

ANNUAL REPORT 2018



Bangladesh Commerce Bank Limited
বাংলাদেশ কমার্স ব্যাংক লিমিটেড

ANNAUL REPORT 2018



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LETTER OF TRANSMITTAL

**All Shareholders of Bangladesh Commerce Bank Limited
Bangladesh Bank
Bangladesh Securities & Exchange Commission (BSEC)
Registrar of Joint Stock Companies & Firms (RJSC)**

Annual Report of Bangladesh Commerce Bank Limited for the year ended 31st December 2018.

Dear Sir,

On behalf of the Board of Directors of Bangladesh Commerce Bank Limited, it is our pleasure to transmit the Annual Report for the year ended 31st December, 2018 along with the Audited Financial Statement (Statements of Financial Position, Statement of Comprehensive Income), Cash Flow Statement, Statement of Changes in Equity and Notes thereon of Bangladesh Commerce Bank Limited for your kind information and record. Analysis in this report, unless explicitly mentioned otherwise are based on the financials of "Bank" not the consolidated financials.

I would like to convey my cordial heartiest gratitude to all concerned. This is for your kind information and record please.

Truly Yours,



(Sayed Mohammed Estencher Billah)
Company Secretary



বাংলাদেশ কমার্স ব্যাংক লিমিটেড

কর্পোরেট অফিসঃ ইউনুস ট্রেড সেন্টার (লেভেল ২২)
৫২-৫৩, দিলকুশা বা/এ, ঢাকা-১০০০, বাংলাদেশ

২১তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এতদ্বারা বাংলাদেশ কমার্স ব্যাংক লিমিটেড এর সম্মানিত শেয়ারহোল্ডারগণের জ্ঞাতার্থে জানানো যাচ্ছে যে, বাংলাদেশ কমার্স ব্যাংক লিমিটেড এর ২১তম বার্ষিক সাধারণ সভা আগামী ৩০-১১-২০১৯ইং তারিখ রোজ শনিবার সকাল ১০.০০ টায় নিম্নোক্ত কার্যাবলী সম্পাদনের নিমিত্তে কুর্মিটোলা গলফ ক্লাব, কুর্মিটোলা, ঢাকা সেনানিবাস, ঢাকা-১২০৬-এ অনুষ্ঠিত হবে :-

আলোচ্যসূচী :

- ১। ৩১ ডিসেম্বর, ২০১৮ইং সমাপ্ত বছরের ব্যাংকের নিরীক্ষিত হিসাবাবলী, ঐ তারিখে স্থিতিপত্রসহ তদ্বিষয়ে পরিচালক ও নিরীক্ষকদের প্রতিবেদন গ্রহণ ও অনুমোদন।
- ২। ২০১৯ইং সালের জন্য অডিটর নিয়োগ ও পারিশ্রমিক নির্ধারণ।
- ৩। ব্যাংকের মেমোরেণ্ডাম এন্ড আর্টিকেলস অব এসোসিয়েশন এবং কোম্পানী আইনের বিধান মোতাবেক পরিচালকের অবসর গ্রহণ ও তদন্তুলে পরিচালক নির্বাচন/পুনঃনির্বাচন।
- ৪। সভাপতির অনুমতিক্রমে অন্য যেকোন বিষয়ে আলোচনা।

পর্যদের আদেশক্রমে

তারিখঃ নভেম্বর ১২, ২০১৯
ঢাকা।

স্বা/-
(সৈয়দ মোহাম্মদ ইস্তৈনচার বিল্লাহ)
কোম্পানী সচিব

বিশেষ দৃষ্টব্যঃ

- ১। কোম্পানীর ২১তম বার্ষিক সাধারণ সভা উপলক্ষ্যে শেয়ার হস্তান্তর বহিঃ ইতোপূর্বে ঘোষিত ২৩-০৭-২০১৯ইং থেকে ২৫-০৭-২০১৯ইং তারিখ (উভয় দিনসহ) বন্ধ থাকার বিষয়টি কার্যকর ছিল যা বিগত ০৭-০৭-২০১৯ইং তারিখে ‘দৈনিক ইত্তেফাক’ ও ‘দি ফিন্যান্সিয়াল এক্সপ্রেস’ পত্রিকায় প্রকাশিত হয়েছিল।
- ২। ২১তম বার্ষিক সাধারণ সভায় অংশগ্রহণ ও ভোট প্রদানের যোগ্য কোম্পানীর যে কোন সদস্য/সদস্যা তার পক্ষে সাধারণ সভায় অংশগ্রহণ ও ভোট প্রদানের জন্য প্রজ্ঞা নিয়োগ করতে পারবেন। প্রজ্ঞা ফরম অথবা পাওয়ার অব এটর্নী বা ক্ষমতাপত্র বা নোটারী পাবলিক কর্তৃক সত্যায়িত ক্ষমতাপত্র এজিএম-এর কার্যক্রম শুরু হওয়ার কমপক্ষে ৭২ ঘন্টা পূর্বে কোম্পানীর রেজিস্টার্ড অফিসে জমা দিতে হবে। যদি প্রজ্ঞা ফরম যথাযথভাবে পূরণ ও ২০/- টাকা মূল্যের রেভিনিউ স্ট্যাম্প সংযোগপূর্বক নির্ধারিত সময়ে জমা দেয়া না হয় তাহলে প্রজ্ঞা ফরম বৈধ বলে বিবেচিত হবেনা।
- ৩। সাধারণ সভা অনুষ্ঠানের দিন রেজিস্ট্রেশন কাউন্টার সকাল ০৯.০০ ঘটিকা থেকে ১১.০০ ঘটিকা পর্যন্ত খোলা থাকবে। রেজিস্ট্রেশনের জন্য ব্যাংক কর্তৃক মুদ্রিত এন্ট্রেন্স স্লিপ উপস্থাপন আবশ্যিক।
- ৪। ২১তম বার্ষিক সাধারণ সভার বার্ষিক প্রতিবেদন-২০১৮, এন্ট্রেন্স স্লিপ, নোটিশ ও প্রজ্ঞা ফরম ডাকযোগে যথাসময়ে সম্মানিত শেয়ারহোল্ডারবৃন্দের নিবন্ধিত ঠিকানায় প্রেরণ করা হবে। সভা অনুষ্ঠানের পূর্বে কেউ বার্ষিক প্রতিবেদন, নোটিশ/প্রজ্ঞা ফরম না পেয়ে থাকলে ব্যাংকের website: www.bcbld.com বা রেজিস্টার্ড অফিসের সচিব বিভাগে যোগাযোগ করার জন্য অনুরোধ করা হলো (টেলিফোন- ০৯৬১-৩২২-১০৭০)।
- ৫। ঠিকানার কোন পরিবর্তন হলে বার্ষিক প্রতিবেদন প্রেরণের পূর্বে বাংলাদেশ কমার্স ব্যাংক লিমিটেড-এর রেজিস্টার্ড অফিসের সচিব বিভাগে লিখিতভাবে অবহিত করার জন্য সম্মানিত শেয়ারহোল্ডারগণকে অনুরোধ করা হলো।
- ৬। সুষ্ঠুভাবে সাধারণ সভা অনুষ্ঠানের সুবিধার্থে শিশু বা শেয়ারহোল্ডার নন এমন কাউকে সাথে না আনার জন্য সম্মানিত শেয়ারহোল্ডারগণকে অনুরোধ করা হলো।
- ৭। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নির্দেশনা অনুযায়ী কোন গিফট বা খাবার প্রদান করা হবে না।



Bangladesh Commerce Bank Limited

Corporate Office: Eunoos Trade Center (Level-22)
52-53, Dilkusha C/A, Dhaka-1000, Bangladesh

Notice of the 21st Annual General Meeting

Notice is hereby given to all the Honorable Shareholders of Bangladesh Commerce Bank Limited that the 21st Annual General Meeting will be held on Saturday the 30th November, 2019 at 10:00 A.M. at the Kurmitola Golf Club, Kurmitola, Dhaka Cantonment, Dhaka-1206 to transact the following business:

Agenda:

- a) To receive, consider and adopt the Audited Financial Statements for the year ended 31st December, 2018 along with the Report of the Directors and Auditors' thereon.
- b) To elect/re-elect Directors in accordance with the provisions of law and the Memorandum and Articles of Association of the Company.
- c) To appoint Auditors of the Company for the year 2019 and fix up their remuneration.
- d) To transact any other Business with the Permission of the Chair.

Dated: November 12, 2019
Dhaka.

By order of the Board of Directors

Sd/-
(Sayed Mohammed Estencher Billah)
Company Secretary

Notes:

- 1) The Register Book of shareholders of the Company shall remain closed from **23-07-2019** to **25-07-2019** (inclusive both days) and it would be valid as per previous **notice dated 07-07-2019** published in the dailies 'The Ittefaq' & 'The Financial Express'.
- 2) A Member eligible to attend and vote at the Annual General Meeting may appoint any person as his/her proxy to attend and vote on his/her behalf. Proxy Form or Power of Attorney or Authorization Letter or Authorization attested by Notary Public is to be submitted to the Registered Office of the Company at least **72 hours** before the time fixed for the Meeting. If Proxy Form duly filled in along with Revenue stamp of **Tk.20/-** is not submitted within the stipulated time, the Proxy will not be treated as valid.
- 3) Registration Counter on the day of Annual General Meeting will remain open from **09.00 a.m. to 11.00 a.m.** Presentation of Attendance Slip provided by the Bank is a must for registration.
- 4) Annual Report-2018 along with the **Attendance Slip**, Notice and Proxy Form of 21st Annual General Meeting will be sent to the registered address of all respective Shareholders. Anybody who has not received the Annual Report, Notice/Proxy Form is requested to visit the **website www.bcblbd.com** of the Bank or contact with Board Division of the Registered Office (Contact No. **0961-322-1070**).
- 5) Respected Shareholders are requested to inform **regarding change of address** (if any) to the Board Division of the Registered Office on or before **send Annual Report**.
- 6) To hold properly the Annual General Meeting the respected Shareholders are requested not to bring children or any person who is not a Shareholder of the Bank.
- 7) **No gift/Gift Coupon/ Food Box will be served in the 21st AGM as per instruction of BSEC.**



Vision

To become a Bank of first choice
by the customers
with meaningful
contributions to the society

Mission

Bangladesh Commerce Bank Limited is committed to fulfil its customer needs and become their first choice in banking so that a sustainable growth reasonable return and contribution to the development of the country can be ensured with a motivated and professional work force.



OUR STRATEGIC PRIORITIES

1

To maintain a healthy growth of business in all core activities with desired image.

2

To acquire state of the art technologies and adopt innovative ideas for financial inclusion.

3

To strengthen the risk management technique and compliance culture.

4

To expand the customer base and maintain an incremental deposit & reduce the non-performing assets.

5

To develop appropriate corporate governance system and culture with best practice.

6

To establish relationship banking & continuously improve service quality.

7

To extend banking services to all classes of people.

8

To ensure environment friendly investment in line with the "Green Banking Guideline" issued by Bangladesh Bank.

9

To take effective measures to increase capital base and provision shortfall.

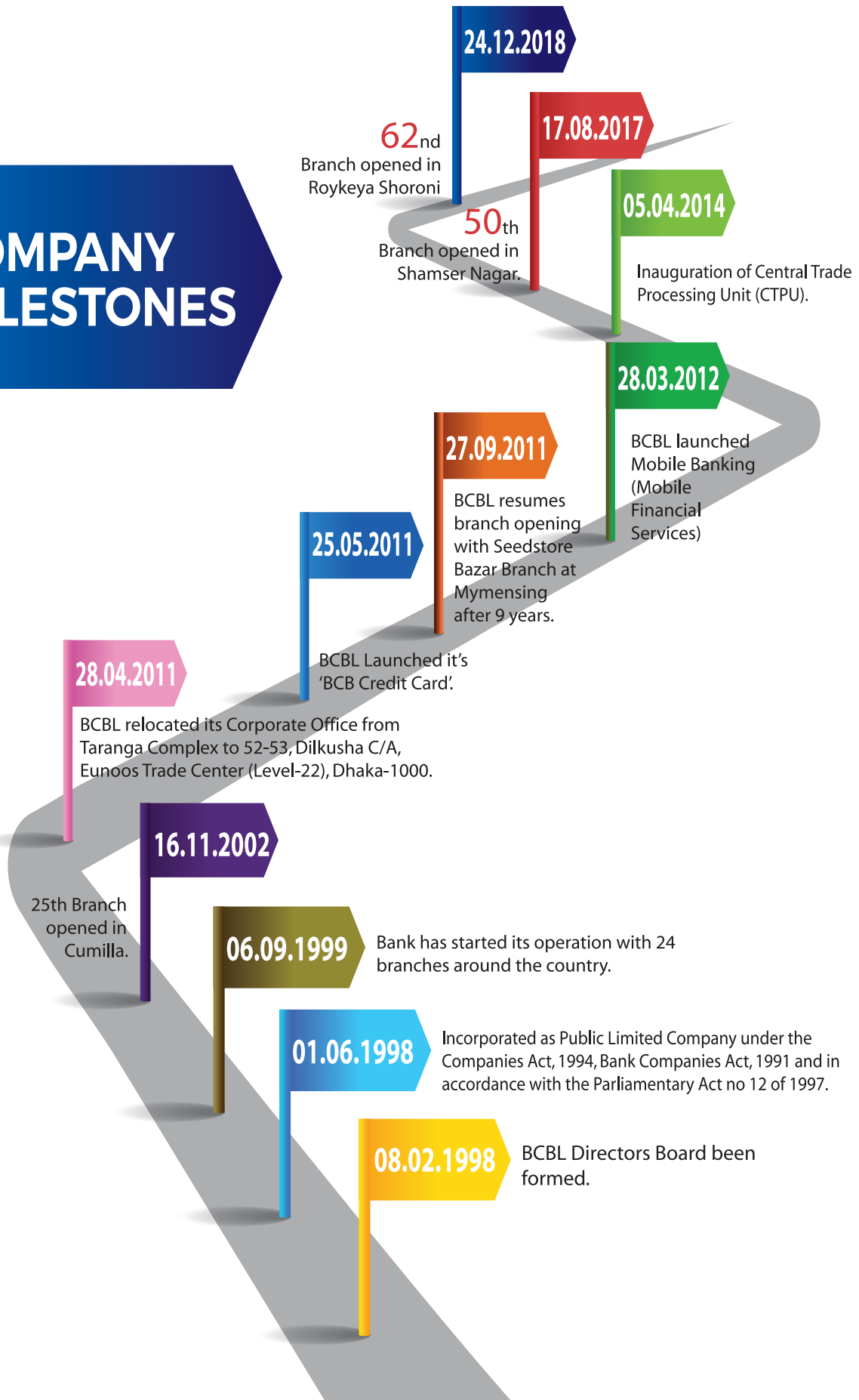
10

To enrich management capacity & human resources quality and develop a pro-active work force with a suitable compensation package.

11

To be a trend-setter in the socio-economic development of the country.

COMPANY MILESTONES

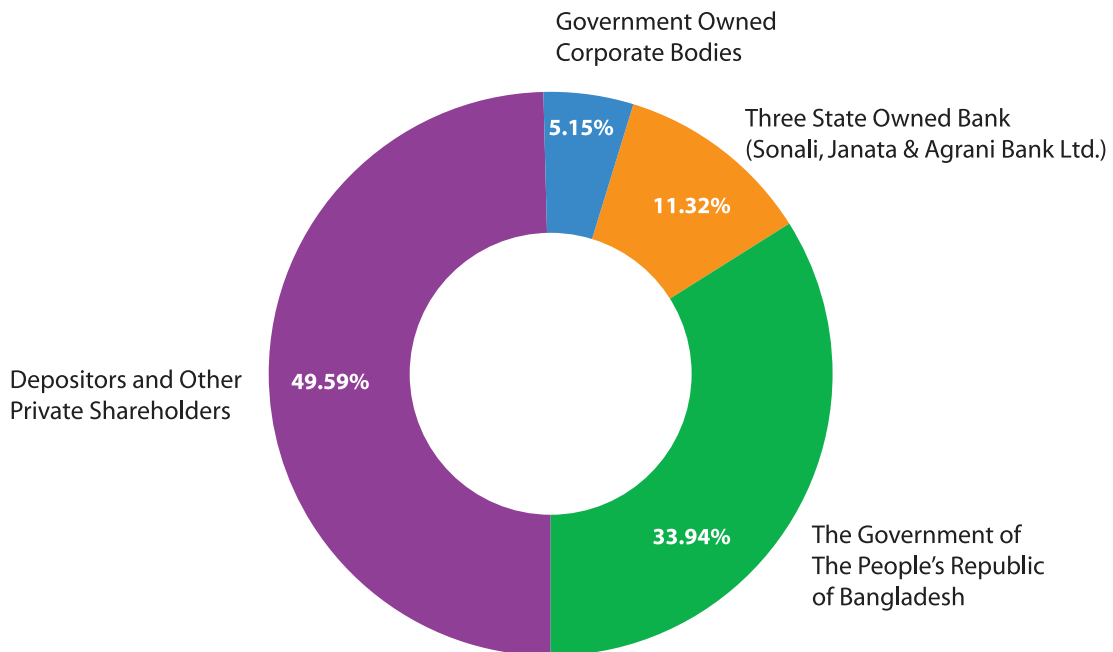


CORPORATE DIRECTORY

Name	Bangladesh Commerce Bank Limited. (BCBL)
Date of Incorporation	1st June, 1998.
Core Business	<p>A public limited company incorporated in Bangladesh on June 01, 1998 under the Companies Act, 1994, the Bank Companies Act, 1991 and Parliamentary Act 12 of 1997.</p> <p>Bangladesh Commerce Bank Limited is known as a commercial bank. Like all commercial banks BCBL's core business is also obtaining deposits and providing loans. It is a financial institution providing services for businesses, organizations and individuals.</p> <p>Service include offering different types of deposit account, saving deposit account and other scheme account as well as giving loans to organizations and individuals to accelerate economic development.</p> <p>BCBL make its profit by taking small, short-term, relatively liquid deposits and transforming these into small, medium, larger loans for short, medium and long term maturity loans. These processes of asset transformation generate net income for BCBL.</p> <p>BCBL also earned short term profit by investing through treasury functions as well as non funded business.</p> <p>However, BCBL is primarily engaged in deposit and lending activities to private and corporate clients in wholesale and retail banking. Other services typically include credit card, mobile banking, custodial service and guarantees, cash management and settlement as well as trade finance.</p>
Authorized Capital	BDT 10,000 Million.
Paid Up Capital	BDT 1,989 Million.
Face Value Per Share	BDT 100 per share.
Auditor	Rahman Mostafa Alam & Co. Chartered Accountants.
Registration Number	C-35510(2286)/98
Bangladesh Bank License Number	BRPD(P)744(KHA)/99-2842
Registered Head Office	Eunoos Trade Center (Level-22) 52-53, Dilkusha Commercial Area Dhaka-1000. Bangladesh.
TIN	222834807779
BIN	000001525-0202

Ownership Composition

SL. No.	Category	Name of Holders	No. of Shares	% of Holdings
01	KA	The Government of The People's Republic of Bangladesh	6,750,000	33.94
		Sponsors as per MoA & AoA	8	0.00
02	KHA	Three State Owned Bank (Sonali, Janata & Agrani Bank Ltd.)	2,249,982	11.32
03	GA	Government Owned Corporate Bodies	1,024,613	5.15
		Depositors and Other Private Shareholders	9,862,825	49.59
			19,887,428	100.00



Composition of Board & Its Committees

HONORABLE CHAIRMAN OF THE BOARD

Dr. Engr. Rashid Ahmed Chowdhury

COMPOSITION OF BOARD OF DIRECTOR'S:

Sl. No.	Name of Directors	Status of the Committee
1.	Dr. Engr. Rashid Ahmed Chowdhury	Chairman
2.	Mr. Md. Farhad Uddin	Member
3.	Dr. Md. Jafar Uddin	Member
4.	Mr. Md Wahiduzzaman Khandaker	Member
5.	Mr. Md. Moshir Ali	Member
6.	Mr. Mohammed Arshed	Member
7.	Mr. Mohammad Hanif Chowdhury	Member
8.	Mr. Md. Shafiqul Islam, FCA	Member
9.	Mr. A A M Zakaria	Member
10.	Mr. Humayun Bokhteyar, FCA	Member

COMPOSITION OF EXECUTIVE COMMITTEE:

Sl. No.	Name of Directors	Status of the Committee
1.	Mr. Humayun Bokhteyar, FCA	Chairman
2.	Dr. Md. Jafar Uddin	Member
3.	Mr. Mohammed Arshed	Member
4.	Mr. Mohammad Hanif Chowdhury	Member

COMPOSITION OF AUDIT COMMITTEE:

Sl. No.	Name of Directors	Status of the Committee
1.	Mr. Md. Shafiqul Islam, FCA	Chairman
2.	Mr. Md. Farhad Uddin	Member
3.	Mr. Md. Wahiduzzaman Khandaker	Member
4.	Mr. Md. Moshir Ali	Member

COMPOSITION OF RISK MANAGEMENT COMMITTEE:

Sl. No.	Name of Directors	Status of the Committee
1.	Mr. A A M Zakaria	Chairman
2.	Mr. Md. Farhad Uddin	Member
3.	Mr. Mohammad Hanif Chowdhury	Member

Director's Profile



**Dr. Engr. Rashid Ahmed Chowdhury**

Chairman

Dr. Engr. Rashid Ahmed Chowdhury, was born in a reputed Muslim family from Agrabad, Chittagong. He completed his SSC from Collegiate School and HSC from Chittagong College. Dr. Chowdhury obtained Associate in Science (Applied Science) & Associate in Applied Science in Mining Technology (Supervisory) from College of Eastern Utah, Price, USA. He also completed BSME & MBA (Management) from National University, San Diego, California, USA. He has obtained his PhD from Chittagong University. He has published numerous articles in international peer reviewed journals and also serves as a Reviewer for ACI (Academic International) and ICICKM (International Conference on Intellectual Capital Knowledge Management).

Dr. Engr. Rashid Ahmed Chowdhury is an Associate Professor & Chairman of Department of General Management & Management Information System (MIS) in Chittagong Independent University (CIU), where he has been working since 2001. He teaches courses both at the Undergraduate and Graduate levels at CIU and additionally is serving as the Proctor. He has significant work experience in various international multinational companies such as Carbon County Coal Mine Inc. USA, AIM Inc. USA and Wilwen Enterprise, Los Angeles, USA.

Dr. Engr. Rashid Ahmed Chowdhury has received professional training on Supply Chain Management, Research Methods under Higher Education Quality Enhancement Project (HEQEP), Certificate of Completion in Computer Aided Design, Achievement in Mine Rescue, Welding and Supervisory Training & Labor Management Relation from Los Angeles & College of Eastern Utah, USA.

He presided over the Seminar on Analysis of Future Passengers Car Structure jointly organized by IEB Chittagong and Hokkaido University Japan. He conducted Training Program on Training Fundamentals organized by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) in association with Bangladesh Freight Forwarders Association (BAFFA) Dhaka. He has also attended numerous seminars on various topics such as Storm Water Management Strategies, Design, Modeling and Best Management Practices, Green Wireless Communication Technologies, Disaster, Climate and Coastal Vulnerabilities in Bangladesh, Container Terminal Operations and Management, Business Research Methodology and Stock Exchange: How the Trading Takes Place in Chittagong and an International Conference on Business & Information (BAI) in Bangkok, Thailand.

Dr. Engr. Rashid Ahmed Chowdhury brings a unique blend of academic and industry work experience to his role as Chairman of the Bangladesh Commerce Bank Limited.



Mr. Md. Farhad Uddin

Director

Mr. Mohammad Farhad Uddin, son of Mr. Md. Afazuddin Molla was born in 1955 in a humble Muslim family. He is a Government nominated Director of Bangladesh Commerce Bank Limited. As senior civil servant in the Government Sector, he was former Additional Secretary to the Government of the People's Republic of Bangladesh. He holds important positions in various Government Organizations namely (I) Chairman, BFIDC, (II) DG-DMB (III) Member-BEPZA.



Dr. Md. Jafar Uddin

Director

Dr. Md. Jafar Uddin, son of Mr. Md. Fazal Sarder was born in 1962 in a respectable Muslim family of the Jamalpur. He is a Government nominated Director of Bangladesh Commerce Bank Ltd. Dr. Jafar is a senior servant in the Government sector. He achieved Doctor of Business Administration (DBA) in 2008 from the University of the East, Manila, Philippines (Dissertation on "THE EFFECTS OF MICRO-CREDIT FINANCING ON POVERTY ALLEVIATION VARIABLES"), Master of Arts in Government Financial Management in 2000 from the University of Ulster, United Kingdom and Master of Commerce in Finance in 1983 from the University of Dhaka, Bangladesh.

At present he is the Additional Secretary, Macroeconomic Wing of Finance Division, Ministry of Finance, Government of the People's Republic of Bangladesh. He has about 29 years of professional experience. He started his professional career by joining in Financial Management Academy under office of the Comptroller and Auditor General of Bangladesh in 1988 as Assistant Accountant General and since then he successfully performed his duties with salient reputation in a number of Ministry/department/Organizations like Ministry of Finance, Ministry of Housing & Works, Financial Management Academy, Ministry of Information, Directorate of Commercial Audit and Ministry of Foreign Affairs. He also worked as Counselor and Head of Chancery of the Embassy of Manila, the Philippines and as Associate Director of BRAC. In addition, he worked in Bangladesh Krishi Bank, Janata Bank and Bangladesh Bank prior to joining Civil service.

