

Independent Auditor's Report to the Shareholders of The City Bank Limited

Report on the financial statements

We have audited the accompanying consolidated financial statements of The City Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of The City Bank Limited (the "Bank"), which comprise the consolidated balance sheet and the separate balance sheet as at 31 December 2016, and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements and internal controls

Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note 2.1 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank 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 forgery.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements of the Group and the separate financial statements of the Bank based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements of the Group and separate financial statements of the Bank are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements of the Group and separate financial statements of the Bank. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements of the Group and separate financial statements of the Bank, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements of the Group and separate financial statements of the Bank that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements of the Group and the separate financial statements of the Bank.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and also separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2016, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.1.

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994, Securities and Exchange Rules 1987, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report the following:

- We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- 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 consolidated financial statements of the Group and the financial statements of the Bank and considering the reports of Management on anti-fraud internal controls and instances of fraud and forgery as stated under the Management's Responsibility for the Financial Statements and Internal Control;
- internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note 4.9 of the financial statements appeared to be materially adequate; and
- nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities other than matters disclosed in these financial statements;
- financial statements of the subsidiaries of the Bank have been audited by other auditors and have been properly reflected in the consolidated financial statements;
- in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those accounts;
- the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- the expenditure incurred was for the purposes of the Bank's business;
- the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- the information and explanation required by us have been received and found satisfactory; and
- we have reviewed over 80% of the risk weighted assets of the Bank and have spent around 3,500 person hours for the audit of the books and accounts of the Bank.

Dhaka, 30 March 2017

Hoda Vani Chowdhury & Co
Chartered Accountants

Consolidated Balance Sheet as at 31 December 2016

PROPERTY AND ASSETS	Note	2016 Taka	2015 Taka
Cash	4	3,788,022,776	2,998,982,425
In hand (including foreign currencies)		3,788,022,776	2,998,982,425
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4a.1	20,696,275,735	12,438,634,907
Balance with other banks and financial institutions	5	24,484,298,511	15,437,617,332
In Bangladesh		13,180,057,080	15,520,528,283
Outside Bangladesh		905,615,423	413,446,435
Money at call and short notice investments	6	14,085,672,503	15,915,975,258
Government		91,379,167	95,379,167
Others		22,048,912,713	19,691,517,972
Loans and advances/investments	8	5,847,199,905	6,325,444,956
Loans, cash credits, overdrafts, etc./investments		27,896,112,618	26,016,962,928
Bills purchased and discounted		168,770,828,388	138,156,604,652
Fixed assets including premises, furniture and fixtures	9	7,275,392,953	4,858,067,512
Other assets	10	176,046,221,342	143,014,671,164
Non-banking assets	11	8,117,746,315	8,172,221,437
Total assets	12	7,723,972,014	4,759,716,534
		956,925,360	792,824,667
		259,402,327,831	214,205,369,487
LIABILITIES AND CAPITAL			
Liabilities			
Tier-II subordinated bond	13	3,000,000,000	3,000,000,000
Borrowings from other banks, financial institutions and agents	14	31,695,262,081	22,079,989,593
Deposits and other accounts	15		
Current deposits and other accounts		24,384,173,334	20,417,719,100
Bills payable		1,587,153,855	1,976,445,056
Savings bank deposits		34,994,257,334	31,213,313,434
Fixed deposits		113,451,963,172	89,798,021,718
Bearer certificate of deposit		174,417,547,694	143,405,499,308
Other liabilities	16	25,785,244,407	21,136,243,153
Total liabilities		234,898,054,183	189,621,732,054
Capital/shareholders' equity			
Paid up capital	17	8,757,980,310	8,757,980,310
Statutory reserve	18	6,091,684,401	5,002,816,644
Share premium	19	660,857,013	660,857,013
Other reserve	20	6,021,082,134	7,999,742,013
Surplus in profit and loss account	21	2,972,574,522	2,159,706,674
Total shareholders' equity	22	24,504,178,380	24,581,102,654
Non controlling interest		95,268	2,534,779
Total equity		24,504,273,648	24,583,637,433
Total liabilities and shareholders' equity		259,402,327,831	214,205,369,487
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements		18,676,525,600	13,190,254,052
Letters of guarantee	23.1	8,308,768,437	10,218,482,911
Irrevocable letters of credit	23.2	14,504,592,520	13,817,709,300
Bills for collection	23.3	14,657,819,982	10,854,384,996
Other contingent liabilities		-	-
Total		56,157,706,538	48,080,831,259
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed	23.4	4,862,653,604	2,045,042,200
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Other commitments		-	-
Total		4,862,653,604	2,045,042,200
Total Off-Balance Sheet items including contingent liabilities		61,020,360,142	50,125,873,459

The annexed notes 1 to 49 form an integral part of these financial statements.

Managing Director & CEO, Director, Director, Chairman, Auditor

Consolidated Profit and Loss Account for the year ended 31 December 2016

Note	2016 Taka	2015 Taka	
Interest income/profit on investments	25	16,057,152,921	15,238,190,245
Interest paid/profit shared on deposits and borrowings etc.	26	(9,545,962,641)	(9,824,863,689)
Net interest income/profit on investments		6,511,190,280	5,403,326,556
Investment income	27	4,903,835,104	4,527,078,328
Commission, exchange and brokerage	28	2,423,967,973	2,150,207,661
Other operating income	29	1,049,681,156	1,003,958,325
Total operating income (A)		14,888,674,513	13,086,570,870
Operating expenses			
Salaries and allowances	30	3,755,320,060	3,269,837,185
Rent, taxes, insurance, electricity, etc.	31	781,049,219	725,631,570
Legal expenses	32	38,273,353	26,747,198
Postage, stamp, telecommunication, etc.	33	92,772,113	76,601,819
Stationery, printing, advertisements, etc.	34	165,524,753	187,852,656
Chief Executive's salary and fees	35	17,771,350	16,409,425
Directors' fees	36	2,662,166	1,477,969
Auditors' fees		2,590,339	1,508,573
Depreciation and repair	37	999,457,712	840,095,391
Other expenses	38	1,253,254,571	1,171,746,639
Total operating expenses (B)		7,108,675,635	6,317,908,425
Profit before provision (C = A - B)		7,779,998,878	6,768,662,445
Provision for loans and advances/investments	39	(2,014,646,765)	(2,148,269,292)
Provision for off-balance sheet exposures		(133,000,000)	(21,000,000)
Other provision		658,880	(37,600,229)
Total provision (D)		(2,146,987,885)	(2,206,869,521)
Total profit before tax (E = C + D)		5,633,010,993	4,561,792,924
Provision for taxation (F)	40	(1,176,485,289)	(1,646,005,974)
Current tax expense		146,204,483	677,355,387
Deferred tax income/(expense)		(1,570,280,806)	(968,650,587)
Total provision for tax		(4,062,730,187)	(3,593,142,337)
Net profit after tax (G = E + F)		1,570,280,806	1,968,687,587
Net profit after tax attributable to:			
Equity holders of the bank		4,062,727,792	3,593,116,965
Non-controlling interest		2,395	25,372
Total		4,062,730,187	3,593,142,337
Appropriations			
Statutory reserve		1,088,867,757	898,922,614
General reserve		1,088,867,757	898,922,614
Retained surplus for the year		2,973,860,035	2,694,194,351
Earnings per share (EPS)	45	4.64	4.10

The annexed notes 1 to 49 form an integral part of these financial statements.

Managing Director & CEO, Director, Director, Chairman, Auditor

Consolidated Statement of Changes in Equity for the year ended 31 December 2016

Particulars	Attributable to the equity holders of the Bank											Non controlling interest	Total equity	
	Paid up capital	Statutory reserve	Share premium	Asset revaluation reserve	General reserve	Revaluation gain/(loss) on investments	Surplus in profit and loss account	Total	Dividend	Equation	Total			
Balance as at 1 January 2016	8,757,980,310	5,002,816,644	660,857,013	4,690,126,740	11,394,928	3,288,220,345	2,159,706,674	24,581,102,654	2,534,779	24,583,637,433	24,583,637,433		24,583,637,433	
Surplus/(deficit) on account of revaluation of properties														
Surplus/(deficit) on account of revaluation of investments										(2,134,320,438)			(2,134,320,438)	
Currency translation differences										18,444,112			18,444,112	
Adjustment of revaluation reserve with retained earnings for changing depreciation of revalued carrying amount										(2,268,317)			(2,268,317)	
Minority interest accretion										2,395			2,395	
Net profit/(loss) for the year										4,062,727,792			4,062,727,792	
Dividend (bonus share)														
Transfer to dividend equalization fund*										(176,928,877)			(176,928,877)	
Dividend (Cash)										(2,026,746,078)			(2,026,746,078)	
Appropriation made during year										(1,088,867,757)			(1,088,867,757)	
Balance as at 31 December 2016	8,757,980,310	6,091,684,401	660,857,013	4,690,126,740	11,394,928	3,288,220,345	2,159,706,674	24,581,102,654	2,534,779	24,583,637,433			24,583,637,433	

Consolidated Statement of Changes in Equity for the year ended 31 December 2015

Particulars	Attributable to the equity holders of the Bank											Non controlling interest	Total equity	
	Paid up capital	Statutory reserve	Share premium	Asset revaluation reserve	General reserve	Revaluation gain/(loss) on investments	Surplus in profit and loss account	Total	Dividend	Equation	Total			
Balance as at 1 January 2015	8,340,933,630	4,103,894,030	1,802,116,244	4,711,395,054	11,394,928	3,255,456,550	801,894,006	22,996,140	3,493,844	22,710,944,332			22,710,944,332	
Surplus/(deficit) on account of revaluation of properties														
Surplus/(deficit) on account of revaluation of investments										42,763,789			42,763,789	
Currency translation differences										(12,990,528)			(12,990,528)	
Adjustment of revaluation reserve with retained earnings for changing depreciation of revalued carrying amount										(2,268,317)			(2,268,317)	
Net profit/(loss) for the year										3,930,116,965			3,930,116,965	
Dividend (bonus share)														
Allocation for prejudice shares										4,212,552			4,212,552	
Dividend (Cash)										(1,348,022,020)			(1,348,022,020)	
Appropriation made during year										(898,922,614)			(898,922,614)	
Balance as at 31 December 2015	8,340,933,630	5,002,816,644	660,857,013	4,690,126,740	11,394,928	3,288,220,345	2,159,706,674	24,581,102,654	2,534,779	24,583,637,433			24,583,637,433	

* Create reserve as Dividend Equalization Fund in compliance with BRPD circular letter no. 18 dated 20 October 2002, wherein it is mentioned that banks are required to build up Dividend Equalization Fund if it declares cash dividend more than 20% of Dividend Equalization Fund for building up will be equivalent to the excess amount cash dividend over 20% and for the year 2015, bank declared cash dividend of 22%.

The annexed notes 1 to 49 form an integral part of these financial statements.

Consolidated Cash Flow Statement for the year ended 31 December 2016

Note	2016 Taka	2015 Taka
A) Cash flows from operating activities		
Interest receipts/investment income receipts in cash	16,131,418,614	15,150,223,509
Interest payments/profit paid on deposits	(7,148,073,279)	(7,264,485,479)
Dividend receipts	356,141,846	243,250,240
Fees and commission receipts in cash	1,609,345,890	1,350,573,554
Recoveries of loans previously written-off	592,977,114	365,813,326
Cash payments to employees	(3,560,658,390)	(3,127,614,331)
Cash payments to suppliers	(89,736,	



The City Bank Limited

Report and Financial Statements as at and for the year ended 31 December 2016

Notes to the Financial Statements as at and for the year ended 31 December 2016

1. Reporting entity- The Bank and its activities

1.1 Legal Status and nature of the entity

The City Bank Limited ("the Bank") was incorporated as a public limited company in Bangladesh under The Companies Act 1913. It commenced its banking business from 14 March 1983 under the license issued by Bangladesh Bank. The Bank has 108 (2015:108) branches, 11 (2015: 11) SME/Agri branches and 1 SME centre in Bangladesh as at 31 December 2016. The Bank had no overseas branches as at 31 December 2016. Out of the above 120 branches, 1 branch is designated as Islamic Banking Branch complying with the rules of Islamic Shariah, the modus operandi of which is substantially different from other branches run on conventional basis. It has 309 (2015: 276) ATMs as at 31 December 2016. The Bank was listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded company on 03 February 1987 and 27 December 1995. It is operating as City Group with its three subsidiaries.

The registered office of the Banks located at 136, Bir Uttam Mir Shawkat Sarak (Gulshan Avenue), Gulshan-2, Dhaka-1212.

1.2 Principal activities of the Bank

The principal activities of the Bank are to provide wide array of financial products and services that includes all kind of conventional and Islamic banking services to its customers. It offers commercial banking, consumer banking, trade services, cash management, treasury, SME, retail, custodial services clearing services to its customers. These activities are conducted through its branches, SME centres, islamic windows, and vibrant alternative delivery channels (ATM booths, internet banking) in Bangladesh. The Bank also provides off-shore banking services through its Off-Shore Banking Units (OBU) and islami banking services through its Islamic Bank branch.

1.3 Off-Shore Banking

Off-Shore Banking Unit (OBU) is a separate business unit of the Bank governed under the rules and guidelines of Bangladesh Bank. The Bank obtained the Off-Shore Banking Unit permission vide letter No. BRPD(P-3)744/(11)/2010-4129 dated 10 November 2009. OBU provides varied financial needs of 100% foreign owned/ joint venture industrial units and foreign entities located in Export Processing Zones of Bangladesh. Separate financial statements of Off-Shore Banking Unit are shown in Annexures J(1) and J(2).

1.4 Islamic Banking

The Bank obtained permission for Islamic Banking Branch from Bangladesh Bank vide letter no. BL/DA/6852/2003 dated 16 July 2003. Through the Islamic Banking Branch the Bank extends all types of Islamic Shariah compliant finance like lease, hire purchase shirkatul melk (HPSM), bai muazzal, household scheme etc. and different types of deposit-like mudaraba/manarah savings deposits, mudaraba/manarah term deposits, al-wadeeah current deposits, monthly/quarterly profit paying scheme etc. Separate financial statements of Islamic Banking Branch are shown in Annexures I(1) and I(2).

1.5 Subsidiaries of the Bank

The Bank has three subsidiaries. All of them have been in operations on the reporting date. These are City Brokerage Limited, City Bank Capital Resources Limited and CBL Money Transfer Sdn. Bhd. Detail of the subsidiaries have been presented in note no. 1.5.1 to 1.5.3.

1.5.1 City Brokerage Limited

The City Brokerage Limited ("the company") was incorporated in Bangladesh as a private limited company on 31 March 2010 vide registration no. C-83616/10 under the Companies Act 1994. The legal status of the Company has been converted into public limited company from private limited company in June 2012 in compliance with Bangladesh Securities and Exchange Commission Rules 2000. Previously the Bank launched its brokerage division on 4 August 2009 which was subsequently separated from the Bank on 15 November 2010. On 31 December 2016 the Bank held 99.9963% shares of the company.

The financial statements, audited by S.F. Ahmed & Co, Chartered Accountants, have been enclosed in Appendix A.

1.5.2 City Bank Capital Resources Limited

City Bank Capital Resources Limited (CBCRL) was incorporated in Bangladesh as a private limited company on 17 August 2009 vide registration no. C-79186/09 under the Companies Act, 1994. The registered office of CBCRL is at 10 Dilkusha Commercial Area, Jibon Bima Tower, Dhaka -1000. CBCRL delivers a whole range of investment banking services including merchant banking activities such as issue management, underwriting, portfolio management and corporate advisory. On 31 December 2016 the Bank held 99.9933% shares of CBCRL.

The financial statements, audited by S.F. Ahmed & Co, Chartered Accountants, have been enclosed in Appendix B.

1.5.3 CBL Money Transfer Sdn. Bhd. (CMTS)

CBL Money Transfer Sdn. Bhd. (CMTS) is a private limited company by shares incorporated under the laws of Malaysia and registered with the Companies Commission of Malaysia with Registration No. 769212M carrying on money services business under the Money Services Business Act 2011 under a Class B License No. 00127 from the Bank Negara Malaysia. CMTS is principally engaged as inbound and outbound remittance service provider.

The Bank entered into an agreement on 4 April 2013 to purchase 75% of ordinary shares of CMTS with an agreement to acquire 100% shares of CMTS ultimately and the company became and started as subsidiary of the Bank since 5 August 2013. On 31 December 2016 the Bank held 100% shares of CMTS.

The financial statements of CMTS, audited by Nasharuddin Wong & Co, Chartered Accountants, have been enclosed in Appendix C.

2. Basis of Preparation

Basis of Preparation:

The separate financial statements of the Bank as at and for the year ended 31 December 2016 comprise those of Domestic Banking Unit (Main operations) and Offshore Banking Unit (OBU), and the consolidated financial statements of the group comprise those of the Bank (parent company) and its subsidiaries. There were no significant changes in the nature of principal business activities of the Bank and the subsidiaries during the financial year.

2.1 Statement of Compliance

The consolidated financial statements of the Bank as at and for the year ended 31 December 2016 have been prepared in accordance with the "First Schedule (Section 38) of the Bank Company Act 1991 as amended by BRPD circular no. 14 dated 25 June 2003, DFIM Circular # 11, dated December 23, 2009 and Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standards (BAS), etc. The Bank complied with the requirements of the following rules and regulation:

The Bank Company Act (Amended-2013);

The Companies Act 1994;

Rules, regulations and circulars issued by the Bangladesh Bank from time to time;

The Securities and Exchange Ordinance 1969;

Bangladesh Securities and Exchange Commission Act 1993;

Bangladesh Securities and Exchange Commission (Public Issues) Rules 2015;

Income Tax Ordinance and Rules 1984;

Value Added Tax Act 1991; and

Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE) and Central Depository Bangladesh Ltd. (CDBL) rules and regulations.

In addition to foregoing directives and standards, the operation of Islamic Banking branches are accounted for in accordance with Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions, Bahrain, and BRPD circular no-15, dated November 09, 2009. A separate balance sheet, profit and loss account and a statement of profit paid on deposits are shown in Annexure-I(1) and I(2) and the figures appearing in the annexure have been incorporated in the related heads of these financial statements as recommended by the Central Shariah Board for Islamic Banks in Bangladesh.

