the Bank
General provisions for unclassified loans and advances :		
All unclassified loans (other than loans under small and medium enterprise financing, consumer financing, loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares and staff loans)	1.00%	1.00%
Small and medium enterprise financing	0.25%	0.25%
Consumer financing (other than housing finance and loans for professionals under consumer financing scheme)	2.00%	2.00%
Consumer financing for housing finance, etc.	1.00%	1.00%
Consumer financing for credit card, for loans to professionals and loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares etc.	2.00%	2.00%
Short term agricultural credit and Micro credit	1.00%	1.00%
Special mention account		
All loans (other than loans under small and medium enterprise financing, consumer financing, loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares and staff loans)	1.00%	1.00%
Small & Medium enterprise financing	0.25%	0.25%
Consumer financing (other than housing finance, credit card and loans for professionals under consumer financing scheme)	2.00%	2.00%
Consumer financing for Credit card, loans to professionals and loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares etc.	2.00%	2.00%
Consumer financing for housing finance, etc.	1.00%	1.00%
Specific provision for classified loans and advances:		
Substandard Other	20.00%	20.00%
Substandard small and AG/MC	5.00%	5.00%
Doubtful Other	50.00%	50.00%
Doubtful small	20.00%	20.00%
Doubtful AG/MC	5.00%	5.00%
Bad/loss	100.00%	100.00%



General provision

General provision for all unclassified and SMA loans and advances (other than loans under small and medium enterprise financing, consumer financing, loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares and staff loans) has been maintained @ 1%.

General provision for all unclassified and SMA loans and advance under small & medium enterprise financing has been maintained @ 0.25%.

General provision for all unclassified and SMA loans and advance under consumer financing for housing finance, Credit card, loans to professionals and loans to Brokerage Houses (BHs) / Merchant Banks (MBs) / Stock Dealers (SDs) against Shares has been maintained @ 1% to 2%.

Specific provision

Specific provision for classified loans and advances has been maintained @ 5% to 100% as prescribed by Bangladesh Bank.

- c) Loans and advances are written-off in line with Bangladesh Bank's BRPD Circular No. 02 dated 13 January 2003 and DOS Circular No. 01 dated 29 December 2004, when prospect of recovery of such loans and advances become non-existent. However, such write-off does not reduce the claim against the borrower. Detailed records for all write-off accounts are separately maintained by the Bank to continue the recovery efforts.

2.7.2 Investments

- a) Investments have been accounted for as follows :

Particulars	Valuation method
Government treasury bills	Amortised cost/ Fair value
Government treasury bonds	Amortised cost/ Fair value
Subordinated bonds	At redemption value
ICB's debenture	At redemption value
Prize bond	Cost price
Shares:	
Quoted	Cost or market price whichever is lower
Unquoted	Cost or Book value as per latest audited accounts whichever is lower

- b) The investment in government securities (Treasury bills and bonds) are classified into **Held to Maturity (HTM)** and **Held for Trading (HFT)** as per Bangladesh Bank's guidelines contained in DOS Circular Letter No. 05 dated 26 May 2008, DOS Circular Letter No. 05 dated 28 January 2009, DOS Circular No. 06 dated 15 July 2010 and under reference Letter No. DOS (SR)1153/120-A/2011-746 dated 29 December 2011. Reclassification of HTM securities into HFT securities are also done in compliance with Bangladesh Bank's guidelines.

The government securities under '**Held to Maturity (HTM)**' category are valued at present value at amortized cost at the end of the year. The Held to Maturity securities are amortized to ensure a constant yield over the remaining period of maturity of the securities. The resulting gains / (losses) are credited to **revaluation reserve account** and shown in the equity. Such gains / (losses) are credited to income account at the time of maturity or sale of the security.

The government securities under '**Held for Trading (HFT)**' category are valued at present value on the basis of marking to market method. The resulting gains are transferred to **other reserve account**. The gains arising on maturity or sale of such securities are credited to income.

2.7.3 Fixed assets

- a) All fixed assets are stated at cost or revalued amount less accumulated depreciation.
- b) Depreciation is charged over the estimated useful life of fixed assets excepting land on a straight line method. The useful life of fixed assets are reviewed on a yearly basis to determine if there has been any significant change in the expected pattern of consumption resulting in changes in estimated residual value and useful life of the fixed assets and if considered appropriate, adjustment is made at the balance sheet date.

The annual rates of depreciation based on estimated useful life for fixed assets are given below:

Building	2.50%
Interior decoration	10.00%
Furniture and fixtures	10.00%
ATM Booth	10.00%
ATM/Fast Track	12.50%
Computer equipment	20.00%
Computer software	20.00%
Other machinery and equipment	15.00%
Motor vehicles	20.00%
Books	10.00%
Right of use of asset - IFRS 16: lease	Over the lease term



- c) As at 31 December 2010, all immovable properties of the Bank including land, building and ready made floor spaces were revalued by a professionally qualified valuation firm and certified by the external auditors, M/S. A. Qasem & Co., Chartered Accountants. Accordingly, revaluation surplus is included in fixed assets and equity in terms of instructions contained in BRPD Circular No. 10 dated 25 November 2002.

2.8 Off-balance sheet exposures

In compliance with the instruction contained in BRPD Circular No. 10 dated 18 September 2007, BRPD Circular No. 7 dated 21 June 2018 and BRPD Circular No. 13 dated 18 October 2018 issued by Bangladesh Bank, provision against the off-balance sheet exposures of the Bank as at reporting date has been made as under:

Category / status of Off-balance sheet exposures	Rates	
	Bangladesh Bank's requirement	Maintained by the Bank
BB rating grade equivalent of the Bank/financial institution/organization providing the counter-guarantee		
1	Nil	Nil
2	0.50%	0.50%
3 or 4	0.75%	0.75%
Others	1.00%	1.00%

2.9 Bases for valuation of liabilities and provisions

2.9.1 Retirement benefits to the employees

The retirement benefits accrued for the employees of the Bank as at the reporting date have been accounted for in accordance with the provisions of **International Accounting Standard (IAS) 19, 'Employee Benefits'** as outlined below:

a) Provident fund

There is a Provident Fund Scheme under defined contribution plan. The Fund is operated by a separate Board of Trustees approved by the National Board of Revenue as per Income Tax Ordinance, 1984. All eligible employees contribute 10% of their basic pay to the Fund. The Bank also contributes equal amount of employees' contribution to the Fund. Benefits from the Fund is given to eligible employees at the time of retirement/resignation as per approved rules of the Fund.

b) Gratuity fund

The Bank has a separate Board of Trustees for operating the staff gratuity fund approved by the National Board of Revenue. The provision for the gratuity fund is made in the books of account of the Bank for the eligible employees on the basis of the assessment made by the management at the year end [Note 14.1]. The amount of provision is transferred to the Board of Trustees of the Fund on a yearly basis.

c) Superannuation fund

The Bank has a separate Board of Trustees for operating the staff superannuation fund approved by the National Board of Revenue. The provision for the superannuation fund is made in the books of account of the Bank for the eligible employees on the basis of the assessment made by the management at the year end. The amount of provision is transferred to the Board of Trustees of the Fund on a yearly basis.

2.9.2 Workers' Profit Participation Fund (WPPF)

Workers' Profit Participation Fund (WPPF) is not maintained in accordance with letter No.- 53.00.0000.311.22.002.17-130, dated 14 February 2017, issued by Bank & Financial Institution Division (BFID), Ministry of Finance and consistent with the industry practice.

2.10 Revenue recognition

The revenues of the Bank during the year have been recognized in terms of the provisions of International Financial Reporting Standards, 15, 'Revenue from contracts with customers' and International Financial Reporting Standards 9 "Financial Instruments" as outlined below:

2.10.1 Interest income

a) Interest income from loans and advances

The policy for accounting of interest income on loans and advances is stated in 2.7.1.a and 2.7.2 above.

b) Other interest income

Interest income from investments, money at call on short notice and fund placement with other banks and financial institutions is recognized on accrual basis.

2.10.2 Fees and commission income

Fees and commission income arising from different services provided by the Bank is recognized on cash receipt basis. Commission realized on letters of credit and letters of guarantee is credited to income at the time of effecting the respective transactions.

2.10.3 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.10.4 Interest paid on deposits and borrowings

Interest paid on deposits, borrowings etc. are accounted for on accrual basis.

2.10.5 Other operating expenses

All other operating expenses are provided for in the books of the accounts on accrual basis.

2.11 Earnings per share

Earnings per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as at 31 December 2022 as per **International Accounting Standard (IAS) 33, 'Earnings Per Share'**.

2.12 Cash flow statement

Cash flow statement has been prepared under mixture of Direct and Indirect method as recommended in the BRPD Circular No. 14 dated 25 June 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

2.13 Statement of liquidity

The liquidity statement of assets and liabilities as at the reporting date has been prepared on residual maturity term as per the following bases:

- a) Balance with other banks and financial institutions, money at call on short notice etc. are on the basis of their maturity term.
- b) Investments are on the basis of their maturity.
- c) Loans and advances are on the basis of their repayment / maturity schedule.
- d) Fixed assets are on the basis of their useful life.
- e) Other assets are on the basis of their realization/adjustment.
- f) Borrowing from other banks, financial institutions and agents are as per their maturity /repayment term.
- g) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors.
- h) Other long term liabilities are on the basis of their maturity term.
- i) Provisions and other liabilities are on the basis of their payment /adjustment schedule.

2.14 Events after the reporting period

- a) There were no material post balance sheet events which could affect the values stated in these financial statements.
- b) The Board of Directors of the Bank in its 265th meeting held on 18 April 2023 recommended cash dividend @17.5% and stock dividend @ 7.5% for the year 2022.
- c) Corona virus pandemic, originated in China, has been impacting lives, businesses and economies around the world. First corona virus infection has been identified in Bangladesh on 08th March, 2020. It is likely to adversely impact the domestic and global economy that in turn may adversely impact on the financial position and results of the Bank in 2022 like 2020 & 2021, the amount of which cannot be predicted with any degree of certainty at this point of time. But there is a positive expectation that Covid Pandemic situation will be under controlled through vaccination to mass people of the world.

2.15 Reconciliation of books of account

Books of account with regard to inter-bank (in Bangladesh and outside Bangladesh) transactions and inter-branch transactions are reconciled in all material respects. There were no un-reconciled entries which could materially affect the financial condition or results of the Bank.

2.16 Reporting period

The reporting period of these financial statements cover one calendar year from 1 January 2022 to 31 December 2022.

2.17 Offsetting

No asset or liability has been offset or reduced by any other asset or liability unless a legal right [Note 10, 28 (revaluation gain on securities), 29.2 and 30.2] of set-off exists and the offsetting represents the expectation as to the realization or settlement of the asset or liability in normal course of business.



2.18 Compliance report on International Financial Reporting Standards (IFRSs)

The Financial Reporting Act 2015 (FRA) was enacted in 2015. Under the FRA, the Financial Reporting Council (FRC) is formed and it is yet to issue financial reporting standards for public interest entities such as banks. The Bank Companies Act 1991 has been amended to require banks to prepare their financial statements under such financial reporting standards. The FRC has been formed but yet to issue any financial reporting standards as per the provisions of the FRA and hence International Financial Reporting Standards (IFRS) as approved by the Institute of Chartered Accountants of Bangladesh (ICAB) are still applicable. Subject to the departures mentioned above, the Bank has complied with all the applicable Accounting and Financial Reporting Standards for preparation and presentation of the financial statements of the Bank as at 31 December 2022 as noted below:

International Accounting Standards (IASs)	IAS Number	Status of compliance by DBBL
Presentation of Financial Statements	IAS -1	Complied
Inventories	IAS -2	Complied
Statement of Cash Flows	IAS -7	Complied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS -8	Complied
Events After the Reporting Period	IAS -10	Complied
Income Taxes	IAS -12	Complied
Property, Plant and Equipment	IAS -16	Complied
Employee Benefits	IAS -19	Complied
Accounting for Government Grants and Disclosure of Government Assistance	IAS -20	Not applicable
The Effects of Changes in Foreign Exchange Rates	IAS -21	Complied
Borrowing Costs	IAS -23	Complied
Related Party Disclosures	IAS -24	Complied
Accounting and Reporting by Retirement Benefit Plans	IAS -26	Complied
Separate Financial Statements	IAS -27	Not applicable
Investments in Associates and Joint Ventures	IAS -28	Not applicable
Financial Reporting in Hyperinflationary Economies	IAS -29	Not applicable
Financial Instruments: Presentation	IAS -32	Complied
Earnings Per Share	IAS -33	Complied
Interim Financial Reporting	IAS -34	Complied
Impairment of Assets	IAS -36	Complied
Provisions, Contingent Liabilities and Contingent Assets	IAS -37	Complied
Intangible assets	IAS -38	Complied
Financial Instruments: Recognition and Measurement	IAS -39	Complied
Investment Property	IAS -40	Not applicable
Agriculture	IAS -41	Not applicable
International Financial Reporting Standards (IFRSs)	IFRS Number	Status of compliance by DBBL
First-time Adoption of International Financial Reporting Standards	IFRS - 1	Not applicable
Share-based Payment	IFRS - 2	Not applicable
Business Combinations	IFRS - 3	Not applicable
Insurance Contracts	IFRS - 4	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS - 5	Not applicable
Exploration for and Evaluation of Mineral Resources	IFRS - 6	Not applicable
Financial Instruments : Disclosures	IFRS - 7	Complied
Operating Segments	IFRS - 8	Complied
Financial instruments	IFRS - 9	Complied
Consolidated Financial Statements	IFRS - 10	Not applicable
Joint Arrangements	IFRS - 11	Not applicable
Disclosure of Interests in other Entities	IFRS - 12	Not applicable
Fair Value Measurement	IFRS - 13	Complied
Regulatory deferral accounts	IFRS - 14	Not applicable
Revenue from contracts with customers	IFRS - 15	Complied
Leases	IFRS - 16	Complied

* Subject to the departure specified above to comply with Bangladesh Bank Regulations



2.19 New accounting standards not yet adopted

The Bank has consistently applied the accounting policies as set out above to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 January 2021 have been considered. A number of standards and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted. However, the Bank has not early applied these new standards and yet assess potential impact on its financial statements.

2.20 Approval of the financial statements

The Board of Directors of the Bank in its 265th meeting held on 18 April 2023 approved the financial statements of the Bank for the year ended 31 December 2022.

3.1 Risk Management

Banking risk is defined by DBBL as prospect of potential losses or foregone profits that can be triggered by internal and external factors. The objective of risk management system is to identify, assess, record and actively manage any internal and external risks that could pose a threat to the attainment of the core objectives of the Bank. Therefore, as part of risk management system potential risks in Bank's operations and transactions, in assets, liabilities, income, costs and off-balance sheet items identified and assessed, and timely and adequate measures are initiated to actively manage and mitigate such risks within a risk-return framework. In DBBL, only calculated banking risks are taken while conducting banking business to strike a balance between risks and returns. Risks are clearly identified, quantified, mitigated or minimized to protect capital and maximize value to the shareholders.

3.1.1 Core risk management

Within risk management framework, all core banking risks of DBBL are proactively managed. Bank's risk management system adequately complies with an effective risk management system as required by BRPD circular no.17 (7 October 2003) and BRPD circular no.4 (5 March 2007). Bangladesh Bank monitors the progress of implementation of its risk management guidelines through on-site inspections and off-site supervisions. The risk management systems in place at the Bank are discussed below.

3.1.1.1 Credit risk

Credit risk is the most significant and inherent risk in banking business. Every loan exposure or transaction with counterparty involves the Bank to some extent of credit risks. Credit Risk Management is at the heart of the overall risk management system of the Bank. It is designed and regularly updated to identify, measure, manage and mitigate credit risk to maintain and improve quality of loan portfolio and reduce actual loan losses and to ensure that approved processes are followed and appropriate due diligence are made in approving new credit facilities and renewals.

The salient features of credit risk management practices in place at different levels of DBBL management and board are as under:

- I. Credit policy is approved by the Board
- II. Credit approval is delegated properly
- III. Independent Credit Risk Management Division is responsible for assessing and mitigating credit risk
- IV. Separate Credit Administration Division is responsible for documentation and disbursements
- V. Independent Special Asset Management Division is responsible for managing non-performing loans
- VI. Adequate loan-loss provisions (principal) and interest suspense accounts are maintained
- VII. Conducting Internal Credit Risk Rating (ICRR) for mitigating credit risk
- VIII. Eligible Borrowers' credit ratings are conducted for assessing client and industry specific credit risk
- IX. Credit operations are regularly audited by independent Internal Audit Division
- X. Early warning system is in place for raising red flag for potential credit problem for taking timely actions
- XI. Board of directors of the Bank, Executive Committee and Risk Management Committee of the board are regularly and adequately reported on existing and potential credit risks of the Bank and measures taken by the management for mitigating such credit risks
- XII. Environmental issues are properly assessed and mitigated while financing any project or industry

3.1.1.2 Asset liability management risk

The Asset-Liability (ALCO) management risk includes the process, procedures for managing & mitigating liquidity risk, interest rate risk, and foreign exchange risk of DBBL. ALCO works under specific Terms of References (functions) approved by the Board. Treasury Division (Front Office) and ALM desk under regular supervision of ALCO reviews the overall liquidity, interest rate and foreign exchange exposures and risk of DBBL and take appropriate measures in line with industry best practice.

3.1.1.3 Liquidity risk

Liquidity risk is the risk that we may not meet our financial obligation as they become due. Liquidity risks also include our inability to liquidate any asset at reasonable price in a timely manner. It is the policy of the Bank to maintain adequate liquidity at all times in both local and foreign currencies. Liquidity risks are managed on a short, medium and long-term basis. There are approved limits for credit/deposit ratio, liquid assets to total assets ratio, maturity mismatch, commitments for both on-balance sheet and off-balance sheet items and borrowing from money market to ensure that loans and investments are funded by stable sources, maturity mismatches are within limits and that cash inflow from maturities of assets, customer deposits in a given period exceeds cash outflow by a comfortable margin even under a stressed liquidity scenario.

3.1.1.4 Interest rate risk

Interest rate risk is the potential impact on the Bank's earnings and net asset value due to changes in market interest rates. Interest rate risk is the result of mismatches of interest rate re-pricing of financial assets and liabilities. DBBL uses the following tools for measuring



the interest rate risk:

a. Gap analysis

Under this system, a gap i.e. the difference between the amount of financial assets and the amount of liabilities is calculated at a pre-determined time bucket. The interest rate factor is then applied on the assessed financial value of Gap for measuring the earning impact due to movement of interest rate.

b. Duration analysis

Duration is the time-weighted average maturity of the present value of the cash flows from on balance sheet assets and liabilities. It measures the relative sensitivity of the value of these instruments to changing interest rates and therefore reflects on the economic value i.e. the present value of shareholders' equity of the Bank.

3.1.1.5 Foreign exchange risk

Foreign exchange risk is the potential loss arising from changes in foreign currency exchange rate in either direction. Assets and liabilities denominated in foreign currencies generally entail foreign exchange risks.

The Bank operates its foreign exchange and money market activities under a centralized and single functional area. DBBL's dealing room is equipped with advanced technology and experienced personnel. Bank's Exchange Rate Committee meets on a daily basis to review the prevailing market condition, exchange rate, exposure and transactions to mitigate foreign exchange risk.

3.1.1.6 Internal control and compliance

Internal Control and Compliance (ICC) ensures compliance with laws and regulations, policies and procedures issued by both the bank management and the regulators. ICC enhances confidence over the bank and facilitates risk based bank examination. This is one of the means for reducing potential losses associated with unwanted events.

Banking is a diversified financial activities involving different risks. The issues of effective internal control system, good governance, transparency of all financial activities, accountability towards its stakeholders and regulators are highly important for ensuring smooth performance of the banking company. An effective internal control & compliance system has no alternative for protecting the stakeholders of a banking company.

Dutch-Bangla Bank Limited has established an appropriate and effective internal control environment through the Board of Directors, Management, organizational and procedural controls and an independent audit mechanism in order to ensure that the Bank is managed and controlled in a sound and prudent manner.

Internal Control and Compliance (ICC) operates independently as a division consisting of four units (Audit & Inspection, Compliance, Monitoring & ICC Secretariat) with prime responsibility to determine risks by evaluating overall Business, Operations & Credit Portfolios of the Bank. The key objective of ICC is to assist and guide in all aspects of the bank using adequate resources for identification of weaknesses and taking appropriate measures to overcome the same to be a compliant bank.

3.1.1.7 Operational Risk

Operational risk can be defined as the possibilities of losses resulting from inadequacy or failed internal processes, systems and people or from external events.

Operational risk includes legal and regulatory risk, business process and change risk, fiduciary or disclosure breaches, technology failure, financial crime and environmental risk. It exists in some form in every Bank business and function. Operational risk can not only result in financial loss, but also regulatory sanctions and damage to the Bank's reputation. DBBL is successful at managing operational risk with a view to safeguarding client assets and preserving shareholder value.

DBBL manages operational risks in the following manner:

- I. Risks are identified with reference to the relevant policy manuals, processes, and practices;
- II. Departmental Control Function Check List (DCFCL) is in place for evaluation of control;
- III. Review of safety and control measures of premises and equipments;
- IV. Management of technological and information security risks; and
- V. Ensuring the Bank's business continuity while facing unforeseen crisis under a business continuity and disaster management plan.

3.1.1.8 Money Laundering Risk and Terrorist Financing Risk

The Government through its bodies, particularly 'Bangladesh Financial Intelligence Unit (BFIU)' has been playing a vital role to enhance the compliance status of Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) among the local banks & financial institutions. Bangladesh has become the prestigious Co-Chair of the APG (Asia-Pacific Group on Money Laundering). All these have made our country viable and reliable to both the global regulators and investors. DBBL has become confident to nourish its financial-system and structure with more dynamism and professionalism to protect its customers' deposits and reputation from any Money Laundering (ML) or Terrorist Financing (TF) risks.

The Bank, under the legal framework of the "Money Laundering Prevention Act, 2012 (amended in 2015)" and Anti Terrorism Act, 2009 (amended in 2013), has been pursuing the policy of strict compliance with all regulatory directives and culture of good governance in all aspects of its banking services and operations.

3.1.1.9 Legal Risks

In DBBL, legal risks are covered by recognizing potential losses from litigation or possible litigation at an early stage and by formulating solutions for reducing, restricting and avoiding such risks and creating adequate provision there- against.



3.1.1.10 Business Risk

Business risk covers the risk of losses arising from lower non-interest income and higher expenses from the budgeted amount. The business risk is resulted from the market condition, greater customer expectation and / or technological development that may be significantly different from the assumptions made at the time of planning.

Business risk in DBBL is managed by setting clear targets for specific business units, in terms of business volume, income, cost, cost-income ratio, quality of assets etc. with an ongoing process of continuous improvement.

3.1.1.11 Reputational Risk

Reputational risk is defined as the risk of losses, falling business volume or income as well as reduced value of the company arising from business events that may reduce the confidence of the customers & clients, shareholders, investors, counterparties, business partners, credit rating agencies, regulators and general public in DBBL.

The branches and operational divisions are directly responsible for reputational risks arising from their business operations. Reputational risks may also arise from a deficiency in managing other risks. All risk must therefore be managed effectively in order to uphold the Bank's reputation. The management ensures that DBBL is aware of any changes in market perceptions as soon as possible. Accordingly, all business policies and transactions are subjected to careful consideration. DBBL takes necessary precautions to avoid business policies and transactions that may result in significant tax, legal or environmental risks. Reputational risk is also factored into major credit decisions that may lead to credit proposal being declined.

3.1.1.12 Compliance Risk

The success of DBBL is largely dependent on the trust and confidence of our existing and potential customers, our shareholders, our staff, our regulators and the general public in our integrity and ethical standard. The confidence largely depends on meticulous compliance with applicable legal and regulatory requirements and internal policies of DBBL. The confidence also depends on conformity with generally accepted market norms and standards in our business operations. The Board of Directors is primarily responsible for compliance with all applicable norms and regulations. The Board discharges its responsibilities itself and through delegation of authorities to Executive Committee, Audit Committee and Risk Management Committee of the Board. The objective is to identify any compliance risks at an early stage that may undermine the integrity and the success of DBBL and to mitigate the risks in most appropriate way.

3.1.1.13 Technology Risk

Technology risk is the risk of financial loss arising from failure, exploitation of vulnerabilities or other deficiencies in the electronic platforms that support our daily operations and the system applications and infrastructure on which they reside. As a component of operational risk, technology risk is inherent not only in our IT assets, but also in the people and processes that interact with them. Cyber risk, which is part of technology risk, is the risk that our systems will not operate properly or will be compromised as a result of cyber-attacks, security breaches, unauthorized access, loss or destruction of data, unavailability of service, computer viruses or other events that could have an adverse security impact. Any such event could subject us to litigation or cause us to suffer a financial loss, a disruption of our businesses, liability to our clients, regulatory intervention or reputational damage. We could also be required to expend significant additional resources to modify our protective measures or to investigate and remediate vulnerabilities or other exposures. Service and infrastructure disruption risks are managed through our business continuity management plan, our technology risk management program and other contingency and resiliency plans. Although we have business continuity plans, our businesses face a wide variety of operational risks, including technology risk arising from dependencies on IT, third-party suppliers and the worldwide telecommunications infrastructure. As a large IT investment financial services company in Bangladesh, we operate in a complex technological landscape covering our diverse business model. Ensuring that the confidentiality, integrity and availability of information assets are protected is critical to our operations.