Dr. Jafar had received many professional training from local & foreign different institutions and attended International Conference and Seminars also working experience and Countries visited UK, Italy, Spain, India, Korea, Singapore, Malaysia, Belgium, Ireland, Uzbekistan, Thailand, China, Myanmar, Philippines, Sri Lanka, Nepal, Cambodia, Indonesia, France, Vietnam, Switzerland & Japan.

Among financial engagements Dr. Jafar sat on the Member to Board of Directors of Bangladesh Institute of Management & Islami Arabi University. He also brings with him the experience of so many Subjects taught in different Institutes/Academy/University.



Mr. Md. Wahiduzzaman Khandaker

Director

Mr. Md. Wahiduzzaman Khandaker, son of late Md. Abdul Hakim Khandaker & Mrs. Faizun Nessa Begum was born in 1958 in a respectable Muslim Family. He is a Govt. nominated Director of Bangladesh Commerce Bank Limited (BCBL).

Mr. Khandaker studied Higher Secondary Education at Govt. Commerce College, Chittagong. He also obtained B. Com (Hons), M. Com in Finance Department from University of Dhaka. He is also a member of DAIBB.

Mr. Khandaker started his banking carrier in 1983 as a Senior Officer (Financial Analyst) of Investment Corporation of Bangladesh (ICB). Before he was the Managing Director of Probashi Kallyan Bank (PKB), he served as a Deputy Managing Director (DMD) of Investment Corporation of Bangladesh (ICB) and Bangladesh Development Bank Ltd (BDBL). He was also the General Manager of Rupali Bank Limited and Investment Corporation of Bangladesh. He also served as a CEO and DGM of ICB Assets Management Co. Ltd.

He was the Director of a) Islami Bank Bangladesh Ltd. Dhaka, b) Aramit Ltd. Chittagong, c) Aramit Cement Ltd. Chittagong, d) Chairman of ICB Asset Management Co. Ltd. Dhaka & e) ICB Securities Trading Co. Ltd (ISTCL), Dhaka.



Mr. Md. Moshir Ali

Director

Mr. Md. Moshir Ali, is the Deputy Managing Director of Agrani Bank Limited from 19th September, 2016.

He was born on 21st December, 1958 in a respectable family of Late Abdus Sattar & Late Salema Khatoon. Mr. Md. Moshir Ali obtained his B.Com. (Hon's) and M.Com. in Finance from the University of Dhaka. As a prudent banker he has 33 years of banking experience. He started his banking career with Agrani Bank in 1984 as a Senior Officer (Financial Analyst).

Before joining here, he was the Director of Agrani SME Financing Company Limited.

He attended a number of seminars, workshops and received different training in home and abroad conducted by prestigious and world famous Institutions.



Mr. Mohammed Arshed

Director

Mr. Mohammed Arshed, is representing Karnaphuli Prakritik Gas Limited in the Board of Directors of Bangladesh Commerce Bank Limited. Mr. Md. Arshed is the Chairman of C & A Dietary & Hospitality Ltd. He is the Managing Director of C & A Real Estate Ltd., C & A Energy Ltd., C & A Dairy Ltd., Khalid Enterprise Ltd., C & A Agro Ltd., C & A Court Yard Ltd. and C & A Beverage Ltd. He was born on August 03, 1971. After completion of Graduation, he started his career in business. He has got professional experience for more than 10 years. He is the Managing Partner of S & A Bay of Bengal. He travelled many countries on business ground.



Mr. Mohammad Hanif Chowdhury

Director

Mr. Mohammad Hanif Chowdhury, is representing Victor Trade and Business Limited in the Board of Directors of Bangladesh Commerce Bank Limited. He was born on February 14, 1956. After completion of graduation, he involved himself with the export import business. He is the Director of Jansco Canada International Inc. in Canada. He conducted his own business residing in Canada for many years. He was the Vice-Chairman of the NRB Global Bank Limited at present he is the Chairman of Unitex Group of Companies and Republic Insurance Company Ltd. He travelled many countries in connection with business.



Mr. Md. Shafiqul Islam, FCA

Director

Mr. Md. Shafiqul Islam, is representing Honeywell Securities Corporation Limited in the Board of Directors of Bangladesh Commerce Bank Limited. Md. Shafiqul Islam FCA, is one of the Managing Partners of Shafiq Basak & Co., Chartered Accountants Firm. He was born on January 08, 1958 at Comilla District. He passed B. Com (Hons) in Accounting in the year 1978 from Chittagong University and M. Com in Accounting in the year 1979 from the same University. He is a Professionally Qualified Chartered Accountant and Passed the course from the Institute of Chartered Accountants of Bangladesh in the year 1989. He was the past Chairman of the Chittagong Regional Committee of the Institute of Chartered Accountants of Bangladesh. He is one of the life members of Chittagong Lions Foundation, Chittagong Ma-O Shishu Hospital and SHAHIC of Chittagong.



Mr. A A M Zakaria

Director

Mr. A A M Zakaria, is representing Brilliant Business Company Limited in the Board of Directors of Bangladesh Commerce Bank Limited. He was the Managing Director of First Security Islami Bank Limited (FSIBL) wherein he served for around 9 years prior to his joining with FSIBL. He Worked with Dutch Bangla Bank Limited as the Deputy Managing Director. He has got over 37 years of diversified banking experiences both at nationalized and private commercial banks. He was born on November 16, 1949.

He obtained post graduation degree in Economics from Dhaka University. He visited many countries throughout the world and participated in many trainings & seminars in home and abroad.



Mr. Humayun Bokhteyar FCA,

Director

Mr. Humayun Bokhteyar FCA, was born in a respectable Muslim family of Satkania, Chittagong. He became Chartered Accountant in 1991.

Mr. Humayun Bokhteyar FCA is the Founder and Managing Partner of public Accounting and Auditing firm M/s Bokhteyar Humayun & Co., Chartered Accountants. Before joining here he was head of Corporate Finance of Padma Group of Companies, Finance Manager of Bangladesh Thai Aluminum Ltd., Assistant General Manager of Purobi General Insurance Co. Ltd. and Article Student & Audit Supervisor of M Ahmed & Co. Chartered Accountants.

He is Associate of Australian Society of Certified Practicing Accountants and Associate of Cost and Executive Accountants (ACEA) UK. Have long senior level financial management experience with services and manufacturing sectors in Bangladesh and Australia. Have expertise in Financial Accounting, Financial Management, Auditing, Taxation, Company Law & Secretarial services.

Served as Chairman Board Risk Management Committee, Member Board Executive Committee and Audit Committee of Islami Bank Bangladesh Limited.

Attended a number of Seminars/Workshops/Meetings relevant to Accounting, Fiscal, Auditing, Management Islamic & Micro Finance in Australia, Switzerland, Italy, UK, Singapore, Malaysia and Indonesia.

MESSAGE FROM THE HONORABLE CHAIRMAN



Dr. Engr. Rashid Ahmed Chowdhury
Chairman

Bismillahir Rahmanir Rahim

RESPECTED SHAREHOLDERS,

Assalamu Alaikum

It is a great honor and privilege for me to welcome you all to the 21st Annual General Meeting of Bangladesh Commerce Bank Limited. I am very much pleased to present the Annual Report along with the Audited Financial Statements for the year ended 31 December 2018. I express my heartfelt gratitude to you all for your continuous support and guidance towards our beloved institution, efficiently overcoming all the obstacles and challenges.

DEAR SHAREHOLDERS,**GLOBAL ECONOMY**

Global economic development dipped slightly in 2018 which will continue to slow down this year, according to the World Bank (WB). In the beginning of the year, all indices of the global economy were moving upwards. But it was not possible to hold in to them for long. The WB forecasted that global GDP growth is moderated from downwardly 3% in 2018 to 2.9% in 2019 and 2.8% in 2020. Global economic growth was estimated at 3.7% for 2018 which is almost steady compared to growth rate of 3.8% in 2017. Both the International Monetary Fund (IMF) and Organization for Economic Co-operation and Development (OECD) have recently lowered their forecasts at 3.5% for the year 2019 and 3.6% for the year 2020 respectively.

BANGLADESH ECONOMY

Bangladesh economy remains steady throughout the socio-political and macro-economic background like previous years. The banking sector had to pass through a stressful time in 2018 due to the pressures of classified loans, downward trend of interest rate on loans and advances, increase of liquidity and lower yield of treasury bills/bonds. However, even growth in export-import and stimulating municipal region investment played an important role for 7.9% GDP growth. Inflation increased slightly to 5.8% in 2018 despite the import-export balance remaining positive. The capital market has bounced back during the year to help restore investors' confidence.

RESPECTED SHAREHOLDERS,

Throughout the core business area, the Bank's operating loss for the year 2018 was Tk. 283.6 million. Due to provisions for loans and advances, taxation and other required provisions, BCBL attained net loss of Tk. 2231 million. The Bank's classified loans (CL) stood at 38.7% against industry position of 10.4%. We believe that this will come down to below 15% within a short period of time.

The Bank listed a slightly lower performance and in all respects efficiency in banking operations has

decreased. Cost to Income ratio was 109.3% in 2018 which was 87.9% in the previous year. Operating profit decreased to BDT 283.6 million and Profit after taxation decreased to BDT 2231 million due to adjustment of prior periods' provision for classified loan. ROA and ROE, two key profitability ratios, were negative (5.87%) and (18.17%) respectively while the basic loss per share was BDT 112.19 whereas earning per share was BDT 1.48 in 2017.

HUMAN CAPITAL

We take pride in employing the right person for the right position, develop skills, looking after the incumbents and a sustainable remuneration package. In developing well organized human resources, we always acknowledge the individual prerequisites, and sharpen the ability through learning and development programs to ensure better efficiency. To deal with the variable HR needs, the human resources policy of the bank is reviewed time to time.

IN GRATITUDE

I thank my fellow Board of Directors of BCBL for their judicious guidance and support for consistent growth and development of BCBL. I would also like to thank Bangladesh Bank, external auditors and other regulatory authorities for their prudent guidance and assistance. I would also like to express my sincerest gratitude to all the stakeholders who have been providing us with constant and unfaltering support over the years. I am also grateful to the entire management team for their relentless hard work and achievements.

My best wishes to all of you.

Thank you,



Dr. Engr. Rashid Ahmed Chowdhury
Chairman

MANAGING DIRECTOR & CEO'S STATEMENT



Md. Abdul Khaleque Khan
Managing director & CEO

Bismillahir Rahmanir Rahim

Respected Shareholders,
Distinguished guests, members of the Board of Directors and employees of the Bank.

Assalamualaikum

It is a great pleasure to share my view with the valued owners of the Bank about the performance of Bangladesh Commerce Bank Ltd (BCBL) for the year 2018. In 2018, in the face of uncertainties and challenges due to rapidly evolving business conditions, BCBL continued to implement changes to strengthen its different area of operations to ensure customer satisfaction in order to remain competitive and successful in the market. The year is marked by unprecedented success in terms of business growth and operating profit. The Bangladesh economy has been able to maintain sustained economic growth. The economy grew at a rate of 7.86 percent in FY2017-18, satisfactorily up from 7.28 percent growth in FY2017-18. The per capita national income reached US\$1909 in FY2018-19.

The year 2018 was eventful for Bangladesh Commerce Bank Limited. BCBL encountered enormous challenges in 2018 as well. Due to increase in NPL which is prevalent in the overall Banking industry, the challenges have become more acute. However, with a revamped Board and Management, the Bank is confident to recoil to its glory of endeavor. Driven with the new vigor and inspiration; we can create the quintessential example of accomplishing our goals. We are taking strong steps towards reduction of NPL, building our capital base, increasing SME and Retail, building a strong corporate culture, raising the bar for corporate governance and creating a world class financial institution. With strong corporate governance and robust risk management frameworks and a highly revamped and dedicated management team, we are on the path towards sustained long term profitability and growth.

BCBL believes in fostering value-driven business. Over the years we have focused on portfolio diversification and accordingly have been employing our resources more on the growth of Retail, SME and Digital products and services. Along with digital banking, our government is also focusing on financial inclusion. BCBL in line with the government initiative has introduced agent banking to bring in the huge unbanked population into the banking net. We feel that as we grow, our responsibility towards the society grows too. BCBL therefore, invests quite a considerable amount of time and money towards Corporate Social Responsibility.

The financial statements as included in the Annual Report reflect the Bank's satisfactory state of financial health. We have registered growth in many areas of business operation and tried to bring both quantitative and qualitative improvements in our activities. The deposit and loans & advances grew by 5.41 percent and 14.85 percent respectively during the year 2018. We have extended our business portfolio and enlisted many new customers by demonstrating our strengths in the competitive market. The bank's total assets have increased to Tk. 38000 million from Tk. 36000 million which accounts for 5.56 percent increase in a year time. The decline in the non-performing loans to total loans clearly manifests the Bank's untiring efforts in the recovery of such loans. All these were possible because of hard work and sincere efforts made by the employees of the bank and active support received from the Board of Directors, Central Bank, customers and other stakeholders.

As a financial intermediary, BCBL invariably comes across different types of risks that may already have adverse impact on the business. In order for the Bank to mitigate these risks, a well-defined Risk Management process has been in place in the Bank. To deal with the risks effectively, BCBL is now gradually shifting towards Enterprise Wide Risk Management (EWRM) structure. All these are self-evident and bear testimony to our ability to compete within a system that is getting more and more complex and full of challenges. While the market has been hard hit due to high cost of deposit and various constraints to increase lending rates and fees, we have been continuing to focus on quality lending and prudent banking. We have always been selective in corporate finance and trade related investments that are still major segments of our business.

In order to keep pace with the demands of customers for technology driven services, all the branches have been made computerized. To fulfill the aim of providing the most advanced and superior banking service, the Bank has been operating on software of international quality, the most technically advanced platform, "Real Time Online Banking Solution" which has brought the banking activities of all branches under one umbrella and are integrated with 24 hours service delivery channels ATM/POS, Kiosk, Internet Banking, SMS/Tele banking, Call Centre. Debit/Credit Card System etc.

BCBL emphasizes ethical and environment friendly approaches to business activity which represents our social responsibility. It also considers environmental effects in the process of credit decisions. Our Bank values its responsibilities to the society alongside its business operation. To accomplish this end, we are always sincere to provide assistance to the poor and distressed citizens for their education Medicare etc.

In the year 2018, we made significant stride in our business. However, we are not complacent; rather we look forward to having a much stronger position in 2019 since we believe there are enormous potentials and opportunities before us to encash. Our strategic priorities for 2019 will be continue to improve performance through capacity building and employee productivity. Ensuring customer satisfaction will be high on the agenda. Emphasis on SME business mobilization and mobile banking will help us to promote our commitment to financial inclusion. Considering current scenario of the world and national economic condition the Bank will focus more on export led business growth and syndication financing. Apart from these, we have already chalked out the strategies in the area of capital enhancement, risk management, loan recovery, asset quality, product development, business diversification, agriculture financing, technological integration and up gradation, service excellence, formation of a foundation for CSR, remittance services, etc.

With technology continuing to disrupt the business of banking, the need to stay on top of the digital revolution has been felt very keenly. The focus for 2018 was to systematically expand our digital channels and also further integrate our physical and electronic distribution channels to enable customers to transact seamlessly across multiple

touch-points. As for the coming year, a key milestone will be the successful migration from our legacy system to a more powerful core banking solution, which is a further affirmation of our commitment to continuously enhance operational efficiency and service quality. This upgraded system will provide BCBL with the requisite technology infrastructure to handle the surge in volume and complexity of customer transactions, broader range of financial products and services, as well as the management and analysis of customer information. We always acknowledge the fact that at the end of the day we shall be successful in our policies and strategies, if only we are able to satisfy our customers at all times. Therefore, it is our continuous endeavor to meet all customers' requirements, in a timely and cost effective manner.

While we continue to grow in size, efficiency and focus on adherence to quality in all areas of our operation will be ensured. We feel confident about our strength to be able to move closer towards the vision of being the 'Bank of Choice'. The year 2018 was exciting and as we go through 2019, we would like to promise to our customers of moving forward together, which encapsulates and reinforces our value proposition, which means empowering our customers to advance towards their ambitions, goals and dreams in every stage of their lives. We want to inculcate a culture of providing the right solutions that are simple, yet innovative, ahead of the curve, and competitively priced. Basically, it is a promise to deliver solutions to the needs and wants of our customers, wherever and whenever that may be. In the past years, the bank made strenuous efforts to mitigate risks and thus maintained stable asset quality. As we step into 2019 with some

caution, we remain watchful over asset quality concerns that could prolong during the year. We remain committed, as always, to upholding the highest standards of compliance and risk management, whilst also endeavoring to provide superior customer experience.

On behalf of the management of the Bank, I would like to express my profound gratitude and deepest appreciation to the Government of the People's Republic of Bangladesh, Governor and other officials of Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC) and Registrar of Joint Stock Companies and Firms for the cordial help and assistance, valuable guidelines and co-operation provided to the Bank from time to time. My humble gratefulness goes to the members of the Board of Directors for their continuous support, patronage, guidance and encouragement. It will remain incomplete if I do not express my thanks and gratitude to the respected shareholders, valued customers & well - wishers for their continued trust and confidence and remained loyal through thick and thin. And finally deep appreciation to all our employees for their dedication and commitment, which made us stand at this position. May the Almighty Allah bestow his unending blessings to all of us in carrying forward the future endeavors.



Md. Abdul Khaleque Khan
Managing Director & CEO

Shareholder's Information

Five Years at a Glance

Fig. in Million

A. BALANCE SHEET	2018	2017	2016	2015	2014
Authorised capital	10,000	10,000	10,000	10,000	10,000
Paid up capital	1,989	1,989	1,989	1,989	1,989
Shareholders' equity	1,273	3,495	3,466	3,404	3,329
Deposits	31,633	30,009	25,223	24,208	23,020
Borrowings	334	180	7	203	25
Loans and advances	22,148	19,284	16,634	16,059	15,742
Credit to deposit ratio (Gross)	70.02%	64.26%	65.95%	66.34%	68.38%
Credit to deposit ratio - Gross (excluding OBU loans)	70.02%	64.26%	65.95%	66.34%	68.38%
Investments	4,972	4,731	4,223	4,106	3,728
Fixed Assets	218	143	143	157	180
Interest bearing assets	33,828	26,725	21,404	15,273	10,856
Total Assets	38,028	36,395	31,167	30,050	28,248

B. INCOME STATEMENT	2018	2017	2016	2015	2014
Net interest income (excluding Investment Income)	737	728	611	453	630
Non-interest income	71	59	61	62	115
Investment Income	302	328	331	280	303
Non Investment Income (Exchange, fees & charges)	158	138	106	88	173
Operating Revenue	1,267	1,253	1,109	883	1,221
Operating Profit (Profit before provision and tax)	(284)	302	216	8	342
Provision for loans, investment and other assets	1,832	156	91	-	221
Profit before tax	(2,116)	146	100	8	121
Profit after tax (PAT)	(2,231)	29	25	2	29

C. CAPITAL MEASURE	2018	2017	2016	2015	2014
Risk weighted assets (RWA) under Basel II	38,791	30,204	26,719	26,197	24,284
Core capital (Tier 1)	-2,707	797	338	1,047	1,236
Supplementary capital (Tier 2)	148	127	122	136	176
Total Capital / Regulatory capital (Tier 1 and 2)	-2,559	924	460	1,183	1,411
Statutory capital (Paid up capital and statutory reserve)	2,264	2,264	2,234	2,210	2,208
Capital adequacy ratio (Regulatory capital/RWA)	-6.60%	3.06%	1.72%	4.52%	5.81%
Core capital (Tier 1) to RWA	-6.98%	2.64%	1.27%	4.00%	5.09%
RWA to total assets	79.43%	82.99%	85.73%	87.18%	85.97%

D. CREDIT QUALITY	2018	2017	2016	2015	2014
Non performing/classified loans (NPLs)	8,583	5,598	6,255	5,037	4,886
Specific Provision	2,499	765	741	683	649
General Provision	89	89	89	103	131
Total Provision	2,588	854	830	786	780
NPL to total loans and advance	38.75%	29.03%	37.60%	31.37%	31.68%

Shareholder's Information

Fig. in Million

E. TRADE BUSINESS	2018	2017	2016	2015	2014
Export	6,174	2,284	2,629	2,302	3,340
Import (LC)	5,034	4,719	3,846	2,843	4,503
Remittance	1,722	1,187	1,173	978	714

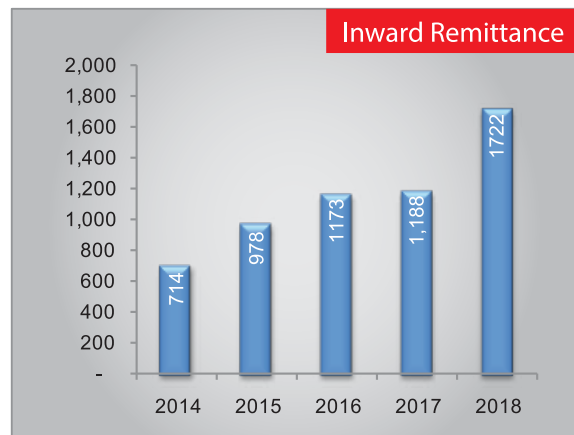
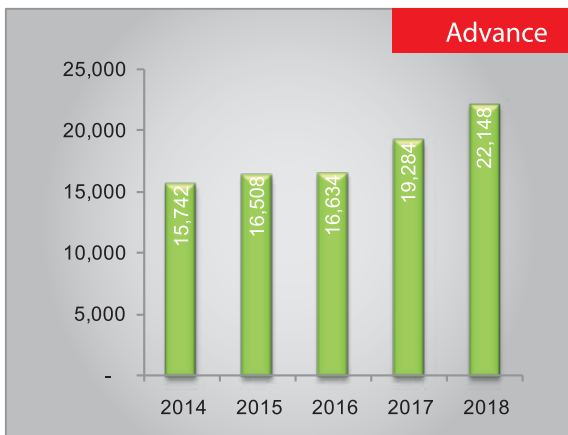
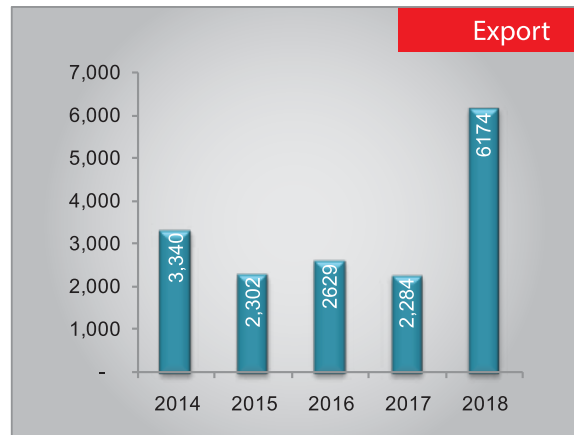
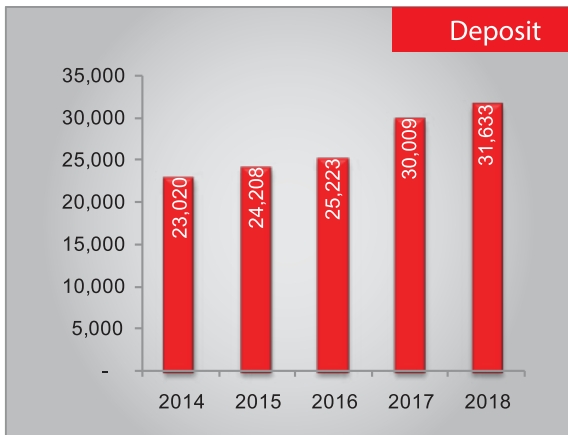
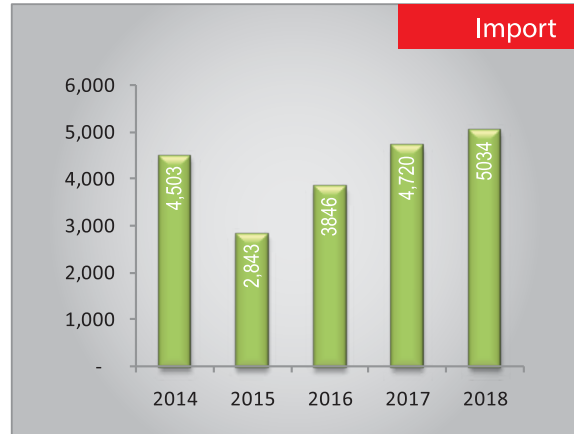
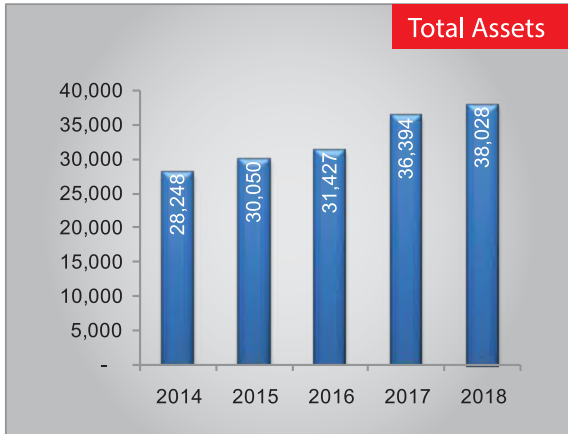
F. EFFICIENCY/PRODUCTIVITY RATIOS	2018	2017	2016	2015	2014
Return on average equity (ROE)	-175.26%	0.83%	0.72%	0.06%	0.87%
Return on average assets					
(ROA) (PAT/average assets)	-5.87%	0.08%	0.08%	0.55%	0.10%
Cost to income ratio (Operating expense/Total Revenue)	109.35%	87.98%	80.52%	99.06%	71.98%
Yield on advance (average)	7.04%	7.01%	7.64%	9.23%	13.23%
Cost of deposits (average)	5.95%	4.25%	5.04%	9.60%	7.76%
Net interest margin ratio (NII/Average interest bearing assets)	2.18%	3.95%	2.90%	2.8%	5.80%
Cash reserve ratio (daily basis)	6.45%	6.44%	7.41%	6.53%	7.50%
Statutory liquidity reserve ratio	20.82%	19.99%	15.17%	14.04%	15.61%
Operating profit per employee	(0.27)	0.32	0.26	0.01	0.41
Operating profit per branch	(4.58)	5.39	4.50	0.17	7.13

