

BENGAL COMMERCIAL BANK PLC.

Auditor's report and Audited Financial Statements

For the year ended 31 December 2023

Hoda Vasi Chowdhury & Co

Chartered Accountants

Independent Auditor's Report

To the Shareholders of Bengal Commercial Bank PLC.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bengal Commercial Bank PLC (the "Bank") which comprise the balance sheet as at 31 December 2023 and the profit and loss account, 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 presents fairly, in all material respects, the financial position of the Bank as at 31 December 2023, and of 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.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, 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.

Other Matter

The Financial Statements of the company were audited by other auditor in the previous year who expressed an unmodified opinion on 18 April 2023.

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.

1) Loans and Advances	
See note# 7 to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, provisions consider the estimates of future business performance and the market value of the collateral provided for credit transactions.</p> <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>At year end the Bank reported total loans and advance of BDT 14,256 million (2022: BDT 7,276 million).</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> .Testing of the credit appraisal, loan disbursement procedures, monitoring and provisioning process; . Identification of loss events, including early warning and default warning indicators; and . Reviewing the quarterly Classification of Loans (CL). <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> . Reviewed the adequacy of the Bank's general and specific provisions; . Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information;

The key audit matter	How the matter was addressed in our audit
<p>We need to focus on the following significant judgements and estimates which could give rise to material misstatement or management bias :</p> <p>. Completeness and timing of recognition of loss events in accordance with criteria set out in relevant BRPD Circulars issued by Bangladesh Bank;</p> <p>. For individually 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.</p> <p>Provision measurement is primarily dependent upon key assumptions relating to the probability of default, ability to repossess collateral, and recovery rates.</p>	<p>. Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; and</p> <p>. Finally, assessed the appropriateness and presentation of disclosures according to relevant accounting standards and Bangladesh Bank guidelines.</p>

2) Valuation of treasury bill and treasury bond	
See note# 6.1 and to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The classification and measurement of T-Bill and T-Bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Bank to identify and confirm the existence of treasury bills and bonds.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the treasury bills and bonds valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>

3) Recognition of Interest Income from loans	
See note# 19.1 and to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>Recognition of interest income from loans and advances has significant and wide influence on financial statements.</p>	<p>We tested the design and operating effectiveness of key controls over Recognition and measurement of interest on loans and advances.</p>



The key audit matter	How the matter was addressed in our audit
<p>Recognition and measurement of interest income has investment of complex IT environment.</p> <p>We identify recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the bank and therefore there is an inherent risk in recognition of interest by management to meet specific targets or expectations.</p> <p>At year end the Bank reported total interest income of BDT 974 million (2022: BDT 405 million).</p>	<p>We have also performed substantive procedure to check whether interest income is recognized completely and accurately.</p> <p>We assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>

4) Gain or loss on Foreign Exchange

See note# 23.1 and to the financial statements

The key audit matter	How the matter was addressed in our audit
<p>Recognition of gain or loss on foreign exchange has a significant and wide influence on financial statements.</p> <p>We identify recognition and measurement of gain (net of loss) on foreign exchange as a key audit matter because this is one of the key performance indicators of the bank and therefore there is an inherent risk of fraud and error in recognition of gain or loss by management to meet specific targets or expectations.</p> <p>For the year ended the Bank reported a total gain on foreign exchange of BDT 93 million (2022: BDT 17 million).</p>	<p>We tested the design and operating effectiveness of key controls focusing on foreign exchange transactions following disclosed foreign exchange rates.</p> <p>we performed procedures to check whether the bank has ensured appropriate measurement as per Bangladesh Bank regulations and the Bank's policy on foreign exchange transactions. In addition, we have performed procedures to check whether gain on foreign is recorded completely and accurately as per IAS-21.</p> <p>Moreover, We also assessed the appropriateness and recognition criteria of foreign exchange gain as per Bangladesh Bank guidelines.</p>

5) IT systems and controls

The key audit matter	How the matter was addressed in our audit
<p>Our audit procedures have been focused 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.</p> <p>We have focused on master data management, user access management and developer access to the production environment and changes to the IT environment. Among others, these are key to ensuring operating effectiveness of manual with automated control and automated controls.</p>	<p>We tested the design and operating effectiveness of the bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We 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. We tested the periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization.</p> <p>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.</p>



6) Legal and regulatory matters	
The key audit matter	How the matter was addressed in our audit
<p>We focused on this area because the Bank operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established as other contingent liabilities.</p> <p>Overall, the legal provision represents the Bank's best estimate for existing legal matters that have a probable and estimable impact on the financial position.</p>	<p>We obtained an understanding of the Bank's key controls over the legal compliance. We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>

Other information

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

Our opinion on the financial statements does not cover 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

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

Responsibilities of Management and those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs as explained in 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. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



As part of an audit in accordance with ISAs, we exercise professional judgement 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 Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other Legal and Regulatory Requirements

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

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Bank as disclosed in the financial statements appeared to be materially adequate; and
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank;
- (iii) in our opinion, proper books of accounts as required by law have been kept by the Bank and the Bank so far as it appeared from our examination of those books;
- (iv) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;



- (v) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (vi) The expenditures incurred were for the purpose of the bank's business for the year
- (vii) the financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (viii) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 1770 person hours; and
- (xi) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dhaka, 31 March 2024

DVC: 2403311512AS800222



Shaikh Hasibur Rahman FCA
Partner
Enrolment No: 1512
Hoda Vasi Chowdhury & Co
Chartered Accountants



BENGAL COMMERCIAL BANK PLC.

Balance Sheet
As at 31 December 2023

Particulars	Notes	31.12.2023 TAKA	31.12.2022 TAKA
PROPERTIES & ASSETS			
Cash	3		
Cash in hand (Including foreign currencies)		397,956,066	254,528,407
Balance with Bangladesh Bank and Its agent Bank(s) (including foreign Currency)		708,084,915	543,750,998
		<u>1,106,040,981</u>	<u>798,279,405</u>
Balance with other banks & financial institutions	4		
In Bangladesh		3,382,609,682	4,151,995,322
Outside Bangladesh		99,713,129	3,134,607
		<u>3,482,322,811</u>	<u>4,155,129,928</u>
Money at Call on short notice	5	-	672,284,940
Investments	6		
Government		2,026,694,292	1,345,745,525
Others		805,461,309	805,626,930
		<u>2,832,155,601</u>	<u>2,151,372,455</u>
Loans and Advances / Investments	7		
Loans, Cash Credits, Overdrafts etc/ Investments		14,224,313,381	7,249,464,752
Bills purchased and discounted		32,095,712	27,077,514
		<u>14,256,409,093</u>	<u>7,276,542,266</u>
Fixed assets including premises, furniture & fixture	8	612,212,580	713,872,601
Other assets	9	405,387,902	184,448,206
Non-banking assets	10	-	-
Total Assets		<u>22,694,528,968</u>	<u>15,951,929,801</u>
LIABILITIES AND CAPITAL			
Liabilities:			
Borrowings from other banks, financial institutions and agents	11	1,295,405,738	293,049,519
Deposits and other accounts	12		
Current / Al-Wadiah current accounts & other accounts		2,942,544,584	1,104,623,713
Bills Payable		63,058,850	38,499,715
Savings Bank / Mudaraba Savings Deposits		1,636,704,583	1,163,283,157
Fixed Deposits / Mudaraba Term Deposits		11,488,957,511	8,495,348,058
Bearer Certificates of Deposits		-	-
Other Deposits	12.1.4	324,786,600	214,836,135
		<u>16,456,052,128</u>	<u>11,016,590,777</u>
Other Liabilities	13	699,625,654	602,319,787
Total Liabilities		<u>18,451,083,520</u>	<u>11,911,960,083</u>
Capital / Shareholders' Equity			
Paid up Capital	14	4,500,000,000	4,406,675,000
Share Premium		-	-
Statutory Reserve	15	30,087,256	-
General Reserve		-	-
Other Reserve	16	1,766,530	298,595
Retained Earnings	17	(288,408,338)	(367,003,877)
Total Shareholders' Equity		<u>4,243,445,448</u>	<u>4,039,969,717</u>
Non-Controlling Interest		-	-
Total Liabilities and Shareholders Equity		<u>22,694,528,968</u>	<u>15,951,929,801</u>



Particulars	Notes	31.12.2023 TAKA	31.12.2022 TAKA
Off Balance Sheet Items			
Contingent Liabilities :			
	18		
Acceptances & Endorsements		116,296,038	274,760,361
Letters of Guarantee		597,428,617	250,057,341
Irrevocable Letters of Credit		1,133,028,767	235,031,369
Bills for Collection		119,148,272	171,922,125
Other Contingent Liabilities		2,191,540,800	-
Total Contingent Liabilities		4,157,442,495	931,771,196
Other Commitments:			
Documentary credit and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total Off-Balance sheet Items Including Contingent Liabilities		4,157,442,495	931,771,196

The annexed notes 01 to 49 form an integral part of these financial statements.



Managing Director & CEO



Director



Director




Chariman

Signed as per our report of same date

Dhaka, 31 March 2024

DVC: 2403311512AS800222


Shaikh Hasibur Rahman FCA
Enrolment No: 1512
Hoda Vasi Chowdhury & Co.
Chartered Accountants



BENGAL COMMERCIAL BANK PLC.
Profit and Loss Account
For the Period ended 31 December 2023

<u>Particulars</u>	<u>Notes</u>	2023 TAKA	2022 TAKA
Operating Income			
Interest Income / Profit on Investments	19.0	1,460,840,781	679,129,259
Interest / Profit paid on deposits and borrowings etc	20.0	(850,386,630)	(391,376,481)
Net Interest Income / Net Profit on Investments		610,454,151	287,752,778
Investment income	21.0	200,373,061	156,837,938
Commission, exchange and brokerage	22.0	113,120,183	26,193,073
Other Operating Income	23.0	35,397,226	11,357,384
		348,890,470	194,388,395
Total Operating Income (A)		959,344,621	482,141,173
OPERATING EXPENSES			
Salary and allowances	25.0	320,197,865	240,071,366
Rent, taxes, insurance, electricity etc.	26.0	42,884,634	18,717,858
Legal expenses	27.0	1,612,907	1,394,013
Postage, stamps, telecommunications etc.	28.0	6,844,849	6,117,200
Stationery, printing, advertisements etc.	29.0	8,401,798	10,353,416
MD & CEO's salary and allowances	30.0	10,755,000	9,690,000
Directors' fees	31.0	3,134,189	1,594,197
Auditors' fees	32.0	287,500	287,500
Depreciation and repair of banks assets	33.0	173,946,250	173,829,092
Other expenses	34.0	119,682,697	143,666,427
Total Operating Expenses (B)		687,747,689	605,721,067
Profit/(Loss) before provision (C) = (A-B)		271,596,932	(123,579,895)
Provision for Loans & Advances / Investments	35.1	54,783,000	40,384,000
Provision on Off-Balance Sheet Exposures	35.2	32,733,000	5,036,000
Provision for diminution in value of investments	35.3	33,571,498	13,394,540
Other provisions	36.0	73,151	199,650
Total Provisions (D)		121,160,649	59,014,190
Total Profit/(Loss) before Taxes (C-D)		150,436,282	(182,594,085)
Provision for Taxation			
Current Tax	37.0	43,657,544	18,831,074
Deferred Tax	38.0	(1,904,058)	(2,768,088)
		41,753,486	16,062,986
Net Profit/(Loss) after Taxation		108,682,796	(198,657,070)
Appropriations			
Statutory Reserve	15.0	30,087,256	-
Retained Surplus	17.0	78,595,539	(198,657,070)
		108,682,795	(198,657,070)
Earning Per Share (EPS)	39.0	0.24	(0.45)

The annexed notes 01 to 49 form an integral part of these financial statements.



Managing Director & CEO


Director


Director


Chariman

Signed as per our report of same date


Shaikh Hasibur Rahman FCA
Enrolment No: 1512
Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 31 March 2024
DVC: 2403311512AS800222



**BENGAL COMMERCIAL BANK PLC.
Cash Flow Statement
For the Period ended 31 December 2023**

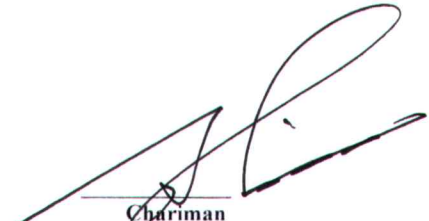
Particulars	Notes	2023 TAKA	2022 TAKA
A. Cash flows from operating activities			
Interest / Profit Receipts in cash		1,558,497,321	789,086,117
Interest / Profit Payments		(769,523,860)	(276,639,967)
Dividend Receipts		19,844,581	30,623,229
Fees & Commission Receipts in cash		20,472,352	9,285,884
Recoveries of loans Previously written off		-	-
Cash Payments to employees		(330,952,865)	(249,761,366)
Cash Payments to suppliers		(15,246,648)	(16,470,615)
Income taxes paid		(88,136,264)	(41,955,867)
Receipt from other operating activities	42	35,397,226	11,357,384
Payment for other operating activities	43	(175,753,977)	(169,548,721)
i. Operating profit before changes in operating assets and liabilities.		254,597,866	85,976,079
Increase/Decrease in operating assets and liabilities:			
(Purchase)/Sale of government securities		(680,896,267)	(931,228,061)
(Purchase)/Sales of trading Securities		165,621	(186,081,421)
Loans and advances / Investments to Customers		(6,979,866,827)	(4,847,261,204)
Other assets	44	(51,583,622)	43,624,242
Deposit from banks		(200,000,000)	(450,000,000)
Deposit from customers/Others		5,559,454,398	6,948,261,445
Other Liabilities	45	(65,608,269)	(21,308,146)
Cash flows from operating Assets and Liabilities		(2,418,334,966)	556,006,855
Net Cash from operating activities (A) = (i+ii)		(2,163,737,100)	641,982,934
B. Cash flows from investing activities			
Proceeds from Sale of Securities		1,652,130	9,425,853
Purchase/Sale of property, plant & equipment		(64,134,178)	(174,577,549)
Net Cash from investing activities (B)		(62,482,049)	(165,151,696)
C. Cash flows from financing activities			
Borrowing from Other Banks & Financial Institutions		1,001,500,401	174,184,130
Surplus/deficit on account of revaluation of investments		1,467,935	266,127
Sub-Ordinated Bond		-	-
Dividends Paid		-	-
Cash received from Issuance of ordinary shares		93,325,000	156,675,000
Net cash from financing activities (C)		1,096,293,336	331,125,256
D. Net Increase/(Decrease) in cash (A+B+C)		(1,129,925,813)	807,956,494
E. Effect of Exchange Rate Changes on Cash		92,647,831	16,907,188
F. Cash and Cash equivalents at beginning of the year		5,625,721,774	4,800,858,091
G. Cash and cash equivalents at the end of the year		4,588,443,791	5,625,721,774
Cash in hand (including foreign currencies)	3	397,956,066	254,528,407
Prize Bonds		80,000	27,500
Balance with Bangladesh bank and its agent bank		708,084,915	543,750,998
Balance with other banks & financial institution	4	3,482,322,811	4,155,129,929
Money at call on short notice		-	672,284,940
		4,588,443,791	5,625,721,774

The annexed notes 01 to 49 form an integral part of these financial statements.


Managing Director & CEO


Director


Director


Chairman


Dhaka, 31 March 2024

BENGAL COMMERCIAL BANK PLC.


Statement of Changes in Equity
As at 31 December 2023

Particulars	Amount in BDT							
	Paid-up capital	Statutory reserve	Dividend equalisation reserve	Assets revaluation reserve (land and other assets)	General reserve	Foreign currency translation difference	Retained earnings	Total
Balance as at 31 December 2022	4,406,675,000	-	-	298,595	-	-	(367,003,877)	4,039,969,717
Changes in Accounting Policy	-	-	-	-	-	-	-	-
Statutory Reserve	-	-	-	-	-	-	-	-
Surplus/Deficit on account of revaluation	-	30,087,256	-	-	-	-	-	30,087,256
Surplus/deficit on account of revaluation of investments	-	-	-	1,467,935	-	-	-	1,467,935
Issuance of shares capital	93,325,000	-	-	-	-	-	-	93,325,000
Net Profit Transferred to Retained Earnings	-	-	-	-	-	-	78,595,539	78,595,539
Balance as at 31 December 2023	4,500,000,000	30,087,256	-	1,766,530	-	-	(288,408,338)	4,243,445,448
Balance as at 31 December 2022	4,406,675,000	-	-	298,595	-	-	(367,003,877)	4,039,969,717


Managing Director & CEO


Director


Director


Chairman



Dhaka, 31 March 2024

BENGAL COMMERCIAL BANK PLC.
Liquidity Statement
(Asset and Liability Maturity Analysis)
As at 31 December 2023

Particulars	Amount in BDT						Total
	Not more than 1 month term	1-3 months term	3-12 months term	1-5 years term	Above 5-years term		
Assets							
Cash in hand (including balance with Bangladesh Bank and its agent Bank)	1,106,040,981	-	-	-	-	-	1,106,040,981
Balances with other banks and financial institutions	2,482,322,810	1,000,000,000	-	-	-	-	3,482,322,810
Money at call and short notice	-	-	-	-	-	-	-
Investments	355,541,309	-	50,000,000.00	467,006,418	1,566,754,274	-	2,439,302,001
Loans and advances	622,970,395	3,705,560,497	6,271,752,208	2,228,708,259	1,427,417,733	-	14,256,409,093
Fixed assets including land, building, furniture and fixtures	8,708,985	17,417,969	78,380,861	418,031,257	89,673,508	-	612,212,580
Other assets	91,480,545	31,748,512	77,660,347	204,498,498	-	-	405,387,902
Non-banking assets	-	-	-	-	-	-	-
Total Assets	4,667,065,025	4,754,726,979	6,477,793,416	3,318,244,433	3,083,845,515	22,301,675,368	
Liabilities							
Borrowing from other banks, financial institutions and agents	-	-	-	-	-	-	1,295,405,738
Deposits and other accounts	3,399,781,452	693,568,003	7,834,118,684	4,440,818,516	87,765,474	-	16,456,052,128
Provisions & other liabilities	8,519,179	15,351,200	8,519,179	183,527,708	405,982,076	-	621,899,342
Deferred Tax Liability	-	-	-	77,726,312	-	-	77,726,312
Total Liabilities	3,408,300,631	708,919,202	9,138,043,601	4,702,072,535	493,747,550	18,451,083,520	
Net Liquidity Gap	1,258,764,394	4,045,807,776	(2,660,250,185)	(1,383,828,103)	2,590,097,965	3,850,591,848	
Cumulative Net Liquidity Gap	1,258,764,394	5,304,572,170	2,644,321,985	1,260,493,882	3,850,591,848	0	

Net result of the liquidity statement represents the 'shareholders' equity' of the bank.



Managing Director & CEO



Director



Director



Chairman



Dhaka, 31 March 2024

Bengal Commercial Bank PLC
Notes to the financial statements
as at and for the year ended 31 December 2023

1 Legal Status of the Bank and its principal activities**1.1 Legal form of the Bank**

Bengal Commercial Bank PLC having its Registered Office at 94 Gulshan Avenue, Dhaka-1212, Bangladesh, was incorporated on 03 February 2020 as a Public Limited Company under the Companies Act, 1994 (As amended up to date) with Authorized Capital of Tk.15,000 million and paid up capital of Tk. 4,250 million which is increased to Tk. 4,500 million as on 31st December 2023. The Bank got Bangladesh Bank License vide Bangladesh Bank Letter ref no: BRPD (P-3)/745(60)/2013-1189 dated 23 February 2020 as per the Banking Companies Act, 1991 Section 31 and obtained licence for establishing Head Office on 13 July 2020, also got licence for Commercial Operation on 18 February 2021. Eventually, the Bank started its commercial operation from 11 March 2021.

The Bank got its PLC registration from the office of the Registrar of Joint Stock Companies & Firms (RJSC) on 10 October 2023.

As on 31st December 2023, the bank had 19- (nineteen) branches and 09-(nine) Sub-branches.

1.2 Nature of Business

The principle activities of the Bengal Commercial Bank PLC (BGCB) are to provide all types of commercial banking services to customers through branches, ATMs, Sub branches, and Corporate, Retail and SME units in Bangladesh. The Bank is also entitled to provide money market operations, financial intermediary services and any related financial services. Provisions of the Bank Companies Act 1991 (as amended up to date), Bangladesh Bank Directives and directives of other regulatory authorities are followed for carrying out all types of activities.

1.3 Islamic Banking Unit

The bank obtained permission from Bangladesh Bank (The Central Bank of Bangladesh) to commence the operation of Dilkusha Branch as a Islamic Banking Branch vide Bangladesh Bank letter ref no: BRPD(LS-2)/745(73)/2021-994, dated: 28.10.2021, and subsequently implemented Islamic banking operation from 01.01.2022. As on reporting date, 31st December 2023, the Bank is operating with 3 full-fledged Islamic banking branches & 1 Islamic banking sub branch. (1 Branch in Dilkusha C/A (Dhaka), (1 Branch in Agrabad, Chottogram) and another in (Kashinathpur, Pabna). The sub branch is located in (Khatunganj, Chottogram) The Islamic Banking Operation is governed under the rules and regulations of Bangladesh Bank.

2 Basis of preparation and significant accounting policies**2.1 Statement of Compliance**

Financial statements of the Bank have been prepared under the historical cost convention in accordance with International Financial Reporting Standards (IFRSs) and as per rules and regulations issued by Bangladesh Bank through BRPD Circular No. 14 dated 25 June 2003 with reference to the provisions of The Banking Companies Act 1991 (amended upto date), Companies Act 1994, Rules, regulations and circulars issued by the Bangladesh Bank from time to time, The Securities and Exchange Ordinance 1969, The Securities and Exchange Rules 1987, Bangladesh Securities and Exchange Commission Act 1993, Bangladesh Securities and Exchange Commission (Public Issues) Rules 2015, Income Tax Act 2023, Value Added Tax Act 1991, Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and Central Depository Bangladesh (CDBL) rules and regulations.

In case any requirement of the Bank Companies Act 1991 (as amended) and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs as adopted, the requirements of the Bank Companies Act 1991 and provisions and circulars issued by Bangladesh Bank shall prevail.

As such the Bank has departed from those which are the requirements of IAS and IFRS in order to comply with the rules and regulations of Bangladesh Bank are disclosed below:

i) Presentation of financial statements

IFRSs: As per IAS 1 financial statements shall comprise statement of financial position, comprehensive income statement, changes in equity, cash flow statement, adequate notes comprising summary of accounting policies and other explanatory information. As per IAS 1, the entity shall also present current and non-current assets and liabilities as separate classifications in its statement of financial position.

Bangladesh Bank: The presentation of the financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) and certain disclosures therein are guided by the 'First Schedule' (section 38) of The Banking Companies Act 1991 (amendment up to date) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of BB. In the prescribed format there is no option to present assets and liabilities under current and non-current classifications.



ii) **Investment in Shares and Securities**

IFRSs: As per requirements of IFRS 9, classification and measurement of investment in shares and securities will depend on

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

iii) **Revaluation gains/losses on Government securities**

IFRSs: As per requirement of IFRS 9 "Financial Instruments: where securities will fall under the category of fair value through profit or loss account and any change in fair value of the asset is recognised through profit or loss account. Held for Trading (HFT), any change in the fair value of held for trading assets is recognised through profit and loss account. Securities designated as amortized cost are measured at effective interest rate method and interest income is recognized through the profit and loss account.