3.1.2 Credit Rating of the Bank

As per the BRPD instruction circular no.6 dated 5 July 2006, the Bank has done its credit rating by CRISL based on the financial statements dated 31 December 2021.

Particulars	Date of Rating	Long term	Short term	Rating Valid
Credit Rating Agency of Bangladesh Limited (CRAB)	August 4, 2022	AAA	ST-1	June 30, 2023

Again the Bank "DBBL" has been rated by renowned international rating agency "Moody's" and was awarded rating "B1".

3.1.3 Fraud and administrative error

During the year 2022, 48 cases of fraud & forgeries were detected by the bank amounting to Taka 216,227,519. Out of which, resolution of Taka 171,239,763 was remain pending at the year end.

3.2 Number of employees

As per the Schedule XI of the Companies Act, 1994, the number of employees (including contractual employees) engaged for the whole year or part thereof who received a total remuneration of Taka 36,000 per annum or Taka 3,000 per month were 10,407 as at 31 December 2022 compared to 9,643 as at 31 December 2021.

3.3 General

Wherever considered necessary previous year's figures and presentation have been rearranged to conform with the current year's presentation.



	2022 Taka	2021 Taka
4. Cash in hand (including foreign currencies)		
Local currency	26,475,208,492	17,823,419,696
Foreign currencies	13,687,836	29,694,394
	26,488,896,328	17,853,114,090
5. Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		
Bangladesh Bank		
Local currency	17,326,071,550	16,993,708,064
Foreign currencies	3,787,558,522	442,609,553
	21,113,630,072	17,436,317,617
Sonali Bank Limited (as an agent of Bangladesh Bank) - Local currency	578,265,553	427,322,151
	21,691,895,625	17,863,639,768
5.1 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)		
Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with the Section 33 of the Bank Companies Act, 1991 and of instructions contained in BRPD Circular No. 11 dated 25 August 2005, BRPD Circular No. 12 dated 25 August 2005, Monetary Policy Department (MPD) Circular No. 1 dated 4 May 2010, MPD Circular No. 2 dated 4 May 2010, MPD Circular No. 4 dated 1 December 2010, MPD Circular No. 5 dated 1 December 2010, DOS Circular No. 1 dated 19 January 2014, MPD Circular No. 1 dated 23 June 2014, MPD Circular No. 116/2014-853 dated 23 June 2014, DOS Circular No. 26 dated 19 August 2019 and MPD Circular No. 3 dated 09 April 2020 issued by Bangladesh Bank.		
5.1.1 Cash Reserve Requirement (CRR): average 4% of average demand and time liabilities with minimum 3.5% on any date		
Required reserve	17,831,956,000	16,246,605,000
Actual reserve maintained		
Balance with Bangladesh Bank [As per Bangladesh Bank LCY Account Statement]	18,024,247,068	16,993,708,064
	18,024,247,068	16,993,708,064
Surplus	192,291,068	747,103,064
Cash Reserve Maintained: more than 3.5% throughout the accounting year and 4.04% on the Balance Sheet date	4.04%	4.18%
5.1.2 Statutory Liquidity Ratio (SLR): 13% of average demand and time liabilities		
Required reserve	59,064,467,000	53,568,524,000
Available for maintenance:		
Cash in hand (including foreign currencies)	26,488,896,328	17,853,114,090
Balance with Sonali Bank Limited (as an agent of Bangladesh Bank)	578,265,553	427,322,151
Balance with Bangladesh Bank in excess of CRR	192,291,068	747,103,064
Unencumbered approved securities (treasury bills and bonds, debentures etc.)	92,420,209,559	107,947,138,277
	119,679,662,508	126,974,677,582
Surplus	60,615,195,508	73,406,153,582
Statutory Liquidity Ratio (SLR) Maintained (%)	26.34%	30.81%
6. Balance with other banks and financial institutions		
In Bangladesh		
Main Operation [Note 6.1 (a)]	11,076,947,384	17,910,691,156
Off-shore Banking Unit	34,716,738	29,609,281
Less: Inter Bank transactions [Note 12]	(4,288,236,331)	(5,536,042,550)
Total in Bangladesh	6,823,427,791	12,404,257,887
Outside Bangladesh		
Main Operation [Note 6.1 (b)]	3,365,138,624	956,190,048
Total Balance with other banks and financial institutions	10,188,566,415	13,360,447,935



6.1 Balance with other banks and financial institutions - Main Operation

(a) In Bangladesh

In current deposit accounts with

Janata Bank Limited
Sonal Bank Limited
Standard Chartered Bank, Dhaka
Islami Bank Bangladesh Limited
Agrani Bank Limited
The City Bank Limited
National Bank Limited

2022 Taka	2021 Taka
1,917,132	27,316,054
1,972,650,858	296,607,388
6,243,664	143,791,801
3,062,077	77,071,163
5,284,205	284,062
43,718	43,989
-	27,448
1,989,201,654	545,141,905

In special notice deposit accounts with

Sonal Bank Limited
National Bank Limited
The City Bank Limited
Rupali Bank Limited
Agrani Bank Limited
Janata Bank Limited
Dhaka Bank Limited
Islami Bank Limited
Mutual Trust Bank Limited

1,118,506	2,168,638,425
-	157,375
4,359	4,359
7,012,280	33,311,430
56,802,615	50,092,220
4,104,292	59,420,542
-	2,149,136
758,275,786	371,265,152
229,115	987,510
827,546,953	2,686,026,149

In fixed deposit accounts with

Jamuna Bank Limited
IFIC Bank Limited
Dhaka Bank Limited
Exim Bank Limited
Modhumoti Bank Limited
One Bank Limited

-	1,500,000,000
750,000,000	1,000,000,000
-	500,000,000
-	1,000,000,000
-	100,000,000
-	1,000,000,000
750,000,000	5,100,000,000

In fixed deposit accounts (in foreign currency) with

Islami Bank Bangladesh Limited
Pubali Bank Limited
Off-shore Banking Unit, Dutch-Bangla Bank Limited

-	423,625,000
413,170,800	-
4,287,027,977	5,535,898,102
4,700,198,777	5,959,523,102

Other financial institutions

In fixed deposit accounts with

Investment Corporation of Bangladesh
International Leasing & Financial Services Limited
Bangladesh Industrial Finance Company Limited (BIFC)
Delta Brac Housing Finance Corporation Limited

2,370,000,000	2,680,000,000
90,000,000	90,000,000
350,000,000	350,000,000
-	500,000,000
2,810,000,000	3,620,000,000
11,076,947,384	17,910,691,156

Total (a) In Bangladesh



(b) Outside Bangladesh

In demand deposit accounts (interest bearing) with

Name of the correspondent Bank	Currency	2022			2021		
		Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka	Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka
Mashreqbank PSC, New York, USA	USD	2,718,848	103.2927	280,837,199	544,200	85.8000	46,692,332
Commerzbank AG, Frankfurt, Germany	EUR	258,331	109.6865	28,335,466	92,955	97.3658	9,050,596
AB Bank Ltd., Mumbai, India	ACU	186,344	103.2927	19,248,019	160,232	85.8000	13,747,922
Citibank N.A., New York, USA	USD	4,412,785	103.2927	455,808,514	1,923,937	85.8000	165,073,787
ICICI Bank Limited, Mumbai, India	ACU	433,433	103.2927	44,770,440	169,449	85.8000	14,538,753
				828,999,638			
							249,103,390

In demand deposit account (non-interest bearing) with

Name of the correspondent Bank	Currency	2022			2021		
		Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka	Amount in foreign currency	Exchange rate for per unit foreign currency	Amount in Taka
Standard Chartered Bank, London, UK	GBP	280,648	124.2921	34,882,364	162,668	115.7099	18,822,273
Standard Chartered Bank, New York, USA	USD	20,125,816	103.2927	2,078,849,849	5,580,347	85.8000	478,793,734
Standard Chartered Bank AG, Germany	EUR	33,392	109.6865	3,662,665	64,599	97.3658	6,289,701.00
ICICI Bank Ltd., Hong Kong	USD	126,396	103.2927	13,055,833	130,143	85.8000	11,166,303
JP Morgan Chase Bank N.A., New York, USA	USD	2,166,811	103.2927	223,815,745	816,794	85.8000	70,080,889
Standard Chartered Bank, Colombo, Sri Lanka	ACU	950	103.2927	98,085	11,987	85.8000	1,028,467
Commerzbank AG, Frankfurt, Germany	CHF	82,182	111.3668	9,152,365	19,833	93.8012	1,860,321
The Bank of Tokyo-Mitsubishi UFJ Ltd., Tokyo, Japan	JPY	5,609,870	0.7721	4,331,381	12,103,716	0.7463	9,033,003
Bank of Montreal, Canada	CAD	94,039	76.0288	7,149,710	64,721	67.0732	4,341,028
Axis Bank, India	ACU	6,218	103.2927	642,316	94,294	85.8000	8,090,450
Commerz Bank AG, Germany	AUD	106,441	69.7226	7,421,375	78,407	62.1878	4,875,975
Mashreqbank PSC, Mumbai, India	ACU	92,112	103.2927	9,514,491	392,749	85.8000	33,697,880
Mashreqbank PSC, Mumbai, India	EUR	683	109.6865	74,963	683	97.3658	66,543
Mashreqbank PSC, Dubai, UAE	AED	2,107,544	28.1206	59,265,395	709,918	23.3565	16,581,198
Standard Chartered Bank, Mumbai, India	ACU	537,138	103.2927	55,482,448	97,933	85.8000	8,402,648
HDFC Bank Limited, Mumbai, India	ACU	79,500	103.2927	8,211,819	194,768	85.8000	16,711,116
Meezan Bank, Karachi, Pakistan	ACU	107,586	103.2927	11,112,828	8,012	85.8000	687,398
Bank of Ceylon, Colombo, Sri Lanka	ACU	3,072	103.2927	317,334	4,173	85.8000	358,016
Kookmin Bank, Seoul, Korea	USD	15,682	103.2927	1,619,859	158,917	85.8000	13,635,085
Al Rajhi Bank in Riyadh, Saudi Arabia	SAR	101,348	27.4642	2,783,432	98,842	22.8465	2,258,188
Bank of Huzhou Co Ltd. China	CNY	104,285	14.8109	1,544,550	-	-	-
Habib Metropolitan Bank, Karachi, Pakistan	ACU	30,498	103.2927	3,150,179	3,572	85.8000	306,442
				2,536,138,986			
				3,365,138,624			
				14,442,086,008			
							707,086,658
							956,190,048
							18,866,881,204

Total (b) Outside Bangladesh

Total (a+b)



6.2 Maturity grouping of balance with other banks and financial institutions

On demand
Within one to three months
Within three to twelve months
Within one to five years
More than five years

2022 Taka	2021 Taka
2,816,748,607	3,231,168,054
3,120,000,000	8,703,625,000
4,251,817,808	1,425,654,881
-	-
-	-
10,188,566,415	13,360,447,935

7. Money at call on short notice

a) With banks

-	-
---	---

b) With non bank financial institutions

-	-
-	-
-	-

Total (a+b)

8. Investments

In Government securities

Treasury bills

07-day treasury bills
14-day treasury bills
91-day treasury bills
182-day treasury bills
364-day treasury bills

-	-
-	-
6,457,724,000	-
2,970,233,678	-
4,446,033,712	2,687,778,250
13,873,991,390	2,687,778,250

Treasury bonds

2-year treasury bonds
5-year treasury bonds
10-year treasury bonds
15-year treasury bonds
20-year treasury bonds

14,472,520,855	45,741,558,829
16,630,481,025	15,088,139,824
32,530,405,439	32,757,012,498
11,014,320,296	7,839,861,345
3,898,490,554	3,832,787,531
78,546,218,169	105,259,360,027
92,420,209,559	107,947,138,277
6,967,600	7,891,500
92,427,177,159	107,955,029,777

Total treasury bills and bonds

Prize bonds

Other investments

Subordinated bonds [Note 8.2]

Shares and Bonds [Note 8.3]

8,240,000,000	7,720,000,000
1,006,283,434	1,006,283,434
9,246,283,434	8,726,283,434
101,673,460,593	116,681,313,211

8.1 Classification of investments

Government treasury bills and bonds

Held for trading (HFT)

Held to maturity (HTM)

Total investments in government securities

Prize bonds

Other investments

24,025,636,938	44,196,595,382
68,394,572,621	63,750,542,895
92,420,209,559	107,947,138,277
6,967,600	7,891,500
9,246,283,434	8,726,283,434
101,673,460,593	116,681,313,211



8.2 Other investments -Subordinated Bonds

IFIC Bank Limited
Exim Bank Bangladesh Limited
Northwest Power Generation Company Limited
Standard Bank Limited
Islami Bank Bangladesh Limited
Ashugonj Power Station Company Limited
Bank Asia Limited
Al-Arafah Islami Bank Limited
First Security Islami Bank Mudaraba Bond

2022 Taka	2021 Taka
1,000,000,000	1,000,000,000.00
1,000,000,000	1,000,000,000.00
800,000,000	1,000,000,000
1,000,000,000	1,000,000,000
2,000,000,000	1,000,000,000
500,000,000	500,000,000
400,000,000	500,000,000
1,300,000,000	1,400,000,000
240,000,000	320,000,000
8,240,000,000	7,720,000,000

8.3 Other investments - shares and bonds

In shares and bonds (quoted and unquoted)

Quoted: Share: RAK Ceramics (Bangladesh) Limited
Bond: Beximco Green-Sukuk al Istisna'a

5,664	5,664
1,000,000,000	1,000,000,000
1,000,005,664	1,000,005,664

Unquoted: Share: Central Depository Bangladesh Limited

6,277,770	6,277,770
6,277,770	6,277,770
1,006,283,434	1,006,283,434

8.4 a) Valuation of investments

Government securities

Treasury bills and bonds

Held for trading (HFT)

Held to maturity (HTM)

Prize bonds

Cost / present value Taka	Market/present value at 31 Dec 2022 Taka	Market/present value at 31 Dec 2021 Taka
24,025,636,938	24,025,636,938	44,196,595,382
68,394,572,621	68,394,572,621	63,750,542,895
6,967,600	6,967,600	7,891,500
92,427,177,159	92,427,177,159	107,955,029,777

Other investments

Subordinated bonds

IFIC Bank Limited
Exim Bank Bangladesh Limited
Northwest Power Generation Company Limited
Standard Bank Limited
Islami Bank Bangladesh Limited
Ashugonj Power Station Company Limited
Bank Asia Limited
Al-Arafah Islami Bank Limited
First Security Islami Bank Mudaraba Bond

1,000,000,000	1,000,000,000	1,000,000,000
1,000,000,000	1,000,000,000	1,000,000,000
800,000,000	800,000,000	1,000,000,000
1,000,000,000	1,000,000,000	1,000,000,000
2,000,000,000	2,000,000,000	1,000,000,000
500,000,000	500,000,000	500,000,000
400,000,000	400,000,000	500,000,000
1,300,000,000	1,300,000,000	1,400,000,000
240,000,000	240,000,000	320,000,000
8,240,000,000	8,240,000,000	7,720,000,000

Shares and bonds (quoted and unquoted)

Quoted (shares and bonds) as at 31 December 2022

	Number of shares/bonds	Cost per share/bond Taka			
Share: RAK Ceramics (Bangladesh) Limited	214	26.47	5,664	9,181	9,223
Bond: Beximco Green-Sukuk al Istisna'a	10,000,000	100.00	1,000,000,000	890,000,000	1,000,000,000
Sub total quoted			1,000,005,664	890,009,181	1,000,009,223

Unquoted (shares) as at 31 December 2022

Share: Central Depository Bangladesh Limited	2,284,721	2.75	6,277,770	6,277,770	6,277,770
Sub total unquoted			6,277,770	6,277,770	6,277,770
Total for other investments			9,246,283,434	9,136,286,951	8,726,286,993
Total			101,673,460,593	101,563,464,110	116,681,316,770

b) Investments in shares and bonds which value decreased as at 31 December 2022

Quoted shares and bonds	No. of share/bond	Cost Value Taka	Market Value Taka	Value Decreased Taka
Bond: Beximco Green-Sukuk al Istisna'a	10,000,000	1,000,000,000.00	890,000,000	110,000,000
Total value decreased [Provision kept against value decreased in Note 14.1.1.2]				110,000,000



8.5 Maturity grouping of investments

Payable

	2022 Taka	2021 Taka
On demand	6,165,201,379	1,014,174,934
Within one to three months	5,278,967,531	749,672,250
Within three to twelve months	20,001,971,475	33,953,102,346
Within one to five years	24,443,065,240	40,753,518,151
More than five years	45,784,254,968	40,210,845,530
	101,673,460,593	116,681,313,211

8.6 Disclosures for REPO and Reverse REPO transactions

In terms of the instructions contained in DOS Circular No. 6 dated 15 July 2010, the disclosures requirements for REPO and Reverse REPO transactions of the Bank are furnished below:

8.6.1 Disclosure regarding outstanding REPO as on 31 December 2022

SL No.	Name of the counter party	Agreement date	Reversal date	Amount (1st leg cash consideration)
1	Standard Chartered Bank (SCB), Dhaka	29/Dec/2022	1/Jan/2023	986,089,410

8.6.2 Disclosure regarding outstanding Reverse REPO as on 31 December 2022

SL No.	Name of the counter party	Agreement date	Reversal date	Amount (1st leg cash consideration)

8.6.3 Disclosure regarding overall transactions of REPO and Reverse REPO for the year ended 31 December 2022

Particulars	Minimum outstanding during the year Taka	Maximum outstanding during the year Taka	Daily average outstanding during the year Taka
Securities sold under repo / ALS			
i) With Bangladesh Bank	-	-	-
ii) With other banks and financial institutions	891,757,800	2,653,840,800	27,852,032
Securities purchased under reverse repo			
i) From Bangladesh Bank	-	-	-
ii) From other banks and financial institutions	390,928,872	5,092,281,500	259,896,962

9. Loans and advances

Main Operation [Note 9.1]

Loans, cash credits, overdrafts, etc.
Bills purchased and discounted

344,073,062,155	299,139,586,778
2,205,651,087	1,789,290,459
346,278,713,242	300,928,877,237

Off-shore Banking Unit

Loans, cash credits, overdrafts, etc.
Bills purchased and discounted

794,323,003	739,916,991
16,927,806,424	17,779,277,526
17,722,129,427	18,519,194,517
364,000,842,669	319,448,071,754

Total loans and advances



9.1 Loans, cash credits, overdrafts etc.-Main Operation

	2022 Taka	2021 Taka
In Bangladesh		
Overdraft	32,616,330,661	28,063,798,778
Cash credit	39,995,382,130	38,381,644,088
Export cash credit	17,711,714,046	17,498,215,560
Transport loan	1,287,086,263	1,714,766,854
House building loan	5,568,508,484	5,426,269,095
Loan against trust receipt	2,996,056,075	2,140,626,933
Term loan - industrial	95,782,713,211	98,691,081,230
Term loan - other	89,807,961,251	63,885,258,334
Payment against document - cash	27,610,360	173,072,018
Payment against document - EDF	2,053,586,797	2,362,073,635
Consumer Finance	55,617,769,614	40,194,189,537
Staff loan	608,343,263	608,590,716
	344,073,062,155	299,139,586,778
Outside Bangladesh	-	-
	344,073,062,155	299,139,586,778

Bills purchased and discounted - Main Operation

Payable in Bangladesh		
Inland bills purchased	2,202,817,312	1,747,651,238
Payable outside Bangladesh		
Foreign bills purchased and discounted	2,833,775	41,639,221
	2,205,651,087	1,789,290,459

Lease receivables

Lease payment receivables	-	-
Less : Unearned interest income	-	-
b) Total lease receivables	-	-
Total loans and advances	346,278,713,242	300,928,877,237

Total loans and advances of the Bank includes outstanding amount against the Small and Medium Enterprises (SME) financing as follows [Note 9.5]:

Loans to Small and Medium Enterprise (SME) financing	45,673,585,253	43,395,308,082
--	----------------	----------------

9.2 Net loans and advances including bills purchased and discounted

Total loans and advances [Note 9.1]	346,278,713,242	300,928,877,237
Less : Provision against loans and advances (specific and general) [Note 9.9(b)]	13,847,986,201	10,777,993,403
Less : Cumulative balance of interest suspense account [Note 14.1.4]	5,926,045,140	5,312,506,060
	326,504,681,901	284,838,377,774

9.3 Residual maturity grouping of loans and advances including bills purchased and discounted

Payable		
On demand	64,561,008,221	20,468,437,407
Within one to three months	80,007,268,850	85,142,957,695
Within three to twelve months	108,207,504,933	97,770,997,767
Within one to five years	83,113,820,758	76,257,531,514
More than five years	10,389,110,480	21,288,952,854
	346,278,713,242	300,928,877,237



9.4 Loans and advances including bills purchased and discounted are classified into the following broad categories - Main Operation

a) Loans and advances

In Bangladesh

Loans
Cash credit
Overdraft

Outside Bangladesh

b) Bills purchased and discounted

Payable in Bangladesh
Payable outside Bangladesh

Total (a+b)

2022 Taka	2021 Taka
271,461,349,364	232,694,143,912
39,995,382,130	38,381,644,088
32,616,330,661	28,063,798,778
344,073,062,155	299,139,586,778
-	-
344,073,062,155	299,139,586,778
2,202,817,312	1,747,651,238
2,833,775	41,639,221
2,205,651,087	1,789,290,459
346,278,713,242	300,928,877,237

9.5 Loans and advances including bills purchased and discounted on the basis of significant concentration

- i. Loans and advances to the allied concerns of the directors
ii. Advances to chief executive and other senior executives (AVP and above)
iii. Advances to customers' group

Commercial lending
Agricultural loan
Export financing
Consumer credit scheme
Small and medium enterprise financing
Staff loan (except Sl. No. ii)
House building loan (other than the employees)
Others

10,371,023,934	10,772,116,497
5,816,719,897	2,004,074,810
2,575,608,682	1,971,058,751
64,936,444,446	44,830,205,681
45,673,585,253	43,395,308,082
726,538	1,314,382
5,567,327,571	3,455,655,001
210,729,660,198	193,891,867,699
345,671,096,517	300,321,600,903
346,278,713,242	300,928,877,237

iii(a) Disclosure on large loan

Disclosures on large loan i.e. loan sanctioned to any individual or enterprise or any organization of a group amounting to 10% or more of the Bank's total capital and classified amount therein and measures taken for recovery of such loan have been furnished as under. Mentionable that, total capital of the Bank as at 31 December 2022 was Taka 51,350,205,101 against that of Taka 50,234,724,577 as at 31 December 2021.

iii (a.i) Number of clients to whom loans and advances sanctioned each more than 10% of the Bank's total capital (Funded and Non-Funded)	26	29
iii (a.ii) Amount of outstanding loans and advances [to the clients quoted in iii(a.i) above] -Funded	94,484,766,615	97,407,020,000
Amount of outstanding loans and advances [to the clients quoted in iii(a.i) above] -Non-Funded	54,903,642,783	58,460,750,000
iii (a.iii) Amount of classified loans and advances [out of the amount quoted in iii(a.ii) above]	-	-
iii (a.iv) Measures taken for recovery [for the amount mentioned in iii(a.iii) above]	Not applicable	Not applicable

iii(b) Disclosure of Document Verification System (DVS) for the year

As per Financial Reporting Council (FRC) letter no. 178/FRC/APR/2021/27(16) dated December 07, 2021 regarding compliance of BRPD Circular No. 04 and 35, dated January 04, 2021 and July 06, 2021 respectively.

Particular	Compliance of BRPD Circular No. 04 *		Compliance of BRPD Circular No. 35 **	
	Number	%	Number	%
Complied File	37	95%	37	95%
Total File	39	100%	39	100%

* BRPD Circular No. 04: Regarding collection of Audited financial statement & Statutory Audit Report for Loan Sanction/Renewal.