G. SHARE-DISTRIBUTION	2018	2017	2016	2015	2014
Earnings per share (EPS) in BDT	-112.19	1.48	1.26	0.08	1.46
Operating profit per share in BDT	(14.23)	15.2	10.86	0.40	17.20
Price earning ratio (times)	(0.89)	67.57	79.37	1,202.39	68.49

H. OTHER INFORMATION (ACTUAL FIGURE)	2018	2017	2016	2015	2014
No of branches	62	56	48	48	48
No of employees	1,035	952	820	851	828

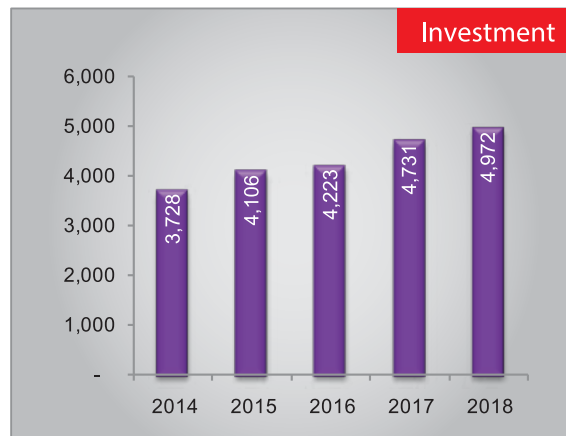
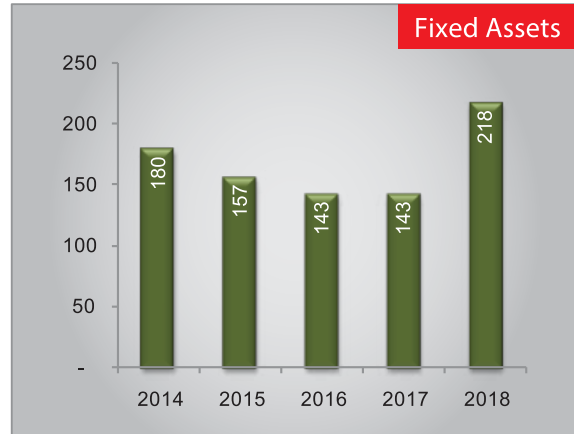
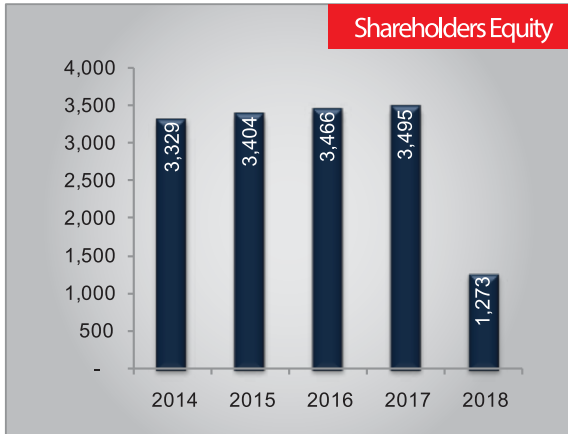
Graphical Presentation

Balance Sheet

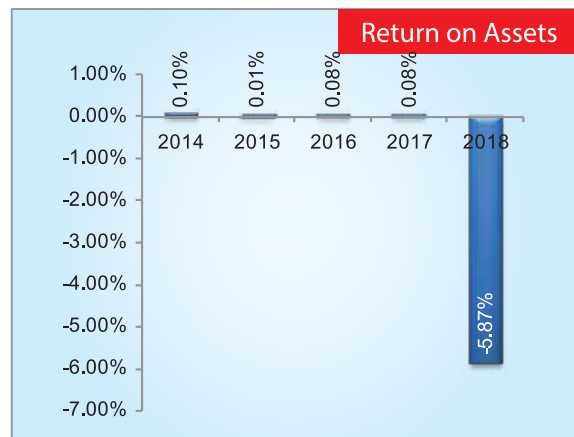
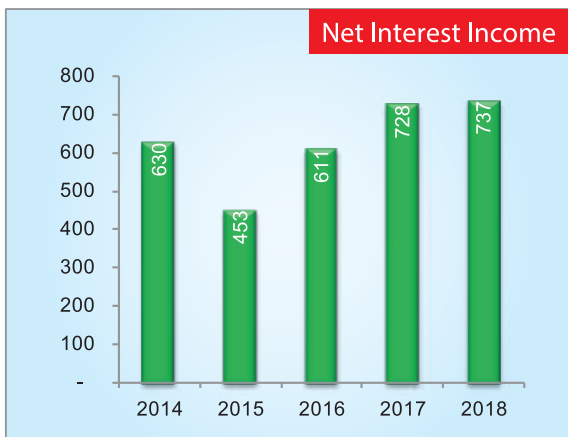


Graphical Presentation

Balance Sheet

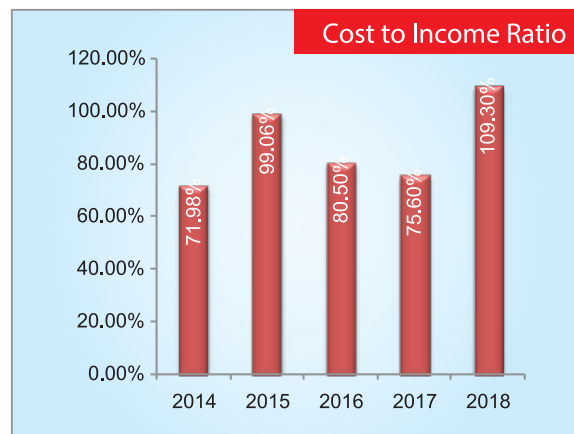
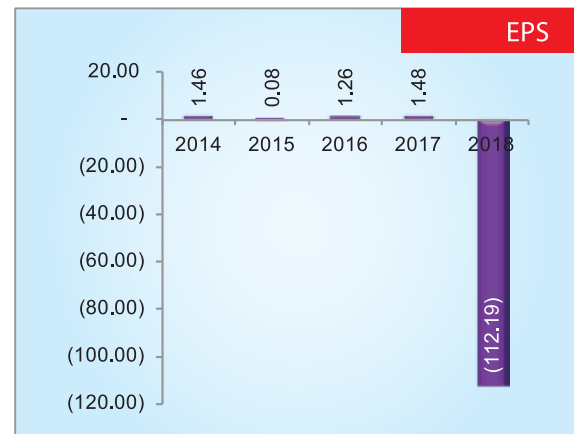
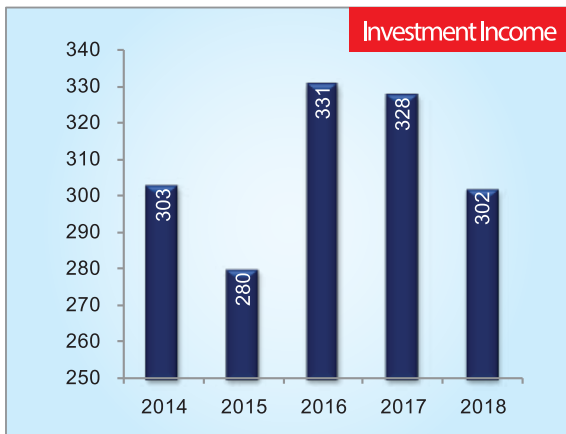
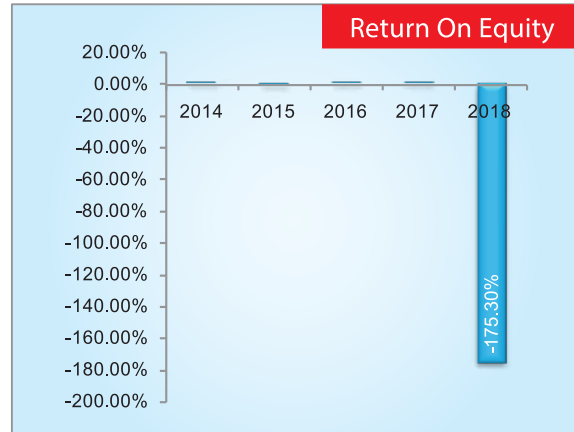
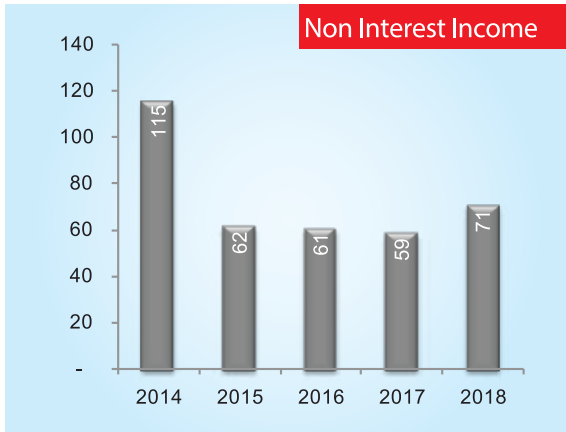


Income Statement



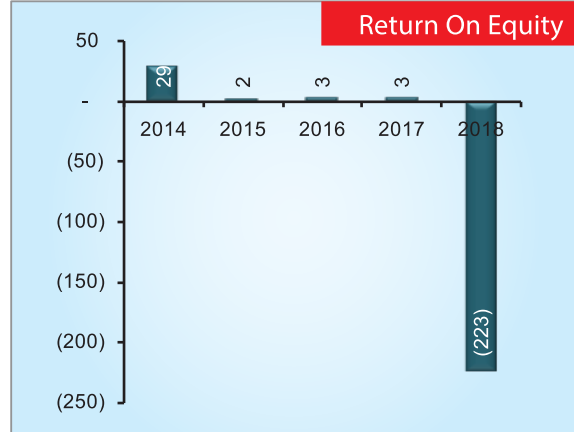
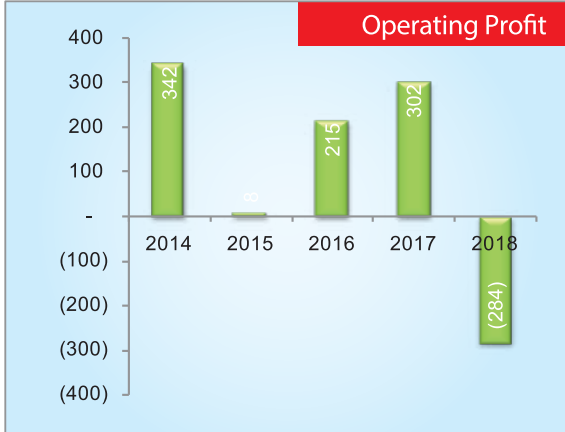
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Income Statement

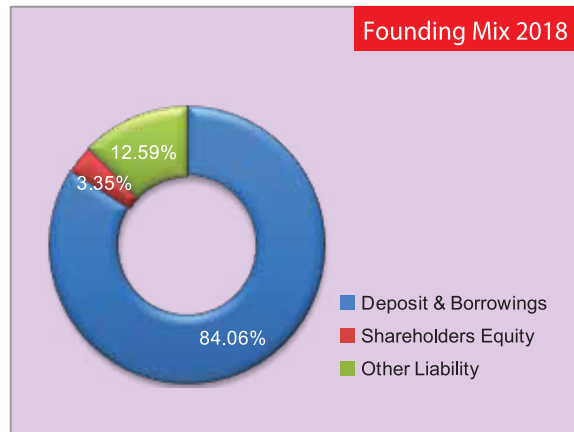
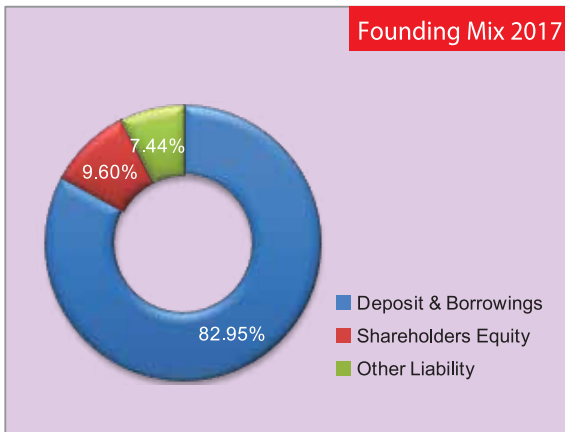
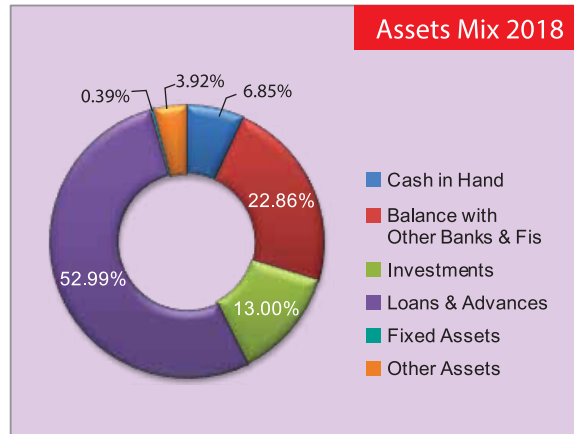
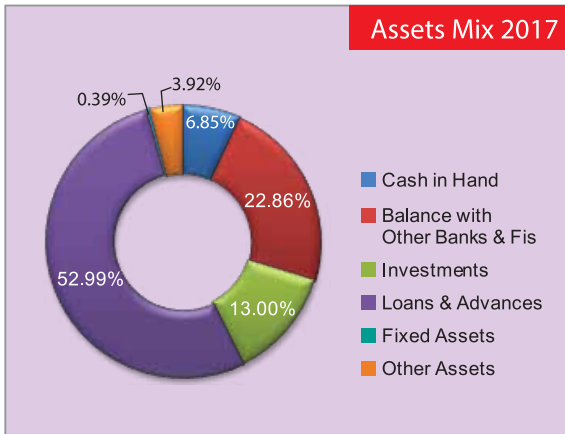


Graphical Presentation

Income Statement

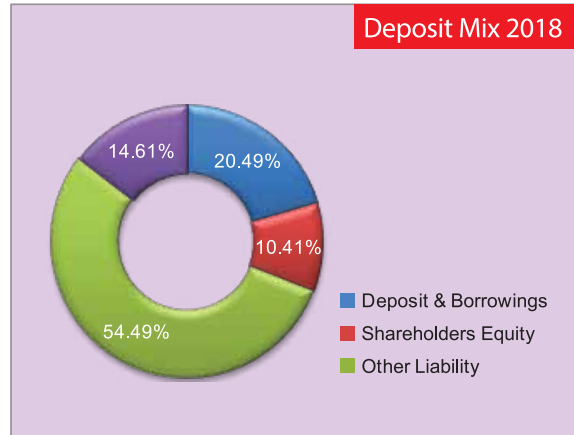
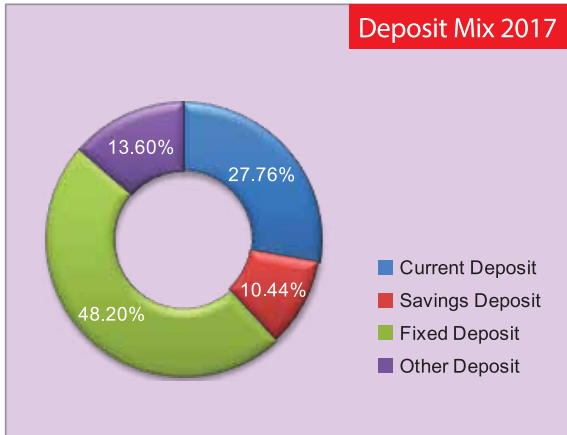


Mix



Graphical Presentation

Mix



Credit Ratings 2018

Long Term

Tripple B Minus
Adequate Capacity

BBB-

Short Term

ST-4
Inadequate Capacity

ST-4

Rated by : Alpha Credit Rating Limited

Date of declaration : 25 June, 2019

Valid till : 24 June, 2020

Value addition & distributions

Fig. in Million

Particulars	2018		2017	
	Consolidate	Bank	Consolidate	Bank
Income from banking services	3,245	3,040	2,650	2,506
Less: Cost of services & supplies	2,210	2,169	1,664	1,617
Value Added by Banking Services	1,035	871	986	889
Non-banking income	-	-	-	-
Provision for loans & other assets	1,900	1,832	181	156
Wealth creation	(865)	(961)	805	733
Wealth distribution				
Employees as salaries & allowances	1,199	1,154	618	586
Government as Income Tax	29	-	136	117
Statutory Reserve	-	-	29	29
Retained Earnings	(2,209)	(2,231)	22	0.01

Economic Value Added (EVA) Statement

Fig. in Million

Particulars	2018		2017	
	Consolidate	Bank	Consolidate	Bank
Shareholders equity	1,351	1,273	3,551	3,495
Add: Accumulated provision for loans & advances and other assets	3,134	2,987	1,208	1,127
Total:	4,485	4,260	4,759	4,622
Capital Employed (Average Shareholders' equity)	2,451	2,384	3,526	3,481
Earnings				
Profit after tax	(2,209)	(2,231)	51	29
Add: Provision for loans & advances and other assets during the year	1,900	1,832	181	156
Less: Written off loans during the year	-	-	-	-
Total Earnings	(309)	(399)	232	185
Average cost of equity (Based on weighted average rate of years treasury bond issued by the Bangladesh Government) Plus 2% risk premium	9.13%	9.13%	8.15%	8.15%
Capital charge (Cost of average equity)	224	218	287	284
Economic Value Added	(533)	(617)	(55)	(99)

REPORT OF THE BOARD AUDIT COMMITTEE

In compliance with the Bank Company Act 1991 (as amended 2013), Bangladesh Bank Guidelines on Internal Control & Compliance in Banks, BRPD Circular No. 11 dated 27 October 2013 and Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Notification dated 07 August 2012 (as amended 2018), the formal Audit Committee (AC) of BCBL has been functioning duly appointed by the Bank's Board of Directors. The Audit Committee was formed:

To assist the Board for ensuring the achievement of objectives of the Bank, strategies and overall business plans set by the Board for effective functioning of the bank.

To assist the Board in fulfilling its oversight responsibilities, the AC reviews the financial reporting process, the system of internal control, Compliance and approach to manage risks, the audit process, findings of Bangladesh Bank comprehensive audit, monitoring the efficiency of operations, compliance with laws and regulations and its own code of business conduct and to make the bank immense, strong and dependable organization for all stakeholders.

In this connection, the Audit Committee comprising of 04 (four) members has been appointed by the Board of Directors. As per Bangladesh Bank Circular, no member of the Executive Committee has been included in the Audit Committee. The present Audit Committee was reconstituted by the Board in its 296th meeting held on 11.10.2017 consisting of the following members:

COMPOSITION OF THE AUDIT COMMITTEE

Sl. No.	Name of the Directors	Status of the Committee
1.	Mr. Md. Shafiqul Islam, FCA	Chairman
2.	Mr. Md. Farhad Uddin	Member
3.	Mr. Md. Wahiduzzaman Khandaker	Member
4.	Mr. Md. Moshir Ali	Member

As per regulatory guidelines, Company Secretary of BCBL acts as Secretary of the Audit Committee.

MEETINGS OF THE AUDIT COMMITTEE:

During the year 2018, the Audit Committee of the Bank conducted 04 (four) meetings. Proceedings of the Audit Committee meeting were reported timely and regularly to the Board of Directors as well as Bangladesh Bank to comply the Bangladesh Bank DOS Circular letter No. 07 dated 24.04.2011. Meeting dates are as follows:

SL.	MEETING	DATE OF MEETING
1.	58th Meeting of the Audit Committee	24 April 2018
2.	59th Meeting of the Audit Committee	25 June 2018
3.	60th Meeting of the Audit Committee	26 September 2018
4.	61st Meeting of the Audit Committee	20 December 2018

Key Activities of the Year 2018:

During the year 2018, the Audit Committee performed, amongst others, the following key functions, were viewed and discussed before the committee:

- Reviewed and approved the 'Annual Audit Plan 2018.
- Evaluated External Audit Report of the Bank and the recommendations made there under.
- Reviewed performance budget for the year 2018, before submission to the Board for approval.
- Reviewed integrated health report for the year 2017.
- Evaluated Bangladesh Bank comprehensive inspection report and the recommendations made there under.
- Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk along with compliance thereof.
- Reviewed Internal Control System, Mobile Banking policy, Internal Control & Compliance (ICC) Manual and TA/DA policy, Purchase policy of the Bank.
- Audit and Inspection reports on the branches, divisions and departments of the Corporate Office for the year 2018 prepared by the Internal Control and Compliance Division (ICCD) of the Bank.
- Review the actions taken by the management in regard to deficiencies raised in the Bangladesh Bank Inspection report and by the Internal Audit and Inspection Team of the Bank.
- Reviewed the corrective measures taken by the management in regard to the lapses pointed out on the internal control system and other issues as are raised by internal and external auditors and inspectors of the regulatory authority.
- Reviewed Management Report on Accounts of the Bank for the year ended 31 December 2017.
- Reviewed improvement of the Bank for the year 2018 as per directives of Bangladesh Bank, DOBB and Department of Off Site Supervision (DOS) Bangladesh Bank.
- Followed up recovery drives of Loans & Advances of the Bank.
- Recommended for appointment of External Auditor-Rahman Mostafa Alam & Co. Chartered Accountants to conduct Audit of the Financial Statements of the Bank for the year 2018.

Compliance with existing Laws and Regulations:

Review whether the laws and regulations framed by the regulatory authorities (Central Bank, BSEC and other bodies) and internal regulations approved by the Board are being complied with.

Miscellaneous:

- The AC will submit a 'Compliance Report' on quarterly rest to the Board mentioning any errors and irregularities, fraud and forgery and other anomalies pointed by Internal and External Auditor and Inspection Team from Bangladesh Bank.
- The AC will submit the evaluation report relating to Internal and External Auditor of the bank to the Board.
- This committee will supervise other assignments delegated by the Board and evaluate its own performance regularly.

Review the Financial Statements:

The Audit Committee, reviewed and examined the Annual Financial Statements of the Bank to confirm whether all the required disclosures and information have been incorporated in the Financial Statements and whether the bank followed International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accounts Bangladesh, Bank Company Act 1991 (as amended up to 2013), Bangladesh Bank Guidelines, Companies Act 1994, BSEC and others Laws and rules applicable in Bangladesh.

Reporting:

The committee in the meetings has taken specific notes of lapses detected by the Internal Audit Team and the actions taken by the management towards correction, improving recovery of classified loans and initiating measures for lowering the quantum of NPLs through on-site and off-site monitoring. The committee also assisted instituting recovery mechanisms, constituting a robust credit administration and carefully reviewed the internal control system and procedures including IT operation to secure the Bank from foreseeable shocks along with compliance culture in the Bank. The process of continuous monitoring was ensured for avoidance of errors and omissions and repetition of lapses that are detected by the internal and external auditors.

The Minutes of the Audit Committee Meetings with observations and recommendations were circulated among the members of the committee and to the Board of Directors of the Bank for information and ratification.

Acknowledgement

The Audit Committee accords its sincere thanks and gratitude to the members of the Board of Directors, Management, Auditors and Regulatory authorities for their excellent support while performing their duties and responsibilities in term of the statutory guidelines.

On behalf of the Audit Committee



Md. Shafiqul Islam, FCA
Chairman, Audit Committee

DIRECTOR'S REPORT 2018



The Board of Directors takes the opportunity to warmly welcome you all in the 21st Annual General Meeting (AGM) of the Shareholders' and to present before you the Board of Directors' Reports and Audited Financial Statements together with Auditors' Reports for the year ended December 31, 2018. And a review of business and performance of the Bank's, a short summary of global economy and Bangladesh economy as well as future prospects and various aspects world market trend are also provided.

