

**Delta Brac Housing Finance Corporation Limited**  
**Auditor's report and**  
**Audited Financial Statements**  
**For the year ended 31 December 2020**



**ACNABIN**

*Chartered Accountants*

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NETWORK MEMBER

**Independent Auditor's Report**  
**To the Shareholders of Delta Brac Housing Finance Corporation Limited**

**Report on the Audit of Financial Statements**

**Opinion**

We have audited the financial statements of Delta Brac Housing Finance Corporation Limited (the Company), which comprise the balance sheet as at 31 December 2020, and the profit and loss account and statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 to the financial statements.

**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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

Without qualifying our opinion, we are drawing attention to the following matter:

In note # 2.19(i) to the financial statements, the Company disclosed the basis of computation for estimating the amount of Gratuity obligations.

**Key Audit Matters**

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

Risk	Our response to the risk
<b>Measurement of provision for loans and advances</b>	
The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex.	We tested the design and operating effectiveness of key controls focusing on the following:



For the individual (party-wise) analysis, these provisions consider the estimates of future business performance and the market value of the collateral provided for credit transactions.

At year end the Company reported total gross loans and advances of BDT 42,750,381,474 (2019: BDT 44,521,893,390) and provision for loans and advances of BDT 949,565,925 (2019: BDT 822,857,899).

We have focused on the following significant judgments and estimates which could give rise to a material misstatement or management bias:

- Completeness and timing of recognition of loss events in accordance with criteria set out in FID circular no 08, dated 03 August 2002, FID circular no. 03, dated 03 May 2006 and FID circular no.03 dated 29 April 2013;
- For assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows;
- Provision measurement is primarily dependent upon key assumptions relating to the probability of default, the ability to repossess collateral, and recovery rates.

- Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process

- Reviewed the process of Identification of loss events, including early warning and default warning indicators;
- Reviewed quarterly Classification of Loans (CL);

Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:

- Reviewed the adequacy of the companies general and specific provisions;
- Assessed the methodologies on which the provision amounts were based, recalculated the provisions and tested the completeness and accuracy of the underlying information;
- Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

See note # 7 and 12 to the financial statements.

#### Implementation of IFRS 16 Leases

With reference to note # 2.07 and note # 2.09 to the financial statements, IFRS 16 Leases becomes effective for annual reporting beginning on or after 01 January 2019, which replaces the existing standard IAS 17 Leases. However, the Company did not adopt IFRS-16 during 2019.

The Company decided to adopt the modified retrospective approach for transition accounting. The new lease standard application resulted in the recognition, for the 31 December 2020, of right of use assets of BDT 57,118,206 and lease liabilities of BDT 52,009,007.

We obtained an understanding of the management's process for implementing IFRS 16, including financial controls designed by the management to mitigate the risks assessed by us independently. We tested those relevant controls and adopted a control rely strategy. Furthermore, to mitigate the inherent risk in this audit area, our audit approach included testing of the controls and substantive audit procedures, including:

- Obtained and read the accounting policy for compliance with IFRS 16;
- Obtained listing of all contracts from the management and tested the contracts on a



	<p>sample basis for impact under IFRS 16. In respect of the contracts selected for testing;</p> <ul style="list-style-type: none"> <li>• Obtained and assessed the borrowing rates;</li> <li>• Tested the assumptions used in the calculation model for the sample contracts selected for testing;</li> <li>• Performed test of details on a sample basis of the right of use asset and lease liability; and</li> <li>• Assessed the disclosures in the financial statements.</li> </ul>
See Annex-A and note # 12.4 to the financial statements.	
<b>Legal and regulatory matters</b>	
<p>We focused on this area because the Company operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Company's best estimate for existing legal matters that have a probable and estimable impact on the financial position.</p>	<p>We obtained an understanding, evaluated the design, and tested the operational effectiveness of the key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigations and regulatory matters.</p> <p>We also assessed the Company's contingent liabilities disclosure.</p>
See note # 17.1 and note # 17.2 to the financial statements.	
<b>Accuracy and completeness of revenue recognized</b>	
<p>The Company reports revenue of BDT 610.84 crore from Interest on loans, short-term investment, term deposit receipts, Commission, exchange and brokerage income, investment income and related activities.</p> <p>The application of revenue recognition accounting standards is complex and involves a number of key judgments and estimates, including those applied on revenue arrangements with multiple elements and those contracts where there is the existence of principal and agent relationship.</p>	<p>Our audit approach included a combination of controls testing, data analysis, and substantive procedures covering the following:</p> <ul style="list-style-type: none"> <li>• We understood the significant revenue processes, including the performance of an end to end walkthrough of the revenue assurance process and identifying the relevant controls (including IT systems, interfaces, and reports);</li> <li>• We tested the design and operating effectiveness of the relevant controls;</li> <li>• We reviewed significant new contracts and regulatory determinations, the accounting</li> </ul>



<p>Due to the estimates and judgment involved in applying the revenue recognition accounting standards and the degree of complexity of IT systems and processes used, we have considered this matter as a key audit matter.</p>	<p>treatments opted and testing the related revenues recognized during the period;</p> <ul style="list-style-type: none"> <li>• We performed data analysis and analytical reviews of significant revenue streams;</li> <li>• We performed specific procedures to test the accuracy and completeness of adjustments relating to multiple-element arrangements and grossing up certain revenue and costs; and</li> <li>• We performed procedures to ensure that the revenue recognition criteria adopted by the entity for all major revenue streams is appropriate and in line with the accounting policies.</li> </ul>
<p>See note # 18, 20, 21 and 22 to the financial statements</p>	
<p><b>Investment and provision for diminutions in the value of investments</b></p>	
<p>The Company reports investments of BDT 48.90 crore, which is comprised of Government securities BDT 0.10 crore, marketable securities of BDT 39.05 crore, non-marketable securities of BDT 5.45 crore, and preference shares BDT 4.30 crore; represents 0.83 % of total assets.</p> <p>The process for estimating the provision against the investments associated with credit risk is significant and complex.</p> <p>We focused on this area because of the significance of the investments in the financial statements and departure from the recognition and presentation criteria of IFRS 9, IFRS 7 &amp; IAS 32 to comply with the circulars of Bangladesh Bank for determining the valuation methodology and presentation to be applied by the management of the Company.</p>	<p>Our audit approach included a combination of controls testing, data analysis, and substantive procedures covering the following:</p> <ul style="list-style-type: none"> <li>• We obtained sufficient audit evidence to conclude that the inputs and methodologies used for the valuation of the investments are within a reasonable range and that the management of the Company consistently applied valuation policies.</li> <li>• We assessed the controls' design and operating effectiveness, measurement, and oversight of financial assets' valuation risk.</li> <li>• We verified the existence and legal ownership of equity investments and mutual funds by confirming investment holdings with the portfolio statements of brokerage houses and CDBL.</li> <li>• We tested the calculations of provision for diminution in value of the investment and checked if the presentation and disclosure of investment are in compliance with FID circular no. 8 dated 3 August 2002 and DFIM circular no. 2 dated 31 January 2012 issued by Bangladesh Bank.</li> </ul>
<p>See note # 06 and 12.1.4 to the financial statements</p>	
<p><b>Measurement of deferred tax assets/ liabilities</b></p>	
<p>The Company reports deferred tax liabilities amounting to BDT 60.58 Lac which was shown in the financial statements as at 31 December 2020.</p>	<p>We have conducted a risk assessment to obtain an understanding of the relevant tax laws and regulations considering the following:</p>





The significant risk arises from the estimation of future usability of the benefits/ liabilities. Such estimation is required deferred tax assets/ liabilities as their recoverability/ adjustments depend on forecasts of profitability available in the near future.

- Evaluated the policies used for recognition and measurement of deferred tax liabilities and assets in accordance with IAS 12.
- Tested the design, implementation and operating effectiveness of internal controls with respect to recognition of deferred tax liabilities and assets,
- Checked the computation of deferred tax assets/ liabilities by applying appropriate provisions of tax law to scheduled reversals, particularly the potential tax rates applicable at the time of expected reversals,
- Checked the compliance with the tax laws.

See note # 12.5 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 Company's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, change-management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.

Where deficiencies were identified, we tested compensating controls or performed alternate procedures. In addition, we understood where relevant, changes were made to the IT landscape during the audit period and tested those changes that had a significant impact on financial reporting.

#### **Other Matter**

The financial statements of the Company for the year ended 31 December 2019 were audited by Aziz Halim Khair Choudhury, Chartered Accountants, who expressed an unmodified opinion on those statements on 19 February 2020.



### **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 Draft Annual Report is expected to be made available to us after the date of this auditor's report but before the finalization of the Annual Report.

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

In connection with our audit of the 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance of the Company so that the matter is duly addressed in the Annual Report.

### **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 in accordance with IFRSs as explained on note # 2 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.

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

Those charged with governance are responsible for overseeing the Company'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 skepticism 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.
- 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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Company's 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 Financial Institutions Act, 1993 and the rules and regulations issued by Bangladesh Bank, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) 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 accounts and returns;
- d) the expenditure incurred was for the purposes of the Company's business for the year;
- e) the financial statements of the Company have been drawn up in conformity with Financial Institutions Act, 1993 and in accordance with International Financial Reporting Standards





as explained in notes as well as with related guidance, circulars issued by Bangladesh Bank to the extent applicable to the Company;

- f) adequate provisions have been made for loans, leases, advances and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- g) the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- h) the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- i) statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- j) taxes and other duties were collected and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;
- k) nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- l) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- m) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- n) the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases found satisfactory;
- o) We have reviewed over 80% of the risk weighted assets of the Company, and we have spent around 1,500 person hours for the audit of the books and accounts of the Company;
- p) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- q) the Company has complied with the "First Schedule" of the Financial Institutions Act, 1993 in preparing these financial statements; and
- r) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

**Dated, Dhaka**

**22 MAR 2021**

**ACNABIN, Chartered Accountants**

**Muhammad Aminul Hoque, FCA**

Partner

ICAB Enrollment Number# 1129

DVC : 2103231129AS269426

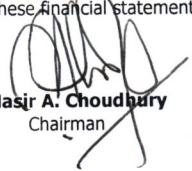


**Delta Brac Housing Finance Corporation Limited**  
**Balance Sheet**  
**As at 31 December 2020**

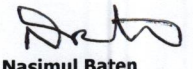
Notes	Amount in Taka		
	31 December 2020	31 December 2019	01 January 2019
	<b>Restated</b>		
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	<b>575,240,921</b>	<b>873,001,710</b>	<b>798,514,488</b>
In hand	3.1 132,671	105,037	106,217
Balance with Bangladesh Bank and its agent Bank	3.2 575,108,250	872,896,673	798,408,271
<b>Balance with other banks and financial institutions</b>	<b>14,338,776,038</b>	<b>13,028,725,061</b>	<b>11,779,169,860</b>
In Bangladesh	4.1 14,338,776,038	13,028,725,061	11,779,169,860
Outside Bangladesh	-	-	-
<b>Money at call on short notice</b>	<b>5</b>	<b>-</b>	<b>-</b>
<b>Investments</b>	<b>6</b>	<b>489,024,228</b>	<b>462,108,462</b>
Government	1,040,323	1,078,570	1,114,848
Others	487,983,905	461,029,892	606,706,218
<b>Loans and advances</b>	<b>42,750,381,474</b>	<b>44,521,893,390</b>	<b>43,847,701,062</b>
Loans and advances	7 42,750,381,474	44,521,893,390	43,847,701,062
<b>Fixed assets including land, building, furniture and equipments</b>	<b>8</b>	<b>289,880,948</b>	<b>279,704,267</b>
Other assets	9 163,712,258	114,496,609	296,259,328
<b>Total Assets</b>	<b>58,607,015,867</b>	<b>59,279,929,499</b>	<b>57,498,981,694</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowing from other banks and financial institutions</b>	<b>10</b>	<b>5,571,061,010</b>	<b>7,051,344,655</b>
<b>Deposits and other accounts</b>	<b>43,826,874,936</b>	<b>43,411,284,633</b>	<b>43,318,721,105</b>
Fixed deposits	11.1 43,826,874,936	43,411,284,633	43,318,721,105
Other deposits	-	-	-
<b>Other liabilities</b>	<b>12</b>	<b>2,777,623,932</b>	<b>3,008,695,578</b>
<b>Total Liabilities</b>	<b>52,175,559,878</b>	<b>53,471,324,866</b>	<b>52,459,002,447</b>
<b>Shareholders' equity</b>			
Paid-up capital	13.2 1,541,425,810	1,340,370,270	1,218,518,430
Share premium	14 55,000,000	55,000,000	55,000,000
Statutory reserve	15 1,486,425,811	1,340,370,271	1,307,430,064
Other reserves	16 2,825,040,000	2,575,040,000	2,025,040,000
Retained earnings	33 523,564,368	497,824,092	433,990,753
<b>Total equity</b>	<b>6,431,455,989</b>	<b>5,808,604,633</b>	<b>5,039,979,247</b>
<b>Total liabilities and Shareholders' equity</b>	<b>58,607,015,867</b>	<b>59,279,929,499</b>	<b>57,498,981,694</b>
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>	<b>17.1</b>		
Acceptances and endorsement	-	-	-
Letter of guarantee	-	-	-
Irrevocable letter of credits	-	-	-
Bills for collection	-	-	-
Other contingent liabilities	54,040,388	61,612,242	35,969,622
<b>Total contingent liabilities</b>	<b>54,040,388</b>	<b>61,612,242</b>	<b>35,969,622</b>
<b>Other commitments</b>	<b>17.2</b>		
Documentary credit & short-term trade related transaction	-	-	-
Forward assets purchased and forward deposit placed	-	-	-
Undrawn note issuance and revolving underwriting facilities	-	-	-
Undrawn formal standby facilities, credit lines and other commitments	578,220,000	410,580,000	506,775,000
<b>Total other commitments</b>	<b>578,220,000</b>	<b>410,580,000</b>	<b>506,775,000</b>
<b>Total Off-Balance Sheet items including contingent liabilities</b>	<b>632,260,388</b>	<b>472,192,242</b>	<b>542,744,622</b>