** BRPD Circular No. 35: Regarding financial statement verified with the Document Verification System (DVS) of ICAB.



9.6 Industry-wise loans and advances including bills purchased and discounted

	2022 Taka	2021 Taka
Agriculture, fisheries and forestry	5,816,719,897	2,004,074,810
Pharmaceutical industries	4,752,033,481	4,508,402,992
Textile industries	58,789,456,324	61,701,115,923
Ready- made garment industries	44,154,907,713	41,643,101,225
Chemical industries	2,678,892,011	2,946,406,727
Bank and other financial institutions	3,224,122,732	1,594,128,471
Transport and communication	7,820,378,675	3,039,304,150
Electronics and automobile industries	14,922,699,364	12,763,045,674
Housing and construction industries	10,579,620,959	11,267,738,152
Energy and power industries	8,665,735,498	10,108,406,897
Cement and ceramic industries	6,747,587,203	2,381,314,677
Food and allied industries	9,665,047,436	9,394,463,131
Engineering and metal industries including ship breaking	9,095,870,929	8,966,282,243
Service industries	26,481,959,391	19,821,707,930
Other industries	132,883,681,629	108,789,384,235
	346,278,713,242	300,928,877,237

9.7 Geographical location-wise loans and advances including bills purchased and discounted

Urban

Dhaka Division	265,614,011,690	228,132,544,029
Chittagong Division	17,726,957,916	20,798,149,506
Khulna Division	5,225,461,886	4,076,159,075
Rajshahi Division	3,638,071,567	2,871,034,255
Barisal Division	2,311,704,079	1,528,422,991
Sylhet Division	4,803,980,438	3,880,947,249
Rangpur Division	4,498,884,282	3,278,637,973
Mymensingh Division	19,989,270,385	20,874,113,908
	323,808,342,242	285,440,008,986

Rural

Dhaka Division	18,445,705,423	12,353,074,400
Chittagong Division	1,716,810,869	1,336,834,748
Khulna Division	-	-
Rajshahi Division	231,774,168	176,904,175
Barisal Division	-	-
Sylhet Division	913,431,770	916,426,690
Rangpur Division	-	-
Mymensingh Division	1,162,648,771	705,628,238
	22,470,371,000	15,488,868,251
	346,278,713,242	300,928,877,237

9.8 Broad economic sector-wise segregation of loans and advances including bills purchased and discounted

Government and autonomous bodies	-	-
Bank and financial institutions (public and private)	3,224,122,732	1,594,128,471
Other public sector	1,185,657,952	2,101,579,240
Private sector	341,868,932,559	297,233,169,526
	346,278,713,242	300,928,877,237



9.9 a) Classification of loans and advances including bills purchased and discounted

Status of loans and advances	Year					
	2022			2021		
	Outstanding amount (Taka)			Mix (%)	Total Outstanding amount (Taka)	Mix (%)
	Main Operation [Note 9.9.b]	Off-shore Banking Unit	Total			
Unclassified loans and advances						
Standard (including staff loans)	325,499,029,075	17,722,129,427	343,221,158,502	94.29%	300,321,467,637	94.01%
Special mention account	5,180,131,002	-	5,180,131,002	1.42%	7,161,455,941	2.24%
Total unclassified loans and advances	330,679,160,077	17,722,129,427	348,401,289,504	95.71%	307,482,923,578	96.25%
Classified loans and advances						
Substandard	920,910,287	-	920,910,287	0.25%	1,168,486,935	0.37%
Doubtful	867,280,606	-	867,280,606	0.24%	403,178,517	0.13%
Bad/loss	13,811,362,273	-	13,811,362,273	3.79%	10,393,482,723	3.25%
Total classified loans and advances	15,599,553,166	-	15,599,553,166	4.29%	11,965,148,176	3.75%
Total loans and advances	346,278,713,243	17,722,129,427	364,000,842,670	100.00%	319,448,071,754	100.00%

b) Classification and provisioning of loans and advances including bills purchased and discounted - Main Operation

Classification / Status of loans and advances	Amount of outstanding loans and advances as at 31 December 2022 (Taka)	Base for provision (Taka)	Percentage (%) of provision required as per Bangladesh Bank's directives	Amount of provision required as at 31 December 2022 (Taka)	Amount of provision required as at 31 December 2021 (Taka)
Unclassified loans and advances					
All unclassified loans (other than loans under small and medium enterprise, consumer financing and short term agricultural credit)	212,637,225,319	212,637,225,319	1%	2,052,474,896	1,956,795,941
Small and medium enterprise financing	41,568,987,632	41,568,987,632	0.25%	103,906,492	98,972,249
Consumer financing (other than housing finance under consumer financing scheme)	38,997,001,811	38,997,001,811	2%	779,940,036	531,820,069
Consumer Financing (Credit Card)	3,675,953,264	3,675,953,264	2%	73,519,065	60,885,152
Consumer financing (for housing finance)	21,742,979,942	21,742,979,942	1%	217,429,799	148,128,562
Loans to BHs/MBs/SDs	593,682,243	593,682,243	2%	11,873,645	8,755,907
Short term agricultural credit	5,641,768,180	5,641,768,180	1%	56,417,682	17,972,562
Micro credit	641,430,684	641,430,684	1%	6,414,307	5,120,667
	325,499,029,075	325,499,029,075		3,301,975,923	2,828,451,109
Special mention account					
All unclassified loans (other than loans under small enterprise and consumer financing)	3,447,148,823	3,447,148,823	1%	34,471,488	189,754,543
Small & Medium enterprise financing	1,362,724,038	1,362,724,038	0.25%	3,406,810	2,516,838
Consumer financing (other than housing finance under consumer financing scheme)	88,094,292	88,094,292	2%	1,761,886	1,199,796
Consumer Financing (Credit Card)	81,937,583	81,937,583	2%	1,638,752	1,484,440
Consumer financing (for housing finance)	200,226,266	200,226,266	1%	2,002,263	1,267,104
	5,180,131,002	5,180,131,002		43,281,199	196,222,721
Sub-total General Provision [A]	330,679,160,077	330,679,160,077		3,345,257,122	3,024,673,830
Special General Provision-Covid 19 (Calculated) [B]				2,378,205,274	2,141,445,145
Classified loans and advances					
Sub Standard Small	644,252,267	221,829,535	5%	11,091,477	10,268,926
Sub Standard Other	269,714,923	197,573,451	20%	39,514,690	66,495,067
Sub Standard AG/MC	6,943,097	3,370,764	5%	168,538	193,435
Doubtful Small	365,318,588	79,798,481	20%	15,959,696	4,287,457
Doubtful Other	495,815,868	390,510,841	50%	195,255,421	95,536,686
Doubtful AG/MC	6,146,150	3,058,687	5%	152,934	75,015
Bad /loss	13,811,362,273	6,967,229,467	100%	6,133,591,588	5,192,378,403
For BRPD NOC, BRPD NOC-2022 & Writ				1,728,401,383	242,538,100
Sub-total [C]	15,599,553,166	7,863,371,226		8,124,135,727	5,611,773,088
Total provision required [A+B+C]	346,278,713,243	338,542,531,303		13,847,598,123	10,777,892,063
Total provision maintained [Note 14.1.3]				13,847,986,201	10,777,993,403
Total provision surplus				388,078	101,340

The Note should read with Note No. 14.1.3 where provision kept as per Letter No. DBI-3/87/2023-653, dated 11/04/2023 of Bangladesh Bank Inspection Team for the year ended 31 December 2022. As per aforesaid Bangladesh Bank instruction, the total required provision is Taka 1,683.16 crore out of which the additional required provision is Taka 212.92 crore. In this respect Bank maintained 100% of total required provision.



b.1) Total provision required

- Main Operation (i)
Off-shore Banking Unit (ii)

Total provision maintained

- Main Operation (iii)
Off-shore Banking Unit (iv)

Total provision surplus

- Main Operation (iii-i)
Off-shore Banking Unit (iv-ii)

c) Disclosure on large loan restructuring

The Bank has not restructured any large loan facilities during this year.

9.10 Particulars of loans and advances including bills purchased and discounted

	2022 Taka	2021 Taka
i) Loans considered good in respect of which the banking company is fully secured	302,738,595,883	273,892,463,076
ii) Loans considered good for which the banking company holds no other security other than the debtor's personal guarantee	855,471,446	692,853,446
iii) Loans considered good and secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtors	42,684,645,914	26,343,560,715
iv) Loans adversely classified; provision not maintained there against	-	-
	346,278,713,243	300,928,877,237
v) Loans due by directors or officers of the banking company or any of them either separately or jointly with any other persons *	608,343,263	608,590,716
vi) Loans due from companies or firms in which the directors of the banking company have interests as directors, partners or managing agents or in case of private companies as members	-	-
vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either separately or jointly with any other persons	608,343,263	608,590,716
viii) 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 have interests as directors, partners or managing agents or in the case of private companies as members	Nil	Nil
ix) Due from other banking companies	-	-
x) Amount of classified loans on which interest has not been charged	13,811,362,273	10,393,482,723
a.i) Increase/(decrease) in specific provision	2,512,534,009	1,411,672,835
a.ii) Amount of loan written-off during the year	-	241,410,451
a.iii) Amount realized against loan previously written-off	132,872,624	147,454,578
b) Amount of provision kept against loan classified as 'bad/loss' on the date of preparing the balance sheet	6,133,591,588	5,192,378,403
c) Interest creditable to the interest suspense account (during the year)	3,750,481,843	6,860,375,573
* Amount represents loans to employees of the Bank only.		
xi) a) Cumulative amount of written-off loan		
Opening balance	8,209,207,905	8,199,566,623
Add: Amount written-off during the year	-	241,410,451
Less: Amount realized against written-off loan during the year	132,872,624	147,454,578
Less: Amount waiver / adjustment against written-off loan during the year	5,584,377	84,314,591
Balance as on 31 December	8,070,750,904	8,209,207,905
b) Amount realized against loan previously written - off	132,872,624	147,454,578
c) Amount of written-off loan for which lawsuit has been filed for its recovery	12,561,344,360	12,217,080,480

9.11 Bills purchased and discounted

Payable		
In Bangladesh	2,202,817,312	1,747,651,238
Outside Bangladesh	2,833,775	41,639,221
	2,205,651,087	1,789,290,459



9.11.1 Bills purchased and discounted on the basis of the residual maturity grouping

Payable

Within one month
More than one month but less than three months
More than three months but less than six months
Above six months

2022 Taka	2021 Taka
931,606,455	755,747,159
923,275,401	748,988,757
350,769,231	284,554,544
-	-
2,205,651,087	1,789,290,459

9.12 Litigation filed by the Bank

As of the reporting date, the Bank filed lawsuit against recovery of its defaulted loans and advances as under:

Name of the Branch/Cluster	Lawsuit filed for recovery of loans and advances outstanding as at 31 December	
	2022	2021
Local Office	1,136,063,496	1,153,094,962
Agrabad	1,529,828,246	693,481,536
Banani	8,791,791	8,538,686
Nababpur	62,467,502	89,774,636
Motijheel F. Ex.	2,668,033,927	2,170,687,316
Narayanganj	1,735,875	1,735,875
Kawran Bazar	98,007,539	123,321,285
Baburhat	3,583,776,883	3,578,179,901
Dhanmondi	2,911,899,084	1,937,043,043
B.B. Road	682,575	682,997
Patherhat	2,263,050	1,723,678
Hathazari	692,521	692,521
Mohakhali	3,541,723	738,961,520
Mirpur	644,875,980	583,634,570
Gulshan	425,433,451	448,914,914
Uttara	2,066,109	2,298,752
Islampur	67,056,173	-
Dania	80,441,239	1,047,269
Khulna	9,926,734	8,339,634
Sylhet	8,719,659	6,658,923
Dhaka EPZ	2,022,233	1,354,927
Board Bazar	175,064,061	175,064,061
Netaiganj	424,118	424,118
Bogura	57,466,060	41,309,047
Elephant Road	283,048,424	271,484,233
Barishal	6,443,040	5,247,003
Shimrail	1,221,439	1,221,439
O.R. Nizam Road	1,494,166,229	162,283,775
Joypara	7,003,130	6,583,476
Biswanath	576,050	3,353,398
Moulvibazar	15,444,763	11,566,775
Muradpur	134,731,797	135,369,668
Golapgonj	2,116,541	1,235,324
Rajshahi	244,154	244,154
Savar Bazar	387,742	387,742
Gazipur Chowrasta	1,247,984	1,247,984
Imamgonj	36,519,970	4,308,905
Feni	5,547,487	5,547,487
Cumilla	173,012,196	170,427,627
Jubilee Road	3,423,408	3,423,408
Kadamtali	33,352,754	27,728,583
Cox's Bazar	523,742	523,742
Lohagara	369,583	369,583
Bashundhara	88,845,996	1,198,491
Shyamoli	1,198,400	1,198,400
Manikgonj	13,005,018	13,005,018
Fatikchari	6,474,583	7,392,606
Chowmuhani	18,977,119	7,696,558
Goala Bazar	4,502,532	2,892,237
Khatungonj	47,234,077	47,234,077
Mymensingh	1,694,000	3,642,850
Beani Bazar	450,000	450,000
Chattak	4,784,005	4,784,005
Saidpur	623,923	623,923
Rangpur	10,780,103	10,725,213
Jashore	18,783,934	4,246,955



Mirpur Circle-10	4,145,215	2,012,759
Halisahar	19,175,224	19,175,224
Basurhat	12,384,908	13,271,455
Pabna	-	25,337,076
Satmasjid Road	418,213,502	418,213,502
Dinajpur	39,203,351	39,203,351
Bhairab	921,398	921,398
Dagonbhuiyan	3,940,054	2,767,643
Gobindaganj	20,956,229	17,947,018
Narayanganj BSCIC	4,480,000	4,480,000
Rampura	82,224,002	74,852,788
Tongi	15,578,724	14,290,800
Satkhira	14,265,872	19,020,666
Madaripur	2,373,872	2,373,872
Shafipur SME/Agriculture	1,551,240	1,551,240
Dakshinkhan SME/Agriculture	555,202	-
Dhaka Dakshin SME/Agriculture	1,424,846	1,774,239
Habiganj	12,421,319	11,974,098
Chattogram EPZ	1,573,371	371,498
Shahjalal Uposhohor	8,216,983	8,216,983
Bijoynagar	25,482,675	25,482,675
Rawzan SME/Agriculture	1,462,904	1,462,904
Progoti Shoroni	85,310,127	85,310,127
Tangail	1,195,949	1,195,949
Matuail	242,576,947	181,024,333
Keraniganj	58,216,967	-
Digpaith	16,110,904	13,463,346
Pagla	1,759,738	-
Jamalpur	99,575,643	50,919,003
Naogaon	5,919,673	5,919,673
Vatara	1,771,227	285,083
Laxmipur	1,439,048	1,439,048
Pallabi	1,096,811	1,096,811
Mawna	6,568,290	6,785,614
Mirer Bazar	2,673,989	2,673,989
Ashulia	2,212,335	1,872,162
Patuakhali	7,236,313	5,763,909
Panchagarh	59,143,440	55,040,202
Chokoria	3,096,303	3,096,303
Manda	859,489	859,489
Amin Bazar	10,864,771	10,454,438
Tejgaon	2,142,164	2,142,164
Abdullahpur	95,295,246	95,295,246
Sirajganj	-	2,861,619
Kalampur	2,905,561	1,258,549
Dumni	1,247,900	1,247,900
Kapasias	7,909,731	7,909,731
Elenga	1,740,250	1,740,250
Chapai Nawabganj	85,180,447	83,802,221
Chandpur	11,913,120	11,295,041
Companiganj	8,770,937	8,770,937
Hemayetpur	64,377,458	56,448,135
Gulshan Circle-1	14,931,458	-
Kanchpur	852,876	-
Joypurhat	-	138,724
Velanagar	8,418,633	8,418,633
Maijdee Court	1,204,476	-
Araihazar	7,722,993	8,376,048
Mohammadpur	296,300	-
Kurigram	16,349,553	-
Thakurgaon	12,551,254	12,551,254
New Market	37,143,198	20,428,134
Corporate	1,263,728	1,263,728
ID (Treasury-FO)	531,747,778	531,747,778
e-Business Division	3,468,988	-
Central Dhaka Cluster	1,505,758,769	-
Chattogram Cluster	355,836,427	92,779,115
Narayanganj Cluster	302,118,480	-
Motijheel Cluster	341,475,539	285,707,546
Total	20,618,816,269	15,050,692,233



	2022 Taka	2021 Taka
10. Fixed assets at cost or revalued amount including land, building, furniture and fixtures		
Main Operation [Note 10.1]		
Total cost	23,818,821,592	20,575,970,867
Less: Accumulated depreciation	14,405,625,618	12,768,982,192
	<u>9,413,195,974</u>	<u>7,806,988,675</u>
Off-shore Banking Unit		
Total cost	128,253	101,633
Less: Accumulated depreciation	128,150	101,551
	<u>103</u>	<u>82</u>
Total Fixed assets at cost or revalued	<u>9,413,196,077</u>	<u>7,806,988,757</u>
Details are shown in Annexure-A		
10.1 Fixed assets at cost or revalued amount including land, building, furniture and fixtures		
Land	748,360,000	748,360,000
Building	422,393,227	424,858,909
Interior decoration	1,688,247,161	1,465,386,681
Furniture and fixtures	536,100,267	463,311,175
Other machinery and equipment	3,128,303,968	2,861,414,699
Computer equipment	7,060,379,613	6,289,756,388
Computer software	722,972,040	643,265,179
Motor vehicles	76,241,828	634,742,220
ATM Booth	1,459,753,646	1,398,966,717
ATM/Fast Track (Deposit Machine)	3,654,179,255	2,906,065,255
Right of use of asset - IFRS 16: lease	4,321,695,996	2,739,649,053
Books	194,591	194,591
	<u>23,818,821,592</u>	<u>20,575,970,867</u>
Less: Accumulated depreciation	<u>14,405,625,618</u>	<u>12,768,982,192</u>
	<u>9,413,195,974</u>	<u>7,806,988,675</u>
11. Other assets		
Main Operation		
Income generating other assets [Note 11.1.a]	-	-
Non-income generating other assets [Note 11.1.b]	22,059,739,844	21,398,168,624
	<u>22,059,739,844</u>	<u>21,398,168,624</u>
Off-shore Banking Unit	277,534	230,533
Less: Inter Bank transactions [Note 14]	(43,240,639)	(12,196,614)
Total Other assets	<u>22,016,776,739</u>	<u>21,386,202,543</u>
11.1.a Income generating other assets		
i) Investment in shares of subsidiary companies:		
In Bangladesh	-	-
Outside Bangladesh	-	-
	<u>-</u>	<u>-</u>
11.1.b Non-income generating other assets		
i) Stationery, stamps, printing materials in stock	336,766,729	280,893,091
ii) Advance rent and advertisement	789,471,465	832,142,193
iii) Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable	1,669,457,588	1,908,234,413
iv) Security deposits	23,355,272	23,218,575
v) Preliminary, formation and organization expenses, renovation/development expenses and prepaid expenses	546,299,034	423,434,453
vi) Branch adjustment (net)	-	-
vii) Suspense account	728,621,312	145,839,025
viii) Silver	-	-
ix) Others [Note 11.2]	17,965,768,444	17,784,406,874
	<u>22,059,739,844</u>	<u>21,398,168,624</u>
11.2 Break-up of others		
Encashment of Sanchaya Patra (awaiting realization)	643,126,392	436,458,825
Advance tax [Note 11.2.1]	4,336,383,071	9,302,605,792
Deferred tax [Note 11.2.2]	4,140,434,209	2,916,547,544
Sundry assets [Note 11.2.3]	8,845,824,772	5,128,794,713
	<u>17,965,768,444</u>	<u>17,784,406,874</u>



11.2.1 Advance tax

The amount is stated after adjustment of advance income tax against final assessment orders for the accounting years 1996, 1997, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2015, 2016, 2017, 2018 and 2020. [Note 14.1.2 and 14.1.2.2]

11.2.2 Deferred tax

Opening balance
Add: Deferred tax assets / (liability) for the year [Note 11.2.2.1]
Closing balance

2022 Taka	2021 Taka
2,916,547,544	2,272,090,028
1,223,886,665	644,457,516
4,140,434,209	2,916,547,544

11.2.2.1 Detail calculation of deferred tax asset / (liability)

In terms of instructions contained in BRPD Circular No. 11 dated 12 December 2011 and provision of **International Accounting Standard (IAS) - 12, "Taxation"**, the detail calculation of deferred tax asset / (liability) of the Bank is furnished as under:

i) Temporary timing difference in written down value (WDV) of Fixed Assets

Accounting written down value [carrying amount] of fixed assets (excluding value of land, including ROU Assets) [A]	5,355,950,119	4,601,248,498
Written down value of fixed assets as per Tax (Tax base) as of the balance sheet date (excluding value of land) [B]	6,514,959,483	5,695,986,526
Temporary timing difference in Accounting WDV and Tax WDV (excluding value of land) [B - A]	1,159,009,364	1,094,738,028

ii) Temporary timing difference in provision for other classified assets [Note 14.1.1]

1,118,841,430 610,949,000

iii) Temporary timing difference in specific provision for loans and advances [Note 14.1.3(A)]

8,124,307,097 5,611,773,088

iv) Temporary timing difference in provision for Gratuity [Note 14.1]

639,000,000 460,000,000

Total amount of temporary timing differences in assets / (liabilities) [i+ii+iii] [C]

11,041,157,891 7,777,460,116

Effective tax rate [D]

37.50% 37.50%

Deferred tax asset / (liability) [C X D]

4,140,434,209 2,916,547,544

Deferred tax (liability) / asset for the year [Note 11.2.2]

1,223,886,665 644,457,516

v) Detail description of deferred tax asset recognized on specific loan loss provision

a) Amount of deferred tax asset recognized on specific loan loss provision

Temporary timing difference in specific provision for loans and advances	8,124,307,097	5,611,773,088
Effective tax rate	37.50%	37.50%
Deferred tax asset recognized	3,046,615,161	2,104,414,908

b) Method of calculation

As per IAS -12 and Income Tax Ordinance, 1984	As per IAS -12 and Income Tax Ordinance, 1984
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c) Year of origin of deferred tax asset on specific loan loss provision

2007	229,694,727	229,694,727
2008	(20,889,786)	(20,889,786)
2009	106,847,212	106,847,212
2010	60,085,384	60,085,384
2011	75,234,728	75,234,728
2012	132,159,371	132,159,371
2013	393,254,949	393,254,949
2014	313,950,178	313,950,178
2015	(177,082,181)	(177,082,181)
2016	794,573,764	794,573,764
2017	132,248,546	132,248,546
2018	(104,703,128)	(104,703,128)
2019	(25,117,482)	(25,117,482)
2020	(335,218,687)	(335,218,687)
2021	529,377,313	529,377,313
2022	942,200,253	-
Total as at 31 December	3,046,615,161	2,104,414,908

As per BRPD Circular no. 11 dated 12 December 2011, the above amount of deferred tax originated against specific loan loss provision and included in the accumulated retained earning is not distributable as dividend.

d) Amount recognized and realized in the financial statements for the year

942,200,253 529,377,313

e) Expected time of adjustment of deferred tax asset recognized against specific loan loss provision

Temporary timing difference in terms of specific provision against loans and advances will be adjusted in future when the "loans and advances" will be recovered or written-off.