Global Economy

The global economy development moderated slightly in 2018 which will continue to slowing down this year, according to the World Bank (WB). According to the report of WB, in the beginning of the year, all the indices of the global economy were in sharpness. But it was not possible to hold it to the last. The WB forecasted that global GDP growth is moderated from downwardly 3% in 2018 to 2.9% in 2019 and 2.8% in 2020. The global expansion has weakened. Global economic growth was estimated at 3.7% for 2018 which is almost steady compared to growth rate of 3.8% in 2017. According to both the International Monetary Fund (IMF) and Organization for Economic Co-operation and Development (OECD) have recently lowered their forecasts at 3.5% for the year 2019 and 3.6% for the year 2020 respectively. The reason is that the world economy has suddenly turned counter-clockwise at the end of the year 2018.

Advance economics is projected to slow from an estimated 2.3% in 2018 to 2% in 2019 and 1.7% in 2020. This estimated growth rate for 2018 and the projection for 2019 are 0.1% point lower than in the October 2018. Emerging markets and developing economics are expected to tick down to 4.5% in 2019 (from 4.6% in 2018), before improving to 4.9% in 2020. The projection is 0.2% for 2019 point lower than in the October 2018. The downward revision reflects surprises that suppressed activity in early 2018 in some major advanced economies, the negative effects of the trade measures implemented or approved between April and mid-September, as well as a weaker outlook for some key emerging market and developing economies arising from country-specific factors, tighter financial conditions geopolitical tensions and higher oil import bills.

The global growth forecast for 2019 and 2020 had already been revised downward in the last WEO, partly because of the negative effects of tariff increases enacted in the United States and China earlier that year. The further downward revision since October in part reflects carry over from softer momentum in the second half of 2018 including in Germany following the introduction of new automobile fuel emission standards and in Italy where concerns about sovereign and financial risks have weighed on domestic demand but also weakening financial market sentiment as well as a contraction in Turkey now projected to be deeper than anticipated. **(World Economic Outlook Update, January 2019).**

Global Economic Outlook for 2019

The global economy continued to grow steadily in 2017, reaching 3.7%. However, the pace of growth was less than expected earlier. Growth in 2018 and 2019 is projected to remain at the level of 2017. Downside risks to the global growth stem from higher policy uncertainties including the rising global trade conflicts and the reversal of capital flows to emerging market economies. Meanwhile, the probability of upside surprises has receded. Advanced economies grew by 2.3% in 2017 and are expected to grow by 2.4% in 2018 and 2.1% in 2019. Emerging markets and developing economies grew by 4.7% in 2017 and are expected to maintain their growth in 2018 and 2019 at the level of 2017 (World Economic Outlook, October 2018). U.S. growth is projected to increase from 2.2% in 2017 to 2.9% in 2018 due to continued fiscal stimulus. But the growth forecast for 2019 has been revised down to 2.5% due to the recently announced trade measures, including the tariffs imposed on USD 200 billion of US imports from China. U.K. growth is projected to moderate from 1.7% in 2017 to 1.4% in 2018 and 1.5% in 2019. Growth in the Euro area is forecast to 2.0% and 1.9% in 2018 and 2019 respectively from 2.4% in 2017. Japan is projected to grow by 1.1% in 2018 and 0.9% in 2019 from 1.7% in 2017.

Among the emerging market and developing economies, the growth outlook of many oil exporters increased by higher oil prices while, growth outlook for Argentina, Brazil, Iran, and Turkey decreased reflecting country-specific factors, geopolitical tensions and increased oil import payments. China's growth is projected

to decline to 6.6% in 2018 and 6.2% in 2019, from 6.9% in 2017, reflecting the potential impact of recently announced trade measures by the U.S. India's economic growth in 2018 and 2019 is expected to continue at 7.3% and 7.4% respectively from 6.7% growth in 2017. ASEAN-5 countries are projected to grow by 5.3% in 2018, unchanged from 2017 and then marginally decline to 5.2% in 2019.

Source

World Economic Outlook, January 2019, World Bank

World Economic Situation and Prospects 2019, United Nations

Commodity Markets Outlook, October 2018, World Bank

Bangladesh Economy

The outgoing year economic performance of Bangladesh was good as a whole. Bangladesh achieved its highest ever GDP growth in FY2017-18 fiscal year reaching 7.86% growth exceeding the estimated growth of 7.65%. The growth was supported by satisfactory performance in the agriculture sector, Industrial and Power sector. As per the Government estimation, the country's GDP growth would exceed over 8% by 2019 while it would be within 9% to 10% by 2030. RMG sector consist of more than 83.63% of the total country's export, Bangladesh has become the world's second largest ready-made garments exporter after China. Per capita income has estimated to reach USD 1,751 in FY2017-18 from USD 1,610 in previous fiscal year. According to the IMF, Bangladesh's economy is the second fastest growing economy out of 134 countries which have growth rate more than 7% consecutively last three years.

Volume of import is showing more than 25% growth in FY2017-18 over previous fiscal year and growth of export volume is 5.81% in FY2017-18 over previous fiscal year which made the deficit balance of USD 9.78 billion in the current account. As a result, BDT is losing its value continuously and fluctuation of exchange rate is the big concerning factor for the importers. Annual average inflation rate stood at 5.54% as of December, 2018, which is little bit lower than 5.70% as of December, 2017. Bangladesh's foreign currency reserve stood at USD 32.01 billion as of December, 2018 which is enough to meet the country's import bills for nine months. But rise of non-performing loans, lower capital adequacy and the overall governance issues are some challenges for the economy.

Agriculture Sector

Agriculture sector contributed 14.2% of GDP and increased to 4.2% in FY18, from 3% in FY17. This growth in agriculture sector mainly aided by favorable weather, higher crop prices, and timely supply of inputs and finance. Besides, almost all sub-sectors of agriculture have achieved higher growth in FY18, compared to the previous fiscal year. Moreover, the growth was supported by the strong growth in fishing 6.37%. Crop and horticulture activities, which account for more than half of the agricultural value added, attained a moderate growth 3.1%.

Industry Sector

Industry sector contributed 33.7% of GDP and grew by 12.1% in Financial Year 2018, up from 3% in Financial Year 2017. This growth was supported by strong growth of manufacturing and construction sub-sectors. The growth in large and medium scale industry increased to 14.3% in FY18 from 11.2% in FY17. The construction sector received a boost from the government's mega projects implementation. Growth in manufacturing sub-sector increased to 13.4% from 11.0% over the same period.

Service Sector

The services sector accounts for the largest share 52.1% of GDP in FY18, however the share is slowly decreasing from FY17. In Financial Year 2018 services sector grew by 6.4% down from 6.7% growth in FY17. The growth of two major components of services sector-education and financial intermediations witnessed sharp decrease. Moreover, growth of financial intermediations, transport, storage and communication, public administration and defense and health and social works sub-sector decrease slightly. On the other hand, growth of hotel and restaurants, real estate, renting and business activities, wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods subsectors increased slightly in FY18.

Exports

Export earnings increased slightly by 5.81% to USD 36,668.17 million in FY18 from USD 34,655.9 million in FY17. Main export products are Readymade garments, Jute goods, Frozen foods, Chemical Products, Leather, Footwear, Tea etc. Readymade Garments (woven garments and knitwear products) continued to occupy a lion share (above four fifths) of the total export. Woven and knitwear products, which fetch about 83.49% of total export earnings, registered an increase in receipts from USD 28,149.8 million in FY17 to USD 30,614.8 million in FY18. Leather and leather products decreased significantly to USD 519.9 million in FY18 from USD 697.0 million in FY17. Frozen foods comprises mainly of shrimps, decrease during FY18. Receipt from export of shrimp and fish decreased by 4.7% to USD 467.0 million in FY18 from USD 490.1 million in FY17. Footwear products increased by 4.1% to USD 809.7 million in FY18 from USD 777.8 million in FY17. Chemical Products achieved a growth of 7.7% to USD 150.7 million in FY18 against USD 140.0 million in FY17. Tea decreased drastically (38.0 percent) compared to the previous fiscal year's growth. Jute goods increased by 9.5% to USD 869.9 million in FY18 against USD 794.6 million in FY17. Raw jute valued at USD 155.7 million was exported in FY18, against USD 167.8 million in FY17. One important feature of export diversification is the geographical diversity of export destination countries. By looking at the share of different regions, it is observed that over the years Bangladesh's exports to EU and Asia region increased but it decreased in American region. In FY18, 58.2% (55.5% in FY17) of exports were destined for the EU area while 19.8% (20.3 % in FY17) entered into the NAFTA bloc. Exports to the SAARC, ASEAN and other countries were 2.8%, 1.6% and 17.6% respectively of the total exports in FY18.

Import

Imports recorded at customs (fob) in FY18 increased markedly from USD 43,491 million in FY17 to USD 54,463.2 million registering a growth of 25.2%. Import of food grain recorded a significant growth of 140.9% in FY18 mainly due to increase of rice import. Import (landed) for food grains stood at USD 3,098.8 million in FY18 compared to USD 1,286.4 million in FY17. Import of other food items increased by 3.4% to 4,385.3 million in FY18 from USD 4,240.4 million in FY17. Except negative growth of pulse (all sorts, 35.4%) and sugar (7.6%), all other food items of imports showed positive growth. Consumer and intermediate goods increased by 17.2% to USD 34,419.4 million in FY18 from USD 29,371.2 million in FY17. All items of capital goods and others categories recorded a high growth of 30.6% to USD 21,347.1 million in FY18 from USD 16,347.6 million in FY17. Imports by EPZ increased by 17.7% to USD 3,756.0 million in FY18 compared to USD 3,190.7 million in FY17.

Remittance

Remittance receipts increased by 17.3% to USD 14,981.69 million in FY18 from USD 12,769.45 million in FY17. Bangladesh receives a lion share of remittances from the Middle East countries. During FY18, the highest amount 17.3% of remittances came from Saudi Arabia followed by the United Arab Emirates (UAE) 16.2%, United States of America 13.3%, Kuwait 8.0%, Malaysia 7.4%, United Kingdom 7.4% and Oman 6.4%. All other countries contributed to 24.0% of total remittances over the same period.

Foreign Direct Investment (FDI)

Foreign Direct Investment (FDI) is recognized as one of the important components of Bangladesh's foreign exchange reserves in recent years. It contributes as the second largest component of the financial account. As a potential source of foreign exchange reserves, FDI need to be encouraged. For this reason, progressive measures have been taken to promote the financial openness and enhance the investment climate. FDI has been emphasized by the Government in its 7th five year plan and has undertaken various policies for adequate incentives in attracting foreign investors. However, net FDI inflow decreased slightly by 4.23% to USD 1,583.0 million in FY18. Portfolio investment also decreased significantly by 20.13% to USD 365 million in FY18 compared to USD 457 million of preceding year.

Inflation

Twelve-month annual average CPI inflation in Bangladesh has shown a slowly declining trend for the last couple of years, but increased afterwards reaching at 5.8% at the end of FY18 up from 5.4% end of FY17. Annual average CPI inflation increased to 5.8% in June 2018, marginally higher than the 5.5% target ceiling

for FY18. This increase in average CPI inflation was broadly tracking the food inflation dynamics driven by flood-related domestic shocks and higher global commodity prices, while non-food inflation witnessed a decreasing trend. Bangladesh Bank's projection shows average inflation for H1 of FY19 to be around 5.4%-5.8% assuming no large domestic and external shocks. Looking ahead, inflation risks in FY19 from higher global commodity prices and exchange rate movements are on the upside.

Savings and Investments

Investment relative to GDP increased marginally over the last few years. It increased to 31.2% in FY18 up from 30.5% in FY17. The ratio of Private investment to GDP increased slightly from 23.1% in FY17 to 23.3% in FY18. Similarly, the ratio of public investment to GDP increased to 8.0% from 7.4% over the same period. Gross national savings as percentage of GDP declined to 27.4% in FY18 from 29.6% in FY17. Similarly, domestic savings as a percentage of GDP decreased from 25.3% to 22.8% during the same period. Investment at current market price grew 16.6% much faster than the gross domestic savings 2.7%. As a result, the domestic savings-investment gap as percentage of GDP increased to 8.4% in FY18 from 5.2% in FY17.

External Sector

In FY18, imports grew much faster than exports. Export grew by 6.4% while the growth of import payment was 25.2%. Exports stood at USD 36,205 million in FY18 which was USD 34,019 million in FY17. During the same period the total import payments increased to USD 54,463 million from USD 43,491 million in FY17. As imports grew faster than exports, trade deficit widened to USD 18,258 million during the period from USD 9,472 million in FY17. The services and income account along with primary and secondary income registered a surplus of USD 8,478 million. Remittance inflows increased by 17.3% at the end of FY18 compared with the negative growth of 14.5% in FY17. Current account balance further deteriorated to USD (-) 9,780 million in FY18 from USD (-) 1,331 million in FY17. The capital and financial account surplus increased to USD 9,368 million in FY18 from USD 4,647 million in FY17. The overall balance of payments surplus turned into a deficit of USD (-) 885 million in FY18, which was USD 3,169 million in FY17.

The growth of export (f.o.b) earnings increased to 6.4% in FY18 from 1.7% in FY17. Export as a percentage of GDP slightly decreased to 13.2% from 13.6 over the same period. Imports (c.i.f) grew at a rate of 25.2% in FY18 compared with the 9.0% growth in FY17. Import payments as a percentage of GDP increased to 19.9% in FY18 from 17.4% in FY17. Gross international foreign exchange reserves stood at USD 32,943 million at the end of FY18, representing around 5 months of prospective imports, supported by a surplus in financial account and significant inflows of remittances.

Capital Market Outlook

Bangladesh Bank played a proactive role to stabilize the capital markets since the major debacle of 2010. In the exploration of economic advancement of the country, DSE is considered as the steersman of enrichment. Bangladesh Securities and Exchange Commission (BSEC) has approved Chinese Consortium Shenzhen Stock Exchange (SZSE) and Shanghai Stock Exchange (SSE) as a strategic partner of DSE held on May 2018. Moreover, Dhaka Stock Exchange Limited becomes a partner exchange of the United Nations Sustainable Stock Exchanges (SSE) initiatives on June 07, 2018. Dhaka Stock Exchange (DSE) broad index and the market capitalisation of DSE were increasing during July-November in FY18. However, both the index and the market capitalisation were decreasing during December-June in FY18. The DSEX and the market capitalisation increased to 6,306.9 and BDT 4,241.5 billion respectively at the end of November 2017 from 5,656.1 and BDT 3,801.0 billion in June 2017. The index and the market capitalisation came down to 5,405.5 and BDT 3,847.3 respectively at the end of FY18.

Near and Medium-Term Outlook for Bangladesh Economy

The Bangladesh economy experienced an impressive growth in FY18, aided by strong domestic and external demand, as reflected in the beyond public and private investment and consumption, driven by higher exports, remittances and private sector credit growth. Import growth in FY18, however, reached a recent high of over 25%, reflecting a confluence of domestic and external factors: infrastructure-related imports, higher

commodity and oil prices, a sharp increase in food imports after the floods last year, resulting in a current account deficit of around 3.6% of GDP. Supporting productive private sector investment is critical to sustaining the recent high levels of growth. At the same time, a significant increase in public investment is also necessary to maintain competitiveness and generate further productivity. In light with the global growth prospects and potential risks in the context of global and domestic economic perspectives, GDP growth rate is set at 7.8% and inflation to 5.6% in the Proposed Budget Framework for FY19. Bangladesh Bank projects GDP growth to range from 7.5%-7.7% for FY19, assuming a continuation of domestic political calm and no further escalation of global trade related conflicts. Bangladesh Bank has been pursuing a monetary policy stance to maintain macroeconomic stability and to keep inflation at or the below the programmed level. The CPI inflation stood at 5.78% in FY18, while Bangladesh Bank's projection shows average annual inflation for H1 FY19 to be around 5.4%-5.8%. Looking ahead, domestic and external risks, including from global trade tension, commodity prices, any election-related uncertainties, need to be closely monitored.

Economy Outlook for 2019

The economy of Bangladesh experienced a remarkable GDP growth in FY18 and expecting to continue in the next fiscal year FY19 which will be supported by strong domestic and external demand. Although private sector credit growth (13.2% in December, 2018) is far below from target level 16.5% but it may turn at rising trend in 2019 for stable political environment. In spite of rising trend of foreign exchange rate against BDT and oil prices after that inflation level is within target level 5.80%. Moreover, 13 large projects are likely to get taka 9,481 crore in FY19 marking a prospect for investment opportunities and growth in business in FY19. Bangladesh would continue to drive its ambitions for becoming a higher middle income country, low interest rates and improved infrastructure are expected to boost investment towards the country's vision. However, there are a number of challenges for the Bangladesh economy for journey in 2019. Overall balance of payments is showing negative balance, which may widen further due to heavy import growth and moderate export performances and remittance inflows. Governance issue around the banking sector is another big challenge for the economy. Moreover, influx of roughly one million Rohingya from Myanmar is putting an upward demand for import of food and their alleged involvement in different anti-social activities over the country is also challenge for the economy.

Banking Industry in 2018

Banking industry of Bangladesh has achieved remarkable momentum over the years. It has brought several positive changes in terms of expansion, modernization, quality of assets, application of international standards, technology adaptation, capacity development efforts, corporate governance, and improved regulatory and supervisory environment. This industry has evolved by leaps and bounds over the past decade, when it comes to operations and service delivery. Surprisingly though, most banks have failed to utilize the information within their own databases. However, that's all about to change as the banking sector gears up to process immense volumes of data created and collected. The banking sector of Bangladesh has expanded over the years in terms of number of formal institutions, higher number of financing instruments, and bigger volumes of assets. However, the sector has been facing a number of serious challenges due to malpractices, scams and heists. These have affected the overall performance of the sector which is reflected through various efficiency and soundness indicators. Repeated concerns have been expressed by relevant stakeholders regarding the constant deterioration of banking performances and its potential implications for the sustainability of the sector. Given that the financial sector of the country is mainly bank based, poor health of the banking sector will also impact on economic growth. Therefore, rectifying the problems is critically important. While much has been talked about, it is time to act to address the problems. For the current government, the banking sector should be a priority for action.

Banks' hardly drive for funds has finally pushed up the deposit growth, easing the cash crunch that has crippled the banking sector in 2018. Yet, the growth in loans, which was nearly 17% in June this year, is still significantly higher than the deposit growth, creating a likelihood for asset-liability mismatch. At the end of 2018, the deposit growth slipped to 9.05% from 10.22% in 2017, the gap between private sector credit growth and deposit growth declined to 5.4% points in Q1FY19 from 6.2% points in Q4FY18. But aggressive lending

and loan scams by some banks sparked a liquidity crisis in the sector at the turn of the year. Total deposit of the banking sector in December 2018 stood at Tk. 10,099.81 billion. Similarly total advances stood at Tk. 93,26.78 billion. The AD Ratio is lowest for state owned Commercial Bank which is 56.70%; regulatory body has also specified the boundary of AD ratio for banking industry as a pre-step to ensure the sound liquidity position of commercial banks. The key profitability indicators—(Provisional) return on assets (ROA) and return on equity (ROE) stood at 0.40% and 5.4% respectively as on 30th September 2018 as compared to 0.7% and 9.6% respectively recorded in 2017. The banking industry has maintained a provision of Tk. 483.6 billion against required provision of Tk. 564.9 billion, marking a shortfall provision of Tk.-81.3 billion as of 30th September 2018. At the same period, the average CRAR (Capital to Risk Weighted Asset Ratio) for banking industry was 11%, when the CRAR for the private commercial banks, state banks and foreign banks was 12.2%, 6% and 26.7% respectively.

Source

World Economic Outlook, January 2019, World Bank

Bangladesh Bank Annual Report 2017-2018

Asian Development Bank Outlook 2018

Bangladesh Bank Monthly Economic Indicators, December-2018

Client as Trusted and Development Partner

We look after our every client to make him/her a development partner through addressing their needs and wants by providing best services at affordable prices. We put a client in the ladder where he/she climbs customer-supporter-advocate phases and finally becomes development partner of the Bank. Our mission is customer focused and we consider it as the customers' right to get modern, online and full range of banking services at an affordable price at anytime and anywhere. We are promise-bound through our mission to make the banking easy for our customers and support entrepreneurship, social responsibility and economic development of the country.

Corporate Banking

Corporate banking, also known as business banking, refers to the aspect of banking that deals with corporate customers. The term was originally used in the United States to distinguish it from investment banking, after the Glass-steagall Act of 1933 separated the two activities.

Brand of a bank is completely defined by the experience we deliver. Customers do not apparently buy things in bank; they mainly buy experience from us. This experience does not solely depend on what services or what competitive benefits we provide; rather, how we provide and it is not only the task of one individual or division rather it's an everybody's business of the bank. For better understanding of the market demand, communication and making branding activities of Bangladesh Commerce Bank Limited more fruitful and effective. Bangladesh Commerce Bank Limited meticulously trying to meet customers' expectation through various activities besides its banking services; like sponsorship for promotion of social initiatives, educational programs, cultural events and national sports. Bangladesh Commerce Bank Limited believes that financial inclusion must involve all aspects of the life in a comprehensive way. We keep the customers, stakeholders and well wishers informed of our activities round the year through advertisements and press releases in different prominent print and electronic media.

Cluster Management

Here in Bangladesh Commerce Bank Limited, we run the Bank through an effective and efficient Cluster Management System. Every Branch gets enough specialized support through the channels of Cluster Management. Our high quality Cluster Management is important to ensure excellence of the bank. The cluster Heads/ Managers monitor and supervise the overall activities of a cluster. The performance of the branches is linked to the professional expertise and capabilities of cluster members. Currently there are 14 clusters in BCBL which are run by efficient and expert Cluster Managers who mainly do the followings:

- Manage clusters with unprecedented ease.
- Perform risk-free upgrades.
- Simplify administration.

Regulatory and Compliance Culture

The Bank's dealings with clients are guided by principle of fair dealings, honesty and integrity. The Bank's objective is to observe all standards of market integrity, good practice and conduct. The personal conduct of the staff is driven by high ethical standards. The Bank, furthermore, places great emphasis on safeguarding the confidentiality of client information. Internal Auditors are entrusted with responsibility to ensure that rules and policies relating to above mentioned issues are in place. Above all, the Bank is committed to prompt and spontaneous compliance of all rules, regulations and guidelines issued by regulators from time to time.

Financial Position Review

Summary

Bank's overall business grew gradually in 2018 over that of 2017, within various external challenges. Deposits of the Bank increased by 5.41% and stood at BDT 31,632.89 million at the end year 2018. Consolidated Loans and Advances increased by 14.85% and stood at BDT 22,148.12 million at the end of year 2018 compared to year 2017. Portfolio Investment decreased by BDT 220.89 Million showing growth of (24.53) % compared to year 2017.

Status of asset quality

As on 31st June 2018, NPL ratio of the banking industry stood at 10.41%, which was 10.1% one year back. The NPL ratio of BCBL was 38.75% at the end of year 2018 which was 29.03% at the end of year 2017. The status of unclassified and classified loan of the Bank is as follows:

Classification Type	31st December 2018	31st December 2017
Unclassified	13,565,281,819	13,686,673,998
1) Standard	13,499,664,789	13,623,483,314
2) SMA	65,617,030	63,190,684
Non Performing Loan	8,582,841,180	5,597,766,470
Sub-Standard	72,853,074	100,876,019
Doubtful	101,282,032	173,209,659
Bad or loss	8,408,706,074	5,323,680,792
Total	22,148,122,999	19,284,440,468
NPL Ratio	38.75%	29.03%

Subsidiary Businesses

In pursuance of an inorganic growth route and to open up diversified earnings stream, BCBL established one subsidiary named Commerce Bank Securities and Investment Limited (CBSIL) till the reporting date i.e. 31st December 2018.

Commerce Bank Securities and Investment Limited (CBSIL) emerged as a fully owned subsidiary of Bangladesh Commerce Bank Limited (BCB) after it had obtained its certificate of incorporation on the 20th September, 2010. On the 21st April, 2011, the Stock Broker and Stock Dealer license was transferred in favour of CBSIL and after the completion of necessary formalities; the company started its formal operation on the 1st June, 2011.

Internal Control System

BCBL has a sound system of internal controls to safeguard shareholders' investments and the Bank's assets. The Board retains the ultimate responsibility for its operations, though has delegated to the Audit Committee for the review of the adequacy and effectiveness of the system of internal controls. The key functionalities that have been established in reviewing adequacy and integrity of the system of internal controls are as follows:

- ✓ Various committees have been formed to assist the Board in ensuring that the Bank's operations are in line with the corporate objectives, policies, strategies, instructions and the annual budget that have been approved.
- ✓ The Audit Committee of the Board reviews internal control findings identified by the Internal Audit of the bank, Inspection Team of Bangladesh Bank, External Auditors and Management and evaluates the adequacy and effectiveness of the risk management and internal control systems.

- ✓ The Board of Directors hold meetings at suitable intervals with senior management, internal auditors, external auditors and the Audit Committee for evaluating the effectiveness of the internal control system.
- ✓ Internal audit reports are submitted to the Audit Committee without management filtering and the internal auditors have direct access to the Audit Committee as and when required.
- ✓ Self-Assessment of Anti-Fraud Internal Controls is carried out on quarterly basis and is sent to Bangladesh Bank according to DOS Circular Letter No. 17, dated 07 November 2012 issued by Bangladesh Bank.