**Notes:**

- Independent Auditor's Report-Page 1 to 8
- The annexed notes 1 to 42 form an integral part of these financial statements.
- These financial statements were approved by the Board of Directors on 22 March 2021 and were signed on its behalf by:

  
**Nasir A. Choudhury**  
Chairman

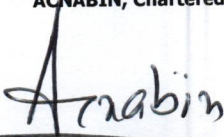
  
**Dr. A M R Chowdhury**  
Vice Chairman

  
**Nasimul Baten**  
Managing Director & CEO

Dated, Dhaka

**22 MAR 2021**

**ACNABIN, Chartered Accountants**

  
**Muhammad Aminul Haque, FCA**  
Partner  
ICAB Enrollment # 1129




**Delta Brac Housing Finance Corporation Limited**  
**Profit and Loss Account**  
**For the year ended 31 December 2020**

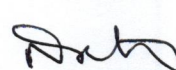
	Notes	Amount in Taka	
		2020	2019
		<b>Restated</b>	
Interest Income	18	5,908,789,297	6,352,769,970
Interest paid on deposits and borrowings etc.	19	(3,960,184,480)	(4,644,846,591)
<b>Net Interest Income</b>		<b>1,948,604,817</b>	<b>1,707,923,379</b>
Income from investment	20	24,150,831	26,835,187
Commission, exchange and brokerage	21	155,864,097	199,772,398
Other operating income	22	19,674,791	6,795,002
<b>Total operating income</b>		<b>2,148,294,536</b>	<b>1,941,325,966</b>
Salary and allowances	23	354,075,491	337,505,438
Rent, taxes, insurance, electricity etc.	24	32,007,229	34,585,575
Legal & professional expenses	25	12,567,554	8,347,617
Postage, stamp, telecommunication etc.	26	6,882,924	7,632,955
Stationery, printing, advertisements etc.	27	7,416,751	15,129,389
Managing Director's salary and fees	27.1	7,050,000	15,100,000
Directors' fees and expenses	28	956,897	658,837
Auditor's fees	29	517,500	483,000
Depreciation, repairs & maintenance	30	60,950,452	62,380,239
Other expenses	31	41,001,532	41,841,934
<b>Total operating expenses</b>		<b>523,426,330</b>	<b>523,664,984</b>
<b>Profit before provisions</b>		<b>1,624,868,206</b>	<b>1,417,660,982</b>
Provisions:			
Loans and advances	12.1.A	151,605,837	(181,159,783)
Diminution in value of investments	12.1.3	(24,897,811)	43,950,370
<b>Total provisions</b>		<b>126,708,026</b>	<b>(137,209,413)</b>
<b>Profit before tax</b>		<b>1,498,160,180</b>	<b>1,554,870,395</b>
Provision for tax:	32		
Current tax		604,672,845	477,069,747
Deferred tax expense		2,561,925	4,545,655
		607,234,770	481,615,402
<b>Profit after tax</b>		<b>890,925,410</b>	<b>1,073,254,993</b>
<b>Appropriations</b>			
Statutory reserve		146,055,540	32,940,207
General reserve		250,000,000	350,000,000
		396,055,540	382,940,207
<b>Retained surplus</b>		<b>494,869,870</b>	<b>690,314,786</b>
<b>Earnings Per Share (Restated)</b>	34	<b>5.78</b>	<b>6.96</b>

**Notes:**

1. Independent Auditor's Report-Page 1 to 8
2. The annexed notes 1 to 42 form an integral part of these financial statements.
3. These financial statements were approved by the Board of Directors on 22 March 2021 and were signed on its behalf by:

  
**Nasir A. Chowdhury**  
Chairman

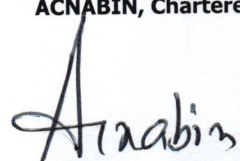
  
**Dr. A M R Chowdhury**  
Vice Chairman

  
**Nasimul Baten**  
Managing Director & CEO

Dated, Dhaka

**22 MAR 2021**

**ACNABIN, Chartered Accountants**



**Muhammad Aminul Hoque, FCA**  
Partner  
ICAB Enrollment# 1129



**Delta Brac Housing Finance Corporation Limited**  
**Cash Flow Statement**  
**For the year ended 31 December 2020**

**Cash flows from operating activities**

Interest received
Interest payments
Dividend received
Fees and commission received
Paid to employees and suppliers
Income tax paid
Received from other operating activities
Cash generated from operating activities before changes in operating assets and liabilities

Notes	Amount in Taka	
	2020	2019
		Restated
	5,879,538,005	6,474,351,683
	(4,471,792,244)	(4,461,828,453)
	8,282,628	31,004,890
	155,864,097	199,772,398
	(484,347,615)	(498,651,984)
	(491,037,085)	(566,173,357)
	23,912,083	3,804,256
	620,419,869	1,182,279,433

**Increase/(decrease) in operating assets and liabilities**

Loans and advances to customers
Investment in marketable securities and lock in share
Other assets
Loans and deposits from banks and other customers
Other liabilities

1,771,166,576	(680,739,652)
(28,954,013)	676,326
1,552,292	60,110,985
(914,794,871)	1,402,661,487
(2,658,028)	(34,933,202)
826,311,956	747,775,944

**Net cash flows from/(used in) operating activities**

37 **1,446,731,825** **1,930,055,377**

**Cash flows from investing activities**

Net proceeds/(Payments) for sale/purchase of Treasury Bills
Other investments
Purchase of property, plant & equipment, ROU asset
Proceeds from sell of property, plant & equipment

38,247	36,278
2,000,000	145,000,000
(19,660,043)	(102,690,620)
1,152,901	500,235

**Net cash flows from/(used in) investing activities**

**(16,468,895)** **42,845,893**

**Cash flows from financing activities**

Cash dividend paid
--------------------

(268,074,055)	(304,629,607)
---------------	---------------

**Net cash flows from/(used in) financing activities**

**(268,074,055)** **(304,629,607)**

**Net increase/(decrease) in cash and cash equivalents**

**1,162,188,875** **1,668,271,663**

**Effects of exchange rate changes on cash and cash equivalents**

**(217)** **2,148**

**Cash and cash equivalents (net off overdraft) at the beginning of the period**

**13,469,632,304** **11,801,358,493**

**Cash and cash equivalents (net off overdraft) at the end of the period**

37A **14,631,820,962** **13,469,632,304**

**Notes:**

1. Independent Auditor's Report-Page 1 to 8
2. The annexed notes 1 to 42 form an integral part of these financial statements.
3. These financial statements were approved by the Board of Directors on and were signed on its behalf by:

**Nasir A. Chowdhury**  
Chairman

**Dr. A M R Chowdhury**  
Vice Chairman

**Nasimul Baten**  
Managing Director & CEO

Dated, Dhaka  
**22 MAR 2021**

**ACNABIN, Chartered Accountants**

**Muhammad Aminul Hoque, FCA**  
Partner  
ICAB Enrollment# 1129

**DVC:2103231129AS269426**





**Delta Brac Housing Finance Corporation Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2020**

Particulars	Paid-up Capital	Share Premium	Statutory Reserve	General & Other Reserves	Retained earnings	Total
Balance as on 1 January 2020	1,340,370,270	55,000,000	1,340,370,271	2,575,040,000	497,824,092	5,808,604,633
Net profit (after tax) for the period	-	-	-	-	890,925,410	890,925,410
Transferred to reserve funds	-	-	146,055,540	250,000,000	(396,055,540)	-
Stock dividend issued	201,055,540	-	-	-	(201,055,540)	-
Cash dividend paid	-	-	-	-	(268,074,054)	(268,074,054)
<b>Balance at 31 December 2020</b>	<b>1,541,425,810</b>	<b>55,000,000</b>	<b>1,486,425,811</b>	<b>2,825,040,000</b>	<b>523,564,368</b>	<b>6,431,455,989</b>

**Statement of Changes in Equity**  
**For the year ended 31 December 2019 (restated)**

Particulars	Paid-up Capital	Share Premium	Statutory Reserve	General & Other Reserves	Retained earnings	Total
Balance as on 1 January 2019	1,218,518,430	55,000,000	1,307,430,064	2,025,040,000	433,990,753	5,039,979,247
Net profit (after tax) for the period-Restated	-	-	-	-	1,073,254,993	1,073,254,993
Transferred to reserve funds	-	-	32,940,207	550,000,000	(582,940,207)	-
Stock dividend issued	121,851,840	-	-	-	(121,851,840)	-
Cash dividend paid	-	-	-	-	(304,629,607)	(304,629,607)
<b>Balance at 31 December 2019-restated</b>	<b>1,340,370,270</b>	<b>55,000,000</b>	<b>1,340,370,271</b>	<b>2,575,040,000</b>	<b>497,824,092</b>	<b>5,808,604,633</b>





**Delta Brac Housing Finance Corporation Limited**  
**Liquidity Statement**  
**As at 31 December 2020**

Particulars	Up to 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Above 5 Years	Amount in Taka
						Total
<b>Assets</b>						
Cash (In hand and balance with Bangladesh Bank and its' agent bank)	575,240,921	-	-	-	-	575,240,921
Balance with other banks and financial institutions	7,073,042,355	4,210,485,559	3,055,248,125	-	-	14,338,776,039
Money at call on short notice	-	-	-	-	-	-
Investments	420,984,405		45,540,323	-	22,499,500	489,024,228
Loans and advances	738,883,783	1,241,481,001	5,036,624,883	19,033,095,406	16,700,296,401	42,750,381,474
Fixed assets including land, building, furniture, equipments & ROU asset	2,970,514	7,733,741	24,941,912	92,140,091	162,094,689	289,880,947
Other assets	90,633,780	24,123,823	45,284,654	3,670,000	-	163,712,257
<b>Total Assets</b>	<b>8,901,755,758</b>	<b>5,483,824,124</b>	<b>8,207,639,897</b>	<b>19,128,905,497</b>	<b>16,884,890,590</b>	<b>58,607,015,867</b>
<b>Liabilities</b>						
Borrowing from other banks and financial institutions	2,302,710,556	337,288,472	1,460,830,205	836,116,318	634,115,459	5,571,061,010
Deposits and other accounts	2,243,781,911	3,329,785,595	8,317,901,053	108,336,504	29,827,069,873	43,826,874,936
Other liabilities	373,613,246	512,517,460	1,094,430,726	335,769,266	461,293,234	2,777,623,932
<b>Total liabilities</b>	<b>4,920,105,713</b>	<b>4,179,591,527</b>	<b>10,873,161,984</b>	<b>1,280,222,088</b>	<b>30,922,478,566</b>	<b>52,175,559,878</b>
<b>Net liquidity gap</b>	3,981,650,045	1,304,232,597	(2,665,522,087)	17,848,683,410	(14,037,587,976)	6,431,455,989



**Delta Brac Housing Finance Corporation Limited**  
**Notes to the Financial Statements**  
**as at and for the year ended 31 December 2020**

**1 Company and its activities**

**(a) Legal status**

Delta Brac Housing Finance Corporation Limited (here-in-after referred to as "DBH" or "the Company") was incorporated as a public limited company and obtained the Certificate of Commencement of Business under Companies Act 1994 on May 11, 1996. The Company has also been granted license under the Financial Institutions Act 1993 on July 15, 1996. The registered address of the company is situated at Landmark Building, (9th floor), 12-14 Gulshan C/A, Gulshan-2, Dhaka. The Company went for public issue in 2007-08 and the shares of the Company are listed in Dhaka and Chittagong Stock Exchanges in Bangladesh.

**(b) Nature of business**

i) The principal activities of the Company are providing loans for construction of houses, purchases of flats or houses, extensions and improvements of existing houses or flats and purchase of housing plots.

ii) The Company has also various investment and financing products like term deposit scheme, cumulative deposit, triple money deposit, double money deposit, annual income deposit, quarterly income deposit, monthly income deposit, easy way deposit etc. for its individual and corporate clients.

**2 Significant accounting policies and basis of preparation**

**2.01 Statement of compliance**

The financial statements have been prepared on a going concern basis and accrual method under historical cost convention and therefore do not take into consideration the effect of inflation. The preparation and presentation of the financial statements and the disclosure of information have been made in accordance with the DFIM circular no. 11 dated 23rd December 2009 in conformity with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Financial Institutions Act 1993, Securities and Exchange Rules 1987, the listing rules of Dhaka and Chittagong Stock Exchanges and other applicable laws & regulations in Bangladesh and practices generally followed by Housing Finance Institutions.

As Bangladesh Bank is the primary regulator of Financial Institutions, the Bangladesh Bank guidelines, circulars, notifications and any other requirements are given preference to IFRSs, where any contradictions arises.

**2.02 Going concern**

The financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

**2.03 Reporting period**

These financial statements have been prepared for the period from 1 January 2020 to 31 December 2020.

**2.04 Functional and presentation currency**

These financial statements are presented in Taka, which is the company's functional currency except as indicated. Figures have been rounded off to the nearest taka.

**2.05 Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance of Bangladesh Bank's requirements**

Bangladesh Bank is the prime regulatory body for Non-Banking Financial Institutions (NBFI) in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with the requirements of IASs and IFRSs. As such the company has departed from those contradictory requirements of IASs and IFRSs in order to comply with the rules and regulations of Bangladesh Bank, which are disclosed below:

**i) Complete set of financial statements**

**IAS 1 "Presentation of Financial Statements"**

As per IAS 1: "Presentation of Financial Statements" complete set of financial statements are:

- i) statement of financial position,
- ii) statement of profit or loss and other comprehensive income,







- iii) statement of changes in equity,
- iv) statement of cash flows,
- v) notes, comprising significant accounting policies and other explanatory information and
- vi) comparative information in respect of the preceding period
- vii) statement of financial position at the beginning of preceding period for retrospective restatement

**Treatment adopted as per Bangladesh Bank**

As per DFIM Circular No. 11, dated 23 December 2009, complete set of financial statements are

- i) balance sheet,
- ii) profit and loss account,
- iii) cash flows statement,
- iv) statement of changes in equity,
- v) statement of liquidity,
- vi) notes, comprising significant accounting policies and other explanatory information.