11.2.3 Sundry assets

Sundry debtors
Cash remittance
Others

2022 Taka	2021 Taka
112,482,562	110,002,962
565,164,752	316,929,215
8,168,177,458	4,701,862,536
8,845,824,772	5,128,794,713

12. Borrowings from other banks, financial institutions and agents

Main Operation [Note 12.1]
Off-shore Banking Unit
Less: Inter Bank transactions [Note 6]

16,799,684,366	17,431,389,584
15,772,032,622	17,079,173,202
(4,288,236,331)	(5,536,042,550)
28,283,480,657	28,974,520,236

12.1 Borrowings from other banks, financial institutions and agents- Main operation

a) In Bangladesh

Secured

Refinance from Bangladesh Bank
Housing, etc [Note 12.3]
Stimulus Fund
Low Income Group
Export Development Fund (EDF)
Small and Medium Enterprise (SME) [Note 12.2, 12.3]
Financial Sector Support Project (FSSP)

107,128	187,486
234,021,926	1,346,960,821
750,000,000	-
15,021,989,965	15,274,493,852
26,235,000	62,652,917
766,121,993	750,175,060
16,798,476,012	17,434,470,136

Unsecured

Credit lines

From Other Bank-FC
From Off-shore Banking Unit, Dutch-Bangla Bank Limited

-	(3,225,000)
1,208,354	144,448
1,208,354	(3,080,552)
16,799,684,366	17,431,389,584

b) Outside Bangladesh

Secured

Unsecured

-	-
-	-

Total (a+b)

16,799,684,366	17,431,389,584
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12.2 Small and Medium Enterprise (SME)

Refinance facility (ies) availed from Bangladesh Bank under the following schemes for Small and Medium Enterprises

Asian Development Bank Fund [Note 12.3]
Women Entrepreneur Fund [Note 12.3]
10 Taka Account Fund [Note 12.3]
SMEDP-2 Fund
Covid-19 Fund

-	-
7,245,000	25,192,917
-	-
18,990,000	37,460,000
-	-
26,235,000	62,652,917



	2022 Taka	2021 Taka
12.3 Assets pledged as security for liability		
As at the reporting date of these financial statements, the Bank had no assets pledged as security except the Balance with Bangladesh Bank (local currency) against liability of refinance facility availed from Bangladesh Bank under the Housing Loan, Small & Medium Enterprising Financing under Asian Development Bank Fund, International Development Agency (IDA), Women Entrepreneur Fund and 10 Taka Account Fund by the Bank. [Note 12.1]		
12.4 Residual maturity grouping of borrowings from other banks, financial institutions and agents		
Repayable		
Within one month	8,510,384,345	8,718,315,345
Over one month but within three months	6,155,208,229	6,305,596,102
Over three months but within twelve months	7,089,376,826	7,262,588,887
Over one year but within five years	4,635,624,734	4,748,885,199
More than five years	1,892,886,522	1,939,134,702
	28,283,480,657	28,974,520,236
13. Deposits and other accounts		
Main Operation [Note 13.1]	438,111,896,591	401,445,067,292
Off-shore Banking Unit	19,419,097	55,278,128
	438,131,315,688	401,500,345,420
13.1 Deposits and other accounts - Main Operation		
Current deposits and other accounts		
Current deposits	109,761,125,388	92,587,103,006
Foreign currency deposits	2,381,709,825	2,036,836,430
Sundry deposits [Note 13.2]	12,744,314,720	9,414,002,210
	124,887,149,933	104,037,941,646
Bills payable		
Payment order	5,977,887,009	4,202,676,269
Demand draft	17,269,139	17,271,339
	5,995,156,148	4,219,947,608
Savings bank deposits	205,224,044,867	191,210,176,186
Term deposits		
Fixed deposits	61,666,117,289	61,809,150,286
Special notice deposits	40,217,869,577	40,068,746,081
Non resident foreign currency deposits	2,191,787	1,813,188
Resident foreign currency deposits	92,547,268	67,579,422
Monthly term deposits	26,819,722	29,712,875
	102,005,545,643	101,977,001,852
	438,111,896,591	401,445,067,292
13.2 Details of sundry deposits		
Margin on irrevocable letters of credit	685,502,946	792,730,735
Margin on letters of guarantee	514,052,097	469,561,338
Margin on inward foreign documentary bills for collection (IFDBC)	293,357,530	326,243,086
Sundry deposit on foreign bills purchased awaiting for realization (FBPAR)	6,434,106,178	4,247,457,419
Sundry deposit - withholding tax -IT	489,315,321	380,637,070
Sundry deposit - excise duty	714,368,668	610,921,394
Sundry deposit - withholding tax -VAT	223,141,083	191,045,946
Sundry deposits-sale proceeds of Sanchay Patra	238,990,000	250,895,000
Interest payable on deposit accounts	670,724,103	589,657,393
Others sundry deposits	2,480,756,794	1,554,852,829
	12,744,314,720	9,414,002,210
13.3 Segregation of deposits and other accounts		
Other than inter-bank deposits	438,087,190,646	401,411,458,254
Inter-bank deposits [Note 13.7]	24,705,945	33,609,038
	438,111,896,591	401,445,067,292



13.4 Residual maturity grouping of deposits and other accounts

(a) Other than inter-bank deposits

Repayable

On demand
Within one month
Over one month but within six months
Over six months but within one year
Over one year but within five years
Over five years but within ten years

2022 Taka	2021 Taka
29,226,777,513	21,824,825,872
49,114,395,706	21,354,979,320
82,619,970,705	113,286,411,284
111,720,755,004	92,130,232,946
99,835,402,825	92,236,154,030
65,569,888,893	60,578,854,801
438,087,190,646	401,411,458,254

(b) Inter-bank deposits [Note 13.6]

Repayable

On demand
Within one month
Over one month but within six months
Over six months but within one year
Over one year but within five years
Over five years but within ten years

1,981,252	2,695,221
16,175,184	22,004,112
6,549,509	8,909,705
-	-
-	-
-	-
24,705,945	33,609,038

Total (a+b)

438,111,896,591	401,445,067,292
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13.5 Unclaimed deposits for ten (10) years and more held by the Bank

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13.6 As at the reporting date of these financial statements, there were no valuable items unclaimed for ten (10) years or more held

13.7 Details of inter-bank deposits

In current deposits account

Al-Arafah Islami Bank Limited
Bangladesh Development Bank Limited
Bangladesh Commerce Bank Limited
Bangladesh Krishi Unnayan Bank
Brac Bank Limited
Southeast Bank Limited

229,893	231,423
4,170,402	237,185
4,016,458	33,183
871,954	873,144
8,888,262	1,556,542
545	1,925
18,177,514	2,933,402

In special notice deposits account

Janata Bank Limited
Dhaka Bank Limited
National Credit and Commerce Bank Limited
Prime Bank Limited
ICB Islami Bank Limited
The City Bank Limited
Habib Bank Limited

49,844	51,484
5,381,425	29,310,473
153,692	151,902
838,425	1,033,061
105,045	121,041
-	7,675
-	-
6,528,431	30,675,636
24,705,945	33,609,038

13.8 Sector-wise break up of deposits and other accounts

Deposit and other accounts	Year			
	2022		2021	
	Outstanding amount (Taka)	Mix (%)	Outstanding amount (Taka)	Mix (%)
a) Other than inter-bank deposits				
Government institutions	1,981,413,000	0.45%	1,981,413,000	0.49%
Autonomous and semi autonomous bodies	2,473,282,000	0.56%	2,473,282,000	0.62%
Public non-financial corporations	10,634,666,000	2.43%	10,634,666,000	2.65%
Local authorities	1,301,351,000	0.30%	1,301,351,000	0.32%
Non-bank depository corporations-public	187,000	0.00%	187,000	0.00%
Other financial intermediaries-public	11,748,000	0.003%	11,748,000	0.00%
Insurance companies and pension funds - public	739,459,000	0.17%	739,459,000	0.18%
Private sector (including individual public deposit)	420,945,084,646	96.082%	384,269,352,254	95.732%
	438,087,190,646	99.995%	401,411,458,254	99.992%
b) Inter-bank deposits [Note 13.7]				
State-owned commercial banks (SCBs)	49,844	0.000%	51,484	0.00%
Specialised banks (SBs)	871,954	0.000%	873,144	0.00%
Private commercial banks (PCBs)	23,784,147	0.005%	32,684,410	0.008%
	24,705,945	0.005%	33,609,038	0.008%
Total (a+b)	438,111,896,591	100.00%	401,445,067,292	100.00%



			2022 Taka	2021 Taka
14. Other liabilities				
Main Operation [Note 14.1]			37,035,556,520	34,724,894,125
Off-shore Banking Unit			427,766,992	245,853,090
Less: Inter Bank transactions [Note 11]			(43,240,639)	(12,196,614)
			37,420,082,873	34,958,550,601
14.1 Other liabilities- Main operation	Notes			
Unclaimed dividends	14.1.6		2,575,957	1,690,253
Provision for expenses			617,406,303	624,843,062
Contribution to Dutch-Bangla Bank Limited Employees' Superannuation Fund			76,000,000	80,000,000
Contribution to Dutch-Bangla Bank Limited Employees' Gratuity Fund			639,000,000	460,000,000
Provision for interest on credit lines, refinance scheme and subordinated debt			96,743,177	95,934,637
Branch adjustment (net)			1,319,151,270	266,331,106
Provision for classified assets	14.1.1		1,118,841,430	610,949,000
Provision for taxation	14.1.2		8,299,857,700	12,830,309,562
Accumulated provision for loans and advances including off-balance sheet exposures	14.1.3		14,908,472,649	11,845,710,315
Cumulative balance of interest suspense account	14.1.4		5,926,045,140	5,312,506,060
Start up Fund	14.1.5		167,215,122	110,598,225
Risk Fund for fixed assets			38,890,895	20,558,911
Lease liability - IFRS-16			3,168,872,496	2,016,120,379
CSR Fund			180,150,876	-
Others			476,333,505	449,342,615
			37,035,556,520	34,724,894,125
14.1.1 Provision for classified assets				
Provision for other classified assets [Note 14.1.1.1]			1,118,841,430	610,949,000
Provision for nostro accounts			-	-
			1,118,841,430	610,949,000
14.1.1.1 Provision for other classified assets				
As per BRPD Circular No. 14 dated 25 June 2001, and 12 April 2022, the following amount has been provided in the financial statements of the Bank as provision for other classified assets (legal expenses recoverable from the defaulted				
Opening balance			610,949,000	610,949,000
Add: Provision made for the year			507,892,430	-
Closing balance [Note 14.1.1.2]			1,118,841,430	610,949,000
14.1.1.2 Break up of provision for other classified assets				
BIFC (Provision against placement of FDRs classified as Bad)			367,666,667	367,666,667
International Leasing (Provision against placement of FDRs classified as Bad)			90,000,000	90,000,000
Beximco Green-Sukuk al Istisna'a (Provision against investment in bonds for value decreased) [Note 8.4 (b)]			110,000,000	-
Legal expenses receivable			54,652,573	41,442,094
Protested bills receivable			49,104,963	38,514,503
Others			447,417,227	73,325,736
			1,118,841,430	610,949,000
14.1.2 Provision for taxation				
Current tax				
Opening balance			12,830,309,562	18,351,135,454
Add: Provision made for the year [Note 14.1.2.1]			4,428,800,730	3,216,094,480
Less: Adjustment made against Advance Tax/Adjustment made against final assessment orders by the Deputy Commissioner of Taxes or the Appellate Authority			8,959,252,592	8,736,920,372
Closing balance [Note 14.1.2.2]			8,299,857,700	12,830,309,562
14.1.2.1 Current tax - Provision for the year	On Taka	Tax rate		
Banking business income (calculated) *	12,613,989,135	37.50%	4,730,245,926	3,438,628,233
Capital gain on share	846,476,984	15.00%	126,971,548	328,774,821
Dividend income *	5,712,284	20.00%	1,142,457	1,223,426
Less: Rebate on allowable CSR (calculated)	43,792,000	10.00%	(4,379,200)	(2,982,000)
Less: Provision already kept			(425,180,000)	(549,550,000)
Total			4,428,800,730	3,216,094,480
* Taxable Income [Banking business income (calculated) and Dividend income]			13,466,178,403	10,281,156,700
14.1.2.2 Assessment of income tax has been finalized with the tax authority for the accounting years 1996, 1997, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2015, 2016, 2017, 2018 and 2020. [Note 11.2.1]				
Final assessment of income tax for accounting years 1998, 1999, 2000, 2010, 2011, 2012, 2013 and 2014 are pending with Appellate Authorities. Full tax provision has been made in the accounts for the respective years based on the latest assessment orders made by the Deputy Commissioner of Taxes or Appellate Authorities.				



14.1.3 Accumulated provision for loans and advances and Off-balance sheet exposures

Main Operation [Note 14.1.3.1]

Off-shore Banking Unit

2022 Taka	2021 Taka
14,908,472,649	11,845,710,315
177,221,294	185,191,945
15,085,693,943	12,030,902,260

14.1.3.1 Accumulated provision for loans and advances and Off-balance sheet exposures -Main Operation

A. Specific provision for bad and doubtful loans and advances

Opening balance

Less: Fully provided debt written-off

Add: Recoveries of amounts previously written-off

Add: Specific provision for the year

Less: Recoveries and Provision no longer required

Add: Net charge to profit and loss account

Provision held at the end of the year

5,611,773,088	4,200,100,253
(22,294,753)	179,093,801
44,190,683	133,926,562
2,446,048,573	1,456,840,074
-	-
-	-
8,124,307,097	5,611,773,088

B. General provision

General provision against unclassified loans and advances [i]

Opening balance

General provision for the year **

Provision held at the end of the year

3,024,673,830	2,629,854,485
320,800,000	394,819,345
3,345,473,830	3,024,673,830

Special General Provision-Covid-19 against deferred loans [ii]

As per the instructions contained in BRPD Circular No. 56, 52 and 53 dated 10 December 2020, 29 December 2021 and 22 December 2022 respectively, following provision has been made against the Special General Provision-Covid-19 of the Bank:

Opening balance

Special provision for the year

Provision held at the end of the year [Calculated]

2,141,546,485	817,531,599.00
236,658,789	1,324,014,886
2,378,205,274	2,141,546,485

General provision against Off-balance sheet exposures [iii]

As per the instructions contained in BRPD Circular No. 8 dated 7 August 2007 and BRPD Circular No. 10 dated 18 September 2007, following provision has been made against the Off-balance sheet exposures of the Bank:

Opening balance

Add: Provision made for the year *

Provision held at the end of the year [Note 24.4.A]

1,067,716,912	802,508,068
(7,230,464)	265,208,844
1,060,486,448	1,067,716,912
6,784,165,552	6,233,937,227
14,908,472,649	11,845,710,315

Accumulated general provision for loans and advances including deferred loans & off-balance sheet exposures - Main Operation [B]

Accumulated provision (Specific & General) for loans and advances including deferred loans & off-balance sheet exposures -Main Operation [A+B]

* Provision has been maintained against litigated issue reference LC No. DBBL/105990071, dated 01 November 1999, M/s. M. N. Trading, Dhaka.

** General provision made for the year against unclassified loans and advances [iv]

Main Operation [B.i]

Off-shore Banking Unit

320,800,000	394,819,345
(7,970,651)	33,651,894
312,829,349	428,471,239

*** Accumulated General provision against unclassified loans and advances

Main Operation [B.i]

Off-Shore Banking Unit [C]

3,345,473,830	3,024,673,830
177,221,294	185,191,945
3,522,695,124	3,209,865,775

14.1.3.2 Accumulated provision for loans and advances and Off-balance sheet exposures

Specific provision for bad and doubtful loans and advances-Main Operation [Note 14.1.3.1.A]

General provision against unclassified loans and advances-Main Operation [Note 14.1.3.1.B.i]

Special General Provision-Covid-19 against deferred loans [Note 14.1.3.1.B.ii]

General provision against Off-balance sheet exposures [Note 14.1.3.1.B.iii]

General provision against unclassified loans and advances-Off-Shore Banking Unit [Note 14.1.3.1.C]

8,124,307,097	5,611,773,088
3,345,473,830	3,024,673,830
2,378,205,274	2,141,546,485
1,060,486,448	1,067,716,912
177,221,294	185,191,945
15,085,693,943	12,030,902,260

14.1.3.3 Total Provision maintained as per Bangladesh Bank NOC

Accumulated provision for loans and advances and Off-balance sheet exposures [Note 14.1.3.2]

Provision for classified assets [Note 14.1.1]

Contribution to Dutch-Bangla Bank Limited Employees' Gratuity Fund [Note 14.1.1]

Total Provision Maintained

Total Required Provision as per Bangladesh Bank NOC

Total Provision Surplus

15,085,693,943	12,030,902,260
1,118,841,430	610,949,000
639,000,000	460,000,000
16,843,535,373	13,101,851,260
16,831,600,000	13,082,500,000
11,935,373	19,351,260



	2022 Taka	2021 Taka
14.1.4 Cumulative balance of interest suspense account		
Opening balance	5,312,506,060	4,841,730,487
Add: Amount transferred to interest suspense account during the year	3,750,481,843	6,860,375,573
Less: Amount recovered from interest suspense account during the year	3,098,525,299	6,115,737,361
Less: Amount written-off/waived during the year	38,417,464	273,862,639
Balance at the end of the year	5,926,045,140	5,312,506,060
14.1.5 Cumulative balance of Start up Fund		
As per SMESPD Circular No. 4, dated 29 March 2021 and Circular No. 5, dated 26 April 2021, 1% on Net profit after taxation has been transferred to the fund [Note 23.1]:		
Opening balance	110,598,225	-
Add: Fund made during the year	56,616,897	110,598,225
Balance at the end of the period	167,215,122	110,598,225
14.1.6 Unclaimed Dividend Account		
Opening balance	1,690,253	12,580,929
Add: Dividend transferred by the Bank to the account during the period	944,279,643	702,888,174
Less: Amount withdrawn by the Shareholders of the Bank from the account during the period	943,393,939	713,778,850
Balance at the end of the period	2,575,957	1,690,253
15. Subordinated debt		
Subordinated debt - Taka 5,000,000,000		
The Bank arranged a subordinated debt from six scheduled local banks for Taka 5,000,000,000 for a term of seven years to strengthen the Tier-2 capital as well as total capital of the Bank during June 2017 with the approval of Bangladesh Bank. The principal amount is repayable in five (5) equal installments with two years moratorium, last installment of which is payable on 14 June 2024.	2,000,000,000	3,000,000,000
The interest rate for the subordinated debt is approximately @ 7.97% p.a.		
Subordinated debt - Taka 5,000,000,000		
The Bank arranged a subordinated debt from six scheduled local banks for Taka 5,000,000,000 for a term of seven years to strengthen the Tier-2 capital as well as total capital of the Bank during December 2018 with the approval of Bangladesh Bank. The principal amount is repayable in five (5) equal installments with two years moratorium, last installment of which is payable on 26 December 2025.	3,000,000,000	4,000,000,000
The interest rate for the subordinated debt is approximately @ 7.22% p.a.		
Subordinated debt - Taka 5,000,000,000		
The Bank arranged a subordinated debt from five scheduled local banks for Taka 5,000,000,000 for a term of seven years to strengthen the Tier-2 capital as well as total capital of the Bank during December 2020 with the approval of Bangladesh Bank. The principal amount is repayable in five (5) equal installments with two years moratorium, last installment of which is payable on 14 December 2027.	5,000,000,000	5,000,000,000
The interest rate for the subordinated debt is approximately @ 7.22% p.a.		
Total	10,000,000,000	12,000,000,000
As per BRPD Circular No. 13 dated 14 October 2009, BRPD Circular No. 35 dated 29 December 2010 and Letter No. BRPD(BIC)661/14B(P)/2010-340 dated 22 December 2010, FEPD (external debts & grants section)/701/K-1/2013-463 dated 17 December 2013 and Letter No. BRPD(BIC)661/14B(P)/2013/2560 dated 30 December 2013 issued by Bangladesh Bank, the above noted debt capital (Subordinated debt) is considered as a component of supplementary capital (Tier 2 capital) of the Bank within the regulatory limits. [Note 16.6.5].		
15.1 Residual maturity grouping of subordinated debt		
Repayable		
Within one month	-	-
Over one month but within three months	-	-
Over three months but within twelve months	2,000,000,000	2,000,000,000
Over one year but within five years	8,000,000,000	9,000,000,000
More than five years	-	1,000,000,000
	10,000,000,000	12,000,000,000



	2022 Taka	2021 Taka
16. Share capital		
16.1 Authorized share capital		
1,500,000,000 ordinary shares of Taka 10 each.	15,000,000,000	15,000,000,000
16.2 Issued, subscribed and fully paid up share capital		
695,750,000 ordinary shares of Taka 10 each. (As at 31 December 2021: 632,500,000 ordinary shares of Taka 10 each).*	6,957,500,000	6,325,000,000
16.2.1 Raising of capital		
The paid-up share capital of the Bank was raised in the following manner:		
From the sponsor shareholders before IPO		
By issuing of 1,800,000 ordinary shares of Taka 100 each	180,000,000	180,000,000
Through Initial Public Offering (IPO)		
The Bank raised Taka 22,135,000 through initial public offering in the year 2001 against issuance of 221,350 ordinary shares of Taka 100 each	22,135,000	22,135,000
The premium of Taka 50 was also applied for 221,350 shares against face value of Taka 100 each [Note 17]		
Bonus shares		
Bonus shares @3.94719 against 1 existing share of Taka 100 each for the year 2007	797,865,000	797,865,000
Bonus shares @0.50 against 1 existing share of Taka 100 each for the year 2008	500,000,000	500,000,000
Bonus shares @0.333 against 1 existing share of Taka 100 each for the year 2009	500,000,000	500,000,000
Bonus shares @1.50 against 1 existing share of Taka 10 each for the year 2018	3,000,000,000	3,000,000,000
Bonus shares @ 0.10 against 1 existing share of Taka 10 each for the year 2019	500,000,000	500,000,000
Bonus shares @ 0.15 against 1 existing share of Taka 10 each for the year 2020	825,000,000	825,000,000
Bonus shares @ 0.10 against 1 existing share of Taka 10 each for the year 2021 *	632,500,000	-
	6,957,500,000	6,325,000,000

*** Note:**

The Board of Directors of the Bank in its 248th meeting held on 06 March 2022 recommend 17.5% cash dividend and 10% stock dividend for the year 2021. The recommendation of dividend was approved by the shareholders of the Bank in the 26th AGM held on 24 April 2022.

16.3 Particulars of fully paid up share capital as at 31 December 2022 and 2021 are as follows

Categories	2022			2021
	Number of shares	Percentage (%) of holding	Value (Taka)	Value (Taka)
Sponsors and Directors (Local and Foreign)	605,243,841	86.99%	6,052,438,410	5,375,716,760
General Public shares	90,506,159	13.01%	905,061,590	949,283,240
Total	695,750,000	100.00%	6,957,500,000	6,325,000,000



16.4 Range-wise shareholdings as at 31 December 2022 are as follows

Range of holding of shares	Number of shareholders	Percentage (%) of holding of shares	Number of shares
Less than 500	3,978	0.09%	637,852
500 to 5,000	3,414	0.82%	5,705,783
5,001 to 10,000	448	0.46%	3,187,502
10,001 to 20,000	279	0.55%	3,824,527
20,001 to 30,000	111	0.39%	2,699,889
30,001 to 40,000	50	0.25%	1,770,423
40,001 to 50,000	22	0.14%	977,087
50,001 to 100,000	50	0.49%	3,399,257
100,001 to 1,000,000	59	2.65%	18,468,374
Over 1,000,000	30	94.15%	655,079,306
Total	8,441	100.00%	695,750,000

16.5 Name of the Directors and their shareholdings in the year 2022

SL. No	Name of the Directors	Status	Number of shares Taka 10 each (Position on 01 January 2022)	Number of shares Taka 10 each (Position on 31 December 2022)	Percentage (%) of shareholdings (Position on 31 December 2022)
1	Mr. Sayem Ahmed	Chairman	15,645,424	17,209,966	2.47%
5	Ms. Sadia Rayem Ahmed	Director	12,650,000	13,915,000	2.00%
2	Mr. Abedur Rashid Khan *	Director (Nominee of Horizon Associates Limited)	-	-	-
3	Ms. Tang yuen Ha, Ada **	Director (Nominee of Ecotrim Hong Kong Limited)	-	-	-
4	Mr. Ekramul Haq, FCA***	Independent Director	-	-	-
5	Mr. Mohammed Salim, FCMA, CPFA***	Independent Director	-	-	-
6	Mr. Abul kashem Md. Shirin ***	Ex-officio Director (Managing Director & CEO)	-	-	-

* Horizon Associates Ltd. (Institutional Director) held 158,907,768 shares of Taka 10 each (22.84%) as on 31 December 2022.

** Ecotrim Hong Kong Limited (sponsor shareholder) held 172,100,302 shares of Taka 10 each (24.74 %) as on 31 December 2022.

*** Independent Director and Managing Director & CEO of the Bank need not to hold any qualification share.



16.6 Capital to risk-weighted asset ratio (CRAR)

As per Section 13 of the Bank Company (Amended) Act, 2018 and instructions contained in BRPD Circular No. 18 dated 21 December 2014, [Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)], the eligible regulatory capital of the Bank as of 31 December 2022 stood at Taka 51,350,205,101 against the risk based capital requirement of Taka 41,265,118,161. As a result, there was a capital surplus of Taka 10,085,086,940 in risk based capital adequacy ratio as on 31 December 2022.