In case any requirement of the Bank Companies Act (Amended-2013), and provisions and circulars issued by Bangladesh Bank differ with those of BFRS, the requirements of the Bank Company Act (Amended-2013), and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of BFRS are as follows:

i) Presentation of Financial Statements

BFRS: As per BAS 1, a complete set of financial statements comprises a statement of financial position, a statement of profit and loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. BAS 1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.

Bangladesh Bank: A format of financial statements (i.e. balance sheet, profit and loss account, cash flows statement, changes in equity, liquidity statement) is prescribed in the "First Schedule" of section 38 of the Bank Companies Act (amended 2013) and BRPD circular no. 14 dated 25 June 2003 of Bangladesh Bank. Assets and liabilities are not classified under current and non-current heading in the prescribed format of financial statements.

ii) Investment in Shares and Securities

BFRS: As per requirements of BAS 39 investment in shares and securities generally falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value at the reporting date is taken to profit and loss account or revaluation reserve respectively.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the reporting date 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 on portfolio basis.

iii) Revaluation Gain/Loss on Government Securities

BFRS: As per requirement of BAS 39 where Government treasury securities Treasury bills and Treasury bonds will fall under the category of 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 Held to Maturity (HTM) are measured at amortised cost method and interest income is recognised through the profit and loss account.

Bangladesh Bank: HFT securities are revalued on the basis of mark to market and any gains on revaluation of securities which have not matured as at the balance sheet date are recognised in other reserves as a part of equity and any losses on revaluation of securities which have not matured as at the balance sheet date are charged in the profit and loss account. Interest on HFT securities including amortisation of discount is recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised and gains or losses on amortisation are recognised in other reserve as a part of equity.

iii) Provision on Loans and Advances

BFRS: As per BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets that are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis.

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) and BRPD circular no. 16 (18 November 2014) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. And specific provision (other than short-term agricultural and micro-credits) for sub-standard loans, doubtful loans and bad losses has to be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Moreover, a provision for Short-Term Agricultural and Micro-Credits has to be provided for 'sub-standard' and 'doubtful' loans at the rate of 5% and a 100% provision for the 'bad/Loss' loans.

Again and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

iv) Recognition of interest in suspense

BFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per BAS 39 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 the balance sheet.

v) Other comprehensive income

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

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which are required 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 Comprehensive Income (OCI) Statement. As such the company does not prepare the other comprehensive income statement. However elements of OCI, if any, are shown in the statements of changes in equity.

vii) Financial Instruments – presentation and disclosure

In several cases Bangladesh Bank guidelines categorise, recognise, measure and present financial instruments differently from those prescribed in BAS 39. As such some disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the financial statements.

viii) Repo transactions

BFRS: When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a deposit as opposed to a sale, and the underlying asset continues to be recognised in the entity's financial statements. Such transactions do not satisfy the derecognition criteria specified in BAS 39. Such transactions will be treated as loan and the difference between selling price and repurchase price will be treated as interest expense. Same rule applies to the opposite side of the transaction (Reverse REPO).

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

viii) Financial guarantees

BFRS: As per BAS 39, 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 a debt instrument. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee 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 included within other liabilities.

Bangladesh Bank: As per BRPD 14, dated 25 June 2003 financial guarantees such as L/C, L/G will be treated as Off-Balance Sheet Items. No liability is recognised for the guarantee except the cash margin.

ix) Cash and cash equivalents

BFRS: As per BAS 7 cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Therefore, some items like balance with Bangladesh Bank on account of CRR/SLR are not part of cash and cash equivalent as those are not readily available.

Bangladesh Bank: As per Bangladesh Bank circulars/guidelines, balance with Bangladesh Bank is part of cash and cash equivalent regardless of any restriction. Furthermore, some cash and cash equivalent items such as 'money at call and on short notice', Treasury bills, Prize bond are not presented as cash and cash equivalent. Instead money at call and on short notice is presented as a face item in balance sheet, and Treasury bills, Prize bonds are presented as investment.

x) Non-banking asset

BFRS: No indication of Non-banking asset is found in any BFRS.

Bangladesh Bank: As per BRPD 14, there must exist a face item named Non-banking asset.

xi) Cash flow statement

BFRS: Cash flow statement can be prepared either in direct method or in indirect method as per BAS 7. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD circular no. 14, dated 25 June 2003, cash flows statement has been prepared following a mixture of direct and indirect methods.

xii) Balance with Bangladesh Bank (CRR)

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

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

xiii) Presentation of intangible asset

BFRS: Intangible asset must be identified and recognised, and the disclosure must be given as per BAS 38.

Bangladesh Bank: There is no requirement for regulation of intangible assets in BRPD 14.

xiv) Off-balance sheet items

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

Bangladesh Bank: As per BRPD 14, off-balance sheet items (e.g. Letter of Credit, Letter of Guarantee etc.) must be disclosed separately on the face of the balance sheet.

xv) Disclosure of appropriation of profit

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

Bangladesh Bank: As per BRPD 14, an appropriation of profit should be disclosed in the face of profit and loss account.

xvi) Loans and advances net of provision

BFRS: Loans and advances should be presented net of provisions.

Bangladesh Bank: As per BRPD 14, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

2.2 Basis of measurement

The financial statements of the Group have been prepared on historical cost basis except for the following:

- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' are present at value using marking to market concept with gain credited to revaluation reserve;
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' are carried at amortised cost;
- Investment in shares of listed companies are prepared at market value with gain credited to revaluation reserve;
- Fixed assets (land and building) are carried at revalued amount.

2.3 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (Taka/Tk) which is the Bank's functional currency. Except as otherwise indicated, financial information presented in Taka has been rounded to the nearest integer.

2.4. Use of judgments and estimates

In preparing these consolidated financial statements in conformity with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) management has required to make judgments, estimates and assumptions that affect the application of CBL's accounting policies and the reported amounts of assets, liabilities, income and expenses.

The most critical estimates and judgments are applied to the following:

- Provision for loan and advances/investments- as explained in note 3.3.3
- Employee benefit- as explained in note 3.12
- Income tax - as explained in note 3.13
- Deferred tax assets/liabilities - as explained in note 11.a.4
- Useful lives of depreciable assets regard to noncurrent assets - as stated in Annexure-D

However, Underlying assumptions on estimates are reviewed on a going concern basis and revisions thereon are recognized in the period in which the estimates are revised. It is also required to disclose the contingent assets and liabilities at the date of the financial statements in accordance with the guidelines as prescribed by BAS 37: 'Provisions, Contingent Liabilities and Contingent Assets'.

Provision

Provisions are liabilities that are uncertain in timing or amount. Provisions are recognized in the following situations: -the entity has a present (legal or constructive) obligation as a result of past events; -probable outflow of resources to settle the obligation and the obligation can be measured reliably; -it is more likely than not that outflow of resources will be required to settle the present obligation exists at the end of reporting period.

Contingent Liability

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events. A contingent liability arises when some, but not all, of the criteria for recognizing a provision are met.

BAS 37 applies prudence by deeming a past event to give rise to a present obligation and an entity shall not recognize a contingent liability. However, if it is possible rather than probable that an obligation exists, a contingent liability will exist, not a provision in the financial statements. An entity shall disclose for each class of transaction of contingent liability at the end of the reporting period if the contingent liability is not remote.

Contingent Assets

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity. Contingent assets are never recognized; rather they are disclosed in the financial statements when they arise.

The most significant areas where estimates and judgments have been applied are to calculate provision for loans, advances and investments as per Bangladesh Bank guideline.

2.5 Reporting period

These financial statements cover one calendar year from 1 January 2016 to 31 December 2016.

2.6 Date of authorisation

The Board of directors has authorised this financial statements for public issue on 30 March 2016

2.7 Cash flow statement

The cash flow statement has been prepared in accordance with BAS 7 Cash Flow Statements considering the requirements specified in BRPD circular No. 14 dated 25 June 2003 issued by the Banking Regulation and Policy Department of Bangladesh Bank.

2.8 Statement of changes in equity

The Statement of changes in equity reflects information about the increase or decrease in net assets or wealth. Statement of changes in equity is prepared principally in accordance with BAS-1 'Presentation of Financial Statements' and under the guidelines of Bangladesh Bank's BRPD Circular No. 14 dated 25 June 2003.

2.9 Liquidity statement

The liquidity statement of assets and liabilities as at the reporting date has been prepared on the following basis

- balance with other banks and financial institutions, money at call and short notice, etc. are on the basis of their maturity term.

- investments are on the basis of their respective maturity.
- loans and advances are on the basis of their repayment maturity schedule.
- fixed assets are on the basis of their useful lives.
- other assets are on the basis of their realisation/amortisation.
- deposits from other banks, financial institutions and agents, etc. are as per their maturity/repayments.
- borrowing and other accounts are on the basis of their maturity term.
- provision and other liabilities on the basis of their repayment/adjustments schedule.

2.10 Financial Statements for Offshore Banking Unit (OBU)

Reporting currency of Offshore Banking Unit is US Dollar. However, foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per BAS 21 'The Effects of changes in Foreign Exchange Rates'. Foreign currency balances held in US Dollar are converted into Taka at weighted average rate of Inter Bank market as determined by Bangladesh Bank on the closing date of the reporting period.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements of the group and those of the bank have been applied consistently except otherwise instructed by Bangladesh Bank as the prime regulator.

Certain comparative amounts in the financial statements have been reclassified and rearranged to conform to the current year's presentation.

Accounting policies of subsidiaries

The financial statements of subsidiaries (City Brokerage Limited, City Bank Capital Resources Limited, and CBL Money Transfer Sdn. Bhd.) which are included in the Consolidated Financial Statements of the Group have been prepared using uniform accounting policies of the Bank (Parent) for transactions and other events in similar nature. There is no significant restriction on the ability of subsidiaries to transfer funds to the parent in the form of cash dividends or to repay loans and advances. All subsidiaries of the Bank have been incorporated in Bangladesh except for CBL Money Transfer Sdn. Bhd. which is incorporated in Malaysia.

3.1 Basis of consolidation

The consolidated financial statements include the financial statements of The City Bank Limited and those of its three subsidiaries (City Brokerage Limited, City Bank Capital Resources Limited and CBL Money Transfer Sdn. Bhd.) prepared as at and for the year ended 31 December 2016. The consolidated financial statements have been prepared in accordance with BFRS 10 'Consolidated Financial Statements'.

Name of Subsidiary	Ownership	Date of Incorporation	Country of Operation	Status	Regulator	Year Closing
City Brokerage Limited	99.996%	31-Mar-10	Bangladesh	Majority Owned	BSEC, DSE, CSE	31-Dec
City Bank Capital Resources Limited	99.993%	17-Aug-09	Bangladesh	Majority Owned	BSEC, DSE, CSE	31-Dec
CBL Money Transfer Sdn. Bhd	100.000%	4-Apr-13	Malaysia	Majority Owned	Bank Negara, Malaysia	31-Dec

3.1.2 Non-controlling interest

The Group elects to measure any non-controlling interests in the subsidiaries either:

- at fair value; or
- at their proportionate share of the acquiree identifiable net assets, which are generally at fair value.

3.1.3 Transactions eliminated on consolidation

Intra-group balances and income and expenses (except for foreign currency translation gains or losses) arising from intra-group transactions are eliminated in preparing these consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

3.2 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the operation at the spot exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the spot exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the profit and loss statement.

3.3 Assets and basis of their valuation

3.3.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, ATM, unrestricted balances held with Bangladesh Bank and its agent bank, balance with other banks and financial institutions, money at call and short notice, investments in treasury bills, Bangladesh Bank bill and prize bonds.

3.3.2 Investments

All investments (other than government treasury securities) are initially recognised at cost including acquisition charges associated with the investment. Premiums are amortised and discount accreted using the effective or historical yield method. Accounting treatment of government treasury bills and bonds (categorised as HFT and HTM) are made in accordance with Bangladesh Bank DOS Circular letter no. 05, dated 26 May 2008 and subsequent clarifications DOS Circular letter no. 05 dated 28 January 2009.

Held to Maturity
Investments which have 'fixed or determinable payments' and are intended to be held to maturity are classified as 'Held to Maturity'. These are measured at amortised cost at each year end by taking into account any discount or premium in acquisition. Any increase or decrease in value of such investments are booked under equity and in the profit and loss statement respectively.

Held for Trading

Investments classified in this category are acquired principally

3.3.5 Fixed assets (property and equipment)

Recognition and measurement

As per BAS 16 "Property and Equipment" items of fixed assets excluding land are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land and building are carried at revalued amounts.

Purchase of software that is integral to the related equipment is capitalised as part of that equipment.

Cost includes expenditure that are directly attributable to the acquisition of asset and bringing to the location and condition necessary for it to be capable of operating in the intended manner.

When significant parts of an item of fixed asset have different useful lives, they are accounted for as separate items (major components) of fixed assets.

The gain or loss on disposal of an item of fixed asset is determined by comparing the proceeds from disposal with the carrying amount of the item of fixed asset, and is recognised in other income/other expenses in profit or loss.

As per Bangladesh Accounting Standard (BAS-16) revaluation should be made with sufficient regulatory compliance to ensure that the carrying amount does not differ materially from that which would be determined using the fair value at the end of reporting period. The fair value of Land and Buildings is usually determined from market based evidence by an appraisal that is normally undertaken by professionally qualified valuers. Therefore, any upward increases of the assets have positive impact on the capital adequacy of the Bank (50% of the asset revaluation is considered as Tier-2 "Supplementary Capital" subject to deduction as per roadmap for implementation of BASEL-III). With a view to qualify for higher capital adequacy, the Bank revalued its Land and Buildings (in 2014) upon complying with all regulatory requirements.

Subsequent costs

The cost of replacing a component of an item of fixed asset is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The carrying amount of the replaced parts is derecognised. The costs of the day to day servicing of fixed assets are recognised in the profit and loss statement as incurred.

Depreciation

Depreciation on fixed assets are recognised in the profit and loss statement on straight line method over its estimated useful lives. In case of acquisition of fixed assets, depreciation is charged from the month of acquisition, whereas depreciation on disposed off fixed assets are charged up to the month prior to the disposal. Asset category wise depreciation rates for the current and comparative periods are as follows:

Category of assets	Rate of depreciation
Land	Nil
Building	Various*
Furniture and fixtures	10%
Office equipment and machinery	20%
Software	5%
Vehicles	20%

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted, if appropriate.

* For building, formerly 2.50% rate was used for calculating depreciation. Due to revaluation in the year 2014, the remaining useful life of building has been changed and as a result appropriate depreciation rates have been used to calculate depreciation of each building considering the remaining useful life.

3.3.6 Non-banking assets

Non-banking assets were acquired by the entity due to failure of borrowers to repay the loan in time taken against mortgaged property. The Bank was awarded absolute ownership on few mortgaged properties (mostly land) through the verdict of honourable court under section 33 (7) of the Artharin Adalat Act 2003. The value of the properties has been recognised in the financial statements as non-earning assets on the basis of third party valuation report. Party wise details (including possession date) of the properties are separately presented in note 10.

3.3.7 Provisions for other assets

BRPD Circular No.14 (25 June 2001) requires a provision of 100% on other assets which are outstanding for one year and above. The Bank maintains provisions in line with this circular unless it assesses there is no doubt of recovery on items of other assets in which case no provision is kept.

3.3.8 Intangible assets and its amortisation

Intangible assets comprise separately identifiable intangible items arising from use of franchise of AMEX and the use of financial from Infosys. Intangible assets are recognised at cost. Intangible assets with a definite useful life are amortised using the straight line method over its estimated useful economic life.

3.3.9 Reconciliation of inter-bank and inter-branch account

Account with regard to inter-bank (in Bangladesh and outside Bangladesh) are reconciled regularly and there are no material differences which may affect the financial statements significantly. Un-reconciled entries/balances in the case of inter-branch transactions on the reporting date are not material.

3.4 Liabilities and basis of their valuation

3.4.1 Tier-II Subordinated Bond

Tier-II Subordinated bond includes fund raised from several banks and financial institutions through issuance of 6 (six) years Bond. These items are brought to financial statements at the gross value of the outstanding balance. Details are shown in note 13.

3.4.2 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents includes refinance from Bangladesh Bank against agrossed credit, SME Loan etc., interest-bearing borrowings against securities from Bangladesh Bank and call borrowing from other banks. These items are brought to financial statements at the gross value of the outstanding balance. Details are shown in note 14.

3.4.3 Deposits and other accounts

Deposits and other accounts include non interest-bearing current deposit redeemable at call, interest bearing on demand and short-term deposits, savings deposit and fixed deposit. These items are brought into financial statements at the gross value of outstanding balance. Details are shown in note 15.

3.4.4 Provision for liabilities

A provision is recognised in the balance sheet when the group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations in accordance with BAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

3.4.5 Provision for Off-balance sheet exposure

BRPD Circular No.14 (23 September 2012) requires a general provision for off-balance sheet exposures to be calculated at 1% on all off-balance sheet exposures as defined in BRPD Circular No.10 (24 November 2002). Accordingly the Bank has recognised a provision of 1% on the following off-balance sheet items:

- Acceptance and endorsements
- Letters of guarantee
- Irrecoverable letters of credit
- Foreign exchange contracts

3.4.6 Provisions on balances with other banks and financial institutions (Nostro accounts)

Provision for unsettled transactions on nostro accounts is made as per Foreign Exchange Policy Department (FEPD) circular no. FEPD (FEMO) /01/2005-677 dated 13 September 2005 of Foreign Exchange Policy Department (FEPD) of Bangladesh Bank and reviewed semi-annually by our management along with duly certified by the external auditor. On the reporting date, the Bank has no unsettled transactions outstanding for more than 3 months and no provision has been made in this regard.

Provision for rebate to good borrower

As per BRPD Circular No. 06 (19 March 2015) and BRPD Circular Letter No 03 (16 February 2016) of the Banking Regulation and Policy Department (BRPD) of Bangladesh Bank, commercial banks are required to provide 10% rebate on the interest closed from 'good borrowers' subject to some qualifying criteria. Accordingly, the Bank has kept provision in the financial statements for the year ended 31 December 2016.

3.4.7 Other liabilities

Other liabilities comprise items such as provision for loans and advances/investments, provision for taxation, interest payable, interest suspense, accrued expenses, obligation under finance lease etc. Other liabilities are recognised in the balance sheet according to the guidelines of Bangladesh Bank, Income Tax Ordinance, 1984 and internal policy of the Bank.

3.5 Capital/Shareholders' equity

3.5.1 Authorised capital

Authorised capital is the maximum amount of share capital that the Bank is authorised by its Memorandum and Articles of Association.