Risk Management

The Risk Management Committee (RMC) of the Board reviews and monitors the overall risk management system of the Bank and updates to the Board from time to time. Risk management functions are subject to continuous scrutiny of ICCD and supervision of RMD to ensure appropriateness and integrity of the risk management mechanism. The risk management system of BCBL has been described in 'Risk Management Report' section of this annual report. Also the major area focused by RMC in 2018 have been presented in "Report of the Risk Management Committee of the Board" section of this annual report.

Corporate and Financial Reporting:

The Directors of Bangladesh Commerce Bank Limited (BCBL) confirm compliance with the financial reporting framework for the following:

- ✓ The financial statements, prepared by the management of BCBL make a fair presentation of its activities, operational details and results, cash flow information and changes in equity structure.
- ✓ Proper books and accounts of the Company have been maintained.
- ✓ Appropriate accounting policies, including International Accounting Standards (IASs)/International Financial Reporting Standards (IFRSs), have been consistently applied in preparation of the financial statements. There is no material changes affecting the financial position of the company during the period under review; any change or deviation has been adequately disclosed in the financial statements.
- ✓ Accounting estimates are based on reasonable and prudent judgment.
- ✓ Internal control processes have been properly designed and effectively implemented and monitored.
- ✓ No significant doubt exists upon the Company's ability to continue as a going concern.

Corporate Governance Compliance:

Corporate governance has become firmly entrenched on the world business scene over the past three decades. Today it is a key component in the operation of all manner of entities around the globe. Even more important is the need for corporate governance to be effective, not only for business entities but for the economy as a whole. Sound corporate governance in the Banking is the prerequisite for efficient financial market.

Status of the compliance of conditions of Corporate Governance guidelines imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, along with a certificate from a practicing Chartered Accountant has been provided in corporate governance report.

Sustainability Report

Being a socially responsible corporate, BCBL continued to be engaged in a number of CSR to achieve Sustainable goals activities throughout the year, including a number of donations towards charitable causes.

Sl. No.	Area Amount	(Figure in Crore BDT)
1.	Education	0.0007
2.	Others	0.0591
	Total	0.0598


Dr. Engr. Rashid Ahmed Chowdhury
 Chairman of the Board of Directors

Corporate Events 2018



20th Annual General Meeting

Shareholders of the 20th AGM



Introducing new four Schemes
of the Bank

Corporate Events 2018

19th Anniversary of the Bank



Opening 57th Branch in Aganagar

Relocated Motijheel Foreign Exchange Branch



Corporate Events 2018



Introducing One month's Sheba Month

Opening 60th Branch in Rangpur



Opening 62nd Branch in Rokeya Shoroni

Report On Corporate Governance

Corporate Governance in “Accountability to the providers of capital” and BCBL always emphasize on accountability toward all stockholders through proper practicing good governance. The management of BCBL is committed to protect interest of all concerned stakeholders and accordingly put best effort to establish good governance and a compliance culture within the organization. As a banking company it is also directed by Bangladesh Bank with certain governance practices. BCBL has developed and established clear guideline on the authority, roles and responsibilities of Board of Directors, different management committees and key management officials including Managing Director & CEO. It has strong internal control system where adequate number of policies, rules, procedures, processes and guidelines are practiced and also monitored by an independent function on a continuous basis. With these BCBL has set the standard and ensured the transparency and accountability to safeguard the interest of its stakeholders.

Structure of the Board

The BCBL Board of Directors consists of eleven members as on 31st December 2018 including Managing Director as an ex-officio member and the Chairman. Directors were elected by the shareholders of the Bank. All the Board members are highly competent in terms of academic and professional qualification and experiences and made noteworthy contribution in banks overall management. Directors are successful businessman of the country and important government officials. BCBL is fortunate to have leading bankers as the member of Board of Directors. Directors meet at least once in a month to discuss and decide on different agendas of the Bank. To manage the day to day banking activity board members delegated certain powers to Managing Director & CEO.

Board Meetings and Attendance

The Board meeting of BCBL is held on regular basis, usually once in every month. However, emergency meeting are called as and when needed. Meeting agendas are fixed and all relevant information, references and detailed working papers are communicated with the Board members well before the date of meeting. At the meeting, management presents and discusses with more insights, addresses Director’s query and provides additional information as required for consideration of the matter by the Board. During the year 2018, total ten Board Meetings were held; the attendance records of those meetings are as follows:

Sl. No.	Name of Directors	Total Meeting held	No. of Meeting Held	No. of Meeting Absent
1.	Dr. Engr. Rashid Ahmed Chowdhury	10	10	-
2.	Mr. Md. Farhad Uddin	10	10	-
3.	Dr. Md. Jafar Uddin	8	7	Leave Granted
4.	Mr. Md. Moshir Ali	10	10	-
5.	Mr. Md. Wahiduzzaman Khandaker	10	10	-
6.	Mr. Mohammed Arshed	10	6	Leave Granted
7.	Mr. Mohammad Hanif Chowdhury	10	10	-
8.	Mr. Md. Shafiqul Islam, FCA	10	10	-
9.	Mr. A A M Zakaria	10	10	-
10.	Mr. Humayun Bokhteyar, FCA	10	10	-

Directors who could not attend the meeting(s) were granted leave of absence by the Board.

Ownership Composition

As on 31st December 2018 the shareholding composition among different category is given below:

SL. No.	Category	Name of Shareholders	No. of Shares	% of Holdings
1	KA	The Government of The People's Republic of Bangladesh	6,750,000	33.94
		Sponsors as per MoA & AoA	8	0.00
2	KHA	Three State Owned Bank (Sonali, Janata & Agrani Bank Ltd.)	2,249,982	11.32
3	GA	Government Owned Corporate Bodies	1,024,613	5.15
		Depositors and Other Private Shareholders	9,862,825	49.59
		Total	19,887,428	100.00

Directors Shareholding Status

Shareholding structure of directors as on 31st December 2018 is as follows:

SL. No.	NAME	DESIGNATION	SHARE HELD AS ON 31.12.2018	REMARKS
1.	Dr. Engr. Rashid Ahmed Chowdhury Representative of Padma Export Import & Trading Co. Ltd.	Chairman	20,875	
2.	Mr. Md. Farhad Uddin Government Nominated	Director	-	
3.	Dr. Md. Jafar Uddin Government Nominated	Director	-	
4.	Mr. Md. Wahiduzzaman Khandaker Government Nominated	Director	-	
5.	Mr. Md. Moshir Ali Government Nominated (Representative of Financial Institutions)	Director	-	
6.	Mr. Mohammed Arshed Representative of Karnaphuli Praktik Gas Limited	Director	13,015	
7.	Mr. Mohammad Hanif Chowdhury Representative of Victor Trade and Business Ltd.	Director	13,000	
8.	Mr. Md. Shafiqul Islam, FCA Representative of Honeywell Securities Corporation Ltd.	Director	13,400	
9.	Mr. A A M Zakaria Representative of Brilliant Business Co. Ltd.	Director	13,050	
10.	Mr. Humayun Bokhteyar, FCA Representative of Pusti Vegetable Ghee Limited	Director	19,550	

Appointment of External Auditors

As recommended by Board of Directors, shareholders of BCBL in its' 20th AGM held on 11th August 2018 appointed Rahman Mostafa Alam & Co., Chartered Accountants as the statutory auditors for the year 2018. Fee of the statutory auditor decided BDT 200,000.00 (Two lac) only including Tax and excluding VAT.

Services not provided by External Auditors

We hereby declare that Rahman Mostafa Alam & Co., Chartered Accountants involved in statutory audit, was not engaged in any of the following services for BCBL during 2018:

- * Appraisal or valuation services or fairness opinions.
- * Financial information system design and implementation.
- * Bookkeeping or other services related to accounting records or financial statements.
- * Broker-dealer service.
- * Actuarial services.
- * Internal audit services.

No partner or employees of the Rahman Mostafa Alam & Co. Chartered Accountants, possesses any share of BCBL during the tenure of their audit assignments.

Highlights on Central Bank Inspections

As schedule bank BCBL always be indebted to Bangladesh Bank as regulatory body for conducting comprehensive as well as special audit which surfaced notable findings for BCBL. During the year 2018 Bangladesh Bank carried out comprehensive inspection on BCBL banking operations of Principal Branch, Gulshan Branch, Dilkusha Branch, Bangshal Branch, Bijoynagar Branch, Agrabad Branch, Dewanhut Branch, Dholaikhal Branch and Narayanganj Branch. They submitted their detailed inspection report to BCBL and those were placed to the audit committee of the Board for their review and comments. All the findings of the inspections were discussed in the meetings and potential risk and mitigation plans were decided as per the recommendations of the report. The reports were finally submitted to the Board for the review and comments. The Board took the observations and instructed the management to comply with the recommendations made by Bangladesh Bank for improvement. Bangladesh Bank also conducted other relevant audits on different functions of BCBL throughout the year.

Formation of Board Committee

To ensure good Corporate Governance, Bangladesh Bank issued a circular (BRPD Circular No 11 dated 27 October 2013) through which it restricted banks to form more than three committees or sub-committees of the Board. In compliance with the directive BCBL has three committees namely Audit Committee, Executive Committee and Risk Management Committee of Board to oversee and direct the operations, performance and strategic direction of the Bank.

Audit Committee

BCBL established an Audit Committee as a sub-committee of the Board of Directors in accordance with the Bangladesh Bank's directive vides circular # 11 dated 27 October 2013. The Committee is constituted with three members of the Board of Directors. The Company Secretary is working as Secretary of the committee. The objective of this committee is to work as a sub-committee of the Board in overseeing and monitoring overall internal control system and the financial reporting process to ensure that the financial statements reflect true and fair view of the state of affairs of the company. Accordingly, Board clearly defined the roles and responsibilities of the committee to carry out its overseeing function in an effective manner.

Sl. No.	Name of the Directors	Status of the Committee
1	Mr. Md. Shafiqul Islam, FCA	Chairman
2	Mr. Md. Farhad Uddin	Member
3	Mr. Md. Wahiduzzaman Khandaker	Member
4	Mr. Md. Moshirur Ali	Member

In 2018, Audit Committee held 04 (four) meetings where committee reviewed different issues related to company's risk management, internal control system and periodic financial statements. Key officials as relevant to the matters discussed and recommended action items of the Audit Committee were properly documented and reported to the Board of Directors. The meeting attendance of the committee members are shown below:

Sl. No.	Name	Total Meeting held	No. of Meeting attend	No. of Meeting Absent
1.	Mr. Md. Shafiqul Islam, FCA	4	4	-
2.	Mr. Md. Farhad Uddin	4	4	-
3.	Mr. Md. Wahiduzzaman Khandaker	4	4	-
4.	Mr. Md. Moshirur Ali	4	4	-

Risk Management Committee

BCB has formed a separate Risk Management Committee as per Bangladesh Bank's guideline. The prime objective this committee is to identify and mitigate the risks exposed to Bank's regular operation and it's going concern. This committee has been in place with defined roles and responsibilities documented through TOR and duly approved by the Board. The key responsibilities of the Committee are as follows:

- Develop a risk aware culture within the organization, review and approve risk management strategies, policies, guideline and framework for BCBL.
- Supervise and monitor the capital management functions of the Bank in harmonization with capital adequacy.
- Examine market conditions and take proactive measures to safeguard and mitigate risks with regards to bank's investments.
- Carry out periodic stress test with a view to eliminate lapses gradually in the course of business every day.
- Ensure adequate resources, infrastructure and systems are in place so that risk management functions can be carried in an effective manner.

Sl. No.	Name of the Directors	Status of the Committee
1.	Mr. A A M Zakaria	Chairman
2.	Mr. Md. Farhad Uddin	Member
3.	Mr. Mohammad Hanif Chowdhury	Member

Separation of Chairman and Managing Director & CEO Roles

Roles and responsibilities of Honorable Chairman of the Board and Managing Director & CEO is clearly distinguished vide Bangladesh Bank BRPD Circular no. 11 dated 27 October, 2013 and Corporate Governance Code issued by BSEC on 03 June, 2018.

The Chairman of the Board is not engaged in any execution and as per Bangladesh Banks' guideline and Corporate Governance Code of BSEC he ensures no participation in or interference to the administrative or operational and routine affairs of the Bank. As the Chairman he approves the Board agenda and convene Board meeting supported by the Managing Director and the Company Secretary.

Regular agenda items include approving credits beyond Managing Director's authority and aspects of the Bank's corporate strategy, financial performance, core risks and credit policy, corporate governance, CSR and organizational structure, human resources policy, customer and services strategies, procurement policy. Chairman ensures that the Board sets and implements the Bank's direction and strategy effectively.

On the other hand, Managing Director as the head of executive management team is accountable to the Board and responsible to carry out day to day business operation in compliance with relevant policies, procedures and strategies established by the Board and rules, regulations and guidelines from the Central Bank and other regulatory authorities. Managing Director is also responsible to ensure effective internal control system within the operation to safeguard the interest of all concerned stakeholders.

Responsibilities of the Chairman of the Board

To set out the following responsibilities, BRPD Circular No. 11 dated 27 October, 2013 issued by Bangladesh Bank and Corporate Governance Notification issued by BSEC on 03 June, 2018 has been taken into consideration. The overall responsibilities of the Chairman is to:

- To ensure that the Board members meets regularly to specify bank's direction and strategy effectively.
- To represent bank to shareholders to explain bank's mission, vision and future goals.
- To ensure no participation in daily affairs of the bank.
- To ensure no participation in policy making and/or exercising any executive authority.
- To investigate or visit any branch or any financial transaction of the bank and report to the Board of Directors.

Benefits provided to the Directors and Managing Director & CEO

In accordance with Bangladesh Bank BRPD Circular No. 11 dated 27 October 2013, Bank in Bangladesh can only provide the following facilities to the Directors:

- The Chairman of the Board of Directors may be provided car, telephone, office chamber and private secretary.
- Directors are entitled to fees and other benefits for attending the Board/Executive Committee/Audit Committee/Risk Committee Meetings.
- Managing Director is paid salaries and allowance as per approval of the Board and Bangladesh bank.

BCBL is compliant with Bangladesh Bank Circulars & Guidelines and Corporate Governance Code of BSEC as well as Directives of the Board.

EXECUTIVES OF BCBL

Designation	NAME
Managing Director & CEO	Mr. Md. Abdul Khaleque Khan
Additional Managing Director	Mr. Zafar Alam
Deputy Managing Director	Mr. Kazi Md. Rezaul Karim
Senior Executive Vice President	Mr. S. M. Jahangir Akhter
Executive Vice President	Mr. Md. Abdur Rahim Miah
Executive Vice President	Mr. Mohammad Khairul Alam, FCA
Senior Vice President	Mr. Md. Salim Hasan
Senior Vice President	Mr. Nazmul Karim Siddique
Senior Vice President	Mr. Afzal Hossain Khan
Senior Vice President	Mr. T. M. Afzal Hossain
Senior Vice President	Mr. Kazi Saifuddin Ahmed
Senior Vice President	Ms. Lipe Azad
Senior Vice President	Mr. Anis Uddin Ahmed
Senior Vice President	Mr. S.M. Reazur Rahman
Senior Vice President	Mr. H.M. Abul Kamal Azad
Senior Vice President	Mr. Md. Kamruzzaman Akhand
Senior Vice President	Mr. Mohammad Zakaria
Vice President	Mr. Md. Abdul Halim
Vice President	Mr. Dewan Mohd. Moniruzzaman
Vice President	Mr. Ali Azam Chowdhury
Vice President	Mr. Sudatta Sebak Barua
Vice President	Mr. Md. Mojibur Rahman Khan
Vice President & CFO	Mr. Mohammad Saiful Islam, FCMA
Vice President	Mr. Swapan Kumar Ghosh
Vice President	Mr. S.M. Showkat Hossain
Vice President	Mr. Sayed Md. Estencher Billah
Vice President	Mr. Shah Md. Junaed Ibne Amin
Vice President	Mr. Sarwar Md. Shahidullah
Senior Assistant Vice President	Mr. Md. Abul Hossain
Senior Assistant Vice President	Mr. Mohammad Nasir Uddin
Senior Assistant Vice President	Mr. Kazi Fakhruul Alam
Senior Assistant Vice President	Mr. Md. Mobararak Hossain
Senior Assistant Vice President	Mr. Abul Basher Mohammad Ahsan
Senior Assistant Vice President	Mr. Fakir Nazmul Alam
Senior Assistant Vice President	Mr. Mohammad Belal
Senior Assistant Vice President	Mr. Md. Abul Kalam Azad
Senior Assistant Vice President	Mr. Mohammed Jafar Iqbal
Senior Assistant Vice President	Mr. Md. Farid Hasan
Senior Assistant Vice President	Mr. Mohammad Rezaul Haque
Assistant Vice President	Mr. Abdul Munim Chowdhury
Assistant Vice President	Mr. Md. Mahabub Morshed
Assistant Vice President	Mr. Ziauddin Ahmed
Assistant Vice President	Mr. Syed Salahuddin
Assistant Vice President	Mr. Md. Zillur Rahman
Assistant Vice President	Mr. Md. Arif Ali
Assistant Vice President	Mr. Firoz Ahmed
Assistant Vice President	Mr. Md. Abul Kalam Azad
Assistant Vice President	Mr. Md. Syful Islam
Assistant Vice President	Mr. S. M. Amir Hossain
Assistant Vice President	Mr. Syed Taimurul Hoque
Assistant Vice President	Mr. Saad Hossain Sharif
Assistant Vice President	Mr. Md. Habibur Rahman
Assistant Vice President	Mr. Md. Omar Faruk Bhuiyan
Assistant Vice President	Mr. Md. Harun-ar-Rashid
Assistant Vice President	Mr. Mutasim-bin-Shahid
Assistant Vice President	Mr. Mohammad Arif Uddin
Assistant Vice President	Mr. Md. Sarwar Mahmud

Management Committees of BCBL

To ensure effective structure of corporate governance and to carry out daily operations to the best interest of the stakeholders BCBL has constituted different management committees apart from its functional departments.

Senior Management Team (SMT)

SMT has been formed under the leadership of Managing Director, Additional Managing Director and Deputy Managing Director while all Divisional Heads are the members of the committee. It is considered the highest decision and policy making authority of the Bank which consists of the CEO and different business and support unit heads.

Scope of the Committee

- * Setting out a strong internal control framework within the organization and shall take the responsibilities for the overall management of the Bank.
- * Place policies and procedures to identify, measure, monitor and control these risks following the governance and guidelines of the Board of the Directors.
- * Place an internal control structure and assign clear responsibility, authority and reporting relationship.
- * Monitor the adequacy and effectiveness of the internal control system based on the Bank's established policy and procedure.
- * Review on a yearly basis the overall effectiveness of the control system and provide a certification on a yearly basis to the Board of Directors on the effectiveness of Internal Control policy, practice and procedure.

SL.	NAME OF THE MEMBERS	DESIGNATION
01.	Mr. Md. Abdul Khaleque Khan	Managing Director & CEO
02.	Mr. Zafar Alam	Additional Managing Director
03.	Mr. Kazi Md. Rezaul Karim	Deputy Managing Director
04.	Mr. S. M. Jahangir Akhter	SEVP & Head of Information Technology, Card & BACH Division
05.	Mr. Mr. Md. Rahim Mia	EVP & Manager Principal Branch
06.	Mr. Salim Hasan	SVP & Company Secretary
07.	Mr. Nazmul Karim Siddique	SVP & Head of Marketing Division
08.	Mr. Afzal Hossain Khan	SVP & Head of Trade Division
09.	Mr. Kazi Saifuddin Ahmed	SVP & Head Establishment General/Service Division
10.	Mr. T.M. Afzal Hossain	SVP & Head of Human Resources Division
11.	Mr. Sudatta Sebak Barua	VP & Head of Recovery & Legal Affairs Division
12.	Mr. Mohammad Saiful Islam, FCMA	VP and Chief Financial Officer
13.	Mr. Swapan Kumar Ghosh	VP & Head of Credit Management Division
14.	Mr. Sayed Md. Estencher Billah	VP & Head of Credit Administration Division
15.	Mr. Shah Md. Junaed Ibne Amin	VP & Head of SME
16.	Mr. Md. Abul Hossain	SAVP & Head of Branch Control & Coordination Division

Thirteen meetings of the committee held during the year 2018 and following major decisions has been taken in those meetings:

- To bring the recovery progress in a satisfactory level it was decided and advised to gear up the activities to achieve maximum progress due to minimize the classified loans.
- Decided and directed to properly ensure the quality of loans and there shall be no compromise in rating the assets.
- Every Manager should constantly monitor the borrower and discrepancies (if any) after disbursement of loans and should inform the higher management.
- To recruit skilled manpower to assure the good growth of the business to achieve the desired target.

Asset Liability Committee (ALCO)

As per Asset Liability Management Guideline of the Bangladesh Bank, BCB formed its own Asset Liability Management Policy Guideline which underlines the constitution of ALCO and its area of responsibility.

Scope of ALCO

The scope of the ALM function to a larger extent covers the following processes:

Liquidity Risk: The current and prospective risk arising when the Bank is unable to meet its obligations as they come due without adversely affecting the Bank's financial conditions. From an ALM perspective, the focus is on the finding liquidity risk of the bank, meaning its ability to meet current and future cash-flow obligations collateral needs both expected and unexpected. This mission thus includes the bank liquidity's benchmark price in the market.

Interest Rate Risk: The risk of losses resulting from movements in interest rates and their impact on future cash-flows. Generally because a bank may have a disproportionate amount of fixed or variable rates instruments on either side of the balance-sheet. One of the primary causes are mismatches in terms of bank deposits and loans.

Currency Risk Management: The risk of losses resulting from movements in exchange rates. To the extent that cash-flow assets and liabilities are denominated in different currencies.

Funding and Capital Management: As all the mechanism to ensure the maintenance of adequate capital on a continuous basis. It is a dynamic and ongoing process considering both short-and longer-term capital needs and is coordinated with a bank's overall strategy and planning cycles (usually a prospective time-horizon of 2 Profit Planning and Growth: In addition, ALM deals with excepts related to credit risk as this function is also to manage the impact of the entire credit portfolio (including cash, investment and loans) on the balance sheet. The credit risk specially in the loan portfolio, is handle by a separate risk management function and represent one of the main data contributors to the ALM team.

The ALM function scope covers both the prudential component (management of all possible risk and rules and regulation) and an optimization role (management of funding cost, generating results of balance sheet position), within the limits of compliance (implementation and monitoring with internal rules and regulatory set of rules). ALM intervenes in these issues of current business activities but is also consulted to organic development and external acquisition to analyze and validate the funding terms options, condition of the project and any risk (i.e. funding issues in local currencies). years).

SL.	Name of the Members	Status of the Committee
1.	Mr. Md. Abdul Khaleque Khan Managing Director & CEO	Chairman
2.	Mr. Zafar Alam Additional Managing Director	Member
3.	Mr. Kazi Md. Rezaul Karim Deputy Managing Director	Member Secretary
4.	Mr. S. M. Jahangir Akhter SEVP, Information Technology, Card & BACH Division	Member
5.	Mr. Mohammad Khairul Alam, FCA EVP, Internal Control & Compliance Division	Member
6.	Mr. Nazmul Karim Siddique SVP, Marketing Division	Member
7.	Mr. Afzal Hossain Khan SVP, Trade Division	Member

SL.	Name of the Members	Status of the Committee
8.	Mr. Abdul Halim VP, Risk Management Division	Member
9.	Mr. Sudatta Sebak Barua VP, Recovery & Legal Affairs Division	Member
10.	Mr. Md. Saiful Islam VP & CFO, Financial Administration Division	Member
11.	Mr. Swapan Kumar Ghosh VP, Credit Management Division	Member
12.	Mr. Sayed Md. Estencher Billah VP, Credit Administration Division	Member
13.	Mr. Shah Md. Junaed Ibne Amin VP, Small & Medium Enterprise Division	Member

Investment Committee

Investment committee was formed for portfolio analysis and management through joint discussion and meeting undertaking of daily stock trading through Commerce Bank Securities and Investments Limited. Record keeping of stock transaction and keep the management of the Bank informed of the overall position of the portfolio time to time. Investment committee consists of the following members:

SL.	Name of the Member(s)	Designation	Status of the Committee
1.	Mr. Kazi Md. Rezaul Karim	Deputy Managing Director	Chairman
2.	Mr. M. A. Motalib Chowdhury	CEO, CBSIL	Member
3.	Mr. Md. Abdul Halim	Vice President	Member Secretary
4.	Mr. Mohammad Saiful Islam	Vice President & CFO	Member
5.	Mrs. Laizu Zebunnahar	SEO	Member
6.	Mr. Md. Masudur Rahman	EO, CBSIL	Member

Purchase Committee (PC):

The main object of this committee is to ensure optimum value for money through carrying out the Board approval procurement in compliance with the policy and guidelines. The scope of the committee activities are as follows:

Recommends the lowest bidder/vendor as per requirements of tender documents/Schedule, then observing all necessary formalities the issue is placed before the management for approval.

To open the submitted bids/quotations, evaluation and recommendation for awarding work order in favor of the vendors considering price and quality of the goods and service.

Ensure governance in the area of procurement through carrying out the procurement in compliance with the policies and regulatory requirements.