The details of capital to risk-weighted asset ratio (CRAR) are furnished below:

	2022 Taka	2021 Taka
Total assets (excluding off-balance sheet assets)	555,473,634,446	514,399,778,058
Total off-balance sheet assets	104,856,710,580	109,331,376,206
Total Risk weighted assets [RWA] against [Note 16.6.1]		
i. Credit Risk		
On-balance sheet [Note 16.6.1.1]	247,207,254,758	223,026,032,453
Off-balance sheet [Note 16.6.1.2]	32,885,443,179	34,741,388,159
	280,092,697,937	257,767,420,612
ii. Market Risk [Note 16.6.2]	2,352,529,318	4,953,750,961
iii. Operational Risk [Note 16.6.3]	47,675,718,031	43,396,211,348
A) Total Risk weighted assets (RWA) [i+ii+iii]	330,120,945,286	306,117,382,921
B) Minimum Capital Requirement (MCR) with Capital Conservation Buffer (CCB) [12.5% of RWA]	41,265,118,161	38,264,672,865
C) Common Equity Tier 1 (CET1) capital		
Paid-up share capital	6,957,500,000	6,325,000,000
Share premium	11,067,500	11,067,500
Statutory reserve	9,193,048,174	9,193,048,174
Dividend equalization account	1,766,827,195	1,766,827,195
Retained earnings (Including OBU)	22,504,567,661	18,638,869,885
	40,433,010,530	35,934,812,754
Less : Other Intangible Assets (computer software)	149,907,872	120,023,186
Less : Deferred tax asset [Note 16.6.4]	2,894,284,403	1,999,194,163
	37,388,818,255	33,815,595,405
D) Additional Tier-1 Capital		
Non-cumulative irredeemable preference shares	-	-
Instruments issued by the banks that meet the qualifying criteria for AT1	-	-
Others (if any item approved by Bangladesh Bank)	-	-
Less: Regulatory Adjustments from AT-1 Capital	-	-
E) Tier 1 Capital [C+D]	37,388,818,255	33,815,595,405
F) Tier 2 Capital		
General provision maintained against unclassified loans and off-balance sheet exposures (including OBU) [Note 14.1.3.1 and Note 16.6.5]	6,961,386,846	6,419,129,172
Subordinated debt capital [Total S. debt, Taka 12,000,000,000 - due within 1 Year, Taka 2,000,000,000] [Note 16.6.6]	7,000,000,000	10,000,000,000
Assets revaluation reserves [Note 16.6.7]	-	-
Revaluation reserves of HTM securities [Note 16.6.7]	-	-
	13,961,386,846	16,419,129,172
Less : Revaluation Reserves for Fixed Assets and Securities	-	-
	13,961,386,846	16,419,129,172
G) Total Eligible Regulatory Capital (Tier 1 and 2) [C+D+F]	51,350,205,101	50,234,724,577
Total capital surplus [G - B]	10,085,086,940	11,970,051,712
Capital to risk-weighted asset ratio (CRAR):		
Common Equity Tier-1 to RWA (C/A)*100	11.33%	11.05%
Tier-1 Capital to RWA (E/A)*100	11.33%	11.05%
Tier-2 Capital to RWA (F/A)*100	4.23%	5.36%
Capital to risk-weighted asset ratio (CRAR) (G/A)*100	15.55%	16.41%



16.6.1 Calculation of risk weighted assets (RWA)

16.6.1.1 Credit Risk-On balance sheet assets

SL No.	Particulars	Outstanding balance as of 31-Dec-2022 Taka	Risk weights (%)	Risk weighted assets	
				31-Dec-2022 Taka	31-Dec-2021 Taka
i.	Cash	26,488,896,328	0%	-	-
ii.	Claims on Bangladesh Government and Bangladesh Bank	114,119,072,784	0%	-	-
iii.	Claims on other Sovereigns & Central Banks	-	0%	-	-
iv.	Claims on Bank for International Settlements, International Monetary Fund and European Central Bank	-	0%	-	-
v.	Claims on Multilateral Development Banks (MDBs)	-	0%-150%	-	-
vi.	Claims on Public Sector Entities (other than Government) in Bangladesh	3,279,980,955	20%-150%	684,641,565	300,000,000
vii.	Claims on Banks and NBFIs				
	Original maturity over 3 months	20,183,086,228	20%-100%	9,480,340,144	9,253,570,756
	Original maturity less than 3 months	11,177,697,629	20%	2,235,539,526	2,808,782,688
viii.	Claims on Corporate	188,571,047,623	20%-125%	90,759,558,726	92,221,774,891
ix.	Claims on SME	36,635,954,933	20%-100%	34,540,759,725	29,963,597,007
x.	Claims under Credit Risk Mitigation	22,199,114,606	20%-125%	9,006,525,632	5,444,294,393
xi.	Claims categorized as retail portfolio (excluding consumer loan)	448,216,666	75%	336,162,500	144,705,302
xii.	Consumer loan	42,087,783,543	100%	42,087,783,543	29,383,879,793
xiii.	Claims fully secured by residential property	20,377,331,660	50%	10,188,665,830	7,377,390,576
xiv.	Claims fully secured by commercial real estate	8,111,952,208	100%	8,111,952,208	8,183,201,730
xv.	Past due claims (net off specific provision)	13,529,475,413	50%-150%	17,012,043,564	17,876,949,148
xvi.	Capital Market Exposures	593,682,243	125%	742,102,804	547,244,168
xvii.	Unlisted equity investments and regulatory capital instruments issued by other banks (other than those deducted from capital) held in the banking book	6,946,277,770	125%	8,682,847,213	7,782,847,213
xviii.	Investments in venture capital	-	100%	-	1,000,000,000.00
xix.	Investments in premises, plant and equipment and all other fixed assets	9,413,196,077	100%	9,413,196,077	7,806,988,757
xx.	Claims on all fixed assets under operating lease	-	100%	-	-
xxi.	All other assets	21,501,811,931	0%-100%	3,925,135,703	2,930,806,033
Total		545,664,578,597		247,207,254,758	223,026,032,453

16.6.1.2 Credit Risk-off- balance sheet assets

SL No.	Particulars	Notional Amount [Netting off Margin and add-on factor for exchange rate fluctuation] (Taka)	Credit conversion factor (CCF)	Credit equivalent	Risk weights (%)	Risk weighted assets	
						As of 31 December 2022 (Taka)	As of 31 December 2021 (Taka)
i.	Direct Credit Substitutes	51,831,239,765	100%	51,831,239,765	20%-125%	32,885,443,179	34,741,388,159
ii.	Lending of Securities or posting of securities as collateral	-	100%	-			
iii.	Other commitments with certain drawdown	-	100%	-			
iv.	Performance related contingencies	28,805,771,059	50%	14,402,885,529			
v.	Commitments with original maturity of over one year	-	50%	-			
vi.	Trade related contingencies	13,020,651,750	20%	2,604,130,350			
vii.	Commitments with original maturity of one year or less	-	20%	-			
viii.	Other commitments that can be unconditionally cancelled by any time	3,057,582,206	0%	-			
ix.	Foreign exchange contract	4,415,965,628	0%, 1%	31,812,882			
Total		101,131,210,408		68,870,068,527		32,885,443,179	34,741,388,159

16.6.2 Risk weighted assets against Market Risk

SL No.	Particulars	Capital charge (Taka)	Risk weighted assets	
			As of 31 December 2022 (Taka)	As of 31 December 2021 (Taka)
i.	Capital charge for Interest rate risk	183,622,321	1,836,223,206	3,449,198,725
ii.	Capital charge for Equities	1,836	18,361	11,328
iii.	Capital charge for Foreign Exchange position	51,628,775	516,287,750	1,504,540,907
iv.	Capital charge for Commodities	-	-	-
Total		235,252,932	2,352,529,318	4,953,750,961



16.6.3 Risk weighted assets against Operational Risk

	2022 Taka	2021 Taka
Gross income	Amount (Taka)	Amount (Taka)
Year 1 [2021]	33,515,669,769	-
Year 2 [2020]	31,456,060,308	31,456,060,308
Year 3 [2019]	30,379,705,985	30,379,705,985
Year 4 [2018]	-	24,956,656,404
Total gross income	95,351,436,062	86,792,422,697
Average gross income	31,783,812,021	28,930,807,566
Capital charge @ 15% of average gross income	4,767,571,803	4,339,621,135
Risk weighted assets	47,675,718,031	43,396,211,348

16.6.4 In terms of instruction contained in BRPD Circular No. 11 dated 12 December 2011, deferred tax asset for Taka 3,046,615,161 on specific provision for loans and advances has been created. As per BRPD Letter No. BRPD(BFIS)661/14B(P)/2015-18014 dated 24 December 2015, 5% of deferred tax asset on specific provision for loans and advances has been recognized in Common Equity Tier 1 (CET1) Capital. Excess over 5% of Deferred Tax Asset created on specific provision amounting to Taka 2,894,284,403 [Taka 3,046,615,161 - Taka 152,330,758] has been deducted.

16.6.5 In compliance with the BRPD Circular Letter No. 5 dated 31 May 2016, General Provision maintained against unclassified loans & off-balance sheet exposures and in compliance with the BRPD Circular Letter No. 56 dated 10 December 2020, 50 dated 14 December 2021, 52 dated 29 December 2021 and 53 dated 22 December 2022, Special General Provision for Covid-19 against unclassified loans totaling Taka 6,961,386,846 has been fully considered as Tier 2 capital as at 31

16.6.6 As per Bangladesh Bank's instructions contained in BRPD Circular No. 18 dated 21 December 2014, [Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)], eligible amount of Subordinated Debt of Taka 7,000,000,000 [Total Subordinated Debt, Taka 10,000,000,000 - due within next one year, Taka 3,000,000,000] is considered as a component of Tier 2 capital.

16.6.7 As per Bangladesh Bank's instruction, until 31 December 2014, 50% revaluation reserves for Fixed Assets and HTM securities are eligible for Tier 2 capital. As per Basel III guideline, Revaluation Reserve (RR) for Fixed Assets and HTM securities based on the position as of 31 December 2014 should be deducted @ 20% on yearly basis from 2015 to 2019.

In terms of Bangladesh Bank's instruction, 50% of revaluation reserves for fixed asset (Taka 425,206,889) and HTM securities (Taka 49,965,473) as of 31 December 2014 amounting to total Taka 475,172,362 has been considered as base for component of Tier 2 capital. Against that, full amount of Taka 475,172,362 (i.e. equivalent to 100% of Taka 475,172,362) has been deducted from Tier 2 capital as of 31 December 2019 under Basel III guideline.

17. Share premium

Taka 5 per share on 2,213,500 ordinary shares of Taka 10 each at the time of issuing shares through initial public offering in the year 2001 *

11,067,500 11,067,500

* In compliance with Bangladesh Securities and Exchange Commission (BSEC) Order No. SEC /CMRRCD/2009-193/109 dated 15 September 2011 and with the approval of shareholders in the 3rd Extra-ordinary General Meeting (EGM) held on 13 November 2011, the denomination of shares (face value) has been changed from Taka 100 each to Taka 10 each with effect from 4 December 2011 and accordingly the number of shares and premium have been restated.

18. Statutory reserve

As per Section 24 (1) of the Bank Companies Act, 1991, every banking company shall create a statutory reserve and if the amount of such fund together with the amount in the share premium is less than its paid up capital, it shall transfer at an amount not less than 20% of profit before taxes to statutory reserve fund. Dutch Bangla Bank has already maintained the required fund for statutory reserve and have excess balance compared to the required reserve. Hence, any transfer to statutory reserve is not made in current year.

Balance at 1 January	9,193,048,174	9,193,048,174
Add: Transferred from profit during the year	-	-
Closing balance	9,193,048,174	9,193,048,174

19. Other reserve

Other reserve [Note 19.1]

-	-
-	-

19.1 Other reserve

Balance at 1 January	-	-
Add: Reserve made for the year	-	-
Less: Adjustment during the year	-	-
Closing balance	-	-



	2022 Taka	2021 Taka
20. Dividend equalization account		
As per BRPD Circular Letter No. 18 dated 20 October 2002 issued by Bangladesh Bank, 'Dividend Equalization Account' has been created by transferring the amount from the profit that is equal to the cash dividend paid in excess of 20%.		
Balance at 1 January	1,766,827,195	1,766,827,195
Add: Transferred for previous year's dividend paid	-	-
Closing balance	<u>1,766,827,195</u>	<u>1,766,827,195</u>
21. Assets revaluation reserve		
In terms of International Accounting Standard (IAS) 16, 'Property, Plant and Equipment', and instructions contained in BRPD Circular No. 10 dated 25 November 2002 issued by Bangladesh Bank, all the immovable properties of the Bank has been revalued by a professionally qualified valuation firm of the country. The rationale of the valuation has also been certified by the Bank's external auditors, M/s. A. Qasem & Co., Chartered Accountants. Accordingly, revaluation surplus of Taka 850,413,777 has been included in equity.		
Balance at 1 January	850,413,777	850,413,777
Add: Addition during the year (net)	-	-
Closing balance	<u>850,413,777</u>	<u>850,413,777</u>
22. Revaluation reserve of HTM securities [Note 2.7.3(b)]		
Balance at 1 January	181,135,270	96,905,831
Add: Reserve made for the year	174,195,651	84,229,439
Closing balance	<u>355,330,921</u>	<u>181,135,270</u>
23. Retained Earnings		
Main Operation [Note 23.1]	20,966,662,570	17,470,139,892
Off-shore Banking Unit [Note 23.1.1]	1,537,905,091	1,168,729,993
	<u>22,504,567,661</u>	<u>18,638,869,885</u>
23.1 Retained Earnings-Main Operation		
Balance at 1 January	17,470,139,892	13,951,517,082
Dividend paid for previous year's	(1,106,875,000)	(825,000,000)
Transfer to dividend equalization fund for previous year's dividend paid	-	-
Transfer to paid up share capital for previous year's bonus share	(632,500,000)	(825,000,000)
Transfer to Start up Fund [Note 14.1.5]	(56,616,897)	(110,598,225)
Retained surplus for the current year	5,292,514,575	5,279,221,035
Closing balance	<u>20,966,662,570</u>	<u>17,470,139,892</u>
23.1.1 Retained Earnings-Off-shore Banking Unit		
Balance at 1 January	1,168,729,993	886,873,115
Retained surplus for the current year	369,175,098	281,856,878
Closing balance	<u>1,537,905,091</u>	<u>1,168,729,993</u>
23.2 Calculation of Earnings Per Share (EPS)		
The earnings per share of the Bank has been calculated in accordance with the International Accounting Standard (IAS) 33, 'Earnings Per Share' under Basic Earning Per Share method as follows:		
Basic earnings (net profit after tax) [numerator]	5,661,689,673	5,561,077,913
Number of ordinary shares outstanding [denominator]*	695,750,000	695,750,000
Earnings Per Share	<u>8.14</u>	<u>7.99</u>
23.3 Calculation of Net Asset Value (NAV) Per Share		
Total Shareholders Equity [numerator]	41,638,755,228	36,966,361,801
Number of ordinary shares outstanding [denominator]*	695,750,000	695,750,000
Net Asset Value (NAV) Per Share	<u>59.85</u>	<u>53.13</u>
23.4 Net Operating Cash Flow Per Share (NOCFPS)		
Net cash from operating activities [numerator] [Note 47.2]	21,217,060,325	13,679,106,824
Number of ordinary shares outstanding [denominator]*	695,750,000	695,750,000
Net operating cash flow per share (NOCFPS)	<u>30.50</u>	<u>19.66</u>

* As per requirement of IAS 33 - "Earning Per Share (EPS)", previous year's EPS was restated for the increase of number of ordinary shares outstanding through issue of bonus share during the year 2022. [Note 16.2.1]



24. Contingent liabilities

Main Operation [Note 24.1]

Off-shore Banking Unit

24.1 Contingent liabilities - Main Operation

a) Acceptances and endorsements

b) Letters of guarantee

Local

Foreign

c) Irrevocable letters of credit

Local

Cash

Usance

Back to back

Foreign

Cash

Usance

Back to back

d) Bills for collection

Inward

Outward

e) Other contingent liabilities

Travelers' cheques

Export Development Fund

Bangladesh Shanchaya Patra

Others

Total (a+b+c+d+e)

24.2 Letters of guarantee

Money for which the Bank is contingently liable in respect of guarantee issued favoring:

Directors

Government

Bank and other financial institutions

Others

24.3 Irrevocable letters of credit and other commitments

Documentary credit and short-term trade-related transactions

Forward Assets purchased and forward deposits placed

Undrawn formal standby facilities, credit facilities and other commitments

Spot and forward foreign exchange rate contract

Other exchange contract

24.4 (A) Calculation of General provision required against Off-balance sheet exposures

Total Off-balance sheet items [Note 24]

Base figure of General provision required against Off-balance sheet exposures

Provision required [As per Bangladesh Bank guide lines]

(B) General provision required against Off-balance sheet exposures [Note 24.4(A)]

General provision maintained against Off-balance sheet exposures [Note 14.1.3.B]

Surplus/(Deficit)

2022 Taka	2021 Taka
104,856,710,580	109,331,376,206
104,856,710,580	109,331,376,206
54,705,039,374	56,280,687,848
5,760,373,261	5,283,252,595
688,505,556	53,734,719
6,448,878,817	5,336,987,314
326,295,427	466,719,336
17,449,908	9,027,116
9,923,955,230	10,532,887,841
10,267,700,565	11,008,634,293
15,297,353,683	14,523,335,470
8,187,524,822	12,051,475,326
2,476,665,485	6,936,155,878
25,961,543,990	33,510,966,674
36,229,244,555	44,519,600,967
-	-
-	-
-	-
-	-
-	-
2,569,915,000	2,559,685,000
4,903,632,834	634,415,077
7,473,547,834	3,194,100,077
104,856,710,580	109,331,376,206
77,524,050	64,157,644
59,702,926	49,409,172
6,311,651,841	5,223,420,499
6,448,878,817	5,336,987,314
36,229,244,555	44,519,600,967
36,229,244,555	44,519,600,967
-	-
-	-
-	-
-	-
36,229,244,555	44,519,600,967
104,856,710,580	109,331,376,206
102,286,795,580	106,771,691,206
1,049,700,000	1,067,716,912
1,049,700,000	1,067,716,912
1,060,486,448	1,067,716,912
10,786,448	-



25. Particulars of profit and loss account

Income

Interest, discount and other similar income	26
Dividend income	28
Fees, commission and brokerage	29.1
Gains less losses arising from dealing securities	
Gains less losses arising from investment securities	28
Gains less losses arising from dealing in foreign currencies	29.2
Income from non-banking assets	
Other operating income	30
Profit less losses on interest rate changes	

Notes

2022 Taka	2021 Taka
24,640,667,324	22,219,818,602
5,712,284	6,117,132
915,095,196	982,634,950
-	-
7,324,273,459	7,345,208,329
2,857,693,669	939,724,063
-	-
3,947,729,900	3,405,310,516
-	-
39,691,171,832	34,898,813,592

Expenses

Interest, fee and commission	27
Directors' fees	39
Administrative expenses	31
Other operating expenses	42
Depreciation on banking assets	41

7,743,357,385	6,695,649,883
362,995	359,340
10,746,293,232	9,711,004,909
6,787,581,785	5,105,713,295
2,050,774,020	1,778,836,245
27,328,369,417	23,291,563,672
12,362,802,415	11,607,249,920

Profit before provision

26. Interest income

Interest income - Main Operation [Note 26.1]
Interest income - Off-Shore Banking Unit
Less: Inter Bank transactions [Note 27]

23,775,093,514	21,685,161,443
1,056,175,475	640,341,933
(190,601,665)	(105,684,774)
24,640,667,324	22,219,818,602

26.1 Interest income - Main Operation

Interest on loans and advances

House building loan	294,658,773	341,935,912
Transport loan	124,008,927	151,148,971
Term loan - industrial	6,869,638,117	7,070,459,413
Term loan - others	2,876,429,144	2,375,317,380
Secured overdraft	1,919,117,159	2,073,035,269
Cash credit	1,910,571,647	1,868,673,411
Payment against document - cash	4,016,594	1,421,841
Payment against document EDF- others	246,265,414	169,240,009
Loan against trust receipts	170,705,790	168,807,105
Export cash credit	134,894,471	113,373,477
Loan against accepted bills	168,141,698	176,306,879
Staff loan	25,664,138	24,422,702
SME and consumer financing	8,220,820,105	6,654,625,964
	22,964,931,977	21,188,768,333

Interest on balance with other banks and financial institutions

Fixed deposits	352,505,556	351,670,056
Special notice deposits	2,712,410	398,912
Nostro accounts	8,251,456	156,258
Money at call on short notice, etc.	446,692,115	144,167,884
	810,161,537	496,393,110
	23,775,093,514	21,685,161,443



27. Interest paid on deposits and borrowings etc.

Main Operation [Note 27.1]
Off-shore Banking Unit
Less: Inter Bank transactions [Note 26]

2022 Taka	2021 Taka
7,194,459,996	6,464,334,647
739,499,054	337,000,010
(190,601,665)	(105,684,774)
7,743,357,385	6,695,649,883

27.1 Interest paid on deposits- Main Operation [Note 27.2]
Interest paid on borrowings- Main Operation [Note 27.3]

6,177,510,672	5,330,456,788
1,016,949,324	1,133,877,859
7,194,459,996	6,464,334,647

27.2 Interest paid on deposits- Main Operation

Savings deposits
Special notice deposits
Fixed deposits
Non-resident foreign currency deposits
Resident foreign currency deposits
Monthly term deposits

1,838,667,071	1,634,547,314
641,617,180	760,355,011
3,648,000,955	2,908,555,747
47,302,577	26,475,876
1,519,562	67,534
403,327	455,306
6,177,510,672	5,330,456,788

27.3 Interest paid on borrowings- Main Operation

Interest on borrowing - call loan and term loan
Interest on credit lines
Interest paid on subordinated debt
Interest on borrowing under REPO and Re-financing facilities with Bangladesh Bank
Interest on borrowing under REPO with other banks

26,795,458	7,645,750
17,450,110	9,035,214
840,797,804	970,499,721
131,905,952	146,697,174
-	-
1,016,949,324	1,133,877,859

28. Investment income

Dividend on shares

5,712,284 6,117,132

Interest on treasury bills, bonds and debentures

Interest on treasury bills and bonds (net)
Capital gain on sales of government securities
Interest on reverse REPO with other banks
Interest on subordinated bonds

5,748,216,734	4,645,843,238
846,476,984	2,191,832,137
10,057,720	472,817
719,522,021	507,060,137
7,324,273,459	7,345,208,329

Gain on sale of shares

7,329,985,743	7,351,325,461
----------------------	----------------------

29. Commission, exchange and brokerage

Commission [Note 29.1]
Exchange earnings [Note 29.2]

915,095,196	982,634,950
2,857,693,669	939,724,063
3,772,788,865	1,922,359,013



29.1 Commission

Commission on Remittances-Local
Commission on Remittances-Foreign
Commission on Letter of Credit-Import
Commission on Letter of Credit-Export
Commission on Export Bills
Commission on Letter of Guarantee
Commission on Sale of Government Saving Instruments
Commission on Banker to the issue & underwriting
Other Commission

2022 Taka	2021 Taka
7,500,093	10,020,790
30,897,879	27,612,441
345,046,663	324,854,029
437,750,908	518,343,610
8,375,207	9,791,373
41,433,778	48,780,772
43,977,193	40,364,185
-	2,804,000
113,475	63,750
915,095,196	982,634,950

29.2 Exchange earnings

Exchange earnings from treasury dealings, etc. (net)
Revaluation gain on foreign currency (net)

1,279,130,127	171,074,239
1,578,563,542	768,649,824
2,857,693,669	939,724,063

30. Other operating income

Main Operation [Note 30.1]
Off-shore Banking Unit

3,900,792,805	3,392,544,588
46,937,095	12,765,928
3,947,729,900	3,405,310,516

30.1 Other operating income - Main Operation

Charges for service
Income from card, ATM and other services
Recoveries from client
Service charges on deposit accounts
Income from Export-Import
Examination and appraisal fees
Document handling charges-Export
Locker Rent
Gain on sale of fixed assets [Note 30.2]
Other earning

138,453,797	130,560,406
2,801,692,801	2,555,191,210
183,794,340	161,464,115
408,641,260	239,758,938
70,212,159	100,788,147
1,340,000	498,700
4,572,682	757,083
11,728,923	8,958,567
1,172,690	38,829,436
279,184,153	155,737,986
3,900,792,805	3,392,544,588

30.2 Gain on sale of fixed assets (net)

Some impaired items of fixed assets were sold during the year as under:

Gain on sale of fixed assets
Less: Loss on sale of fixed assets
Gain on sale of fixed assets (net) [Note 30.3]

1,172,690	38,829,436
-	-
1,172,690	38,829,436

30.3 Calculation of income from sale of fixed assets

Sale proceeds [A]
Cost price of the sold items
Less: Accumulated depreciation
Written down value [B]
Net gain [A - B]

236,486,852	56,059,955
649,418,157	171,520,861
414,103,995	154,290,342
235,314,162	17,230,519
1,172,690	38,829,436



31. Administrative expenses

Salary and allowances
Rent, taxes, insurance, electricity, etc.
Legal expenses
Postage, stamp, telecommunications, etc.
Stationery, printings, advertisements etc.
Managing Director & CEO's salary and allowances
Auditors' fees
Repair and maintenance

Notes

	2022 Taka	2021 Taka
32	6,605,727,874	5,671,768,812
34	2,316,270,778	2,202,286,031
35	3,248,845	3,172,955
36	371,786,198	416,664,564
37	335,261,524	333,382,392
38	17,900,000	16,430,000
40	2,026,500	576,278
41.2	1,094,071,513	1,066,723,877
	10,746,293,232	9,711,004,909

32. Salary and allowances

Main Operation [Note 32.1]
Off-shore Banking Unit

6,604,640,327	5,671,530,507
1,087,547	238,305
6,605,727,874	5,671,768,812

32.1 Salary and allowances

Basic salary
House rent allowance
Conveyance allowance
Other allowances
Bank's contribution to provident fund
Medical expenses
Bonus
Gratuity
Superannuation

2,714,673,744	2,317,140,380
1,360,280,321	1,159,411,612
294,406,749	242,529,406
310,665,126	341,452,060
277,329,642	223,923,183
282,049,946	241,118,124
649,234,799	605,955,742
640,000,000	460,000,000
76,000,000	80,000,000
6,604,640,327	5,671,530,507

33. Number of employees and remuneration thereof

As per the Schedule XI of the Companies Act, 1994, the number of employees (including contractual employees) engaged for the whole year or part thereof who received a total remuneration of Taka 36,000 per annum or Taka 3,000 per month were 10,407 as at 31 December 2022 compared to 9,643 as at 31 December 2021.