3.5.2 Paid up capital

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

3.5.3 Share premium

Share premium is the capital that the Bank raises upon issuing shares for a price in excess of the nominal value of shares. The share premium shall be utilised in accordance with provision of section 57 of the Companies Act, 1994 and as directed by Securities and Exchange Commission in this respect.

3.5.4 Statutory reserve

Statutory reserve has been maintained at the rate of 20% of profit before tax in accordance with provisions of section 24 of the Bank Company Act (Amended 2013). Such transfer shall continue until the reserve balance equals its paid up capital together with the share premium.

3.5.5 Revaluation reserve for government securities

Revaluation reserve for government securities arises from the revaluation of treasury bills, Bangladesh Bank bills and treasury bonds (HT and HTM) in accordance with the DOS Circular no. 5 dated 26 May 2008 and DOS(SR) 1153/120/2010 dated 8 December 2010.

3.5.6 Revaluation reserve for fixed assets

Revaluation reserve for fixed assets arises from the revaluation of any class of fixed assets when the market price of the assets increased significantly from the carrying value. When an asset's carrying amount is increased as a result of revaluation, the increased amount is recognised directly to equity under the heading of revaluation surplus/reserve as per BAS 16 "Property and Equipment". The Bank revalued its land and buildings during the year 2014 and accordingly created an asset revaluation reserve.

3.5.7 Capital management

The Bank has a capital management process in place to measure, deploy and monitor its available capital and assess its adequacy. This capital management process aims to achieve the following objectives:

- To comply with the capital requirements set by the regulators;
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- To maintain a strong capital base to support the development of its business.

Capital is managed in accordance with the Board approved Capital Management Planning. Senior management develops the capital strategy and oversees the capital management planning of the Bank. The Bank's finance, treasury and risk management departments are key participants in implementing the Bank's capital strategy and managing capital. Capital is managed using both regulatory capital measures and internal metrics.

3.6 Revenue recognition

3.6.1 Interest income

Interest on loans and advances is calculated on daily product basis and accrued at the end of each month, but charged to customers' accounts on quarterly basis.

In accordance with BRPD Circular No.14 (23 September 2012) as amended by BRPD Circular No. 19 (27 December 2012) interest accrued on sub-standard loans and doubtful loans are credited to an "Interest Suspense Account" which is included within "Other liabilities". Interest from loans and advances ceases to be accrued when they are classified as bad/loss. It is then kept in interest suspense in a memorandum account.

3.6.2 Profit on investment (Islamic Banking)

Mark-up on investment is taken into income account proportionately from profit receivable account. Overdue charge/compensation on classified investments are transferred to profit suspense account instead of income account.

3.6.3 Investment income

Income on investments are recognised on accrual basis. Investment income includes discount on treasury bills and Bangladesh Bank bills, interest on treasury bonds and fixed deposit with other banks. Capital gain on investments in shares are also included in investment income. Capital gain is recognised when it is realised.

3.6.4 Fees and commission income

The Bank earns commission and fee income from a diverse range of service provided to its customers. Commission and fee income is accounted for as follows:

-Income earned on the execution of a significant act is recognised as revenue when the act is completed

-Income earned from services provided is recognised as revenue as the services are provided

-Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.

3.7 Interest paid on Subordinated Bond, borrowing and other deposits (Conventional banking)

Interest paid and other expenses are recognised on accrual basis.

3.8 Profit shared on deposits (Islamic banking)

Profit shared to mudaraba deposits are recognised on accrual basis.

3.9 Dividend Income

Dividend income is recognised when the right to receive income is established. Dividends are presented under investment income.

3.10 Lease payments

Payments made under operating leases are recognised in the profit and loss statement on a straight-line basis over the terms of the lease.

Lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Others

Foreign exchange gain/ loss

Exchange income includes all gain and losses from foreign currency day to day transactions, conversions and revaluation of non monetary items.

3.11 Employee benefits

3.11.1 Provident Fund

Provident Fund benefits are given to the permanent staff of the Bank in accordance with the registered Provident Fund rules. The Commissioner of Income Tax, Taxes Zone - 4, Dhaka, has approved the Provident Fund as a recognised fund within the meaning of section 2(52) read with the provisions of part - 8 of the First Schedule of Income Tax Ordinance 1984. The reorganisation took effect on 31 October 1987. The Provident Fund is operated by a Board of Trustees consisting of 6 members of the Bank. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription to the Provident Fund. The Bank also contributes equal amount to the Provident Fund. Contributions made by the Bank are charged as expense and the Bank bears no further liability. Interest earned from the investments is credited to the members' account on yearly basis. Members are eligible to get both the contribution after 5 years of continuous service from the date of their membership. By Law the Provident fund is duly audited by Snehasis Mahmud & Co. Chartered Accountants.

3.11.2 Gratuity Fund

Gratuity Fund benefits are given to the staff of the Bank in accordance with the approved Gratuity Fund rules. National Board of Revenue has approved the Gratuity Fund as a recognised gratuity fund with effect from 3 June 2012. The Gratuity Fund is operated by a Board of Trustees consists of 7 members of the Bank. Employees are entitled to get gratuity benefit after completion of minimum 5 years of service in the Bank. Provision for gratuity is made annually covering all its permanent eligible employees. A valuation of gratuity scheme had been made in 2014 by a professional Actuarial & Pension Consultants, Z. Halim & Associates considering the changes in Labour Act 2013 (Amendment) to assess the adequacy of the liabilities provided for the scheme as per BAS 19 "Employee Benefits". On continuing fund basis valuation, the Bank has been maintaining adequate provision against gratuity scheme.

3.11.3 Other employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The Bank has following short term employee benefit schemes:

Hospitalisation insurance

The Bank has a health insurance scheme to its confirmed employees and their respective dependants at rates provided in health insurance coverage policy.

Life insurance

The Bank has a group life insurance scheme to its confirmed employees and the benefit of the scheme is available to the family of the employee on the occurrence of natural death of the employee during the tenure of his/her service.

Performance bonus

Provision of Workers' Profit Participation Fund and Welfare Fund mentioned in Bangladesh Labour (Amendments) Act, 2013 contradicts Bank Company Act, 1991 through which Bank Companies are regulated. Section-11 of Bank Company Act, 1991 restricts to employ anyone who receives remuneration or part of remuneration as share of profit of the company and remuneration includes salary and other benefit. Accordingly, we obtained a legal opinion from Nurul Alam & Associates, Advocates and Consultants, wherein it is opined that Worker's Profit Participation and Welfare Fund shall not be applicable for Bank Companies, as there is no non-obstante clause. Unless Government of Peoples Republic of Bangladesh amends section 11 of Bank Company Act or frames rules, giving overriding effect to Bank Company Act, 1991, section 232 of Bangladesh Labour (Amendments) Act, 2013 will not be applicable for banks.

Moreover, in the Bank, performance bonus provision is there, which is distributed among the employees on the basis of individual employee's yearly performance with a view to recognise welfare of the employees and reward their participation and contribution to the company.

3.12 Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the profit and loss statement except to the extent that it relates to items recognised directly in equity.

3.12.1 Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Details are shown in note 16.6.6.

3.12.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.12.3 Tax exposures

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Bank to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.13 Impairment of non-financial assets

The carrying amounts of the Group's and the Bank's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.14 Earnings per share

The Group and the Bank present basic and diluted Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees. No diluted earnings per share is required to be calculated for the period.

3.15 Compliance of Bangladesh Financial Reporting Standard (BFRS)

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of International Accounting Standards (IAS) as Bangladesh Accounting Standards (BAS) and International Financial Reporting Standards (IFRS) as Bangladesh Financial Reporting Standards (BFRS). While preparing the financial statements, the Bank applied most of BAS and BFRS as adopted by ICAB. Details are given below:

Name of the standards	BFRS Ref.	Implementation status by the Bank
First-time Adoption of Bangladesh Financial Reporting Standards	BFRS-1	Not applicable
Share-based Payment	BFRS-2	Not applicable
Business Combinations	BFRS-3	Applied
Insurance Contracts	BFRS-4	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	BFRS-5	Not applicable
Exploration for and Evaluation of Mineral Resources	BFRS-6	Not applicable
Financial Instruments: Disclosures	BFRS-7	Applied with some departure (note 2.1)
Operating Segments	BFRS-8	Applied with some departure (note 3.18)
Consolidated Financial Statements	BFRS-10	Applied
Joint Arrangements	BFRS-11	Not applicable
Disclosure of Interest in Other Entities	BFRS-12	Applied
Fair Value Measurement	BFRS-13	Applied with some departure (note 2.1)
Regulatory Deferral Accounts	BFRS-14	Not applicable
Presentation of Financial Statements	BAS-1	Applied with some departure (note 2.1)
Inventories	BAS-2	Not Applicable
Statement of Cash Flows	BAS-7	Applied with some departure (note 2.1)
Accounting Policies, Changes in Accounting Estimates and Errors	BAS-8	Applied
Events after the Reporting Period	BAS-10	Applied
Construction Contracts	BAS-11	Not Applicable
Income Taxes	BAS-12	Applied
Property, Plant and Equipment	BAS-16	Applied
Leases	BAS-17	Applied
Revenue	BAS-18	Applied
Employee Benefits	BAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	BAS-20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	BAS-21	Applied
Borrowing Costs	BAS-23	Not Applicable
Related Party Disclosures	BAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	BAS-26	Not Applicable
Separate Financial Statements	BAS-27	Applied
Investments in Associates and Joint Venture	BAS-28	Not Applicable
Interests in Joint Ventures	BAS-31	Not Applicable
Financial Instruments: Presentation	BAS-32	Applied with some departure (note 2.1)
Earnings per Share	BAS-33	Applied
Interim Financial Reporting	BAS-34	Applied
Impairment of Assets	BAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	BAS-37	Applied
Intangible Assets	BAS-38	Applied
Financial Instruments: Recognition and Measurement	BAS-39	Applied with some departure (note 2.1)
Investment property	BAS-40	Not Applicable
Agriculture	BAS-41	Not Applicable

In order to comply with certain specific rules and regulations of Bangladesh Bank which are different to BAS/BFRS, some of the requirements specified in these BAS/BFRS are not applied. Refer to note-2.1 for such recognition and measurement differences that are most relevant and material to the Bank and the group.

The Standard regards a retirement benefit plan as a reporting entity separate from the employers of the participants in the plan. Therefore, it is not applicable for the Bank's annual report as it is the employer and not the retirement benefit plan itself.

The objective of BAS 34 is to prescribe the minimum content of an interim financial report and to prescribe the principles for recognition and measurement in complete or condensed financial statements for an interim period and hence it is not applicable for annual financial statements. However, the Bank being a listed entity in Dhaka and Chittagong Stock Exchanges regularly publishes Interim Financial Report complying with BAS 34.

3.16 Standards issued but not yet effective

The Institute of Chartered Accountants of Bangladesh (ICAB) has adopted following new standards and amendments to standards during the year 2016. All previously adopted reporting standards are consistently applied by the Bank as explained in Note 3.16.

BFRS 9 Financial Instruments:

Summary of the requirements

BFRS 9, published in July 2014, replaces the existing guidance in BAS 39 "Financial Instruments: Recognition and measurement". BFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from BAS 39.

BFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

Possible impact on financial statements

The Bank is assessing the potential impact on its financial statements resulting from the application of BFRS 9.

BFRS 15 Revenue from contracts with customers:

Summary of the requirements

BFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including BAS 18 "Revenue", BAS 11 "Construction contracts" and BFRIC 13 "Customer loyalty programmes".

BFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

Possible impact on financial statements

The Bank is assessing the potential impact on its financial statements resulting from the application of BFRS 15.

3.17 Offsetting

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the group has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4 Consolidated cash in hand

	2016 Taka	2015 Taka
The City Bank Limited (note 4.a)	3,787,829,631	3,028,046,419
City Brokerage Limited	77,500	77,500
City Bank Capital Resources Limited	11,769	11,097
CBL Money Transfer Sdn. Bhd.	103,876	936,632
	3,788,022,776	3,029,071,648
Adjustments for Consolidation - The City Bank Limited	-	(30,089,223)
	3,788,022,776	2,998,982,425

4.a Cash in hand - The City Bank Limited

	2016 Taka	2015 Taka
Local currency	3,731,432,078	2,954,191,772
Foreign currency	56,397,553	73,854,647
	3,787,829,631	3,028,046,419

4.a.1 Balance with Bangladesh Bank and its agent bank(s)

	2016 Taka	2015 Taka
Local currency	13,590,293,951	11,409,598,546
Foreign currency	6,578,617,682	380,623,706
	20,168,911,633	11,790,222,252

	2016 Taka	2015 Taka
Sonali Bank Limited as agent of Bangladesh Bank (local currency)	527,364,103	648,412,655
	20,696,275,735	12,438,634,907

4.a.2 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 33 of Banking Companies Act, 1991, BRPD circular no.11 and 12, dated 25 August 2005, MPO circular no.116/2010-1713 dated 1 December 2010 and MPO Circular No. 1 dated 23 June 2014.

The minimum Cash Reserve Ratio on the Bank's time and demand liabilities at the rate of 6.5% on bi-weekly basis has been calculated and maintained with Bangladesh Bank in current account and 13% Statutory Liquidity Ratio, excluding CRR, on the same liabilities has also been maintained in the form of treasury bills, bonds and debentures including foreign currency balances with Bangladesh Bank (CRR and SLR of December 2016 is based on weekly average time and demand liabilities balance of October 2016). Both reserves maintained by the Bank are in excess of the statutory requirements, as shown below:

a) Cash Reserve Ratio (CRR)	2016 Taka	2015 Taka
Required reserve	11,424,931,989	9,331,738,510
Actual reserve maintained	13,564,388,695	11,429,132,214
Surplus	2,139,456,706	2,097,393,704

b) Statutory Liquidity Ratio (SLR)	2016 Taka	2015 Taka
Required reserve	22,612,381,937	18,472,064,945
Actual reserve maintained (note 4.a.3)	28,509,761,693	25,451,537,275
Surplus	5,897,379,756	6,979,472,330

4.a.3 Held for Statutory Liquidity Ratio (SLR)

	2016 Taka	2015 Taka
Cash in hand	3,787,829,631	3,028,046,419
Sonali Bank Limited as agent of Bangladesh Bank as per statement balance	533,562,643	634,579,180
Surplus of CRR - balance with Bangladesh Bank	2,139,456,706	2,097,393,704
Government securities and bonds	22,048,912,713	19,691,517,972
	28,509,761,693	25,451,537,275

5 Consolidated balance with other banks and financial institutions

	2016 Taka	2015 Taka
In Bangladesh	12,187,706,470	15,355,924,462
The City Bank Limited (note 5.a)	1,497,234,522	422,936,970
City Brokerage Limited	600,001,749	250,601,396
City Bank Capital Resources Limited	14,284,942,741	16,029,462,828
Mutual indebtedness:		
Deposit with The City Bank Limited - City Brokerage Limited	(953,833,542)	(345,250,247)
Deposit with The City Bank Limited - CBL Money Transfer Sdn. Bhd.	-	(1,121,621)
Deposit with The City Bank Limited - City Bank Capital Resources Limited	(151,052,119)	(180,556,137)
Adjustment for Consolidation - City Brokerage Limited	(1,104,885,661)	(526,934,005)
	13,180,057,080	15,502,528,823

	2016 Taka	2015 Taka
Outside Bangladesh	661,120,028	263,921,673
The City Bank Limited (note 5.a)	244,495,395	149,524,762
CBL Money Transfer Sdn. Bhd.	905,615,423	413,446,435
	14,085,672,503	15,915,975,258

5.a Balance with other banks and financial institutions - The City Bank Limited

	2016 Taka	2015 Taka
In Bangladesh (note 5.a.1)	12,187,706,470	15,355,924,462
Outside Bangladesh (note 5.a.2)	661,120,028	263,921,673
	12,848,826,498	15,619,846,135

5.a.1 In Bangladesh

	2016 Taka	2015 Taka
Current accounts		
Janata Bank Limited	903,435	906,160
Jagrani Bank Limited	56,521,510	92,903,844
United Commercial Bank Limited	-	3,180
Rupali Bank Limited	-	317,097
Islami Bank Bangladesh Limited	-	612
Bangladesh Krishi Bank	-	616
Sonali Bank Limited	73,588,778	161,540,561
	131,013,723	255,672,070

	2016 Taka	2015 Taka
Short notice deposit accounts		
Social Islami Bank Limited	1,489,983	-
Dutch-Bangla Bank Limited	83,952	29,885
Standard Chartered Bank	37,625,878	32,515,611
Rupali Bank Limited	96,079,807	66,591,265
AB Bank Limited	6,853,688	5,279,783
Trust Bank Limited	2,131,856	23,383,880
Bank Al-Falah Limited	641,641	57,294,690
Southeast Bank Limited	9,633,943	-
	154,540,747	185,095,114

	2016 Taka	2015 Taka
Savings accounts		
Social Islami Bank Limited	-	799,970
Southeast Bank Limited	-	9,354,308
	-	10,154,278

	2016 Taka	2015 Taka
Fixed deposit receipts		
Bangladesh Industrial Finance Company Limited	-	220,000,000
National Bank of Pakistan	410,000,000	330,000,000
Midland Bank Limited	-	200,000,000
One Bank Limited	-	785,003,000
Commercial Bank of Ceylon PLC	-	290,000,000
Modhumoti Bank Limited	154,252,000	-
BRAC Bank Limited	1,023,100,000	-
Mutual Trust Bank Limited	118,050,000	-
Bank Al-Falah Limited	196,750,000	-
Lankabangla Finance Limited	500,000,000	500,000,000
Prime Finance & Investment Limited	-	50,000,000
Union Capital Limited	-	250,000,000
IDLC Finance Limited	3,000,000,000	2,000,000,000
United Finance Limited	-	550,000,000
People's Leasing and Financial Services Ltd.	-	500,000,000
Industrial and Infrastructure Development Finance Company Limited	-	150,000,000
MIDAS Financing Limited	-	130,000,000
Uttara Finance and Investment Limited	-	600,000,000
International Leasing and Financial Services Limited	300,000,000	250,000,000
Investment Corporation of Bangladesh	5,500,000,000	7,000,000,000
Phoenix Finance & Investments Limited	200,000,000	200,000,000
Delta Brac Housing Finance Corporation Limited	-	400,000,000
Fareast Finance & Investment Limited	-	300,000,000
Industrial Promotion and Development Company of Bangladesh Limited	500,000,000	200,000,000
	11,902,152,000	4,905,003,000
Total	12,187,706,470	15,355,924,462