Bangladesh Bank: According to DOS circular no. 5 dated 26 May 2008 and subsequent clarification in DOS circular no. 5 dated 28 January 2009, amortisation gain/loss is charged to profit and loss account, market-to-market loss on revaluation of government securities (T-bills/T-bonds) categorised as Held for Trading (HFT) is charged to profit and loss account, but any unrealised trading gain on such revaluation is recognised to revaluation reserve account. Securities designated as Held to Maturity (HTM) are measured at amortised cost method but income/gain is recognised through equity.

iv) **Provisions on Loans and Advances:**

IFRSs: As per IFRS 9 an entity shall recognise an impairment allowance on investments (loan) based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for investment (loan) at an amount equal to the lifetime expected credit losses if the credit risk on these investments has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those investments (loans) for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on investments that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD circular No.14 (23 September 2012), BRPD circular No. 19 (27 December 2012), BRPD circular No. 05 (29 May 2013), BRPD circular No. 16 (18 November 2014), BRPD circular No. 08 dated 02 August 2015, BRPD Circular No. 15 (27 September 2017), BRPD Circular No. 01 (20 February 2018), BRPD Circular No. 03 (21 April 2019) a general provision at 0.25% to 2% under different categories of unclassified loans (Standard/ SMA loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively (except CMSME's Cottage, Micro & Small loans where 5% for sub-standard, 20% for doubtful investments and 100% for bad & loss investments. Also short-term agricultural and micro-credits where 5% for sub-standard and doubtful investments and 100% for bad & loss investments) for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures (except LC issued against Fast Track Electricity Project & Bills for Collection according to BRPD circular letter no. 01 dated 03 January 2018. BRPD circular no. 07 dated 21 June 2018 respectively). Such provision policies are not specifically in line with those prescribed by IFRS 9 "Financial Instruments".

v) **Other comprehensive income**

IFRSs: As per IAS 1 Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which are strictly to be followed by all Banks. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.

vi) **Financial Instruments-Presentation and Disclosure**

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

vii) **Non Banking Assets**

IFRSs: No indication of non-banking assets is found in any IASs/IFRSs.

Bangladesh Bank: As per BRPD circular no.14 dated 25 June 2003, there must exist a face item named non-banking assets.



viii) **Repo Transaction**

IFRSs: When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a collateralised borrowing and the underlying asset continues to be recognised in the entity's financial statements. This transaction will be treated as borrowing and the difference between selling price and repurchase price will be treated as interest expense.

Bangladesh Bank: As per BB circulars/guidelines, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a normal sale transaction and the financial assets should be derecognised in the seller's book and recognised in the buyer's book.

ix) **Financial Guarantees**

IFRSs: As per IFRS 9, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of the instrument. Financial guarantee liabilities are recognised initially at their fair value and is amortised over the life of the instrument. Any such liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are prescribed to be included within other liabilities.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, financial guarantees such as LC & LG should be treated as off-balance sheet items. No liability is recognized for the guarantee except the cash margin and 1% general provision for all contingent liabilities.

X) **Cash and Cash Equivalents:**

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

Bangladesh Bank: As per BRPD Circular 14 dated 25 June 2003, Cash and cash-equivalents consist of cash with Bangladesh Bank, with its agent bank(s), government securities (prize bond) and deposits with other banks.

XI) **Cash flow statement**

IFRSs: Cash flow statement can be prepared either in direct method or indirect method. The presentation method is selected to present cash flow information in a manner that is most suitable for the business or industry. Whichever method selected should be applied consistently.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, cash flow statement is to be prepared following a mixture of direct and indirect method.

XII) **Balance with Bangladesh Bank (cash reserve requirement)**

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

Bangladesh Bank: Balance with Bangladesh Bank should be treated as cash and cash equivalents.

XIII) **Off-balance sheet items**

IFRSs: No concept of off-balance sheet items in any IFRS; so nothing to disclose as off-balance sheet items.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, off-balance sheet items i.e. LC, LG, acceptance should be disclosed separately on the face of the balance sheet.

XIV) **Presentation of loans and advance net of provision**

IFRSs: Loans and advances shall be presented at amortised cost net of any write down for impairment (expected credit losses that result from all possible default events over the life of the financial instrument).

Bangladesh Bank: As per BRPD circular 14 dated 25 June 2003, provision on loans and advances should be presented separately as liability and cannot be netted off against loans and advances.

XV) **Recognition of interest in suspense**

IFRSs: Loans and advances to customers are generally classified as "loans and receivables" as per IFRS 9 and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognised in profit and loss account on the same basis based on revised carrying amount.

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



XVI) Disclosure of appropriation of Profit

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

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, an appropriation of profit should be disclosed on the face of Profit and Loss Account.

XVII) Presentation of intangible asset

IFRSs: Intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38

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

XVIII Uniform Accounting Policy

In several cases Bangladesh Bank and Bangladesh Securities and Exchange Commission guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in IFRS 10. As such some disclosure, presentation Notes to the financial statements and measurement requirements of IFRS 10 cannot be made in financial statements.

2.2 Basis of measurement:

Financial Statements have been prepared on the historical cost basis except for the following:

- Government Treasury Bills and Bonds designated as 'Held for Trading' at present value using market to market with gains, if any credited to revaluation reserve.
- Government Treasury Bills and Bonds designated as 'Held for Maturity (HTM)' at present value using amortisation concept.'

2.3 Going concern basis of accounting

These financial statements have been prepared on the basis of assessment of the Bank's ability to continue as a going concern. BGCB has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. Besides, the management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

2.4 Use of Estimates and Judgements

The preparation of the financial statements of the Bank in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Key estimates include the following:

- Deferred tax assets/liabilities
- Useful lives of depreciable assets
- Provision on loans and Advances
- Gratuity Fund

2.5 Foreign Currency Transaction:

The financial statements of the Bank are presented in Bangladesh Taka (BDT) which is the functional currency of the Bank. All financial information presented in BDT has been rounded off to the nearest integer except when otherwise indicated.

Foreign Currency Translation

Foreign Currency Translation have been converted into equivalent Taka at the ruling exchange rates on the respective date of each transactions as per IAS 21 "The Effects of Changes in Foreign Exchange Rates"

In preparing solo financial statements, assets and liabilities in foreign currencies as at December 31, 2023 have been converted into Taka currency at the revaluation rate determined by the Bank and profit and loss accounts have been converted into monthly average rate

Differences arising through buying and selling transactions of foreign currencies on different dates of the year have been adjusted by debiting /crediting exchange gain or loss account

2.6 Cash flow statement

Cash flow statement has been prepared in accordance with IAS 7 'Statement of Cash Flow' and under the guideline of BB BRPD circular no. 14 dated 25 June 2003. The statement shows the structure of changes in cash and cash equivalents during the financial year. Cash flow during the period have been classified as operating activities, investing activities and financing activities.



2.7 Reporting period

These financial statements of the Bank cover one calendar year from 1 January to 31 December.

2.8 Statement of Changes in Equity

Statement of Changes in Equity has been prepared in accordance with IAS 1 "Presentation of Financial Statements" and following the guidelines of Bangladesh Bank BRPD circular no.14 dated 25 June 2003.

2.9 Liquidity statement

The liquidity statement has been prepared mainly on the basis of remaining maturity grouping of assets and liabilities as at the close of the year as per following bases:

Particulars	Basis of use
Cash, balance with other banks and financial institutions, money at call and short notice, etc.	Maturity term.
Investments	Respective maturity terms
Fixed assets	Useful life.
Other assets	Realisation/amortisation
Deposits and other accounts	Maturity and behavioral trend (non-maturity products).
Other long term liability	Maturity term.
Provision and other liability	Payment/adjustment

2.10 Significant accounting policies

The accounting policies set out below have been applied in these financial statements, except otherwise instructed by Bangladesh Bank as the prime regulator.

A. Assets and basis of their valuation

i) Cash and cash equivalents

Cash and cash equivalents include notes and coins in hand, balance with other banks and financial institutions.

ii) Investments:

Investments include investment in securities, Repo and reverse Repo, and investment in subsidiaries.

a) Investment in Securities

All investments in securities (bills and bonds) are initially recognized at purchase price excluding commission and accrued coupon interest. Investments are segregated in two broad categories. These are held to maturity (HTM) and held for trading (HFT).

a.i) Held to Maturity

Debt securities that a firm has intention to hold until maturity. These are reported at amortized cost therefore, they are not affected by swings in the financial markets.

a.ii) Held for Trading

Held for trading securities are those which are held with intention of selling in order to generate profits. Held for trading securities are revalued at market price.

b) REPO and Reverse REPO

REPO and Reverse REPO are recorded based on DOS Circular no. 06, dated 15 July 2010 of Bangladesh Bank and subsequent clarification in DOS Circular no 03 dated 30 January 2012 and DOS circular no. 2 dated 23 January 2013. In the case of REPO of both coupon and non-coupon bearing (Treasury bill) securities, the Bank adjusts the Revaluation Reserve Account for HFT securities and stops the weekly revaluation (if the revaluation date falls within the REPO period) of the same security. For interest bearing security, the Bank fully accrues interest during REPO period.

c) Revaluation

As per Bangladesh Bank DOS circular letter no. 5 dated 28 January 2009, HFT securities are revalued each week using Marked to Market concept and HTM securities are amortized once a year according to Bangladesh Bank guidelines. The HTM securities are also revalued if these are reclassified to HFT category with the Board approval. Value of investment has been shown as under:

Investment Class	Initial Recognition	Measurement after initial	Recording of Changes
Treasury Bill/Bond (HFT)	Cost	Fair Value	Loss to Profit & Loss Account, Gain to Revaluation Reserve through Profit and Loss Account
Treasury Bill/Bond (HTM)	Cost	Amortised Value	Increase or decrease in value of equity
Debenture/Bond	Face Value	None	None

Shares (Quoted)*	Cost	Lower of cost or market value	Loss (net) to profit and Loss Account but no unrealised gain booking
Prize Bond	Cost	None	None

* Quoted shares are bought and held primarily for the purpose of selling then in future or held for dividend income which are reported at cost. Unrealised gains are not recognized in the profit and Loss statement. But provision was made for diminution in value of investment.

d) Investment in unquoted securities

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

As per Bangladesh Bank DOS Circular # 04 dated 24 November 2011, provision for diminution in value of investment was made by netting off unrealised gain/ loss of shares from market price/ book value less cost price.

Besides, bank complied with Bangladesh Bank BRPD Circular 14 dated June 25, 2003 as follows, "All investments in shares and securities (both dealing and investment) should be revalued at the year- end. The quoted shares should be valued as per market price in the stock exchange(s) and unquoted shares as per book value of last audited balance sheet. Provision should be made for any loss arising from diminution in value of investments."

iii) Loans, advances and provisions

a) A loan and advance is a financial facility provided by the banks and financial institutions to help their customers in financial need. Loans and advances comprise of non-derivative financial assets with fixed or determinable payments and are not quoted in an active market. These are recognised at gross amount on the date on which they are originated.

Loans, advances and provisions

b) Interest/profit is calculated on daily product basis, but charged and accounted for quarterly on accrual basis. Interest/profit on classified loans and advances/investments is kept in interest suspense account as per BRPD circulars no. 14 dated September 23, 2012 on Master Circular: Loan Classification and Provisioning. Interest/ profit is not charged on bad and loss loans and advances/ investments as per guidelines of Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

c) Commission is recognised at the time of realisation.

d) Provision for loans and advances/investments is made based on the arrear in equivalent month and reviewed by the management following instructions contained in Bangladesh Bank BRPD circular no. 14 dated 23 September 2012, Bangladesh Bank BRPD circular no. 19 dated 27 December 2012, Bangladesh Bank BRPD circular no. 05 dated 29 May 2013, Bangladesh Bank BRPD circular no. 16 dated 18 November 2014, Bangladesh Bank BRPD circular no. 12 dated 20 August 2017, Bangladesh Bank BRPD circular no. 15 dated 27 September 2017, Bangladesh Bank BRPD circular no. 07 dated 21 June 2018, Bangladesh Bank BRPD circular no. 13 dated 18 October 2018, Bangladesh Bank BRPD circular no. 16 dated 21 July 2020, Bangladesh Bank BRPD circular no.52 dated 20 October 2020 and Bangladesh Bank BRPD circular no. 56 dated 10 December 2020

Provisions for Loans and Advances:

Rates of Provision on Loans and Advances/Investments are given below

Types of Loans and Advances	Provision				
	STD	SMA	SS	DF	BL
Consumer Financing-House Building	1%	1%	20%	50%	100%
Consumer Financing-Loans for Professionals	2%	2%	20%	50%	100%
Consumer Financing-Other than House Building and Professionals	2%	2%	20%	50%	100%
Loans to Brokerage Houses, Merchant Banks, Stock Dealers etc	2%	2%	20%	50%	100%
Small and Medium Enterprise (Medium)	0.25%	0.25%	20%	50%	100%
Small and Medium Enterprise (Cottage, Micro, Small)	0.25%	0.25%	5%	20%	100%
Short Term Agriculture/Micro Credit	1%	1%	5%	5%	100%
Others	1%	1%	20%	50%	100%
Off Balance Sheet Exposure	1%	N/A	N/A	N/A	N/A

iv) Impairment of financial assets:

An asset is impaired when its carrying value exceeds its recoverable amount as per IAS 36 "Impairment of Assets". At each balance sheet date, Bengal Commercial Bank PLC assesses whether there is objective evidence that a financial asset or a group of financial assets i.e, loans and advances, of balance sheet items and investments is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred if -

In the event of impairment loss, the Bank reviews whether a further allowance for impairment should be provided in the profit and loss statement in addition to the provision made based on Bangladesh Bank guidelines or other regulatory requirements.

- there is objective evidence of impairment as a result of a loss event that occurred after the initial recognition of the asset up to the balance sheet date;
- the loss event had an impact on the estimated future cash flows of the financial asset or the group of financial assets; and a reliable estimate of the loss amount can be made.

The Bank reviews whether a further allowance for impairment should be provided in the profit and loss statement in addition to the provision made based on Bangladesh Bank guidelines or other regulatory requirements.

v) **Fixed assets (other than lease items)**

The Bank applies the accounting requirements of IAS 16 'Property, Plant and Equipment' for its own assets which are held for current and future use in the business and are expected to be used for more than one year.

Recognition and measurement

Fixed assets are stated at cost less accumulated depreciation as per IAS 16. The cost of an item of fixed assets is recognised as an asset 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.

The cost of an item of fixed assets comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purpose other than to produce inventories during that period

Subsequent costs

Subsequent costs are capitalised only when it is probable that the future economic benefits associated with the costs will flow to the entity and cost can be measured reliably. The carrying amount of the replaced portion is derecognised. The costs of day to day servicing of fixed assets, i.e. repairs and maintenance is charged to profit and loss account as expense when incurred.

vi) **Depreciation**

Depreciation is charged at the rates stated below on all the items of fixed assets on the basis of estimated useful lives as determined in the fixed asset policy of the Bank. In all cases depreciation is calculated on the straight line method. Charging

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying assets have been capitalized as part of the cost of the assets and net sale proceeds (IAS 36)

The Management of the Bank has adopted a straight-line depreciation policy for Bank fixed assets with certain fixed rates. Considering the current condition of the fixed assets of the Bank, management has decided to revise the depreciation rate only with a straight-line method of the fixed assets in the following manner :

Category	Rate of Depreciation	
	31.12.2023 (New)	31.12.2022 (Previous)
Furnitures & Fixtures	10%	15%
Machineries and equipment	15%	20%
Digital Banking Equipment	10%	10%
Computer and network equipment	15%	20%
Vehicles	15%	20%
Right of Use Asset*	Over the Lease Term	Over the Lease Term
Intangible Assets: Software	20%	20%

Repairs and maintenance are charged to profit and loss account as expense when incurred.

*Right of Use Asset is Depreciated over the lease term as per IFRS 16: Lease. (Note vii)

Revaluation

The frequency of revaluation depends upon the movement in the fair value of the items of property, plant and equipment being revalued.

Increases in the carrying amount as a result of revaluation is credited directly to shareholders' equity under the heading of revaluation surplus. Decreases in the carrying amount as a result of revaluation is recognised as an expense. However, a revaluation decrease is charged directly against any related revaluation surplus to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of the same assets.



Impairment of Fixed Assets

An asset is impaired when its carrying value exceeds its recoverable amount as per IAS 36 'Impairment of Assets'. The bank has a policy to review the carrying value of financial and non-financial assets and assess whether there is any indication that an asset may be impaired and/or whenever events or changes in circumstances indicate that the carrying value of the asset may not be recovered. If any such indication exists, the bank will make an estimate of the recoverable amount of the asset. The carrying value of the asset will be reduced to its recoverable amount if the recoverable amount is less than its carrying amount with associated impairment losses recognised in the profit and loss account. However, impairment of any financial assets is guided by relevant BB circulars/instructions and IFRS 9. During the year there was no indication of impairment of fixed assets.

Derecognition of fixed assets

The carrying amount of an item of fixed assets is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of fixed assets is to be recorded in profit or loss when the item is derecognised.

No fixed asset was derecognized during the year. Details of fixed assets are presented in note 8 and 'Annexure - A' of these financial statements.

vii) Intangible assets

Intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are to be classified as per IAS 38 'Intangible Assets' which comprises the value of all licensed computer software including core banking software of the Bank, cards management software, cheque processing software (i.e. BEFTN), software of subsidiaries and other integrated customised software for call center, ATM service, Finance and HR operations i.e. PMS, FAR, HRMS, Payroll Management System etc.

Software: As per the approval of the Board, the Bank decided to purchase software from Flora Systems Limited and subsequently a work order has been issued. On 30th December 2020 software has become functional and recognized in the financial statements at cost less accumulated amortisation. Initial cost will be comprised of license fees paid at the time of purchase and other directly attributable costs incurred for customising the software for its intended use. The value of the software is amortised using the straight line method over the estimated useful life of 5 (five) years commencing from the date at which the application of the software is made available for use.

viii) Leases

IFRS 16: "Leases" is effective from 1 January 2019, as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Bengal Commercial Bank PLC. has applied IFRS 16 Leases through recognition, measurement and disclosure in the Financial Statements - 2023.

At inception of a contract, the Bank assesses whether the 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.

The bank applies a single recognition and measurement approach for all leases, except for short-term leases, or, and lease of low value of assets. The bank recognises lease liabilities to make lease payment and right-of-use assets representing the right to use the underlying assets.

Right-of-Use Assets (ROU)

The bank recognises the Right-of-Use assets at the date of contract with the lessor (i.e. the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and impairment of losses and adjusted for any measurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payment made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the lease term, or remaining period of the lease term.

Lease Liabilities

The bank recognised lease liabilities which is present value of lease payments to be made over the lease term from the date of Contract with the Lessor. The lease payments include fixed and variable lease payment (less any adjustment for initial payment), and amount is expected to be paid under residual value of guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the bank and payment of penalties for terminating the lease. The lease payment has been discounted using maximum deposit rate fixed by the Government of Bangladesh at the time of Lease calculation which is 6% per annum.

vii) Other assets

Other assets include mainly advance office rent, payment of advance income tax for which assessment of tax has not been completed yet and all other financial assets, fees and other unrealized income receivable, advance for operating and capital expenditures and stocks of stationery and stamps, etc.

viii) Receivables:

Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity or person.

ix) Non-banking assets

Non-banking assets are usually acquired due to failure of borrowers to repay the loan in time taken against mortgaged properties. There was no assets acquired in exchange for loan during the period of financial statements.



B. Capital, Reserve, Liabilities and provisions and basis of their valuation

i) Borrowing from other banks, financial institutions and agents

Borrowed funds include call money deposits, re-finance borrowings and other term borrowings from Banks, Financial Institutions and its Agents. These are stated in the balance sheet at amounts payable. Interest paid /payable on these borrowings is charged to the profit & loss account.

ii) Deposits and other accounts

Deposits and other accounts include non-interest bearing current deposits redeemable at call, interest bearing short-term deposits, savings deposits and fixed deposits which are initially measured at the consideration received. These items are subsequently measured and accounted for at the gross value of the outstanding balance in accordance with the contractual agreements with the counterparties.

iii) Other liabilities

Other liabilities comprise items such as provision for accrued expenses. Individual item-wise liabilities are recognised as per the guidelines of Bangladesh Bank (BB) and International Financial Reporting Standards (IFRSs).

iv) Dividend payments

Interim dividend is recognised only when the shareholders' right to receive payment is established. Final dividend is recognised when it is approved by the shareholders in AGM. Dividend payable to the Bank's shareholders is recognised as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive payment is established. Due to Operating Loss no Dividend was paid during the year.

v) Provision for loans and advances

As per BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 16 dated 18 November 2014 and BRPD circular no. 3 dated 21 April 2019, provisions for loans and advances is to be kept after each quarter end.

vi) Provision against investment in capital market:

For recognition of loss suffered from investment in capital market, provision is to be provided on unrealized loss (gain net off) according to DOS Circular No. 04 dated 24 November 2011 on portfolio.

vii) Provision for off-balance sheet exposures

As per BRPD circular no. 07 dated 21 June 2018 and BRPD circular no. 13 dated 18 October 2018, Banks need to maintain provision @0% to 1% against off-balance sheet exposures.

viii) Provision for nostro accounts

According to guidelines of Foreign Exchange Policy Department of Bangladesh Bank, circular no. FEOD (FEMO)/01/2005-677 dated 13 September 2005, Bank is required to make provision regarding the un-reconciled debit balance of Nostro Account for more than three months as at balance sheet date.

Since there was no unreconciled entries which are outstanding for more then three months, thereafter no provision has been made.

ix) Provision for other assets:

As per BRPD Circular No. 14 dated 25 June 2001 i.e. 100% provision is required on other assets which are outstanding for one year or more.

x) Provision for liabilities and accrued expenses

In compliance with IAS 37, provisions for other liabilities and accrued expenses are recognised in the financial statements when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

xi) Retirement/post-employment benefits

The retirement benefits accrued for the employees of the Bank as on reporting date has been accounted for in accordance with the provision of International Accounting Standard-19, "Employees Benefits". Various types retirement benefit schemes of the bank are as follows:

a) Provident fund

A "Defined Contribution Plan" is a post employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal constructive obligation to pay further amounts. Provident Fund benefits are given to the staff of the Bank in accordance with the Provident Fund Rules. Permanent employees of the bank are contributing 10% of their basic salary as provident fund. The bank also contributes equal amount of the employees contribution to the fund.



b) Gratuity

Gratuity is a form of monetary benefit paid to a worker upon being terminated or retired from employment. Gratuity is voluntarily given by way of favour and is an act of grace. Gratuity is not founded on any legal liability but a mere bounty stemming from appreciation and graciousness and therefore, it is capable of being given or withheld at the discretion of the giver. Gratuity Fund benefits will be given to the staff of the Bank in accordance with the NBR approved Gratuity Fund Rules.

c) Life and Medical Insurance:

The purpose of Social Insurance is to provide benefit to employees in several ways which includes death benefit, physical disability, etc. The Social Insurance Policy of the Bank has yet not been finalized by Board, hence, no provision for social insurance fund has been maintained.