There is no financial impact for this departure in the financial statements.

**ii) Current/ Non-current distinction**

**IAS-1 "Presentation of Financial Statement"**

As per Para 60 of IAS-1 "Presentation of Financial statement" an entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial position.

**Treatment adopted as per Bangladesh Bank**

As per DFIM Circular No. 11, dated 23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the Financial Institutions. In this templates, there is no current and non-current segmentation of assets and liabilities.

There is no financial impact for this departure. However, the liquidity statement shows the current/ non-current portion of assets and liabilities in this regard.

**iii) Off-balance sheet items**

**IAS 1 "Presentation of Financial Statements"**

There is no concept of off-balance sheet items in IAS-1 ; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

**Treatment adopted as per Bangladesh Bank**

As per DFIM Circular No. 11, dated 23 December 2009, off-balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

There is no financial impact for this departure in the financial statements.

**iv) Intangible asset**

**IAS 1 "Presentation of Financial Statements"**

As per IAS 1 "Presentation of Financial Statements" Para 54, the statement of financial position shall include separate line item for intangible assets.

**Treatment adopted as per Bangladesh Bank**

As per DFIM Circular No. 11, dated 23 December 2009, there is no option for separate line item for intangible asset in the balance sheet. We present intangible asset in the balance sheet as part of fixed assets and provide details in note-8 and annexure-A as separate line item.

There is no financial impact for this departure.

**v) Other comprehensive income**

**IAS 1 "Presentation of Financial Statements"**

As per IAS 1: "Presentation of Financial Statements" Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single OCI statement.

**Treatment adopted as per Bangladesh Bank**

Bangladesh Bank has issued templates for financial statements which will strictly be followed by financial institutions. The templates of financial statements issued by Bangladesh Bank neither include Other Comprehensive Income (OCI) nor are the elements of OCI allowed to be included in a single OCI statement. As such the financial institution does not prepare the Other Comprehensive Income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.





There is no financial impact for this departure during the year.

**vi) Disclosure of presentation of profit**

**IAS/IFRS**

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

**Treatment adopted as per Bangladesh Bank**

As per DFIM circular no 11, dated 23 December 2009, an appropriation of profit should be disclosed in the face of profit and loss account

This is a presentation issue and there is no financial impact.

**vii) Preparation of "Statement of Cash Flows"**

**IAS 7 "Statement of Cash Flows"**

The Cash flow statement can be prepared using either the direct method or the 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.

**Treatment adopted as per Bangladesh Bank**

Cash flow statement has been prepared in compliance with DFIM Circular No. 11, dated 23 December 2009 which is the mixture of direct and indirect method.

Presentation of statement of cash flows is not fully aligned with the requirement of IAS and there is no financial impact.

**viii) Presentation of cash and cash equivalents**

**IAS 7 "Statement of Cash Flows"**

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and only include those investments which are for a short tenure like: 3 months or less period. In the light of above, balance with Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalents as it is illiquid asset and not available for use in day to day operations.

**Treatment adopted as per Bangladesh Bank**

Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all NBFIs. The templates of financial statements provided detail presentation for statement of cash flows.

Presentation of financial statements is not fully aligned with the requirement of IAS.

**ix) Measurement of deferred tax asset**

**IAS 12 "Income Tax"**

A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

**Treatment adopted as per Bangladesh Bank**

As per DFIM circular No.7, dated 31 July 2011, no deferred tax asset can be recognized for any deductible temporary difference against loans and advances.

During the year net provision charged for loans and advances was Taka 126.708 million (note#12.1) and deferred tax asset of Taka 47.52 million was not recognized on this temporary difference.

**x) Presentation and disclosure of Financial Statements and Financial Instruments**

**IFRS 7 "Financial Instruments: Disclosure"**

**IFRS 9 "Financial Instruments"**

IFRS 7 and IFRS 9 require specific presentation and disclosure relating to all financial instruments.

**Treatment adopted as per Bangladesh Bank**

Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs.





As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IFRS 9. As such some disclosure and presentation requirements have not been made in the accounts. Presentation of financial statements is not fully aligned with all the requirements of IAS.

**xi) Measurement of provision for loans and advances (financial assets measured at amortized cost)**

**IFRS 9 "Financial Instruments"**

As per IFRS 9 an entity shall recognize an impairment allowance on loans and advances based on expected credit loss. At each reporting date an entity shall assess whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such evidence exists, expected credit loss are required to be measured through a loss allowance at an amount equal to (i) the 12 month Expected Credit Losses, ECL-Stage 1, (expected credit loss that result from those default events on the financial instrument that are possible within 12 months after the reporting period); or (ii) full lifetime expected credit losses, ECL-Stage-2, (expected credit losses that result from all possible default events over the life of the financial instrument).

**Treatment adopted as per Bangladesh Bank**

As per FID circular No. 08, dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and FID circular No. 03, dated 29 April 2013, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained irrespective of objective evidence of impairment on loans and advances. Also provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue.

In the Financial statements, provision has been kept for the year 2020 equivalent to Taka 151.60 million as per Bangladesh Bank Guideline. Provision amounting to Taka 18.12 million is being reversed in the case of General provision. On the other hand Taka 169.72 million is being charged during the year for specific provision.

**xii) Recognition of interest income for SMA and classified loans and advances**

**IFRS 9 "Financial Instruments"**

Income from financial assets measured at amortized cost is recognized through effective interest rate method over the term of the investment. Once a financial asset is impaired, investment income is recognized in profit and loss account on the same basis based on revised carrying amount.

**Treatment adopted as per Bangladesh Bank**

As per FID circular No. 03, dated 03 May 2006, once an investment on loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments are not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense account.

During the year interest suspense has increased to Taka 57.66 million from taka 45.58 million resulting in an increase of Taka 12.08 million.

**xiii) Valuation of Investments in quoted and unquoted shares**

**IFRS 9 "Financial Instruments"**

IFRS 9 requires entities to measure all investments in equity instruments at fair value (as measured as per IFRS 13 "Fair Value Measurement"). Investment in shares falls either under at "fair value through profit/loss" or "fair value through other comprehensive income" where any change in the fair value in case of fair value through profit/loss at the year-end is taken to profit and loss, and any change in fair value in case of fair value through other comprehensive income is taken to other comprehensive income.

**Treatment adopted as per Bangladesh Bank**

As per FID circular No. 08, dated 03 August 2002 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 as per Bangladesh Bank DFIM circular No. 02 dated January 31, 2012 for investments in marketable securities and as per Bangladesh Bank DFIM circular No. 05 dated May 11, 2015 for Mutual funds.

There is no financial impact during the year.





## 2.06 Use of estimates and judgments

The preparation of financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses, estimates. Assumptions also require for disclosure of contingent assets and contingent liabilities at the date of financial statements. Such estimates and assumptions are made on historical experience and other factors that are considered reasonable under the required circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The key item which involve these judgments, estimates and assumptions are discussed below:

### Impairment losses on loans and advances

In addition to the provision made for loans and advances based on the guideline of Bangladesh Bank, DBH reviews its loans and advances portfolio on monthly basis to assess whether any further allowances/ write back for impairment should be provided in the income statement. The judgment by the management is required in the estimation of these amounts and such estimations are based on assumption about a number of factors though actual results may differ, resulting in future changes to the provisions.

## 2.07 Changes in Significant Accounting policies

### 2.7.1 Leases

The Company has applied IFRS 16 (as issued by the IASB in January 2016 that was effective for annual periods that begin on or after 1 January 2019) during the year with retrospective effect from 2019 (note-2.08). IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The company has contracts for renting premises which were classified as operating lease earlier under IAS 17. Under IFRS 16, DBH recognizes Right-of-use assets and lease liabilities for all leases as a lessee and does not required to make any adjustments on transitions for which it acts as a lessor.

### 2.7.2 Impact on transition to IFRS 16

Right of use assets was recognized and presented in the fixed assets schedule as separate line item. This includes the lease liabilities and advance office rent. Lease liabilities derived from present value of all rental payments for various branches along with head office. The impact on transition with retrospective effect as at 1 January 2019 is summarized below:

Impact on opening balance as of 1 January	Amount in BDT		
	As at 1 January 2020	As at 1 January 2019 (restated)	As at 1 January 2019
Right-of-use assets (WDV)	37,203,290	57,438,081	-
Deferred tax liabilities	2,652,396	-	-
Lease liabilities	30,130,234	47,661,471	-
Retained earnings	(3,734,725)	-	-

When measuring lease liabilities DBH discounted lease payments using its incremental borrowing rate at 9.6% as at 1 January 2019 and at 9.8% as at 1 January 2020.

### Impact on profit or loss account

	Amount in BDT	
	2020	2019 (restated)
Increase in depreciation on right-of-use asset	20,457,615	20,234,791
Increase in finance cost	5,999,771	2,803,498
Decrease in rent expenses	24,906,738	21,955,960
Increase/(decrease) in deferred tax expenses	(736,447)	2,652,396
Increase/(decrease) in profit for the year	<b>(814,201)</b>	<b>(3,734,725)</b>
Impact on EPS	(0.01)	(0.02)







Impact on assets & liabilities as at 31 December

	2020	2019 (restated)
<b>Assets</b>		
Right-of-use assets (WDV)	57,118,206	37,203,290
<b>Liabilities</b>		
Deferred tax liabilities	1,915,950	2,652,396
Lease liabilities	52,009,007	30,130,234
Retained earnings	(814,201)	(3,734,725)

## 2.08 Correction of errors

DBH did not apply "IFRS 16: Leases" in preparation of financial statements for the year 2019. IFRS 16 was effective for annual periods that begin on or after 1 January 2019. DBH has contracts for renting premises which were classified as operating lease under IAS 17 Leases. The company applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application (if any) is recognized in retained earnings at 1 January 2019. Accordingly, the comparative information for earlier period (2018) need not to be restated. Since the company did not implement IFRS 16 for the year 2019, it has now restated each affected financial line item in the comparatives for the year 2019 given in the 2020 financial statements.

The following tables summarizes the impacts of DBH's financial statements

### Balance sheet

As at December 2019

	Impact of correction of error		
	As previously reported	Adjustments	As restated
<b>Property and assets</b>			
Cash	873,001,710	-	873,001,710
Balance with other banks and financial institutions	13,028,725,061	-	13,028,725,061
Investments	462,108,462	-	462,108,462
Loans and advances	44,521,893,390	-	44,521,893,390
Fixed assets including land, building, furniture and equipment	242,500,977	37,203,290	279,704,267
Other assets	122,651,994	(8,155,385)	114,496,609
<b>Total Assets</b>	<b>59,250,881,594</b>	<b>29,047,905</b>	<b>59,279,929,499</b>
Borrowing from other banks and financial institutions	7,051,344,655	-	7,051,344,655
Deposits and other accounts	43,411,284,633	-	43,411,284,633
Other liabilities	2,975,912,948	32,782,630	3,008,695,578
	<b>53,438,542,236</b>	<b>32,782,630</b>	<b>53,471,324,866</b>
Retained earnings	501,558,817	(3,734,725)	497,824,092
Others	5,310,780,541	-	5,310,780,541
<b>Total equity</b>	<b>5,812,339,358</b>	<b>(3,734,725)</b>	<b>5,808,604,633</b>
<b>Total liabilities and equity</b>	<b>59,250,881,594</b>	<b>29,047,905</b>	<b>59,279,929,499</b>

### Profit and Loss Account

For the year ended 31 December 2019

	Impact of correction of error		
	As previously reported	Adjustments	As restated
Interest Income	6,352,769,970	-	6,352,769,970
Interest paid on deposits and borrowings etc.	(4,642,043,093)	(2,803,498)	(4,644,846,591)
<b>Net Interest Income</b>	<b>1,710,726,877</b>	<b>(2,803,498)</b>	<b>1,707,923,379</b>
Other income	233,402,587	-	233,402,587
<b>Total operating income</b>	<b>1,944,129,464</b>	<b>(2,803,498)</b>	<b>1,941,325,966</b>
Rent, taxes, insurance, electricity etc.	56,541,535	(21,955,960)	34,585,575
Depreciation, repairs & maintenance	42,145,448	20,234,791	62,380,239
Other operating expenses	426,699,169	-	426,699,169
Total operating expenses	525,386,152	(1,721,169)	523,664,983
Profit before provisions	1,418,743,312	(1,082,329)	1,417,660,983
Total provisions	(137,209,413)	-	(137,209,413)
<b>Profit before tax</b>	<b>1,555,952,725</b>	<b>(1,082,329)</b>	<b>1,554,870,396</b>
Provision for tax			
Current	477,069,747	-	477,069,747
Deferred	1,893,259	2,652,395	4,545,654
<b>Profit after tax</b>	<b>1,076,989,719</b>	<b>(3,734,724)</b>	<b>1,073,254,995</b>
Earnings per share (restated)	6.9870	(0.02423)	6.9627



## 2.09 Accounting policy for IFRS 16: Leases

DBH applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated for 2018. The detail impact for changing policy has been disclosed in note 2.07 and for restatement in note 2.08.

### Policy applicable from 1 January 2019

At inception of a contract, DBH assess whether a contract is or contains, a lease. 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. To assess the right to control the use of an identified asset, DBH assess whether:

- i) The contract involves the use of an identified asset;
- ii) DBH has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use;
- iii) DBH has the right to direct the use of the asset. When DBH has the decision making rights that are most relevant to changing how and for what purpose the asset is used.

The policy is applied to all the lease agreements having lease term for 12 months or more as on 1st January 2019 and the contracts entered into, or changed on or after that date.

### As lessee

As lessee DBH recognizes the Right-of-use Asset and lease liability at the inception of lease contract. The right of use asset is initially measured at cost which comprise the initial amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is depreciated using the straight line methods from the commencement date to the earlier of the end of useful life or the end of lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the interest rate implicit in the lease or, if that rate could not be readily available, DBH's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest rate method. When lease liability is re-measured for any change of an index or rate, the corresponding adjustments are made.

### As lessor

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance lease or operating lease and account for those two types of lease differently.