5.a.2 Outside Bangladesh (Nostro accounts)

	Currency	2016 Taka	2015 Taka
Mashreq Bank, New York, USA	USD	112,754,211	30,803,201
Habib American Bank, New York, USA	USD	39,502,741	67,577,926
Citibank N.A. New York, USA	USD	(80,460,879)	(19,785,990)
HSBC, New York, USA	USD	-	12,440,334
Standard Chartered Bank, New York, USA	USD	226,078,118	(7,043,814)
Standard Chartered Bank, Frankfurt	EUR	328,049	13,716,548
Deutsche Bank, Frankfurt, Germany	EUR	8,460,223	1,388,194
Arab National Bank, Riyadh	SAR	-	341,820
Bank of Tokyo Mitsubishi Ltd., Japan	JPY	5,854,826	5,776,137
Deutsche Bank Trust Comp. USA	USD	43,067,313	241,251
Bank of Tokyo Mitsubishi Ltd., Kolkata, India	ACUD	665,319	658,845
AB Bank Ltd., Mumbai, India	ACUD	3,074,547	(15,621,278)
Sonali Bank Ltd., Kolkata, India	ACUD	795,362	1,205,510
NIB Bank Limited, Karachi, Pakistan	ACUD	11,017,913	5,238,849
Standard Chartered Bank, Nepal	ACUD	169,177	382,661
Commerz Bank AG, Frankfurt, Germany	USD	32,089,373	8,723,740
Commercial Bank of Ceylon, Colombo, Sri Lanka	ACUD	5,559,289	603,561
Bank of Bhutan, Bhutan	ACUD	1,768,011	(233,281)
Commerz Bank AG, Frankfurt, Germany	CHF	14,523,708	7,535,835
Mashreq Bank, Mumbai, India	CHF	589,488	1,618,323
Mashreq Bank, Mumbai, India	ACUD	67,354,519	36,413,608
Mashreq Bank, Mumbai, India	EUR	136,414	387,963
HDFC Bank Ltd, Mumbai, India	ACUD	8,417,698	1,105,009
Banca Popolare Di Vicenza, Italy	EUR	8,957,268	2,526,255
Standard Chartered Bank, London	GBP	5,044,344	20,212,890
Mashreq Bank, London	GBP	2,043,658	4,534,975
Kookmin Bank, Korea	USD	5,577,126	3,452,520
Commerz Bank AG, Frankfurt	AUD	3,970,484	7,266,929
Standard Chartered Bank, Mumbai, India	ACUD	27,770,071	14,847,632
Mashreq Bank, Dubai	AED	899	-
Habib Bank Limited, Pakistan	ACUD	1,999,790	-
Mashreq Bank, New York, USA (For OBU Operation)	USD	60,109,809	(37,338,548)
Commerz Bank AG, Frankfurt, Germany (For OBU Operation)	USD	3,735,065	10,289,384
Commerz Bank AG, Frankfurt, Germany (For OBU Operation)	EUR	2,176,039	44,773,466
		621,129,973	224,040,455

	2016 Taka	2015 Taka	
Term deposits			
Mashreq Bank Limited, New York, USA	USD	39,350,000	39,250,150
Sonali Bank, Kolkata, India	ACUD	640,055	631,068
	39,990,055	39,881,218	
Total	661,120,028	263,921,673	

Details are shown in Annexure-B.

5.a.3 Maturity grouping of balance with other banks and financial institutions

	2016 Taka	2015 Taka
Payable on demand	590,603,740	125,314,396
Up to 1 month	2,022,877,663	4,041,807,515
Over 1 month but not more than 3 months	10,221,174,616	10,354,379,163
Over 3 months but not more than 1 year	14,170,480	1,098,345,061
Over 1 year but not more than 5 years	-	-
Over 5 years	-	-
	12,848,826,498	15,619,846,135

6 Money at call and short notice

	2016 Taka	2015 Taka
Banking companies		
ICB Islamic Bank Limited (note 6.1)	91,379,167	95,379,167
	91,379,167	95,379,167

6.1 This represents a call loan with ICB Islamic Bank Limited, formerly The Oriental Bank Limited, since 2007. Bangladesh Bank has issued a notification dated 2 August 2007- BRPD(R)-1165/1991002007-447 and approved a scheme of reconstruction of the former The Oriental Bank Limited in which payment of liabilities of the bank has been finalised and based on earlier issued and recent (BRPD circular letter no. 15 dated 03 November 2016) schedule and of payment the Bank (CBL) has already received first 17 instalments.

7 Consolidated Investments

	2016 Taka	2015 Taka
Government securities	22,048,912,713	19,691,517,972
The City Bank Limited (note 7.a.i.a)	22,048,912,713	19,691,517,972

	2016 Taka	2015 Taka
Others	2,383,242,864	4,923,298,995
The City Bank Limited (note 7.a.i.b)	1,680,187,538	1,046,061,583
City Brokerage Limited (note 7.b)	1,783,769,503	356,084,378
City Bank Capital Resources Limited (note 7.c)	5,847,199,905	6,325,444,956
	27,896,112,618	26,016,962,928

7.a Investments - The City Bank Limited

i) Investment classified as per Bangladesh Bank Circular	2016 Taka	2015 Taka
Held for Trading (HFT)	7,528,699,323	3,469,355,664
Hold to Maturity (HTM)	14,520,213,390	16,043,472,855
Reverse Repo	-	178,689,453
Other Securities	2,383,242,864	4,923,298,995
	24,432,155,577	24,614,816,967

Disclosure relating to REPO & Reverse REPO is presented in Annexure - G

ii) Investment securities are classified as follows

a) Government bonds	2016 Taka	2015 Taka
Prize bonds	3,551,600	7,308,600
Government bonds - (note 7.a.2)	22,045,361,113	19,684,209,372
	22,048,912,713	19,691,517,972

b) Other investments	2016 Taka	2015 Taka
Debtenture of Bangladesh Welding Electrodes Limited	122,273	122,273
Mutual fund	53,875,876	40,937,893
Shares (note 7.a.3)	2,329,244,715	4,882,238,829
	2,383,242,864	4,923,298,995
	24,432,155,577	24,614,816,967

7.a.1 Maturity grouping of investments

	2016 Taka	2015 Taka
On demand	3,551,600	7,308,600
Over 1 month but not more than 3 months	1,276,617,847	178,689,453
Over 3 months but not more than 1 year	3,613,954,775	5,222,590,034
Over 1 year but not more than 5 years	3,577,925,055	5,814,810,456

8.a.12 Detail of large loan/investments

As at 31 December 2016 there were 34 (31 December 2015: 33) borrowers or group with whom amount of outstanding loans and advances/investments exceeded 10% of the total capital of the Bank. Total capital of the Bank was Taka 24,814.42 million as at 31 December 2016 (Taka 22,574.87 million as at 31 December 2015).

	2016 Taka	2015 Taka
Number of borrowers or groups	34	33
Amount of outstanding advances/investments (Taka)	51,797,213,875	45,611,119,680
Amount of classified advances/investments therein (Taka)	-	-

8.a.13 Particulars of loans and advances/investments

	2016 Taka	2015 Taka
i) Loans/investments considered good in respect of which the Bank is fully secured	155,694,175,625	126,612,009,661
ii) Loans/investments considered good against which the Bank holds no security other than the debtors' personal guarantee	8,634,606,273	7,394,795,908
iii) Loans/investments considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	10,696,294,761	9,080,695,712
iv) Loans/investments adversely classified; provision not maintained there against	-	-
v) Loans/investments due by directors or officers of the banking company or any of them either separately or jointly with any other persons	3,610,715,614	3,247,082,277
vi) Loans/investments due from companies or firms in which the directors of the Bank have interest as directors, partners or managing agents or in case of private companies as members	438,614,820	401,348,333
vii) Maximum total amount of advances/investments, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either separately or jointly with any other person.	3,610,715,614	3,247,082,277
viii) Maximum total amount of advances/investments, including temporary advances/investments granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in the case of private companies, as members	-	-
ix) Due from other banking companies	-	-
x) Classified loans and advances/investments (a) Classified loans and advances/investments on which interest has not been charged	9,239,971,089	7,763,140,111
Increase of specific provision	(414,487,918)	1,655,036,143
Amount of loans written off	3,486,267,624	1,650,030,441
Amount realised against loans previously written off	613,863,574	451,753,183
(b) Provision on classified loans and advances/investments	4,212,451,861	4,626,939,779
(c) Provision kept against loans/investments classified as bad debts	3,989,934,311	3,866,367,069
(d) Interest credited to interest Suspense Account	1,302,725,093	1,610,706,655
xi) Cumulative amount of written off loans/investments Opening balance	10,964,826,846	9,766,549,588
Amount written off during the year	3,486,267,624	1,650,030,441
Amount realised against loans/investments previously written off	(613,863,574)	(451,753,183)
Closing balance	13,837,230,896	10,964,826,846
The amount of written off/classified loans/investments for which law suits have been filed	28,326,613,000	19,926,100,000

8.a.14 Staff loan

	2016 Taka	2015 Taka
Provident fund	484,706,966	453,837,518
House building scheme	2,235,843,225	1,966,932,970
Vehicle scheme	387,167,199	362,273,235
Consumer credit and other scheme	62,603,473	60,326,557
	3,170,320,863	2,843,370,280

8.a.15 Classification of loans and advances/investments

	2016		2015	
	% of total loan	Taka	% of total loan	Taka
Unclassified				
Standard including staff loan	90.64%	158,646,015,656	90.71%	129,787,816,277
Special mention account (SMA)	3.31%	5,797,139,339	1.72%	2,454,905,389
	93.95%	164,443,154,995	92.42%	132,242,721,666
Classified				
Sub-standard	0.42%	733,615,499	1.80%	2,576,084,662
Doubtful	0.35%	608,335,076	0.35%	505,554,843
Bad/Loss	5.28%	9,239,971,089	5.43%	7,763,140,111
	6.05%	10,581,921,664	7.58%	10,844,779,615
	100.00%	175,025,076,659	100.00%	143,087,501,281

8.a.16 Particulars of required provision for loans and advances/investments

	2016		2015	
	Base provision	% of required provision	Required provision	Required provision
General provision on unclassified loans				
Loans/investments (excluding SMA)	1,957,634,599		1,577,530,540	
Special mention account (SMA)	64,364,498		34,220,460	
Required provision for unclassified loans and advances/investments			2,021,999,097	1,611,751,000
A. Total provision maintained for unclassified loans			2,090,560,000	1,612,000,000
B. Excess provision			68,560,903	249,000
Specific provision on classified loans				
Sub-standard	339,914,010	5% -20%	66,521,764	569,385,706
Doubtful	289,424,209	5% -50%	154,768,770	112,219,225
Bad/Loss	3,989,934,311	100%	3,989,934,311	3,866,367,069
Required provision for classified loans and advances/investments			4,211,224,845	4,547,972,000
C. Total provision maintained for classified loans			4,212,451,861	4,626,939,779
D. Excess provision			1,227,016	78,967,779
Total required provision for loans and advances/investments			6,233,223,942	6,159,723,000
Total provision maintained for loans and advances/investments (A+C)			6,303,011,860	6,238,939,779
Total excess provision (B+D)			69,787,913	79,216,779

8.a.17 During the year 2016, no loan having outstanding Taka 500 crore or more was restructured.

8.b Loans and advances/investments - The City Brokerage Limited

Margin loan was given to several individuals and institutions for doing share trading business through the City Brokerage Limited.

8.c Loans and advances/investments - City Bank Capital Resources Limited

Margin loan was given to several individuals and institutions for doing share trading business through CBCL.

9 Bills purchased and discounted (note 8.a.2)

	2016 Taka	2015 Taka
Payable in Bangladesh	1,683,284,333	1,314,998,334
Payable outside Bangladesh	5,592,108,622	3,543,069,178
	7,275,392,955	4,858,067,512

9.1 Maturity grouping of bills purchased and discounted

	2016 Taka	2015 Taka
Payable within one month	2,388,942,566	1,344,726,285
Over one month but less than three months	1,334,265,001	1,322,701,558
Over three months but less than six months	3,552,185,388	2,190,639,669
Six months or more	-	-
	7,275,392,955	4,858,067,512

10 Consolidated fixed assets including premises, furniture and fixtures

	2016 Taka	2015 Taka
The City Bank Limited (note 10.a)	8,084,826,026	8,135,621,490
City Brokerage Limited (note 10.b)	16,180,736	17,574,874
City Bank Capital Resources Limited (note 10.c)	6,000,688	6,079,622
CBCL Money Transfer Sdn. Bhd. (note 10.d)	10,738,865	10,945,451
	8,117,746,315	8,172,221,437

10.a Fixed assets including premises, furniture and fixtures - The City Bank Limited

	2016 Taka	2015 Taka
Cost/Revaluation		
Land	4,232,440,000	4,232,440,000
Building	2,383,998,755	2,094,269,676
Work-in-progress - building	190,550,514	422,163,852
Furniture and fixtures	1,093,652,476	1,006,624,787
Office equipment and machinery	2,263,713,817	2,048,185,441
Bank's vehicles	292,383,257	252,333,818
Leased assets	-	-
Software	296,360,249	280,325,418
Work-in-progress - software	62,484,862	36,457,335
	10,815,583,929	10,372,800,327
Accumulated depreciation and amortisation		
Written down value	(2,730,757,902)	(2,237,178,837)
	8,084,826,026	8,135,621,490

See Annexure - D for details.

10.b Fixed assets including premises, furniture and fixtures - City Brokerage Limited

	2016 Taka	2015 Taka
Cost		
Furniture and fixtures	21,377,353	21,377,353
Office equipment and machinery	29,057,877	26,759,297
Vehicles	5,041,586	4,789,476
Lease Hold Property	850,000	-
Software	4,147,609	4,147,609
	60,474,425	57,073,735
Accumulated depreciation and amortisation		
Written down value	(44,293,689)	(39,498,861)
	16,180,736	17,574,874

10.c Fixed assets including premises, furniture and fixtures - City Bank Capital Resources Limited

	2016 Taka	2015 Taka
Cost		
Furniture and fixtures	3,432,764	2,730,271
Office equipment and machinery	1,654,578	1,577,135
Software	7,153,744	7,153,744
Vehicle	2,200,000	2,200,000
	14,441,086	13,661,150
Accumulated depreciation and amortisation		
Written down value	(8,440,398)	(5,581,528)
	6,000,688	8,079,622

10.d Fixed assets including premises, furniture and fixtures - CBL Money Transfer Sdn. Bhd.

	2016 Taka	2015 Taka
Cost		
Furniture and fixtures	10,201,372	9,822,336
Office equipment and machinery	8,333,563	6,871,964
Vehicle	1,814,187	1,890,314
	20,349,122	18,584,614
Accumulated depreciation		
Written down value	(9,610,257)	(7,639,163)
	10,738,865	10,945,451

11 Consolidated other assets

	2016 Taka	2015 Taka
The City Bank Limited (note 11.a)	13,500,653,120	7,027,747,460
City Brokerage Limited (note 11.b)	161,648,566	124,467,379
City Bank Capital Resources Limited (note 11.c)	158,788,856	87,439,870
CBCL Money Transfer Sdn. Bhd. (note 11.d)	8,298,507	6,174,669
	13,829,389,049	7,245,829,378
Goodwill arising on investment in subsidiaries	30,524,211	8,584,953
Mutual indebtedness:		
Payable to City Bank Limited - City Brokerage Limited	(42,687)	-
Payable to City Bank Limited - City Bank Capital Resources Limited	(24,663,366)	(55,879,532)
Payable to City Bank Capital Resources Limited - City Bank Limited	(30,089,524)	(13,810,773)
Payable to City Bank Capital Resources Limited - City Brokerage Limited	(64,135,372)	(11,927,019)
Investment in subsidiaries	(6,017,010,297)	(2,413,080,473)
	(6,135,941,246)	(2,494,697,797)
Total consolidated other assets	7,723,972,014	4,759,716,534

11.a Other assets - The City Bank Limited

	2016 Taka	2015 Taka
Income generating other assets		
Interest income receivable (note 11.a.1)	922,712,054	845,538,997
Investment in subsidiaries (note 11.a.2)	6,017,010,297	2,413,080,473
Non income generating other assets		
Stationery and stamps	15,323,810	17,204,440
Advance against rent and advertisement	401,204,189	353,443,906
Security deposits	31,625,152	31,126,840
Prepaid expenses	56,922,696	32,632,714
Advance payment of tax (note 11.a.3)	2,918,221,017	998,940,694
Branch adjustment account	3,054,226	6,310,077
Deferred tax assets (note 11.a.4)	866,425,840	720,189,377
Accounts receivables (note 11.a.5)	2,204,167,261	1,487,654,510
Receivable from City Brokerage Limited	42,689	-
Receivable from City Bank Capital Resources Limited	30,089,524	55,879,532
Protested bill	5,842,887	5,842,887
Intangible assets (note 11.a.6)	28,011,476	59,903,013
	13,500,653,120	7,027,747,460

11.a.1 Interest income receivable

	2016 Taka	2015 Taka
Interest receivable from Loans	134,463,552	118,971,498
Interest receivable from Placement	90,017,947	153,945,694
Interest receivable from Government Security	698,230,555	572,621,805
	922,712,054	845,538,997

11.a.2 Investment in subsidiary

	2016 Taka	2015 Taka
In Bangladesh		
City Brokerage Limited	3,400,000,000	1,600,000,000
City Bank Capital Resources Limited	2,550,000,000	750,000,000
	5,950,000,000	2,350,000,000
Outside Bangladesh		
CBCL Money Transfer Sdn. Bhd.	67,010,297	63,080,473
	6,017,010,297	2,413,080,473

11.a.3 Advance payment of tax

	2016 Taka	2015 Taka
Opening balance	998,940,694	1,254,193,379
Paid during the year	1,919,280,323	927,002,383
Adjustment for previous years tax liability	-	(1,182,255,068)
Closing balance	2,918,221,017	998,940,694

11.a.4 Deferred tax assets

	2016 Taka	2015 Taka
Deferred tax asset	866,425,840	720,189,377

Detail calculation on deferred tax assets:

	Book value	Tax base	Taxable/ (deductible) temporary difference	Deferred tax liability
	Taka	Taka	Taka	Taka
Fixed assets	3,517,463,050	3,245,190,745	272,272,305	108,908,922
Unrealised gain on share	1,287,735,074	-	1,287,735,074	128,773,507
Receivable on Interest income- T bond	698,230,555	-	698,230,555	