C. Share capital and reserves

i) Authorized and issued capital

The authorized capital of the Bank is the maximum amount of share capital that the Bank is authorised by its Memorandum and Articles of Association to issue (allocate) among shareholders. This amount can be changed by shareholders' approval upon fulfillment of relevant provisions of the Companies Act 1994. Part of the authorised capital usually remains unissued. The part of the authorised capital already issued to shareholders is referred to as the issued share capital of the Bank. Authorized Capital of the Bank as on 31 December 2023 was at BDT 15,000 million.

ii) Paid-up capital

Paid-up Capital represents total amount of shareholder capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders meetings. In the event of a winding-up of the company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

iii) Share premium

The Share premium represents the excess amount received by the Bank from its shareholders over the nominal/par value of its share. The amount of share premium can be utilised as per the provision of section 57 of the Companies Act 1994. Currently, the Bank does not have any share premium.

iv) Statutory reserve

In accordance with provisions of section 24 of the Bank Company Act, 1991 (amendment up to 2019), no Statutory Reserved has been maintained due to Operating Loss.

v) Asset revaluation reserve

When an asset's carrying amount is increased as a result of revaluation, the increased amount (netting off deferred tax liability) which may arise against such revaluation gain as per IAS 12 'Income Tax', is credited directly to equity under the heading of assets revaluation reserve as per IAS 16 'Property, Plant and Equipment'. During the financial year, the bank did not revalue of its any fixed asset.

vi) Non-Controlling (Minority) Interest

Non-controlling (minority) interest in business is an accounting concept that refers to the portion of a subsidiary company's stock that is not owned by the parent company

vii) Contingent Liabilities

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or any present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

Contingent assets are not recognised in the financial statements as this may result in the recognition of income which may never be realised

D. Revenue recognition

Revenue is recognized as per IFRS 15. IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when an entity fulfills the performance obligations regarding the contract of supplying the goods or rendering of service. The standard replaces all existing requirements of IAS 18: Revenue and IAS 11: Construction contracts and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2019 thus the company adopted IFRS 15 with a date of the said initial application.



i) Interest / Profit income

The Bank on unclassified loans and advances (except those of rescheduled and stay order accounts) is recognised as income on accrual basis, interest on classified loans and advances (including rescheduled and stay order accounts) is credited to interest suspense account with actual receipt of interest there from credited to income as and when received as per instruction contained in BRPD circular no. 14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 16 dated 18 November 2014 and BRPD circular no. 03 dated 21 April 2019

ii) Income from investments (interest/ Profit and others)

Income on investments in Government and other securities, debentures and bonds is required to account for on accrual basis as per the provisions of IFRS 15 'Revenue from Contracts with Customers' and relevant BB guidelines. Capital gain on investments in shares and dividends on investment in shares are included in investment income.

iii) Fees and commission income

The Bank earns fees and commissions from diverse range of services provided to its customers. This includes fees and commission income arising on financial and other services provided by the Bank including trade finance, debit cards, passport endorsement, loan processing, loan syndication and locker facilities, etc. Fees and commission income is recognised on the basis of realisation.

iv) Dividend Income:

Dividend income from investments is recognized at the time when it is declared in AGM, ascertained and right to receive the payment is established. It is recognized when

- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The amount of the revenue can be measured reliably.

v) Interest/Profit paid on borrowing and other deposits:

Interest expenses are recognized on accrual basis taking into account of daily balance outstanding at the rate applicable for respective deposits and interest on savings and SND accounts is credited to depositors account on half yearly basis. No interest is applicable on the balance lying in current deposit account. Interest on FDR accrued but not due to clients A/c was credited to 'Other Liability A/c - Interest Payable'.

vi) Other Operating Expense

Expenses incurred by the Bank are recognised on accrual basis when a performance obligation is satisfied by receiving a promised service by the bank as per IFRS 15 'Revenue from Contracts with Customers'.

vi) Taxation

The expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity.

a. Current tax

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. Provision for current income tax has been made as per prescribed rate in the Income Tax Ordinance 1984 on the accounting profit made by the Bank after considering some of the add-backs to income and disallowances of expenditure as per income tax laws with IAS 12 "Income Taxes". Tax Assets under the group head of other assets are recognized for payment of advance income tax, tax deducted at source and tax paid at the time of IT Return for the year/years for which assessment has not been yet finalized. On the other hand, the tax provision (estimated as per IAS 12, provision of latest Finance Act, related SROs/ Guidelines, etc., issued by National Board of Revenue-NBR) are recognized as tax liability under the head of other liability (note: 13.5.1) for the year/years for which assessment has not been yet finalized.

b. Deferred tax

Deferred tax assets or liabilities are recognised by the Bank on deductible or taxable temporary differences between the carrying amount of assets and liabilities used for financial reporting and the amount used for taxation purpose as required by IAS 12 'Income Taxes' and BRPD circular no.11 dated 12 December 2011. Deferred tax assets is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which they can be used. Deferred tax assets and liabilities are reviewed at each reporting period and are measured at the applicable tax rate as per tax laws that are expected to be applied when the assets is realised and liability is settled. Any unrecognised deferred tax assets or liabilities are reassessed at each reporting period and recognised only if that has become probable that future taxable profit or loss will be available against which they can be used or settled.

Details of deferred tax assets or liabilities and amount recognised in profit and loss account for deferred tax income or expense are given in note 13.6 in the financial statements.

E. Others

i) Materiality and aggregation

Each material class of similar items has been presented separately in the financial statements. Items of dissimilar nature also have been presented separately unless they are immaterial in accordance with IAS 1 'Presentation of Financial Statements'.



ii) Earnings per share (EPS)

As per IAS 33 'Earnings per Share' the Bank has been reporting 'Basic EPS' as there has been no dilution possibilities during the year. Basic EPS is computed by dividing the profit or loss attributable to ordinary shareholders of the Bank by the number of ordinary shares outstanding during the period.

iii) Reconciliation of Books of Account

Books of account in regard to inter-Bank are reconciled on monthly basis.

iv) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per IAS 24 'Related Party Disclosures', Bangladesh Bank & BSEC guidelines. Details of the related party transactions have been disclosed in Note 49.0

v) Events after the reporting period

All the material events after the reporting period have been considered and appropriate adjustments/disclosures have been made in the financial statements as per IAS 10 'Events after the Reporting Period'.

vi) Operating Segments

Business segments report consists of products and services whose risks and returns are different from those of other business segments. The Bank has a policy to establish reportable segments, as described below, which are the Bank's strategic business units. The strategic business units offers different products and services, and will be managed separately based on the Bank's management and internal reporting structure. Each of the strategic business units of the Bank will be periodically reviewed by the Management Committee. The following summary describes the operations in each of the Bank's reportable segments:

Segment Name	Description	Status
Corporate Banking	This unit focuses on large corporate groups including structured/syndicated finance with a variety of advances & deposit products and other transactions.	Operational
SME Banking	Includes loans, deposits and other transactions and balances with SME customers.	Operational
Consumer Banking	Includes loans, deposits and other transactions and balances with retail customers.	Operational
Treasury	Treasury unit undertakes the Bank's funding and maintenance of SLR, Asset-liability management through money market operation, Fx. Market dealings, investing in derivatives including forwards, futures and swaps	Operational
Investment Banking	Includes the Bank's trading, investment in equities and other capital market activities.	Operational
Card and Alternate Delivery Channel	This includes offering a variety of debit card and credit card to the customers according to their needs.	Operational
Mobile Financial Services	Mobile Financial Services came up with the aim to cover a large number of people under banking channel through mobile network facilitating convenient cash in/out, bill payment, POS purchase etc	Not Operational

vii) Risk management and other related matters

Today's most risky nature of Banking business has caused the Central Banks of every country much concerned about the risk factors affecting the financial position of the banks. In this connection every Central Banks have come forward to establish a general framework to defeat the risk factors considering the laws of the land. Bangladesh Bank has also undertaken an overall core-risk management project under which every bank shall be bounded to the authoritative covenants to install risk management system. Bengal Commercial Bank PLC. has established approved policies covering major areas such as (a) Credit Risk Management, (b) Foreign Exchange Risk Management, (c) Asset Liability Management Risk (d) Money Laundering Risk (e) Internal Control & Compliance Risk and (f) Information & Communication Technology Security Risk (g) Internal Audit (h) Fraud and Forgeries to the DOS circular no: 02 (15 February 2012) regarding 'Risk Management Guidelines' for Banks, Bank Companies Act 1991 (as amended upto 2013) and other guidelines. of Bangladesh Bank.



In addition, the bank is also following relevant Bangladesh Bank guidelines on risk based capital adequacy, stress testing and managing the banking risks in other core risk areas.

The bank has established an independent Risk Management Division (RMD) as per DOS circular no:02 (15 February 2012). The RMD conducts stress testing as per DOS circular no: 01 (23 February 2011), for examining the Bank's capacity of handling future shocks, as well as deals with all potential risks that might occur in future.

The prime objective of the risk management is that the bank takes well calculative business risks while safeguarding the bank's capital, its financial resources and profitability from various risks. In this context, the bank took steps to implement the guidelines of Bangladesh Bank as under:

a) Credit risk

Credit risk can be defined as the risk of a potential loss to the Bank when a borrower or counterparty is either unable or unwilling to meet its financial obligations. Granting loans and advances is the core business of BGCB and as such credit risk is its most material risk. The credit risk arises primarily from Corporate Banking, SMEs and Retail loans and advances. Given the scale and materiality of Bank's loan book, managing the credit quality of the lending portfolio is a key focus area with the objective of minimizing probable losses and maintaining credit risk exposure within acceptable parameters.

BGCB's Credit Policy, which is approved by the Board of Directors, plays a central and strategic role in managing daily business activities. The policy defines the principles encompassing client selection, due diligence, early alert reporting, tolerable levels of concentration risk and portfolio monitoring, in line with the Bank's risk appetite. The approach is to avoid excessive credit risk on a counterparty or portfolio level by applying stringent underwriting standards combined with sound collateralization where feasible. The policy is reviewed regularly by the Board of Directors to ensure consistency with the Bank's business strategy.

b) Liquidity risk

Liquidity risk arises when the Bank cannot maintain or generate sufficient funds to meet its payment obligations as they fall due or can only do so at a material loss. This can arise when counterparties who provide funding to the Bank withdraw or do not roll over a line of funding or as a result of a general disruption in financial markets which lead to normal liquid assets becoming illiquid. The main sources of the Bank's funding are capital, core deposits from retail and commercial clients, wholesale deposits and access to borrowed funds from the interbank money market. The Bank also maintains a portfolio of readily marketable securities to further strengthen its liquidity position. BGCB manages liquidity risk in accordance with regulatory guidelines internal benchmarks. Also, the Contractual maturity of assets and liabilities and liquidity ratios to include adherence to regulatory requirements and monthly liquidity forecasts are reviewed at ALCO meetings. Furthermore, liquidity stress tests is carried out quarterly to assess the impact of extreme events.

c) Asset Liability Management Risk

Asset Liability Management (ALM) has been defined as a planned, structured and systematic process of managing the asset and liability with a view to lead the Bank to a balanced and sustainable growth through minimizing various business risk factors - market risk and liquidity risk. According to the Bangladesh Bank guidelines and considering the most practical aspects of the Bank, an approved policy manual on ALM has been prepared so that it could be followed consistently every sphere of the management. To support the ALM process, the Bank has established a committee called "Asset Liability Committee (ALCO)" headed by the Managing Director and holds meeting at least one in every month. ALM Desk, an exclusive functional and operational desk for the asset liability management, is embodied herewith the ALCO to function under the direct control of Treasury Division.

d) Market risk

Market Risk is the risk that changes in equity, bond and commodity prices, as well as movements in foreign exchange rates and interest rates that may adversely affect the Bank's trading and banking books. Market risk can be subdivided into three categories depending on risk factors: interest rate risk, foreign exchange risk, and equity price risk.

e) Interest rate risk

Interest rate risk is the risk to earnings or capital of the bank arising from movement of interest rates. The movement of interest rates affects bank's reported earnings and capital by changing:

- Net interest income
- The market value of trading accounts (and other instruments accounted for by market value), and
- Other interest sensitive income and expenses.

To manage interest rate risk, ALCO regularly monitors various ratios and parameters. The Bank has deployed several analysis techniques (e.g. rate sensitive gap analysis, duration gap analysis) to measure interest rate risk, its impact on net interest income and takes insight about course of actions.

f) Foreign exchange risk

Foreign exchange risk is defined as the potential change in earnings due to change in market price of foreign exchange. The foreign exchange risk of the bank is minimal as all the transactions are carried out on behalf of the customers against underlying I/C commitments and other remittance requirements. To Control risk, bank always keep its unhedged net open position within stipulated limit set by central bank.

Treasury Department independently conducts the transactions and the back office of treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Mark-to-Market rate as determined by Bangladesh Bank at the month-end. All Nostro accounts are reconciled on a monthly basis and outstanding entry beyond 30 days will be reviewed by the management for its settlement.



g) Equity price risk

Equity price risk is the risk of losses caused by changes in equity prices. These losses could arise because of changes in the value of listed shares held directly by the bank; changes in the value of listed shares held by a bank subsidiary; changes in the value of listed shares used as collateral for loans whether the loan was made for the purpose of buying the shares; and changes in the value of unlisted shares.

The risks will be monitored by Credit Committee under a well-designed policy framework.

h) Operational risk

Operational Risk is the risk of losses incurring due to human errors, inadequate or failed internal processes or systems or external events including legal risk. Legal risk arises when the Bank's business is not conducted in accordance with applicable laws, when the Bank may be liable for damages to third parties or when contractual obligations may be enforced against the Bank resulting from legal proceedings. The objective of the Operational Risk Management (ORM) is to establish sound control practices to increase the effectiveness of the Bank's resources and minimize financial losses. BGCB is in process to establish operational risk management unit for management of and reporting of operational risk. Currently, Bank uses the Basel III defined event types for loss classification but a comprehensive loss reporting, recording and tracking database yet to establish.

The Operational Risk may arise from error and fraud due to lack of or failure of internal control and compliance. Management controls the operational procedure through various policy and operational guidelines in conformity with best practices and complying with regulators' instructions. Internal Control and Compliance Division (ICCD) of the Bank evaluates effectiveness of the Internal Control System of the Bank. The Audit Committee of the Board subsequently reviews the reports of ICCD and given their suggestions and guidelines time to time for strengthening the operational procedure of the Bank.

i) Prevention of money laundering and terrorist financing

Bengal Commercial Bank PLC (BGCB) has framed an approved Money Laundering Prevention Policy Guideline so that it could be sufficient enough to protect the bank from tribulations of money laundering.

As per Money Laundering Prevention Act, 2002 and Money Laundering Prevention circular, a Central Compliance Unit (CCU) has been formed at Head Office in BGCB and a designated person has been nominated to supply any information if required and report any abnormal and suspicious transactions to Bangladesh Bank through CCU. Chief Anti Money Laundering Compliance Officer (CAMALCO) has been designated at head office and Branch Anti Money Laundering Compliance Officers (BAMALCO) will be assigned at branches.

Know Your Customer (KYC) profile, Risk Rating and Assessment (RRA) profile and Transaction Profile (TP) have been introduced as per the direction of Bangladesh Bank. These profiles facilitate and ease the KYC procedures, risk categorization, transaction monitoring process, suspicious activity reporting process, self-assessment process, independent procedures testing system etc. Proper record keeping procedure has been established also.

Various types of statements such as Quarterly STR, Quarterly KYC statement for legacy accounts, Bi-monthly statements etc will be sent to the Bangladesh Bank properly as per the requirements. "

The training procedure has been conforming as per the action plan, which was given to Bangladesh Bank. It provides significant role to develop and to aware the staffs of BGCB about Anti Money Laundering. The management of the Bank is committed to train all of its workforces regarding anti money laundering.

j) Information and communication technology risk

BGCB adheres to the IT Security policies and procedures in line with ICT Security guideline of Bangladesh Bank. To prevent attack from Cyber criminals/fraudsters, BGCB IT has established standard physical and logical security measures for all sensitive IT infrastructures (e.g., Data Centre, Disaster Recovery Site, Power Rooms, Server Rooms, etc.). Besides, BGCB has standard logical IT security measures like access control system, intrusion detection, access log and periodic security assessment for all systems. Vulnerability assessment exercises, both internally and externally, are conducted regularly to identify security weakness and establish control for mitigation.

IT Security team has also taken initiatives to create awareness about cybersecurity among all BGCB employees and customers through retail and corporate channels. We have separate information system audit to identify control gaps and improve continually.

k) Internal audit

The Bank has a plan to established an independent internal audit function with the head of Internal Control & Compliance (ICC). The internal audit team will performs risk based audit on various business and operational areas of the Bank on continuous basis. The audit committee and the Board will regularly reviews the internal audit reports as well as monitor progress of previous findings. However, the Head of Audit being part of internal control & compliance, will report to audit committee of the Board and is responsible to audit committee of the Board



1) Prevention of fraud

Fraud and Forgeries are a critical dimension, the banking industry is facing now a days. In order to safeguard the bank from all probable fraud and forgeries that may occur in any respect, the bank will take all possible safety security measures under direct supervision of ICCD. Concurrent audit, internal audit, Board audit etc. will be done periodically along with surprise audit from time to time. Moreover, there are a lot of safety measures initiated at the branch level also. The core banking solution Flora is designed to prevent IT related fraud and forgeries.

2B Compliance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)

The Bank has complied with following IASs & IFRSs as adopted by ICAB during the preparation of financial statements as at and for the year ended 31 December 2023.

Name of IASs/IFRSs	IASs / IFRSs	No.	Status
Presentation of Financial Statements	IAS	1	*Applied
Inventories	IAS	2	N/A
Statement of Cash Flows	IAS	7	*Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS	8	Applied
Events after the Reporting Period	IAS	10	Applied
Income Taxes	IAS	12	Applied
Property, Plant and Equipment	IAS	16	Applied
Employee Benefits	IAS	19	Applied
Accounting for Government Grants and Disclosure of Government	IAS	20	N/A
The Effects of Changes in Foreign Exchange Rates	IAS	21	Applied
Borrowing Costs	IAS	23	N/A
Related Party Disclosures	IAS	24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS	26	N/A
Separate Financial Statements	IAS	27	Applied
Investments in Associates	IAS	28	N/A
Interests in Joint Ventures	IAS	31	N/A
Earnings per share	IAS	33	Applied
Interim Financial Reporting	IAS	34	Applied
Impairment of Assets	IAS	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS	37	*Applied
Intangible Assets	IAS	38	Applied
Financial Instruments: Recognition and Measurement	IAS	39	*Applied
Investment Property	IAS	40	N/A
Agriculture	IAS	41	N/A
First-time Adoption of International Financial Reporting Standards	IFRS	1	Applied
Share-based Payment	IFRS	2	N/A
Business Combinations	IFRS	3	Applied
Insurance Contracts	IFRS	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	IFRS	5	*Applied
Exploration for and Evaluation of Mineral Resources	IFRS	6	N/A
Financial Instruments: Disclosures	IFRS	7	*Applied
Operating Segments	IFRS	8	Applied
Financial Instruments	IFRS	9	*Applied
Consolidated Financial Statements	IFRS	10	Applied
Joint Arrangements	IFRS	11	N/A
Disclosure of Interests in Other Entities	IFRS	12	Applied
Fair Value Measurement	IFRS	13	*Applied
Regulatory Deferral Accounts	IFRS	14	N/A
Revenue from Contracts with Customers	IFRS	15	Applied
Leases	IFRS	16	*Applied

* Subject to departure described in note 2.1

N/A = Not Applicable

Reporting period

These financial statements cover the period from 1 January 2023 to 31 December 2023.

Approval of financial statements

The financial statements have been approved by the Board of Directors of the bank in its meeting held on 31st March 2024

Changes in Accounting Policies

As per IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" Accounting Policies are applied consistently for comparability between financial statements of different accounting periods. Changes in Accounting Policies are applied retrospectively in the financial statements. Comparative amounts presented in the financial statements affected by the change in accounting policy for each prior period presented.



IFRS 15 - Revenue from Contract with Customers

IFRS 15 "Revenue from Contracts with Customers" replaces IAS 18 Revenue and IAS 11 Construction Contracts. IFRS 15 establishes a more systematic approach for revenue measurement and recognition by introducing a five-step model governing revenue recognition. The five-step model includes: 1) identifying the contract with the customer, 2) identifying each of the performance obligations included in the contract, 3) determining the amount of consideration in the contract, 4) allocating the consideration to each of the identified performance obligations and 5) recognising revenue as each performance obligation is satisfied. The Bank has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements.

General

- (i) Figures relating to the previous year included in this report have been rearranged, wherever considered necessary, to make them comparable with those of the current year without, however, creating any impact on the operating result and value of assets and liabilities as reported in the financial statements for the current year.
- (ii) Figures in these notes and in the annexed financial statements have been rounded off to the nearest Taka.
- (iii) These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- (iv) These financial statements cover one calendar year from 01 January 2023 to 31 December 2023 .



BENGAL COMMERCIAL BANK PLC.
Notes to the Financial Statements
as at and for the Period ended 31 December 2023

	Note	31.12.2023 TAKA	31.12.2022 TAKA
3.0 Cash in hand			
Conventional and Islamic Banking			
Cash in hand	3.1	397,956,066	254,528,407
Balance With Bangladesh Bank and its agent Banks	3.2	708,084,915	543,750,998
		1,106,040,981	798,279,405
3.1 Cash in hand			
Local Currency		395,809,575	254,314,507
Foreign Currency		2,146,491	213,900
		397,956,066	254,528,407
3.2 Balance with Bangladesh Bank and its agent Banks			
Conventional and Islamic Banking			
Bangladesh Bank			
Local currency		698,828,989	488,336,826
Foreign currencies		6,736,201	55,410,157
		705,565,190	543,746,983
Balance with agent banks		2,519,725	4,015
		708,084,915	543,750,998

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

The Cash Reserve Requirement (CRR) and the Statutory Liquidity Requirement (SLR) are maintained in accordance with the section 25 and 33 of the Bank Companies Act 1991 (Amended 2013) and subsequent BRPD Circular No. 11 & 12 dated 25 August 2005, MPD circular no. 02 dated 10 December 2013, MPD circular No. 01 dated 23 June 2014 & DOS Circular Letter No. 23 dated. 07.10.2018, MPD circular No. 03 dated 9 April 2020. Cash Reserve Requirement (CRR) and the Statutory Liquidity Requirement (SLR) and deposits there against with Bangladesh Bank at 31 December 2023 are as follows:

Conventional:

A. Cash Reserve Requirement (CRR)

As per Bangladesh Bank MPD circular no. 03 dated 09 April, 2020 and BRPD(P-3)/744(27)/2020-4086 dated 18 June, 2020, Bank has to maintain 3.50% CRR on daily basis for Domestic Banking Operation (DBO) and 4.00% on bi-weekly basis for Domestic Banking Operation (DBO). CRR requirement is calculated on the basis of weekly Average of Total Demand and Time Liabilities (ATDTL) of the base month which is two months prior to reporting month. The reserve maintained by the Bank as at 31 December 2023 are as follows:

Daily Basis

Average Total Demand and Time Liabilities

	3,991,080,034
	3,991,080,034

Required Reserve

DBO (3.5% of ATDTL) (A)

407,065,000	322,025,000
407,065,000	322,025,000

Actual Reserved Maintained as Per Bangladesh Bank Statement (B)

502,172,020	552,069,940
502,172,020	552,069,940

Surplus (B-A)

95,107,020	230,044,940
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Bi-Weekly Bank's CRR Maintenance

Required Reserve

DBO (4% of of ATDTL) (A)

465,217,000	368,029,000
465,217,000	368,029,000

Actual Reserved Maintained as Per Bangladesh Bank Statement (B)

502,172,020	552,069,940
502,172,020	552,069,940

Surplus (B-A)

36,955,020	184,040,940
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Note	31.12.2023 TAKA	31.12.2022 TAKA
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B. Statutory Liquidity Ratio (SLR)

As per Section 33 of the Bank Company Act, 1991 & MPD circular no. 02 dated December 10, 2013 issued by Bangladesh Bank with effect from February 1, 2014, Bank has to maintain SLR of minimum 13.00% based on weekly Average Total Demand and Time Liabilities (ATDTL) of the base month which is two months prior to reporting month. (i.e. SLR of December 2023 is based on weekly ATDTL of October 2023), according to DOS Circular No. 1 & 26 and BRPD circular No. 31 issued on 19 January 2014, 19 August 2019 and 18 June 2020 respectively for DBO. SLR maintained by the Bank as at 31 December 2023 are as follows:

Required Reserve (13% of ATDTL) for DBO (A)	1,511,955,000	980,233,000
	1,511,955,000	980,233,000
Actual Reserve Maintained (B)	2,089,125,000	1,784,314,880
	2,089,125,000	1,784,314,880
Surplus (B-A)	577,170,000	804,081,880

C. Components of Statutory Liquidity Ratio (SLR)

Cash in hand	397,956,066	254,528,410
Balance with Agent Bank		-
Held to Maturity (HTM) Securities	1,316,170,690	1,119,131,343
Held for Trading (HFT) Securities	392,853,600	-
Excess From CRR (4%)	36,955,017	184,040,940
Other Eligible Securities	-	117,617,500
	2,143,935,373	1,675,318,193

As per Bangladesh Bank DOS Circular no. 26 dated 19 August, 2019, cash reserve (if any) in excess of required CRR calculated on bi-weekly basis is considered as an eligible component of Statutory Liquidity Reserve for that particular day.