Composition of Purchase Committee

Sl.	Name of the Member(s)	Designation	Status of the Committee
1.	Mr. Zafar Alam	Additional Managing Director	Chairman
2.	Mr. Kazi Md. Rezaul Karim	Deputy Managing Director	Member
3.	Mr. S.M. Jahangir Akhter	SEVP, Head of IT & Card Division	Member
4.	Mr. Kazi Saifuddin Ahmed	SVP, Head of Establishment & General Service Division	Member
5.	Mr. Mohammad Saiful Islam	VP, Head of Financial Administration Division	Member
6.	Mr. Utpal Kumar Das	SEO & Member Secretary, Establishment & General Service Division	Member Secretary

SUSTAINABILITY REPORT



As a socio economic component it is the responsibility of the corporate citizen to add value and contribute to the society. Though Bank indirectly contributes in society by offering different banking service and generating Tax revenue for the Government in addition to that, as a corporate body Bank contributed in some crucial which demand immediate attention. In the inner of 2018 Bank has spend BDT 0.0598 crore for the betterment of the society in addition of indirect contribution the corporate body make through providing service and tax.

SL.	Area Amount	(Figure in Crore BDT)
1.	Education	0.0007
2.	Others	0.0591
	Total	0.0598

In our country Education sector is considerate to be the most neglected sector though the Government put so much emphasize on the sector. Lack of implementation of Government and lack of the proper distribution of resource turned this sector an unorganized mass specially for poor and rural people. As a corporate body Bank has limitation to contribute in this sector but in this limited area Bank has contributed to some beneficiary who had deficit in availing educational benefit. As a third world country Government attention mostly goes to basic needs and infrastructure development and cultural initiative attract lesser attention then it deserve. As a corporate body bank expanded its contribution to the cultural sector of the country. Bank spends a mentionable amount from its CSR budget in the recovery of natural and social disaster. Bangladesh is over populated country but that population can be converted into assets from liability by developing skill and knowledge. Bank spends a major portion of its Sustainable Finance Unit for the development of Human Resources.

Report of the Chief Risk Officer (CRO)

Risk is defined as a possibility of loss due to uncertainty. In simple, risk is uncertainty about the outcome or expected return. Again, risk is the probability that an actual return on an investment will be lower than the expected return. Its cannot be mitigated entirely but it's can be mitigated partially through diversification. Risk is inescapable, that's why risk must be assessed, addressed, managed and mitigated.

"Financial Risk" are uncertainties resulting in adverse/unfavorable variation of profitability or outright losses. There is deviation in what we achieve from what we had planned or what we had expected. This unpredictability of future is due to uncertainties associated with the steps that we undertaken in the process or various external factors that influence the process that are necessary to achieve our planned object. Taking on various types of risk is integral to the banking business. Sound risk management and balancing risk rewards trade-offs are critical to the banks' success. Business and revenue growth have therefore to be weighted in the context of the risk implicit in the bank's business strategy. The identification, measurement, monitoring and management of risk accordingly remain a key focus area for the bank.

The risk management policy of the bank operates under the following principles;

- * Oversight by the Board/Board Executive Committee/Board Risk Management Committee. Board approves policies and processes of risk management which is recommended by the top management and Executive Committee approves the credit proposals submitted by the top management;
- * Audit committee of the Board and Board Risk Management Committee reviews the internal audit reports of the bank and risk management reports.
- * Dedicated independent Risk Management Division viz Credit Management Division, Credit Division, Internal Control & Audit Division, International Division, Treasury Division, Information Technology Division and Money Laundering Risk through Chief Anti Money Laundering Compliance Officer;
- * Dedicated committee at management level has been set up to monitor risk viz. credit risk through Credit Review Committee, operational risk through Management Committee and Internal Control & Audit Division, Market and Liquidity risk through Asset Liability Committee (ALCO) IT risk through IT Division.

Risk Management Process

BCBL's risk management process is on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with international best practices. The Board of Directors has oversight on all the risks assumed by the Bank. Specific Committees have been constituted to facilitate focused oversight of various risks. Risk Management process is consists of:

- a) Identification.
- b) Measurement,
- c) Aggregation,
- d) Planning and controlling,
- e) Monitoring.

A) Identification: A bank's risks have to be identified before they can be measured and managed. Typically major risks are categorized as under:

- * Credit Risk
- * Market Risk
- * Operational Risk
- * Liquidity Risk and
- * Reputation risk.

B) Measurement: The consistent assessment of the above mentioned types of risks is an essential prerequisite for successful risk management. To measure risks there are various types of tools and techniques.

C) Aggregation: When aggregating risks, it is important to take into account correlation effects which cause a bank's overall risk differing from the sum of the individual risks. This applies to risks both within a risk category as well as across different risk categories.

D) Planning and Controlling: Furthermore, risk management is the function of planning the bank's overall risk position and actively managing the risks based on these plans.

E) Monitoring: Risk monitoring is used to check whether the risks actually incurred lie within the prescribed limits, thus ensuring an institution's capacity to bear these risks.

Risk Management Committee

Board Risk Management Committee comprises the following honorable Directors of BCBL:

SL .	Name of Directors	Status in the Committee
1.	Mr. A A M Zakaria	Chairman
2.	Mr. Md. Farhad Uddin	Member
3.	Mr. Mohammad Hanif Chowdhury	Member

Risk Management Team

Risk Management Team comprises the following executives of BCBL:-

SL.	Committee Member(s)	Designation	Status in the Committee
01.	Mr. Kazi Md. Rezaul Karim	Deputy Managing Director	Chairman of the Committee/Chief Risk Officer
02.	Mr. S.M Jahangir Akhter	SEVP & Head of IT Division	Member
03.	Mr. Mohammad Khairul Alam, FCA	EVP & Head of Internal Control & Compliance Division	Member
04.	Mr. Nazmul Karim Siddique	SVP & Head of Marketing Division	Member
05.	Mr. Afzal Hossain Khan	SVP & Head of Trade Division	Member
06.	Mr. Md. Abdul Halim	VP % Head of Risk Management Division	Member Secretary
07.	Mr. Sudatta Sebak Barua	VP & Head of Legal Affairs & Recovery Division	Member
08.	Mr. Md. Saiful Islam	VP & CFO	Member
09.	Mr. Swapon Kumar Ghosh	VP & Head of Credit Administration Division	Member
10.	Mr. Shah Junayed Ibne Amin	SAVP & Head of SME Division	Member
11.	Mr. Md. Abul Hossain	SAVP & Head of Anti-money Laundering Division	Member

Scope of the "Board Risk Management Committee"

- * Risk identification and control policy;
- * Construction the organization structure;
- * Analysis and approval of Risk Management policy;
- * Storage of Data and Reporting system;
- * Monitoring and implementation of overall Risk Management Policy;
- * Monitoring in the implementation of Internal Capital Adequacy Assessment Process (ICAAP) under pillar-II and Basel-III.

Overview of Risk Management during the Year 2018

In 2018, Board Risk Management Committee held 04 (four) meetings where committee reviewed different issues related to Bank risk management, internal control system and approved the "ICAAP (Internal Capital Adequacy Assessment Process) Manual for BCBL", "Strengthening and updating Risk management System in our Bank" and periodic "Risk Management Paper (CRMR)", "Stress Testing Result" and "Internal Capital Adequacy Assessment Process (ICAAP)".

It is to be noted here that Risk Management Division works strictly in the line with "Risk Management Guidelines for BCBL", which was approved by the Board of Directors in its meeting held on 18-12-2014. Risk Management Division Collects all relevant data from all the branches /Head Office for analyzing risks in preparing "Stress Testing Result", "Risk Management Paper (CRMR)".

Risk Management Division prepares Risk Management Paper (RMP) every month & places it in the monthly "Internal Risk Management Committee" meetings, and submits 12 Risk Management Papers (hard copy) to "Department of Off-site Supervision of Bangladesh Bank on monthly, quarterly, half-yearly basis.

Risk Management Division conducted "Stress Testing" in each quarter during 2018 and submitted 4 quarterly Stress Test results (hard and soft copy) to "Financial Stability Department" of Bangladesh Bank during 2018.

Risk Management Division assessed Capital Adequacy as per "Internal Capital Adequacy Assessment Process (ICAAP)" of the Bank as part of BASEL-III and got ICAAP report approved by "Board Risk Management Committee" and "Board of Directors" and submitted the same to "Banking Regulatory and Policy Department" of Bangladesh Bank.

Market Discipline: Disclosure on Risk Based Capital (Basel-III)

1. Scope of Application:

1.1 Qualitative Disclosures

(a)	The name of the top corporate entity in the group to which this guidelines applies.	Bangladesh Commerce Bank Limited
(b)	An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (a) that are fully consolidated; (b) that are given a deduction treatment; and (c) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).	<p>The consolidated financial statements of the Bank include the financial statements of Bangladesh Commerce Bank Limited and Commerce Bank Securities and Investment Limited. Bangladesh Commerce Bank holds 100% shares of Commerce Bank Securities and Investment Limited. A brief description of the Bank and its subsidiary are given below:</p> <p>Bangladesh Commerce Bank Limited (BCBL): A public limited company incorporated in Bangladesh on June 01, 1998 under the Companies Act, 1994, the Bank Companies Act, 1991 and Parliamentary Act 12 of 1997.</p> <p>Bangladesh Commerce Bank Limited is known as a commercial bank. Like all commercial banks BCBL's core business is also obtaining deposits and providing loans. It is a financial institution providing services for businesses, organizations and individuals. Services include offering different types of deposit account such as current, saving and other scheme as well as giving loans to organizations and individuals to accelerate economic development.</p> <p>BCBL makes it's profit by taking small, short-term, relatively liquid deposits and transforming these into small, medium and larger loans for short, medium and long term maturity. These processes of asset transformation generate net income for BCBL. BCBL also earned short term profit by investing through treasury functions as well as non funded business.</p> <p>However, BCBL is primarily engaged in deposit and lending activities to private and corporate clients in wholesale and retail banking. Other services typically include credit card, mobile banking, custodial service guarantees, cash management and settlement as well as trade finance.</p> <p>Commerce Bank Securities and Investment limited (CBSIL) Commerce Bank Securities & Investments Limited (CBSIL) is fully owned subsidiary company of Bangladesh Commerce Bank Limited incorporated as a private limited company on 20 September 2010 with the registrar of Joint Stock Companies & Firms, Dhaka vide certificate of incorporation no. C-87050/10. CBSIL started its operation from 01 June 2011. The main objective of the company for which was established to carry out the business of full-fledged merchant banking activities like issue management, portfolio management, underwriting etc.</p>

(c)	Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	Not Applicable for Bangladesh Commerce Bank Limited.
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1.2 Quantitative Disclosure

(d)	The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.	Not Applicable for Bangladesh Commerce Bank Limited.
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2. Capital Structure:

2.1 Qualitative Disclosures

(a)	(a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET 1, Additional Tier 1 or Tier 2.	<p>As per the guidelines of Bangladesh Bank, Common Equity Tier-1 Capital of BCBL consists of (i) Fully Paid-up Capital, (ii) Statutory Reserve, (iii) General Reserve, (iv) Retained Earnings and (v) Minority Interest in Subsidiaries and (vi) Right Share Application Money.</p> <p>Tier-2 Capital consists of (i) General Provision against unclassified Loans/Investments, (ii) Off-balance sheet exposure and (iii) 20% of Revaluation gain/ loss on investment (HFT) as per guideline the balance of 31.12.2014 is considered after deducting 80%.</p>
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2.2 Quantitative Disclosure

(b)	The amount of Regulatory capital, with separate disclosure of: CET1 Capital Additional Tier 1 Capital Total Tier 1 Capital Tier 2 Capital	BDT in Crore		
		Particulars	Solo	Conso.
		Fully Paid up Capital	198.87	198.87
		Share Capital BCI	1.53	1.53
		Statutory Reserve	27.51	27.51
		General Reserve	0.89	0.89
		Retained Earnings	-211.88	-204.09
		Right Share Application Money	91.73	91.73
		CET1 Capital	108.65	116.44
		Additional Tier 1 Capital	0.00	0.00
Total Tier 1 Capital	108.65	116.44		
General Provision	14.39	14.39		
Revaluation Reserve	0.40	0.40		
Tier 2 Capital	14.79	14.79		
(c)	Regulatory Adjustments/Deductions from capital	BDT in Crore		
		Particulars	Solo	Conso.
		Provision Shortfall in NPL	379.27	379.27
		Provision Shortfall in Share	0.12	0.12
		Total Adjustment	379.39	379.39
(d)	Total eligible capital	BDT in Crore		
		Particulars	Solo	Conso.
		Total eligible capital	-255.95	-248.16

3. Capital Adequacy:

3.1 Qualitative Disclosures

(a)	A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities.	The Bank has adopted Standardized Approach (SA) for computation of capital charge for credit risk and market risk, and Basic Indicator Approach (BIA) for operational risk. Assessment of capital adequacy is carried out in conjunction with the capital adequacy reporting to the Bangladesh Bank. The Bank has maintained capital adequacy ratio on the basis of "Consolidated" and "Solo" are -6.33% & -6.60% respectively as against the minimum regulatory requirement of 11.25%. Tier-I capital adequacy ratio for "Consolidated" is 2.76% as well as "Solo" is 2.64% against the minimum regulatory requirement of 5%. The Bank's policy is to manage and maintain its capital with the objective of maintaining strong capital ratio and high rating.																		
(b)	Capital requirement for Credit Risk	<table border="1"> <thead> <tr> <th colspan="3"><i>BDT in Crore</i></th> </tr> <tr> <th>Particulars</th> <th>Solo</th> <th>Conso.</th> </tr> </thead> <tbody> <tr> <td>Capital requirement for Credit Risk</td> <td>348.28</td> <td>352.67</td> </tr> </tbody> </table>	<i>BDT in Crore</i>			Particulars	Solo	Conso.	Capital requirement for Credit Risk	348.28	352.67									
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(e)	Total capital, CET1 capital, Total Tier 1 capital and Tier 2 capital ratio: <ul style="list-style-type: none"> For the consolidated group; and For stand alone 	<table border="1"> <thead> <tr> <th colspan="3"><i>BDT in Crore</i></th> </tr> <tr> <th>Particulars</th> <th>Solo</th> <th>Conso.</th> </tr> </thead> <tbody> <tr> <td>CRAR</td> <td>-6.60%</td> <td>-6.33%</td> </tr> <tr> <td>CET1 Capital Ratio</td> <td>-6.98%</td> <td>-6.70%</td> </tr> <tr> <td>Total Tier 1 Capital Ratio</td> <td>-6.98%</td> <td>-6.70%</td> </tr> <tr> <td>Total Tier 2 Capital Ratio</td> <td>0.38%</td> <td>0.38%</td> </tr> </tbody> </table>	<i>BDT in Crore</i>			Particulars	Solo	Conso.	CRAR	-6.60%	-6.33%	CET1 Capital Ratio	-6.98%	-6.70%	Total Tier 1 Capital Ratio	-6.98%	-6.70%	Total Tier 2 Capital Ratio	0.38%	0.38%
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(f)	Capital Conservation Buffer	As the bank could not maintain the required capital of 10% so the bank could not able to maintain buffer capital @ of 1.25%.																		
(g)	Available Capital under Pillar 2 Requirement																			

4. Credit Risk:

4.1 Qualitative Disclosures

(a)	The general qualitative disclosure requirement with respect to credit risk, including: <ul style="list-style-type: none"> Definitions of past due and impaired (for accounting purposes); 	With a view to strengthening credit discipline and bring classification and provisioning regulation in line with international standard, a phase-wise program for classification
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		<p>and provisioning was undertaken by the Bank as per Bangladesh Bank circulars issued from time to time. In this regard, all the loans and advances/investments are grouped into four categories for the purpose of classification, namely (i) Continuous Loan, (ii) Demand Loan, (iii) Fixed Term Loan and (iv) Short-term Agricultural and Micro Credit. They are classified as follow:</p> <p>Continuous & Demand Loan will be classified as:</p> <ul style="list-style-type: none"> • Sub-standard- if it is past due/overdue for 03(three) months or beyond but less than 06 (six) months; • Doubtful- if it is past due/overdue for 06 (six) months or beyond but less than 09 (nine) months; • Bad/Loss- if it is past due/overdue for 09 (nine) months or beyond. <p>Fixed term loan will be classified as:</p> <p>In case of any installment(s) or part of installment(s) of a Fixed Term Loan amounting up to Taka 1 million is not repaid within the due date, the amount of unpaid installment(s) are treated as “past due or overdue installment”. Such types of Fixed Term Loans are classified as under:</p> <ul style="list-style-type: none"> • Sub-standard- if the amount of past due installment is equal to or more than the amount of installment(s) due within 06 (six) months, the entire loans are classified as “Sub-standard”. • Doubtful- if the amount of past due installment is equal to or more than the amount of installment(s) due within 09 (nine) months, the entire loans are classified as “Doubtful”. • Bad/Loss- if the amount of past due installment is equal to or more than the amount of installment(s) due within 12(twelve) months, the entire loans are classified as “Bad/Loss”. <p>Fixed term loan will (amounting more than BDT 10 lac) be classified as:</p> <p>In case of any installment(s) or part of installment(s) of a Fixed Term Loan amounting more than Taka 1 million is not repaid within the due date, the amount of unpaid installment(s) are treated as “past due or overdue installment”. Such types of Fixed Term Loans are classified as under:</p> <ul style="list-style-type: none"> • Sub-standard- if the amount of past due installment is equal to or more than the amount of installment(s) due within 03 (three) months, the entire loans are classified as “Sub-standard”. • Doubtful- if the amount of past due installment is equal to or more than the amount of installment(s) due within 06 (six) months, the entire loans are classified as “Doubtful”. • Bad/Loss- if the amount of past due installment is equal to or more than the amount of installment(s) due within 09 (nine) months, the entire loans are classified as “Bad/Loss”.
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	<ul style="list-style-type: none"> Description of approaches followed for specific and general allowances and statistical methods; 	<p>Short term agricultural and micro credit will be classified as: Short-term Agricultural and Micro Credit will be considered irregular if it is not repaid within the due date as stipulated in the loans agreement and will be classified as under:</p> <ul style="list-style-type: none"> Sub-standard- if the irregular status continues after a period of 12 (twelve) months, the credits are classified as "Sub-standard". Doubtful- if the irregular status continue after a period of 36 (thirty six) months, the credits are classified as "Doubtful". Bad/Loss- if the irregular status continue after a period of 60 (sixty) months, the credits are classified as "Bad/Loss". <p>A Continuous loan, Demand loan or a Term loan which remained overdue for a period of 02 (two) months or more, is treated as "Special Mention Account (SMA)".</p> <p>The Bank is required to maintain the following general and specific provision in respect of classified and unclassified loans and advances / investments on the basis of Bangladesh Bank guidelines issued from time to time:</p> <table border="1" data-bbox="683 987 1369 1957"> <thead> <tr> <th>Particulars</th> <th>Rate</th> </tr> </thead> <tbody> <tr> <td>General provision on unclassified Small and Medium Enterprise (SME) financing.</td> <td>0.25%</td> </tr> <tr> <td>General provision on unclassified loans and advances/ investments other than Consumer Financing, Loans to Brokerage House, Merchant Banks, Stock Dealers etc., SMA as well as SME Financing).</td> <td>1%</td> </tr> <tr> <td>General provision on interest receivable on loans/investments.</td> <td>1%</td> </tr> <tr> <td>General provision on off-balance sheet exposures (Provision has been made on the total exposure and amount of cash margin & value of eligible collateral were not deducted while computing off-balance sheet exposure).</td> <td>1%</td> </tr> <tr> <td>General provision on unclassified loans and advances/ investments for housing finance, loans for professionals to set-up business under consumer financing scheme.</td> <td>2%</td> </tr> <tr> <td>General provision on the unclassified loans to Brokerage House, Merchant Banks, Stock Dealers, etc.</td> <td>2%</td> </tr> <tr> <td>General provision on unclassified amount for Consumer Financing.</td> <td>5%</td> </tr> <tr> <td colspan="2">General provision on outstanding amount of loans kept in Special Mention Account (SMA) will be at the same respective rate as stated above (0.25% to 5%) as per BRPD Circular No. 05 dated 29.05.2013.</td> </tr> </tbody> </table>	Particulars	Rate	General provision on unclassified Small and Medium Enterprise (SME) financing.	0.25%	General provision on unclassified loans and advances/ investments other than Consumer Financing, Loans to Brokerage House, Merchant Banks, Stock Dealers etc., SMA as well as SME Financing).	1%	General provision on interest receivable on loans/investments.	1%	General provision on off-balance sheet exposures (Provision has been made on the total exposure and amount of cash margin & value of eligible collateral were not deducted while computing off-balance sheet exposure).	1%	General provision on unclassified loans and advances/ investments for housing finance, loans for professionals to set-up business under consumer financing scheme.	2%	General provision on the unclassified loans to Brokerage House, Merchant Banks, Stock Dealers, etc.	2%	General provision on unclassified amount for Consumer Financing.	5%	General provision on outstanding amount of loans kept in Special Mention Account (SMA) will be at the same respective rate as stated above (0.25% to 5%) as per BRPD Circular No. 05 dated 29.05.2013.	
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	<ul style="list-style-type: none"> Discussion of the bank's credit risk management policy; 	<p>The Bank has a well structured delegation and sub-delegation of credit approval authority for ensuring good governance and better control in credit approval system. The Board of Directors and its Executive Committee hold the supreme authority for any credit approval in line with the credit committee consisting of the senior management of the bank. Credit proposal processing, assessment of risks and mitigates there against, placing before credit committee, seeking approval from the competent authority, assisting in completion of documentation formalities and above all maintaining relationship with the branches and customers have so long been done by Credit Management Division (CMD). The function of CMD department has redefined by (i). Credit Assessment, (ii). Credit Monitoring, (iii) Credit Information & Policy Development for smoothly execution of the credit risk management through segregating internal units. Separate segments for Corporate, Retail, SME, Credit Cards have been formed in order to diversify the credit risk. Towards mitigating the risks, BCBL has developed a robust credit approval system. The credit proposals recommended by branches are scrutinized by CMD Department. Sanctions are conveyed to the Branches after getting approval from Credit Committee of Corporate Office or Board of Directors if needed.</p> <p>The standardized approach is applied for risk weighting of exposure as per directive of Bangladesh Bank. It requires banks to use risk assessment. The Bank is following Credit Risk Grading (CRG) manual for assessing a borrower and making decisions of disbursing loans and advances/ investments while nominating the External Credit Assessment Institutions (ECAIs) duly recognized by Bangladesh Bank to derive risk-weights of exposures under the portfolio of claims. Maximum counterparty/group exposure are limited to 15% (funded) of the bank's capital base as stipulated by BB where a higher limit is required for projects of national importance subject to prior approval of Bangladesh Bank. The single borrower exposure limit has been increasing day by day of the bank with the increase of the total capital of the bank. But the management of the bank is exercising the prudential limit to a single borrower in order to minimize concentration risk of the bank considering the security coverage, satisfactory performance, credit risk grading status, earning potentials, capital requirement, etc. against the limit.</p>								