## 2.10 Materiality and aggregation

Each material item considered by management as significant has been presented separately in financial statements. No amount has been set off unless the DBH has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

## 2.11 Foreign currency transactions

Transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing at the balance sheet date. Exchange differences are recognized in profit or loss in the period in which they arise.

## 2.12 Liquidity Statement

The liquidity statement of assets and liabilities as on 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 and past historical trend.
- b) Investments are on the basis of their respective maturity.
- c) Loans and advances are on the basis of their repayment schedule and past trend of early settlement.
- d) Fixed assets are on the basis of their useful lives.
- e) Other assets are on the basis of their realization / amortization.
- f) Borrowings 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 liabilities are on the basis of their payment/ adjustment schedule.





## 2.17 Cash and cash equivalents

Cash and cash equivalents consist of cash, FDR, call investment and bank balances. For the purpose of statement of cash flow, cash and cash equivalents are prepared net off bank overdrafts.

### Cash Flow Statement

The cash flow statement is prepared in compliance with the DFIM circular No. 11, dated December 23, 2009 of Bangladesh Bank.

## 2.18 Revenue recognition

As per IFRS 15: "Revenue from Contracts with Customers", revenue is only recognized when it meets the following five steps model: (i) Identify the contract(s) with customer, (ii) Identify performance obligations in the contract, (iii) Determine the transaction price, (iv) Allocate the transaction price to the performance obligation in the contract and (v) Recognize the revenue when the entity satisfies a performance obligation.

### Interest income

Interest income on loans and advances is recognized on accrual basis except interest of the loan accounts considered as non-performing. Interest income is suspended and full provision is made against the interest receivables on all non-performing loans when the installments are outstanding for more than six months or any other accounts which are considered doubtful of recovery on the basis of judgment of the management.

### Fees and other charges on loans

Receipt of loan processing/servicing fees and other fees are recognized as income when the performance obligations are satisfied and the amount of the transaction price is allocated to the performance obligations.

### Dividend income and profit/(loss) on sale of marketable securities

Dividend income is recognized on accrual basis when the right to receive income is established. Profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realized and loss is incurred.

### Interest suspense account

Interest on non-performing loans is not recognized as revenue and credited to interest suspense account. Non performing loans refer to the loans when the installments are outstanding for more than six months and any other accounts which are considered impaired on the basis of judgments of the management.

## 2.19 Retirement benefit costs

### i) Gratuity scheme

The Company has a funded gratuity scheme for all eligible employees who complete minimum 5 years of confirmed service with the Company. Required amount of gratuity is calculated on the basis of last basic pay depending on the length of service for every completed year as well as proportionate to the fraction period of service as of the respective financial year. This scheme is approved by the National Board of Revenue (NBR) and administered by an independent Board of Trustees. Actuarial valuation of the gratuity scheme was made in 2015 to assess the adequacy of the liability for the scheme as per International Accounting Standard - 19 "Employee Benefits".

Following benefits are payable on retirement, death or leaving service:

Less than 5 year of confirmed service - Nil

Confirmed service between 5 and 10 year - One month's last drawn basic pay for every completed year of service.

On completion of 10 years confirmed service and above - Two month's last drawn basic pay for every completed year of service.

Maximum benefits - 50 times basic pay

### ii) Contributory provident fund

The Company has a contributory provident fund for its regular employees. The fund is approved by the National Board of Revenue (NBR), administered separately by a Board of Trustees and is contributed equally by the Company and the employees.





## 2.13 Property, plant and equipments

### a. Recognition

In pursuant to IAS 16 "Property, Plant and Equipment" the cost of an item of property, plant and equipment is recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Fixed assets have been accounted for at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs of enhancement of an existing assets are recognized as a separate asset, only when it is probable that additional future economic benefits associated with the item will flow to the company and the cost of such items can be measured reliably. All other expenditures are charged to the Profit & Loss account during the financial period in which they are incurred.

### b. Depreciation

Fixed assets are recorded at historical cost less accumulated depreciation as per IAS-16 "Property, Plant and Equipment". Depreciation is charged on straight line method using the following rates on all fixed assets:

Category of assets	Rates of depreciation per annum	Estimated useful life
Furniture & Fixtures	15% - 20%	5- 6.67 years
Equipment	20% - 25%	4 - 5 years
Computer and computer equipment	20% - 25%	4 - 5 years
Vehicles	20%	5 years
Building	3%	33.33 years
Intangible asset	20%	5 years
Right-of-use asset	Based on lease term	Lease term
Land	Not depreciated	-

Depreciation on newly acquired assets are calculated from the month of acquisition (full month) and no depreciation is charged for the month in which the assets are disposed off.

### c. De-recognition

An item of property, plant and equipment is de-recognized on its disposal. Sale price of fixed assets are determined on the basis of fair value of the assets. Gain or loss on sale of assets are recognized in profit & loss account as per provision of IAS 16 "Property, Plant and Equipment". Such gain or loss is determined as the difference between sales proceeds and carrying amount of the asset.

## 2.14 Intangible assets

In accordance with IAS 38 "Intangible assets", intangible assets (computer software) are recorded at historical cost less accumulated amortization. Amortization is calculated on straight line method using the rate of 20% (estimated five years useful life).

## 2.15 Loans - secured

Repayment of mortgage loans is made by way of Equated Monthly Installments (EMI) consisting of principal and interest. There are two modes of interest calculation on loans i.e., monthly reducing or annual reducing method as per loan agreement between customer and DBH. Effective interest rate is same as the rate quoted in case of monthly reducing method but higher under annual reducing method. EMI commences once the entire loans are disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month.

## 2.16 Investment in securities

Investments are initially recognized at cost including acquisition charges with the investments. After initial recognition, investments in marketable securities except DBH 1st Mutual Fund and Green Delta 1st Mutual Fund have been valued at cost or market price whichever is lower on an aggregate portfolio basis. Above mutual funds and Peninsula SBC Unit Fund-1and Peninsula AMCL Unit Fund have been valued at 85 % of latest published NAV as on December 31, 2020 or cost price whichever is lower. Investment in non marketable securities have been valued at cost. Full provision for diminution in value of securities at the year end on aggregate portfolio basis excepts investment in mutual funds and unit funds are made in the financial statements as required by Bangladesh Bank DFIM circular No. 02 dated January 31, 2012. Provision for above mutual funds and unit funds at the year end is made as required by Bangladesh Bank DFIM circular No. 05 dated May 11, 2015.





## 2.20 Workers Profit Participation and Welfare Fund (WPPF)

Establishment of Workers' Profit Participation and Welfare Fund (WPPF) is a matter of Banking and Financial Institutions Sector as a whole. Ministry of Finance through its letters no. 53.00.0000.311.22.002.17-130 dated February 14, 2017 and no. 53.00.0000.311.22.002.17-140 dated February 25, 2018 expressed its opinion that Chapter 15 on "Participation in Company Profits by Workers" in the Bangladesh Labor Act 2006 and amendments made therein on July 22, 2013 should not be applicable for Banks and Financial Institutions and requested to the Ministry of Labor and Employment to take necessary steps in this regard as well as not to apply the said chapter of Labor Act 2006 for Banks and Financial Institutions. Therefore, like other Banks and Financial Institutions, DBH did not recognize the WPPF.

## 2.21 Taxation

### Current tax

Provision for income tax has been made at best estimate keeping in view the provisions of Income Tax Ordinance 1984 and amendments made thereto from time to time. Applicable rate of income tax for the company is 37.5%.

### Deferred tax

Pursuant to IAS - 12 "Income Taxes" deferred tax is provided using the asset & liability method for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purposes. Tax rate prevailing at the balance sheet date is used to determine deferred tax as the same rate is expected to be applicable at the time of settlement/adjustment of deferred tax asset or liability.

## 2.22 Provision for loans

In addition to the provision made for loans and advances based on the guidelines of Bangladesh Bank, the Company's policy is to make provision for the loans and advances to cover the principal amount in respect of non performing loans when installments are outstanding for more than six months and any other overdue accounts on the basis of management's assessment where there are possibilities of impairment in future. The Company has made adequate provision which is more than the minimum regulatory requirement.

## 2.23 Write off

Write off refers to recognition of the reduced or zero value of an asset. It also refers to an investment for which a return on the investment is now impossible or unlikely. Potential return along with such investment is thus cancelled and removed ("written off") from the company's balance sheet.

Recovery against debts written off is credited to revenue. Income is recognized where amounts are either recovered and/or adjusted against securities/properties or advances there against or are considered recoverable.

## 2.24 Interest expense

The Company has incurred interest and related expenses on account of term loan, deposit, overdraft and short term loan. In terms of provision of the International Accounting Standard (IAS) - 1 "Presentation of Financial Statements" interest expenses are recognized on accrual basis.

## 2.25 Earnings per share

Earnings Per Share (EPS) has been calculated in accordance with International Accounting Standard - 33 "Earnings Per Share" and shown on the face of profit and loss account and computation shown in note 34.

## 2.26 Related party disclosures

As per International Accounting Standards (IAS) 24 "Related Party Disclosures", parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in note 40.

## 2.27 Events after the balance sheet date

As per IAS 10 "Events after the balance sheet date", all material events occurring after the balance sheet date have been considered and where necessary, adjusted for or disclosed in note 42.3.

## 2.28 Contingent liabilities and contingent assets

The company does not recognize contingent liability and contingent assets but discloses the existence of contingent liability in the financial statements. A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events not within the control of the company or present obligation that is not recognized because outflow of resources is not likely or obligation cannot be measured reliably.



## 2.29 Branch accounting

The Company has eleven offices (head office & ten branches), with no overseas branch as on December 31, 2020. Accounts of the branches are maintained at the head office which are included in the accompanying financial statements.

## 2.30 General

- a) Figures appearing in these Financial Statements have been rounded off to the nearest Taka.  
b) Previous year's figures have been rearranged/restated/reclassified, where necessary, in order to conform to current period's presentation.

## 2.31 Status of compliance of International Accounting Standards and International Financial Reporting Standards

<u>Name of the IAS</u>	<u>IAS No.</u>	<u>Status</u>
Presentation of Financial Statements	1	**
Inventories	2	N/A
Statement of Cash Flows	7	**
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Governments Assistance	20	N/A
The Effect of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	N/A
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefits Plans	26	N/A
Separate Financial Statements	27	N/A
Investment in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyperinflationary Economics	29	N/A
Financial Instruments: Presentation	32	**
Earnings per Share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Investment Property	40	N/A
Agriculture	41	N/A
<u>Name of the IFRS</u>	<u>IFRS No.</u>	<u>Status</u>
First-time adoption of International financial Reporting Standards	1	N/A
Share-based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-currents Assets held for sale and discontinued operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments : Disclosures	7	**
Operating Segments	8	N/A
Financial Instruments	9	**
Consolidated Financial Statements	10	N/A
Joint Arrangements	11	N/A
Disclosure of Interests in other Entities	12	N/A
Fair Value Measurement	13	Applied
Regulatory Deferral Accounts	14	N/A
Revenue from Contracts with Customers	15	Applied
Leases	16	Applied

\*\* DBH management has followed the principles of IAS & IFRS consistently in the preparation of the financial statements to that extent as applicable to the financial institution. Some of the standards have not been complied with, about which Bangladesh Bank has special guideline.

N/A = Not applicable

## 2.32 Financial risk management

The Company always concentrates on delivering high value to its stakeholders through appropriate trade-off between risk and return. A well structured and proactive risk management system comprising risk management forum supported by risk management unit is in place within the Company to address risks relating to credit, market, liquidity and operations. In addition to the industry best practices for assessing, identifying and measuring risks, the Company also considers guidelines for managing core risks of financial institutions issued by the Country's Central Bank, Bangladesh Bank, vide FID Circular No. 10 dated September 18, 2005 for management of risks and DFIM Circular No. 03 dated 24 January 2016.





### **Credit risk**

To encounter and mitigate credit risk, the company employed multilayer approval process, policy for customers maximum asset exposure limit, mandatory search for credit report from Credit Information Bureau, looking into payment performance of customer before financing, annual review of clients, adequate insurance coverage for funded assets, vigorous monitoring and follow up by special assets management team, strong follow up of compliance of credit policies by internal audit department, taking collateral, seeking external legal opinion, maintaining neutrality in politics and following arm's length approach in related party transactions, regular review of market situation and industry exposure etc.

### **Market risk**

The Asset Liability Committee (ALCO) of the Company regularly meets to assess the changes in interest rate, market conditions, carry out asset liability maturity gap analysis, re-pricing of products and thereby takes effective measures to monitor and control interest rate risk. To encounter market risk we are negotiating for facilities that match the maturity structure with ideal interest rate, maintaining a balanced diversification in investments and maintaining prudent provisioning policies. The Company has also strong access to money market and credit lines at a competitive rate through good reputation, strong earnings, financial strength and credit rating.

### **Liquidity Risk**

Liquidity risk arises when a company is unable to meet the short term obligation to its lenders and stakeholders. This arises from the adverse mismatch of maturities of assets and liabilities. Liquidity requirements are managed on a day to day basis by the Treasury Division which is responsible for ensuring that sufficient funds are available to meet short term obligations, even in a crisis scenario and for maintaining a diversity of funding sources. Treasury Division maintains liquidity based on historical requirements, anticipated funding requirements from operations, current liquidity positions, collections from financing, available sources of funds and risks and returns.

### **Operational Risk**

Operational risk is the potential loss arising from a breakdown in company's systems and procedures, internal control, compliance requirements or corporate governance practices that results in human error, fraud, failure, damage of reputations, delay to perform or compromise of the company's interests by employees. Appropriate internal control measures are in place, at the Company, to address operational risks. The Company has also established an internal control & compliance department (ICCD) to address operational risk and to frame and implement policies to encounter such risks. This department assesses operational risk across the Company as a whole and ensures that an appropriate framework exists to identify, assess and manage operational risk.

### **Money Laundering and Terrorist Financing Risk**

In DBH, money laundering and terrorist financing risk takes two broad dimensions:

- i) Business risk i.e. the risk that DBH may be used for money laundering or terrorism financing &
- ii) Regulatory risk i.e. the risk that DBH fails to meet regulatory obligations under the Money Laundering Prevention Act 2012 and Anti-Terrorism Act 2009 (amended in 2013).