Islamic:

A. Cash Reserve Requirement (CRR)

As per Bangladesh Bank MPD circular no. 03 dated 09 April, 2020 and BRPD(P-3)/744(27)/2020-4086 dated 18 June, 2020, Bank has to maintain 3.50% CRR on daily basis for Domestic Banking Operation (DBO) and 4.00% on bi-weekly basis for Domestic Banking Operation (DBO). CRR requirement is calculated on the basis of weekly Average of Total Demand and Time Liabilities (ATDTL) of the base month which is two months prior to reporting month. The reserve maintained by the Bank as at 31 December 2023 are as follows:

Daily Basis

Average Total Demand and Time Liabilities		
	-	-
Required Reserve		
DBO (3.5% of of ATDTL) (A)	174,193,000	100,735,000
	174,193,000	100,735,000
Actual Reserved Maintained as Per Bangladesh Bank Statement (B)	200,770,090	177,635,270
	200,770,090	177,635,270
Surplus (B-A)	26,577,090	76,900,270

Bi-Weekly Bank's CRR Maintenance

Required Reserve		
DBO (4% of of ATDTL) (A)	199,077,000	115,126,000
	199,077,000	115,126,000
Actual Reserved Maintained as Per Bangladesh Bank Statement (B)	200,770,090	177,635,270
	200,770,090	177,635,270
Surplus (B-A)	1,693,090	62,509,270



Note	31.12.2023 TAKA	31.12.2022 TAKA
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B. Statutory Liquidity Ratio (SLR)

As per Section 33 of the Bank Company Act, 1991 & MPD circular no. 02 dated December 10, 2013 issued by Bangladesh Bank with effect from February 1, 2014, Bank has to maintain SLR of minimum 13.00% based on weekly Average Total Demand and Time Liabilities (ATDTL) of the base month which is two months prior to reporting month. SLR maintained by the Bank as at 31 December 2023 are as follows:

Required Reserve (13% of ATDTL) for DBO (A)	273,731,000	158,298,000
	273,731,000	158,298,000
Actual Reserve Maintained (B)	374,093,460	215,806,160
	2,089,125,000	57,508,160
Surplus (B-A)	1,815,394,000	(100,789,840)

C. Components of Statutory Liquidity Ratio (SLR)

Cash in hand	54,810,380	35,706,890
Balance with Agent Bank		-
Held to Maturity (HTM) Securities		-
Held for Trading (HFT) Securities		-
Excess From CRR (4%)	1,693,088	62,509,269
Other Eligible Securities	317,590,000	117,590,000
	374,093,468	215,806,159

As per Bangladesh Bank DOS Circular no. 26 dated 19 August, 2019, cash reserve (if any) in excess of required CRR calculated on bi-weekly basis is considered as an eligible component of Statutory Liquidity Reserve for that particular day.

4.0 Balance with other banks and financial institutions Conventional and Islamic Banking

Balance In Bangladesh	4.1	3,382,609,682	4,151,995,322
Balance outside Bangladesh	4.2	99,713,129	3,134,607
		3,482,322,811	4,155,129,928

4.1 In Bangladesh

A. SND/STD Account

Mercantile Bank PLC.	9,379,530	910,850,801
Agrani Bank PLC.	1,022,189	-
EXIM Bank PLC.	120,068,211	-
Standard Bank PLC.	2,243,277,165	700,000,000
	2,373,747,096	1,610,850,801

B. CD Account

Trust Bank PLC.	8,395,553	1,144,520
Jamuna Bank PLC.	467,033	-
	8,862,586	1,144,520

C. Term Deposit

Southeast Bank PLC.	1,000,000,000	-
Jamuna Bank PLC.	-	150,000,000
One Bank PLC.	-	500,000,000
NCC Bank PLC.	-	1,000,000,000
NRB Bank PLC.	-	390,000,000
IDLC Finance PLC.	-	-
	1,000,000,000	2,540,000,000
	3,382,609,682	4,151,995,322

4.2 Outside Bangladesh (NOSTRO Accounts)

AB Bank Limited, Mumbai, India	4,697,162	1,600,276
Axis Bank Limited, Mumbai, India	542,245	311,667
Mashreq Bank PSC, New York, USA	92,624,859	1,202,981
Sonali Bank (GBP)	-	19,683
Sonali Bank (EURO)	957,789	-
Sonali Bank (USD)	891,073	-
	99,713,129	3,134,607

Details of NOSTRO Accounts along with Conversion and Unreconciled Position in Annexure-A



Note	31.12.2023 TAKA	31.12.2022 TAKA
4.3 Maturity grouping of balance with other banks & financial institutions		
On demand	117,488,212	915,129,928
Not more than three months	1,000,000,000	2,540,000,000
More than three months but less than one year	-	-
More than one year but less than five years	-	-
More than five years	-	-
	<u>1,117,488,212</u>	<u>3,455,129,928</u>
5.0 Money at Call and Short Notice		
Call money Lending	-	-
Short Notice Lending	-	672,284,940
	-	<u>672,284,940</u>
5.1 Call Money Lending-With banking Companies		
Call Money Lending-With banking Companies	-	-
5.2 Short Notice Lending		
Short Notice Lending	-	-
6.0 Investment		
Conventional and Islamic Banking		
(a) Nature Wise		
Held for Trading	392,853,600	108,996,682
Held for Maturity	1,316,170,692	1,119,131,343
Others	1,123,131,309	923,244,430
	<u>2,832,155,601</u>	<u>2,151,372,455</u>
(b) Claim Wise		
Government Securities	6.1 2,026,694,292	1,345,745,525
Others	6.2 805,461,309	805,626,930
	<u>2,832,155,601</u>	<u>2,151,372,455</u>
6.1 Government Securities		
Treasury Bond	6.1.1 1,709,024,292	1,228,128,025
Sukuk Islami Bond	267,590,000	117,590,000
Islami Investment Bond (BGIB)	50,000,000	-
Prize Bond	80,000	27,500
	<u>2,026,694,292</u>	<u>1,345,745,525</u>
6.1.1 Treasury Bond		
Held for Maturity		
Treasury Bond (1 year to 5 years)	199,416,418	10,200,000
Treasury Bond (10 years)	225,713,674	215,611,235
Treasury Bond (15 years)	386,232,736	386,059,442
Treasury Bond (20 years)	504,807,864	507,260,667
	<u>1,316,170,692</u>	<u>1,119,131,343</u>
Held for Trading		
Treasury Bill (90 Days)	392,853,600	108,996,682
Treasury Bond (20 years)	-	-
	<u>392,853,600</u>	<u>108,996,682</u>
	<u>1,709,024,292</u>	<u>1,228,128,025</u>



	Note	31.12.2023 TAKA	31.12.2022 TAKA
6.2 Others (Investment in Other than Govt. Securities)			
Conventional and Islamic Banking			
Corporate Bond	6.2 (a)	200,000,000	200,000,000
Subordinate Bond	6.2 (b)	150,000,000	150,000,000
Perpetual Bond	6.2 (c)	100,000,000	100,000,000
Ordinary Shares & Mututal Funds		355,461,309	355,626,930
		805,461,309	805,626,930
Investment in ordinary shares, mututal funds and preference shares are detailed in Annexure-B.			
6.2 (a) Corporate Bond			
Unquoted			
North West Power Generation Company		200,000,000	200,000,000
Jamuna Bank Limited Subordinated Bond-IV		-	-
		200,000,000	200,000,000
6.2 (b) Subordinate Bond			
Unquoted			
Jamuna Bank Limited Sub Bond		150,000,000	150,000,000
		-	-
		150,000,000	150,000,000
6.2 (c) Perpetual Bond			
Unquoted			
Mercantile bank		100,000,000	100,000,000
		-	-
		100,000,000	100,000,000
6.2 (d) Islami Investment Bond (BGIIB)			
Unquoted			
Bangladesh Government Islami Investment Bond (BGIIB)		50,000,000	100,000,000
		-	-
		50,000,000	100,000,000
6.4 Maturity-Wise Grouping			
On Demad		355,541,309	355,654,430
Up to 3 months		442,853,600	-
More than 3 months but not more than 1 year		-	-
More than 1 year but not more than 5 year		467,006,418	117,590,000
More than 5 years		1,566,754,274	1,678,128,025
		2,832,155,601	2,151,372,455
7.0 Loans & Advances / Investment			
Conventional and Islamic Banking			
Loans, Cash credit & overdraft etc / Investments	7.1	14,224,313,381	7,249,464,752
Bills purchased and discounted		32,095,712	27,077,514
		14,256,409,093	7,276,542,266
7.1 Product Wise Loans and Advances / Investments			
Continuous Loan / Investment		6,791,720,546	2,707,399,541
Term Loan / Investments		3,586,583,513	1,977,270,862
Demand Loan / Investments		3,800,553,018	2,522,919,145
Auto Loan / Investments Staff		45,456,304	41,875,205
		14,224,313,381	7,249,464,752
7.2 Loans, Cash Credits, Overdraft etc.			
Overdrafts		5,424,097,826	2,002,422,006
Demand Loans		3,219,417,984	2,136,790,646
Term Loans		1,875,936,427	1,278,155,358
Staff Loans		45,456,304	41,875,205
Hire Purchase		35,587,842	28,583,732
Cash Credit		79,872,709	-
Loan Under COVID-19 stimulus Package		-	301,019,137
		10,680,369,092	5,788,846,084



Note	31.12.2023 TAKA	31.12.2022 TAKA
7.3 Small and Medium Enterprise		
Overdrafts	1,284,718,121	283,506,316
Demand Loans	613,230,746	413,206,012
Term Loans	1,550,025,794	561,686,069
Loan Under COVID-19	128,065,341	229,297,784
	3,576,040,001	1,487,696,181

7.4 Net Loans and Advances		
Gross Loans and Advances	14,256,409,093	7,276,542,266
Less: Interest Suspense	-	-
Less: Provision for Loans and Advances	117,090,000	62,307,000
	14,139,319,093	7,214,235,266

Classified loans and advances of the banks are categorized as sub-standard, doubtful and bad/loss as per guidelines of the Bangladesh Bank. Interest accrued on Sub-Standard (SS), doubtful and bad/loss loans is recorded as 'interest suspense' and not taken to income. This interest is recognized as income as and when it is realized by the bank.

7.5 Loans and Advances under the following Broad Categories

Inside Bangladesh

Cash Credits	421,969,922	114,307,142
Overdrafts	6,369,750,624	2,593,092,399
Term Loan	3,550,995,671	1,948,687,130
Hire Purchase	81,044,146	70,458,936
Demand Loans	3,832,648,730	2,549,996,659
	14,256,409,093	7,276,542,266

Outside Bangladesh

Cash Credits	-	-
Overdrafts	-	-
Hire Purchase	-	-
Term Loan	-	-
Time Loan	-	-
	-	-

7.6 Geographic Location wise Portfolio grouping

Urban

Dhaka Division	11,953,330,014	6,949,262,170
Chattogram Division	898,279,657	84,354,960
Khulan Division	-	-
Sylhet Division	-	-
Barisal Division	-	-
Rajshahi Division	10,645,457	-
Rangpur Division	-	-
Mymensingh Division	-	-
	12,862,255,128	7,033,617,130

Rural

Dhaka Division	1,094,350,008	198,716,293
Chattogram Division	210,118,842	44,208,843
Khulan Division	-	-
Sylhet Division	-	-
Barisal Division	-	-
Rajshahi Division	8,600,063	-
Rangpur Division	81,085,053	-
Mymensingh Division	-	-
	1,394,153,965	242,925,136

7.7 Loans and Advances on the basis of significant concentration

7.7.1 Loans and Advances to Directors, Executives and Others

a) Directors

Credit Cards	-	-
Others	-	-
	-	-

Hoda Vasi Chowdhury & Co

	Note	31.12.2023 TAKA	31.12.2022 TAKA
b) Staff			
Managing Director and CEO			-
Executives and Staffs		45,456,304	41,875,205
		45,456,304	41,875,205
c) Agriculture		170,926,777	65,100,717
d) Industry			
Food Manufacturing		1,885,329,013	895,235,347
Bevarage and Industry		-	-
RMG Industry		427,919,799	343,584,797
Textile Industry		806,466,439	409,172,829
Wood Cork and Allied Products		-	-
Furniture and Fixtures		3,995,295	304,117
Paper and Paper Products		5,041,969	5,300,586
Leather and Leather Products		349,439,327	346,591,244
Rubber And Plastic Industries		192,488,807	145,525,426
Chemical and Chemical Products		557,322,529	398,487,476
Basic Metal Products		519,771,606	657,851,241
Electrical Machinery and Apparatus		33,199,510	214,115,803
Pharmaceutical		211,488,761	219,164,097
Ship Building		-	-
Ship Breaking		-	-
Other Manufacturing Industries		3,069,332,508	1,218,939,757
Others		1,141,841,461	445,359,598
		9,203,637,025	5,299,632,319
e) Constructions		828,306,606	259,460,931
f) Power, Gas, Water and Sanitary Services		1,251,836,640	359,746,272
g) Trade Services		1,037,123,522	389,327,253
h) Housing Services		274,595,155	59,228,200
i) Transport, Storage and Communication		13,560,691	-
j) Banking and Insurance		-	-
k) Professional and Misc. Services		1,430,966,372	802,171,370
		14,256,409,093	7,276,542,266

7.8 Detail of Large Loan

Number of clients with amount outstanding (Funded and Non Funded) and classification status to whom loans and advances sanctioned are 10% or more of the total regulatory capital of the Bank. Total capital of the bank was Taka 4,079877050

Number of Clients	24	7
Amount of Outstanding loans and Advances	6,030,616,155	1,276,988,646

Client Wise Details are Given Below:

Name of the Client	Sanction Limit	Outstanding		Total	Classification Status
		Funded	Non-Funded		
MUTUAL FOOD PRODUCTS	57.50	46.66	-	46.66	STD
MUTUAL MILK PRODUCTS	50.00	41.14	-	41.14	STD
MUTUAL TRADING	50.00	43.99	-	43.99	STD
AZIM UDDIN AHMED	270.00	262.89	-	262.89	STD
ARLA FOODS BANGLADESH	780.00	180.34	457.37	637.71	STD
ALPHA CARBON	410.00	174.39	21.82	196.21	STD
MEGHNA INNOVA RUBBER	210.00	100.51	-	100.51	STD
ALCA INDUSTRIES LTD.	155.00	20.36	-	20.36	STD
MEGHNA AUTOMOBILES	200.00	71.35	-	71.35	STD



CONFIDENCE POWER	600.00	621.59	-	621.59	STD
DBL CERAMICS LIMITED	600.00	632.87	-	632.87	STD
KHULNA POWER COMPANY	300.00	316.18	-	316.18	STD
SUMMIT CORPORATION	300.00	310.26	-	310.26	STD
MYMENSINGH AGRO	200.00	207.70	-	207.70	STD
HABIGANJ AGRO LIMITED	400.00	400.00	-	400.00	STD
ACI FORMULATIONS	600.00	557.32	-	557.32	STD
GOLAM RABBANI	746.10	427.85	250.21	678.06	STD
SHAH CEMENT INDUSTRIES	600.00	597.43	-	597.43	STD
AKIJ POLY FIBRE	1,000.00	400.09	-	400.09	STD
AKIJ SHIPPING LINE	-	-	-	-	STD
BONGO TRADERS LTD	-	-	-	-	STD
M/S THE SUCCESSORS	-	-	-	-	STD
CITY SUGAR INDUSTRIES	-	263.98	-	263.98	STD
HOSHENDI ECONOMIC	550.00	353.73	-	353.73	STD

Note: Large exposures has been calculated on the basis of BRPD Circular No 01, dated 16 January 2022.

	Note	31.12.2023 TAKA	31.12.2022 TAKA
7.9 Classified and Unclassified Loans and Advances			
Unclassified			
Standard		14,256,409,093	7,276,542,266
Special Mentioned Accounts (SMA)		-	-
Classified			
Sub-Standard		-	-
Doubtful		-	-
Bad/Loss		-	-
		14,256,409,093	7,276,542,266
7.10 Sector-Wise Allocation of Loans and Advances			
Government			
Private			
Agriculture		170,926,777	65,100,717
Industry		7,633,129,697	4,559,761,956
Service Industry		2,067,076,632	720,250,088
Agro-Based Industry		1,680,502,508	654,257,037
Commerce and Trade		1,037,123,522	389,327,253
Consumer Credit		758,993,473	266,070,035
Others		908,656,484	621,775,180
Total		14,256,409,093	7,276,542,266
7.11 Securities Wise Loans and Advances Including Bills Purchased and Discounted			
Collateral of Moveable/Immoveable Assets		3,570,413,081	1,907,264,272
Local Banks and Financial Institutions Gurantee		-	-
Fixed Deposit Receipts (FDR)		1,949,802,996	262,430,267
FDR of Other Banks		-	-
Personal Gurantee and Other Securities		3,208,142,255	1,777,679,221
Other Securities		5,502,033,629	3,312,679,670
Without Securities		26,017,132	16,488,836
		14,256,409,093	7,276,542,266
7.12 Particulars of Loans and Advances			
Loans considered good in respect of which the banking company is fully & partly secured.		5,520,216,077	2,168,926,546
Loans considered good against which the banking company holds no security than the debtors personal gurantee.		26,017,132	16,488,836
Loans considered good secured by the personal undertakings of one or more parties in addition to the personal gurantee of the debtor.		8,710,175,884	5,091,126,883
Loans adversely classified, provision not maintained there against.		-	-
		14,256,409,093	7,276,542,266



Note	31.12.2023 TAKA	31.12.2022 TAKA
Loans due by directors or officers of the banking company or any of them either separately or jointly with any other person	-	-
Loans due by companies or firms in which the directors of the banking	-	-
Maximum total amount of advances including temporary advances made at	-	-
Maximum total amount of Investments including temporary Investment	-	-
Due from banking companies	-	-
Amount of Classified Loan on which interest has not been	-	-
a) (Decrease)/ Increase in provision	-	-
Amount of Debts written off	-	-
Amount realised against loan previously written off	-	-
c) Interest creditable to the interest suspense account.	-	-
Cumulative amount of the written off loan	-	-
Opening Balance	-	-
Amount Written off during the year	-	-
The amount of written off loans for which law suits have been filed	-	-
	14,256,409,093	7,276,542,266

7.13 Particulars of Required Provisions for Loans and Advances

Status	Base for Provision	Percentage (%) of required Provision	Required Provision 2023	Required Provision 2022
Unclassified				
All Unclassified Loans (Other	9,972,066,609	1%	99,720,666	56,060,427
Small and Medium Enterprise	3,576,040,001	0.25%	8,940,100	3,719,240
Housing Finance	191,227,281	1%	1,912,273	437,986
Loans to Professionals	-	2%	-	-
Loans to BHs/MBs/SDs against Shares	315,661,606	1%	3,156,616	-
Consumer Finance	147,851,598	2%	2,957,032	-
Staff Loan	45,456,304	0%	-	1,936,475
SMA (Same as UC i.e. 0.25%, 1% to 2%)		0.25%	-	-
Sub Total	14,248,303,401		116,686,687	62,154,129

As the bank was incorporated after the COVID-19, special general provision COVID-19 is not maintained in this regard.

Classified

Substandard			-	-
Doubtful			-	-
Bad Loan			-	-
Sub Total			-	-

Provision Required (Short Term Agricultural & Micro Credit)

Unclassified			-	-
Standard (Short Term Agri/ Micro	8,105,692	1%	81,057	3,058

Classified

SubStandard (Short Term			-	-
Doubtful (Short Term Agri/Micro			-	-
Bad Loan (Short Term Agri/Micro			-	-
Sub Total			-	-

Total Required Provision for			116,767,744	62,157,187
Total Provision maintained (Note: 13.1.1)			117,090,000	62,307,000

Excess Provision over minimum required provision prescribed by Bangladesh Bank			322,256	149,813
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Note	31.12.2023 TAKA	31.12.2022 TAKA
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Provision for loans and advances is created for covering the bank for possible loan losses in the future. General provision is made on outstanding loans and advances without considering the quality of loans and advances according to the prescribed rate of Bangladesh Bank. Classified loans and advances of the banks are categorized as sub-standard, doubtful and bad/loss as per guidelines of the Bangladesh Bank.

Provision for off-balance sheet items is made as per BRPD circular No. 8 of 7 August 2007 and 18 September 2007 for covering the bank for possible losses on off-balance sheet items in the future.

7.14 Provision made for funded exposures only (Other than short term Agriculture & Micro Credit)

Unclassified

Standard		116,686,687	62,302,000
SMA		-	-

Classified

Substandard		-	-
Doubtful		-	-
Bad or Loss		-	-
Provision made for funded exposures only (Other than short term Agriculture & Micro Credit)(Note # 13.1.1)		116,686,687	62,302,000

Provision Made : (Short Term Agriculture & Micro Credit)

SubStandard (Short Term Agri/Micro Credit)		81,057	5,000
Doubtful (Short Term Agri/Micro Credit)		-	-
Bad or Loss (Short Term Agri/Micro Credit)		-	-

Grand Total		116,767,744	62,307,000
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7.15 Particulars of provision for Off-Balance Sheet items

Particulars	Base for Provision	Percentage (%) of required Provision	Required Provision 2023	Required Provision 2022
Acceptance & Endorsement	116,296,038	1%	1,162,960	2,747,604
Letter of Guarantee	597,428,617	1%	5,974,286	2,500,573
Irrevocable Letters of Credit	1,133,028,767	1%	11,330,288	2,350,314
Bill for Collection	119,148,272	0%	-	-
Other Commitment	2,191,540,800	1%	21,915,408	-
Required Provision for Off-Balance Sheet Items			40,382,942	7,598,491
Provision Maintained (Note: 13.1.3)			40,383,000	7,650,000
Excess Provision over minimum required provision prescribed by Bangladesh Bank			58	51,509

7.16 Disclosure of Document Verification System:

As per Bangladesh Bank BRPD circular No: 04 and 35, dated January 04, 2021 and July 06, 2021 respectively instructions have been given to verify the audited financial statements of loan applicants through Document Verification System (DVS), a system developed by Institute of Chartered Accounts of Bangladesh (ICAB). Financial Reporting Council (FRC) also vide letter No. 178/FRC/APR/2021/27(10) dated 5th December given the same instruction. Bengal Commercial Bank PLC. has taken necessary initiatives to comply with the instruction of Bangladesh Bank and FRC and the implementation of the system is in progress.