4.2 Quantitative Disclosures

(b)	Total gross credit risk exposures broken down by major types of credit exposure.	<table border="1"> <thead> <tr> <th>Loan Type</th> <th>BDT in Crore</th> </tr> </thead> <tbody> <tr><td>Demand Loan</td><td>96.21</td></tr> <tr><td>Loan General</td><td>561.13</td></tr> <tr><td>Cash Credit (Hypo)</td><td>451.73</td></tr> <tr><td>Agritulture Loan</td><td>32.26</td></tr> <tr><td>Overdraft</td><td>483.43</td></tr> <tr><td>SME Loan</td><td>108.63</td></tr> <tr><td>Payment Against Document (PAD)</td><td>108.98</td></tr> <tr><td>Loan against Trust Receipt (LTR)</td><td>210.95</td></tr> <tr><td>House Building Loan</td><td>68.28</td></tr> <tr><td>Credit Card</td><td>2.46</td></tr> <tr><td>Consumer Credit</td><td>3.05</td></tr> <tr><td>Staff Loan</td><td>40.14</td></tr> <tr><td>Bill Purchase / Discounted</td><td>1.46</td></tr> <tr><td>Loans & Advances (BCI)</td><td>46.10</td></tr> <tr><td>Total</td><td>2,214.81</td></tr> </tbody> </table>	Loan Type	BDT in Crore	Demand Loan	96.21	Loan General	561.13	Cash Credit (Hypo)	451.73	Agritulture Loan	32.26	Overdraft	483.43	SME Loan	108.63	Payment Against Document (PAD)	108.98	Loan against Trust Receipt (LTR)	210.95	House Building Loan	68.28	Credit Card	2.46	Consumer Credit	3.05	Staff Loan	40.14	Bill Purchase / Discounted	1.46	Loans & Advances (BCI)	46.10	Total	2,214.81
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(f)	<p>By major industry or counterparty type:</p> <ul style="list-style-type: none"> Amount of impaired loans and if available, past due loans, provided separately; Specific and general provisions; and Charges for specific allowances and charge-offs during the period. 	<table border="1"> <thead> <tr> <th>Industry</th> <th>BDT in Crore</th> </tr> </thead> <tbody> <tr> <td>Agricultural Loan</td> <td>3.92</td> </tr> <tr> <td>Industrial Loan (other than working capital)</td> <td>79.77</td> </tr> <tr> <td>Working capital Loan</td> <td>71.77</td> </tr> <tr> <td>Import Credit</td> <td>283.74</td> </tr> <tr> <td>Commercial Loan</td> <td>278.25</td> </tr> <tr> <td>RMG & Textile</td> <td>83.95</td> </tr> <tr> <td>Construction Loan</td> <td>2.91</td> </tr> <tr> <td>Transport and Communication Loan</td> <td>9.01</td> </tr> <tr> <td>Consumer Credit</td> <td>0.29</td> </tr> <tr> <td>All Others Loans</td> <td>44.67</td> </tr> <tr> <td>Total</td> <td>858.28</td> </tr> </tbody> </table>	Industry	BDT in Crore	Agricultural Loan	3.92	Industrial Loan (other than working capital)	79.77	Working capital Loan	71.77	Import Credit	283.74	Commercial Loan	278.25	RMG & Textile	83.95	Construction Loan	2.91	Transport and Communication Loan	9.01	Consumer Credit	0.29	All Others Loans	44.67	Total	858.28		
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(g)	<p>Gross Non Performing Assets (NPAs) Non Performing Assets (NPAs) to Outstanding Loans & advances Movement of Non Performing Assets (NPAs) Opening balance Additions Reductions Closing balance</p> <p>Movement of specific provisions for NPAs Opening balance Provisions made during the period Write-off Write-back of excess provisions Closing balance</p>	<table border="1"> <thead> <tr> <th>Particulars</th> <th>BDT in Crore</th> </tr> </thead> <tbody> <tr> <td>Gross Non Performing Assets (NPAs)</td> <td>858.28</td> </tr> <tr> <td>NPAs to Outstanding Loans & advances</td> <td>38.75%</td> </tr> <tr> <td colspan="2">Movement of Non Performing Assets (NPAs)</td> </tr> <tr> <td>Opening balance</td> <td>550.25</td> </tr> <tr> <td>Additions/(Reductions)</td> <td>308.03</td> </tr> <tr> <td>Closing balance</td> <td>858.28</td> </tr> <tr> <td colspan="2">Movement of specific provisions for NPAs</td> </tr> <tr> <td>Opening balance</td> <td>85.42</td> </tr> <tr> <td>Provisions made during the period</td> <td>173.33</td> </tr> <tr> <td>Write-off</td> <td>---</td> </tr> <tr> <td>Write-back of excess provisions</td> <td>---</td> </tr> <tr> <td>Closing balance</td> <td>258.75</td> </tr> </tbody> </table>	Particulars	BDT in Crore	Gross Non Performing Assets (NPAs)	858.28	NPAs to Outstanding Loans & advances	38.75%	Movement of Non Performing Assets (NPAs)		Opening balance	550.25	Additions/(Reductions)	308.03	Closing balance	858.28	Movement of specific provisions for NPAs		Opening balance	85.42	Provisions made during the period	173.33	Write-off	---	Write-back of excess provisions	---	Closing balance	258.75
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5. Equities: Disclosure for Banking Books position:

5.1 Qualitative Disclosures

(a)	<p>The general qualitative disclosure requirement with respect to equity risk; including</p> <ul style="list-style-type: none"> differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and 	<p>Investment in equity securities are broadly categorized into two parts:</p> <ul style="list-style-type: none"> Quoted Securities (Common or Preference Shares & Mutual Fund) that are traded in the secondary market (Trading Book Assets). Unquoted securities include shares of Central Depository Bangladesh Limited (CDBL), investment in SWIFT and Market Stabilization Fund (MSF). <p>The primary aim is to investment in these equity securities for the purpose of capital gain by selling them in future or held for dividend income. Dividends received from these equity securities are accounted for as and when received. Both Quoted and Un- Quoted equity securities are valued at cost and necessary provisions are maintained if the prices fall below the cost price.</p>
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	<ul style="list-style-type: none"> discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices. 	The primary aim is to investment in these equity securities for the purpose of capital gain by selling them in future or held for dividend income. Dividends received from these equity securities are accounted for as and when received. Both Quoted and Un- Quoted equity securities are valued at cost and necessary provisions are maintained if the prices fall below the cost price.																		
(b)	Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.	<p style="text-align: right;">BDT in Crore</p> <table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">Solo</th> <th colspan="2">Conso.</th> </tr> <tr> <th>Cost</th> <th>Mkt Value</th> <th>Cost</th> <th>Mkt Value</th> </tr> </thead> <tbody> <tr> <td>Share Portfolio</td> <td>57.94</td> <td>35.98</td> <td>112.43</td> <td>93.53</td> </tr> </tbody> </table>	Particulars	Solo		Conso.		Cost	Mkt Value	Cost	Mkt Value	Share Portfolio	57.94	35.98	112.43	93.53				
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(d)	<ul style="list-style-type: none"> Total unrealized gains (losses) Total latent revaluation gains (losses) Any amounts of the above included in Tier 2 capital. 	<p style="text-align: right;">BDT in Crore</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Solo</th> <th>Conso.</th> </tr> </thead> <tbody> <tr> <td>Unrealized gains/(losses)</td> <td>(21.96)</td> <td>(23.05)</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Solo</th> <th>Conso.</th> </tr> </thead> <tbody> <tr> <td>Latent revaluation gains/(losses)</td> <td>----</td> <td>----</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Solo</th> <th>Conso.</th> </tr> </thead> <tbody> <tr> <td>Amount of above include in capital</td> <td>----</td> <td>----</td> </tr> </tbody> </table>	Particulars	Solo	Conso.	Unrealized gains/(losses)	(21.96)	(23.05)	Particulars	Solo	Conso.	Latent revaluation gains/(losses)	----	----	Particulars	Solo	Conso.	Amount of above include in capital	----	----
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(e)	Capital requirements broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.	<p style="text-align: right;">BDT in Crore</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Solo</th> <th>Conso.</th> </tr> </thead> <tbody> <tr> <td>Specific market risk</td> <td>6.79</td> <td>6.79</td> </tr> <tr> <td>General market risk</td> <td>6.79</td> <td>6.79</td> </tr> </tbody> </table>	Particulars	Solo	Conso.	Specific market risk	6.79	6.79	General market risk	6.79	6.79									
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6. Interest rate risk in the banking book (IRRBB):**6.1 Qualitative Disclosures**

(a)	<p>The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behaviour of non-maturity deposits, and frequency of IRRBB measurement.</p>	<p>Interest rate risk is the risk where changes in market interest rates might adversely affect a bank's financial condition. Changes in interest rates affect both the current earnings (earnings perspective) as well as the net worth of the bank (economic value perspective). To evaluate the impact of interest rate risk on the net interest margin, BCBL monitors the size of the gap between rate sensitive assets and rate sensitive liabilities in terms of the remaining period to re-pricing. Re-pricing refers to the point in time when adjustments of interest rates on assets and liabilities occur owing to new contracts, renewal of expiring contracts or that a contract specifies a floating rate that adjusts at fixed time intervals.</p> <p>A maturity mismatch approach is used to measure BCBL's exposure to interest rate risk. A positive mismatch means that more assets than liabilities are re-priced in a given period. With a positive mismatch, a rise in market interest rates will have a positive effect on the bank's earnings. On the other hand, a negative mismatch, where more liabilities are re-priced than assets in a given period, means a drop in earnings if interest rates had increased.</p>
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6.2 Quantitative Disclosures

(b)	<p>The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant).</p>	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;"><i>BDT in Crore</i></th> </tr> </thead> <tbody> <tr> <td>Market value of assets</td> <td style="text-align: right;">3,802.83</td> </tr> <tr> <td>Market value of liabilities</td> <td style="text-align: right;">3,675.55</td> </tr> <tr> <td>Weighted Average of Duration of Liabilities (DL)</td> <td style="text-align: right;">3.11</td> </tr> <tr> <td>Weighted Average of Duration of Assets (DA)</td> <td style="text-align: right;">2.67</td> </tr> <tr> <td>Duration GAP (DADL)</td> <td style="text-align: right;">053</td> </tr> <tr> <td>Yield to Maturity (YTM-Assets)</td> <td style="text-align: right;">10.57%</td> </tr> <tr> <td>Yield to Maturity (YT-Liability)</td> <td style="text-align: right;">5.71%</td> </tr> </tbody> </table> <table border="1" style="width: 100%;"> <thead> <tr> <th rowspan="2" style="text-align: center;">Particulars</th> <th colspan="3" style="text-align: center;">Magnitude of interest rate change</th> </tr> <tr> <th style="text-align: center;">1%</th> <th style="text-align: center;">2%</th> <th style="text-align: center;">3%</th> </tr> </thead> <tbody> <tr> <td>Fall in market value of equity</td> <td style="text-align: right;">(17.97)</td> <td style="text-align: right;">(35.93)</td> <td style="text-align: right;">(53.90)</td> </tr> </tbody> </table> <p style="text-align: center;">Stress Testing:</p> <table border="1" style="width: 100%;"> <thead> <tr> <th rowspan="2" style="text-align: center;">Particulars</th> <th colspan="3" style="text-align: center;">Magnitude of Shock (<i>BDT in Crore</i>)</th> </tr> <tr> <th style="text-align: center;">1%</th> <th style="text-align: center;">2%</th> <th style="text-align: center;">3%</th> </tr> </thead> <tbody> <tr> <td>Regulatory Capital</td> <td style="text-align: right;">-257.77</td> <td style="text-align: right;">-259.58</td> <td style="text-align: right;">-261.40</td> </tr> <tr> <td>RWA</td> <td style="text-align: right;">3877.26</td> <td style="text-align: right;">3875.45</td> <td style="text-align: right;">3873.63</td> </tr> <tr> <td>CRAR</td> <td style="text-align: right;">-6.52%</td> <td style="text-align: right;">-6.44%</td> <td style="text-align: right;">-6.37%</td> </tr> </tbody> </table>	Particulars	<i>BDT in Crore</i>	Market value of assets	3,802.83	Market value of liabilities	3,675.55	Weighted Average of Duration of Liabilities (DL)	3.11	Weighted Average of Duration of Assets (DA)	2.67	Duration GAP (DADL)	053	Yield to Maturity (YTM-Assets)	10.57%	Yield to Maturity (YT-Liability)	5.71%	Particulars	Magnitude of interest rate change			1%	2%	3%	Fall in market value of equity	(17.97)	(35.93)	(53.90)	Particulars	Magnitude of Shock (<i>BDT in Crore</i>)			1%	2%	3%	Regulatory Capital	-257.77	-259.58	-261.40	RWA	3877.26	3875.45	3873.63	CRAR	-6.52%	-6.44%	-6.37%
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7. Market risk:

7.1 Qualitative Disclosures

(a)	<p>Views of BOD on trading / investment activities</p> <p>Methods used to measure Market Risk</p> <p>Market Risk Management system</p> <p>Policies and processes for mitigating Market Risk</p>	<p>The Board approves all policies related to market risk, sets limits and reviews compliance on a regular basis. The objective is to provide cost effective funding last year to finance asset growth and trade related transaction.</p> <p>Standardized approach has been used to measure the market risk. The total capital requirement in respect of market risk is the aggregate capital requirement calculated for each of the risk sub-categories. For each risk category minimum capital requirement is measured in terms of two separately calculated capital charges for 'specific risk' and 'general market risk'</p> <p>The Treasury Division manage market risk covering liquidity, interest rate and foreign exchange risks with oversight from Asset-Liability Management Committee (ALCO) comprising senior executives of the Bank. ALCO is chaired by the Managing Director. ALCO meets at least once in a month.</p> <p>There are approved limits for Market Risk related instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against market risks. The exchange rate committee of the Bank meets on a daily basis to review the prevailing market condition, exchange rate, forex position and transactions to mitigate foreign exchange risks.</p>
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7.1 Quantitative Disclosures

(b)	The capital requirements for: interest rate risk; equity position risk; foreign exchange risk; and Commodity risk.	BDT in Crore		
		Particulars	Solo	Conso.
		Interest rate risk	2.80	2.80
		Equity position risk	13.59	13.59
		Foreign exchange risk	0.93	0.93
Commodity risk	---	---		

8. Operational Risk:

8.1 Qualitative Disclosures

(a)	Views of BOD on system to reduce Operational Risk	Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputation risk. It is inherent in every business organization and covers a wide spectrum of issues. The Board of Directors (BOD) of the Bank and its Management firmly believe that an effective internal control systems has been established within the Bank to ensure adequacy of the risk management framework and compliance with a documented set of internal policies concerning the risk management system which mainly include;
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	<p>Performance gap of executives and staffs</p> <p>Potential external events</p>	<ul style="list-style-type: none"> • Top-level reviews of the Bank's progress towards the stated objectives; • Checking for compliance with management controls; • Policies, processes and procedures concerning the review, treatment and resolution of non-compliance issues; and • A system of documented approvals and authorizations to ensure accountability to the appropriate level of management. <p>Bank has ensured some other internal practices to be in place as appropriate to control operational risk. Examples of these include:</p> <ul style="list-style-type: none"> • Close monitoring of adherence to assigned risk limits or thresholds; • Maintaining safeguards for access to, and use of, bank's assets and records; • Ensuring that staffs have appropriate expertise and training; • Regular verification and reconciliation of transactions and accounts. <p>The BOD has modified Bank's operational risk management process by issuing a high level standard like SOP, supplemented by more detailed formal guidance. This explains how the bank manages operational risk by identifying, assessing, monitoring, controlling and mitigating the risk, rectifying operational risk events, and implementing any additional procedures required for compliance with local regulatory requirements.</p> <p>The Bank maintains and tests contingency facilities to support operations in the event of disasters. Additional reviews and tests are conducted in the event that any branch of the bank is affected by a business disruption event, to incorporate lessons learned in the operational recovery from those circumstances. Plans have been prepared for the continued operation of the bank's business, with reduced staffing levels.</p> <p>BCBL has a policy to provide competitive package and better working environment to attract and retain the most talented people available in the industry. As the employee loyalty is high to the bank the employee turnover in the bank is minimum compared to the industry.</p> <p>It is needless to say that there are certain risk factors which are external in nature and can affect the business of the Bank. The factors discussed below can significantly affect the business:</p> <ul style="list-style-type: none"> • General business and political condition • Changes in credit quality of borrowers • Changes in policies and practices of regulatory bodies to revise practices, pricing and responsibilities of the financial institutions
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	<p>Policies and processes for mitigating operational risk</p>	<ul style="list-style-type: none"> • Implementation of Basel-III in Bangladesh • Volatility in equity market • Changes in market conditions • The risk of litigation • Success of strategies <p>Operational risk, defined as any risk that is not categorized as market or credit risk, is the risk of loss arising from inadequate or failed internal processes, people and systems or from external events. It is inherent in every business organization and covers a wide spectrum of issues. In order to mitigate this, internal control and internal audit systems are used as the primary means. Bangladesh Commerce Bank Limited manages this risk through a control based environment in which processes are documented, authorization is independent and transactions are reconciled and monitored. This is supported by an independent program of periodic reviews undertaken by internal audit, and by monitoring external operational risk events, which ensure that the bank stays in line with industry best practice and takes account of lessons learned from publicized operational failures within the financial services industry.</p> <p>BCBL has operational risk management process which explains how the bank manages its operational risk by identifying, assessing, monitoring, controlling and mitigating the risk, rectifying operational risk events, and implementing any additional procedures required for compliance with central bank requirements. Operational risk management responsibility is assigned to different level of management within the business operation. Information systems are used to record the identification and assessment of operational risks and to generate appropriate regular management reporting. Risk assessment incorporates a regular review of identified risks to monitor significant changes.</p> <p>Banks performance is monthly monitored by Board of Directors as well as Bangladesh Bank through improvement of Directives of Bangladesh Bank (DOBB) which include monthly reporting of improvement of DOBB and Major Performance Indicators to Honorable of Board of Directors and concerned authority of Bangladesh Bank.</p>
	<p>Approach for calculating capital charge for operational risk</p>	<p>Basic Indicator Approach was used for calculating capital charge for operational risk as of the reporting date.</p>

8.2 Quantitative Disclosures

(b)	The capital requirements for operational risk	BDT in Crore		
		Particulars	Solo	Conso.
		Capital requirements for operational risk	22.31	22.31

9. Liquidity Ratio:

9.1 Qualitative Disclosures

(a)	<p>Views of BOD on system to reduce liquidity Risk</p> <p>Methods used to measure Liquidity risk</p>	<p>Liquidity risk is the risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss (or make the required profit) or when a bank is unable to fulfill its commitments in time when payment falls due. Thus, liquidity risk can be of two types:</p> <p>Funding liquidity risk: The risk that a firm will be unable to meet its current and future cash flow and collateral needs without affecting its daily operations or its financial condition</p> <p>Market liquidity risk: The risk that a firm cannot easily offset or sell a position without incurring a loss because of inadequate depth in the market</p> <p>Banking organization, where off-balance sheet exposure is significant or has strong dependency on corporate deposit or experiencing step asset (i.e. primarily credit portfolio or investment book) growth is exposed to high level of Liquidity risk. Liquidity risk should not be seen in isolation, because financial risks are not mutually exclusive and liquidity risk is often triggered by consequence of other financial risks such as credit risk, interest rate risk, foreign exchange risk etc.</p> <p>In context of Pillar 3 (Supervisory Review Process) of RBCA, the necessity of proper assessment and management of liquidity risk carries pivotal role in ICAAP of banks. In the perspective of Bangladesh, identifying and monitoring the driving factors of liquidity risk is viewed from the following aspects:</p> <p>Regulatory Liquidity Indicators (RLIs):</p> <ul style="list-style-type: none"> • Cash Reserve Requirement (CRR) • Statutory Liquidity Ratio (SLR) • Medium Term Funding Ratio (MTFR) • Maximum Cumulative Outflow (MCO) • Advance Deposit Ratio (ADR)/Investment Deposit Ratio (IDR) • Liquidity Coverage Ratio (LCR) • Net Stable Funding Ratio (NSFR) <p>Bank's own liquidity monitoring tools:</p> <ul style="list-style-type: none"> • Wholesale Borrowing and Funding Guidelines • Liquidity Contingency Plan • Management Action Trigger (MAT) <p>Computation of Capital Charge against Liquidity Risk: If annual average of any RLIs of any bank falls below Bangladesh Bank's requirement the bank will be required to maintain additional capital for that RLI (or those RLIs).</p> <p>As per Bangladesh Bank guideline management maintain sufficient CRR and SLR.</p>
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	<p>Liquidity risk management system</p> <p>Policies and processes for mitigating liquidity risk</p>	<p>In December 2014, the Bangladesh Bank started to two new liquidity metrics as part of the implementation of Basel III. These are a short term liquidity stress metric, the Liquidity Coverage Ratio (LCR) a longer term funding metric and the Net Stable Funding Ratio (NSFR). Banks have to maintain LCR and NSFR are at a minimum of 100%.</p> <p>Bangladesh Commerce Bank Limited Asset-Liability Management Committee (ALCO) has responsibility for monitoring liquidity measures and limits. Liquidity is maintained in excess of the maximum cumulative outflows calculated within these stress tests. Board Risk Management Committee set policies and process to mitigate all risks including Liquidity risk.</p>
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9.1 Quantitative Disclosures

(b)	<p>Liquidity Coverage Ratio</p> <p>Net Stable Funding Ratio (NSFR)</p> <p>Stock of High quality liquid assets</p> <p>Total net cash outflows over the next 30 calendar days</p> <p>Available amount of stable funding</p> <p>Required amount of stable funding</p>	<table border="1"> <thead> <tr> <th>Particulars</th> <th>BDT in Crore</th> </tr> </thead> <tbody> <tr> <td>Liquidity Coverage Ratio</td> <td>107.11%</td> </tr> <tr> <td>Net Stable Funding Ratio (NSFR)</td> <td>133.14%</td> </tr> <tr> <td>Stock of High quality liquid assets</td> <td>755.85</td> </tr> <tr> <td>Total net cash outflows over the next 30 calendar days</td> <td>517.23</td> </tr> <tr> <td>Available amount of stable funding</td> <td>3017.53</td> </tr> <tr> <td>Required amount of stable funding</td> <td>2266.41</td> </tr> </tbody> </table>	Particulars	BDT in Crore	Liquidity Coverage Ratio	107.11%	Net Stable Funding Ratio (NSFR)	133.14%	Stock of High quality liquid assets	755.85	Total net cash outflows over the next 30 calendar days	517.23	Available amount of stable funding	3017.53	Required amount of stable funding	2266.41
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Required amount of stable funding	2266.41															

10. Leverage Ratio:

10.1 Qualitative Disclosures

(a)	<p>Views of BOD on system to reduce excessive leverage</p> <p>Policies and processes for managing excessive on and off-balance sheet leverage</p>	<p>In order to avoid building-up excessive on- and off-balance sheet leverage in the banking system, a simple, transparent, non-risk based leverage ratio has been introduced by Bangladesh Bank. The leverage ratio is calibrated to act as a credible supplementary measure to the risk based capital requirements. The leverage ratio is intended to achieve the following objectives:</p> <ol style="list-style-type: none"> constrain the build-up of leverage in the banking sector which can damage the broader financial system and the economy reinforce the risk based requirements with an easy to understand and a non-risk based measure <p>The policy for Leverage Ratio including off and on balance sheet exposure and capital related policy. The Bank has a well structured delegation and sub-delegation of credit approval authority for ensuring good governance and better control in credit approval system. The Board of Directors and its Executive Committee hold the supreme authority for any credit approval in line with the credit committee consisting of the senior management of the bank.</p>
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	Approach for calculating exposure	<p>There are approved limits for instruments both on-balance sheet and off-balance sheet items. The limits are monitored and enforced on a regular basis to protect against such risk.</p> <p>Calculation of Leverage Ratio: A minimum Tier 1 leverage ratio of 3% is being prescribed both at solo and consolidated level.</p> $\text{Leverage Ratio} = \frac{\text{Tier 1 Capital (after related deductions)}}{\text{Total Exposure (after related deductions)}}$ <p>The exposure measure for the leverage ratio will generally follow the accounting measure of exposure. In order to measure the exposure consistently with financial accounts, the following will be applied by the bank:</p> <ul style="list-style-type: none"> • On balance sheet, non-derivative exposures will be net of specific provisions and valuation adjustments (e.g. surplus/deficit on Available for sale (AFS)/ Held-for-trading (HFT) positions). • Physical or financial collateral, guarantee or credit risk mitigation purchased is not allowed to reduce on- balance sheet exposure. • Netting of loans and deposits is not allowed.
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10.2 Quantitative Disclosures

(b)	Leverage Ratio On balance sheet exposure Off balance sheet exposure Total exposure	BDT in Crore		
		Particulars	Solo	Conso.
		Tier-1 Capital (A)	-270.74	-262.95
		Exposure measure :		
		On balance sheet exposure	3598.24	3598.24
		Off balance sheet exposure	414.78	414.78
		Less: Regulatory adjustment made to Tier I capital	379.39	379.39
		Total exposure (B)	3633.63	3633.63
		Leverage Ratio (A/B)	-7.45%	-7.24%

11. Remuneration

11.1 Qualitative Disclosures

(a)	Information relating to the bodies that oversee remuneration. Disclosures should include:	The Human Resource Division of the Bank is sole responsible for formulation and up-gradation of the bank under the supervision of Managing Director. Though the formulation is done by the management and approved by the Board of Directors at their meeting but before implementation the remuneration package needs to be approved by Bangladesh Bank as per condition implies in Directive of Bangladesh Bank (DOBB).
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	<p>Name, composition and mandate of the main body overseeing remuneration. External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.</p> <p>A description of the scope of the bank's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches.</p> <p>A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.</p>	<p>Bank's remuneration policy is designed for permanent, contractual, consultant and advisory service/employees. Bank's subsidiary develops their own remuneration package approved by the Board of Directors.</p> <p>For the purposes of the accompanying remuneration disclosures, the "senior managers" of the bank comprise of Managing Director, Deputy Managing Director and the heads of appropriate big branches, the heads of operation, corporate, and credit risk functions and the company secretary. List of executives who considered as material risk takers are given below:</p> <table border="1" data-bbox="683 712 1385 1055"> <thead> <tr> <th>Designation of the employees</th> <th>Number of Employees</th> </tr> </thead> <tbody> <tr> <td>Managing Director</td> <td>1</td> </tr> <tr> <td>Additional Managing Director</td> <td>1</td> </tr> <tr> <td>Deputy Managing Director</td> <td>1</td> </tr> <tr> <td>Senior Executive Vice President</td> <td>1</td> </tr> <tr> <td>Executive Vice President</td> <td>2</td> </tr> <tr> <td>Senior Vice President</td> <td>11</td> </tr> <tr> <td>Vice President</td> <td>10</td> </tr> </tbody> </table>	Designation of the employees	Number of Employees	Managing Director	1	Additional Managing Director	1	Deputy Managing Director	1	Senior Executive Vice President	1	Executive Vice President	2	Senior Vice President	11	Vice President	10
Designation of the employees	Number of Employees																	
Managing Director	1																	
Additional Managing Director	1																	
Deputy Managing Director	1																	
Senior Executive Vice President	1																	
Executive Vice President	2																	
Senior Vice President	11																	
Vice President	10																	
(b)	<p>Information relating to the design and structure of remuneration processes. Disclosures should include:</p> <p>An overview of the key features and objectives of remuneration policy.</p> <p>Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made.</p> <p>A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.</p>	<p>The bank has developed a remuneration package which is competitive compared to the market but at the same time cost effective considering the bank's business volume and financial strength. The underlying objective of the remuneration package is</p> <ul style="list-style-type: none"> • To offer a satisfactory and motivational compensation package to its employee • To attract better human resource • Retain the trained and skilled manpower <p>The remuneration package was last upgraded in last part of year 2017 as a result in last year the package doesn't rise the necessity to be reviewed.</p> <p>To motivate contribution in risk management, compliance and business bank has the policy of additional increment in addition of regular increment, special promotion, honorarium as well as special training financed by bank.</p>																
(c)	<p>Description of the ways in which current and future risks are taken into account in the remuneration</p>	<p>While designing a remuneration package bank have to consider the future risk arises. Risk might be came through the employee turnover or through the cost effectiveness. As the remuneration is the highest part of the total administrative expenditure of the banking business bank have to carefully</p>																