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15.a.1 Local bank deposits

Name of Bank	2016				
	CD	SND	Mudaraba TDR	Mudaraba savings deposit	Total
	Taka	Taka	Taka	Taka	Taka
Trust Bank Limited	-	-	-	6,685,669	6,685,669
Dutch-Bangla Bank Limited	-	113,571	-	-	113,571
Prime Bank Limited	270,254	-	500,000,000	-	500,270,254
Islami Bank Bangladesh Limited	-	-	1,000,000,000	22,192,864	1,022,192,864
Southeast Bank Limited	-	1,365,061	-	-	1,365,061
Al Arafah Islami Bank Limited	-	-	100,000,000	28,147,172	128,147,172
Jamuna Bank Limited	-	-	-	270,704	270,704
Bangladesh Krishi Bank	1,176	-	-	-	1,176
Bank Asia Limited	-	214,808	-	-	214,808
Pubali Bank Limited	-	853,239	500,000,000	-	500,853,239
BRAC Bank Limited	-	6,945,501	-	-	6,945,501
Social Islami Bank Limited	-	-	-	12,064	12,064
Export Import Bank of Bangladesh Ltd.	-	-	-	21,700,500	21,700,500
AB Bank Limited	-	-	-	336,063	336,063
Standard Bank Limited	-	80,778	-	-	80,778
Shahjalal Islami Bank Limited	-	-	-	1,165,263	1,165,263
Modhumoti Bank Limited	-	13,227,034	-	-	13,227,034
The Farmers Bank Limited	-	5,351,363	-	-	5,351,363
Total	271,430	28,151,356	2,100,000,000	80,510,298	2,208,933,084

15.a.2 Deposits and other accounts

	2016 Taka	2015 Taka
Current deposits and other accounts		
Current, Al-wadeeah, and Manarah current deposits	14,485,633,670	12,975,704,505
Foreign currency deposits	1,950,107,425	1,252,189,024
Security deposits receipts	3,831,446	3,860,158
Sundry deposits (note 15.a.3)	8,072,970,766	6,340,411,149
Total	24,512,543,307	20,572,164,836
Bills payable		
Pay orders issued	1,572,770,687	1,961,706,177
Pay slips issued	4,009,885	4,365,596
Demand draft	10,373,283	10,373,283
Total	1,587,153,855	1,976,445,056
Savings bank deposits (note 15.a.4)	34,994,257,334	31,213,313,434
Fixed deposits		
Fixed deposits, Mudaraba, and Manarah fixed deposits	85,646,977,247	74,730,509,524
Short notice deposits, Mudaraba, and Manarah short notice deposits	21,820,266,229	10,108,768,378
Non resident deposits	274,029,300	307,068,139
Scheme deposits (note 15.a.5)	5,859,805,417	4,820,464,043
Total	113,601,078,193	89,966,810,084
Total deposits and other accounts	174,695,032,689	143,728,733,410

15.a.3 Sundry deposits

	2016	2015
Sundry creditors	1,247,180,089	1,199,315,433
Foreign currency	799,525	799,525
Margin on letters of credit	934,593,820	748,693,599
Margin on letters of guarantee	251,402,841	245,513,336
Interest payable on three stage deposits	3,098,143	3,690,272
Sanachayatra	1,300,000	1,300,000
Unclaimed foreign DD	3,796,133	3,458,788
Security money- suppliers	29,151,095	27,876,363
Security money- staff	1,013,810	1,013,810
Security deposits NRB	35,897,018	43,677,646
Unclaimed balances	229,265	212,764
Haji deposits	194,597	194,597
Margin on inland bills purchased	185,000	185,000
Foreign bills purchased awaiting remittance	4,263,828,440	3,524,996,441
Imprest fund - cash incentive	2,351,468	67,017
Key deposits	1,045,750	1,087,550
Risk fund (Consumer Credit Schemes and lease finance)	80,428	80,428
Lease deposits	346,592	346,592
Agent commission on consumer credit schemes	232,757	232,757
CIB service charges	3,531,598	2,107,215
Auto debit receipt/payment (Credit Card)	230,608	111,480
Sundry deposit - ATM	703,214,707	19,509,329
Charges against credit rating	5,107,173	3,042,024
Payable against cash advance	867,264	820,838
Payable against legal expenses	7,814,897	9,960,360
Payable against SP and others	229,370,000	251,576,000
Sundry deposits - City Card - local	32,496,052	17,707,019
Sundry deposits - City Card - international	42,172,609	22,242,783
Sundry deposits - Amex Card - local	225,373,591	168,269,337
Charge Back - Amex Card - international	2,826,338	6,737,514
Sundry deposits - foreign settlement	-	106,437
Sundry deposits - Master Cards	33,416,797	25,295,881
Charge back - Master Cards	1,097,698	1,056,028
VAT on LC Commission	-	360,326
Others	8,724,661	8,764,660
Total	8,072,970,766	6,340,411,149

15.a.4 Savings bank deposits

	2016	2015
Savings bank deposits	34,505,133,270	27,572,392,107
Mudaraba/manarah savings deposits	489,124,064	3,640,921,327
Total	34,994,257,334	31,213,313,434

15.a.5 Scheme deposits

	2016	2015
City Bank Sanchaya scheme	1,621,064	2,211,666
Bonus deposit scheme	200,000	200,000
Deposit pension scheme (note 15.a.5.1)	574,328	625,350
Three stage scheme deposit	11,838,734	15,331,703
Monthly benefit scheme	8,600,000	9,300,000
Education savings scheme	243,677	243,677
Junior savers scheme	72,825,568	152,199,803
Lakpati savings scheme	572,683	961,483
Marriage savings scheme	14,641,874	47,999,195
Mudaraba monthly deposit scheme	227,791,060	179,677,043
City Shomridhhi	5,283,181,952	4,204,690,137
City Projonmo	233,649,894	203,276,031
Manarah Haji deposit scheme	4,064,583	3,747,955
Total	5,859,805,417	4,820,464,043

15.a.5.1 Deposit pension scheme was closed from the year 1995 and its interest was 15% p.a.

15.a.6 Sector-wise deposits

	2016	2015
Government	1,945,411,760	1,701,162,138
Deposit money banks	2,208,933,084	4,876,289,356
Other public	5,491,560,656	2,884,271,871
Foreign currency	1,950,107,425	1,252,189,024
Private	163,099,019,764	133,014,821,021
Total	174,695,032,689	143,728,733,410

15.a.7 Maturity analysis of inter-bank deposits

	2016	2015
Payable on demand	8,217,151	331,442,945
Up to 1 month	603,891,630	1,090,576,600
Over 1 month but within 3 months	1,505,687,334	86,615,134
Over 3 months but within 1 year	91,136,969	3,367,654,677
Total	2,208,933,084	4,876,289,356

15.a.8 Maturity analysis of deposits

	2016	2015
Bills payable:		
Payable on demand	17,729,699	16,679,524
Up to 1 month	374,362,052	466,178,180
Over 1 month but within 6 months	1,195,062,104	1,493,587,352
Over 6 months but within 1 year	-	-
Over 1 year but within 5 years	-	-
Over 5 years but within 10 years	-	-
Over 10 years	-	-
Total	1,587,153,855	1,976,445,056
Other deposits:		
Payable on demand	7,029,020,146	3,546,183,087
Up to 1 month	13,962,401,173	10,991,957,966
Over 1 month but within 6 months	45,379,077,310	37,647,698,912
Over 6 months but within 1 year	30,871,435,770	22,799,279,462
Over 1 year but within 5 years	69,931,215,658	59,124,107,817
Over 5 years but within 10 years	4,110,753,258	3,809,159,445
Over 10 years	1,823,975,518	3,833,901,665
Total	173,107,878,834	141,752,288,354
Total	174,695,032,689	143,728,733,410

15.b City Brokerage Limited and City Bank Capital Resource Limited maintained current deposit and fixed deposit receipt accounts with its parent company, The City Bank Limited. Account wise outstanding balances are as follows:

	2016	2015
Inter-company indebtedness among Holding company & Subsidiaries:		
City Brokerage Limited - current accounts	953,833,542	381,669,293
City Brokerage Limited - fixed deposits receipt accounts	-	(2,609,251)
Total	953,833,542	379,060,042
Inter-company indebtedness among Subsidiaries:		
City Bank Capital Resources Limited - current accounts	1,937,098	6,271,184
City Bank Capital Resources Limited - fixed deposits receipt accounts	149,115,021	171,397,617
Total	151,052,119	177,668,801
Payable to City Bank Capital Resources Limited - City Brokerage Limited	-	15,112,533
Total inter-company indebtedness	1,104,885,661	571,841,376

16 Consolidated other liabilities

	2016 Taka	2015 Taka
The City Bank Limited (note 16.a)	24,732,977,227	20,522,559,400
City Brokerage Limited (note 16.b)	906,402,361	515,947,289
City Bank Capital Resources Limited (note 16.c)	163,672,957	140,562,139
CBL Money Transfer Sdn. Bhd. (note 16.d)	105,888,227	45,660,873
Total	25,908,940,772	21,224,729,701
Mutual indebtedness:		
Payable to City Bank Limited - City Brokerage Limited	(42,687)	-
Payable to City Bank Limited - City Bank Capital Resources Limited	(54,752,889)	(55,879,532)
Payable to City Bank Limited - CBL Money Transfer Sdn BHD	(2,294,190)	(10,569,516)
Payable to City Bank Capital Resources Limited - City Bank Limited	-	(13,810,773)
Payable to City Brokerage Limited - City Bank Capital Resources Limited	(66,606,598)	(8,226,727)
Total	(123,696,364)	(88,486,548)
Total consolidated other liabilities	25,785,244,407	21,136,243,153

16.a Other liabilities - The City Bank Limited

	2016	2015
Provision for loans and advances/investments (note 16.a.1)	6,303,011,860	6,238,939,779
Provision for outstanding off-balance sheet exposures (note 16.a.2)	644,563,933	511,563,933
Interest suspense account (note 16.a.3)	1,302,725,093	1,610,706,655
Other provision (note 16.a.5)	648,144,735	533,086,395
Provision for incometax (note 16.a.6)	4,147,393,628	2,491,262,773
Interest and other expenses payable	11,010,886,673	8,537,995,371
Branch adjustment account	-	-
Provision for nostro account	8,692,635	8,692,635
Payable to CBL Money Transfer Sdn BHD	2,294,190	3,190,414
Security value adjustment for repo	-	99,718,000
Others	665,264,480	487,403,445
Total	24,732,977,227	20,522,559,400

16.a.1 Provision for loans and advances/investments

	2016	2015
Movement in specific provision on classified loans/investments:		
Provision held at the beginning of the year	4,626,939,779	2,971,903,636
Provision provided during the year	(2,467,205,032)	(1,205,978,780)
Provision waived during the year	-	-
Recoveries of amounts previously written off	592,977,114	365,813,326
Specific provision made during the year	1,459,740,000	2,147,500,000
Transfer from provision for unclassified accounts	347,701,597	-
Provision held at the end of the year	4,212,451,861	4,626,939,779

Movement in general provision on unclassified loans/investments:

	2016	2015
Provision held at the beginning of the year	1,612,000,000	1,959,701,597
Transfer to provision for classified accounts	-	(347,701,597)
Transfer from other provision	-	-
General provision made during the year	478,560,000	-
Provision held at the end of the year	2,090,560,000	1,612,000,000
Total	6,303,011,860	6,238,939,779

The Bank maintained provision against loans / investments accounts under writ petition of Taka 177.59 million (Taka 383.81 million) against requirement of Taka 177.59 million (2015: Taka 383.81 million) as at 31 December 2016. These required and maintained provisions included in total required and maintained provisions of loans / investments, disclosed above.

16.a.2 Provision on off-balances sheet exposures

As per BRPD circular no. 14 dated 23 September 2012 banks are advised to maintain general provision against outstanding off-balance sheet exposures @ 1% and in order to comply with the circulars, the Bank maintained provision of Taka 644,563,933 (2015: Taka 511,563,933) against requirement of Taka 622,065,418 (2015: Taka 511,202,674) as at 31 December 2016.

	2016	2015
Opening balance	511,563,933	490,563,933
Addition during the year	133,000,000	21,000,000
Transfer from other provision	-	-
Closing balance	644,563,933	511,563,933

16.a.3 Interest suspense account

	2016	2015
Interest suspense account on classified loans and advances	1,094,918,892	1,181,015,203
Interest suspense on special mention account	77,484,277	23,409,904
Interest suspense on standard loans	130,321,924	406,281,548
Total	1,302,725,093	1,610,706,655

16.a.4 Movement of interest suspense account

	2016	2015
Opening balance	1,610,706,655	1,258,733,673



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	2016 Taka in crore	2015 Taka in crore
17.5.a.2 General provision maintained against unclassified loan/investments & outstanding off balance sheet exposures		
General provision maintained against unclassified loan/investments (note 16.a.1)	209.06	161.20
General provision maintained against outstanding off balance sheet exposures (note 16.a.2)	64.46	51.16
	273.51	212.36
1.25% of Risk weighted assets for credit risk	195.58	166.39
Eligible amount of general provision (whichever is lower for year 2015)	273.51	166.39
	2016 Taka	2015 Taka
18 Statutory reserve		
Opening balance	5,002,816,644	4,103,894,030
Addition during the year (20% of pre-tax profit)	1,088,867,757	898,922,614
Closing balance	6,091,684,401	5,002,816,644
19 Share premium		
Opening balance	660,857,013	1,082,116,244
Adjustment for issuance of stock dividend	-	(421,259,231)
Closing balance	660,857,013	660,857,013
Share premium was received against issue of 19,246,347 right shares during the year 2010.		
20 Consolidated otherreserve		
The City Bank Limited (note 20.a)	5,958,715,512	7,999,742,013
City Brokerage Limited	21,464,827	-
City Bank Capital Resources Limited	40,901,795	-
	6,021,082,134	7,999,742,013
20.a Other reserve - The City Bank Limited		
General reserve	11,394,928	11,394,928
Dividend equalization reserve	176,928,877	-
Revaluation reserve for HTM securities	585,761	5,700,967
Revaluation reserve for HFT securities	192,069,521	394,151,955
Revaluation reserve for equity Shares(note 20.1)	908,878,003	2,898,367,423
Asset revaluation reserve (note 20.2)	4,668,858,423	4,690,126,740
	5,958,715,512	7,999,742,013
20.1 Quoted shares were valued at market price as per guidelines of Bangladesh Bank and due to valuation at market price, revaluation reserve for equity shares were created. As the revaluation reserve for equity shares is unrealised gain, this is booked as a component of shareholders' equity.		
20.2 In the year 2014, land and buildings of the Bank were revalued at fair value by a professional surveyor which was in compliance with regulatory requirement.		
Movement of assets revaluation reserve		
Opening balance	4,690,126,740	4,711,395,054
Addition during the year	-	-
Adjustment during the year	(21,268,317)	(21,268,314)
Closing balance	4,668,858,423	4,690,126,740
21 Consolidated surplus in profit and loss account		
The City Bank Limited (note 21.a)	3,831,438,541	3,087,740,110
Post acquisition retained surplus from City Brokerage Limited	(899,764,047)	(958,958,237)
Non-controlling interest	15,878	35,961
	(899,748,169)	(958,922,276)
Post acquisition retained surplus from City Bank Capital Resources Limited	58,478,628	74,474,785
Non-controlling interest	(1,147)	(4,965)
	58,477,481	74,469,820
Post acquisition retained deficit from CBL Money Transfer Sdn. Bhd.	278,926	(20,721,593)
Non-controlling interest	-	2,653,375
	278,926	(18,068,218)
Add: Foreign exchange revaluation effect	(17,872,257)	(25,512,762)
	2,972,574,522	2,159,706,674
21.a Movement of surplus in profit and loss account-The City Bank Limited		
Opening balance	3,087,740,110	1,646,077,481
Transfer from asset revaluation reserve (note 21.a.1)	21,268,317	21,268,314
Profit for the year	3,934,444,394	3,578,882,069
Transfer to statutory reserve	(1,088,867,757)	(898,922,614)
Cash dividend paid	(1,946,217,647)	(1,259,565,140)
Transfer to dividend equalization reserve	(1,769,288,877)	-
Closing balance	3,831,438,541	3,087,740,110
Profit for the year includes net deferred tax income of Taka 146,236,463 which is not distributable as dividend as per BRPD circular no. 11 dated 12 December 2011.		
21.a.1 As per BAS 16 "Property, Plant and Equipment" revaluation surplus is transferred directly to retained earnings when the surplus is realised. The whole surplus will be realised on the retirement or disposal of the assets. Some surplus will be realised as the assets are used by the user and the amount of surplus realised is the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets on its original cost. The realised revaluation surplus is to be transferred to retained earnings directly. In accordance with BAS 16, transfer of Taka 21,268,317 (2015: 21,268,314)from revaluation surplus to surplus in profit and loss account was made.		
22 Non controlling interest		
Share capital	110,000	9,709,993
Surplus in profit and loss account/retained earnings	(14,732)	(7,175,214)
	95,268	2,534,779
23 Contingent liabilities		
23.1 Letters of guarantee		
Local	6,629,763,731	5,706,806,518
Foreign	1,654,867,365	1,646,228,839
Shipping guarantee	275,540,183	3,110,962,890
	8,560,171,278	10,463,998,247
Margin on guarantee	(251,402,841)	(245,515,336)
	8,308,768,437	10,218,482,911
Money for which the Bank is contingently liable in respect of guarantees given favouring:		
Government	4,439,501,940	3,538,130,912
Banks and other financial institutions	1,722,180,256	2,072,365,762
Others	2,398,489,082	4,853,501,573
	8,560,171,278	10,463,998,247
Margin on guarantee	(251,402,841)	(245,515,336)
	8,308,768,437	10,218,482,911
23.2 Irrevocable Letters of Credit		
In land	170,264,072	409,403,049
General	10,492,835,129	10,107,009,699
Back to Back LC	4,776,087,139	4,049,990,151
	15,439,186,340	14,566,402,899
Margin on LC	(934,593,820)	(748,693,599)
	14,504,592,520	13,817,709,300
23.3 Bills for collection		
Outward local bills for collection	-	17,450
Outward foreign bills for collection	4,069,481,226	2,658,413,574
Inward local bills for collection	4,423,110,140	3,383,236,448
Inward foreign bills for collection	6,175,413,616	4,812,902,524
	14,668,004,982	10,854,569,996
Margin on bill collection	(185,000)	(185,000)
	14,667,819,982	10,854,384,996
23.4 Forward assets purchased and forward deposits placed		
Forward sales/contracts	4,862,653,604	2,045,042,200
	4,862,653,604	2,045,042,200
23.5 Suit filed by the bank		
No law suit has been filed by the bank against contingent liabilities.		
24 Income statement - The City Bank Limited		
Income:		
Interest, discount and similar income (note 24.1)	18,450,577,578	17,636,770,494
Dividend income	315,128,298	208,184,514
Fees, commission and brokerage (note 24.2)	1,317,072,395	1,114,627,613
Gains less losses arising from dealing in securities (note 27.a)	399,167,516	1,814,620,446
Gains less losses arising from investment securities (note 27.a)	1,623,191,010	55,901,494
Gains less losses arising from dealing in foreign currencies (note 28.a)	808,191,126	777,207,899
Other operating income (note 29.a)	1,047,663,376	995,879,735
	23,960,991,298	22,603,192,195
Expenses:		
Interest/profit paid on deposits, borrowings etc.	9,565,268,460	9,818,866,758
Administrative expenses (note 24.3)	5,122,921,909	4,504,235,122
Other operating expenses (note 38.a)	1,225,994,881	1,147,371,942
Depreciation on bank's assets (note 37.a)	531,167,262	459,605,305
	16,445,352,512	15,930,079,127
Income over expenditure	7,515,638,786	6,673,113,068
24.1 Interest, discount and similar income		
Interest income (note 25.a)	16,042,227,272	15,324,758,903
Interest income on treasury bills/reverse repo/bonds (note 27.a)	2,408,350,305	2,311,893,699
Interest on debentures (note 27.a)	-	117,892
	18,450,577,578	17,636,770,494