7.17 Bill Purchased and Discounted under the following board categories

Inside Bangladesh	32,095,712	27,077,514
Outside Bangladesh	-	-
	32,095,712	27,077,514



	Note	31.12.2023 TAKA	31.12.2022 TAKA
7.18 Maturity wise grouping of loans and Advances			
Payable on Demand		622,970,395	678,572,960
Not More than 3 Months		3,705,560,497	1,789,257,878
More than 3 month but not more than 1 year		6,271,752,208	2,869,446,629
More than 1 year but not more than 5 year		2,228,708,259	1,116,419,942
More than 5 Years		1,427,417,733	822,844,857
		14,256,409,093	7,276,542,266
8.0 Fixed assets including premises, furniture & fixture. Conventional and Islamic Banking			
A Cost			
Furniture and fixtures		163,162,105	130,927,295
Office Equipment		76,673,370	54,806,311
Computer & equipments		99,210,091	89,177,782
Vehicles		29,243,086	29,243,086
		368,288,652	304,154,474
B Intangible Assets			
Software		26,374,500	26,374,500
Total Cost of Tangible and Intangible Assets		394,663,152	330,528,974
Less: Accumulated depreciation & amortization		153,509,328	102,926,734
Written down value at the end of the year		241,153,824	227,602,239
Lease Assets-Premises			
Right of use Assets	8.1	770,262,311	770,262,311
Less: Accumulated Depreciation		399,203,555	283,991,949
		371,058,756	486,270,362
Net Book Value at the end of the year		612,212,580	713,872,601
Fixed assets schedules on standalone basis are shown in Annexure-C.			
The bank's management has chosen to adopt a straight-line depreciation approach for its fixed assets, utilizing specific fixed rates. In response to the current condition of the bank's fixed assets, management has opted to amend the depreciation rate within the financial year, adhering to the straight-line method for fixed assets. Comprehensive details regarding this revision are outlined in the policy note- 2.10.			
8.1 Right of use of assets (Lease assets)			
Present value of Lease liabilities (obligation)		336,353,016	407,786,519
Initial payment (advance rent)		433,909,295	362,475,792
		770,262,311	770,262,311
The Cost of the Right of Use Assets includes the Lease Liability which is the present value of Lease Payments less incentive, plus initial direct payments and dismantling cost etc. The Right of Use Assets measured at Cost less Accumulated Depreciation. IFRS 16 Leases is complied at the time of calculation of Right of Use of Assets.			
9.0 Other assets Conventional and Islamic Banking			
Income Generating			
Interest/Profit Receivable	9.3	138,490,628	59,369,006
Profit Receivable from Govt. Securities		3,917,796	1,819,608
		142,408,424	61,188,614
Non-Income Generating			
Stock of Stationery & Stamps		1,202,087	730,261
Account with Stock Broker		1,641,777	10,241,177
Advance Rent		30,823,267	9,272,550
Security Deposit		47,975	47,975
Suspense Account	9.1	20,996,946	2,392,054
Advance to Vendors		7,216,800	7,270,000
Advance Insurance		3,269,594	25,777
Adjusting A/C Debit Balance		16,591,459	-
EFTN Inward Receivable		3,000	229,489
Advance Tax	9.2	181,186,573	93,050,309
		262,979,478	123,259,592
		405,387,902	184,448,206



	Note	31.12.2023 TAKA	31.12.2022 TAKA
9.1 Suspense accounts			
Advance against expenses		20,996,946	2,392,054
		<u>20,996,946</u>	<u>2,392,054</u>
9.1.1 The Detail Breakup of unadjusted suspense accounts are given below:			
Less than 03 Months		15,525,129	1,691,754
03 Months to Less than 06 Months		5,069,715	301,000
06 Months to Less than 09 Months		258,602	399,300
12 Months and above		143,500	-
		<u>20,996,946</u>	<u>2,392,054</u>
9.2 Advance tax paid			
Conventional and Islamic Banking			
Balance at the beginning of the year		93,050,309	51,094,442
Paid during the year		88,136,264	41,955,867
		<u>181,186,573</u>	<u>93,050,309</u>
<p>Advance income tax represents the tax payment to the government exchequer. Advance income tax was not adjusted against provision for taxation for the year because the tax assessments have been not been finalized till 31 December 2023.</p>			
9.3 Interest Receivable			
Interest Receivable on Subsidiary Receivable Account	9.3 (a)	8,785,067	26,356,452
Interest Receivable on Balance with Other Banks	9.3 (b)	90,161,803	7,200,467
Interest Receivable on Other than Government Securities	9.3 (c)	13,369,784	11,022,853
Interest Receivable on Treasury Bond		26,173,975	14,789,234
		<u>138,490,628</u>	<u>59,369,006</u>
9.3 (a) Interest Receivable on Subsidiary Receivable Account			
Interest Recv. Under SME Stimulus Finance		1,646,970	1,531,925
Interest Receivable under Working Capital Stimulus Package		2,463	18,677,564
Subsidiary Recv. on Agri Short-Term Loan Import Substitute Crop		5,838	5,424
Interest Recv. on COVID19 Special loan package		7,129,796	6,141,538
		<u>8,785,067</u>	<u>26,356,452</u>
9.3 (b) Interest Receivable on Balance with Other Banks			
SND Account		62,200,295	2,965,397
FDR Account		27,666,667	4,235,069
FCY		294,840	-
		<u>90,161,803</u>	<u>7,200,467</u>
9.3 (c) Interest Receivable on Other than Government Securities			
Int. Receivable on Subordinate Bond		6,060,000	5,221,312
Int. Receivable on Corporate Bond		2,309,783	2,817,935
Int Receivable from Perpetual Bond		5,000,001	2,983,606
		<u>13,369,784</u>	<u>11,022,853</u>
9.4 Maturity Wise Grouping of Other Assets			
Up to 6 Months		168,278,266	73,896,889
Over 6 Months to 1 Year		24,908,322	8,180,483
Over 1 Year to 4 Years		212,153,340	102,322,859
Above 4 Years		47,975	47,975
		<u>405,387,902</u>	<u>184,448,206</u>
9.5 Classification Status of Other Assets			
Unclassified		404,985,800	184,448,206
Doubtful		258,602	-
Bad/Loss		143,500	-
		<u>405,387,902</u>	<u>184,448,206</u>
10.0 Non-Banking Assets			
<p>Non-banking assets are those acquired by the banks in settlement of their debts. When a borrower express his inability to repay the loan in cash, and instead offers to the bank an asset including an asset given as collateral security like property to the bank to purchase in settlement of their dues, such assets when purchased by the banks are called as non banking assets. As on 31.12.2023 there was no Non-Banking assets.</p>			
11.0 Borrowings from other banks, financial institutions & agent.			
Conventional and Islamic Banking			
In Bangladesh	11.1	1,295,405,738	293,049,519
Outside Bangladesh		-	-
		<u>1,295,405,738</u>	<u>293,049,519</u>



	Note	31.12.2023 TAKA	31.12.2022 TAKA
11.1 In Bangladesh			
Borrowing from Bangladesh Bank			
BB Refinance agst. Stimulus - Corporate		-	148,374,130
BB Refinance agst. Stimulus - SME		1,295,036,643	139,100,000
Int. payable on Borrowing from BB & Others	11.1.1	369,094	5,575,389
		<u>1,295,405,738</u>	<u>293,049,519</u>
11.1.1 Int. payable on BB Refinance agst. Stimulus			
Borrowing from Bangladesh Bank			
Int. payable on BB Refinance agst. Stimulus - Corporate		-	5,136,295
Int. payable on BB Refinance agst. Stimulus - SME		439,094	439,094
		<u>439,094</u>	<u>5,575,389</u>
11.2 Security Against Borrowing from Other Banks and Financial Institutions and Agents			
Secured (Treasury Bill)		-	-
Unsecured		1,295,405,738	293,049,519
		<u>1,295,405,738</u>	<u>293,049,519</u>
11.3 Maturity Grouping of Borrowings from other banks, financial institution			
Payable on demand		-	-
Payable within one month		-	-
Over one month but within six months		1,295,405,738	293,049,519
Over six month but within one year		-	-
Over one year but within five years		-	-
Over five years but within ten years		-	-
		<u>1,295,405,738</u>	<u>293,049,519</u>
11.4 Disclosure Regarding REPO			
Disclosure Regarding REPO Transaction of the bank are given as per Bangladesh Bank DOS Circular No. 6, dated July 15, 2010			

a. (i) **Disclosure Regarding REPO Outstanding REPO as on 31 December**

SL #	Counter Party Name	Agreement Date	Reversal Date	Amount (Taka)
1	Bangladesh Bank	12/27/23	1/3/24	400,000,000
2	Bangladesh Bank	12/28/23	1/1/24	400,000,000
3	Bangladesh Bank	12/24/23	1/1/24	300,000,000
4	Bangladesh Bank	12/26/23	1/2/24	400,000,000
5	Bangladesh Bank	12/26/23	1/2/24	400,000,000
6	Bangladesh Bank	12/26/23	1/2/24	400,000,000

(ii) **Disclosure Regarding Outstanding Reverse REPO as on 31 December**

SL #	Counter Party Name	Agreement Date	Reversal Date	Amount (Taka)
-	-	-	-	-

b. **Disclosure Regarding Overall Transaction of REPO & Reverse REPO**

Particulars	Minimum Outstanding During the Year	Maximum Outstanding During the Year	Daily Average Outstanding During the Year
Securities Sold Under Repo			
i. With Bangladesh Bank	250,000,000	500,000,000	313,006,843
ii. With Other Bank & FIS			
Securities Purchased under Reverse Repo			
i. With Bangladesh Bank			
ii. With Other Bank & FIS			

12.0 Deposits and other accounts

Conventional and Islamic Banking

		31.12.2023 TAKA	31.12.2022 TAKA
Deposit from Customers	12.1	16,456,052,128	10,816,590,777
Deposit from Banks & NBFIs	12.2	-	200,000,000
		<u>16,456,052,128</u>	<u>11,016,590,777</u>



Hoda Vasi Chowdhury & Co

	Note	31.12.2023 TAKA	31.12.2022 TAKA
12.1 Deposit from Customers			
Current / Al-Wadiah current Deposit and other accounts	12.1.1	2,942,544,584	1,104,623,713
Bills Payable		63,058,850	38,499,715
Savings / Mudaraba Savings Bank Deposit	12.1.2	1,636,704,583	1,163,283,157
Fixed / Mudaraba Term Deposits	12.1.3	11,488,957,511	8,295,348,058
Other Deposit	12.1.4	324,786,600	214,836,135
		16,456,052,128	10,816,590,777
12.1.1 Current / Al-Wadiah current Deposit and other accounts			
Current / Al-Wadiah current Deposit		1,697,270,439	764,057,813
Exporters' Retention Quota(ERQ) Account		2,347,333	-
Positive Balance On OD		1,572	1,353,283
Accrued Interest/Profit	12.1.1 (a)	255,064,125	175,057,172
Margin on Facilities		924,403,591	84,864,722
FC Held		63,457,525	79,290,723
		2,942,544,584	1,104,623,713
12.1.1 (a) Accrued Interest			
Int.Payable on Bengal Fixed Deposit-100 Days		372,617	417,769
Int.Payable on Bengal Fixed Deposit Account-200 Days		144,475	540,050
Int.Payable on Bengal Fixed Deposit Account - 3 Months		37,809,006	16,002,764
Int.Payable on Bengal Fixed Deposit Account - 6 Months		33,030,047	23,565,592
Int.Payable on Bengal Fixed Deposit Account - 01 Year		178,345,312	130,001,961
Int.Payable on Bengal Fixed Deposit Account - 02 Years		63,880	65,957
Int.Payable on Bengal Fixed Deposit Account - 03 Years		67,619	60,495
Int. Payable on Bengal Monthly Earning Fixed Deposit Ac-01 Year		631,199	360,339
Int.Payable on Bengal Double Benefit Fixed Deposit Account		2,391,789	2,497,747
Int. Payable on Bengal Monthly Earning Fixed Deposit Ac-02 Years		52,832	49,409
Int. Payable on Bengal Monthly Earning Fixed Deposit Ac-03 Years		29,300	(6,070)
Int. Payable on Bengal Monthly Earning Fixed Deposit Ac-05 Years		4,300	-
Profit Payable on Mudaraba Waqf Deposit		20,003	-
Profit on Cash Waqf		197,008	-
Interest Payable on FCY		486,723	-
Int. Payable on Bengal Fixed Deposit- 90 Days		-	1,340,278
Int. Payable on Bengal Fixed Deposit- 1 Month		1,418,015	160,881
		255,064,125	175,057,172
12.1.2 Saving Bank Deposit			
Saving Bank Deposit		688,401,195	439,574,291
Special Notice Deposit		940,692,513	723,708,866
Mudaraba Waqf Deposit		7,610,875	-
		1,636,704,583	1,163,283,157
12.1.3 Fixed Deposit			
Fixed Deposit		11,275,640,450	8,201,655,079
Deposit Under Scheme		213,317,061	93,692,979
		11,488,957,511	8,295,348,058
12.1.4 Other Deposit			
Sundry Deposit	12.1.4 (a)	153,977,955	130,956,317
Settlement Account		7,253,330	3,875,228
Others		163,555,315	80,004,589
		324,786,600	214,836,135



	Note	31.12.2023 TAKA	31.12.2022 TAKA
12.1.4 (a) Sundry deposits			
SME Foundation Pre-finance Scheme		68,939,880	93,574,940
Security Deposit		10,570,300	6,863,456
Withholding Tax Payable		20,725,026	10,105,870
Withholding VAT Payable		5,942,815	4,443,426
Excise Duty		16,566,450	11,470,000
Others		31,233,484	4,498,625
		153,977,955	130,956,317
12.2 Deposit from Inter Bank			
Fixed Deposit			
Jamuna bank Ltd.		-	150,000,000
Uttara Bank Limited		-	-
Mercantile Bank Limited		-	50,000,000
South East Bank Limited		-	-
Bank Asia Limited		-	-
		-	200,000,000
12.3 Demand and Time Deposits			
A. Demand Deposits			
Current / Al-Wadiah current Deposits		2,942,544,584	1,104,623,713
Saving / Mudaraba Savings Deposits (10% of Total Saving Deposit)		69,601,207	67,668,810
Sundry Deposit		74,467,776	30,517,921
Bills Payable		63,058,850	38,499,715
Other Demand Deposit		170,808,644	83,879,818
		3,320,481,061	1,325,189,976
B. Time Deposits			
Saving / Mudaraba Savings Deposits (90% of Total Saving Deposit)		626,410,863	609,019,289
Fixed / Mudaraba Term Deposit		11,275,640,450	8,401,655,079
Deposit Pension Scheme		213,317,061	93,692,979
Speical Notice Deposit		940,692,513	486,595,057
Security Deposit		10,570,300	6,863,456
Others Time Deposit		68,939,880	93,574,940
		13,135,571,067	9,691,400,801
Total Demand and Time Deposit		16,456,052,128	11,016,590,777
12.4 Maturity wise Grouping of Deposits and Other Accounts			
Inter- Bank Deposits			
Payable on demand		-	-
Payable within one month		-	50,000,000
Over one month but within six months		-	650,000,000
Over six month but within one year		-	-
Over one year but within five years		-	-
Over five years but within ten years		-	-
		-	700,000,000
Other Deposits			
Payable on demand		3,399,781,452	2,007,984,976
Payable within one month		693,568,003	196,833,824
Over one month but within six months		7,834,118,684	2,425,003,758
Over six month but within one year		4,180,027,687	5,461,981,952
Over one year but within five years		260,790,829	135,911,226
Over five years but within ten years		87,765,474	88,875,042
		16,456,052,128	10,316,590,777
		16,456,052,128	11,016,590,777



	Note	31.12.2023 TAKA	31.12.2022 TAKA
12.5 Sector-wise deposits			
Government		244,661,079	115,053,750
Semi-Government		-	-
Deposit from Banks		-	700,000,000
Other Public		872,677,612	606,907,058
Foreign Currency Deposits		63,457,525	79,290,723
Private		15,275,255,912	9,515,339,246
		16,456,052,128	11,016,590,777
13.0 Other Liabilities			
Conventional and Islamic Banking			
Provision for Loans and Advances / Investments	13.1.1	117,090,000	62,307,000
Provision for Off Balance Sheet Items	13.1.3	40,383,000	7,650,000
Provision for diminution in value of Investment	13.1.4	50,544,527	16,973,028
Payable to Vendors		8,435,795	15,585,795
Payable Others		-	-
Adjusting Account Credit Balance		68,320,203	55,344,969
Provision for Climate Risk Fund	13.2	500,000	500,000
Provision for Other Assets	36.1	272,801	199,650
Provision for Start-up Fund	13.3	-	-
Lease Liabilities (IFRS 16)	13.4	336,353,016	407,786,519
Provision for Tax	13.5	77,231,875	33,574,331
Deferred Tax Liability	13.6	494,437	2,398,495
		699,625,654	602,319,787
13.1 Provisions for Loans and Advances / Investments			
Conventional and Islamic Banking			
Provisions for loans and advances in based on instructions contained in Bangladesh Bank BRPD circulars/letters no. 16 dated 06 December 1998, 9 dated 14 May 2001, 9 and 10 dated 20 August 2005, 8 dated 07 August 2007, 10 dated 18 September 2007, 14 dated 23 September 2012, 19 dated 27 December 2012, 5 dated 29 May 2013, 16 dated 18 November 2014, 8 dated 02 August 2015, 12 dated 20 August 2017, 15 dated 27 September 2017, 01 dated 03 January 2018, 01 dated 20 February 2018, 01 dated 06 February 2019, 03 dated 21 April 2019 and 05 dated 16 May 2019.			
13.1.1 General Provision			
Balance as at 1st January		62,307,000	21,923,000
Add: Provision made during the year		54,783,000	40,384,000
		117,090,000	62,307,000
13.1.2 Specific Provision			
Balance as at 1st January		-	-
Add: Provision made during the year		-	-
		-	-
13.1.3 Provision on Off-Balance Sheet Exposures			
Balance as at 1st January		7,650,000	2,614,000
Add: Provision made during the year		32,733,000	5,036,000
		40,383,000	7,650,000
Total Provision for loans and Advance and Off-Balance Sheet Exposures		157,473,000	69,957,000
13.1.4 Provision for Diminution of value of Shares and Securities			
Balance as at 1st January		16,973,028	3,578,488
Add: Provision made during the year		33,571,498	13,394,540
		50,544,527	16,973,028

Provision for diminution (gain net off) of value of quoted Shares has been made as per DOS Circular No: 04, Dated November 2011 and provision for mutual fund (close-end) has been calculated as per DOS circular no. 03, dated 12 March 2015 of Bangladesh Bank



Note	31.12.2023 TAKA	31.12.2022 TAKA
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13.2 Provision for Climate Risk Fund

As per Bangladesh Bank GBSRD Circular NO: 04 dated 09.07.2015 Banks and Financial Institutions need to allocate at least 10% of their respective Corporate Social Responsibility Budget for Climate Risk Fund, while as per the Bangladesh Bank Guideline to establish a banking company in Bangladesh, the new bank should spent 10% or more of its previous year's net income to CSR. The bank has incurred Net Loss in the year 2022, hence no CSR budget has been maintained for the year 2022. However, in the year 2023, the bank Incurred BDT 5,00,000 as CSR expense, and this expenditure has been considered for maintaining provision for Climate Risk Fund.

Opening Balance	500,000	500,000
Add: Provision made during the year	-	-
Closing Balance	500,000	500,000

13.3 Provision for Start-Up Fund

According to SMESPD Circular no. 04 dated March 29, 2021 and SMESPD Circular letter no. 05, Dated April 26, 2021, Schedule Bank will form start Up fund for extending Loan/Refinance facilities view to creation of New Entrepreneur and self-employment in the country. The basis of Start Up is the 1% of net profit of that concern year and Bank will extend credit to that amount for prospective client as mentioned in the circular. The bank incurred Net loss in the year 2022, hence no provision has been kept in this connection.

13.4 Lease Liabilities (Present value of lease payments)

The bank recognised lease liabilities which is present value of lease payments to be made over the lease term from the date of Contract with the Lessor. The lease payments include fixed and variable lease payment (less any adjustment for initial payment), and amount is expected to be paid under residual value of guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the bank and payment of penalties for terminating the lease. The lease payment has been discounted using maximum deposit rate fixed by the Government of Bangladesh which is 6% per annum. The amount of VAT and TAX due is included in Withholding VAT Payable and Withholding TAX Payable and deducted from Lease Liability.

Opening Balance	407,786,519	420,851,385
Add: Addition During the Year	-	52,754,118
Add: Interest Charge during the year	22,076,266	24,780,281
Less: Payment made during the year	93,509,769	90,599,264
Balance as at 31 December	336,353,016	407,786,519

Lease Liabilities - Non Current Portion	336,353,016	394,721,654
Lease Liabilities - Current Portion	-	-
	336,353,016	394,721,654

The Lease Liabilities - Current Portion comprises Lease Liability payable in the next Twelve (12) months, plus any interest accrued, plus any unpaid rent and unpaid advance rent to lessor.

13.5 Provision for Current Tax

Opening Balance	33,574,331	14,743,257
Add: Provision made during the year	43,657,544	18,831,074
	77,231,875	33,574,331
Less: Adjustment made during the year	-	-
Balance as at 31 December	77,231,875	33,574,331

Income Tax Paid During the Year

Advance Tax paid in Cash	270,000	357,500
Advance Tax Paid at Sources	85,052,784	38,844,508
Advance Tax on Treasury Bonds	5,319,987	2,753,859
	90,642,772	41,955,867

Corporate tax position of the Bank has been presented in Annexure D.



	Note	31.12.2023 TAKA	31.12.2022 TAKA
13.5.1 Provision for Current Tax Made during the year			
Income tax @ 40% on Estimated Taxable Business Profit		-	-
Income tax @ 20% on Dividend Income		3,687,106	6,124,646
Income tax @ 10% on Capital Gain on Sale of Shares		125,510	942,585
Income tax @ 15% on Capital Gain on Sale of Govt. Securities		5,978,717	-
Income tax @ 40% on Special Business Income		9,800,477	1,763,031
Minimum Tax (u/s 82 (C) of the ITO 1984)		24,065,734	10,000,811
Estimated total provision required		43,657,544	18,831,074
Computation of Taxable Business Profit			
Profit before Tax		150,436,282	(182,594,085)
Add: Inadmissible expenses		24,501,193	314,483,114
Less: Admissible Expenses for Separate consideration		131,903,006	347,710,784
Less: Business loss carried forward		161,239,194	-
Estimated Taxable Business Profit for the year		(118,204,726)	(215,821,755)
13.6. Deferred Tax Liability (Net of Asset)			
Balance at the beginning of the year		2,398,495	5,166,582
Add: Provision made during the year	13.6.1	(1,904,058)	(2,768,087)
		494,437	2,398,495
13.6.1 Deferred Tax Liability			
Deferred Tax Liability	13.6.1.1	11,555,180	7,373,285
Deferred Tax Asset	13.6.1.2	13,459,238	10,141,372
		(1,904,058)	(2,768,087)
13.6.1.1 Deferred Tax Liability			
Opening Balance		18,132,794	10,759,509
Addition During the Year		11,555,180	7,373,285
Closing Balance		29,687,975	18,132,794
13.6.1.2 Deferred Tax Asset			
Opening Balance		15,734,299	5,592,927
Addition During the Year		13,459,238	10,141,372
Closing Balance		29,193,537	15,734,299

Deferred tax assets/(liabilities) have been recognised and measured as per IAS-12: Income Taxes.