34. Rent, taxes, insurance, electricity, etc.

Rent

Office premises
ATM Booths and other installations
Less: Rent expenses adjusted for IFRS-16

1,095,835,250	1,051,454,532
702,519,088	651,304,952
(357,935,610)	(391,869,120)
1,440,418,728	1,310,890,364

Rates and taxes

Rates
Taxes

1,565,500	2,184,280
14,583,902	36,072,942
16,149,402	38,257,222

Insurance

Cash
Vehicles
Deposits
Staff
Other properties

58,248,640	55,400,993
3,621,525	6,434,157
261,401,907	235,206,458
473	3,750,000
19,609,458	19,614,716
342,882,003	320,406,324

Electricity and sanitation

Light and power
Water and sewerage

505,349,090	520,867,896
11,471,555	11,864,225
516,820,645	532,732,121
2,316,270,778	2,202,286,031

35. Legal expenses

Legal expenses

3,248,845	3,172,955
3,248,845	3,172,955



	2022 Taka	2021 Taka
36. Postage, stamp, telecommunications, etc.		
Main Operation [Note 36.1]	371,786,198	416,663,984
Off-shore Banking Unit	-	580
	<u>371,786,198</u>	<u>416,664,564</u>
36.1 Postage, stamp, telecommunications, etc.-Main Operation		
Postage	32,795,525	46,487,796
Telephone	18,140,699	20,947,249
Radio link	299,747,293	328,241,742
Swift, Reuters, internet, etc.	21,102,681	20,987,197
	<u>371,786,198</u>	<u>416,663,984</u>
37. Stationery, printings, advertisements etc.		
Printing and stationery:		
Printed stationery	54,548,322	77,068,758
Security stationery	48,635,617	38,266,468
Petty stationery	75,125,426	56,867,633
	<u>178,309,365</u>	<u>172,202,859</u>
Publicity and advertisement	156,952,159	161,179,533
	<u>335,261,524</u>	<u>333,382,392</u>
38. Managing Director & CEO's salary and allowances		
Basic salary	11,000,000	10,300,000
House rent allowance	1,200,000	960,000
House maintenance	800,000	480,000
Bank's contribution to provident fund	1,100,000	1,030,000
Leave fare assistance	600,000	600,000
Other allowances	400,000	360,000
Bonus	2,800,000	2,700,000
	<u>17,900,000</u>	<u>16,430,000</u>
39. Directors' fees		
Honorarium for attending meeting	357,500	359,340
Incidental expenses for attending meeting	5,495.00	-
	<u>362,995</u>	<u>359,340</u>
40. Auditors' fees		
Statutory annual audit fees	690,000	517,500
Special audit fees	1,336,500	58,778
Fees for various certification	-	-
	<u>2,026,500</u>	<u>576,278</u>
41. Depreciation and repair of bank's assets		
Depreciation on fixed assets including building, furniture and fixtures		
Main Operation [Note 41.1]	2,050,774,020	1,778,836,245
Off-shore Banking Unit	-	-
	<u>2,050,774,020</u>	<u>1,778,836,245</u>
Repair and maintenance		
Main Operation [Note 41.2]	1,094,071,513	1,066,723,877
Off-shore Banking Unit	-	-
	<u>1,094,071,513</u>	<u>1,066,723,877</u>
	<u>3,144,845,533</u>	<u>2,845,560,122</u>



	2022 Taka	2021 Taka
41.1 Depreciation on fixed assets including land, building, furniture and fixtures		
Land	-	-
Building (including lease hold property)	9,849,981	9,988,598
Interior decoration	118,794,684	94,974,295
Furniture and fixtures	29,855,914	30,157,042
Other machinery and equipment	277,718,499	269,269,026
Computer equipment	730,784,484	633,281,064
Computer software	49,822,175	47,766,015
Motor vehicles	83,771,883	86,146,021
ATM Booth	92,251,999	98,206,508
ATM/Fast Track (Machinery)	186,569,482	164,783,750
Right of use of asset - IFRS 16: lease	471,354,919	344,258,070
Books	-	5,856
	2,050,774,020	1,778,836,245
41.2 Repair and maintenance		
Premises	203,072,735	289,781,676
Vehicles	68,501,313	52,468,663
Computers	822,497,465	724,473,538
	1,094,071,513	1,066,723,877
42 Other expenses		
Main Operation [Note 42.1]	6,786,260,263	5,105,353,101
Off-shore Banking Unit	1,321,522	360,194
	6,787,581,785	5,105,713,295
42.1 Other expenses- Main Operation		
Entertainment expenses	53,534,629	46,725,015
Fuel and lubricant	68,141,623	53,045,728
Subscription and donations	326,062,891	428,751,127
Annual general meeting	397,750	-
Casual wages & allowances	2,511,858,474	1,706,546,451
Travelling expenses and allowances	23,078,996	14,731,479
Petty conveyance	42,213,450	64,346,399
Credit rating fees	18,411,395	6,978,194
News papers, periodicals, learning materials etc.	1,536,720	882,358
Crockeries	931,228	809,523
Debit and Credit Card expenses	571,525,192	431,644,761
ATM expenses	955	-
Tele Banking Expenses	91,747,653	101,223,328
Cash carrying charges	53,489,172	48,087,142
ATM cash replenishment charges	562,000,000	515,000,060
Recruitment, training, seminar and workshop	17,830,210	5,668,542
Service charge on nostro account and others	71,168,072	55,505,142
Consultancy fees	18,647,165	17,229,741
Business promotion and development	437,646,253	135,021,054
Other operational expenses	202,072,786	57,112,084
Finance cost for right of use of asset - IFRS-16: lease	92,961,178	72,989,388
Laundry and cleaning	106,291	142,815
Other expenses for Mobile Banking Services	359,791,905	188,364,893
Other expenses for Agent Banking Services	1,226,126,653	1,127,389,589
Miscellaneous	34,979,622	27,158,288
	6,786,260,263	5,105,353,101
43. Interest receipts and payment in cash		
43.1 Interest receipts in cash		
Interest receipts in cash - Main Operation *	31,061,677,325	29,179,457,536
Interest receipts in cash - Main Operation and Off-shore Banking Unit (net)	31,786,597,017	29,684,211,494
* Restated in 2021 with correspondence figure in Loans and advances to customers		



	2022 Taka	2021 Taka
43.2 Interest payments in cash		
Interest payments in cash - Main Operation	7,112,584,746	6,575,350,097
Interest payments in cash - Main Operation and Off-shore Banking Unit (net)	7,505,451,082	6,810,028,487
44. Other operating activities - Main Operation		
44.1 Receipts from other operating activities - Main Operation		
Other operating income [Note 30.1]	3,900,792,805	3,392,544,588
Less: Income from sale of fixed assets (net)	1,172,690	38,829,436
	3,899,620,115	3,353,715,152
Exchange earnings (net) [Note 29.2]	2,857,693,669	939,724,063
	6,757,313,784	4,293,439,215
44.2 Payments for other operating activities - Main Operation		
Expenses for the year	7,316,472,265	5,992,199,421
Add: Opening accrued expenses	624,494,048	1,348,173,218
Add: Closing advance expenses	789,471,465	832,142,193
Less: Closing accrued expenses	584,064,397	624,494,048
Less: Opening advance expenses	832,142,193	688,429,194
	7,314,231,188	6,859,591,590
45. Increase/(decrease) of other assets and liabilities- Main Operation		
45.1 Increase/(decrease) of other assets - Main Operation		
Closing other assets		
Security deposits	23,355,272	23,218,575
Suspense account	728,621,312	145,839,025
Branch adjustment (net)	-	-
Encashment of Sanchaya Patra (awaiting realization)	643,126,392	436,458,825
Sundry debtors	112,482,562	110,002,962
Cash remittance	565,164,752	316,929,215
Others	8,168,177,458	4,701,862,536
	10,240,927,748	5,734,311,138
Opening other assets		
Security deposits	23,218,575	21,676,180
Suspense account	145,839,025	3,673,847
Branch adjustment (net)	-	-
Encashment of Sanchaya Patra (awaiting realization)	436,458,825	978,050,019
Sundry debtors	110,002,962	61,073,485
Cash remittance	316,929,215	91,558,511
Others	4,701,862,536	3,398,606,874
	5,734,311,138	4,554,638,916
	4,506,616,610	1,179,672,222
45.2 Increase/(decrease) of other liabilities - Main Operation		
Closing other liabilities		
Branch adjustment (net)	1,319,151,270	266,331,106
Cumulative balance of interest suspense account	5,926,045,140	5,312,506,060
Revaluation reserve for HTM securities	355,330,921	181,135,270
Risk Fund for fixed assets	38,890,895	20,558,911
Liability for lease hold property	3,168,872,496	2,016,120,379
CSR Fund	180,150,876	-
Others	476,333,505	449,342,615
	11,464,775,103	8,245,994,341
Opening other liabilities		
Branch adjustment (net)	266,331,106	331,072,646
Cumulative balance of interest suspense account	5,312,506,060	4,841,730,487
Revaluation reserve for HTM securities	181,135,270	96,905,831
Risk Fund for fixed assets	20,558,911	2,689,067
Liability for lease hold property	2,016,120,379	2,143,362,295
Others	449,342,615	957,370,237
	8,245,994,341	8,373,130,563
	3,218,780,762	(127,136,222)
46 Net operating cash flow per share (NOCFPS) increase/(decrease) mainly due to		
<i>Increase/(decrease) in operating cash flow</i>	<i>Difference from previous year</i>	
Interest receivable	(6,548,208,007)	668,133,218
Purchase /sale of trading securities	10,015,172,594	20,170,958,444
Loans and advances to customers	12,400,963,385	(41,169,565,424)
Deposits from customers	(2,404,176,657)	36,547,536,677
Other liabilities account of customers	(5,990,418,823)	(4,436,230,259)
Other liabilities	3,345,916,985	3,218,780,762
Total	10,819,249,477	14,999,613,419
		4,180,363,942



47. Reconciliation between Operating profit of the Bank and Cash flows from operating activities

Profit before provision

Depreciation on fixed assets

Gain/loss on sale of fixed assets

Adjustment of provision for loans and advances

Increase/decrease of interest receivable

Increase/decrease of interest payable

Increase/decrease of accrued expenses

Increase/decrease of advance expenses

Advance tax paid

Operating profit before changes in operating assets and liabilities

Increase/(decrease) in operating assets and liabilities

Statutory deposits

Purchase /sale of trading securities

Loans and advances to other banks

Loans and advances to customers

Other assets

Deposits from other banks

Deposits from customers

Other liabilities account of customers

Other liabilities

Net cash from operating activities

2022
Taka

2021
Taka

12,362,802,415	11,607,249,920
2,050,774,020	1,778,836,245
(1,172,690)	(38,829,436)
44,190,683	133,926,562
668,133,218	2,311,016,700
237,906,303	(114,378,604)
167,563,241	(524,106,276)
(136,067,491)	24,171,271
(3,993,029,871)	(3,835,411,133)
11,401,099,828	11,342,475,249
-	-
20,170,958,444	10,155,785,850
-	-
(41,169,565,424)	(48,665,204,284)
(4,506,616,610)	(1,179,674,905)
(8,903,093)	22,676,943
36,547,536,677	38,951,713,334
(4,436,230,259)	3,178,470,859
3,218,780,762	(127,136,222)
21,217,060,325	13,679,106,824
30.50	19.66

47.1 Net operating cash flow per share (NOCFPS) [Note 23.4]

48. Cash and cash-equivalents

Main Operation [Note 48.1]

Off-shore Banking Unit

Less: Inter Bank transactions [Note 6]*

62,629,845,561	54,591,526,562
34,716,738	29,609,281
(4,288,236,331)	(5,536,042,550)
58,376,325,968	49,085,093,293

* Restated in 2021 for Inter Bank transactions with Other liabilities account of customers

48.1 Cash and cash-equivalents-Main Operation

Cash in hand (including foreign currencies)

Balance with Bangladesh Bank and its agent bank (including foreign currencies)

Balance with other banks and financial institutions

Prize bonds

Money at call on short notice

26,488,896,328	17,853,114,090
21,691,895,625	17,863,639,768
14,442,086,008	18,866,881,204
6,967,600	7,891,500
-	-
62,629,845,561	54,591,526,562

48.2 Discloser as per BRPD Circular Letter No. 28/2022 and 30/2022 for the period July to December 2022

Pursuant to BRPD Circular Letter No. 28 dated 26 July 2022 and BRPD Circular Letter No. 30 dated 27 July 2022, all schedule banks of Bangladesh are instructed to reduce certain expenses at specific expenses from the allocated amount. Dutch-Bangla Bank has taken several initiatives such as rationalizing the usage of office space to reduce electricity cost, expenses and restricting entertainment and travelling, reducing the expenses on computer and accessories which are not urgently required. To comply with the above instruction, the actual expenses on the said categories are monitored on monthly basis to track the savings achieved against the allocated amount. Savings achieved are reflected in the respective expense category in the profit and loss statement of the bank.

Particular	July-December, 2022	
	Budget (Taka)	Actual (Taka)
Fuel	35,525,000	38,674,540
Electricity	312,730,000	266,307,684
Entertainment, Travelling and Stationery item	197,805,000	136,634,602

Cost saving initiatives:

1. Maximum utilization of day light and execution of reduced office timing as per Bangladesh Bank instruction.
2. Purchase of all new or replacement vehicle has also been prohibited.
3. Maintained AC temperate in the office premises at optimized level
4. Reduction in fuel consumptions as per Bangladesh Bank instruction.

Since the financial statements of the Bank is prepared following the format prescribed by BRPD 14 of 2003, these specified expenses items are combined with other type of expenses and reflected in the relevant notes of the financial statements as aggregated form along with the actual expenditure for the first half of 2022. Finally, although such initiative resulted in reduction in quantity (i.e. electricity usage in KW and fuel in litre) however, due to the increase in purchase price/cost of these items as well as others factors like use of generator fuel the actual reduction in monetary term could be different.



49. Disclosure on audit committee of the Board

The Audit Committee of the Board was first duly constituted by the Board of Directors of the Bank in accordance with the BRPD Circular Number 12, dated December 23, 2002 of Bangladesh Bank. Subsequently, the Committee was reconstituted at several times due to change of Members of the Committee and to comply with the rules and regulations of Bangladesh Bank and Bangladesh Securities and Exchange Commission. Accordingly, last 15 March 2020, the Audit Committee was reconstituted in 223rd meeting of the Board of Directors in compliance with the BRPD Circular No. 11 dated 27 October 2013 as under :

Sl. No.	Name	Status with the Bank	Status with the committee	Educational qualification
i)	Mr. Ekramul Haq, FCA	Independent Director	Chairman	Bachelor of Commerce (B. Com) and FCA
ii)	Ms. Tang Yuen Ha, Ada	Director (Nominee of Ecotrim Hong Kong Limited)	Member	University Graduate
iii)	Mr. Mohammed Salim, FCMA, CPFA	Independent Director	Member	Master of Commerce (M.Com), MBA, FCMA and CPFA

The Audit Committee of the Board conducted eleven (14) meetings in 2022, among others, the following salient issues were discussed:

- The Committee reviewed the inspection reports of different branches of the Bank conducted and submitted by the Bank's Internal Control & Compliance Division and gave necessary instructions to the management for proper and prompt rectification / solution of the irregularities / objections stated therein.
- The Committee reviewed the annual financial statements for the year 2021 including the annual report and gave necessary instructions.
- The Committee reviewed the compliance report of the Management Letter / Report for the year 2021 submitted by the external auditors of the Bank.
- The Committee reviewed the financial statements for the first quarter (Q1) ended on 31 March 2022, half yearly (Q2) ended on 30 June 2022 and the third quarter (Q3) ended on 30 September 2022 and gave necessary advices.
- The Committee approved the Internal Control and Compliance Health Score as evaluated/prepared by IC & CD for eventual preparation of Annual integrated Health Report' of Dutch-Bangla Bank Limited for the year 2021.
- Appointment of practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) for obtaining a certificate for the year 2022 regarding compliance of the Conditions of Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) by Dutch-Bangla Bank Limited (DBBL).

50. Disclosures on related party / (ies)

50.1 Name of the Directors and the entities in which they have interest as at 31 December 2022

Sl. No.	Name of the Directors	Status with the Bank	Name of the firms/ companies in which interested as proprietor, partner, director, managing agent, guarantor, employee, etc.	Percentage (%) of holding / interest in the concern	Remarks
i)	Mr. Sayem Ahmed	Chairman	Director of i) Kader Compact Spinning Limited ii) MSA Textiles Limited iii) AA Yarn Mills Limited Deputy Managing Director of i) Kader Synthetic Fibres Limited ii) MSA Spinning Limited iii) AA Synthetic Fibres Limited iv) AA Power Generation Co. Limited	45% 9.62% 4.23% - 1.41% -	
ii)	Ms. Sadia Rayem Ahmed	Director	Director of - Kader Compact Spinning Limited Shareholder of - AA Yarn Mills Limited	20% 43.10%	
iii)	Mr. Abedur Rashid Khan	Nominee Director	Avanti International - Proprietor	100%	Nominee of Horizon Associates Limited
iv)	Ms. Tang Yuen Ha, Ada	Nominee Director	Etasia (BD) Limited - Managing Director	5.32%	Nominee of Ecotrim Hong Kong Limited
v)	Mr. Ekramul Haq, FCA	Independent Director	Chartered Accountants Partner, Rahman Mustafiz Haq & Co	35%	
vi)	Mr. Mohammed Salim, FCMA, CPFA	Independent Director	Central Procurement Technical Unit (CPTU), IMED, Ministry of Planning, Government of Bangladesh. - Senior Financial Management Consultant	-	
vii)	Mr. Abul Kashem Md. Shirin	Ex-officio Director	Dutch-Bangla Bank Limited - Managing Director & CEO	-	



50.2 Significant contracts in which the Bank, its subsidiary or any fellow subsidiary company was a party and wherein the Directors have interest subsisted at any time during the year or at the end of the year:

a) As approved by Bangladesh Bnak, Ref no: BRPD(P-3)/745(25)/2019-4143, dated 10 June 2019, the Bank has entered into an agreement to rent 162,329 sft. of floor space for its Head Office and Corporate Branch, located at 47, Motijheel Commercial Area, Dhaka-1000, from Mrs. Amina Ahmed, mother of Mr. Sayem Ahmed, a Sponsor Director & Chairman of the Board of Directors of the Bank. The agreement has been effective from October 01, 2019 for 10 years at an initial monthly rent @ Taka 130.00 per sft is payable on 151,014 sft plus monthly car parking rent @ Tk.5,000.00 for 37 car parking space and present rent (after increment) @ Tk.143.00 per sft. and @ Tk. 5,500.00 per car parking space. An advance of Taka 471,163,680.00 has been paid against the agreement which will be equally adjusted @ 50% of monthly rent in first 48 months.

b) As approved by Bangladesh Bnak, Ref no: BRPD(P-3)/745(25)/2021-8189, dated 13 September 2021, the Bank has entered into an agreement to rent 38,718 sft. of floor space for its Data Center-2 at Dumni, Dhaka, from Mrs. Amina Ahmed, mother of Mr. Sayem Ahmed, a Sponsor Director & Chairman of the Board of Directors of the Bank. The agreement has been effective from January 16, 2022 for 10 years. Out of 38,718 sft. spaces, monthly rent @ Tk 80.00 per sft for 35,784 sft and @ Tk.30.00 for 2,934 sft, totaling monthly rent of taka 2,950,740.00. An advance of Taka Tk.70,817,760.00 has been paid against the agreement which will be equally adjusted @ 50% of monthly rent in first 48 months.

c) As approved by Bangladesh Bnak, Ref no: BRPD(LS-2)/745(25)/2022-577, dated 13 January 2022, the Bank has entered into an agreement to rent 3,315 sft. of floor space for its Dumni Branch, Dumni, Dhaka, from Mrs. Amina Ahmed, mother of Mr. Sayem Ahmed, a Sponsor Director & Chairman of the Board of Directors of the Bank. The agreement has been effective from November 01, 2022 for 10 years at a monthly rent @ Tk 46.00 per sft. An advance of Taka 3,659,760.00 has been paid against the agreement which will be equally adjusted @ 50% of monthly rent in first 48 months.

d) As approved by Bangladesh Bnak, Ref no: BRPD(LS-2)/745(25)/2022-577, dated 13 January 2022, the Bank has entered into an agreement to rent 8,730 sft. of floor space for its Narayanganj Branch, located at Holding No. 45 (old), S. M. Maleh Road, Tanbazar, Narayanganj, from Mrs. Amina Ahmed, mother of Mr. Sayem Ahmed, a Sponsor Director & Chairman of the Board of Directors of the Bank. The agreement has been effective from January 01, 2023 for 10 years at a monthly rent @ Tk.92.00 per sft.. An advance of Tk. 19,275,840.00 has been paid against the agreement which will be equally adjusted @ 50% of monthly rent in first 48 months.

50.3	Shares issued to Directors and Executives to acquire shares at 'Nil' consideration or restricted shares plan exercisable at discount	Nil
50.4	Nature, type and elements of transactions with the related party:	As Note 50.2
50.5	Lending policies in respect of related party	
	a) Amount of transactions regarding loans and advances, deposits, guarantees and commitment	Nil
	b) Amount of transactions regarding principal items of deposits, expenses and commission	Nil
	c) Amount of provision against loans and advances given to related party	Not applicable
	d) Amount of guarantees and commitments arising out of the statement of affairs	Nil
50.6	Business other than the banking business with the related concerns of the Directors as per Section 18(2) of the Bank Companies Act, 1991	Nil
50.7	Investments in securities of the Directors and their related concerns	Nil
50.8	The Managing Director & CEO is considered as key management personnel and related remuneration are disclosed in Note 38.	

Chairman

Director

Director

Managing Director & CEO

Dhaka, 18 April 2023



Dutch-Bangla Bank Limited

Schedule of fixed assets of the Bank (including land, building, furniture and fixtures)
As at 31 December 2022

Particulars	Land	Building	Interior decoration	Furniture and fixtures	Other machinery and equipment	Computer equipment	Computer software	Motor vehicles	ATM Booth	ATM/Fast Track Deposit Machine	Right of use of asset - IFRS 16: lease	Books	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Cost / Revaluation													
At 1 January 2022	105,550,689	217,254,443	1,465,386,681	463,311,175	2,861,414,699	6,289,858,021	643,265,179	634,742,220	1,398,966,717	2,906,065,255	2,739,649,053	194,591	19,725,658,723
Revaluation surplus	642,809,311	207,604,466	-	-	-	-	-	-	-	-	-	-	850,413,777
Cost with revaluation surplus at 1 January 2022	748,360,000	424,858,909	1,465,386,681	463,311,175	2,861,414,699	6,289,858,021	643,265,179	634,742,220	1,398,966,717	2,906,065,255	2,739,649,053	194,591	20,576,072,500
Addition during the year	-	12,431,861	232,758,129	74,418,609	289,730,183	790,782,625	79,706,861	21,519,362	60,786,929	748,114,000	1,582,046,943	-	3,892,295,502
Revaluation surplus during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposal / adjustments	-	14,897,543	9,897,649	1,629,517	22,840,914	20,132,780	-	580,019,754	-	-	-	-	649,418,157
At 31 December 2022	748,360,000	422,393,227	1,688,247,161	536,100,267	3,128,303,968	7,060,507,866	722,972,040	76,241,828	1,459,753,646	3,654,179,255	4,321,695,996	194,591	23,818,949,845
Depreciation													
At 1 January 2022	-	126,100,798	1,054,608,408	311,942,569	1,950,305,464	4,604,181,563	523,241,993	351,036,991	931,907,200	2,488,091,808	427,472,363	194,586	12,769,083,743
Charged for the year	-	9,849,981	118,794,684	29,855,914	277,718,499	730,784,484	49,822,175	83,771,883	92,251,999	186,569,482	471,354,919	-	2,050,774,020
Disposal / adjustments	-	4,500,299	9,897,649	1,342,851	22,769,714	17,026,402	-	358,567,080	-	-	-	-	414,103,995
At 31 December 2022	-	131,450,480	1,163,505,443	340,455,632	2,205,254,249	5,317,939,645	573,064,168	76,241,794	1,024,159,199	2,674,661,290	898,827,282	194,586	14,405,753,768
Written down value													
At 31 December 2022	748,360,000	290,942,747	524,741,718	195,644,635	923,049,719	1,742,568,221	149,907,872	34	435,594,447	979,517,965	3,422,868,714	5	9,413,196,077
At 31 December 2021	748,360,000	298,758,111	410,778,273	151,368,606	911,109,235	1,685,676,458	120,023,186	283,705,229	467,059,517	417,973,447	2,312,176,690	5	7,806,988,757



Annexure - B**Dutch-Bangla Bank Limited****Business segment results of the Bank****For the year ended 31 December 2022**

In million Taka

Particulars	Corporate Banking	Retail Banking	Financial Inclusion	SME Banking	Treasury	Off-shore Banking Unit	Total
Interest income	13,113.9	2,803.4	2,422.2	4,434.8	8,134.4	1,056.2	31,964.9
Interest paid on deposits and borrowings	1,710.0	2,989.8	490.1	796.9	1,016.9	739.5	7,743.4
Net interest income	11,403.9	(186.5)	1,932.1	3,637.9	7,117.5	316.7	24,221.6
Transfer of interest between business segments	(8,295.8)	17,122.0	-	(1,339.0)	(7,487.1)	-	-
Net interest income(NII) after transfer of interest between business segments	3,108.1	16,935.5	1,932.1	2,298.9	(369.6)	316.7	24,221.7
Non-interest income (fees, commission, exchange & other operating income)	2,945.0	1,755.8	270.3	1,030.3	1,677.9	46.9	7,726.2
Total operating income	6,053.1	18,691.3	2,202.4	3,329.2	1,308.3	363.6	31,947.9
Operating expenses	705.1	14,699.4	2,680.6	1,220.9	276.6	2.4	19,585.0
Profit before provision	5,348.0	3,991.9	(478.2)	2,108.3	1,031.7	361.2	12,362.9
Provision for loans and off-balance sheet exposures (specific and general)	2,131.4	658.3	4.74	709.7	-	(8.0)	3,496.2
Profit before taxes	3,216.6	3,333.5	(482.9)	1,398.6	1,031.7	369.2	8,866.7
Total provision for taxation (current and deferred)	1,088.9	1,136.1	-	563.9	416.0	-	3,204.9
Net profit after taxation	2,127.6	2,197.5	(482.9)	834.7	615.7	369.2	5,661.8
Total Average Assets	222,588.0	64,665.2	38,032.8	68,269.4	123,228.2	18,153.1	534,936.7
Total Average Liabilities	106,199.9	260,004.2	38,542.4	49,659.0	24,428.8	16,799.8	495,634.1



Annexure - C

Dutch-Bangla Bank Limited
Highlights on the overall activities of the Bank
For the years 2021 and 2020