DBH adhering to various guidelines and circulars issued by the Bangladesh Financial Intelligence Unit (BFIU) and put in place a strict compliance program consisting of the following components to mitigate above risk:

- a) Development and implementation of internal policies, procedures and controls to identify and report instances of money laundering and terrorist financing;
- b) Creation of structure and sub-structure within the organisation, headed by a Central Compliance Unit (CCU), for AML and CFT compliance;
- c) Appointment of an AML/CFT Compliance Officer, known as the Chief Anti Money Laundering Officer (CAMLCO), to lead the CCU;
- d) Independent testing procedures carried out by internal audit function to ensure effectiveness of AML/CFT program.
- e) Ongoing employee training programs.

### **Additional risks required to be addressed under new regulatory requirements**

The Integrated Risk Management Guidelines for Financial Institutions which was issued by DFIM through Circular No. 03 dated 24 January 2016 explains a number of following additional risks that financial institutions are now required to address to cover all the major aspects of risks which may arise at any point of time.







### **Strategic Risk**

Strategic risk means the current or prospective risk to earnings and capital arising from imperfection in business strategy formulation, inefficiencies in implementing business strategy, less adaptability with the changes in the business environment and adverse business decisions. Strategic risk induces operational loss that consequentially hampers the capital base. Major roles of the board of the directors, senior management and business units in managing strategic risks, steps to be followed in the strategic risk management process and also measures for strategic risk control are explained in the guidelines.

Since its inception, DBH has been managing strategic risks which are evident from the dynamic business model of the company over the years. Major organizational units are assigned to address the major strategic risks aspects with a view to minimize the negative impact of those risks.

### **Compliance Risk**

Compliance risk is the risk of legal sanctions, material financial loss or loss to reputation the FI may suffer as a result of its failure to comply with laws, its own regulations, code of conduct, and standards of best/good practice. Compliance risk is sometimes also referred to as integrity risk because a FI's reputation is closely connected with its adherence to principles of integrity and fair dealing.

The guidelines set out the respective roles of the board, senior management and compliance function units in managing compliance risks and the FI's board of directors is responsible for overseeing the management of the FI's compliance risk. The board should establish a compliance function and approve the FI's policies and processes. The Board discharges its responsibilities itself and through delegation of authorities to Executive Committee, Audit Committee and Risk Management Committee of the Board. The Compliance department of DBH is responsible for assessing compliance risk in relation to institutional matters such as governance, best practices and corporate social responsibility.

The objective is to identify any compliance risks at an early stage that may undermine the integrity and the success of DBH and to mitigate the risks in most appropriate way.

### **Reputation 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 on DBH.

The guidelines explain the roles of the Board and senior management in managing reputation risk. The management ensures that DBH is aware of any changes in market perceptions as soon as possible. Accordingly, all business policies and transactions are subjected to careful consideration. DBH 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.

### **Environmental and Social Risk**

Environmental risk is a facilitating element of credit risk arising from environmental issues. DBH uses Environmental Risk Rating (EnvRR) while financing to new projects. Company is making its credit appraisal process to be much more stringent from an Environment and Social (E&S) perspective – evaluating all the environmental and social factors such as project impacts on the environment and the community in the long run, prior to approving a loan.

## **2.33 Implementation of BASEL-II**

To comply with international best practices to make the FI's capital more risk sensitive as well as to make the FI industry more shock absorbent and stable, Bangladesh Bank provided regulatory capital framework "Risk Based Capital Adequacy for FI's" with effect from 01 January 2012.

DBH management is aware about guideline of Bangladesh Bank and implemented Capital Adequacy requirement according to BASEL-II. BASEL-II implementation committee is headed by Managing Director & CEO.

## **2.34 Impact of COVID-19**

The Global Economy including Bangladesh Economy has been seriously affected in the year 2020 due to the outbreak of COVID-19 pandemic. To prevent the spread of this disease the Government of Bangladesh, like many other countries, has taken a number of measures such as declaration of general holiday, enforcement of lockdown, social distancing, etc. Such measures affected local and international trade and businesses. Business of the company also affected by COVID-19 as the offices remained shut down for a prolonged period during general holidays. Also when the general lockdown was lifted, the company worked with fewer number of employees in rotation to ensure the health safety of the employees and customers, which was the prime concern. As a result, loan disbursement during the year and loan portfolio of the company decreased compared to last year. Commission, fees and charges income of the company also declined due to the same reason. Deferral payment facilities were provided to clients in line with Bangladesh Bank instruction. The company increased the provision for loans and advances to cope with any adverse impact on loan repayment. However, business of the company started to rebound strongly in the second half of the year and Management of the company assessed the going concern and confident to overcome any major adverse effect caused by COVID-19 pandemic.



**3 Cash**
**3.1 Cash in hand**

Local Currency  
Foreign Currency

**3.2 Balance with Bangladesh Bank and its agent bank**

Bangladesh Bank:  
Local Currency  
Foreign Currency

Balance with Sonali Bank being an agent of Bangladesh Bank

**3.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)**

Cash Reserve Requirement and Statutory Liquidity Reserve have been calculated and maintained in accordance with Financial Institution Act - 1993 and Financial Institution Rules - 1994 and DFIM circular no. 03 dated June 21, 2020.

Cash Reserve Requirement (CRR) has been calculated at the rate of 1.5% on 'Total Term Deposits' which is preserved in current account maintained with Bangladesh Bank. 'Total Term Deposits' means Term or Fixed Deposit, Security Deposit against Lease/Loan and other Term Deposits, received from individuals and institutions (except Banks & Financial Institutions).

Statutory Liquidity Reserve (SLR) has been calculated at the rate of 5.0% on Total Liabilities, including CRR of 1.5% on Total Term Deposit. SLR is maintained in liquid assets in the form of cash in hand (notes & coin in BDT), Balance with Bangladesh Bank and other Banks and Financial Institutions, unencumbered treasury bills & bonds & any other assets approved in Government Gazette or by Bangladesh Bank.

**3.3.1 Cash Reserve Requirement (CRR)**

Required reserve  
Actual average reserve maintained  
Surplus/(deficit)

**3.3.2 Statutory Liquidity Reserve (SLR)**

Required reserve (including CRR)  
Actual reserve maintained (including CRR note -3.3.1)  
Surplus/(deficit)

**4 Balance with other banks and financial institutions**

In Bangladesh (Note 4.1)  
Outside Bangladesh

**4.1 In Bangladesh**

Current deposits  
Short-term deposits  
Fixed deposits

**4.2 Maturity grouping of balance with other banks and financial institutions**

Payable on demand  
Up to 1 month  
Over 1 month but not more than 3 months  
Over 3 months but not more than 6 months  
Over 6 months but not more than 1 year  
Over 1 year but not more than 5 years  
Over 5 years

**5 Money at call on short notice**
**6 Investments**

Government securities:  
Other investments:  
Non marketable securities (Note-6.1)  
Preference Share  
Marketable securities (Note-6.2)

31 December 2020 Taka	31 December 2019 Taka
132,671	105,037
-	-
<b>132,671</b>	<b>105,037</b>
574,879,700	872,113,744
184,219	182,353
575,063,919	872,296,097
44,331	600,576
<b>575,108,250</b>	<b>872,896,673</b>
561,785,190	888,223,900
584,159,796	917,102,687
<b>22,374,607</b>	<b>28,878,787</b>
1,957,572,151	1,871,044,898
14,732,598,228	13,825,019,725
<b>12,775,026,077</b>	<b>11,953,974,827</b>
14,338,776,038	13,028,725,061
-	-
<b>14,338,776,038</b>	<b>13,028,725,061</b>
51,625,498	25,832,101
4,440,925,040	6,870,468,060
9,846,225,500	6,132,424,900
<b>14,338,776,038</b>	<b>13,028,725,061</b>
2,246,253,103	6,896,300,161
4,826,789,251	1,692,424,900
4,210,485,559	3,940,000,000
3,055,248,125	-
-	500,000,000
-	-
-	-
<b>14,338,776,038</b>	<b>13,028,725,061</b>
-	-
1,040,323	1,078,570
54,499,500	54,499,500
43,000,000	45,000,000
390,484,405	361,530,392
487,983,905	461,029,892
<b>489,024,228</b>	<b>462,108,462</b>







## 6.1 Investment in non marketable securities

Bangladesh Rating Agencies Ltd.  
Peninsula SBC Unit Fund-1  
Peninsula AMCL BDBL Unit Fund-1  
Energyprima Ltd. ( Pre-IPO shares)

### No. of shares

24,995  
4,000,000  
250,000  
100,000

31 December 2020 Taka	31 December 2019 Taka
2,499,500	2,499,500
40,000,000	40,000,000
2,500,000	2,500,000
9,500,000	9,500,000
<b>54,499,500</b>	<b>54,499,500</b>

## 6.2 Investment in marketable securities

### Sectors

Bank  
Cement  
Engineering  
Financial Institutions  
Food & Allied  
Fuel & Power  
IT Sector  
Insurance  
Miscellaneous  
Mutual Funds  
Pharmaceuticals & Chemicals  
Telecommunication  
Textile  
Travel & Leisure

Market price 2020	Cost price	Cost price
18,251,467	26,928,430	25,877,307
10,929,130	10,492,093	3,053,169
4,640,590	6,200,720	7,283,610
5,440,861	5,967,883	5,246,229
18,355,900	18,122,127	4,978,873
15,272,764	16,800,939	16,546,993
-	-	572,449
2,311,093	2,073,533	-
3,129,000	3,198,543	-
147,700,000	209,742,081	219,107,081
46,634,158	49,771,432	54,631,222
36,696,891	33,915,096	19,970,777
6,726,283	7,253,765	4,225,382
147,522	17,764	37,300
<b>316,235,659</b>	<b>390,484,405</b>	<b>361,530,392</b>

All investment in marketable securities are valued on an aggregate portfolio basis except DBH First Mutual Fund and Green Delta Mutual Fund. Mutual Funds have been valued at 85% of latest published NAV available as on December 31, 2020. As on December 31, 2020 there was Tk. 63,118,746 provision on investment in marketable listed securities and Tk. 6,935,500 for non marketable securities (Bangladesh Rating Agencies Ltd., Peninsula SBC Unit Fund-1 and Peninsula AMCL BDBL Unit Fund-1). Market value has been determined on the basis of the value of securities at last trading date of December 2020 (last trading date was December 30, 2020).

## 6.3 Maturity grouping of investments:

On demand\*  
Up to 1 month  
Over 1 month but not more than 3 months  
Over 3 months but not more than 6 months  
Over 6 months but not more than 1 year  
Over 1 year but not more than 5 years  
Over 5 years

370,484,405	341,530,392
50,500,000	42,500,000
-	10,000,000
35,000,000	24,500,000
10,540,323	-
-	21,078,570
22,499,500	22,499,500
<b>489,024,228</b>	<b>462,108,462</b>

\*Excluding BDT 20,000,000 investment in DBH Mutual Fund.

## 7 Loans and advances

### Inside Bangladesh

Housing Loan - secured  
Installment Receivable - Housing Loan  
Staff loan  
Loan against Deposits  
Others

42,365,720,425	44,048,476,474
115,531,310	115,190,191
145,036,577	148,095,962
85,335,671	167,917,661
38,757,491	42,213,102
<b>42,750,381,474</b>	<b>44,521,893,390</b>
-	-
<b>42,750,381,474</b>	<b>44,521,893,390</b>

### Outside Bangladesh

## 7.1 Maturity grouping of loans and advances

Repayable on demand  
Not more than 3 months  
Over 3 months but not more than 1 year  
Over 1 year but not more than 5 years  
Over 5 years

115,531,310	115,190,191
1,864,833,474	2,371,790,825
5,036,624,883	6,084,253,715
19,033,095,406	21,550,176,739
16,700,296,401	14,400,481,920
<b>42,750,381,474</b>	<b>44,521,893,390</b>





- 7.2**
- Loans and advances to institutions in which directors have interest
  - Loans and advances to chief executive
  - Loans and advances to senior executives
  - Loans and advances to customer group:
    - Housing loan - customer
    - Staff loan-housing & others
    - Loan to depositors
    - Others

- Details of loan and advances industry-wise
  - Housing Finance/ Real Estate
  - Others

**7.3 Loans and advances - geographical location-wise**

**Inside Bangladesh:**

- Urban
- Dhaka
  - Chattogram
  - Sylhet
  - Cumilla
  - Gazipur
  - Narayangonj

**Outside Bangladesh:**

**7.4 Details of large loans and advances**

There were no clients with outstanding amount and classified loans/advances exceeding 15% of total capital of the institution.

**7.5 Particulars of Loans and advances**

- Loans and advances considered good in respect of which the financial institution is fully secured.
- Loans and advances considered good against which the financial institution holds no security other than the debtors personal security.
- Loan and advances considered good and secured by the personal security of one or more parties in addition to personal guarantee of debtors.
- Loan and advances adversely classified: for which no provision is created.

- Loans and advances due by directors and officers of the financial institution or any of them either separately or jointly with any other persons.

- Loans and advances due by companies or firms in which the directors of the financial institution have interest as directors, partners or managing agents or in case of private companies, as members.

- Maximum total amount of advances including temporary advances made at any time during the period to director, managers or officers of the financial institution or any of them either separately or jointly with any other person.

- Maximum total amount of advances, including temporary advances, granted during the period to companies or firms in which the directors of the financial institution have interest as directors, partners or managing agents or in the case of private companies as members.

- Due from other bank and financial institutions

- Information in respect of classified loans and advances

- Classified loans for which interest/ profit not credited to income

- Increase/(decrease) of provision (specific)

- Amount of written off debt against fully provided debts

- Amount of debt recovered against the debt which was previously written off

- Amount of provision kept against loan classified as bad/loss at balance sheet date

- Amount of interest creditable to interest suspense account

- Cumulative amount of written off loans and advances

- Opening Balance

- Amount written off during the year

- Amount recovered against loans and advances previously written off

- Balance of written off loans and advances yet to be recovered

- The amount of written off loans, advances and leases for which law suits have been filed.