As per Bangladesh Bank, BRPD circular no. 11 dated December 12, 2011 deferred tax assets may be recognized but restrictions are to be followed if deferred tax assets is calculated and recognized based on the provisions against classified loan, advances. A description should be provided regarding deferred tax assets recognized on loan loss provision in the notes to the financial statements. On the other hand, deferred tax liabilities must be recognized for those items which are mentioned to recognize in IAS-12.

Deferred tax on Specific provision on loans and advances

Specific provisions for loans are not tax allowable under local tax regulations. So, when calculating taxable income, the loan loss provision charged to the profit and loss account is added back to income. The loan recovery or write-off, however, will be accepted by the tax office as a legitimate tax expense. The Bank will either make a recovery or write off the loans at some point in the future; thus, this item only makes a transitory effect. According to IAS 12, the Bank recognizes the deferred tax on this particular provision, creating a deductible temporary difference to the degree that it can be applied as a credit. Once the underlying bad debt is either repaid or cancelled, the deferred tax will be reversed.

Deferred tax on Fixed assets including intangible assets

Accounting depreciation is not taken into consideration when determining the tax obligation according to local tax regulations. The tax authorities permit tax depreciation at various rates as per third schedule of ITA 2023 & Finance Act 2023 which is different from accounting depreciation rate in many cases. Hence transitory differences are created due to the varying depreciation rates and methodology against which the Bank recognises deferred tax. This is a common occurrence since the accounting depreciation rate and the tax depreciation rate differ from one another. The remaining amount of deferred tax will be released when the assets' useful economic life has passed, though.



	31.12.2023 TAKA	31.12.2022 TAKA
14.0 Share Capital		
Opening balance	4,406,675,000	4,250,000,000
Add: Issuance of 9,332,500 nos of ordinary shares @ Tk. 10 each	93,325,000	156,675,000
	4,500,000,000	4,406,675,000
14.1 Authorized Capital		
1,50,00000 ordinary shares of Tk. 10.00 each	15,000,000,000	15,000,000,000

14.2 History of Paid Up Capital

Year	Number of Shares Issued	Cumulative Number of Shares	Cumulative
2023	9,332,500	450,000,000	4,500,000,000
2022	15,667,500	440,667,500	4,406,675,000
2021	0	425,000,000	4,250,000,000
2020	425,000,000	425,000,000	4,250,000,000

14.3 Percentage of Shareholdings at the closing date

As per clause (VI) of the Memorandum of Association and Article of Association the authorized capital of the Bank is BDT 15,000,000,000 and issued fully paid up capital is BDT 450,000,000 denominated by BDT 10 per share. Detail break-up capital as on 31st December 2023 is as follows:

Shareholders group	No. of Shares	% of Share	BDT
Directors & Sponsors	450,000,000	100%	4,500,000,000
Genera Public	-	-	-
Financial Institutions	-	-	-

**31.12.2023
TAKA**

SI	Name of the Directors	Status	No. of Shares at
1	Mr. Md. Jashim Uddin	Chairman	22,500,000
2	Alhaj Mahbulul Alam	Vice Chairman	22,500,000
3	Engr. Ghulam Mohammed Alomgir (Representing Max Infrastructure Lin	Director	22,500,000
4	Mrs. Jesmin Akhter	Director	18,000,000
5	Mr. Firoz Alam	Director	21,250,000
6	Mr. Shamsul Alam	Director	21,250,000
7	Mr. Md. Shahabuddin	Director	22,500,000
8	Mr. Dilip Kumar Agarwala	Director	22,500,000
9	Mr. Joshoda Jibon Debnath (Representing Technomedia Limited)	Director	22,500,000
10	Mrs. Tasmin Mahmud	Director	22,500,000
11	Mr. S.M. Faruqi Hasan	Director	15,517,500
12	Mr. Md. Iqbal Hossain Chowdhury (Representing B. Dash Japan Co., Lin	Director	22,500,000
13	Mr. Muhammad Jamaluddin (Representing KDS Textile Mills Limited)	Director	22,500,000
14	Mrs. Rokeya Khatun, FCA (Representing Iimeeyat Apparels Limited)	Director	22,500,000
15	Mr. Khawja Mahtab Uddin (Representing Starlight Sweaters Limited)	Director	22,500,000
16	Engr. Md. Abu Noman Howlader	Director	21,250,000
17	Mr. Golam Nasir (Representing Bengal Plastics Limited)	Director	21,250,000
18	Ramisha BD Ltd.	Sponsor	22,500,000
19	Mr. Md. Alomgir Parvez	Sponsor	22,500,000
20	Mr. Mahmud Habib-E-Akbar	Sponsor	21,250,000
21	Mr. Mohammad Akram Hossain	Sponsor	9,902,500
22	Mr. Golam Nasir	Sponsor	3,330,000
23	Mrs. Tasfia Jashim	Sponsor	2,250,000
24	Mr. Taseen Jashim	Sponsor	2,250,000
Total			450,000,000

14.4 Capital to Risk-Weighted Asset Ratio (CRAR)

The calculation of CRAR under Basel III has been made as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" issued by Bangladesh Bank vide its BRPD Circular no. 18 dated December 21, 2014.



	31.12.2023 TAKA	31.12.2022 TAKA
i) Core Capital (Tier-I)		
a) Common Equity Tier I		
Paid-up Capital	4,500,000,000	4,406,675,000
Statutory Reserve	30,087,256	-
General Reserve	-	-
Retained Earnings	(288,408,338)	(367,003,877)
	4,241,678,918	4,039,671,123
Less: Regulatory Adjustment		
Goodwill and Other Intangible Assets	10,468,695	15,743,595
Reciprocal crossholdings in the CET-I capital banking, NBFIs & Insurance Entities	-	-
	10,468,695	15,743,595
	4,231,210,224	4,023,927,528
b) Additional Tier I Capital		
ii) Supplementary Capital (Tier-II)		
General Provision on unclassified loan	117,090,000	62,307,000
General Provision for off-balance Exposure	40,383,000	7,650,000
Revaluation Reserve of Govt. Securities	-	-
Asset Revaluation Reserve	-	-
	157,473,000	69,957,000
Less: Regulatory Adjustment		
Revaluation reserve for Fixed Assets, Govt Securities & Equity Securities	-	-
Reciprocal Crossholdings in the T-2 Capital of Banking, NBFIs & Insurance Entities	-	-
	-	-
	-	-
A) Total Capital (Tier-I + Tier-II)	4,388,683,224	4,093,884,528
Total Assets including Off-Balance Sheet Items	26,851,971,463	17,115,253,524
B) Total Risk Weighted Assets	14,167,228,093	6,871,240,039
C) Required Capital Except conservation buffer (10% of total Risk Weighted Assets)	1,416,722,809	687,124,004
D) Required Capital plus conservation buffer (12.50% of total Risk Weighted Assets)	1,770,903,512	858,905,005
E) Surplus (A-D)	2,617,779,712	3,234,979,523
Capital to Risk Weighted Asset Ratio	30.98%	59.58%

Capital to Risk Weighted Asset Ratio (Details)

Capital Requirement	2023	
	Required	Held
Tier-I	6%	29.87%
Tier-II	4%	1.11%
Total Capital	10%	30.90%
Total Capital Plus Capital Conservation Buffer	12.50%	30.90%

As Per BRPD Circular letter no 18, Date: 15 June 2023, Bangladesh Bank has set Tk. 500 crore as minimum paid up capital requirement for Banks within 31st December 2023. However, Bangladesh Bank via letter BRPD(LS-1) 745 (73)/ 2023-8689, dated 12 October 2023, has extended up to 31 December 2024 with special consideration.

14.5 Breakdown of Gross Risk-Weighted Assets (RWA) in the various categories of Risk Weights

a) Risk Weights for Credit Risk:

Risk Weights (Both B/S & Off-B/S)	Risk Weighted
0%	-
20%	2,942,166,411
40%	71,395,027
50%	353,071,113
60%	203,534,430
75%	313,179,291
80%	-
100%	4,287,272,274
125%	4,462,453,996
13%	-
15%	-

12,633,072,542

b) Risk Weights for Operational Risk

863,857,021

c) Risk Weights for Market Risk

670,298,531

14,167,228,094

14.6 Composition of Shareholder's Equity

Paid up Capital	4,500,000,000	4,406,675,000
Statutory Reserve	30,087,256	-
General Reserve	-	-
Other Reserve Including Assets Revaluation Reserve	1,766,530	298,595
Retained Earnings	(288,408,338)	(367,003,877)
	4,243,445,448	4,039,969,717



	Note	31.12.2023 TAKA	31.12.2022 TAKA
15.0 Statutory and Other Reserve			
As per section 24(1) of the Bank company Act, 1991 (amendment upto date), an amount equivalent to 20% of the profit before taxes for the year has to be transferred to the statutory reserve fund as. As on 31.12.2023 the bank incurred Pre-tax profit of tk 150,436,281.28 and hence 20% Statutory reserve has been maintained in following mannar;			
Opening Balance		-	-
Add : Transferred during the year (20% pre-tax profit)		30,087,256	-
		<u>30,087,256</u>	<u>-</u>
16.0 Other Reserve			
General Reserve		-	-
Asset Revaluation Reserve		-	-
Investment Revaluation Reserve		1,766,530	298,595
		<u>1,766,530</u>	<u>298,595</u>
17.0 Retained Earnings			
Opening Balance		(367,003,877)	(168,346,807)
Add: Post Tax Profit during the period		108,682,796	(198,657,070)
Less: Transfer to Statutory Reserve		30,087,256	-
		<u>(288,408,338)</u>	<u>(367,003,877)</u>
18.0 Contingent Liabilities			
Conventional and Islamic Banking			
Acceptances and endorsements		116,296,038	274,760,361
Letters of guarantees	18.1	597,428,617	250,057,341
Irrevocable letters of credit	18.2	1,133,028,767	235,031,369
Bills for collection		119,148,272	171,922,125
Others		2,191,540,800	-
		<u>4,157,442,495</u>	<u>931,771,196</u>
18.1 Letters of Guarantees			
Bid Bond		209,135,000	3,530,000
Performance Guarantee		202,761,071	108,324,738
Advance Payment Guarantee		4,605,026	65,321,868
Payment Guarantee		157,627,100	52,727,100
Custom Guarantee		7,442,919	4,496,136
Other Bank Guarantee		1,600,000	1,400,000
Bank Guarantee BGCB		14,257,500	14,257,500
		<u>597,428,617</u>	<u>250,057,341</u>
Balance for Which The Bank is Contingently Liable in respect of Gurantee Issued Favouing:			
Directors or Officers		-	-
Government		-	-
Bank and Other Financial Institution		-	-
Others		597,428,617	250,057,341
		<u>597,428,617</u>	<u>250,057,341</u>
18.2 Letter of Credit			
Letter of Credit (General)		1,074,870,488	132,095,168
Letter of Credit Back to Bank (Inland)		58,158,279	102,936,201
		<u>1,133,028,767</u>	<u>235,031,369</u>
Conventional and Islamic Banking Income			
Interest / Profit, discount and Similar Income	19.0	1,460,840,781	679,129,259
Investment Income	21.0	200,373,061	156,837,938
Fees, Commission and brokerage	22.0	113,120,183	26,193,073
Other Operating Income	23.0	35,397,226	11,357,384
		<u>1,809,731,250</u>	<u>873,517,654</u>
Expenses			
Interest / Profit Paid on Deposits, Borrowings, etc	20.0	850,386,630	391,376,481
Administrative expenses	24.0	394,118,743	288,225,548
Other operating expenses	34.0	119,682,697	143,666,427
Depreciation on banks assets	33.0	173,946,250	173,829,092
		<u>1,538,134,320</u>	<u>997,097,549</u>
		<u>271,596,931</u>	<u>(123,579,895)</u>



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	Note	2023 TAKA	2022 TAKA
19.0 Interest / Profit, discount and similar income			
Interest / Profit on loans and advances / Investments	19.1	974,030,721	405,143,927
Interest / Profit on money at call and short notice		34,779,601	53,836,173
Interest / Profit on placement with banks and Financial Institutions		450,691,019	220,145,609
Interest / Profit on foreign currency balances		1,339,440	3,550
		1,460,840,781	679,129,259
19.1 Product Wise Interest:			
Continuous Loan / Investmnet		415,130,958	122,191,780
Term Loan / Investmnet		256,881,226	118,172,230
Demand Loan / Investmnet		302,018,537	164,779,917
		974,030,721	405,143,927
20.0 Interest / Profit Paid on Deposits, Borrowing and Others			
Interest / Profit on deposits	20.1	745,273,521	353,207,744
Interest / Profit on borrowings from Banks & FIs		76,180,762	16,280,430
Interest / Profit on borrowings from BB & others		28,911,491	9,060,616
Interest / Profit on Treasury Bond	20.2	20,856	12,827,692
		850,386,630	391,376,481
20.1 Interest/Profit on deposits			
Fixed / Mudaraba Term Deposit		663,163,180	337,281,809
Scheme / Mudaraba Deposit		9,238,770	3,575,975
Short Notice Deposit / Mudaraba Short Notice Deposit		41,456,158	8,266,429
Savings / Mudaraba Savings Deposit		31,415,413	4,083,531
		745,273,521	353,207,744
20.2 Interest on Treasury Bond (Net)			
Coupon Interest Expense		20,856	28,677,844
Less : Coupon Interest Income		-	(15,850,152)
		20,856	12,827,692
21.0 Investment Income			
Capital Gain on sale of shares (Net)		1,652,130	9,425,853
Dividend Income		19,844,581	30,623,229
Income from Subordinate Bond		12,018,713	10,451,120
Income from Corporate Bond		16,691,848	17,375,946
Income from Govt Sukuk Bond	21.1	6,608,173	4,583,972
Income from Perpetual Bond		12,016,395	2,983,606
Income from Treasury Bills / Bond	21.2	94,437,378	75,416,579
Gain / (Loss) on Sale of Govt Securities		39,858,110	20,993,209
Gain / (Loss) On Revaluation of HFT-T Bond		(2,754,267)	(15,480,186)
Interest on Reverse Repo		-	464,611
		200,373,061	156,837,938
21.1 Interest on Treasury Bills / Bond (Net)			
Income from Govt Sukuk Bond		7,646,123	4,583,972
Less: Coupon expenses for Govt Sukuk Bond		(1,037,951)	-
		6,608,173	4,583,972
21.2 Interest on Treasury Bills / Bond (Net)			
Interest Income on Treasury Bills		5,393,283	7,802,200
Interest Income on Treasury Bond		90,336,071	83,546,148
Less: Interest Paid on Secondary Security Purchase (T-Bond)		(1,291,977)	(15,931,769)
		94,437,378	75,416,579
22.0 Commission Exchange & Brokerage			
Exchange Gain (Net) on Foreign Exchange	22.1	92,647,831	16,907,188
Commission of DD, TT, PO		174,546	88,020
Other Commission Income	22.2	20,297,806	9,197,864
		113,120,183	26,193,073



Note	2023 TAKA	2022 TAKA
22.1 Exchange Gain/(Loss)		
Exchange Gain	364,519,398	61,087,594
Less: Exchange Loss	(271,871,568)	(44,180,406)
	92,647,831	16,907,188
22.2 Fees, Commission and Brokerage		
Commission on L/C	13,471,340	5,001,720
Commission on L/G	5,860,056	2,459,443
Other Commission	966,411	1,736,702
	20,297,806	9,197,864
23.0 Other Operating Income		
Loan Processing Fees	4,233,989	2,239,198
Trade Finance (LC Advising/Discrepancy/ Amendment, Swift Charge & Others)	4,717,551	2,189,353
E-Gp Income	19,290	-
Card Fees and Charges	3,773,485	1,867,193
SMS Charge	3,987,577	1,991,100
Batch & RTGS settlement Charge	795,166	326,130
Account Service Charge	3,831,192	1,625,217
Locker Charge	148,000	68,000
Other Service Charge	13,890,976	1,051,194
	35,397,226	11,357,384
24.0 Administrative expenses		
Conventional and Islamic Banking		
Salary and allowances	25.0 320,197,865	240,071,366
Rent, taxes, insurance, electricity etc.	26.0 42,884,634	18,717,858
Legal expenses	27.0 1,612,907	1,394,013
Postage, stamps, telecommunications etc.	28.0 6,844,849	6,117,200
Stationery, printing, advertisements etc.	29.0 8,401,798	10,353,416
MD & CEO's salary and allowances	30.0 10,755,000	9,690,000
Directors' fees	31.0 3,134,189	1,594,197
Auditors' fees	32.0 287,500	287,500
	394,118,743	288,225,548
Commission Exchange & Brokerage		
Commission of DD, TT, PO	10,775	10,775
Commission on Bank Gurantee-SME	1,117,390	1,117,390
	1,128,165	1,128,165
25.0 Salary and allowances		
Basic Salary	135,086,661	101,669,128
Allowances	151,170,414	113,495,673
Bonus	22,250,174	15,987,358
Bank's Contribution to Provident fund	11,690,616	8,919,207
	320,197,865	240,071,366
26.0 Rent, taxes, insurance, electricity etc.		
Rent (Garage)	61,989	52,785
Other rental charges	19,281,206	5,804,008
Rates & Taxes	592,984	214,622
Insurance charge	26.1 12,389,328	5,866,697
Electricity, Water & Gas	10,559,128	6,779,746
	42,884,634	18,717,858
While Implementing IFRS 16 leases, the Bank recognized Interest Expense on Lease Liabilities and depreciation on Right of Use Assets instead of Rental expenses of BDT 131,374,633.80 (Including VAT) incurred as on 31 December 2023.		
26.1 Insurance charge		
Central Insurance Policy (Cash in Safe, Counter and Transit)	1,235,602	740,136
Insurance of Fixed Asset		138,696
Deposit Money Insurance to Bangladesh Bank	7,891,420	3,627,213
Insurance Premium – Life & Medical	3,262,306	1,360,652
	12,389,328	5,866,697



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	Note	2023 TAKA	2022 TAKA
27.0 Legal & Professional Expenses			
Professional fees		1,092,500	966,005
Other legal charges		-	-
Stamp, power of attorney & notary public		17,410	12,798
Credit Rating Agency Fees		134,375	134,375
Other Professional fees		368,622	280,835
		1,612,907	1,394,013
28.0 Postage, stamps, telecommunications etc.			
Postage		372,156	191,274
Telecommunication charges		181,684	183,336
Mobile Bills		1,252,208	936,223
Swift Charge		2,554,111	3,319,787
SMS Service Charges		145,033	-
Internet Banking Transaction Fees		23,168	-
Network Connectivity Charge		2,302,200	1,455,238
Stamps		14,289	31,341
		6,844,849	6,117,200
29.0 Stationery, printing & advertisements etc.			
Computer Stationery		1,232,202	159,020
Printing Stationery		1,163,000	6,070,290
Security Stationery		-	60,000
Office Stationery		2,895,635	2,480,341
		5,290,837	8,769,651
Advertisement			
News paper		1,060,427	878,911
Electronic and Social Media		1,138,792	517,974
Other Advertisement		911,743	186,880
		3,110,962	1,583,765
Total Stationery, Printing & Advertisement		8,401,798	10,353,416
30.0 MD & CEO's salary and allowances			
Basic salary		5,550,000	5,400,000
Allowances		3,300,000	2,850,000
Festival Bonus		1,500,000	900,000
Bank's Contribution to Provident fund		405,000	540,000
		10,755,000	9,690,000
31.0 Directors Fees & Meeting Expenses			
Directors Fees		3,134,189	1,594,197
		3,134,189	1,594,197
Each director of the Bank is paid for Tk. 8,000 as per BRPD circular letter no. 11 dated 4 October 2015 per board or board committee meeting attended in 2023.			
32.0 Auditors fees			
Statutory		287,500	287,500
Others		-	-
		287,500	287,500
33.0 Depreciation and repair of bank's assets			
Conventional and Islamic Banking			
Depreciation			
Furniture/fixtures		15,888,496	19,080,829
Vehicles		4,386,463	5,848,617
Office equipments		10,160,702	9,395,086
Computer equipments		14,872,032	17,220,272
Computer software		5,274,900	5,274,900
Total Depreciation on Fixed Assets		50,582,593	56,819,704
Repair of bank's assets		8,152,051	3,888,726
Right-of-Use assets		115,211,606	113,120,662
Total Depreciation and repair of bank's assets		173,946,250	173,829,092



	Note	2023 TAKA	2022 TAKA
34.0 Other expenses			
Conventional and Islamic Banking			
Entertainment		4,880,260	3,586,811
Business Development Expenses		945,224	2,276,630
Fuel & Other Expenses for Car and Generator		15,384,680	13,264,199
Cleaning & Sanitizing Expenses		446,462	173,476
Crockeries & Cutleries		503,435	210,791
Business Traveling		3,056,606	2,456,316
Cleaning & Security Services		22,016,047	12,504,159
Books, Newspaper & Periodicals		65,074	39,011
Bank Charges		9,665,028	16,178,819
Excise Duty		1,250,000	930,000
Finance Cost - Lease Liability		22,076,266	24,780,281
Commission & Discount		113,656	358,998
Recruitment & Training Expense		199,793	2,373,973
Subscription		7,702,201	2,894,078
CSR (Donation To Govt & Others)		5,000,000	10,010,000
Other expenses		26,377,965	51,628,886
		119,682,697	143,666,427
35.0 Provisions Against Loans & Advances / Invements, Off-balance Sheet Items & Others of the Bank			
35.1 Provisions on General Loans and Advances / Invements		54,783,000	40,384,000
35.2 Provisions on Off-Balance Sheet Items		32,733,000	5,036,000
35.3 Provisions on Investment on Shares and Securities		33,571,498	13,394,540
35.4 Others		-	-
		121,087,498	58,814,540
36.0 Other Provisions	36.1	272,801	199,650
36.1 Provisions for Other Assets			
Balance As at 1 January		199,650	-
Add: Provision Made during the year		73,151	199,650
Balance As at 31 December		272,801	199,650
Provision Required		272,801	199,650
Provision Maintained		272,801	199,650
Surplus		-	-
Provision for others made for expenditure related unreconciled entries and other assets that classified as Doubtful and bad and loss as per Bangladesh Bank BRPD Circular 4 dated April 12, 2022			
37.0 Tax Expense of the Bank			
Current Tax	15.2	43,657,544	18,831,074
Deferred Tax	38.0	(1,904,058)	(2,768,088)
		41,753,486	16,062,986
38.0 Deferred Tax Expenses/(Income) of the Bank			
Closing Deferred Tax Liability		494,437	2,398,495
Less: Opening Deferred Tax Liability		2,398,495	5,166,582
		(1,904,058)	(2,768,088)
39.0 Earning Per Share			
Earnings per share (EPS) has been computed by dividing the profit after tax (PAT) by the weighted average number of ordinary shares outstanding as per IAS- 33 "Earnings Per Share". Diluted EPS was not required to calculate as there was no dilution possibilities during the year. Total number of shares were 440,667,500 in the year 2022. In the year 2023 new 9,332,500 number of shares issued. Thus total number of shares at the end of the year 2023 was 450,000,000.			
Net profit attributable to the shareholders of BGCB		108,682,796	(198,856,720)
Number of ordinary shares outstanding :		450,000,000	440,667,500
Earnings per share (EPS)		0.24	(0.45)
40.0 Net Asset Value (NAV) Per Share			
Net Asset Value of the Bank		4,243,445,448	4,039,969,717
Number of Ordinary Shares		450,000,000	440,667,500
Net Asset Value Per Share		9.43	9.17