	2016 Taka	2015 Taka
24.2 Fees, commission and brokerage		
Commission (note 28.a)	1,317,072,395	1,114,627,613
Brokerage	-	-
	1,317,072,395	1,114,627,613
24.3 Administrative expenses		
Salary and allowances	3,634,379,812	3,166,373,641
Rent, taxes, insurance, electricity, etc. (note 31.a)	729,230,525	674,541,834
Legal expenses (note 32.a)	36,339,906	25,639,943
Postage, stamp, telecommunication, etc. (note 33.a)	86,933,721	70,980,951
Stationery, printing, advertisement, etc. (note 34.a)	160,933,282	183,857,261
Chief Executive's salary and fees (note 35)	17,771,350	16,409,425
Directors' fees (note 36.a)	2,203,000	1,244,000
Auditors' fees	2,127,000	1,209,750
Repair of Bank's assets (note 37.a)	453,004,313	363,978,317
	5,122,921,909	4,504,235,122
25 Consolidated interest income/profit on investment		
The City Bank Limited (note 25.a)	16,042,227,272	15,324,758,903
City Brokerage Limited	102,236,448	122,547,723
City Bank Capital Resources Limited	71,773,541	50,139,229
CBL Money Transfer Sdn. Bhd.	-	-
	16,216,237,262	15,497,445,855
Inter-company transactions		
The City Bank Limited with City Brokerage Limited	(135,702,485)	(260,101,282)
The City Bank Limited with CBL Money Transfer Sdn. Bhd.	(4,017,244)	(2,914,921)
City Bank Capital Resources Limited	(19,364,611)	(6,239,407)
	(159,084,340)	(269,255,610)
	16,057,152,921	15,228,190,245
25.a Interest income/profit on investment - The City Bank Limited		
Interest on loans against imported merchandise/Murabaha	560,220	946,223
Interest on loans against trust receipts	41,609,612	296,197,450
Interest on packing credits	39,513,114	21,478,776
Interest on Interest on EDF	145,346,869	64,429,415
Interest on house building loans	166,498,395	139,010,323
Interest on industrial credits	3,697,470,454	2,854,175,493
Interest on transport loans	102,699,086	102,993,438
Interest on lease finance/izara	3,833,662	3,381,313
Interest on demand loans	228,223,861	226,584,696
Interest on payment against documents	3,424,417	3,332,433
Interest on cash credits/bai-muajjal	2,125,620,732	2,339,988,094
Interest on hire purchase shirkatul milk	12,427,707	8,601,069
Interest on fully and partly secured overdrafts	204,390,888	357,441,827
Interest on consumer credit schemes	-	308,541
Interest on small and medium enterprise loans	1,111,364,079	1,038,546,431
Interest on staff loans	164,084,015	140,612,384
Interest on documentary bills purchased	1,086,358,150	901,249,751
Interest on credit cards	1,424,916,057	1,349,489,249
Interest on cash incentives	15,463,890	1,900,000
Interest on city drive	46,179,270	36,249,438
Interest on city solution	889,215,683	996,600,073
Interest on city express	308,849,123	311,674,340
Interest on double loans	897,606	2,039,704
Interest on short term loan	3,457,426,164	3,502,576,573
Total interest/profit on loans and advances/investments	15,276,369,054	14,700,807,034
Less: Allowable rebate for Good Borrower (note 25.a.1)	30,000,000	20,000,000
Total interest/profit on loans and advances/investments after rebate for good borrower	15,246,369,054	14,680,807,034
Interest on balance with other banks and financial institutions on call loans	8,258,576	16,474,061
Mudaraba/Manarah savings deposits	784,454,611	625,917,459
Interest on foreign bank accounts	3,145,031	1,560,349
Total interest/profit on placement of funds	795,858,218	643,951,869
	16,042,227,272	15,324,758,903
25.a.1 Provision for rebate to good borrower		
Provision for rebate to the eligible good borrowers has been maintained as per Bangladesh Bank, BRPD circular letter no. 3 dated 16 February 2016.		
26 Consolidated interest/profit paid on deposits, borrowings etc.		
The City Bank Limited (note 26.a)	9,565,268,460	9,818,866,758
City Brokerage Limited	135,702,485	270,275,333
CBL Money Transfer Sdn. Bhd.	4,076,036	3,262,483
	9,705,046,981	10,092,404,574
Inter-company transactions		
City Brokerage Limited	(19,364,611)	(260,101,282)
City Bank Limited with City Bank Capital Resources Limited	(135,702,485)	(6,239,407)
CBL Money Transfer Sdn. Bhd.	(4,017,244)	(3,200,196)
	(159,084,340)	(269,540,885)
	9,545,962,641	9,822,863,689
26.a Interest/profit paid on deposits, borrowings etc. - The City Bank Limited		
a) Interest/profit paid on deposits:		
Savings bank deposits	1,006,715,470	949,507,716
Mudaraba/Manarah savings deposits	28,999,855	45,786,835
Short notice deposits	666,502,133	461,438,137
Mudaraba short notice deposits	3,368,764	5,399,058
Fixed deposits	5,647,169,393	5,994,122,736
Mudaraba term deposits	90,945,066	121,372,216
Deposits under scheme	636,010,452	565,597,152
Mudaraba monthly benefit scheme	10,877,707	4,311,944
b) Interest/profit paid on Repurchase agreement (REPO)	115,939,694	173,291,084
c) Interest/profit paid on local bank accounts	758,131,144	971,017,849
d) Interest/profit paid on borrowing from Bangladesh Bank	184,386,411	159,498,977
e) Interest paid on borrowings from outside Bangladesh for off-shore banking	416,222,373	367,523,054
	9,565,268,460	9,818,866,758
27 Consolidated investment income		
The City Bank Limited (note 27.a)	4,745,837,129	4,390,718,045
City Brokerage Limited	108,095,870	61,691,630
City Bank Capital Resources Limited	39,349,511	66,168,653
	4,893,282,510	4,518,578,328
Inter-company transactions		
City Bank Limited with City Bank Capital Resources Limited	10,552,594	8,500,000
	4,903,835,104	4,527,078,328
27.a Investment income - The City Bank Limited		
Interest on treasury bills/Reverse repo/bonds	2,408,350,305	2,311,893,699
Interest on debentures	-	117,892
Dividend on shares	315,128,298	208,184,514
Gain on Government securities	399,167,516	1,814,620,446
Gain on sale of shares and debentures	1,623,191,010	55,901,494
	4,745,837,129	4,390,718,045
28 Consolidated commission, exchange and brokerage		
The City Bank Limited (note 28.a)	2,125,263,521	1,891,835,512
City Brokerage Limited	208,652,822	175,169,749
City Bank Capital Resources Ltd	42,282,563	38,455,879
CBL Money Transfer Sdn. Bhd.	58,321,661	53,531,796
	2,434,520,567	2,158,992,936
Inter-company transactions		
City Bank Capital Resources Limited with The City Bank Limited	(10,552,594)	(8,500,000)
City Bank Limited with CBL Money Transfer Sdn. Bhd.	-	(285,275)
	2,423,967,973	2,150,207,661
28.a Commission, exchange and brokerage - The City Bank Limited		
Letters of credit	237,093,785	229,563,471
Letters of guarantee	84,008,283	85,294,497
Export related services	34,523,772	31,064,501
Bills purchased	-	46,783
Accepted bills	200,914,305	168,227,965
OB, IBC etc.	463,680	458,681
PO, DD, TT, T, C, etc.	571,820	916,737
NRB operation	14,124,077	15,991,771
Other fees and charges (note 28.a.1)	713,849,903	563,062,725
Other commissions	31,522,771	20,000,482
	1,317,072,395	1,114,627,613
Exchange gain including gain from foreign currency dealings (note 28.a.2)	808,191,126	777,207,899
	2,125,263,521	1,891,835,512
28.a.1 Other fees and charges		
Service and other charges	680,652,912	536,794,854
Structured finance fee	25,682,288	22,937,723
Commitment fee	7,514,703	3,330,148
	713,849,903	563,062,725
28.a.2 Net exchange gain		
Exchange gain	819,411,882	779,553,511
Exchange loss	(11,220,756)	(2,345,612)
	808,191,126	777,207,899
29 Consolidated other operating income		
The City Bank Limited (note 29.a)	1,047,663,376	995,879,735
City Brokerage Limited	98,500	1,295,252
City Bank Capital Resources Ltd	29,000	4,070,935
CBL Money Transfer Sdn. Bhd.	1,890,280	2,712,403
	1,049,681,156	1,003,958,325
29.a Other operating income - The City Bank Limited		
Rental income	11,086,318	10,742,527
Swift recoveries	47,249,558	32,491,240
Profit from sale of fixed assets	9,348,149	-
Credit card income (note 29.a.1)	917,737,812	876,

	2016 Taka	2015 Taka		
38.a Other expenses - The City Bank Limited				
Entertainment	16,954,787	13,795,529		
Books, magazines and newspapers etc.	1,194,775	1,194,776		
Medical	1,047,780	573,929		
Cash carrying charges	19,917,187	18,480,205		
Subscription to institutions	7,623,969	8,028,032		
Donations	39,952,062	30,996,495		
Professional fees	26,605,509	9,274,882		
Travelling expenditure and conveyance - Staff	44,770,252	38,138,358		
Business Expansion Cost	267,714,696	261,073,543		
Annual general meeting	22,567,138	5,919,237		
Guard Salary	128,624,536	110,905,555		
Security expenses	32,615,857	26,030,522		
Business Process Outsourcing-Online	51,448,326	46,344,266		
Vehicle rental expenditure	11,952,000	15,477,000		
Staff activities and welfare	15,513,168	13,569,136		
Washing and cleaning	29,980,936	25,788,334		
Credit card (note 38.a.1)	324,385,463	308,440,130		
IT Support & Software maintenance	8,126,628	11,379,331		
Royalty adjustment	31,891,537	37,827,420		
City Charges	2,329,577	794,930		
Remittance charges	187,716	247,931		
Fuel	24,713,599	21,348,043		
Others (note 38.a.2)	115,679,384	141,744,368		
	1,225,994,881	1,147,371,942		
38.a.1 Credit card expenses				
Card processing and personalisation	25,801,681	28,811,628		
VISA international expenses	62,676,560	65,518,063		
ATM expenditure - IT support	5,110,069	4,697,288		
Other expenditure - cards	230,797,153	209,413,151		
	324,385,463	308,440,130		
38.a.2 Others include Capital raising expenses, Staff recruitment expenses, NRB bank charges etc.				
39 Consolidated provision for loans and advances/investments				
The City Bank Limited (note 39.a)	1,938,300,000	2,147,500,000		
City Brokerage Limited	76,346,765	769,292		
	2,014,646,765	2,148,269,292		
39.a Provision for loans and advances/investments - The City Bank Limited				
Provision for classified loans and advances/investments	1,459,740,000	2,147,500,000		
Provision for unclassified loans and advances/investments	478,560,000	-		
	1,938,300,000	2,147,500,000		
40 Consolidated provision for taxation				
Current tax:				
The City Bank Limited (note 40.a)	1,656,130,855	1,588,720,538		
City Brokerage Limited	36,521,946	33,742,657		
City Bank Capital Resources Limited	23,832,488	23,542,779		
	1,716,485,289	1,646,005,974		
Deferred tax:				
The City Bank Limited (note 40.a)	(146,236,463)	(672,989,539)		
City Bank Capital Resources Limited	31,980	(4,365,848)		
	(146,204,483)	(677,355,387)		
	1,570,280,806	968,650,587		
40.a Provision for Taxation - The City Bank Limited				
Current tax:				
Taxation for income tax has been made according to Income Tax Ordinance, 1984. During the year, an amount of Taka 1,656,130,855 for prior year (2015: Taka 1,588,720,538) has been kept as provision for income tax.				
Deferred tax:				
Deferred tax is provided using the Balance sheet method for timing difference arising between the tax base of assets and liabilities and their carrying values for reporting purposes as per Bangladesh Accounting Standard (BAS) - 12. During the year, net amount of Taka 146,236,463 (2015: Taka 672,989,539) has been recognised as deferred tax income.				
The charge for taxation is based upon profit for the year comprises:				
Current tax on taxable income @ 40%	1,656,130,855	1,708,720,538		
Adjustment for prior year	(120,000,000)	(120,000,000)		
	1,536,130,855	1,588,720,538		
Net deferred tax liability/(asset) originated for temporary differences	(146,236,463)	(672,989,539)		
Income tax on profit	1,509,894,392	915,730,999		
41 Consolidated receipts from other operating activities				
The City Bank Limited (note 41.a)	5,356,933,457	5,298,980,716		
City Brokerage Limited	84,601,728	51,926,209		
City Bank Capital Resources Limited	11,405,011	57,504,146		
CBL Money Transfer Sdn. Bhd.	1,751,885	2,712,403		
	5,454,692,081	5,411,123,474		
41.a Receipts from other operating activities - The City Bank Limited				
Interest on bonds, debentures and treasury bills	4,309,270,081	4,295,544,987		
Rent recovered	11,086,318	39,946		
Postage/telefax/swift charge recoveries	47,249,558	32,491,240		
Income from sale of Bank's property	9,348,149	-		
Credit card income	917,737,812	876,421,198		
Rebates received from foreign banks	54,316,401	59,241,686		
Miscellaneous earnings	7,925,139	35,241,659		
	5,356,933,457	5,298,980,716		
42 Consolidated payments for other operating activities				
The City Bank Limited (note 42.a)	2,536,186,527	2,302,617,835		
City Brokerage Limited	56,488,233	52,282,866		
City Bank Capital Resources Limited	14,024,900	10,106,780		
CBL Money Transfer Sdn. Bhd.	21,118,095	25,407,876		
	2,627,818,255	2,390,415,357		
42.a Payments for other operating activities - The City Bank Limited				
Rent, taxes, insurance and electricity	749,973,577	632,414,850		
Legal expenses	34,591,377	23,775,598		
Postage, stamp and telecommunication	76,444,470	61,153,752		
Advertisement expenses	80,480,589	76,462,735		
Directors' fees	1,382,000	1,469,000		
Auditors' fees	756,750	870,750		
Repair to Bank's assets	438,079,038	313,705,267		
Other expenses	1,154,478,726	1,192,768,883		
	2,536,186,527	2,302,617,835		
43 Consolidated (increase) / decrease of other assets				
The City Bank Limited (note 43.a)	(726,285,992)	(1,129,322,478)		
City Brokerage Limited	(36,691,008)	137,565,746		
City Bank Capital Resources Limited	(75,788,555)	(15,429,609)		
CBL Money Transfer Sdn. Bhd.	(2,372,504)	8,917,254		
	(841,138,058)	(998,269,087)		
Adjustment for consolidation-The City Bank Ltd.	15,374,366	39,228,931		
	(825,763,692)	(959,040,156)		
43.a (Increase) / decrease of other assets - The City Bank Limited				
Stationery and stamps	1,880,630	1,023,874		
Advance deposits and advance rent	(47,760,283)	(60,429,338)		
Prepaid expenses	(24,289,982)	(1,272,211)		
Branch adjustment account	3,255,851	(6,310,077)		
Account receivables	(716,512,751)	(1,065,998,970)		
Security deposits	(498,312)	2,322,982		
Receivable from City Brokerage Ltd.	(42,689)	1,700		
Receivable from City Bank Capital Resources Ltd.	25,790,008	(37,387,858)		
Intangible assets	31,891,537	37,827,420		
	(726,285,992)	(1,129,322,478)		
44 Consolidated increase/ (decrease) of other liabilities				
The City Bank Limited (note 44.a)	(2,822,881,443)	(676,783,892)		
City Brokerage Limited	312,423,244	(2,889,048)		
City Bank Capital Resources Limited	17,532,842	17,429,910		
CBL Money Transfer Sdn. Bhd.	62,066,205	18,729,507		
	(2,430,859,152)	(643,450,523)		
Adjustment for consolidation-The City Bank Ltd.	(13,424,010)	(52,276,191)		
	(2,444,283,162)	(695,726,714)		
44.a Increase/ (decrease) of other liabilities - The City Bank Limited				
Loans written off and waived	(2,467,205,032)	(1,205,978,780)		
Interest suspense account	(307,981,562)	351,972,982		
Other provision	(124,941,660)	(138,494,798)		
Branch adjustment account	-	(7,931,141)		
Payable to CBL Money Transfer SDN BHD	(896,224)	2,230,665		
Others	78,143,035	321,417,180		
	(2,822,881,443)	(676,783,892)		
45 Consolidated Earnings per share (EPS)				
(i) Net profit after tax - Taka	4,062,727,792	3,593,116,965		
(ii) Weighted average number of shares	875,798,031	875,798,031		
Consolidated earnings per share - Taka (i/ii)	4.64	4.10		
Bonus factor has been considered for previous year's EPS computation.				
45.a Earnings per share (EPS) - The City Bank Limited				
(i) Net profit after tax - Taka	3,934,444,394	3,578,882,069		
(ii) Weighted average number of shares	875,798,031	875,798,031		
Earnings per share - Taka (i/ii)	4.49	4.09		
Bonus factor has been considered for previous year's EPS computation.				
46 Segment reporting				
	2016			
	Conventional Taka	Islamic Taka	Offshore Taka	Total Taka
Total operating income (profit before unallocated expenses and tax)	13,606,238,502	425,757,443	363,726,893	14,395,722,838
Allocated expenses	(6,797,434,747)	(51,755,747)	(30,893,558)	(6,880,084,052)
Provision against loans and advances	(1,942,714,791)	56,364,995	(1,938,300,000)	(3,814,649,796)
Provision against off-balance sheet exposures	(119,486,883)	(5,718,793)	(7,794,324)	(133,000,000)
Profit before tax	4,746,602,081	424,647,898	273,088,807	5,444,338,786
Net profit	3,236,707,689	424,647,898	273,088,807	3,934,444,394
Segment assets	230,434,965,676	12,610,942,124	16,378,039,974	259,423,947,774
Segment liabilities	230,434,965,676	12,610,942,124	16,378,039,974	259,423,947,774