31 December 2020 Taka	31 December 2019 Taka
-	-
-	-
26,804,730	21,692,989
42,481,251,735	44,163,666,665
118,231,847	126,402,973
85,335,671	167,917,661
38,757,491	42,213,102
<b>42,750,381,474</b>	<b>44,521,893,390</b>
42,614,394,660	44,295,648,055
135,986,814	226,245,335
<b>42,750,381,474</b>	<b>44,521,893,390</b>
38,558,608,590	40,722,719,677
2,262,137,273	2,381,753,257
229,630,940	256,468,785
344,790,225	252,292,311
1,254,989,249	908,659,360
100,225,197	-
<b>42,750,381,474</b>	<b>44,521,893,390</b>
-	-
<b>42,750,381,474</b>	<b>44,521,893,390</b>
42,731,896,791	44,505,064,191
11,153,139	16,780,385
7,331,544	48,814
-	-
<b>42,750,381,474</b>	<b>44,521,893,390</b>
145,036,577	148,095,962
-	-
145,434,286	148,095,962
-	-
-	-
169,724,294	(187,536,024)
-	-
-	526,788
144,172,308	144,418,845
57,660,952	45,584,084
8,820,658	9,347,446
-	-
-	526,788
8,820,658	8,820,658
9,425,086	9,425,086





**7.6 Classification of loans and advances**

**Unclassified:**

Standard (including Staff Loan, Loan against Deposits and Others)  
Special mention account (SMA)

**Classified:**

Sub-standard  
Doubtful  
Bad/loss

31 December 2020 Taka	31 December 2019 Taka
42,521,233,745	44,249,882,310
55,054,821	70,397,628
<b>42,576,288,566</b>	<b>44,320,279,938</b>
9,087,809	20,313,926
20,832,791	36,880,681
144,172,308	144,418,845
<b>174,092,908</b>	<b>201,613,452</b>
<b>42,750,381,474</b>	<b>44,521,893,390</b>

**7.7** Calculation of provision for loans and advances as per Loan Classification Report as on December 31, 2020.

Nature	Base for provision	Rate (%)	Provision required
Standard	42,290,861,497	1	422,908,615
Special mentioned account	46,342,439	5	2,317,122
Sub-standard	-	20	-
Doubtful	616,794	50	308,397
Bad/loss	16,599,583	100	16,599,583
Staff loan - standard	145,036,577	1	1,450,366
Loan against deposit - standard	85,335,671	1	853,357

**8 Fixed assets including land, building, furniture, equipment and Right-of-use asset:**

**Restated**

**Cost**

Balance as of 01 January  
Addition during the year

460,417,071	308,042,136
60,144,628	160,128,701
<b>520,561,699</b>	<b>468,170,837</b>
(4,256,113)	(7,753,766)
<b>516,305,586</b>	<b>460,417,071</b>

Disposal/Adjustments

Balance as of 31 December

**Depreciation**

Balance as of 01 January  
Addition during the year

180,712,804	138,526,246
49,754,040	49,905,760
<b>230,466,844</b>	<b>188,432,006</b>
(4,042,206)	(7,719,202)
<b>226,424,638</b>	<b>180,712,804</b>

Disposal/Adjustments

Balance as of 31 December

<b>289,880,948</b>	<b>279,704,267</b>
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Written down value

Details are shown in annexure A.

**9 Other assets**

Accounts receivable (Note-9.1)  
Advances, deposits and prepayments (Note-9.2)  
Stamps and pay order in hand  
Deferred tax assets (Note-9.3)

140,576,576	102,976,637
20,444,817	8,174,405
2,690,865	3,159,760
-	185,807
<b>163,712,258</b>	<b>114,496,609</b>

**9.1 Account receivables**

Interest receivable  
Dividend receivable  
Sundry receivable

120,571,774	78,898,275
7,025,445	5,217,363
12,979,357	18,860,999
<b>140,576,576</b>	<b>102,976,637</b>

Sundry receivable includes receivable from Green delta Securities, BRAC EPL Brokerage, DLI Securities, Lanka Bangla securities, City Bank Capital Resources, Forfeited DBH Staff Provident Fund, etc.)

**9.2 Advances, deposits and prepayments**

Advance to employees  
Advance to suppliers  
Security deposits  
Prepaid expenses

133,000	171,000
15,627,800	2,370,750
3,670,000	3,670,000
1,014,017	1,962,655
<b>20,444,817</b>	<b>8,174,405</b>







### 9.3 Deferred tax assets

Opening balance  
Less: Reduced during the year (Note-9.3 a)

#### 9.3 a Calculation of deferred tax assets

Carrying amount of Fixed Assets (excluding land)

Tax base value of Fixed Assets

Deductible temporary difference

Applicable tax rate

i) Deferred tax assets on fixed assets

Carrying amount-Loss on sale of securities

Tax base

Deductible temporary difference

Applicable tax rate

ii) Deferred tax assets on loss on sale of securities

Total deferred tax assets ( i+ ii)

Deferred tax assets at the beginning of the year

Deferred tax income

### 10 Borrowing from other banks and financial institutions

Inside Bangladesh (Note 10.1)

Outside Bangladesh

#### 10.1 Inside Bangladesh

##### a Secured Short-term & long-term loans:

Pubali Bank Limited

Standard Chartered Bank

Citi Bank, NA

Commercial Bank of Ceylon plc

##### b Unsecured long-term loan:

Bangladesh Bank (Housing refinance)

##### c Bank overdraft:

Commercial Bank of Ceylon plc

Woori Bank

Pubali Bank Limited

Standard Chartered Bank

##### d Call loans:

Agrani Bank Ltd.

Uttara Bank Ltd.

The Trust Bank Ltd.

Mutual Trust Bank Ltd.

Community Bank Bangladesh Ltd.

United Finance Ltd.

NRB Bank Ltd.

Bank Asia Ltd.

United Commercial Bank Ltd.

Bangladesh Development Bank Ltd.

Southeast Bank Ltd.

Sonali Bank Ltd.

Total inside Bangladesh(a+b+c+d)

31 December 2020 Taka	31 December 2019 Taka
185,807	1,049,632
185,807	863,825
-	185,807
-	-
-	-
-	-
37.50%	37.50%
-	-
-	-
-	1,858,069
-	-
-	1,858,069
10%	10%
-	185,807
-	185,807
185,807	1,049,632
(185,807)	(863,825)
5,571,061,010	7,051,344,655
-	-
5,571,061,010	7,051,344,655
-	1,000,000,000
250,000,000	1,080,000,000
290,000,000	295,000,000
750,000,000	1,120,000,000
1,290,000,000	3,495,000,000
1,708,865,014	1,954,250,188
1,708,865,014	1,954,250,188
245,418	8,661,337
111,131,186	161,505,140
150,450,201	261,927,990
20,369,191	-
282,195,996	432,094,467
700,000,000	-
200,000,000	-
290,000,000	-
300,000,000	-
400,000,000	-
200,000,000	-
200,000,000	-
-	400,000,000
-	190,000,000
-	200,000,000
-	180,000,000
-	200,000,000
2,290,000,000	1,170,000,000
5,571,061,010	7,051,344,655







## 10.2 Security against borrowings from other banks and financial institutions

Secured  
Unsecured

31 December 2020 Taka	31 December 2019 Taka
1,572,195,996	3,927,094,467
3,998,865,014	3,124,250,188
<b>5,571,061,010</b>	<b>7,051,344,655</b>

The aforesaid secured short term & long term loans (10.1 a) are secured by first charge on company's all present and future movable and immovable assets including book debts ranking pari-passu security charges with other lenders of the company. Bank overdraft from Commercial Bank of Ceylon plc and Pubali Bank Ltd are secured by pari-passu security charges and overdraft from Standard Chartered bank and Woori bank is secured by FDR.

## 10.3 Maturity grouping of borrowings from other banks and financial institutions

Payable on demand  
Up to 1 month  
Over 1 month but within 3 months  
Over 3 months but within 1 year  
Over 1 year but within 5 years  
Over 5 years

2,290,000,000	1,170,000,000
12,710,556	13,173,052
337,288,472	1,464,107,701
1,460,830,205	2,695,181,268
836,116,318	900,183,634
634,115,459	808,699,000
<b>5,571,061,010</b>	<b>7,051,344,655</b>

## 11 Deposits and other accounts

Fixed deposits (Note: 11.1)  
Other deposits

43,826,874,936	43,411,284,633
-	-
<b>43,826,874,936</b>	<b>43,411,284,633</b>

### 11.1 Fixed deposits

Opening balance  
Addition during the year

43,411,284,633	43,318,721,105
93,372,242,271	91,819,945,221
136,783,526,904	135,138,666,326
(92,956,651,968)	(91,727,381,693)
<b>43,826,874,936</b>	<b>43,411,284,633</b>

Repayment made during the year  
Closing balance

### 11.2 Group-wise break-up of deposits and others accounts

Government  
Bank  
Other institutions  
Individuals

785,892,144	959,401,804
6,550,000,000	6,940,000,000
18,013,916,031	18,419,947,668
18,477,066,761	17,091,935,161
<b>43,826,874,936</b>	<b>43,411,284,633</b>

### 11.3 Maturity analysis of deposits

Payable on demand  
Up to 1 month  
Over 1 month but within 6 months  
Over 6 months but within 1 year  
Over 1 year but within 5 years  
Over 5 years but within 10 years  
Over 10 years

-	-
2,243,781,910	1,487,990,582
6,738,744,443	6,859,534,559
4,908,942,206	4,269,546,739
108,336,504	75,669,758
24,233,989,748	24,394,883,636
5,593,080,125	6,323,659,359
<b>43,826,874,936</b>	<b>43,411,284,633</b>

## 12 Other liabilities

Provision for loans & investment (Note: 12.1)  
Provision for income tax (Note: 12.2)  
Interest suspense (Note: 12.3)  
Other payables (Note:12.4)(2019: restated)  
Deferred tax liability (Note:12.5)(2019: restated)

949,565,925	822,857,899
389,870,891	276,235,131
57,660,952	45,584,084
1,374,468,216	1,860,336,634
6,057,948	3,681,830
<b>2,777,623,932</b>	<b>3,008,695,578</b>

### 12.1 Provision for loans and investment

Opening balance  
Provision written off  
Provision recovered for the year  
Provision charged/ (released) for the year  
Provision no longer required written back.  
Recoveries of amounts previously written off  
Closing balance

822,857,899	959,540,524
-	-
-	526,788
126,708,026	(137,209,413)
<b>949,565,925</b>	<b>822,857,899</b>

#### 12.1.1 General provision

Opening balance  
Charged during the year  
Closing balance

445,647,916	439,271,675
(18,118,457)	6,376,241
<b>427,529,459</b>	<b>445,647,916</b>







### 12.1.2 Specific provision

Opening balance
Provision written off
Provision recovered during the year
Provision charged/ (released) for the year
Provision no longer required written back
Recoveries of amounts previously written off
Closing balance

### 12.1.3 Provision for diminutions in the value of investments

Opening balance
Provision charged/(released) during the year
Closing balance

### 12.1.A Provision on loans and advances

General Provision charged during the year
Specific Provision charged/(released) during the year

### 12.2 Provision for income tax

#### Provision

Opening balance
Less: Adjustment during the year for completed tax assessment
Less: Excess/(Short) provision adjustment

Add: Provision made during the year

#### Closing balance

#### Advance tax

Opening balance

#### Add: Payment made during the year

Under Section 64 and 74 of ITO, 1984
Deduction at source
Others

Less: Adjustment during the year for completed tax assessment

Closing balance

Net balance

### 12.3 Interest suspense

Opening balance
Interest suspended during the year
Written off suspended interest during the year
Closing balance

### 12.4 Other payables

Interest payable on deposits & loans
Lease liability (2019: restated)
Sundry creditors
Unclaimed instruments
Unclaimed dividend account
Payable to clients
Loan under litigation
Privileged creditors
Liability for expenses

31 December 2020 Taka	31 December 2019 Taka
282,257,926	469,267,162
-	-
-	-
169,724,294	(187,536,024)
-	-
-	526,788
<b>451,982,220</b>	<b>282,257,926</b>
94,952,057	51,001,687
(24,897,811)	43,950,370
<b>70,054,246</b>	<b>94,952,057</b>
(18,118,457)	6,376,241
169,724,294	(187,536,024)
<b>151,605,837</b>	<b>(181,159,783)</b>
4,669,315,012	5,191,249,416
-	999,004,151
-	51,261,747
<b>4,669,315,012</b>	<b>4,140,983,518</b>
604,672,845	528,331,494
<b>5,273,987,857</b>	<b>4,669,315,012</b>
4,393,079,881	4,825,910,674
400,408,669	433,687,024
90,628,416	131,986,334
-	500,000
<b>4,884,116,966</b>	<b>5,392,084,032</b>
-	(999,004,151)
<b>4,884,116,966</b>	<b>4,393,079,881</b>
<b>389,870,891</b>	<b>276,235,131</b>
45,584,084	43,146,271
12,076,868	2,437,813
-	-
<b>57,660,952</b>	<b>45,584,084</b>
1,009,350,822	1,520,958,586
52,009,007	30,130,234
102,334,226	116,154,384
12,792,463	12,180,705
4,112,147	4,086,543
71,726,552	60,523,113
17,908,244	15,737,774
99,974,097	97,689,408
4,260,658	2,875,887
<b>1,374,468,216</b>	<b>1,860,336,634</b>

As per the BSEC directive No. BSCE/CMRRCD/2021 dated 14/1/2021, a separate line item is required to be presented in the Statement of Financial Position for Unclaimed dividend account. DBH, being a financial institution, is required to prepare and present financial statements as per DFIM Circular No. 11, dated 23 December 2009 and there is no scope of such presentation. Therefore, a separate line item for Unclaimed dividend account is presented in notes to the financial statements.