Serial No.	Particulars	Year	
		2022 Taka	2021 Taka
1	Paid up share capital	6,957,500,000	6,325,000,000
2	Total capital	51,350,205,101	50,234,724,577
3	Capital surplus	10,085,086,940	11,970,051,712
4	Total assets	555,473,634,446	514,399,778,058
5	Total deposits	438,131,315,688	401,500,345,420
6	Total loans and advances	364,000,842,669	319,448,071,754
7	Total contingent liabilities and commitments	104,856,710,580	109,331,376,206
8	Credit deposit ratio	76.53%	71.84%
9	Percentage of classified loans against total loans and advances	4.29%	3.75%
10	Net profit after taxation and provision	5,661,689,673	5,561,077,913
11	Amount of classified loans and advances at the end of the year	15,599,553,166	11,965,148,176
12	Provisions kept against classified loan	8,124,307,097	5,611,773,088
13	Provisions surplus against classified loan	171,370	-
14	Cost of fund including operating cost	5.83%	5.56%
15	Interest earning assets	473,326,730,691	448,782,746,242
16	Non-interest earning assets	82,146,903,755	65,617,031,816
17	Return on investment (ROI)	6.71%	6.30%
18	Return on asset (ROA)	1.06%	1.13%
19	Income from investment	7,329,985,743	7,351,325,461
20	Earnings per share (Taka) (Restated)	8.14	7.99
21	Net income per share (Taka) (Restated)	8.14	7.99
22	Price earning ratio (Times)	7.69	8.88



Dutch-Bangla Bank Limited

Balance Sheet

As at 31 December 2022

Off-shore Banking Unit

PROPERTY AND ASSETS	Notes	2022		2021
		USD	Taka	Taka
Cash				
In hand (including foreign currencies)		-	-	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		-	-	-
Balance with other banks and financial institutions				
In Bangladesh		336,101	34,716,738	29,609,281
Outside Bangladesh		-	-	-
		336,101	34,716,738	29,609,281
money at call on short notice		-	-	-
Investments				
Government		-	-	-
Others		-	-	-
Loans and advances	3			
Loans, cash credits, overdrafts, etc.		7,690,021	794,323,003	739,916,991
Bills purchased and discounted		163,881,924	16,927,806,424	17,779,277,526
		171,571,945	17,722,129,427	18,519,194,517
Fixed assets including land, building, furniture and fixtures	4	1	103	82
Other assets	5	2,687	277,534	230,533
Non-banking assets		-	-	-
TOTAL ASSETS		171,910,733	17,757,123,802	18,549,034,413
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other banks, financial institutions and agents	6	152,692,616	15,772,032,622	17,079,173,202
Deposits and other accounts	7			
Current deposits and other accounts		188,001	19,419,097	55,278,128
Bills payable		-	-	-
Savings bank deposits		-	-	-
Term deposits		-	-	-
		188,001	19,419,097	55,278,128
Other liabilities	8	4,141,309	427,766,992	245,853,090
TOTAL LIABILITIES		157,021,926	16,219,218,711	17,380,304,420
Shareholders' equity				
Retained earnings	9	14,888,807	1,537,905,091	1,168,729,993
		14,888,807	1,537,905,091	1,168,729,993
TOTAL LIABILITIES AND CAPITAL		171,910,733	17,757,123,802	18,549,034,413
OFF-BALANCE SHEET ITEMS				
Contingent liabilities				
Acceptances and endorsements		-	-	-
Letters of guarantee		-	-	-
Irrevocable letters of credit		-	-	-
Bills for collection		-	-	-
Other contingent liabilities		-	-	-
Total contingent liabilities		-	-	-
Other commitments				
Documentary credits and short term trade-related transactions		-	-	-
Forward assets purchased and forward deposits placed		-	-	-
Undrawn note issuance and revolving underwriting facilities		-	-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-	-
Total other commitments		-	-	-
Total off-balance sheet items including contingent liabilities		-	-	-



Dutch-Bangla Bank Limited
Profit and Loss Account
For the year ended 31 December 2022
Off-shore Banking Unit

	Notes	2022	2021
		USD	Taka
Interest income	10	11,287,737	640,341,933
Interest paid on deposits and borrowings etc.	12	7,903,299	337,000,010
Net interest income		3,384,438	303,341,923
Other operating income	11	138,211	12,765,928
Total operating income		3,522,648	316,107,851
Salary and allowances	13	11,623	238,305
Postage, stamp, telecommunications, etc.	14	-	580
Depreciation and repair of bank's assets	15	-	-
Other expenses	16	14,124	360,194
Total operating expenses		25,746	599,079
Profit before provision		3,496,902	315,508,772
Provision for loans and off-balance sheet exposures	3.4		
Specific provision for loans		-	-
General provision for loans		(77,166)	33,651,894
General provision for off-balance sheet exposures		-	-
		(77,166)	33,651,894
Other provision		-	-
Total provision		(77,166)	33,651,894
Retained surplus to retained earnings		3,574,068	281,856,878



Dutch-Bangla Bank Limited
Cash Flow Statement
For the year ended 31 December 2022
Off-shore Banking Unit

Notes	2022	2021
	USD	Taka
A) Cash flows from operating activities		
Interest receipts in cash	9,784,515	915,521,357
Interest payments	(6,235,738)	(583,468,001)
Dividend receipts in cash	-	-
Gain on sale of shares	-	-
Gain on sale of securities	-	-
Recoveries of loan previously written-off	-	-
Fee and commission receipts in cash	-	-
Cash payments to employees	(11,623)	(1,087,547)
Cash payments to suppliers	-	-
Income taxes paid	-	-
Receipts from other operating activities	138,211	46,937,095
Payments for other operating activities	(14,124)	(1,321,522)
Operating profit before changes in operating assets and liabilities	3,661,241	376,581,382
Increase/(decrease) in operating assets and liabilities		
Statutory deposits	-	-
Purchase /sale of trading securities	-	-
Loans and advances to other banks	-	-
Loans and advances to customers	45,772,706	4,727,986,339
Other assets	-	-
Deposits from other banks	-	-
Deposits from customers	(456,267)	(47,129,005)
Other liabilities account of customers	(48,986,676)	(5,052,331,260)
Other liabilities	-	-
Net cash from operating activities	-8,995	5,107,457
B) Cash flows from investing activities		
Payments for purchase of securities	-	-
Proceeds from sale of securities	-	-
Purchase of property, plant and equipment	-	-
Sale proceeds of property, plant and equipment	-	-
Net cash used in investing activities	-	-
C) Cash flows from financing activities		
Receipts from issue of loan capital and debt securities	-	-
Dividends paid	-	-
Net cash from financing activities	-	-
D) Net increase / (decrease) in cash (A+B+C)	(8,995)	5,107,457
E) Cash and cash-equivalents at beginning of the year	345,097	29,609,281
F) Cash and cash-equivalents at end of the year (D+E)	336,101	34,716,738



Dutch-Bangla Bank Limited
Notes to the Financial Statements
As at and for the year ended 2022
Off-shore Banking Unit

1. Status of the unit

- 1.1 The Off-shore Banking Units (OBU) of Dutch-Bangla Bank Limited are governed by the applicable rules & regulations of Bangladesh Bank. The Bank obtained the permission for conducting the activities of OBU under reference letter no. BRPD(P-3)744(109)/2010-610 dated 23 February 2010 of Bangladesh Bank. The Bank started the operation of OBU on 12 July 2010. The number of OBUs were two as at 31 December 2022, located at Centralized Processing Centre (CPC), Head Office, Dhaka and Dhaka EPZ Branch, Dhaka.

1.2 Nature of business

The principal activities of the Bank are to carry on all kinds of banking business in accordance with applicable rules and regulations of Bangladesh Bank for operations of Off-shore Banking Unit in Bangladesh.

2. Significant accounting policies and basis of preparation of financial statements

2.1 Basis of accounting

The financial statements of the Bank have been prepared under historical cost convention and in accordance with the Bank Companies Act, 1991 as amended under sub-section 38(4) of the Act, relevant Bangladesh Bank Circulars, International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act, 1994, Financial Reporting Act 2015, the Securities and Exchange Rules, 1987 and other rules and regulations applicable in Bangladesh.

The financial statements represent the financial position and results of OBUs of the Bank.

2.2 Functional and presentation currency

The functional currency of OBUs is US Dollar. While the financial statements are presented both in USD and equivalent Bangladesh Taka.

Transactions in others currencies are recorded in the functional currency (USD) at the rate of exchange prevailing on the date of the transactions. Assets and liabilities in other currencies are translated into functional currency (USD) at the rate of exchange prevailing at the date of balance sheet.

2.3 Loans and advances

- a) Loans and advances are stated at gross amount. While the provision and interest suspense against loans and advances are shown separately as other liabilities.
- b) Interest income is calculated on daily product basis and accounted for on quarterly rest on accrual basis until the loans and advances are defined as classified accounts as per Bangladesh Bank guidelines. As per Bangladesh Bank directives, interest on loans and advances classified as bad/loss is not accounted for. A separate memorandum record is maintained for such interest on bad/loss loans.
- c) Provision for loans and advances is made on the basis of the year end review by the management of the Bank in line with the instructions contained in BRPD Master Circular No. 14 dated 23 September 2012, BRPD Circular No. 19 dated 27 December 2012, BRPD Circular No. 05 and 06 dated 29 May 2013, BRPD Circular No. 15 dated 23 December 2013, BRPD Circular No. 16 dated 18 November 2014, BRPD Circular No. 08 dated 02 August 2015, BRPD Circular No. 01 dated 20 February 2018, BRPD circular No. 24 (17 November 2019), BRPD circular No.6 (19 May 2019), BRPD circular No. 4 (16 May 2019), BRPD circular No. 3 (21 April 2019), BRPD circular No. 16 (21 July 2020) and BRPD circular No. 52 (20 October 2020), issued by Bangladesh Bank.

2.4 Revenue recognition

The revenues of the OBU during the year have been recognized in terms of the provisions of International Financial Reporting Standards 15, 'Revenue from Contracts with Customers' as outlined below:



2.4.1 Interest income

a) Interest income from loans and advances and lease finance

The policy for accounting of interest income on loans and advances is stated in 2.3.a and 2.3.b above.

2.4.2 Fees and commission income

Fees and commission income arising from different services provided by the Units are recognized on cash receipt basis.

2.4.3 Interest paid on deposits and borrowings

Interest paid on deposits, borrowings etc. are accounted for on accrual basis.

2.5 Cash flow statement

Cash flow statement has been prepared under mixture of Direct and Indirect method as recommended in the BRPD Circular No. 14 dated 25 June 2003 issued by the Banking Regulation & Policy Department of Bangladesh Bank.

2.6 General

Assets and liabilities have been translated into Taka currency @ USD 1 = BDT 103.2927 (2021: 85.8000). Income expenses are translated at an average rate @ USD 1 = 93.5684.

2022		2021
USD	Taka	Taka

3. Loans and advances

Loans, cash credits, overdrafts etc.

Bills purchased and discounted

Total loans and advances

7,690,021	794,323,003	739,916,991
163,881,924	16,927,806,424	17,779,277,526
171,571,945	17,722,129,427	18,519,194,517



3.1 Residual maturity grouping of loans, advances and lease receivables including bills purchased and discounted

Payable

On demand
Within one to three months
Within three to twelve months
Within one to five years
More than five years

	2022	2021
	USD	Taka
	-	-
	-	-
	171,571,945	17,722,129,427
	-	-
	-	-
	171,571,945	17,722,129,427
	171,571,945	18,519,194,517

3.2 Classification status of loans and advances including the bills purchased & discounted

Unclassified

Standard
Special mention account (SMA)

171,571,945	17,722,129,427	18,519,194,517
-	-	-
171,571,945	17,722,129,427	18,519,194,517

Classified

Substandard
Doubtful
Bad / loss

-	-	-
-	-	-
-	-	-
-	-	-
171,571,945	17,722,129,427	18,519,194,517

3.3 Classification and provisioning of loans, advances and lease receivables including bills purchased and discounted

Classification / Status of loans and advances	Amount of outstanding loans and advances as at 31 December 2021		Base for provision Taka	Percentage (%) of provision required as per Bangladesh Bank's directives	Amount of provision required as at 31 December 2022	Amount of provision required as at 31 December 2021
	USD	Taka			(Taka)	(Taka)
Unclassified loans and advances						
Small & Medium enterprise financing				0.25%		
Other than Small & Medium enterprise financing	171,571,945	17,722,129,427	17,722,129,427	1%	177,221,294	185,191,945
Special mention account	-	-	-	1%	-	-
Total unclassified loans and advances	171,571,945	17,722,129,427	17,722,129,427		177,221,294	185,191,945
Classified loans and advances						
Substandard	-	-	-	20%	-	-
Doubtful	-	-	-	50%	-	-
Bad / loss	-	-	-	100%	-	-
Total classified loans and advances	-	-	-		-	-
Total loans and advances	171,571,945	17,722,129,427	17,722,129,427		177,221,294	185,191,945
Total provision maintained					177,221,294	185,191,945
Total provision surplus					-	-



	2022		2021
	USD	Taka	Taka
3.4 Geographical location-wise loans, advances and lease receivables including bills purchased and discounted			
Dhaka Division	8,196,680	846,657,194	11,347,310,343
Chittagong Division	158,018,393	16,322,146,452	6,367,944,707
Other Divisions	5,356,872	553,325,781	803,939,467
	171,571,945	17,722,129,427	18,519,194,517
4. Fixed assets at cost or revalued amount including land, building, furniture and fixtures			
Computer equipment and software	1,242	128,253	101,633
	1,242	128,253	101,633
Less: Accumulated depreciation	1,241	128,150	101,551
Exchange differences adjustment [Note 2.6]	1,241	128,150	101,551
	1	103	82
5. Other assets			
Interest accrued on investment but not collected, commission and brokerage receivable on shares and debentures and other income receivable	2,687	277,534	230,533
	2,687	277,534	230,533
6. Borrowings from other banks, financial institutions and agents			
a) In Bangladesh			
Borrowings from Dutch-Bangla Bank, Head Office	41,503,691	4,287,028,327	5,535,898,102
	41,503,691	4,287,028,327	5,535,898,102
b) Outside Bangladesh			
Borrowings from other banks, financial institutions and agents	111,188,925	11,485,004,295	11,543,275,100
	111,188,925	11,485,004,295	11,543,275,100
Total (a+b)	152,692,616	15,772,032,622	17,079,173,202
7. Deposits and other accounts			
Current deposits	22,621	2,336,625	41,088,586
Savings bank deposits	-	-	-
Fixed deposits	-	-	-
Special notice deposits	-	-	-
Monthly term deposits	-	-	-
Sundry deposits	165,379	17,082,472	14,189,542
	188,001	19,419,097	55,278,128
8. Other liabilities			
Interest payable on borrowings	2,374,568	245,275,520	60,661,115
Accumulated provision for loans and advances including off-balance sheet exposures	1,715,719	177,221,294	185,191,945
Cumulative balance of interest suspense account	29,402	3,036,989	-
Other liability	21,620	2,233,189	-
Exchange differences [Note 2.6]	-	-	30
	4,141,309	427,766,992	245,853,090
9. Retained Earnings			
Closing balance	14,888,807	1,537,905,091	1,168,729,993
	14,888,807	1,537,905,091	1,168,729,993
10. Interest income			
Interest on loans and advances	11,287,737	1,056,175,475	640,341,933
Interest on balance with other banks and financial institutions	-	-	-
	11,287,737	1,056,175,475	640,341,933



	2022		2021
	USD	Taka	Taka
11. Other income			
Recoveries from client, etc.	136,862	12,805,948	12,511,875
Service charges on deposit accounts	60	5,614	5,148
Income from Export-Import	1,289	120,610	248,905
Foreign exchange gain and charges [Note 2.6]	-	34,004,923	-
	138,211	46,937,095	12,765,928
12. Interest paid on deposits and borrowings etc.			
Interest paid on borrowings	7,903,299	739,499,054	337,000,010
	7,903,299	739,499,054	337,000,010
13. Salary and allowances			
Basic salary	5,595	523,551	128,816
House rent allowance	2,798	261,775	64,409
Conveyance allowance	839	78,531	19,320
Bank's contribution to provident fund	560	52,354	12,880
Medical expenses	560	52,354	12,880
Bonus	1,271.6	118,982	-
	11,623	1,087,547	238,305
14. Postage, stamp, telecommunications, etc.			
Postage, telecommunications, etc.	-	-	580
	-	-	580
15. Depreciation and repair of bank's assets			
Depreciation on fixed assets including land, building, furniture and fixtures [Note-15.1]	-	-	-
Repair and maintenance [Note-15.2]	-	-	-
	-	-	-
15.1 Depreciation on fixed assets including land, building, furniture and fixtures			
Computer equipment and software	-	-	-
	-	-	-
15.2 Repair and maintenance			
Vehicle	-	-	-
	-	-	-
16. Other expenses			
Other expenses	14,124	1,321,522	360,194
	14,124	1,321,522	360,194

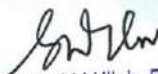




ANNEXURE-2: CREDIT RATING REPORT OF THE ISSUE


10/9/23

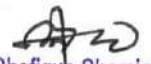
Mohammed Mesbahul Alam
Company Secretary
Dutch-Bangla Bank Limited


10/9/23

Mohammed Shahid Ullah, FCA
Deputy Managing Director & CFO
Dutch-Bangla Bank Limited
Head Office, Dhaka.


10/9/23

Abul Kashem Md. Shirin
Managing Director & CEO
Dutch-Bangla Bank Limited


10/9/23

Brig Gen Shafique Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.

CRAB Structured Finance Rating

Credit Rating Report

Unsecured, Non-convertible 4th Subordinated Bond (BDT 5,000 million) of Dutch-Bangla Bank Ltd.

Analysts:

Tahmina Islam
tahmina.islam@crab.com.bd
Md. Saiful Alam
saiful.alam@crab.com.bd

Assigned Ratings:

Bond Rating

Long Term: AA₁(Hyb)

Outlook: Stable

Date of Rating

Valid Till

16 August 2023

16 February 2024

Entity rating of the Issuer Bank:

Date of rating	Long term	Short term	Outlook
07 June 2023	AAA	ST-1	Stable

Rating based on: Audited FS of 31/12/2022 audited by M/S A. QASEM & Co. un-audited FS of 30/06/2023 and other relevant quantitative as well as qualitative information.

■ Instrument profile:

Issue Name	: Floating-Rate, Non-Convertible 4th Subordinated Bond of Dutch-Bangla Bank Ltd.
Issue Size	: BDT 5,000,000,000
Issue Type	: Unsecured, Non-Convertible, Floating Rate Subordinated Bond
Purpose	: To strengthen Tier 2 Capital Base
Coupon Rate	: To be determined as a sum of Benchmark Rate & Margin; However, during the tenor the yield [benchmark + margin] will be floored at 5.00%. Margin: 2.00%
Tenor	: 7 year from the Issue Date

■ ISSUER PROFILE:

Name	: Dutch-Bangla Bank Limited (DBBL)
Legal Status	: Public Limited Company/Listed
Year of Incorporation	: 1996
Nature of Business	: Banking
Branches	: 238
Manpower	: 10,407
Alternative Channels	: Countrywide network of ATM's (own: 4,934)
Subsidiaries	: -

■ RATIONALE

Credit Rating Agency of Bangladesh Limited (CRAB) has assigned the long-term rating of Dutch-Bangla Bank's issue of non-convertible 4th subordinated bond (BDT 5,000 million) at "AA₁(Hyb)" (pronounced Double A one Hybrid) rating, in line with CRAB's standard notching practices. The rating outlook is stable, reflecting the outlook on the issuer's credit rating. CRAB performed the rating based on audited FS of the Bank as of 31/12/2022 and un-audited FS of 30 June 2023 and other relevant information up to the date of rating declaration.

DBBL is in process of issuing non-convertible, redeemable subordinated bond having denomination of BDT 100,000 per Bond. Amount equivalent to 20% of invested amount (Face Value) will be redeemed at the end of each year starting from 3rd year (from the date of the issue). That means, after 2 years grace period (from the date of issue), the principal invested amount will be paid/redeemed @20% each year for the 3rd, 4th, 5th, 6th and 7th (Final) year of the Bond.



The purpose of the Bond was to increase its Tier 2 capital and hence the overall CRAR. DBBL's capital against risk weighted asset ratio was 14.60% at the end of June 2023 (Dec'22: 15.55%). Coupons are payable semi-annually which is to be determined as Average of most recent month's published fixed deposit rates (6 months tenor) of all Private Commercial Banks (excluding Islami banks and foreign banks) to be determined as a sum of Benchmark Rate & Margin; The issuer's 6 month's tenor deposit rate to be considered at the time of calculating the average. The published deposit rate to be taken from Bangladesh Bank sources. However, during the tenor the yield [benchmark + margin] will be floored at 6.00%.

The Bank has strength in strong and stable low-cost deposit base; sound risk weighted capital adequacy as well as liquidity. The Bank has wide branch network and has robust ATM infrastructure. On the other hand, principal concerns of the Bank are continued high cost to income ratio and fresh NPL generation thus increased non-performing loan.

■ KEY FEATURES OF THE INSTRUMENT

Table 1

Terms and conditions	4 th Subordinated Bond of Dutch-Bangla Bank Limited (DBBL)
Issuer	Dutch-Bangla Bank Limited (DBBL)
Issue Size	Taka 5,000 million
Issue Objective	Increasing the Tier 2 capital to meet capital requirement under Basel III and to strengthen the capital base of the Bank.
Nature of the instrument	Unsecured, Non-Convertible, Subordinated Bond
Mode of placement	Private placement
Listing in stock exchange (s)	Unlisted or as per regulatory approval
Security	Unsecured
Credit Rating	-
Face value	BDT 100,000 per Bond
Issue Price	At par (i.e. BDT 100,000 per Bond)
Redemption Value	At par (BDT 100,000 per Bond)
Minimum subscription	10 unit of Bond equivalent to BDT 1,000,000
Tenure	7 years
Redemption	Amount equivalent to 20% of invested amount (Face Value) will be redeemed at the end of each year starting from 3 rd year (from the date of the issue). That means, after 2 years grace period (from the date of issue), the principal invested amount will be paid/redeemed @20% each year for the 3 rd , 4 th , 5 th , 6 th and 7 th (Final) year of the Bond.
Coupon rate	To be determined as a sum of Benchmark Rate & Margin; However, during the tenor the yield [benchmark + margin] will be floored at 6.00%. Margin: 2.00%

Terms and conditions	4 th Subordinated Bond of Dutch-Bangla Bank Limited (DBBL)
Benchmark Rate	<p>The Benchmark Rate shall be determined by following method:</p> <p>Average of most recent month's published fixed deposit rates (6 months tenor) of all Private Commercial Banks (excluding Islami banks and Foreign banks). The issuer's 6 month's tenor deposit rate to be considered at the time of calculating the average. The published deposit rate to be taken from Bangladesh Bank sources. This will be fixed semi-annually.</p> <p>The Benchmark rate will be fixed by the Trustee semi-annually on ("Interest Reset Date") the immediately preceding business day of the issuance and afterwards semi-annually throughout the tenor of the bond. For avoidance of doubt, the Benchmark Rate shall be calculated by the Trustee and notified to the Issuer and all Investors on every Interest Reset date.</p>
Frequency of interest payment	Semi Annual
Applicable tax rate	As per Income Tax Ordinance, 1984 and subsequent amendment, if any, made by the Government in Finance Act in each Fiscal Year during the Bond Life.
Interest payment dates	Interest will accrue on outstanding principal amount of the Bond from and including the date of issue. The Bondholders will be entitled to draw interest on half-yearly basis from the date of issue.
Targeted Investors	Banks, Non-Bank Financial Institutions, Insurance Companies (Both General and Life), Corporate business entity (ies) and high net worth Individuals of the country.
Mode of payment / settlement	Payment of interest and repayment of principal shall be made by way of payment order / demand drafts.

■ SUBSCRIPTION PLANNED

DBBL started processing to issue non-convertible, redeemable subordinated Bond having denomination of BDT 100,000. The purpose of the Bond was to increase its Tier 2 capital and hence the overall CRAR of the Bank for next couple of years. CRAR stood 14.60% at the end of 30 June 2023 (Dec'22: 15.55%) having Tier 1 ratio of 10.92%. The proposed Bond will help the Issuer (DBBL) to meet long term financing needs and in its continuous business expansion in terms of loan portfolio and branches.

■ TRANSACTION STRUCTURE

DBBL issued coupon bearing subordinated bonds worth BDT 5,000.0 million having denomination of BDT 100,000 each with 14 coupons. The principal of the Bonds will be redeemed in 5 installments at 20% each. The final maturity of the Bonds will be at the end of seventh year of the Bonds from the Issue Date. However, during the tenor the yield [benchmark + margin] will be floored at 6.00% and coupon margin is 2.00%

Table 2

Transaction and Redemption Structure of a 100 Denomination¹

Coupon No	Outstanding Amount of the Principal	Coupon rate	Redemption amount of Principal
1 st	10,000,000		-
2 nd	10,000,000	Floor rate 6.00%	-
3 rd	10,000,000	(Margin 2.00%)	-
4 th	10,000,000		-

¹ Calculations are made on the basis of assumption

CRAB Structured Finance Rating

DBBL subordinated Bond IV

5 th	10,000,000	-
6 th	10,000,000	2,000,000
7 th	8,000,000	-
8 th	8,000,000	2,000,000
9 th	6,000,000	-
10 th	6,000,000	2,000,000
11 th	4,000,000	-
12 th	4,000,000	2,000,000
13 th	2,000,000	-
14 th	2,000,000	2,000,000

Coupons are payable semi-annually at the rate of reference rate plus interest margin on outstanding principal. Coupon rate of the Bond is to be determined as an average of most recent month's published 6 months tenor fixed deposit rates of all Private Commercial Banks (excluding Islami banks and Foreign Banks) with a margin of 2.00% p.a. There are liquidity crunch observed which induce the interest rate slightly upward in the banking sector in 2022.