47. Related Party Disclosures

i) Particulars of Directors of the Bank as on 31 December 2016

Sl. no.	Name of the persons	Designation	Present Address	Percentage (%) of shares as at 31 December 2016
1	Mr. Mohammad Shoeb	Chairman	23 Shyamoli, Road No.2, Mohammadpur, Dhaka-1207	2.50%
2	Ms. Tabassum Kaiser	Vice-Chairperson	Blumindale, 24 Databas Road Baridhara, Dhaka - 1212	2.00%
3	Mr. Rubel Aziz	Director	"Stone House" House no.8, Road no.62, Gulshan-2, Dhaka-1212	2.49%
4	Mr. Aziz Al Kaiser	Director	Blumindale, 24 Databas Road Baridhara, Dhaka-1212	2.91%
5	Mr. Hossain Mehmood (Representative of A-One Polymer Limited)	Nominated Director	House No-20, Road No-6 Dhanmondi R/A, Dhaka-1205	2.00%
6	Mr. Hossain Khaled	Director	Anwar Group of Industries Baitul Hossain Building 27, Dilkusha C/A, Dhaka-1000.	2.00%
7	Mr. Rajibul Huq Chowdhury	Director	688/3, Boro Mogbazar Dhaka-1217	2.20%
8	Mr. Deen Mohammad	Director	23 Shyamoli, Road No.2, Mohammadpur, Dhaka-1207	4.97%
9	Mr. Rafiqul Islam Khan	Director	House no.67, Road no.8/A Dhanmondi, Dhaka-1205	2.01%
10	Mrs. Syeda Shaireen Aziz	Director	"Stone House" House no.8, Road no.62, Gulshan-2, Dhaka-1212	2.01%
11	Mrs. Savera H. Mahmood (Representative of Partex Corporate Limited)	Nominated Director	House no.12, Road no.01, Baridhara, Dhaka.	2.04%
12	Mr. Tanjib-Ul Alam	Independent Director	House No. 83, Road No.12A Dhanmondi R/A, Dhaka-1209	Nil
13	Mr. Farooq Sobhan	Independent Director	Royal Concord, House # 54, Apt. # 402, Road # 84, Gulshan - 2, Dhaka	Nil
14	Mr. Sohail R K Hussain	CEO & MD	The City Bank Ltd. 136 Gulshan Avenue, Gulshan-2 Dhaka-1212	0.01%

For directors interest in different entities refer to Annexure-F.

ii) Related party transactions

During the period 1 January 2016 to 31 December 2016, the Bank concluded business deals with the following organizations in which the directors had interest:

Name of organisation	Relationship	Nature of transactions	Transaction value for the period ended		Balance outstanding as at	
			31 Dec 2016 Taka	31 Dec 2015 Taka	31 Dec 2016 Taka	31 Dec 2015 Taka
City Brokerage Ltd.	Subsidiary Company	Share Capital	1,800,000,000	-	3,400,000,000	1,600,000,000
City Brokerage Ltd.	Subsidiary Company	Loan	3,447,946,521	260,015,000	1,322,484,373	2,444,712,644
City Brokerage Ltd.	Subsidiary Company	Interest on Loan	135,702,485	260,101,281	N/A	N/A
City Brokerage Ltd.	Subsidiary Company	Inter Company Expenses	15,957,237	12,130,656	87,642	-
City Bank Capital Resources Ltd	Subsidiary company	Share Capital	1,800,000,000	-	2,550,000,000	750,000,000
City Bank Capital Resources Ltd	Subsidiary company	Interest on Deposits	19,364,611	6,239,407	N/A	N/A
City Bank Capital Resources Ltd	Subsidiary company	Inter Company Expenses	39,201,806	31,351,478	33,279,812	42,068,759
CBL Money Transfer Sdn. Bhd.	Subsidiary company	Share Capital	3,929,824	-	67,010,297	63,080,473
CBL Money Transfer Sdn. Bhd.	Subsidiary company	Loan	3,523,070,032	2,677,362,418	153,392,214	117,170,675
CBL Money Transfer Sdn. Bhd.	Subsidiary Company	Interest on Loan	4,771,343	2,914,921	N/A	N/A
CBL Money Transfer Sdn. Bhd.	Subsidiary company	Inter Company Expenses	721,846,800	51,882,447	(2,294,190)	(3,190,414)
Janata Insurance Company Ltd.	Director interest	Insurance Coverage	8,617,276	9,072,010	N/A	N/A
City General Insurance Company Ltd.	Director interest	Insurance Coverage	5,825,671	6,333,162	N/A	N/A
Phoenix Insurance Company Ltd.	Director interest	Insurance Coverage	12,462,292	15,307,700	N/A	N/A

iii) Statement of debts due by companies or firms in which the Directors (including Ex-Directors) of the Bank have interests as on 31 December 2016

A) Statement of funded debts due by the Directors of the bank company as at 31 December 2016 (Figures in Lac Taka)

Sl. No.	Names of Directors	Present status with the bank	Name of the institution	Types of facility	Outstanding as at 31 December 2016	Classification status	Value of eligible security
1	Mr. Mohammad Shoeb	Chairman	Self	Credit Card	2.64	Unclassified	Marked as lien of \$ 0.04 lac in RFCD A/C
2	Ms. Tabassum Kaiser	Vice-Chairperson	Self	Credit Card	3.04	-Do-	Marked as lien of \$ 0.05 lac in RFCD A/C & Tk. 3.00 lac in FDR
3	Mr. Rubel Aziz	Director	Self	Credit Card	0.55	-Do-	Marked as lien of \$.25 lac in RFCD A/C & Tk. 2.78 lac in FDR
4	Mr. Aziz Al Kaiser	Director	Self	Credit Card	2.48	-Do-	Marked as lien of \$ 0.10 lac in RFCD A/C & Tk. 3.00 lac in FDR
5	Mr. Hossain Mehmood	Director	Self	Credit Card	1.07	-Do-	Marked as lien of \$ 0.05 lac in ERQ A/C
6	Mrs. Syeda Shaireen Aziz	Director	Self	Credit Card	4.21	-Do-	Marked as lien of Tk. 7.22 lac in FDR
7	Mr. Hossain Khaled	Director	Self	Credit Card	0.21	-Do-	Marked as lien of \$ 0.05 lac in ERQ A/C
8	Mr. Rajibul Huq Chowdhury	Director	Self	Credit Card	0.48	-Do-	Marked as lien of Tk. 5.00 lac in FDR
9	Mrs. Savera H. Mahmood	Nominated Director	Self	Credit Card	2.61	-Do-	Marked as lien of Tk. 8.90 lac in FDR

B) Statement of other funded debts due by the Directors of the bank company as at 31 December 2016 (Figures in Lac Taka)

Sl. No.	Names of Directors	Present status with the bank	Name of the institution	Types of facility	Outstanding as at 31 December 2016	Classification status	Value of eligible security
1	Mr. Deen Mohammad	Director	Rupayan Port & Logistic Services Ltd	STL	4,386.15	Unclassified	Registered mortgage of 1,718.50 decimal land and Registered charge on fixed and floating assets

C) Statement of non-funded debts due by the companies or firms in which the Directors of the bank company have interests as at 31 December 2016 (Figures in Lac Taka)

Sl. No.	Name of Director	Present Status with the Bank	Name of the Institution	Types of Facility	Outstanding as at 31 December 2016	Classification status	Value of eligible security
1	Mr. Hossain Khaled & Mr. Hossain Mehmood	Director	Monowar Industries (Pvt) Ltd.	BG	0.13	Unclassified	100% Margin
2	Mr. Hossain Khaled & Mr. Hossain Mehmood	Director	Eulon Plastic Private Ltd.	BG	5.63	-Do-	10% Margin
3	Mr. Rajibul Huq Chowdhury	Director					



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49.5 Operational risk

Operational risk may arise from error and fraud due to lack of internal control and compliance. Management through Internal Control and Compliance Division controls operational procedure of the Bank. Internal Control and Compliance Division undertakes periodic and special audit of the branches and departments at the Head Office for review of the operation and compliance of statutory requirements. The Audit Committee of the Board subsequently reviews the reports of the Internal Control and Compliance Division.

49.6 Implementation of BASEL-III

Basel III reforms are the response of Basel Committee on Banking Supervision (BCBS) to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spillover from the financial sector to the real economy.

The Committee introduced transitional arrangements to implement the new standards that help to ensure that the banking sector can meet the higher capital standards through reasonable earnings retention and capital raising, while still supporting lending to the economy. In line with the Basel framework, Bangladesh Bank issued transitional arrangements for Basel III implementation in Bangladesh. The phase-in arrangements for Basel III implementation in Bangladesh has been effective from 1 January 2015 in accordance with BRPD Circular no- 18 dated 21 December 2014.

Internal Capital Adequacy Assessment Process (ICAAP)

Internal Capital Adequacy Assessment Process (ICAAP) represents the Bank's own assessment of its internal capital requirements. The Bank's approach to calculating its own internal capital requirement has been to take the minimum capital required for credit risk, market risk and operational risk under Pillar-1 as the starting point, assess whether this is sufficient to cover those risks and then identify other risks (Pillar-II) and assess prudent level of capital to meet them.

The assessment is undertaken using time series data and Bangladesh Bank's guidelines on Risk Based Capital Adequacy to assess the likelihood of occurrence and potential impact. Purposes of Internal Capital Adequacy Assessment Process are to:

- i) inform the Board of Directors about
 - assessing risks
 - initiatives to mitigate identified risks
 - capital requirement to support the operations in light of identified risks
- ii) comply with Bangladesh Bank's requirement.

49.7 Exchange rates

The assets and liabilities as at 31 December in foreign currencies have been converted to TK at the following rates:

	2016	2015
	Taka	Taka
USD 1 =	78.7000	78.5003
ACU 1 =	78.7000	78.5003
GBP 1 =	96.4036	116.3492
AUD 1 =	56.6915	57.3013
EUR 1 =	82.2140	85.7969
CHF 1 =	76.6907	79.3935
JPY 1 =	0.6746	0.6519
SAR 1 =	20.9752	20.9197
MYR 1 =	17.5493	18.2857
KWD 1 =	257.0635	258.6330
SGD 1 =	54.2871	55.5420
AED 1 =	21.4269	21.3772

49.8 Credit Rating of the Bank

As per the BRPD instruction circular no.6 dated 5 July 2006, the Bank has done its credit rating by Credit Rating Agency of Bangladesh Limited (CRAB) based on the financial statements dated 31 December 2015.

Particulars	Date of Rating	Long term		Rating Valid
		AA2	ST-2	
Entity Rating	23-Jun-16	Very strong capacity & very high quality	Strong capacity for timely repayment	30-Jun-17

49.9 Fraud and administrative error

During the year 2016, Total number & amount of fraud forgeries detected in the Bank were 32 nos. & BDT 3,99,56,278 respectively. Out of 32 cases, 7 instances were occurred by Bank's employees and the rests were administrative errors. Out of total fraud, an amount of BDT 19,39,896 has already been recovered, an amount of BDT 3,63,85,704 has already been taken into loss of CBL and the remaining amount of BDT 16,30,678 is under process of recovery. Adequate provision has been created for the entire loss booked amount. Administrative actions have already been taken against alleged officials and out of 32 instances, 24 cases have already been settled.

49.10 Number of employees

The number of employees engaged for the whole year or part thereof who received a total remuneration of TK 36,000 p.a. or above were 2,986 at the end of December 2016 as against 2,716 at the end of December 2015.

49.11 Previous year's figures have been rearranged, wherever necessary, to conform with the current year's presentation.

Dhaka, 30 March 2017

Consolidated Liquidity Statement (Analysis of maturity of assets and liabilities) as at 31 December 2016

Particulars	31 December 2016					Total
	Up to 1 month	1-3months	3-12months	1-5 years	More than 5 years	
	Taka	Taka	Taka	Taka	Taka	Taka
Assets						
Cash in hand	13,059,366,522	-	-	-	11,424,931,989	24,484,298,511
Balance with other banks and financial institutions	3,046,377,439	10,777,555,235	261,539,830	-	-	14,085,672,503
Money at call and short notice	-	-	1,379,167	90,000,000	-	91,379,167
Investments	3,551,600	2,104,459,521	3,613,954,775	3,577,925,055	18,596,221,667	27,896,112,618
Loans and advances/investments	1,282,943,297	48,438,687,523	57,328,687,001	50,544,213,286	18,451,690,234	176,046,221,342
Fixed assets including premises, furniture and fixtures	-	-	-	-	8,117,746,315	8,117,746,315
Other assets	2,350,935,573	1,047,496,562	3,009,967,521	1,256,126,842	59,445,516	7,723,972,014
Non banking assets	-	-	-	956,925,360	-	956,925,360
Total assets (A)	19,743,174,432	62,368,398,841	64,215,528,293	56,425,190,544	56,650,035,722	259,402,327,831
Liabilities						
Tier-II subordinated bond	-	-	750,000,000	2,250,000,000	-	3,000,000,000
Borrowings from other banks, financial institutions and agents	8,851,411,895	2,829,738,148	13,227,647,291	4,425,464,760	2,360,999,987	31,695,262,081
Deposits	20,446,866,184	45,274,769,103	30,800,704,545	4,110,753,258	65,707,652,392	166,340,745,482
Other accounts	459,839,273	1,510,900,467	6,106,062,473	-	-	8,076,802,212
Provision and other liabilities	791,300,877	2,443,681,159	2,122,589,473	11,804,695,115	8,622,977,784	25,785,244,047
Total liabilities (B)	30,549,418,228	52,059,088,877	53,007,003,781	22,590,913,133	76,691,630,163	234,898,050,183
Net liquidity gap (A - B)	(10,806,243,797)	10,309,309,964	11,208,524,512	33,834,277,410	(20,041,594,441)	24,504,273,648

As at 31 December 2015

Particulars	31 December 2015					Total
	Up to 1 month	1-3months	3-12months	1-5 years	More than 5 years	
	Taka	Taka	Taka	Taka	Taka	Taka
Assets						
Cash in hand	6,105,878,822	-	-	-	9,331,738,510	15,437,617,332
Balance with other banks and financial institutions	4,253,055,953	10,526,247,247	1,136,672,058	-	-	15,915,975,258
Money at call and short notice	-	-	-	5,379,167	90,000,000	95,379,167
Investments	7,308,600	851,835,414	5,222,590,034	5,814,810,456	14,120,418,424	26,016,962,928
Loans and advances/investments	6,604,302,693	38,312,701,215	49,664,469,920	37,657,953,389	10,775,244,947	143,014,672,164
Fixed assets including premises, furniture and fixtures	-	-	-	-	8,172,221,437	8,172,221,437
Other assets	1,442,275,821	1,114,781,218	1,273,070,277	346,524,993	583,064,225	4,759,716,534
Non banking assets	-	-	-	-	792,824,667	792,824,667
Total assets (A)	18,412,821,889	50,805,565,094	57,302,181,456	44,702,113,505	42,982,687,543	214,205,369,487
Liabilities						
Tier-II subordinated bond	-	-	-	2,400,000,000	600,000,000	3,000,000,000
Borrowings from other banks, financial institutions and agents	6,600,003,246	5,766,939,963	7,636,482,405	899,059,479	1,177,504,500	22,079,989,599
Deposits	14,448,095,929	37,534,264,249	22,644,604,598	3,809,159,445	58,625,103,780	137,061,228,011
Other accounts	51,600,073	1,496,402,126	4,796,269,108	-	-	6,344,271,307
Provision and other liabilities	345,833,312	2,585,203,063	2,352,718,777	8,408,691,945	7,443,796,056	21,136,243,153
Total liabilities (B)	21,445,532,560	47,382,809,401	37,430,074,888	15,516,910,869	67,846,404,336	189,621,232,054
Net liquidity gap (A - B)	(3,032,710,671)	3,422,755,693	19,872,106,568	29,185,202,636	(24,863,716,793)	24,583,677,433

Liquidity Statement (Analysis of maturity of assets and liabilities) as at 31 December 2016

Particulars	31 December 2016					Total
	Up to 1 month	1-3months	3-12months	1-5 years	Above 5 years	
	Taka	Taka	Taka	Taka	Taka	Taka
Assets						
Cash in hand	13,059,373,777	-	-	-	11,424,931,989	24,484,305,766
Balance with other banks and financial institutions	2,613,481,402	10,221,174,616	14,170,480	-	-	12,848,626,498
Money at call and short notice	-	-	1,379,167	90,000,000	-	91,379,167
Investments	3,551,600	1,276,361,847	3,613,954,775	3,577,925,055	15,960,362,300	24,332,155,577
Loans and advances/investments	1,282,943,297	47,417,542,839	57,328,687,001	50,544,213,286	18,451,690,234	175,025,076,659
Fixed assets including premises, furniture and fixtures	-	-	-	-	8,084,826,026	8,084,826,026
Other assets	2,110,668,381	1,047,496,562	3,009,967,521	1,256,126,842	60,746,551,813	13,500,633,120
Non banking assets	-	-	-	956,925,360	-	956,925,360
Total assets (A)	19,069,756,058	59,962,575,864	63,968,158,944	56,425,190,544	59,998,266,363	259,423,947,774
Liabilities						
Tier-II subordinated bond	-	-	750,000,000	2,250,000,000	-	3,000,000,000
Borrowings from other banks, financial institutions and agents	8,851,411,895	2,829,738,148	13,227,647,291	4,425,464,760	2,360,999,987	31,695,262,081
Deposits	20,549,311,745	45,379,077,310	30,871,435,770	4,110,753,258	65,707,652,392	166,618,230,477
Other accounts	459,839,273	1,510,900,467	6,106,062,473	-	-	8,076,802,212
Provision and other liabilities	791,300,877	2,443,681,159	2,122,589,473	11,804,695,115	8,622,977,784	24,732,977,221
Total liabilities (B)	30,136,840,220	51,639,009,511	53,064,878,910	22,590,913,133	76,691,630,163	234,123,271,997
Net liquidity gap (A - B)	(11,067,084,221)	8,323,566,354	10,903,280,034	33,834,277,410	(16,693,363,800)	25,300,675,777