## 12.5 Calculation of deferred tax liability

Carrying amount of Fixed Assets (excluding land)

Tax base value of Fixed Assets

A) Taxable temporary difference

Right-of-use Asset -Carrying amount

Right-of-use Asset -Tax base

Taxable temporary difference

Lease liability- ROU -carrying amount

Lease liability-ROU-Tax base

Deductible temporary difference

B) Net taxable temporary difference -ROU asset

Total taxable temporary difference (A+B)

Applicable tax rate

Total deferred tax liability

Deferred tax liability at the beginning of the year

Deferred tax Expense

## 13 Share capital

### 13.1 Authorized capital

199,950,000 Ordinary shares of Tk. 10 each

5,000 Preference shares of Tk. 100 each

### 13.2 Issued, subscribed, called and paid-up capital

#### Ordinary shares

Opening

12,185,184 ordinary shares of Tk 10 each issued as bonus share

20,105,554 Ordinary shares of Taka 10 each issued as bonus share

### 13.3 Capital of the Company is held by the following shareholders

#### Ordinary shares

##### Local shareholders:

BRAC

Delta Life Insurance Company Ltd

Green Delta Insurance Company Ltd

General shareholders

##### Foreign shareholders:

General shareholders

### 13.4 Break-up of Paid-up capital:

#### Date of Issue

11 May, 1996 to 28 June, 1998

12-Dec-06

09-Apr-08

02-Dec-08

23-Nov-09

08-Dec-10

22-Nov-11

#### Total

Face Value Change (2011)

14-Nov-12

24-Nov-16

31-Mar-19

17-Jun-20

Total paid-up capital

31 December 2020 Taka	31 December 2019 Taka
	<b>Restated</b>
219,104,442	228,842,677
208,059,114	226,097,519
<b>11,045,328</b>	<b>2,745,158</b>
57,118,206	37,203,290
-	-
<b>57,118,206</b>	<b>37,203,290</b>
52,009,007	30,130,234
-	-
<b>52,009,007</b>	<b>30,130,234</b>
5,109,199	7,073,056
<b>16,154,527</b>	<b>9,818,214</b>
37.50%	37.50%
6,057,948	3,681,830
3,681,830	-
<b>2,376,118</b>	<b>3,681,830</b>

1,999,500,000	1,999,500,000
500,000	500,000
<b>2,000,000,000</b>	<b>2,000,000,000</b>

1,340,370,270	1,218,518,430
-	121,851,840
201,055,540	-
<b>1,541,425,810</b>	<b>1,340,370,270</b>

31 December 2020	
No of shares	Taka
28,344,362	283,443,620
27,171,345	271,713,450
23,592,013	235,920,130
41,210,256	412,102,560
<b>120,317,976</b>	<b>1,203,179,760</b>
33,824,605	338,246,050
<b>33,824,605</b>	<b>338,246,050</b>
<b>154,142,581</b>	<b>1,541,425,810</b>

31 December 2020		
Number of Shares	Face Value	Amount
2000000	100	200,000,000
200000	100	20,000,000
500000	100	50,000,000
810000	100	81,000,000
526500	100	52,650,000
1009125	100	100,912,500
5045625	100	504,562,500
<b>10091250</b>	<b>100</b>	<b>1,009,125,000</b>
100912500	10	1,009,125,000
15136875	10	151,368,750
5802468	10	58,024,680
12185184	10	121,851,840
20105554	10	201,055,540
<b>154142581</b>	<b>10</b>	<b>1,541,425,810</b>





**13.5 Capital adequacy ratio - As per BASEL-II****1. Tier-1 (Core Capital )**

- 1.1 Fully Paid-up Capital/Capital Deposited with BB
- 1.2 Statutory Reserve
- 1.3 Non-repayable Share premium account
- 1.4 General Reserve
- 1.5 Retained Earnings
- 1.6 Minority interest in Subsidiaries
- 1.7 Non-Cumulative irredeemable Preferences shares
- 1.8 Dividend Equalization Account
- 1.9 Others (if any item approved by Bangladesh Bank)

**1.10 Sub-Total (1.1 to 1.9)****Deductions from Tier-1 (Core Capital )**

- 1.11 Book value of Goodwill and value of any contingent assets which are shown as assets
- 1.12 Shortfall in provisions required against classified assets
- 1.13 Shortfall in provisions required against investment in shares
- 1.14 Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities.
- 1.15 Any investment exceeding the approved limit.
- 1.16 Investments in subsidiaries which are not consolidated
- 1.17 Increase in equity capital resulting from a securitization exposure
- 1.18 Other (if any)

**1.19 Sub Total (1.11-1.18)****1.20 Total Eligible Tier-1 Capital (1.10-1.19)****2. Tier-2 (Supplementary Capital)**

- 2.1 General Provision (Unclassified loans up to specified limit + SMA + off Balance Sheet exposure)
- 2.2 Assets Revaluation Reserves up to 50%
- 2.3 Revaluation Reserve for Securities up to 45%
- 2.4 Revaluation reserve for equity instrument up to 10%
- 2.5 All other preference shares
- 2.6 Other (if any item approved by Bangladesh Bank)
- 2.7 Sub-Total (2.1 to 2.6)
- 2.8 Applicable Deductions (if any)
- 2.9 Total Eligible Tier-2 Capital (2.7-2.8)

**Total capital**

Total risk weighted assets  
 Required capital based on risk weighted assets(10%)  
 Surplus  
 Capital Adequacy Ratio:  
 On core capital  
 On actual capital (against standard of minimum 10%)  
 Supplementary Capital to risk weighted assets

**14 Share premium account**

Ordinary shares

**15 Statutory reserve**

Opening balance  
 Add: addition during the year  
 Closing balance

31 December 2020 Taka	31 December 2019 Taka
--------------------------	--------------------------

1,541,425,810	1,340,370,270
1,486,425,811	1,340,370,271
55,000,000	55,000,000
2,575,040,000	2,325,040,000
523,564,368	497,824,092
-	-
-	-
250,000,000	250,000,000
-	-
<b>6,431,455,989</b>	<b>5,808,604,633</b>

-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
<b>6,431,455,989</b>	<b>5,808,604,633</b>

300,858,748	305,759,640
-	-
-	-
-	-
-	-
-	-
<b>300,858,748</b>	<b>305,759,640</b>
-	-
<b>300,858,748</b>	<b>305,759,640</b>
<b>6,732,314,737</b>	<b>6,114,364,273</b>

27,799,006,174	27,897,309,553
2,779,900,617	2,789,730,955
3,952,414,120	3,324,633,318
23.14%	20.82%
24.22%	21.92%
1.08%	1.10%

55,000,000	55,000,000
<b>55,000,000</b>	<b>55,000,000</b>

1,340,370,271	1,307,430,064
146,055,540	32,940,207
<b>1,486,425,811</b>	<b>1,340,370,271</b>

This reserve has been created as per the provision of Financial Institution Act-1993 and Financial Institution Rules-1994.







## 16 Other reserves

Contingency Reserve (Note 16.1)  
General Reserve (Note 16.2)  
Dividend equalization reserve (Note 16.3)  
Capital redemption reserve

31 December 2020 Taka	31 December 2019 Taka
1,275,000,000	1,275,000,000
1,300,000,000	1,050,000,000
250,000,000	250,000,000
40,000	40,000
<b>2,825,040,000</b>	<b>2,575,040,000</b>

An amount of Tk. 40,000/- was transferred in FY 2013-14 out of profit to "Capital redemption reserve" in redeeming 400 no's of preference share @ Tk. 100 each as per section 154(1)(C) of Companies Act 1994.

### 16.1 Contingency reserve

Opening balance  
Add: addition during the year  
Closing balance

1,275,000,000	1,075,000,000
-	200,000,000
<b>1,275,000,000</b>	<b>1,275,000,000</b>

### 16.2 General reserve

Opening balance  
Add: addition during the year  
Closing balance

1,050,000,000	700,000,000
250,000,000	350,000,000
<b>1,300,000,000</b>	<b>1,050,000,000</b>

### 16.3 Dividend equalization reserve

Opening balance  
Add: addition during the year  
Closing balance

250,000,000	250,000,000
-	-
<b>250,000,000</b>	<b>250,000,000</b>

## 17 Business commitments and contingencies

### 17.1 Contingent liabilities

**54,040,388** **61,612,242**

The said amount claimed by the tax authority for the assessment year 2004-05, 2005-06, 2014-15, 2016-17 and 2017-18 by disallowing statutory reserve and some other heads and simple interest charged on net tax payable as per assessment order.

Consequently, there is a contingent liability for the above amounts which have not been recognized as liability in anticipation of consequential relief would be granted in favor of the Company.

### 17.2 Other commitments

In the normal course of business, the company makes various commitments, contracts and disbursements. No material losses are anticipated as a result of these transactions. Details are given below:

Housing finance commitments outstanding

**578,220,000** **410,580,000**

### 17.3 Capital expenditure commitments

a) Contracted and incurred but not provided for in the accounts

Nil Nil

b) Approved by the Board but not contracted for

Nil Nil

### 17.4 Unacknowledged debts

The Company had no claim, legal or other against it, which has not been acknowledged as debt at the balance sheet date.







**18 Interest income**

Interest on loans  
Interest on placement with other banks & BB FX deposits  
Interest on short term investment

31 December 2020 Taka	31 December 2019 Taka
4,987,198,382	5,189,880,471
921,590,915	1,156,788,110
-	6,101,389
<b>5,908,789,297</b>	<b>6,352,769,970</b>

**19 Interest paid on deposits and borrowings etc.**

Interest on term loans  
Interest on deposits  
Interest on short-term borrowing  
Interest on overdraft  
Interest expense-lease (2019 restated)

92,225,547	104,367,617
3,648,186,900	4,191,758,760
203,795,316	333,614,782
9,976,946	12,301,934
5,999,771	2,803,498
<b>3,960,184,480</b>	<b>4,644,846,591</b>

**20 Income from investments**

Gain/(loss) on sale of marketable securities  
Dividend income  
Interest on Treasury Bond

14,002,868	(1,858,069)
10,090,710	28,634,034
57,253	59,222
<b>24,150,831</b>	<b>26,835,187</b>

**21 Commission, exchange and brokerage**

Loan fees  
Other charges and fees

82,391,672	96,934,812
73,472,425	102,837,586
<b>155,864,097</b>	<b>199,772,398</b>

**22 Other operating income**

Property service income  
Gain on sale of fixed assets  
Miscellaneous income  
Forfeited Provident fund income

9,288,888	5,024,287
1,051,048	465,671
562,856	1,305,044
8,771,999	-
<b>19,674,791</b>	<b>6,795,002</b>

**23 Salary and allowances**

Salary and allowances include annual contribution of Tk. 10,619,369 to DBH Staff Provident Fund and Tk. 10,339,975 to DBH Employees Gratuity Fund which are recognised by NBR.

<b>354,075,491</b>	<b>337,505,438</b>
--------------------	--------------------

**24 Rent, taxes, insurance, electricity etc.**

Rent, rates & taxes(Note 24.1) (2019: restated)  
Insurance  
Electricity  
Water

21,758,659	24,721,375
3,969,921	3,054,738
5,775,709	6,311,735
502,940	497,727
<b>32,007,229</b>	<b>34,585,575</b>

**24.1 Disclosure related to Rent, rates and taxes**

Actual expenses  
Less: Re-classification of rent expenses as per IFRS-16

46,665,397	46,677,335
24,906,738	21,955,960
<b>21,758,659</b>	<b>24,721,375</b>

**25 Legal and professional expenses**

Law charges  
Other professional charges

9,809,777	5,091,157
2,757,777	3,256,460
<b>12,567,554</b>	<b>8,347,617</b>

**26 Postage, stamp, telecommunication etc.**

Postage & courier service  
Stamp expenses  
Telephone & internet

542,273	615,429
2,704,132	3,761,464
3,636,519	3,256,062
<b>6,882,924</b>	<b>7,632,955</b>

**27 Stationery, printing, advertisements etc.**

Printing  
Stationery  
Publicity and advertisement

1,529,667	1,717,701
1,402,986	1,927,604
4,484,098	11,484,084
<b>7,416,751</b>	<b>15,129,389</b>





**27.1 Managing Director's salary and fees**

Managing Director of the company retired from his service with effect from 30 June 2020. Therefore, Salary of Managing Director was accounted for six months only. Salary of Acting Managing Director for the rest of the period was accounted in the Salary and Allowances head.