Hoda Vasi Chowdhury & Co

Note	2023 TAKA	2022 TAKA
41.0 Net Operating Cash Flows Per Share		
Net Cash Flows from Operating Activities	(2,163,737,100)	641,982,934
No. of Outstanding Shares	450,000,000	440,667,500
	(4,81)	1.46
42.0 Receipt from Other Operating Activities		
Capital Gain on sale of shares	1,652,130	9,425,853
Service Charge	13,890,976	1,051,194
Others	21,506,249	10,306,190
	37,049,355	20,783,237
43.0 Payment for Other Operating Activities		
Rent, insurance, electricity etc.	42,884,634	18,717,858
Legal expenses	1,612,907	1,394,013
Directors' fees	3,134,189	1,594,197
Auditors' fees	287,500	287,500
Repair of Fixed Assets	8,152,051	3,888,726
Other expenses	119,682,697	143,666,427
	175,753,977	169,548,721
44.0 Cash Increase/Decrease in Other assets		
Stock of Stationery & Stamps	1,202,087	730,261
Account with Stock Broker	1,641,777	10,241,177
Advance Rent	30,823,267	9,272,550
Security Deposit	47,975	47,975
Suspense Account	20,996,946	2,392,054
EFTN Inward Adjustment	3,000	229,489
Adjusting A/C Debit Balance	16,591,459	-
Advance to Vendors	7,216,800	7,270,000
Advance Tax	181,186,573	93,050,309
Advance Insurance	3,269,594	25,777
	262,979,478	123,259,592
Less: Advance Tax Paid	(88,136,264)	(41,955,867)
Less: Interest Receivable on Balance with Other Bank	-	-
Less: Interest Receivable on Treasury Bond	-	-
Less: Openign Balance of Other Assets	(123,259,592)	(124,927,967)
	51,583,622	(43,624,242)
45.0 Cash Increase/Decrease in Other Liabilities		
Payable to Vendors	8,435,795	15,585,795
Adjusting Account Credit Balance	68,320,203	55,344,969
Provision for Climate Risk Fund	500,000	500,000
Provisions - Others	-	-
Lease Liabilities (IFRS 16)	336,353,016	407,786,519
	413,609,015	479,217,283
Less Opening Balance of Other Liabilities	(479,217,283)	(500,525,429)
	(65,608,269)	(21,308,146)
46.0 Reconciliation of Net Profit after Taxation & Operating Profit before changes in operating assets & liabilities		
Net Profit After Tax	108,682,796	(198,657,070)
Provision for Tax	41,753,486	16,062,986
Provision for Loans & Advances & Contingent Liabilities	87,516,000	45,420,000
Provision for diminution in value of investments	33,571,498	13,394,540
Other Provision	73,151	199,650
(Increase)/ Decrease of Interest Receivable	(81,219,810)	(5,831,999)
Increase/(Decrease) of Interest Payable	74,870,658	114,736,515
Depreciation & Amortization of Fixed Assets	165,794,199	169,940,366
Income Tax Paid	(88,136,264)	(41,955,867)
(Capital gain)/ Loss on shares & mutual funds	(1,652,130)	(9,425,853)
Exchange Gam	(92,647,831)	(16,907,188)
Operating Profit before changes in operating assets & liabilities	248,605,755	85,976,079



Note	2023 TAKA	2022 TAKA
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47.0 Number of Employees

Number of employees at 31 December 2023 was 339 (Three hundred and thirty nine) who were in receipt of remuneration for that year which in the aggregate was not less than Tk. 36,000 per annum.

48.0 Audit Committee

The Audit Committee of the Bank was constituted in the 1st meeting of the Board of Directors held on in compliance with the BRPD Circular No. 11, Dated 27 October, 2013. The Audit Committee was formed to assist the Board in Fulfilling its oversight responsibilities. The present Audit Committee consists of following members:

Sl. No	Name of Directors	Status with The Committee	Status with the Bank	Educational Qualification
1	Mr. Md. Iftekharul Amin	Chairman	Independent Director	MBA, Ph.D.
2	Mr. A.N.M. Abul Kashem	Member	Independent Director	M.Sc
3	Mr. Shamsul Alam	Member	Director	B.Com
4	Mrs. Rokeya Khatun, FCA	Member	Director	MSS
5	Engr. Md. Abu Noman Howlader	Member	Director	BSc

Details of Audit Committee Meeting held in 2023

Particulars of the Meeting	No. of Meeting	Date of Meeting
Board Audit Committee Meeting	3	18.04.2023, 26.07.2023, 21.12.2023,

Directors Fee: Each director of the Bank was paid Tk. 8,000 as per BRPD circular letter no. 11 dated 4 October 2015 per board or Audit committee meeting attended in 2023. Other Benefits: N/A

Disclosure by Audit Committee

- 1) The Committee reviewed the integrity of the Financial Statement of the Bank to ensure that these reflect a true and fair view of the Bank's state of affairs.
- 2) The committee while reviewing the financial statements ensured that the proper disclosure required International Accounting Standards as adopted in Bangladesh have been made and also complied with the Companies Act and various other rules and regulations applicable for banking business.
- 3) The Committee recommended The External Auditor to the Board for presenting the proposal before the shareholder in the upcoming AGM for approval.

49.0 Related Party Disclosure of the Bank

The key management personnel of the Bank for the purposes of IAS 24 are defined as those persons having authority and responsibility for planning, directing and controlling the Bank, being members of the Board of Directors of the Group, Group Managing Directors, and close members of their families and companies they control, or significantly influence, or for which significant voting power is held.

There were no transactions between the Bank and the key management personnel of the Bank in 2023 (2023 - nil).



Note

2023
TAKA

2022
TAKA

49.1 Name of the Directors and their interest in different entities:

SL	Name of Directors	Status with the Bank	Name of the Firms/Companies in Which they have interest
1	Md. Jashim Uddin	Chairman	1. Vice-Chairman of Bengal Group of Industries; 2. Vice-Chairman – Bengal Media Corporation Limited (RTV) 3. Director- Bengal Windsor Thermoplastics Limited 4. Director-Romania Food and Beverage Ltd. 5. Director- Bengal Cement Limited 6. Managing Director- Bengal Plastics Limited 7. Managing Director- Power Utility Bangladesh Limited. 8. Managing Director- Bengal Renewable Energy Limited. 9. Managing Director- Bengal Agro Industries Limited
2	Alhaj Mahbubul Alam	Vice-Chairman	1. Chairman - M. Alam Gas Station Ltd., 2. Chairman - Anowara Alam Foundation, 3. Chairman - Surgscope Hospital Ltd. 4. Managing Director - Alam Trading Corporation, 5. Managing Director – R.M. Enterprise, 6. Managing Director - M.M. Trading.
3	Engr. Ghulam Mohammed Alomgir (Representative of Max Infrastructure Limited)	Vice-Chairman	1. Chairman- MAX GROUP, one of the largest engineering conglomerates of Bangladesh; 2. Chairman- Max Industries Limited; 3. Chairman- Max Building Technologies Limited; 4. Managing Director- Max Power Limited; 5. Managing Director- Kushiara Power Company Ltd. 6. Managing Director-Max Electricity Generation Ltd.;
4	Jesmin Akhter		1. Director - Bengal Plastic Pipes Limited; 2. Director - Bengal Agro Industries Limited; 3. Director - Bengal Melamine Limited; 4. Director- Designer Washing and Dyeing Ltd.
5	Firoz Alam	Director	1. Director - Bengal Group of Industries; 2. Managing Director - Bengal Cement Ltd.; 3. Managing Director - Bengal LPG Ltd.; 4. Managing Director - Bengal Flexipak Ltd.; 5. Director - Bengal Plastics Ltd.; 6. Director – Bengal Media Corporation Limited (RTV); 7. Director – Bengal Windsor Thermoplastics Limited; 8. Director- Bengal Concept & Holdings Ltd.; 9. Director- Bengal Agro Industries Limited.
6	Shamsul Alam	Director	1. Director - Bengal Group of Companies; 2. Director- Bengal Plastics Limited; 3. Director- Bengal Media Corporation Limited (RTV); 4. Director- Romania Food and Beverage Ltd.; 5. Director- Bengal Agro Industries Limited; 6. Director- Bengal Cement Limited; 7. Managing Director - Bengal Adhesive and Chemicals Products Ltd.
7	Md. Shahabuddin	Director	1. Founder and Managing Director of Pacific Associates Ltd.; 2. Managing Director- Shahabuddin Textile Ltd.; 3. Managing Director- Asiatic Spinning Ltd.



8	Dilip Kumar Agrawala	Director	<ol style="list-style-type: none"> 1. Managing Director - Diamond World Ltd.; 2. Managing Director - Diamond World BD Ltd.; 3. Managing Director- Prem's Collection Ltd.; 4. Managing Director- Brilliant Diamond Ltd. 5. Managing Director - Najrana Limited; 6. Managing Director – Taradavi Shipping and Sea Trade Ltd.
9	Dr. Joshoda Jibon Debnath (Representative of Technomedia Limited)	Director	<ol style="list-style-type: none"> 1. Founder - Technomedia LTD, one of the advanced IT supporting companies of Bangladesh; 2. Chairman - Protection One (Pvt.) Ltd.; 3. Chairman - Lenden BD Ltd.; 4. Director - Bangladesh Chamber of Industries (BCI), 5. Director - Plastic Card ID Ltd.; 6. Director - Rajendra ECO Resort; 7. Director - Vibrant Software BD Ltd.; 8. Independent Director - Shampur Sugar Mill Ltd.; 9. Managing Director - Delta Force Ltd.; 10. Managing Director - Pay Union BD Ltd.
10	Tasmin Mahmud	Director	<ol style="list-style-type: none"> 1. Director - Cotton Dyeing & Finishing Mills Ltd.; 2. Director - Cotton Line (BD) Ltd.; 3. Director - Cotton N Cotton Garments Industries Ltd.; 4. Director - Pacific Cotton Ltd.; 5. Director - BG Tel Limited.
11	S.M. Faruqi Hasan	Director	<ol style="list-style-type: none"> 1. Chairman & CEO - Protik Developers Ltd.; 2. Chairman & CEO - Protik Bone China Ltd.; 3. Chairman & CEO - Protik Energy & Refinery Ltd.; 4. Chairman & CEO - Protik Logistics Ltd.; 5. Chairman & CEO - Hotel Lake Castle Ltd.; 6. Managing Director & CEO - Protik Ceramics Ltd.
12	Md. Iqbal Hossain Chowdhury (Representative of B. Dash Japan Co., Limited)	Director	<ol style="list-style-type: none"> 1. Chairman- Jams Trading Ltd.; 2. Director- B.Dash Japan Co. Ltd.; 3. Director - JAPASTY Co. Ltd.; 4. Managing Director- Creed Asia BD Co. Ltd.;
13	Mr. Muhammad Jamaluddin (Representative of KDS Textile Mills Limited)	Director	<ol style="list-style-type: none"> 1. Ex- Managing Director – BAPEX; 2. Ex-Member of Board of Directors - Bangladesh Petroleum Exploration & Production Company Ltd. (BAPEX); 3. Director - Grameen Shakti.
14	Mrs. Rokeya Khatun, FCA (Representative of Ilmeeyat Apparels Limited)	Sponsor Shareholder	<ol style="list-style-type: none"> 1. Sharmin Apparels Ltd; 2. Sharmin Fashions Ltd.; 3. Sharaf Embroidery & Printing Ltd.; 4. A M Design Ltd.; 5. A.M. Fashions Ltd.; 6. Ilmeeyat Washing & Dyeing Ind. Ltd.; 7. Ishayat Apparels Ltd.; 8. Ishayat Fashions Ltd.; 9. Sharaf Washing & Dyeing Ind. Ltd.; 10. Sharaf Apparels Ltd.
15	Khawja Mahatab Uddion (Representative Of Starlight Sweaters Limited)	Director	<ol style="list-style-type: none"> 1. Matrix Sweaters Ltd.; 2. Raidha Collections Ltd.; 3. Sultana Sweaters Ltd.; 4. Labib Dyeing Mills Ltd.; 5. Juthi Packaging Industries Ltd.; 6. R & R Agro Complex Ltd.; 7. Nice Cotton Ltd.; 8. Labib Poultry & Fisheries Ltd.



16	Engr. Abu Noman Howlader	Director	1. Chairman -- Bangladesh Building Systems Ltd. 2. Chairman -- Xiamen Reflective Insulations Ltd. 3. Chairman -- BBS Cables Ltd. 4. Chairman -- Nahee Aluminum Composite Panel Ltd. 5. Chairman -- BBS Metallurgic Industries Limited.; 6. Chairman -- Helix Wire & Cables Industries Ltd. 7. Chairman -- Nahee Geo Textile Ind. Ltd. 8. Chairman - BBS Cables Ltd. 9. Chairman - BBS Infrastructure Ltd. 10. Chairman - Nahee SS Pipes Ind. Pvt. Ltd. 11. Chairman - BBS Distribution Ltd. 12. Chairman -- Dynamic Cars Ltd
17	Golam Nasir [Representative of Bengal Plastics Limited]	Director	Proprietor: Accurate Steel.
18	Mr. Md. Iftekharul Amin	Independent Director	N/A
19	Mr. A.N.M. Abul Kashem	Independent Director	N/A
20	Mr. Tarik Morshed	Managing Director & CEO	N/A

49.2 Significant Contracts where Bank is a party and wherein Directors have interest: Nil NIL

49.3 Shares issued to Directors & Executives without consideration or exercise at discount: Nil NIL

49.4 Lending Policies to related parties:

Lending to related parties are effected as per requirement of section 27(1) of the Banking Companies Act, 1991 (as amended up to date)

49.5 Related Party Transaction

Name of the Company/Person	Related Director of BGC B	Nature of Transaction	Transaction made in 2023	Outstanding as at 31-12-2023
N/A	N/A	N/A	-	-

49.6 Post Balance Sheet events (IAS-10)

No material events occurring after balance sheet date came to our notice, which could affect the values reported in the financial statements significantly.

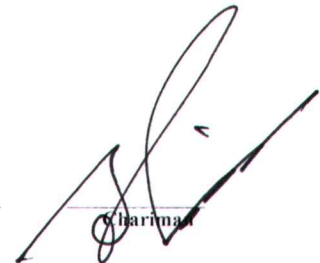
49.7 Business other than Banking business with any related concern of the Directors as per Section 18 (2) of the Bank Companies Act 1991 (as amended up to 2018) NIL

49.8 Investments in Securities of Directors and their related concern: NIL


Managing Director & CEO


Director


Director


Chairman

Dhaka, 31 March 2024





Annexure- A

Bengal Commercial Bank PLC.
Balance With Other Banks-Outside Bangladesh (Nostro Account)
As at 31 December 2023

Name of the Bank	Account Type	Currency Type	2023			2022		
			FC Amount	Exchange Rate	Eqvt. Taka	FC Amount	Exchange Rate	Eqvt. Taka
AB Bank Limited, Mumbai, India	CD	USD	42,798.74	109.75	4,697,161.72	15,186.85	105.37	1,600,275.59
Axis Bank Limited, Mumbai, India	CD	USD	4,940.73	109.75	542,245.12	3,017.32	103.29	311,667.12
Mashreq Bank PSC, New York, USA	CD	USD	843,962.27	109.75	92,624,859.13	11,646.33	103.29	1,202,980.88
Sonali Bank	CD	GBP	8,119.12	109.75	891,073.42	160.40	122.71	19,683.30
Sonali Bank	CD	EURO	7,781.08	123.09	957,789.48	-	-	-
					99,713,129			3,134,607

Bengal Commercial Bank PLC.
Statement of Unreconciled Entries (Nostro Accounts)
As on 31 December 2023

(Figures in USD)

SL No.	Period of un-reconciliation	As per Local Book				As per Correspondents' Book			
		Debit Entries		Credit Entries		Debit Entries		Credit Entries	
		No	Amount	No	Amount	No	Amount	No	Amount
01	Less than 1 month					4	17,576	12	262,819
02	1 month or more but less than 3 month								
03	3 months or more but less than 6 months								
04	6 months or more but less than 9 months								
05	9 months or more but less than 12 months								
06	12 months or more								
	Total	-	-	0	-	4	17,576	12	262,819

Date upto which reconciliation (wash out) is completed - all entries: 31st december, 2023

Date upto which reconciliation (wash out) is completed - other than cr. entries of local book and entries against which 100% provision have been made: 31st December, 2023



Bengal Commercial Bank PLC.
Investment in Shares
as at 31 December 2023

SL No.	Name of the Company	Face Value	No. of Shares Including Bonus Shares	Cost of Holding	Cost of Per Share (Average)	Quoted rate per Share as at 31 Dec 2023	Total Market Value as at 31 Dec 2023
	Quoted Shares						
1	BATBC	10	61,993	39,451,432.53	636.39	518.70	32,155,769.10
2	Jamuna Oil	10	73,534	12,609,013.13	171.47	168.50	12,390,479.00
3	AOPLC	10	3,695	36,950.00	10.00	17.60	65,032.00
4	LANKABAFIN	10	50,000	1,367,730.00	27.35	26.00	1,300,000.00
	Sub-Total			53,465,125.66			45,911,280.10
	Mutual Fund (Quoted)						
1	ABBASTMF	10	556,105	3,033,812.90	5.46	5.20	2,891,746.00
2	FBFIF	10	17,716,527	112,685,670.39	6.36	5.10	90,354,287.70
3	Grameen S2	10	7,079,594	122,756,535.70	17.34	15.20	107,609,828.80
4	Popular1MF	10	5,742,842	32,486,915.01	5.66	5.10	29,288,494.20
5	Reliance1	10	1,690,302	19,714,000.66	11.66	11.50	19,438,473.00
6	TrustB1MF	10	1,684,441	11,319,248.97	6.72	5.60	9,432,869.60
	Sub-Total			301,996,183.63			259,015,699.30
	Grand Total			355,461,309.29			304,926,979.40

Calculation of Required Provision against Investment in Shares

SL No	Particulars	Cost Value	Value Considered for maintaining Provision	Required Provision	Remarks
1	Quoted	53,465,126	61,018,896	7,553,770	Provision was made as per Bangladesh Bank, DOS Circular No. 1, dated: 25 May 2023
2	Quoted (Mutual Fund)	301,996,184	344,986,940	42,990,756	
	Grand Total	355,461,309	406,005,836	50,544,526	



Bengal Commercial Bank PLC.
Schedule of Fixed Assets
As at 31 December 2023

Particulars	COST				Rate	DEPRECIATION				Written down value as on 31 Dec 2023
	Opening Balance at Cost as on 01 Jan 2023	Addition during the year	Adjustment during the year	Total Cost as on 31 Dec 2023		Charged up to 31 Dec 2022	Adjustment during the year	Charged during the year	Total Depreciation as on 31 Dec 2023	
Land	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-
Furniture & Fixtures	130,927,295	32,234,809	-	163,162,105	10%	36,614,307	-	15,888,496	52,502,803	110,659,302
Office Equipment	54,806,311	21,867,059	-	76,673,370	15%	16,508,785	-	10,160,702	26,669,487	50,003,883
Computer Equipment	89,177,782	10,032,310	-	99,210,091	15%	27,756,883	-	14,872,032	42,628,915	56,581,177
Motor Vehicles	29,243,086	-	-	29,243,086	15%	12,810,660	-	4,386,463	17,197,123	12,045,962
Computer Software	26,374,500	-	-	26,374,500	20%	10,563,709	-	5,274,900	15,838,609	10,535,891
Right of use Assets (Lease assets)	770,262,311	-	-	770,262,311	-	282,664,340	-	115,211,606	397,875,946	372,386,365
Total as on	1,100,791,285	64,134,178	-	1,164,925,463		386,918,684	-	165,794,199	552,712,883	612,212,579



Bengal Commercial Bank PLC.
Statement of Tax Position of the Bank
As at 31 December 2023

(Amt in Taka)

Accounting Year	Assessment Year	Tax Provision as per Financial Statements	Tax as per Assessment Order / Income Tax Return	Excess / (Shortage) provision as per latest assessment order / Income Tax Return	Advance Income Tax Paid	Refund / (Due)	Present Status
1	2	3	4	5 = (3 - 4)	6	7 = (6-4)	8
2020	2021-2022	10,035,711	25,496,723	(15,461,012)	21,972,506	(3,524,217)	Appeal filed before the appellate tribunal
2021	2022-2023	4,707,546	-	4,707,546	29,121,936	-	Return filed u/s 82-BB but assesment order yet to receive
2022	2023-2024	18,831,074	-	18,831,074	41,955,867	-	Return filed u/s 82-BB but assesment order yet to receive
2023	2024-2025	43,657,544	-	43,657,544	88,136,264	-	Deadline for submission of tax return is 15 September 2024
Total		77,231,875	25,496,723	51,735,152	181,186,573	(3,524,217)	



BENGAL COMMERCIAL BANK PLC.
Islamic Banking Branch
Balance Sheet
As at 31 December 2023

	<u>Notes</u>	<u>31.12.2023 TAKA</u>	<u>31.12.2022 TAKA</u>
PROPERTIES & ASSETS			
Cash	3		
Cash in hand (Including foreign currencies)		54,810,376	35,706,889
Balance with Bangladesh Bank and Its agent Bank(s) (including foreign Currency)		206,770,088	177,635,269
		261,580,464	213,342,158
Balance with other banks & financial institutions	4		
In Bangladesh		3,871,296	1,524,448,085
Outside Bangladesh		-	-
		3,871,296	1,524,448,085
Placement with banks & other financial institutions	5	-	-
Investments in share & securities	6		
Government		267,591,000	117,590,000
Others		50,000,000	-
		317,591,000	117,590,000
Investments	7		
General investments etc		4,584,125,320	1,523,798,826
Bills purchased and discounted		20,264,075	26,479,793
		4,604,389,395	1,550,278,619
Fixed assets including premises, furniture & fixture	8	33,023,802	27,207,183
Other assets	9	124,287,623	15,526,511
Non-banking assets		-	-
Total Assets		5,344,743,580	3,448,392,556
LIABILITIES AND CAPITAL			
Liabilities:			
Placements from other banks, financial institutions and and agents	10	-	-
Deposits and other accounts	11		
Al-Wadiah current deposits & other deposit accounts		281,654,871	226,857,064
Bills Payable		8,558,704	2,794,690
Mudaraba Savings Deposits		499,059,745	289,907,125
Mudaraba Term Deposits		4,235,303,149	2,771,694,711
Other Deposits	12.2	162,311,162	73,861,225
		5,186,887,631	3,365,114,816
Other Liabilities	14	134,512,351	127,134,453
Total Liabilities		5,321,399,982	3,492,249,269
Capital / Shareholders' Equity			
Paid up Capital		-	-
Share Premium		-	-
Statutory Reserve		-	-
General Reserve		-	-
Other Reserve		-	-
Retained Earnings	15	23,343,597	(43,856,713)
Total Shareholders' Equity		23,343,597	(43,856,713)
Non-Controlling Interest		-	-
Total Liabilities and Shareholders Equity		5,344,743,580	3,448,392,556



Hoda Vasi Chowdhury & Co

<u>Notes</u>	31.12.2023 TAKA	31.12.2022 TAKA
Off Balance Sheet Items		
Contingent Liabilities :		
16		
Acceptances & Endorsements	90,887,105	-
Letters of Guarantee	280,185,898	13,777,740
Irrevocable Letters of Credit	32,130,885	26,693,680
Bills for Collection	95,875,665	37,495,108
Other Contingent Liabilities	-	-
Total Contingent Liabilities	499,079,553	77,966,527
Other Commitments:		
Documentary credit and short term trade related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Other commitments	-	-
Total Off-Balance sheet Items Including Contingent Liabilities	499,079,553	77,966,527

The annexed notes 01 to 39 form an integral part of these financial statements.