INTEREST RATE RISK OF THE BOND

Coupon rate of the bond may be affected by interest rate movement of the country considering the long-term nature of the bond. Besides, the coupon rate of the Bank will be determined as an average of most recent month's published fixed deposit rates (6 months tenor) of all Private Commercial Banks of similar or higher ratings (excluding Islami banks and Foreign Banks) with a margin of 2.00% p.a. ²Weighted average rate of interest on deposit for 6 months to less than one year deposit in domestic private banks (excluding Islami Banks and Foreign Banks) was 6.52% as on 31 March'23. The coupon rate will be floored at 6.00%. On the other hand, fixed deposit rate of DBBL for 6 months and more terms was ranged cost of fund of DBBL was 1.64% in Jun'2023. The proposed bond may increase average cost of fund of the Bank marginally.

PROFILE OF The Issuer

DBBL started its banking operation as a joint venture between Bangladeshi business man and the Netherlands on 03/06/1996. The Bank went for public issue of its shares in 2001 and its shares are listed with Dhaka Stock Exchange and Chittagong Stock Exchange. DBBL provides all kinds of commercial banking products and services to the customers through its wide network of Branches & sub branches, ATMs, POS, Fast Tracks, internet banking, Agent Banking, Mobile banking (ROCKET) and other delivery channels backed by a robust and sound IT infrastructure. DBBL's supremacy in the market is manifested in its strongest retail deposit network (48.5 million customers and lowest COF) powered by state-of-art IT platform having the largest ATM network of the country. The Bank opened 18 new branches in 2022 thus total no. of branch is 238. In 2022, 17 ATMs were installed to reach 4,934 ATM at the end of 2022. Also 54 new Fast Tracks were inaugurated in 2022 to reach 1,396. In addition, the bank opened 28 sub-branches in 2022 to reach 104. DBBL opened 6,100 Agent banking outlets up to 2022. The Bank views Corporate Social Responsibility (CSR) as an integral part of its effort in conducting business in a socially responsible manner.

² Scheduled Bank Statistics BB Quarterly January- March 2023

■ OPERATIONAL PERFORMANCE OF THE ISSUER
Table 3

Asset Composition (Million BDT)	30/06/2023		31/12/2022		
	Amount	%	Amount	Total (%)	Growth (%)
Cash in Hand & with BB	66,656.01	11.39	48,180.79	8.67	34.9
Balance with other Banks & FIs	9,471.25	1.62	10,188.57	1.83	-23.74
Investments	78,670.98	13.45	101,673.46	18.30	-12.86
Loans & Advances	384,229.18	65.68	364,000.84	65.53	13.95
Fixed Assets	9,774.57	1.67	9,413.20	1.69	20.57
Other Assets	36,186.01	6.19	22,016.78	3.96	2.95
Total Assets	584,988.00	100.00	555,473.63	100.00	7.98

At the end of June 2023, the overall economy falls under high industry NPL ratio, exchange rate pressure and inflationary pressure. DBBL's assets reached BDT 584,988.0 million. DBBL focused on liquidity managing stable loan growth in this duration. Total asset was dominated by loans & advances (65.68% of total) followed by Investment (13.45% of total) and Cash in Hand & with BB (11.39% of total). Other asset was BDT 36,186.01 million which includes suspense account, accrued interest. The Risk Weighted Asset was 60.0% of Total Assets while the Leverage ratio of DBBL was 6.09% during FYE 2022.

Investment

Major portion of the Bank's investment portfolio consisted of high-quality liquid assets; Government securities accounted for 87.57% of total Investment via Treasury Bills. Besides Government securities, DBBL had BDT 7,975.0 million Investments in subordinated bond of other banks at the end of June 2023. Bank's exposure to capital market is negligible. It maintained provision for Investment as per regulatory requirement in FYE 2022. Investment income at the end of 2nd QTR 2023 was BDT 3,736.26 million where interest on Treasury bill accounted for 87.57% of total Investment income.

Table 4

Investment Portfolio (BDT Mill)	30/06/2023		31/12/2022	
	Amount	Total (%)	Amount	Total (%)
Govt. Securities	68,889.70	87.57	92,427.18	90.91
Subordinated Bonds	7,975.00	10.14	8,240.00	8.10
Shares & Other Instruments (Quoted & unquoted)	1,806.28	2.30	1,006.28	0.99
Total Investment	78,670.98	100.00	101,673.46	100.00

Credit/Loan Portfolio Analysis

Loans and advances (mainly Corporate Loans) continued to dominate the asset structure for the last 4 years. Loan portfolio grew by 13.95% reaching BDT 364,000.84 million as of FYE 2022. Corporate loans were (shared 69.61%) followed by consumer loan (shared 17.84%) and SME loans (shared 12.55%). DBBL tries to diversify its loan portfolio in 2022 to have a diversified client base and portfolio distributed across the sectors to reduce client specific and industry specific concentration and to reduce overall portfolio risk.

Table 5

Segment	31/12/2022				31/12/2021			
	Loan	%	NPL in each segment	% of NPL	Loan	%	NPL in each segment	% of NPL
Corporate	253,390.82	69.61	10,647.92	68.26	229,832.80	71.95	8,064.86	67.40
SME	45,673.59	12.55	4,325.24	27.73	43,395.30	13.58	3,461.13	28.93
Consumer	64,936.44	17.84	626.39	4.02	46,220.00	14.47	439.16	3.67
Total Loan portfolio	364,000.85	100.00	15,599.55	100.00	319,448.07	100.00	11,965.15	100.00

Major portion of NPL was generated from Corporate Loans of BDT 10,647.92 (shared 68.26%) followed by SME loan (shared 27.73%) and consumer loans (shared 4.02%). The position has deteriorated as on 31/03/2023 because of the challenging industry conditions across the border, which includes "Ukraine War". The banking industry along with DBBL in Bangladesh will gradually adjust with withdrawing lending rate caps by BB and introduce with SMART rate from July 2023, adaptation of a market-driven single exchange rate regime and inflation.

In FYE 2022, Term loans (industrial and other) as in other year's dominated the loan portfolio with 51.20% concentration followed by consumer finance (15.28%) and cash credit (10.99%). Sector wise concentration was in the industrial sector including SME (shared 42.25%) followed by Textile Industry (19.05%) and RMG units (11.94%). Other sector including engineering, cement, electronics had the highest NPL (52.12%) followed by RMG sector financing (13.71%) during 2022. The major share of NPL in other industry included SME and consumer credit.

Credit/Loan Quality

Gross NPL ratio increased to 5.53% from 4.29% in FYE 2022. It is to be mentioned that BB loan moratorium has withdrawn. As a result, NPL generation in the second QTR 2023 increased further. DBBL's loan portfolio reached BDT 384,229.18 million at the end of June 2023. Cash Recovery was amounting BDT 275.70 million along with BDT 1,518.40 million loan write off at the end of June 2023.

Table 6

NPL Movement (BDT Million)	30/06/2023		31/12/2022		31/12/2021	
	Amount	% of Total Loan	Amount	% of Total Loan	Amount	% of Total Loan
Opening Balance of NPL	15,599.55	4.06	11,965.15	3.29	5,921.87	1.85
Add: NPL Generation	10,829.25	2.82	6,431.39	1.77	9,309.75	2.91
Less: Cash Recovery	275.70	0.07	1,388.32	0.38	2,834.62	0.89
Less: Rescheduling	3,388.60	0.88	1,408.66	0.39	190.44	0.06
Less: Write Off	1,518.40	0.40	-	-	241.41	0.08
Closing Balance of NPL	21,246.10	5.53	15,599.56	4.29	11,965.15	3.75

DBBL rescheduled loans amounting BDT 3,388.60 million in the same duration. There are Special asset management division who works on cash recovery especially classified. SMA to Total loans and advances of the Bank was 2.37% at the end of June 2023 (FYE 2022: 1.42%). During June 2023, NPL as (%) of shareholders' equity plus LLR was 36.38% (FYE 2022: 27.50%). Out of total NPL, Bad & loss category (shared 76.03%) followed by sub-standard category (shared 20.77%) and doubtful category (shared 3.19%).

Table 7

Loan Loss Provision (Mil. BDT)	30/06/2023		31/12/2022		31/12/2021	
	Amount	% of Total Loan	Amount	% of Total Loan	Amount	% of Total Loan
General Provision Held	6,894.27	1.79	6,961.39	1.91	6,419.13	2.01
Specific Provision Held	8,792.57	2.29	8,124.31	2.23	5,611.77	1.76
Total Provision Held	15,686.84	4.08	15,085.69	4.14	12,030.91	3.77
Total Required Provision	15,686.84	4.08	15,085.31	4.14	9,329.16	2.92
Surplus/ (Shortfall)	-	-	0.39	-	2,701.75	0.85

At the end of 2nd QTR 2023, the Bank's provision requirement for classified loans and advances was BDT 8,792.57 million against which the Bank kept the same amount as specific provision. In addition, the Bank maintained BDT 6,894.27 million provisions for unclassified loans and advances and offshore banking unit, off-balance sheet exposures and the provision required for COVID 19 pandemic. Gross NPL coverage ratio of the Bank was 73.83% at the end of June'2023 (FYE 2022: 96.71%).

Capital Adequacy

- Tier I capital was BDT 38,309.28 million at the end of 2nd QTR 2023.
- CRAR ratio was 14.60% at the end of June 2023.
- Core capital to ³Total exposure (On/Off Balance Sheet) was 5.46% during June 2023.
- Shareholders' fund of the Bank was 8.54% of deposit & borrowing at the end of June 2023 (FYE 2022 - 8.74%).

Table 8

Capital Structure of the Bank						
BDT Million	30/06/2023		31/12/2022		31/12/2021	
Particulars	Amount	% of RWA	Amount	% of RWA	Amount	% of RWA
Tier 1 Capital	38,309.28	10.92	37,388.82	11.33	33,815.60	11.05
Tier 2 Capital	12,894.27	3.68	13,961.39	4.23	16,419.13	5.36
Total Capital	51,203.55	14.60	51,350.21	15.55	50,234.72	16.41
Required Capital (Including capital buffer)	43,840.10	12.50	41,265.12	12.50	38,264.67	12.50
Capital Surplus	7,363.44	2.10	10,085.09	3.05	11,970.05	3.91

DBBL's consistent focus on credit rating of clients helped the Bank to attain lower growth of risk weighted assets. Still as there are substantial increase in credit risk due to classified loans thus risk weighted asset of the Bank reached BDT 350,720.83 million at the end of June 2023. As an overall effect, capital to risk weighted asset ratio slightly reduced to 14.60% in 2nd QTR 2023 (FYE 2022: 15.55%). Tier 1 ratio was 10.92% at the end of June 2023. However, CRAR of the Bank will be affected further in near future if there are increased classified loan, capital has not been enhanced and/or client ratings are not continued. As on 31/12/2022, 82.0% of total corporate & SME clients rated. DBBL has focus on banking with good corporate borrower. DBBL has conducted stress testing based on "Simple Sensitivity and Scenario Analysis" in FYE 2022. The result shows that its capital adequacy ratio may be affected if there is significant increase in NPLs due to default of top large borrowers. It may be noted here that this is a general phenomenon which can affect any bank in the industry.

Liability & Liquidity Profile

The Bank's assets were funded mainly by deposit (81.37% of total assets) followed by equity (7.30% of total assets) and inter bank borrowings (2.58% of total asset) at the end of June 2023. DBBL's advance to deposit ratio was at 77.02% at the end of June 2023 as per central bank reporting guidelines with 6-month months average of 76.29% in 2023. In FYE 2022 total deposit of the Bank grew by 9.1% and reached BDT 438,131.3 million from 48.5 million deposit accounts holder. Growth of deposit was in line with the growth of loans & advances in FYE 2022.

Table 9

Deposit Mix (BDT Mill)	30/06/2023		31/12/2022		
	Amount	Total (%)	Amount	Total (%)	Growth (%)
Current Deposits	138,839.37	29.17	124,906.57	28.51	19.99
Bills Payable	6,741.63	1.42	5,995.16	1.37	42.07
Savings Deposits	224,183.26	47.10	205,224.04	46.84	7.33
Term Deposits	106,234.87	22.32	102,005.55	23.28	0.03
Total	475,999.13	100.00	438,131.32	100.00	9.12

Liquidity position was dominated by CASA deposit (76.27% of total) followed by term deposit (22.32% of total) and Bills payable (1.42%). It has a strong and stable low-cost deposit base on the back of its expanded distribution network. DBBL has opened 18 new branches, 28 new sub-branches, 17 new ATM units and 54 new Fast Tracks at different rural and urban locations throughout the country during FYE 2022. On an average 72.65% of total deposit of the Bank was backed by low-cost deposit (CASA) for the last four years. DBBL have a benefit of low cost of deposit & borrowing (cost of fund was 1.64% at the end of June 2023 which was the lowest among the PCBs. There is not much of large deposit concentration. Top largest 10 deposits held 3.04% of total deposit of the Bank during FYE 2022.

³ Total Asset with Off balance sheet exposure

The Bank adopted BASEL III liquidity standards and follows criterion for maintain Maximum Cumulative Outflow (MCO), Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), Commitment, wholesale borrowing etc. as per Bangladesh Bank Guidelines. At the end of FYE 2022, LCR and NSFR of the Bank were high at 168.27% and 106.30% respectively. LCR represents short term resilience (30 days) for the liquidity risk profile of banks, whereas NSFR indicates availability of stable funding over required level and provide better assessment of liquidity risk across all on- and off-balance sheet items. Leverage ratio of DBBL was at 6.09% at the end of FY 2022.

Earnings and Profitability

Total operating income has been strongly dominated by net interest income shared 57.87% of total operating income at the end of June 2023. Low cost of fund is a major reason for growth in net interest income. The Bank has focused on fund-based income generation since inception. Investment income (shared 22.82% of total), other operating income (12.62% of total) and commission/fees & exchange income (6.70% of total). Other operating income was BDT 2,065.98 million at the end of June 2023 a major portion of which was income from the Card Division and from IT services.

From July 2023, lending interest cap has been withdrawn and SMART rate is introduced by BB. Thus, there will be positive growth of interest income. The contribution of commission / exchange income reduced at the end of June 2023. Total operating income reached BDT 16,374.19 million. The Bank's NIM remained almost similar to previous year with 4.78% in FYE 2022.

Table 10

Earnings & Profitability			
(BDT Mill)	30/06/2023	Growth (%)	30/06/2022
	Amount		Amount
Interest Income	13,401.73	17.05	11,449.51
Interest Expense	3,926.44	6.13	3,699.74
Net Interest Income	9,475.28	22.27	7,749.76
Investment Income	3,736.26	5.20	3,551.57
Commission/Exchange & Brokerage Income	1,096.66	(44.32)	1,969.73
Other Operating Income	2,065.98	9.00	1,895.34
Total Operating Income	16,374.19	7.96	15,166.40
Total Operating Expense	10,643.36	7.47	9,903.35
Pre-Provision Profit	5,730.84	8.89	5,263.05
Provision	1,740.45	88.94	921.17
Profit Before Taxes	3,990.39	(8.10)	4,341.87
Provision for tax	1,586.91	(14.41)	1,854.08
Profit After Tax	2,403.48	(3.39)	2,487.79

Cost to income ratio of the Bank was 61.30% at the end of Dec' 2023. DBBL has to incur installation/up gradation of new /old software, maintenance and up gradation of IT network including ATM & Fast Track, expansion of Mobile banking (Rocket) operations & increase of branch and sub-branch network for supporting expanded business operations and customer services. Because of these investments the Bank is able to serve more than 48.5 million retail customers. This is a reason behind enjoying low cost of fund by DBBL. It has allowed the bank to contribute BDT 693.1 million during FYE 2022 for corporate social responsibility. Provision expenses increased due to increased classified loan and particularly after withdrawal of loan moratorium. Profit after tax was BDT 2,403.48 million with Net profit margin ratio of 14.68% at the end of June 2023.

Off Balance Sheet Exposures.

DBBL's Off Balance sheet exposure was BDT 117,238.99 at the end of June 2023. Contingent liabilities portfolio was mainly dominated by letter of Credit (35.58% of total) followed by acceptance & endorsement (34.48% of total) and other contingent liabilities (24.57% of total). The Off-Balance Sheet exposures was 2.74 (times) of shareholder equity and 20.04% of Total Asset of the Bank as on 30/06/2023. It earned BDT 412.52 million at the end of June 2023 from contingent liabilities portfolio.

Table 11

Off Balance Sheet Exposure	30/06/2023		31/12/2022		31/12/2021	
(BDT Mill)	Amount	% of Total	Amount	% of Total	Amount	% of Total
Acceptances & Endorsements	40,426.96	34.48	54,705.04	52.17	56,280.69	51.48
Letter of Guarantee	6,288.29	5.36	6,448.88	6.15	5,336.99	4.88
Letter of Credit	41,717.21	35.58	36,229.24	34.55	44,519.60	40.72
Bills for Collection			-	-	-	-
Other Contingent Liabilities	28,806.53	24.57	7,473.55	7.13	3,194.10	2.92
Total	117,238.99	100.00	104,856.71	100.00	109,331.38	100.00

BRANCH NETWORK

- DBBL had 238 branches and 104 sub branches located in urban and rural areas.
- There are two offshore banking units located at Centralized Processing Centre (CPC), Head Office, Dhaka and Dhaka EPZ, Dhaka.
- The Bank possessed largest network of ATMs. (4,934 own ATMs and 1,396 Fast Tracks) across the country.
- DBBL has 6,100 Agent Banking Outlets.
- The Bank owns 6 SME/Agriculture branch mainly in rural areas to support SMEs.
- It launched the mobile banking services (MFS)-ROCKET all over Bangladesh.

Senior Management:

Management team of the bank is led by Mr. Abul Kashem Md. Shirin as its Managing Director and CEO. He has a strong academic and professional background and has served in banks for over 37 years. He is supported by experienced professionals comprising of DMDs & CXOs, and other functional/divisional heads.

CORPORATE GOVERNANCE

To assess the organizations corporate governance practices, CRAB evaluates the quality of financial reporting and disclosures, strength of internal control system and internal audit function; the inclusion of appropriate qualified independent non-executive directors on Board of Directors, the formation of audit committee; delegation of power to executives and staff and protection of shareholder's rights.

Board of Directors:

The Bank's Board comprises of seven (7) members including the Managing Director & CEO. Ms. Sadia Rayen Ahmed is the Chairman of DBBL. The Sponsors & Directors hold aggregately 86.99% shares of the Bank. Apart from this Ms. Tang Yuen Ha, Ada is a Director nominated by Ecotrim Hong Kong Limited. Ecotrim Hong Kong Ltd. holds 24.74% shares of the paid-up capital. The Board held 15 meetings in 2022. The Board is involved in policy formulations, strategic direction setting, business plan approval, approval of financial position and results and review of various activities and also providing necessary directions to the management for conducting businesses in a competitive and profitable manner by managing risks and complying with the regulatory requirements. The Board has three sub committees, Executive Committee, Audit Committee and Risk Management Committee.

EQUITY RELATED INFORMATION

Equity Information of the Bank	2022	2021	2020	2019	2018
Rate of Dividend (%)	17.5% C, 7.5% B	17.5% C, 10% B	15% C, 15% B	15% C, 10% B	150% B
Price Earnings Ratio	7.7	8.9	6.5	8.2	6.9
Year-end Market Price per Share	62.6	78.1	65.0	71.3	144.4
NAV	59.8	58.4	58.6	54.9	115.4

ANNEXURE 2: SHAREHOLDING STRUCTURE

Shareholder Structure	FYE 2022	
	No. of shares	% of Holding
Sponsor & Directors (Local & Foreign)	605,243,841	86.99
General Public Share	90,506,159	13.01
Total	695,750,000	100.00

ANNEXURE 3: BOARD OF DIRECTORS
Board of Directors of the Bank as on 31st December 2022

Name	Designation	% of share
Mr. Sayem Ahmed	Chairman	2.47
Ms. Sadia Rayen Ahmed	Director	2.00
Mr. Abedur Rashid Khan*	Director (Nominee of Horizon Associates Limited)	-
Ms. Tang Yuen Ha, Ada**	Director (Nominee of Ecotrim Hong Kong Limited)	-
Mr. Ekramul Haq, FCA ***	Independent Director	-
Mr. Mohammed Salim, FCMA, CPFA ***	Independent Director	-
Mr. Abul Kashem Md. Shirin ***	Ex-officio Director (Managing Director & CEO)	-

*Horizon Associates Ltd. (Institutional Director) held 158,907,768 shares of Taka 10 each (22.84%) as on 31 December 2022.

** Ecotrim Hong Kong Limited (sponsor shareholder) held 172,100,302 shares of Taka 10 each (24.74 %) as on 31 December 2022.

*** Independent Director and Managing Director & CEO of the Bank need not to hold any qualification share.

CREDIT RATING SCALES AND DEFINITIONS – LONG TERM: DEBT INSTRUMENTS

Rating	Definition
AAA Triple A (Extremely Strong Capacity)	Debt instruments rated AAA have extremely strong capacity to meet financial commitments. These are judged to be of the highest quality, with minimal credit risk.
AA ₁ , AA ₂ , AA ₃ * Double A (Very Strong Capacity)	Debt instruments rated AA have very strong capacity to meet financial commitments. These are judged to be of very high quality, subject to very low credit risk.
A ₁ , A ₂ , A ₃ Single A (Strong Capacity)	Debt instruments rated A have strong capacity to meet financial commitments, but susceptible to the adverse effects of changes in circumstances and economic conditions. These are judged to be of high quality, subject to low credit risk.
BBB ₁ , BBB ₂ , BBB ₃ Triple B (Adequate Capacity)	Debt instruments rated BBB have adequate capacity to meet financial commitments but more susceptible to adverse economic conditions or changing circumstances. They are subject to moderate credit risk. Such rated projects possess certain speculative characteristics.
BB ₁ , BB ₂ , BB ₃ Double B (Inadequate Capacity)	Debt instruments rated BB have inadequate capacity to meet financial commitments. They have major ongoing uncertainties and exposure to adverse business, financial, or economic conditions. Such projects have speculative elements, and are subject to substantial credit risk.
B ₁ , B ₂ , B ₃ Single B (Weak Capacity)	Debt instruments rated B have weak capacity to meet financial commitments. They have speculative elements and are subject to high credit risk.
CCC ₁ , CCC ₂ , CCC ₃ Triple C (very Weak Capacity)	Debt instruments rated CCC have very weak capacity to meet financial obligations. They have very weak standing and are subject to very high credit risk.
CC Double C (Extremely Weak Capacity)	Debt instruments rated CC have extremely weak capacity to meet financial obligations. They are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.
C Single C (Near to Default)	Debt instruments rated C are highly vulnerable to non-payment, have payment arrearages allowed by the terms of the documents, or subject of bankruptcy petition, but have not experienced a payment default. Payments may have been suspended in accordance with the instrument's terms. They are typically in default, with little prospect for recovery of principal or interest.
D (Default)	D rating will also be used upon the filing of a bankruptcy petition or similar action if payments on an obligation are jeopardized.

*Note: CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

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ANNEXURE-3: DUE DILIGENCE CERTIFICATE OF THE TRUSTEE


10/9/23
Mohammed Mesbahul Alam
Company Secretary
Dutch-Bangla Bank Limited


10/9/23
Mohammed Shahid Ullah, FCA
Deputy Managing Director & CFO
Dutch-Bangla Bank Limited
Head Office, Dhaka.


20/09/23
Abul Kashem Md. Shirin
Managing Director & CEO
Dutch-Bangla Bank Limited


10/9/23
Brig Gen Sharique Shamim psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.



সেনা কল্যাণ ইন্সুরেন্স কোম্পানি লিমিটেড
Sena Kalyan Insurance Company Ltd.
(A Concern of Sena Kalyan Sangstha)

Corporate Office :
SKS Tower (12th Floor)
7 VIP Road, Mohakhali, Dhaka-1206
PABX : +88-02-55058455-57
Fax : +88-02-55058458
E-mail : info@senakalyanicl.com
Web : www.senakalyanicl.com

09 November, 2022

DUE DILIGENCE CERTIFICATE OF THE TRUSTEE OF THE ISSUE

Chairman

Bangladesh Securities and Exchange Commission
E-6/C, Agargaon, Sher-E-Bangla Nagar,
Administrative Area, Dhaka-1207.

Subject: Issuance of 4th Subordinated Bond of "Dutch-Bangla Bank Limited" worth BDT 5,000 Million.

We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

1. We, while act as trustee to the above mentioned issue on behalf of the investors, have examined the draft Information Memorandum, legal and other documents and materials as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, it's directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer; -

WE CONFIRM THAT:

- (a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft Deed of Trust and draft Subscription Agreement forwarded to the Commission has been approved by us;
- (b) we have also examined all documents of the assets to be charged with the Trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;
- (c) while examining the above documents, we find that all the requirements of the Securities and Exchange Commission (Debt Securities Rules), 2021 have been complied with;
- (d) we shall act as trustee to the issue as mentioned above as per provisions of the Deed of Trust to be executed with the issuer and shall assume the duties and responsibilities as described in the Deed of Trust and in the IM;
- (e) we shall also abide by the Securities and Exchange Commission (Debt Securities Rules), 2021 and conditions imposed by the Commission as regards of the issue; and
- (f) the above declarations are unequivocal and irrevocable.

Brig Gen Shafique Shamim, psc (Retd)
Managing Director & CEO
Sena Kalyan Insurance Company Ltd.
For Trustee