**28 Directors' fees and expenses**

Fees for attending meeting  
Incidental meeting expenses

31 December 2020 Taka	31 December 2019 Taka
<b>7,050,000</b>	<b>15,100,000</b>

832,000	536,000
124,897	122,837
<b>956,897</b>	<b>658,837</b>

**29 Statutory annual audit fees (including VAT)**

517,500	483,000
<b>517,500</b>	<b>483,000</b>

**30 Depreciation/Amortization, repairs & maintenance**

**Depreciation/Amortization:**

Freehold assets  
Right-of-use Asset (2019: restated)  
Intangible assets

28,139,624	28,474,863
20,457,615	20,234,791
1,156,801	1,196,106
<b>49,754,040</b>	<b>49,905,760</b>

**Repairs & maintenance:**

Vehicle  
Office equipment & premises  
Computer hardware & software

1,702,033	1,419,250
7,090,259	7,256,259
2,404,120	3,798,970
<b>11,196,412</b>	<b>12,474,479</b>
<b>60,950,452</b>	<b>62,380,239</b>

**31 Other expenses**

Staff training & recruitment expense  
Office security  
Transportation, traveling & conveyance  
Canteen expense  
Business promotion & entertainment  
Car fuel  
Books and papers  
Bank charges  
Recovery expenses  
Donation, subscription and Fees  
Public relation & AGM expense  
Outsource agency charges  
Brokerage  
Staff welfare expense

251,549	747,988
3,074,963	3,255,663
22,576,788	20,720,662
1,309,783	1,718,508
781,766	930,113
1,149,129	1,947,094
25,492	58,653
3,829,261	3,810,598
1,847,673	1,250,869
4,060,993	6,550,145
535,645	312,558
337,337	364,669
146,454	171,096
1,074,699	3,318
<b>41,001,532</b>	<b>41,841,934</b>

**32 Provision for tax**

**Current tax**

Provision for income tax  
Less: Excess/(Short) provision adjustment

604,672,845	528,331,494
-	(51,261,747)
<b>604,672,845</b>	<b>477,069,747</b>

**Deferred tax**

Expense on taxable temporary differences (Note-9.3 a)  
Expense/(Income) on taxable temporary differences (Note-12.5)

	Restated
185,807	863,825
2,376,118	3,681,830
<b>2,561,925</b>	<b>4,545,655</b>

**Reconciliation of effective tax rate**

	2020		2019	
	Taka	%	Taka	%
Tax using the company's tax rate	561,810,068	37.50%	583,076,398	37.50%
Tax effect of :				
Provision for non-deductible expenses	957,953	0.06%	(50,249,671)	-3.23%
Adjustment/provision released during the year	47,515,510	3.17%	(51,261,747)	-3.30%
Other components of tax as per ITO 1984	(6,152,436)	-0.41%	(4,603,325)	-0.30%
Difference between accounting and tax depreciation	7,631,864	0.51%	7,290,265	0.47%
Difference due to Lease liability and office rent	(7,090,114)	-0.47%	(7,182,173)	-0.46%
<b>Effective tax rate</b>	<b>604,672,845</b>	<b>40.36%</b>	<b>477,069,747</b>	<b>30.68%</b>







**33 Retained earnings**

Opening balance  
Add: Profit after tax for the year transferred from Profit & Loss Account  
Accumulated profit available for distribution  
Less: Appropriations  
Transferred to statutory reserve  
Transferred to general reserve  
Transferred to contingency reserve  
Issue of bonus shares for previous year  
Cash dividend paid for last year  
  
Closing balance

31 December 2020 Taka	31 December 2019 Taka
	Restated
497,824,092	433,990,753
890,925,410	1,073,254,993
<b>1,388,749,502</b>	<b>1,507,245,746</b>
146,055,540	32,940,207
250,000,000	350,000,000
-	200,000,000
201,055,540	121,851,840
268,074,054	304,629,607
<b>865,185,134</b>	<b>1,009,421,654</b>
<b>523,564,368</b>	<b>497,824,092</b>

**34 Earnings per share**

Profit after Tax  
Profit available for ordinary shareholders

Number of shares outstanding for calculating basic EPS  
Basic earnings per share (restated)

890,925,410	1,073,254,993
<b>890,925,410</b>	<b>1,073,254,993</b>
154,142,581	154,142,581
<b>5.78</b>	<b>6.96</b>

No diluted earning per share is required to be calculated for the year as there was no convertible securities for dilution during the year.

**35 Net asset value (NAV) per share**

Shareholders' Equity  
Number of Share  
**Net asset value (NAV) per share (As at 31 December)**  
(2019: restated)

6,431,455,989	5,808,604,633
154,142,581	154,142,581
<b>41.72</b>	<b>37.68</b>

**36 Net operating cash flows per share (NOCFPS)**

Net cash from operating activities  
Number of Share

**Net operating cash flows per share (NOCFPS)**  
(2019: restated)

1,446,731,825	1,930,055,377
154,142,581	154,142,581
<b>9.39</b>	<b>12.52</b>

**37 Reconciliation of net profit with cash flows from operation activities on direct method:**

Particulars	Amount in Taka		Remarks
	2020	2019	
Profit after tax	890,925,410	1,073,254,993	
Provision for income tax	607,234,770	481,615,402	Non cash item
Depreciation	49,754,040	49,905,760	Non cash item
Provision for Loans and advances	151,605,837	(180,632,995)	Non cash item
Provision for Diminution in value of investment	(24,897,811)	43,950,370	Non cash item
Interest Suspense	12,076,868	2,437,813	Non cash item
Gain/loss on sale of fixed assets	(1,051,048)	(465,671)	Non-operating item
Accrual for dividend, LAD and interest receivable	(43,136,024)	121,512,608	Changes in accrual
Accrual for expenses	(523,996,131)	159,209,418	Changes in accrual
Purchase & sale of trading securities	(28,954,013)	676,326	(Inc)/Dec of assets
Loans and advances	1,771,166,576	(680,739,652)	(Inc)/Dec of assets
Other Assets	(5,506,665)	57,776,076	(Inc)/Dec of assets
Loan and deposit from Banks and Customer	(914,794,871)	1,402,661,488	Inc/(Dec) of liabilities
Other liabilities	(2,658,028)	(34,933,202)	Inc/(Dec) of liabilities
Income tax paid	(491,037,085)	(566,173,357)	
<b>Net cash flows from operating activities</b>	<b>1,446,731,825</b>	<b>1,930,055,377</b>	

**37A Cash and cash equivalents (net off overdraft) at the end of the period**

In hand  
Balance with Bangladesh Bank and its agent Bank  
Balance with other banks and financial institutions  
Bank Overdraft

132,671	105,037
575,108,250	872,896,673
14,338,776,037	13,028,725,061
(282,195,996)	(432,094,467)
<b>14,631,820,962</b>	<b>13,469,632,304</b>

**38 Dividend on ordinary shares**

**Proposed dividend:**

The Board of Directors in its 120th meeting held on 22 March 2021 has recommended cash dividend @ 15% i.e. Taka 1.5 per ordinary share and stock dividend @ 15% (i.e. three bonus shares for every twenty ordinary shares held) for the year ended 31 December 2020 for placement before the shareholders for approval at 25th AGM of the company.







**31 December 2020**  
**Taka**

**31 December 2019**  
**Taka**

**39 Foreign currency inward/outward remittance**

During this year no such transaction occurred that should be reported.

**40 Related party transactions**

The company has entered into transactions with other entities in normal course of business that fall within the definition of related party as per International Accounting Standard-24 "Related Party Disclosures". The terms of related party transaction are not significantly different from those that could have been obtained from third parties. The significant related party transactions are as follows:

Name of the related parties	Relationship	Particulars	Expenses incurred during the year (Taka)
Delta Life Insurance Company Limited (DLIC)	Shareholder	Insurance premium	2,066,322
Green Delta Insurance Company Limited(GDICL)	Shareholder	Insurance premium	1,177,764

Name of the related parties	Relationship	Share Buy	Share Sale	Balance
Green Delta Securities Ltd.	Subsidiary of GDICL	65,645,224	64,199,213	296,035,895
Delta Life Securities Ltd.	Subsidiary of DLICL	12,234,726	12,241,173	24,339,192

During the year Taka 40,507,368/- was paid as salary and allowances to the top 5 employees of the company.

**41 Number of employees**

During the year under audit, there were 237 (2019: 219) employees employed for the full period and 33 (2019: 70) employees for less than full period at a remuneration of Taka 3,000 and above per month.





## 42. General Disclosure

### 42.1 Name of Directors and entities in which they have interest as Director as at 31 December 2020:

Name	Position at DBH	Involvement in other organization	
		Name of the Organization in which they have interest	Position
Mr. Nasir A. Choudhury	Chairman	Green Delta Insurance Company Ltd.	Advisor
		Nascom (Pvt.) Ltd.	Managing Director
		United Hospital (Pvt) Ltd.	Director (Representing GDIC)
		Green Delta Securities Ltd.	Chairman
		Green Delta Capital Ltd.	Chairman
		GD Assist Ltd.	Chairman
		Professional Advancement Bangladesh	Chairman
Dr. A M R Chowdhury	Vice Chairman	BRAC University	Member, Board of Trustees
Ms. Mehreen Hassan, Bar-at-Law	Director	Nil	Nil
Mr. Md. Mujibur Rahman	Director	Shanta Holdings Limited	Executive Director
		Shanta Securities Limited	Director
		Centre for Women and Child Health (CWCH)	Member of the Board of Trustees and General
Mr. Syed Moinuddin Ahmed	Director	Green Delta Insurance Co. Ltd	AMD & Company Secretary
		GD Assist Ltd.	Managing Director
		Green Delta Securities Ltd.	Director (Representing GDIC)
		Green Delta Capital Ltd.	Director (Representing GDIC)
		Professional Advancement Bangladesh	Director (Representing GDIC)
Mr. M. Anisul Haque	Director	Shanta Holdings Limited	Executive Director, Group Finance
		Delta Life Securities Ltd	Director
		Shanta Securities Limited	Director
Mr. Mohammad Anisur Rahman	Director	BRAC	Senior Director Enterprises
Ms. Rasheda K. Choudhury	Independent Director	Campaign for Popular Education (CAMPE)	Executive Director
Major General Syeed Ahmed BP, (Retd.)	Independent Director	Nil	Nil

Mr. Nasir A. Choudhury and Mr. Syed Moinuddin Ahmed are the Representative Director of Green Delta Insurance Company Ltd. Dr. A. M. R. Chowdhury and Mr. Mohammad Anisur Rahman are the Representative Director of BRAC. Ms. Mehreen Hassan, Bar-at-law, Mr. Md. Mujibur Rahman and Mr. M. Anisul Haque, FCMA are the Representative Director of Delta Life insurance company Ltd.





## 42.2 Audit committee

The Audit Committee consists of the following Directors of the Board as at **31 December 2020**:

Name	Status with the Company	Status with the Committee	Educational Qualification
Major General Syeed Ahmed (Retd.)	Independent Director	Chairman	BA (Honours), BP, awc, psc
Mr. Md. Mujibur Rahman	Director	Member	M.COM
Ms. Rasheda K. Choudhury	Independent Director	Member	MA
Mr. Syed Moinuddin Ahmed	Director	Member	MBA
Mr. M. Anisul Haque	Director	Member	FCMA

During the period from January to December 2020, the audit committee of the Board conducted 5 (five) meetings.

Sl. No.	Meeting No	Meeting Date
1	50	19-Feb-20
2	51	17-Jun-20
3	52	29-Jul-20
4	53	25-Oct-20
5	54	30-Dec-20

The Committee discussed among others, the following issues:

Review of Internal Compliance Report.

Review of the un-audited quarterly financial statements and the audited financial statements.

Appointment / Re-appointment of Statutory Auditors.

## 42.3 Events after the Balance Sheet date

There is no material adjusting or non-adjusting events after the balance sheet date.

## 42.4 Comparative information

Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.







Annexure-A

**Schedule of Fixed assets and Intangible assets:**

For the year 2020

Particulars	Cost				Depreciation / Amortization			Amount in Taka	
	Balance as on 1 January 2020	Additions during the year	Disposals during the year	Balance as at 31 December 2020	Balance as on 1 January 2020	Charged for the year	Adjustment on disposals	Balance as at 31 December 2020	Written down value as at 31 December 2020
Furniture & fixtures	62,783,958	5,249,212	461,395	67,571,775	43,396,292	7,034,867	435,714	49,995,445	17,576,330
Office Equipment	32,394,564	1,030,277	1,139,338	32,285,503	23,742,150	3,171,235	1,130,933	25,782,452	6,503,051
Computer and computer equipments	46,469,271	12,432,834	2,183,475	56,718,630	38,641,789	5,731,689	2,115,711	42,257,767	14,460,863
Vehicles	41,896,336	230,720	359,851	41,767,205	30,915,738	6,273,284	359,848	36,829,174	4,938,031
Building	198,480,625	-	-	198,480,625	19,187,344	5,928,549	-	25,115,893	173,364,732
Land	13,658,300	-	-	13,658,300	-	-	-	-	13,658,300
Right of use asset	57,438,081	40,484,585	112,054	97,810,612	20,234,791	20,457,615	-	40,692,406	57,118,206
	<b>453,121,135</b>	<b>59,427,628</b>	<b>4,256,113</b>	<b>508,292,650</b>	<b>176,118,104</b>	<b>48,597,239</b>	<b>4,042,206</b>	<b>220,673,137</b>	<b>287,619,513</b>
<b>Intangible asset:</b>									
Software	7,295,936	717,000	-	8,012,936	4,594,700	1,156,801	-	5,751,501	2,261,435
<b>Total 2020</b>	<b>460,417,071</b>	<b>60,144,628</b>	<b>4,256,113</b>	<b>516,305,586</b>	<b>180,712,804</b>	<b>49,754,040</b>	<b>4,042,206</b>	<b>226,424,638</b>	<b>289,880,948</b>

**Schedule of Fixed assets and Intangible assets:**

For the year 2019 (Restated)

Particulars	Cost				Depreciation / Amortization			Amount in Taka	
	Balance as on 1 January 2019	Additions during the year	Disposals during the year	Balance as at 31 December 2019	Balance as on 1 January 2019	Charged for the year	Adjustment on disposals	Balance as at 31 December 2019	Written down value as at 31 December 2019
Furniture & fixtures	63,255,436	4,474,028	4,945,506	62,783,958	41,673,400	6,667,956	4,945,064	43,396,292	19,387,666
Office Equipment	31,177,095	3,708,865	2,491,396	32,394,564	23,285,725	2,947,785	2,491,360	23,742,150	8,652,414
Computer and computer equipments	44,362,523	2,423,612	316,864	46,469,271	33,720,266	5,204,301	282,778	38,641,789	7,827,482
Vehicles	41,729,821	166,515	-	41,896,336	22,737,706	8,178,032	-	30,915,738	10,980,598
Building	108,128,476	90,352,149	-	198,480,625	13,710,555	5,476,789	-	19,187,344	179,293,281
Land	12,092,849	1,565,451	-	13,658,300	-	-	-	-	13,658,300
Right of use asset	57,438,081	57,438,081	-	57,438,081	20,234,791	20,234,791	-	20,234,791	37,203,290
	<b>300,746,200</b>	<b>160,128,701</b>	<b>7,753,766</b>	<b>453,121,135</b>	<b>135,127,652</b>	<b>48,709,654</b>	<b>7,719,202</b>	<b>176,118,104</b>	<b>277,003,031</b>
<b>Intangible asset:</b>									
Software	7,295,936	-	-	7,295,936	3,398,594	1,196,106	-	4,594,700	2,701,236
<b>Total 2019</b>	<b>308,042,136</b>	<b>160,128,701</b>	<b>7,753,766</b>	<b>460,417,071</b>	<b>138,526,246</b>	<b>49,905,760</b>	<b>7,719,202</b>	<b>180,712,804</b>	<b>279,704,267</b>