BENGAL COMMERCIAL BANK PLC
Islamic Banking Branch
Profit and Loss Account
For the Period ended 31 December 2023

	<u>Notes</u>	<u>2023 TAKA</u>	<u>2022 TAKA</u>
Operating Income			
Profit on Investments	21.1	392,025,286	113,659,632
Profit paid on deposits	22.0	(285,501,690)	(106,593,659)
Net Investments Income		106,523,596	7,065,972
Income from Investments in share & securities	21.2	6,608,173	4,583,972
Commission, exchange and brokerage	21.3	8,627,232	427,291
Other Operating Income	21.4	4,333,890	956,157
Total Operating Income (A)		126,092,890	13,033,392
OPERATING EXPENSES			
Salary and allowances	24.0	37,486,459	25,427,934
Rent, taxes, insurance, electricity etc.	25.0	1,424,228	1,100,072
Legal expenses	26.0	-	-
Postage, stamps, telecommunications etc.	27.0	239,298	168,978
Stationery, printing, advertisements etc.	28.0	592,949	478,621
Chief Executive's salary and fees		-	-
Directors fees	29.0	-	-
Auditors' fees		-	-
Depreciation and repair of banks assets	30.0	3,668,869	14,967,391
Other expenses	31.0	15,480,777	14,747,107
Total Operating Expenses (B)		58,892,580	56,890,104
Profit/(Loss) before provision (C) = (A-B)		67,200,310	(43,856,713)
Provision for Investments	32.1	-	-
Provision on Off-Balance Sheet Exposures	32.2	-	-
Provision for diminution in value of investments	32.3	-	-
Other provisions	35.0	-	-
Total Provisions (D)		-	-
Total Profit/(Loss) before Taxes (C-D)		67,200,310	(43,856,713)

The annexed notes 01 to 39 form an integral part of these financial statements.



BENGAL COMMERCIAL BANK PLC.
Islamic Banking Branch
Cash Flow Statement
For the Period ended 31 December 2023

	<u>Notes</u>	2023 <u>TAKA</u>	2022 <u>TAKA</u>
A. Cash flows from operating activities			
Interest / Profit Receipts in cash		397,134,063	111,884,482
Interest / Profit Payments		(222,461,754)	(48,893,661)
Dividend Receipts		-	-
Fees & Commission Receipts in cash		4,384,406	380,919
Recoveries of loans Previously written off		-	-
Cash Payments to employees		(37,486,459)	(25,427,934)
Cash Payments to suppliers		(832,247)	(647,599)
Income taxes paid		(22,389,799)	(8,971,124)
Receipt from other operating activities	35	4,333,890	956,157
Payment for other operating activities	36	(16,972,848)	(15,872,018)
Operating profit before changes in operating assets and liabilities.		105,709,251	13,409,220
Increase/Decrease in operating assets and liabilities:			
(Purchase)/Sale of government securities		(150,000,000)	(117,590,000)
(Purchase)/Sales of trading Securities		(50,000,000)	-
Loans and advances / Investments to Customers		(3,054,110,776)	(1,550,278,619)
Other assets	37	(84,871,916)	(196,265)
Deposit from banks		-	-
Deposit from customers/Others		1,758,732,880	3,307,414,818
Other Liabilities	38	7,377,898	127,134,453
Net Cash from operating activities (A)		(1,572,871,914)	1,766,484,386
B. Cash flows from investing activities			
Proceeds from Sale of Securities		-	-
Purchase/Sale of property, plant & equipment		(9,417,645)	(42,149,735)
Net Cash from investing activities (B)		(9,417,645)	(42,149,735)
C. Cash flows from financing activities			
Borrowing from Other Banks & Financial Institutions		-	-
Surplus/deficit on account of revaluation of investments		-	-
Sub-Ordinated Bond		-	-
Dividends Paid		-	-
Cash received from Issuance of ordinary shares		-	-
Net cash from financing activities (C)		-	-
D. Net Increase/(Decrease) in cash (A+B+C)		(1,476,580,308)	1,737,743,871
E. Effect of Exchange Rate Changes on Cash		4,242,826	46,372
F. Cash and Cash equivalents at beginning of the year		1,737,790,243	-
G. Cash and cash equivalents at the end of the year		265,452,760	1,737,790,243
Cash in hand (including foreign currencies)	3	54,810,376	35,706,889
Prize Bonds		1,000	-
Balance with Bangladesh bank and its agent bank		206,770,088	177,635,269
Balance with other banks & financial institution	4	3,871,296	1,524,448,085
Money at call on short notice		-	-
		265,452,760	1,737,790,243

The annexed notes 01 to 39 form an integral part of these financial statements.



BENGAL COMMERCIAL BANK PLC.
Islamic Banking Branch
Notes to the Financial Statements
as at and for the Period ended 31 December 2023

	<u>Note</u>	31.12.2023 TAKA	31.12.2022 TAKA
3.0 Cash in hand			
Cash in hand	3.1	54,810,376	35,706,889
Balance With Bangladesh Bank and its agent Banks	3.2	206,770,088	177,635,269
		<u>261,580,464</u>	<u>213,342,158</u>
3.1 Cash in hand			
Local Currency		53,778,726	35,706,889
Foreign Currency		1,031,650	-
		<u>54,810,376</u>	<u>35,706,889</u>
3.2 Balance with Bangladesh Bank and its agent Banks Bangladesh Bank			
Local currency		206,770,088	177,635,269
Foreign currencies		-	-
		<u>206,770,088</u>	<u>177,635,269</u>
Balance with agent banks		-	-
		<u>206,770,088</u>	<u>177,635,269</u>
4.0 Balance with other banks and financial institutions			
Balance In Bangladesh	4.1	3,871,296	1,524,448,085
Balance outside Bangladesh	4.2	-	-
		<u>3,871,296</u>	<u>1,524,448,085</u>
4.1 In Bangladesh			
A. SND account			
Mercantile Bank Limited.		3,871,296	1,524,448,085
		<u>3,871,296</u>	<u>1,524,448,085</u>
5.0 Placement with banks & other financial institutions			
Call money Lending		-	-
Short Notice Lending		-	-
		<u>-</u>	<u>-</u>
6.0 Investments in share & securities			
(a) Nature Wise			
Held for Trading		-	-
Held for Maturity		-	-
Others		-	-
		<u>-</u>	<u>-</u>
(b) Claim Wise			
Government Securities	6.1	267,591,000	117,590,000
Others	6.2	50,000,000	-
		<u>317,591,000</u>	<u>117,590,000</u>
6.1 Government Securities			
Treasury Bond		-	-
Sukuk Islami Bond		267,590,000	117,590,000
Prize Bond		1,000	-
		<u>267,591,000</u>	<u>117,590,000</u>
6.2 Government Securities			
Bangladesh Government Islami Investment Bond (BGIIIB)		50,000,000	-
		<u>50,000,000</u>	<u>-</u>



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	<u>Note</u>	31.12.2023	31.12.2022
7.0 Investment			
General investments etc	7.1	4,584,125,320	1,523,798,826
Bills purchased and discounted		20,264,075	26,479,793
		<u>4,604,389,395</u>	<u>1,550,278,619</u>
7.1 Product Wise Investments			
Continuous Investment		4,314,941,872	1,375,800,756
Term Investments		237,060,314	146,963,973
Demand Investments		32,123,134	1,034,097
		<u>4,584,125,320</u>	<u>1,523,798,826</u>
8.0 Fixed assets including premises, furniture & fixture.			
A Cost			
Furniture and fixtures		23,101,824	20,354,489
Office Equipment		8,977,869	6,046,929
Computer & equipments		944,109	805,765
		<u>33,023,802</u>	<u>27,207,183</u>
B Intangible Assets			
Software		-	-
Total Cost of Tangible and Intangible Assets		<u>33,023,802</u>	<u>27,207,183</u>
Less: Accumulated depreciation & amortization		-	-
Written down value at the end of the year		<u>33,023,802</u>	<u>27,207,183</u>
Lease Assets-Premises			
Right of use Assets		-	-
Less: Accumulated Depreciation		-	-
Net Book Value at the end of the year		<u>33,023,802</u>	<u>27,207,183</u>
9.0 Other assets			
Income Generating			
Profit Receivable		3,950,326	4,549,117
Profit Receivable from Govt. Securities		3,908,192	1,810,004
		<u>7,858,518</u>	<u>6,359,121</u>
Non-Income Generating			
Stock of Stationery & Stamps		180,995	69,220
Advance Rent			
Security Deposit			
Suspense Account	9.1	191,005	127,045
Advance to Vendors		690,000	
Inter Transaction Between Conventional Banking		84,006,181	-
Advance Insurance		-	-
Advance Tax	9.2	31,360,924	8,971,124
		<u>116,429,105</u>	<u>9,167,389</u>
		<u>124,287,623</u>	<u>15,526,511</u>



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	Note	31.12.2023	31.12.2022
9.1 Suspense accounts			
Advance against expenses		191,005	127,045
		191,005	127,045
9.2 Advance tax paid			
Balance at the beginning of the year		8,971,124	-
Paid during the year		22,389,799	8,971,124
		31,360,924	8,971,124
10.0 Placements from other banks, financial institutions & agent.			
In Bangladesh		-	-
Out Side Bangladesh		-	-
		-	-
11.0 Deposits and other accounts			
Deposit from Customers	12.0	5,186,887,631	3,365,114,816
Deposit from Banks	13.0	-	-
		5,186,887,631	3,365,114,816
12.0 Deposit from Customers			
Al-Wadiah current Deposit and other accounts	12.1	281,654,871	226,857,064
Bills Payable		8,558,704	2,794,690
Mudaraba Savings Bank Deposit		499,059,745	289,907,125
Mudaraba Term Deposits		4,235,303,149	2,771,694,711
Other Deposit	12.2	162,311,162	73,861,225
		5,186,887,631	3,365,114,816
12.1 Al-Wadiah current Deposit and other accounts			
Al-Wadiah current Deposit		105,153,906	160,873,426
Positive Balance On OD		-	-
Accrued Profit		120,739,934	57,699,998
Margin on Facilities		55,761,032	8,283,640
FC Held		-	-
		281,654,871	226,857,064
12.2 Other Deposit			
Sundry Deposit	12.2.1	932,768	173,689
Settlement Account		-	-
Others		161,378,394	73,687,536
		162,311,162	73,861,225
12.2.1 Sundry deposits			
Security Deposit		-	-
Withholding Tax Payable		5,045	-
Withholding VAT Payable		-	-
Excise Duty		-	-
Others		927,723	173,689
		932,768	173,689



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13.0 Demand and Time Deposits	<u>Note</u>	31.12.2023	31.12.2022
		TAKA	TAKA
A. Demand Deposits			
Al-Wadiah current Deposits		281,654,871	226,857,064
Mudaraba Savings Deposits (10% of Total Saving Deposit)		19,329,202	5,279,332
Sundry Deposit		932,768	173,689
Bills Payable		8,558,704	2,794,690
Other Demand Deposit		161,378,394	73,687,536
		471,853,939	308,792,311
B. Time Deposits			
Mudaraba Savings Deposits (90% of Total Saving Deposit)		173,962,814	47,513,985
Mudaraba Term Deposit		4,191,506,802	2,756,630,294
Deposit Pension Scheme		36,185,472	15,064,417
Speical Notice Deposit		305,767,729	237,113,808
Security Deposit		-	-
Others Time Deposit		7,610,875	-
		4,715,033,693	3,056,322,505
Total Demand and Time Deposit		5,186,887,631	3,365,114,816
14.0 Other Liabilities			
Provision for Investments		-	-
Provision for Off Balance Sheet Items		-	-
Provision for diminution in value of Investment		-	-
Payable to Vendors		-	-
Inter Transaction Between Conventional Banking		134,312,351	127,134,453
Adjusting Account Credit Balance		200,000	-
Lease Liabilities (IFRS 16)		-	-
Provision for Tax		-	-
Deferred Tax Liability		-	-
		134,512,351	127,134,453
15.0 Retained Earnings			
Opening Balance		(43,856,713)	-
Add: Post Tax Profit during the period		67,200,310	(43,856,713)
Less: Transfer to Statutory Reserve		-	-
		23,343,597	(43,856,713)
16.0 Contingent Liabilities			
Acceptances and endorsements		90,887,105	-
Letters of guarantees		280,185,898	13,777,740
Irrevocable letters of credit		32,130,885	26,693,680
Bills for collection		95,875,665	37,495,108
Others		-	-
		499,079,553	77,966,527



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	<u>Note</u>	<u>2023</u> <u>TAKA</u>	<u>2022</u> <u>TAKA</u>
21.0 Income Statement			
Income			
Profit, discount and Similar Income	21.1	392,025,286	113,659,632
Fees, Commission and brokerage	21.3	8,627,232	427,291
Gains/(Loss) arising from investment	21.2	6,608,173	4,583,972
Other Operating Income	21.4	4,333,890	956,157
		<u>411,594,581</u>	<u>119,627,051</u>
Expenses			
Profit Paid on Deposits, placement, etc	22.0	285,501,690	106,593,659
Administrative expenses	23.0	39,742,934	27,175,606
Other operating expenses	31.0	15,480,777	14,747,107
Depreciation on banks assets	30.0	3,668,869	14,967,391
		<u>344,394,271</u>	<u>163,483,764</u>
21.1 Profit, discount and similar income			
Profit on Investments	21.1(a)	287,643,446	48,753,050
Profit on placement with banks and Financial Institutions		104,381,841	64,906,582
Profit on foreign currency balances		-	-
		<u>392,025,286</u>	<u>113,659,632</u>
21.1(a) Product Wise Interest:			
Overdraft		268,648,361	43,895,173
Term Loan		15,793,916	3,737,859
Demand Loan		3,201,168	1,120,018
		<u>287,643,446</u>	<u>48,753,050</u>
21.2 Investment Income			
Capital Gain on sale of shares (Net)		-	-
Dividend Income		-	-
Income from Subordinate Bond		-	-
Income from Corporate Bond		-	-
Income from Govt Sukuk Bond (Net)		6,608,173	4,583,972
Income from Perpetual Bond		-	-
Income from Treasury Bond		-	-
Gain on Sale of Govt Securities		-	-
Loss On Revaluation of HFT-T Bond		-	-
Profit on Reverse Repo		-	-
		<u>6,608,173</u>	<u>4,583,972</u>
21.3 Commission Exchange & Brokerage			
Exchange Gain (Net)		4,242,826	46,372
Commission of DD, TT, PO		43,700	20,170
Other Commission Income		4,340,706	360,749
		<u>8,627,232</u>	<u>427,291</u>
21.4 Other Operating Income			
Service Charge		3,875,955	793,009
Others		457,935	163,148
		<u>4,333,890</u>	<u>956,157</u>
22.0 Profit Paid on Deposits, Borrowing and Others			
Profit on deposits	22.1	285,501,690	106,593,659
Profit on Placement from Banks & FIs		-	-
Profit on borrowings from BB & others		-	-
Profit on Treasury Bond		-	-
		<u>285,501,690</u>	<u>106,593,659</u>



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	<u>Note</u>	<u>2023</u> <u>TAKA</u>	<u>2022</u> <u>TAKA</u>
22.1 Profit on deposits			
Mudaraba Term Deposit		268,820,426	103,519,330
Mudaraba Deposit		1,479,105	446,696
Mudaraba Short Notice Deposit		11,830,211	2,014,420
Mudaraba Savings Deposit		3,371,949	613,214
		285,501,690	106,593,659
23.0 Administrative expenses			
Salary and allowances	24.0	37,486,459	25,427,934
Rent, taxes, insurance, electricity etc.	25.0	1,424,228	1,100,072
Legal expenses	26.0	-	-
Postage, stamps, telecommunications etc.	27.0	239,298	168,978
Stationery, printing, advertisements etc.	28.0	592,949	478,621
Chief Executive's salary and fees		-	-
Directors' fees	29.0	-	-
Auditors' fees		-	-
		39,742,934	27,175,606
24.0 Salary and allowances			
Basic Salary		15,823,818	10,693,787
Allowances		15,935,169	10,821,929
Bonus		2,711,690	1,808,175
L/E Salary & Allowances		1,582,382	1,069,379
Bank's Contribution to Provident fund		1,433,401	1,034,665
		37,486,459	25,427,934
25.0 Rent, taxes, insurance, electricity etc.			
Rent (Garage)		-	-
Other rental charges		-	-
Rates & Taxes		21,650	38,100
Insurance charge		196,741	110,688
Electricity, Water & Gas		1,205,837	951,284
		1,424,228	1,100,072
26.0 Legal & Professional Expenses			
Professional fees		-	-
Other legal charges		-	-
Stamp, power of attorney & notary public		-	-
Other Professional fees		-	-
		-	-
27.0 Postage, stamps, telecommunications etc.			
Postage		23,904	7,485
Telecommunication charges		17,794	13,830
Mobile Bills		52,400	39,693
Swift Charge		-	-
Internet		-	-
Network Connectivity Charge		145,200	107,970
Stamps		-	-
		239,298	168,978
28.0 Stationery, printing & advertisements etc.			
Computer Stationery		179,783	31,670
Printing Stationery		43,780	139,128
Office Stationery		328,417	220,551
		551,980	391,349
Advertisement			
News paper		17,969	86,336
Other Advertisement		23,000	936
		40,969	87,272
Total Stationery, Printing & Advertisement		592,949	478,621



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Note	2023 <u>TAKA</u>	2022 <u>TAKA</u>
29.0 Directors Fees & Meeting Expenses		
Directors Fees	-	-
30.0 Depreciation and repair of bank's assets		
30.1 Depreciation		
Furniture/fixtures	2,248,004	2,936,868
Vehicles	-	-
Office equipments	1,215,841	1,233,829
Computer equipments	137,181	153,672
Computer software	-	-
Total Depreciation	3,601,026	4,324,369
Repair of bank's assets	67,843	24,839
Right-of-Use asset	-	10,618,183
Total Depreciation and repair of bank's assets	3,668,869	14,967,391
31.0 Other expenses		
Entertainment	448,155	438,883
Business Development Expenses	94,521	395,495
Car and Generator Expenses	94,830	32,479
Other Car Expenses	1,294,100	925,290
Cleaning & Sanitizing Expenses	76,275	39,939
Crockeries & Cutleries	31,575	4,080
Business Traveling	213,765	118,694
Misc expenditure	31,425	18,478
Cleaning & Security Services	2,820,371	2,105,648
Books, Newspaper & Periodicals	11,607	9,636
Inter Transaction Between Conventional Banking	9,855,787	6,301,533
Excise Duty	100,000	150,000
Finance Cost - Lease Liability	-	3,859,421
Donation/Subscription & Others	-	-
Gift Items	3,259	-
Leave Encashment Expense	-	-
Other expenses	405,108	347,532
	15,480,777	14,747,107
32.0 Provisions Against Invesments, Off-balance Sheet Items & Others of the Bank		
32.1 Provisions on General Invesments	-	-
32.2 Provisions on Off-Balance Sheet Items	-	-
32.3 Provisions on Investment on Shares and Securities	-	-
Others	-	-
33.0 Net Asset Value (NAV) Per Share		
Net Asset Value of the Bank	23,343,597	(43,856,713)
Number of Ordinary Shares	-	-
Net Asset Value Per Share	-	-
34.0 Net Operating Cash Flows Per Share		
Net Cash Flows from Operating Activities	(1,467,162,663)	(37,931,657)
No. of Outstanding Shares	-	-
35.0 Receipt for Other Operating Activities		
Capital Gain on sale of shares	-	-
Service Charge	3,875,955	793,009
Others	457,935	163,148
	4,333,890	956,157
36.0 Payment for Other Operating Activities		
Rent, insurance, electricity etc.	1,424,228	1,100,072
Legal expenses	-	-
Directors' fees	-	-
Auditors' fees	-	-
Repair of Fixed Assets	67,843	24,839
Other expenses	15,480,777	14,747,107
	16,972,848	15,872,018



Note	2023 TAKA	2022 TAKA
37.0 Cash Increase/Decrease in Other assets		
Stock of Stationery & Stamps	180,995	69,220
Advance Rent	-	-
Security Deposit	-	-
Suspense Account	191,005	127,045
Advance to Vendors	690,000	-
Advance Tax	31,360,924	17,942,249
Others	84,006,181	-
Advance Insurance	-	-
	116,429,105	18,138,514
Less: Advance Tax Paid	(22,389,799)	(8,971,124)
Less: Profit Receivable on Balance with Other Bank	-	-
Less: Profit Receivable on Treasury Bond	-	-
Less: Opening Balance of Other Assets	(9,167,389)	(9,167,389)
	84,871,916	-
38.0 Cash Increase/Decrease in Other Liabilities		
Payable to Vendors	-	-
Payable Others	134,312,351	127,134,453
Adjusting Account Credit Balance	200,000	-
Provisions	-	-
Lease Liabilities (IFRS 16)	-	-
	134,512,351	127,134,453
Less Opening Balance of Other Liabilities	(127,134,453)	(127,134,453)
	7,377,898	-
39.0 Reconciliation of Net Profit after Taxation & Operating Profit before changes in operating assets & liabilities		
Net Profit After Tax	67,200,310	(43,856,713)
Provision for Tax	-	-
Provision for Loans & Advances & Contingent Liabilities	-	-
Provision for diminution in value of investments	-	-
(Increase)/ Decrease of Profit Receivable	(1,499,396)	-
Increase/(Decrease) of Profit Payable	63,039,936	-
Depreciation & Amortization of Fixed Assets	3,601,026	14,942,552
Income Tax Paid	(22,389,799)	(8,971,124)
(Capital gain)/ Loss on shares & mutual funds	-	-
Exchange Gain	(4,242,826)	(46,372)
Operating Profit before changes in operating assets & liabilities	105,709,251	(37,931,657)



**BENGAL COMMERCIAL BANK PLC.
Highlights on Overall Activities**

Particulars	Amount in BDT	
	31 Dec 2023	31 Dec 2022
Paid-up Capital	4,500,000,000	4,406,675,000
Total Capital	4,388,683,224	4,093,884,528
Capital Surplus/(Deficit)	2,617,779,712	3,234,979,523
Total Assets	22,694,528,968	15,951,929,801
Total Deposits	16,456,052,128	11,016,590,777
Total Loans & Advances	14,256,409,093	7,276,542,266
Total Contingent Liabilities & Commitments	4,157,442,495	931,771,196
Credit Deposit Ratio (%)	80.15%	65.10%
Percentage of Classified Loans against Total Loans and Advances (NPL)	0%	0%
Operating Profit	271,596,932	(123,579,895)
Profit after Tax & Provision	108,682,796	(198,657,070)
Amount of Classified Loans during the year	0%	0%
Provision kept against Classified Loans	0%	0%
Provision Surplus/(Deficit)	-	-
Cost of Deposit (%)	6.66%	5.23%
Cost of Fund (%)	11.39%	9.65%
Interest Earning Assets	21,819,336,910	15,114,797,608
Non-interest earning Assets	875,192,058	837,132,193
Return on Investment (ROI) (%)	7.07%	7.29%
Return on Assets (ROA) (%)	0.56%	-1.58%
Net Asset value per share	9.43	9.17
Income from Investments	200,373,061	156,837,938
Earning per share (Taka)	0.24	(0.45)
Net Interest Margin (NIM)	4.96%	3.84%