As at 31 December 2015

Particulars	31 December 2015					Total
	Up to 1 month	1-3months	3-12months	1-5 years	Above 5 years	
	Taka	Taka	Taka	Taka	Taka	Taka
Assets						
Cash in hand	6,134,942,816	-	-	-	9,331,738,510	15,466,681,326
Balance with other banks and financial institutions	4,167,121,911	10,354,379,163	1,098,345,061	-	-	15,619,846,135
Money at call and short notice	-	-	5,379,167	90,000,000	-	95,379,167
Investments	7,308,600	178,689,453	5,222,590,034	5,814,810,456	13,391,418,424	24,414,816,967
Loans and advances/investments	6,604,302,693	35,940,817,688	52,109,182,564	37,657,953,389	10,775,244,947	143,087,501,281
Fixed assets including premises, furniture and fixtures	-	-	-	-	8,135,621,490	8,135,621,490
Other assets	1,442,275,821	949,558,835	1,292,843,113	346,524,993	2,996,144,698	7,027,747,460
Non banking assets	-	-	-	-	792,824,667	792,824,667
Total assets (A)	18,355,951,841	47,423,845,139	59,728,339,939	44,702,113,505	44,630,168,069	214,840,418,493
Liabilities						
Tier-II subordinated bond	-	-	-	2,400,000,000	600,000,000	3,000,000,000
Borrowings from other banks, financial institutions and agents	6,600,003,246	5,766,939,963	7,636,482,405	899,059,479	1,177,504,500	22,079,989,599
Deposits	14,503,220,504	37,647,698,912	22,799,279,462	3,809,159,445	58,625,103,780	137,384,462,103
Other accounts	51,600,073	1,496,402,126	4,796,269,108	-	-	6,344,271,307
Provision and other liabilities	345,833,312	2,585,203,063	2,352,718,777	8,408,691,945	7,443,796,056	20,522,559,400
Total liabilities (B)	21,500,657,135	46,895,490,151	37,571,819,912	15,516,910,869	67,846,404,336	189,331,282,403
Net liquidity gap (A - B)	(3,144,705,294)	528,354,988	22,156,520,027	29,185,202,636	(23,216,236,267)	25,509,136,090

Balance with other banks - outside Bangladesh (Nostro Accounts) as at 31 December 2016

Name of the Banks	31 December 2016				31 December 2015					
	Account type	Currency type	FC		FC		Exchange rate		Equivalent Taka	
			Amount	Exchange rate	Amount	Exchange rate	Rate	Equivalent Taka		
Mashreq Bank, New York, USA	CD	USD	1,432,709	78.7000	112,754,211	392.396	78.5003	30,803,201		
Habib American Bank, New York, USA	CD	USD	501,941	78.7000	39,502,741	860.862	78.5003	67,577,926		
Citibank N.A. New York, USA	CD	USD	(1,022,375)	78.7000	(80,460,879)	(252,050)	78.5003	(19,785,990)		
HSCB, New York, USA	CD	USD	-	78.7000	-	158,475	78.5003	12,440,334		
Standard Chartered Bank, New York, USA	CD	USD	2,872,657	78.7000	226,078,118	(89,730)	78.5003	(7,043,814)		
Standard Chartered Bank, Frankfurt	CD	EUR	3,990	82.2140	328,049	159,872	85.7969	13,716,548		
Standard Chartered Bank, Frankfurt, Germany	CD	EUR	102,905	82.2140	8,460,223	16,180	85.7969	1,388,194		
Arab National Bank, Riyadh	CD	SAR	-	20.9752	-	16,340	20.9197	341,820		
Bank of Tokyo Mitsubishi Ltd., Japan	CD	JPY	8,678,959	0.6746	5,854,826	8,860,465	0.6519	5,776,137		
Deutsche Bank Trust Comp. USA	CD	USD	547,234	78.7000	43,067,313	3,073	78.5003	241,251		
Bank of Tokyo Mitsubishi Ltd., Kolkata, India	CD	ACU	8,454	78.7000	665,319	8,393	78.5003	658,845		
AB Bank Ltd., Mumbai, India	CD	ACU	39,067	78.7000	3,074,547	(198,996)	78.5003	(15,621,278)		
Sonal Bank Ltd., Kolkata, India	CD	ACU	10,106	78.7000	795,362	15,357	78.5003	1,205,510		
NIB Bank Limited, Karachi, Pakistan	CD	ACU	139,999	78.7000	11,017,913	66,737	78.5003	5,238,849		
Standard Chartered Bank, Nepal	CD	ACU	2,150							

Geographical Segment Reportings as at 31 December 2016

Division	Annexure-I/1							Total
	Dhaka Division	Chittagong Division	Rajshahi Division	Khulna Division	Sylhet Division	Rangpur Division	Barisal Division	
Interest Income	12,852,894,450	2,180,886,625	455,058,037	195,355,051	69,560,533	260,093,111	28,379,465	16,042,227,272
Interest Expenses	(6,566,803,453)	(1,892,280,472)	(265,419,770)	(205,328,688)	(474,140,839)	(1,200,18,855)	(41,476,385)	(9,565,268,460)
Net	6,286,090,996	288,606,153	189,638,266	(9,973,634)	(404,580,306)	140,074,256	(13,096,921)	6,476,958,812
Pool Income	15,727,542,634	2,252,887,362	282,562,600	212,267,710	673,109,687	148,109,402	42,585,642	19,339,065,037
Pool Expenses	(17,053,824,974)	(1,728,589,660)	(275,483,947)	(87,341,383)	(4,417,964)	(176,128,148)	(13,327,960)	(19,339,065,037)
NPI	(1,326,282,340)	524,297,701	7,078,653	124,926,327	668,691,723	(28,018,740)	29,306,682	-
Interest Income on Investments	4,745,837,129	-	-	-	-	-	-	4,745,837,129
Commission Income	1,096,062,987	160,754,636	18,681,531	17,469,217	15,662,880	5,399,635	3,041,508	1,317,072,394
Exchange Gain / Loss	802,138,350	5,130,540	341,267	364,871	103,783	110,904	1,408	808,191,126
Fees and other Income	1,029,020,004	12,204,863	2,097,396	1,318,334	2,355,639	521,474	145,665	1,047,663,376
Total Other Income	7,673,058,471	178,090,442	21,120,194	19,152,423	18,122,302	6,032,012	3,188,582	7,918,764,025
Operating income	12,632,867,127	991,193,896	217,837,115	134,105,115	282,233,719	118,087,522	19,398,344	14,395,722,838
Staff Cost	2,997,956,705	352,857,393	94,530,681	61,281,553	90,624,901	42,838,468	12,061,461	3,652,151,162
Other Cost	2,909,263,266	191,982,062	39,188,317	22,687,890	45,382,686	14,199,124	5,229,545	3,277,932,890
Total Operating Expenses	5,907,219,971	544,839,455	133,718,998	83,969,442	136,007,588	57,037,592	17,291,006	6,880,084,052
Operating Profit	6,725,647,156	446,354,442	84,118,117	50,135,673	146,226,131	61,049,930	2,107,337	7,515,638,786
Total Debt Charge	(451,974,462)	(1,594,349,675)	43,785,086	(37,751,618)	(17,835,034)	(12,876,946)	(297,351)	(2,071,300,000)
PBT	6,273,672,693	(1,147,995,233)	127,903,202	12,384,055	128,391,097	48,172,985	(1,809,986)	5,444,338,786
Segment wise Advances	137,401,632,518	28,320,434,471	4,468,026,693	2,026,987,880	722,394,022	1,800,541,455	285,059,620	175,025,076,659
Segment wise Deposits	123,661,434,056	33,183,411,045	4,021,989,553	3,228,961,428	8,019,429,476	1,960,070,207	619,736,924	174,695,032,689

Balance Sheet of Islamic Banking Branch as at 31 December 2016

	Note	Annexure-I(1)	
		2016 Taka	2015 Taka
PROPERTY AND ASSETS			
Cash			
Cash in hand (including foreign currencies)	1	4,597,919	1,201,545
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		1,836,507,609	2,073,266,990
Balance with other banks and financial institutions	2	1,841,105,528	2,074,468,535
In Bangladesh		18,619,255	72,728,751
Outside Bangladesh		-	-
Placement with banks & other financial institutions		18,619,255	72,728,751
Investments in shares & securities	3		
Government		250,000,000	200,000,000
Others		-	-
Investments	4	250,000,000	200,000,000
General investments etc.		10,465,602,026	16,585,718,072
Bills purchased and discounted		4,365,500	665,000
Fixed assets including premises, furniture and fixtures	5	7,801,971	9,416,404
Other assets	6	23,447,843	23,959,480
Non-banking assets		-	-
Total assets		12,610,942,124	18,966,956,242
LIABILITIES AND CAPITAL			
Liabilities:			
Borrowings from other banks, financial institutions and agents	7	6,000,000,000	7,000,000,000
Deposits and other Accounts			
Bank Alfalah Ltd.		489,124,064	3,640,921,327
Mudaraba term deposits		4,220,546,182	3,460,319,276
Al-wahdia and Manarah current deposits and other accounts		94,342,526	110,723,133
Bills payable		20,438,868	2,562,625
Other liabilities	8	1,786,490,484	4,752,429,881
Total liabilities		12,610,942,124	18,966,956,242
Capital/shareholders' equity			
Paidup capital		-	-
Statutory reserve		-	-
Share premium		-	-
Other reserve		-	-
Surplus in profit and loss account/Retained earnings		-	-
Total shareholders' equity		12,610,942,124	18,966,956,242
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements		400,445,942	286,929,462
Letters of guarantee		292,978,571	161,342,755
Irrevocable letters of credit		403,564,636	234,488,588
Bills for collection		591,635,822	434,753,809
Other contingent liabilities		-	-
Other commitments		1,688,624,970	1,117,514,614
Total Off-Balance Sheet items including contingent liabilities		1,688,624,970	1,117,514,614

Profit and Loss Account of Islamic Banking Branch for the year ended 31 December 2016

	Note	Annexure-I(2)	
		2016 Taka	2015 Taka
Profit and investment income		728,831,677	636,867,257
Profit paid on deposits and borrowings etc.		(314,676,522)	(324,325,268)
Net investment income		414,155,155	312,541,989
Commission, exchange and brokerage	9	10,456,962	5,116,967
Other operating income	10	1,145,326	934,803
Total operating income		425,757,443	318,593,759
Salaries and allowances		21,072,432	20,439,513
Rent, taxes, insurance, electricity etc.		19,796,810	13,464,810
Legal expenses		68,400	519,154
Postage, stamp, telecommunication etc.		84,767	124,318
Stationery, printing, advertisement etc.		619,433	353,144
Depreciation and repair of Bank's assets		3,888,180	5,191,182
Other expenses	11	6,225,725	5,144,961
Total operating expenses		51,755,747	45,237,081
Net operating profit		374,001,696	273,356,678
Provision for loans and advances/investments		56,364,995	(116,523,313)
Provision for Off-Balance Sheet exposures		(5,718,793)	(1,685,047)
Total provision		50,646,202	(118,208,360)
Total profit before taxes		424,647,898	155,148,318

Notes to the Balance Sheet and Profit and Loss Account of Islamic Banking Branch for the year ended 31 December 2016

1. Cash			
1.1 Cash in hand			
In local currency		4,597,919	1,201,545
In foreign currency		-	-
1.2 Balance with Bangladesh Bank and its agent bank(s)		1,836,507,609	2,073,266,990
2. Balance with other banks and financial institutions			
In Bangladesh (Note - 2.1)		18,619,255	72,728,751
Outside Bangladesh		-	-
2.1 In Bangladesh		18,619,255	72,728,751
Mudaraba savings deposit accounts			
Social Islami Bank Ltd.		1,489,983	799,970
Mudaraba Short Notice Deposits		1,489,983	799,970
AB Bank Ltd. IBB		6,853,688	57,294,690
Bank Alfalah Ltd.		641,641	5,279,783
South East Bank Ltd. IBB		9,633,943	9,354,308
Mudaraba term deposit accounts		17,129,273	71,928,781

3 Investments in shares & securities

Investment classified as per Bangladesh Bank Circular	2016 Taka		2015 Taka	
	2016 Taka	2015 Taka	2016 Taka	2015 Taka
i) Investment classified as per Bangladesh Bank Circular				
Held to Maturity (HTM)	250,000,000	200,000,000	-	-
ii) Investment securities are classified as follows				
a) Government bond				
6 months Islamic bonds	250,000,000	-	-	-
2 years Islamic bond	-	200,000,000	-	-
b) Other investments				
	250,000,000	200,000,000	-	-
4 Investments				
i) Investments				
Inside Bangladesh				
Bai-muazzal	-	2,641,508	-	764,833
Murabaha	10,102,955,143	16,392,896,286	10,102,955,143	16,392,896,286
Hire purchase shirkatul melk (HPSM)	360,005,375	191,096,103	360,005,375	191,096,103
Quard	-	960,850	-	960,850
Outside Bangladesh				
	10,465,602,026	16,585,718,072	-	-
ii) Bills purchased and discounted				
Payable Inside Bangladesh				
Inland bills purchased	4,365,500	665,000	-	-
Payable Outside Bangladesh				
Foreign bills purchased and discounted	-	-	-	-
	4,365,500	665,000	-	-
	10,469,967,526	16,586,383,072	-	-
5 Fixed assets including premises, furniture and fixtures				
Cost				
Furniture and fixtures	14,699,649	14,699,649	-	-
Office equipment and machinery	16,743,398	16,673,966	-	-
Accumulated depreciation	31,443,046	31,373,615	-	-
Stationery and stamps	37,766	161,506	-	-
Advance deposits and advance rent	14,454,983	18,110,663	-	-
Advance tax	493,674	1,676,634	-	-
Profit receivable from investment	3,461,420	4,010,677	-	-
Sundry debtors	5,000,000	-	-	-
Other assets	23,447,843	23,959,480	-	-
7 Borrowings from other banks, financial institutions and agents				
In Bangladesh (Note- 7.1)	6,000,000,000	7,000,000,000	-	-
Outside Bangladesh	-	-	-	-
7.1 In Bangladesh	6,000,000,000	7,000,000,000	-	-
Bangladesh Bank for 100 Days	-	-	-	-
Bangladesh Bank for 5 Months	-	-	-	-
Bangladesh Bank for 6 Months	6,000,000,000	7,000,000,000	-	-
8 Other liabilities				
Profit suspense account	3,185,157	9,138,759	-	-
Expense payable	356,560	526,163	-	-
Profit payable account	79,849,941	124,600,311	-	-
Provision for investment	157,510,430	226,767,432	-	-
Provision for Off-Balance Sheet Exposures	16,916,518	11,197,725	-	-
Profit Payable to Head Office	424,647,898	155,148,318	-	-
Profit mark up account	424,043,447	501,542,389	-	-
Unrealized Compensation	2,678,117	2,339,921	-	-
Realized Compensation	2,775,458	5,150,831	-	-
Branch adjustment account	656,894,888	3,701,369,755	-	-
Others	17,632,071	14,648,278	-	-
9 Commission, exchange and brokerage	1,786,490,484	4,752,429,881	-	-
Commission on letters of credit	3,830,152	1,198,171	-	-
Commission on letters of guarantee	93,000	210,500	-	-
Commission on export bills	31,500	11,500	-	-
Commission on bills purchased	-	46,783	-	-
Commission on accepted bills	3,273,957	1,371,308	-	-
Commission on OBC, IBC etc.	30,800	822	-	-
Commission on PO, DD, TT, TC, etc.	-	24,300	-	-
Other Fees and charges (Note - 9.1)	3,194,283	2,253,584	-	-
Other commission	3,270	-	-	-
9.1 Other fees and charges	10,456,962	5,116,967	-	-
Exchange gain	-	-	-	-
Brokerage	-	-	-	-
9.1	10,456,962	5,116,967	-	-
10 Other operating income				
Postage/telex/SWIFT/fax recoveries	801,450	526,255	-	-
Locker rent	99,000	39,946	-	-
Miscellaneous earnings (Note - 10.1)	244,876	368,601	-	-
10.1	1,145,326	934,803	-	-
10.1 Miscellaneous earnings includes earning from early settlement of loan, issuing various certificate and bank statements on demand of customers.				
11 Other expenses				
Online communication expenses	1,953,750	1,347,000	-	-
Training, seminar and workshop	5,750	30,720	-	-
Entertainment	102,717	137,132	-	-
Conveyance	51,030	106,480	-	-
Newspapers	3,066	3,936	-	-
Miscellaneous expenses	4,109,412	3,519,693	-	-
11	6,225,725	5,144,961	-	-

6 Other assets

Stationery and stamps	37,766	161,506
Advance deposits and advance rent	14,454,983	18,110,663
Advance tax	493,674	1,676,634
Profit receivable from investment	3,461,420	4,010,677
Sundry debtors	5,000,000	-
6	23,447,843	23,959,480

7 Borrowings from other banks, financial institutions and agents

In Bangladesh (Note- 7.1)	6,000,000,000	7,000,000,000
Outside Bangladesh	-	-
7.1 In Bangladesh	6,000,000,000	7,000,000,000
Bangladesh Bank for 100 Days	-	-
Bangladesh Bank for 5 Months	-	-
Bangladesh Bank for 6 Months	6,000,000,000	7,000,000,000
7.1	6,000,000,000	7,000,000,000

8 Other liabilities

Profit suspense account	3,185,157	9,138,759
Expense payable	356,560	526,163
Profit payable account		