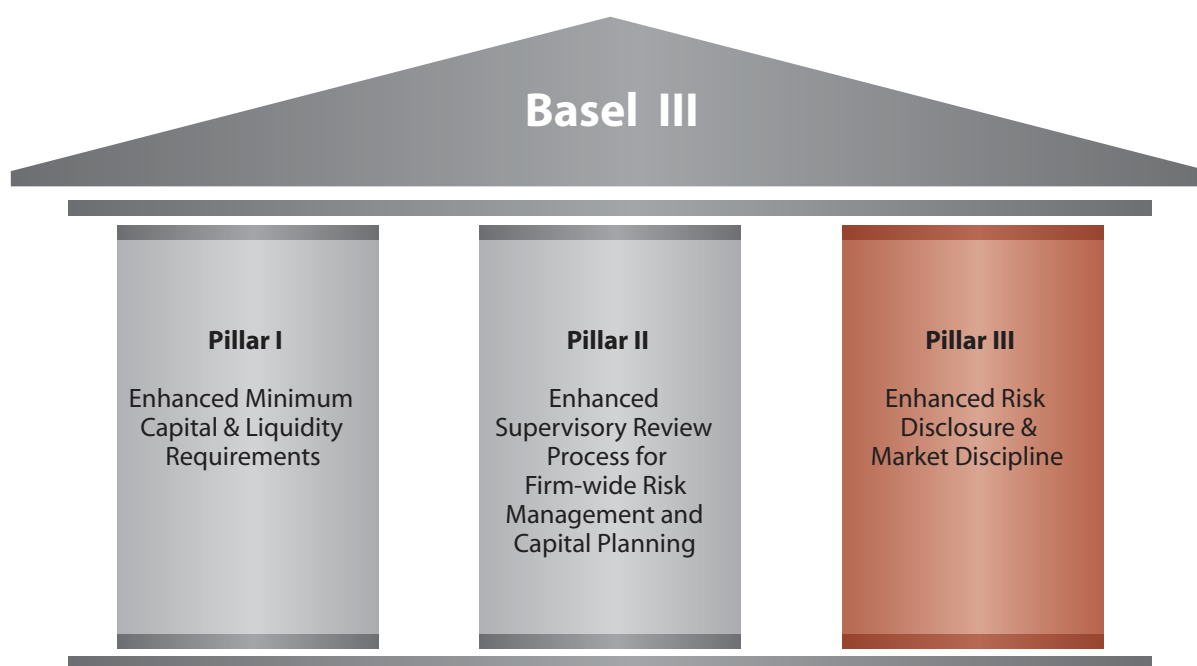
	<p>processes. Disclosures should include: An overview of the key risks that the bank takes into account when implementing remuneration measures. An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure (values need not be disclosed). A discussion of the ways in which these measures affect remuneration. A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration.</p>	<p>design the remuneration package to maintain the growing profitability. At the same time bank have to consider the competitive forces to sustain its valuable human resources as well as attract skilled human resources.</p> <p>Bank takes following measures to take account the risk associated from the remuneration package:</p> <ul style="list-style-type: none"> • Employee turnover rate • Rate of administrative expenditure • Per employee contribution in profit, deposit, advance • Achievement of business as well as performance target <p>If the employee turnover grows beyond tolerable limit management review the remuneration package and change or update upon approval from the board. Considering the administrative expenditure and per employee contribution in business and earnings banks bonus and business expansion with existing manpower is considered. Achievement of individual business target and performance target is reflected in yearly increment, promotion and bonus etc. No changes occurred in remuneration measuring criteria in past year.</p>
(d)	<p>Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration. Disclosures should include: An overview of main performance metrics for bank, top-level business lines and individuals. A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance. A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak.</p>	<p>Bank has a Key Performance Indicator (KPI) set to evaluate every individual employee's performance and some key indicators for measuring the performance overall human resources of the bank.</p> <p>Amounts of individual remuneration like yearly increment, bonus, house building loan, promotion is directly linked with their set performance standard and achievement there against.</p> <p>At the event of weak performance metrics individual will lose the benefit as set in the policy and recommended and provided supporting to improve from the weak performance status.</p>

(e)	<p>Description of the ways in which the bank seek to adjust remuneration to take account of longer-term performance. Disclosures should include: A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance.</p> <p>A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through clawback arrangements.</p>	<p>Banks remuneration contains two parts one is fixed and another is variable. Variable part depends on the performance of the individual employees. Variable benefit includes increment, bonus, house building loan, promotion etc. These doesn't varies from employees to employees or group to group but performance measuring criteria is different for each group, division or branch level employees.</p>
(f)	<p>Description of the different forms of variable remuneration that the bank utilises and the rationale for using these different forms. Disclosures should include: An overview of the forms of variable remuneration offered (ie cash, shares and share-linked instruments and other forms</p> <p>A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees), a description the factors that determine the mix and their relative importance.</p>	<p>Bangladesh Commerce Bank Limited has no variable remuneration like cash, shares and share linked instruments and other forms.</p>

11.2 Quantitative Disclosures

(g)	Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member.	Several meetings of the special committee formed for increasing remuneration held in 2018 to finalize the increase of salary package for the bank.											
(h)	Number of employees having received a variable remuneration award during the financial year. Number and total amount of guaranteed bonuses awarded during the financial year. Number and total amount of sign-on awards made during the financial year. Number and total amount of severance payments made during the financial year.	<table border="1"> <thead> <tr> <th data-bbox="678 600 1098 633">Particulars</th> <th data-bbox="1098 600 1375 633">BDT in Crore</th> </tr> </thead> <tbody> <tr> <td data-bbox="678 633 1098 775">Number of employees having received a variable remuneration award during the financial year</td> <td data-bbox="1098 633 1375 775">Nil</td> </tr> <tr> <td data-bbox="678 775 1098 918">Number and total amount of guaranteed bonuses awarded during the financial year.</td> <td data-bbox="1098 775 1375 918">Two festival bonus paid to employees worth BDT 6.40 Crore.</td> </tr> <tr> <td data-bbox="678 918 1098 1059">Number and total amount of sign-on awards made during the financial year.</td> <td data-bbox="1098 918 1375 1059">Nil</td> </tr> <tr> <td data-bbox="678 1059 1098 1200">Number and total amount of severance payments made during the financial year.</td> <td data-bbox="1098 1059 1375 1200">Nil</td> </tr> </tbody> </table>		Particulars	BDT in Crore	Number of employees having received a variable remuneration award during the financial year	Nil	Number and total amount of guaranteed bonuses awarded during the financial year.	Two festival bonus paid to employees worth BDT 6.40 Crore.	Number and total amount of sign-on awards made during the financial year.	Nil	Number and total amount of severance payments made during the financial year.	Nil
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(i)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. Total amount of deferred remuneration paid out in the financial year.	<table border="1"> <thead> <tr> <th data-bbox="678 1249 1098 1283">Particulars</th> <th data-bbox="1098 1249 1375 1283">BDT in Crore</th> </tr> </thead> <tbody> <tr> <td data-bbox="678 1283 1098 1532">Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms a variable remuneration award during the financial year</td> <td data-bbox="1098 1283 1375 1532">Nil</td> </tr> <tr> <td data-bbox="678 1532 1098 1673">Total amount of deferred remuneration paid out in the financial year.</td> <td data-bbox="1098 1532 1375 1673">Nil</td> </tr> </tbody> </table>		Particulars	BDT in Crore	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms a variable remuneration award during the financial year	Nil	Total amount of deferred remuneration paid out in the financial year.	Nil				
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Total amount of deferred remuneration paid out in the financial year.	Nil												
(j)	Breakdown of amount of remuneration awards for the financial year to show: - Fixed and variable. -Deferred and non - deferred. - Different forms used (cash, shares and share linked instruments, other forms).	Fixed remuneration of BDT 117.35 Crore has been paid in 2018 and no variable remuneration was paid in said period.											

(k)	<p>Quantitative information about employees' exposure to implicit (eg fluctuations in the value of shares or performance units) and explicit adjustments (eg clawbacks or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:</p> <p>Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.</p> <p>Total amount of reductions during the financial year due to ex post explicit adjustments.</p> <p>Total amount of reductions during the financial year due to ex post implicit adjustments.</p>	Not applicable for Bangladesh Commerce Bank Limited.
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CEO's and CFO's declaration to the Board of Directors

In accordance with the condition no. 06 of SEC notification no. SEC/CMPRCD/2006-158/134/Admin/44 dated 07 August, 2012 we hereby certify that;

1. We have reviewed financial statement for the year 2018 and that to the best of our knowledge and brief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable law;
2. There are, to the best of knowledge and brief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.



Mohammad Saiful Islam, FCMA
Vice President & CFO



Md. Abdul Khaleque Khan
Managing Director & CEO

OUR PRODUCTS

Liability Products

Savings Bank Deposit

- Any matured citizen of Bangladesh can open the account at any branch of BCB.
- Account can be opened at a minimum amount of Tk. 500/-
- The applicant has to provide 2 Passport sized Photograph, Photograph of National Identity card/Birth registration Certificate/Passport/Driving License or other relevant document exemplifying his/her identity and 1 Passport sized Photograph of Nominee.
- Withdrawal of any amount at any date is allowed.
- Current Rate on Interest is 3.25%
- Opening of any Individual, Joint or Institutional account is possible.

BCB Srijoni (A Savings account for Working Women)

- Special Product designed for the Working Women.
- Any working woman of Bangladesh can open the account at any branch of BCB.
- The applicant has to provide 2 (Two) Passport sized photograph, Photocopy of National Identity Card / Birth Registration Certificate / Passport / Driving License or other relevant document exemplifying his / her identity and 01 (one) Passport sized photograph of Nominee.
- Account can be opened at a minimum amount of Tk. 100/- only.
- Rate of interest is 3.50%
- Interest paid half yearly & on daily balance.
- There is no obligation of minimum balance for interest.

BCB Nondita (A Savings Account only for Housewives)

- Any housewife of Bangladesh can open the account at any branch of BCB.
- The applicant has to provide 2 (Two) Passport sized photograph, Photocopy of National Identity Card / Birth Registration Certificate / Passport / Driving License or other relevant document exemplifying his / her identity and 01 (one) Passport sized photograph of Nominee.
- A minimum deposition of Taka. 500.00 is required for opening the Account.
- Withdrawal or deposition of any amount at any date is allowed round the month. But no interest will be paid should more than two withdrawal is made in a week or the minimum balance of any particular month reaches less than Taka. 5,000.00/-
- Rate of interest is 3.50%
- Interest will be paid half yearly & on daily balance.
- Free Credit Card facility may be availed against the account balance. (Conditions apply)

BCB Nirvar (A Monthly Savings Scheme)

- Any matured citizen of Bangladesh can open the account at any branch of BCB.
- The applicant has to provide 2 Passport sized Photograph, Photograph of National Identity card/Birth registration Certificate/ Passport/Driving License or other relevant document exemplifying his/her identity and 1 Passport sized Photograph of Nominee.
- Minimum monthly installments are Taka. 500/-, 1,000/- 2,000/-, 5,000/-, 10,000/- & 20,000/-.
- Duration of the Scheme is 03 (three), 05 (five), 07 (seven) & 10 (ten) years.
- A Loan Privilege of up to 90% is possible against the entire deposited amount.
- Rate of Interest: 8.00%

Liability Products

BCB Current Deposit Account

- a) Any matured citizen of Bangladesh can open the account at any branch of BCB.
- b) The applicant has to provide 2 (Two) Passport sized photograph, Photocopy of National Identity Card / Birth Registration Certificate / Passport / Driving License or other relevant document exemplifying his / her identity and 01 (one) Passport sized photograph of Nominee.
- c) A minimum deposition of Taka. 1,000.00 is required for opening the Account.
- d) Withdrawal of any amount at any date is allowed.
- e) Rate of interest is – 0%
- f) Opening of any Individual, Joint or Institutional account is possible.

BCB Special Notice Deposit (SND)

- a) Any matured citizen of Bangladesh can open the account at any branch of BCB.
- b) The applicant has to provide 2 (Two) Passport sized photograph, Photocopy of National Identity Card / Birth Registration Certificate / Passport / Driving License or other relevant document exemplifying his / her identity and 01 (one) Passport sized photograph of Nominee.
- c) A minimum deposition of Taka. 1,000.00 is required for opening the Account.
- d) Withdrawal of any amount at any date is allowed.
- e) Rate of interest is – 2.5% - 3.00%
- f) Opening of any Individual, Joint or Institutional account is possible

BCB Fixed Deposit (FDR)

- a) A term deposit account that can be opened by any matured citizen of Bangladesh at any branch of BCB.
- b) Current Rate of Interest is 5.50% - 9.00%

BCB Students' Savings Account

- a) Student's up to 17 years of age are applicable for opening the account.
- b) This is a joint account which cannot be opened with anyone else other than parents or legal Guardian.
- c) For the verification of age, as a means of evidence, Birth Registration Certificate / Passport / School Certificate will have to be presented before opening the account.
- d) Rate of interest is –
- e) Interest will be paid half yearly & on daily balance.

BCB Monthly Income Scheme

- a) Any matured citizen of Bangladesh can open the account at any branch of BCB.
- b) The applicant has to provide 2 (Two) Passport sized photograph, Photocopy of National Identity Card / Birth Registration Certificate / Passport / Driving License or other relevant document exemplifying his / her identity and 01 (one) Passport sized photograph of Nominee.
- c) A minimum deposition of Taka. 1,00,000.00 or multiple is possible for a period of 03 (three) years.
- d) Maximum amount of profit withdrawal is Taka. 900.00 tk. per Lakh (monthly).
- e) A loan privilege of up to 90 % is possible against the entire deposited amount.

Liability Products

BCB Double Benefit Scheme

- a) Any matured citizen of Bangladesh can open the account at any branch of BCB.
- b) The applicant has to provide 2 (Two) Passport sized photograph, Photocopy of National Identity Card / Birth Registration Certificate / Passport / Driving License or other relevant document exemplifying his / her identity and 01 (one) Passport sized photograph of Nominee.
- c) A minimum deposition of Taka. 25,000.00 or multiple is possible.
- d) Deposited amount would be doubled in 06 (six) years & 05 (Five) Months.
- e) A loan privilege of up to 90 % is possible against the entire deposited amount.

BCB Bhibaho Suridh Scheme Account

- a) Any matured citizen of Bangladesh can open the account at any branch of BCB.
- b) The applicant has to provide 2 Passport sized Photograph, Photograph of National Identity card/Birth registration Certificate/Passport/Driving License or other relevant document exemplifying his/her identity and 1 Passport sized Photograph of Nominee.
- c) Minimum monthly installments are Taka. 2,000/-, 4,000/- 6,000/-, 8,000/-, 10,000/-, 12,000/-, 14,000/- 16,000/-, 18,000/- 20,000/-, 22,000/- & 24,000/-.
- d) Duration of the Scheme is 05 (five), 10 (ten) years, 15 (Fifteen) years & 20 (Twenty) years.
- e) A Loan Privilege of up to tk. 10.00 Lakh is possible (Conditions Apply).
- f) Annual Rate of Interest: 09.00%
- g) Premature Encashment is possible (Conditions Apply). BCB

BCB Shikka Suridh Scheme Account

- a) Any matured citizen of Bangladesh can open the account at any branch of BCB.
- b) The applicant has to provide 2 Passport sized Photograph, Photograph of National Identity card/Birth registration Certificate/Passport/Driving License or other relevant document exemplifying his/her identity and 1 Passport sized Photograph of Nominee.
- c) Minimum monthly installments are Taka. 2,000/-, 4,000/- 6,000/-, 8,000/-, 10,000/-, 12,000/-, 14,000/- 16,000/-, 18,000/- 20,000/-, 22,000/- & 24,000/-.
- d) Duration of the Scheme is 05 (five), 10 (ten) years, 15 (Fifteen) years & 20 (Twenty) years.
- e) A Loan Privilege of up to tk 10.00 Lakh is possible (Conditions Apply).
- f) Annual Rate of Interest: 09.00%
- g) Premature Encashment is possible (Conditions Apply).

BCB Chikitsha Suridh Scheme Account

- a) Any matured citizen of Bangladesh can open the account at any branch of BCB.
- b) The applicant has to provide 2 Passport sized Photograph, Photograph of National Identity card/Birth registration Certificate/Passport/Driving License or other relevant document exemplifying his/her identity and 1 Passport sized Photograph of Nominee.
- c) Minimum monthly installments are Taka. 2,000/-, 4,000/- 6,000/-, 8,000/-, 10,000/-, 12,000/-, 14,000/- 16,000/-, 18,000/- 20,000/-, 22,000/- & 24,000/-.
- d) Duration of the Scheme is 05 (five), 10 (ten) years & 15 (Fifteen) years & 20 (Twenty) years.
- e) A Loan Privilege of up to tk 10.00 Lakh is possible (Conditions Apply).
- f) Annual Rate of Interest: 09.00%
- g) Premature Encashment is possible (Conditions Apply).

Asset Products:

Credit Management Division:

Agriculture Loans	10%
Women Entrepreneurs with Govt. Refinance	10%
Prime customers	12%
Non Bank Financial Institution	13%
Syndicate/club finance	13%
Loan Against FDR –For BCBL FDR	3% above the rate of FDR
--For Other Bank FDR	14%
Commercial Loans:	
CC (Hypo)	14%
CC (Pledge)/ LIM	15%
SOD (R.E)	14%
SME – CC (Hypo) & Others	14%
LTR/PAD other than food items	15%
Term Loan:	
Large & Medium Scale Industries	14%
Small Scale Enterprise(Secured)	14%
Small Scale Enterprise(Unsecured)	17.50%
House Building Loan:	
Residential	15%
Commercial	15%
Transport Loan:	
Private Use	14%
Commercial Use	14%
Forced/demand loan	18%
Lease Finance	15%
Loan Against Special Schemes	15%
Export Loan	7%
Trade Finance for rice, wheat, edible oil, pulse, peas, onion, dates & sugar	15%
Bill Purchase	16%
Consumer Credit Scheme (CCS)	15%
Special Loan for Service Holder(SLSH)- for retail clients	16%
Special loan for unemployed women	16%

SME Products:

BCB Seasonal Loan

- a. Loan ranges from 100,000/- to 3,00,000/-
- b. Security free Taka. 3,00,000/-
- c. Duration loan account is 01 month to 06 months.
- d. Rate of interest is 13%.
- e. Age must be from 20 to 55.
- f. Not renewable.
- g. Must have an associated Savings / Current Account maintained on the concerned branch.

BCB Term Loan

- a. Loan ranges from 100,000/- to 50,00,000/-
- b. Security free Taka. 5,00,000/-
- c. Duration loan account is from minimum 12 months to 24 months.
- d. Rate of interest is 13% (Security free) & 17% (with collateral security)
- e. Age must be from 18 to 55.
- f. Must have an associated Savings / Current Account maintained on the concerned branch.

BCB Cash Credit

- a. Loan ranges from 500,000/- to 50,00,000/-
- b. Security free Taka. 5,00,000/-
- c. Duration loan account is maximum 12 months.
- d. Rate of interest is 13% (Security free) & 17% (with collateral security)
- e. Renewable.
- f. Customer's daily sold amount will be deposited as loan amount.
- g. Age must be from 20 to 55.
- h. Must have an associated Savings / Current Account maintained on the concerned branch.

BCB Kollani

- a. Loan ranges from 1,00,000/- to 5,00,000/-
- b. Security free Taka. 1,00,000/-
- c. Duration loan account is 12 months to 36 months.
- d. Rate of interest is 12%.
- e. Education qualification shall have to be
- f. Minimum one personal guarantee by the entrepreneur's wife / husband / any other apposite family member.
- g. Age must be from 18 to 55.
- h. Must have an associated Savings / Current Account maintained on the concerned branch

Agri Product:

BCB Agriculture & Rural Loan

- a. Up to Taka. 50,000/- Crop loan facility without any security.
- b. Demand for loan, terms & duration of installments are determined by the type of agriculture.
- c. Rate of interest is 13% per year.
- d. Preference would be given to those with training on agriculture.
- e. Sectors surrounded by BCB Agriculture & Rural Loan includes Production of crops, Fisheries, Livestock & Poultry Farming, Purchase of Agricultural equipments / machineries, Cottage Industry, Food Processing, Productions from Jute, Production of Spices est.

BCB Apiculture

- a. Maximum Taka. 60,000/- for every 10 (ten) Bee Boxes.
- b. Duration of the Loan Account it maximum 01 (one) year.
- c. Rate of interest is 13%
- d. Minimum one personal guarantee by the entrepreneur's wife / husband / any other apposite family member.
- e. Client's minimum investment will have to be 25% of the total loan amount.
- f. At least 05 (five) Bee boxes will have to be on possession for getting the loan.
- g. Age must be from 20 to 55.

**Bangladesh Commerce Bank Limited
and its Subsidiary**

**"Auditors' Report and
Audited Consolidated &
Separate Financial Statements"**

For the year ended 31 December 2018



**Independent Auditors' Report to the Shareholders
of Bangladesh Commerce Bank Limited
Report on the Audit of the Consolidated and Separate Financial Statements**

Qualified Opinion

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

In our opinion, except for the effects of the matter describe in the Basis for qualified opinion section of our report, the accompanying consolidated financial statements of the group and separate financial statements of the Bank presents fairly, in all material respects, the consolidated financial position of the group and the separate financial position of the Bank as at December 31, 2018, and of its consolidated and separate financial performance and its consolidated and separate statement of cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for Qualified Opinion

1. To comply with the BASEL-III capital adequacy requirement confirming to the section 13 (2) of Bank Company Act (Amendment) 2013 the bank should have Minimum Capital requirement (MCR) of 400 crore as against which bank had taka (255.95) crore, hence shortfall of Tk 655.95 crore.
2. Provision shortfall against loan and advances for the year ended December 31, 2018 stands at Tk 5,702,827,420 (2017: Tk 2,542,522,200) and profit or loss for the year was overstated by the same amount.

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

Key Audit Matters

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

Description of key audit matters	Description of key audit matters
Description of key audit matters	
<p>The process for estimating the provision for customer investments associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provisions calculation consider the estimates of future business performance and the market value of collateral provided for availing investment facilities.</p> <p>For the collective analysis of exposure on portfolio basis, provision calculation and reporting are manually processed that deals with voluminous databases, assumptions and estimates.</p> <p>At year end the Group and the Bank reported total gross loans and advances of BDT 22,133 million (2017: BDT 19,227 million) and BDT 22,133 million (2017: BDT 19,227 million) respectively and the Bank reported provision for investments of BDT 2,588 million (2017: BDT 854 million).</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Investment appraisal, disbursement and monitoring procedures, and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly Classification of Investments (Loans-CL) submitted to Bangladesh Bank; <p>Our substantive procedures in relation to the provision for investment portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines and; • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. • Finally, compared the amount of provision requirement as determined by Bangladesh Bank Department of Banking Inspection (DBI) team to the actual amount of provision maintained.

Valuation of treasury bill and treasury bond	
Refer note no 6.1 to the financial statements	
<p>The classification and measurement of T-Bill and T-Bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Group to identify and confirm the existence of treasury bills and bonds.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over financial instruments valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>

Impairment assessment of unquoted investments	
<p>In the absence of a quoted price in an active market, the fair value of unquoted shares and bonds, especially any impairment is calculated using valuation techniques which may take into consideration direct or indirect unobservable market data and hence require an elevated level of judgment.</p>	<p>We have assessed the processes and controls put in place by the Bank to ensure all major investment decisions are undertaken through a proper due diligence process</p> <p>We tested a sample of investments valuation as at December 31, 2018 and compared our results to the recorded value.</p> <p>Finally we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>
IT systems and controls	
<p>We focused on this area because the Bank and its subsidiaries (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p>

<p>outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Group's and the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.</p>	<p>We have assessed the processes and controls put in place by the Bank to ensure all major investment decisions are undertaken through a proper due diligence process</p> <p>We tested a sample of investments valuation as at December 31, 2018 and compared our results to the recorded value.</p> <p>Finally we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
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Carrying value of investments in subsidiary by the Bank

<p>The Bank has invested in equity shares of one subsidiaries, namely Commerce bank Securities and Investment Limited as at December 31, 2018 the carrying value of this investment is BDT 649 million.</p> <p>At the time of conducting our audit of the separate financial statements of the Bank we have considered the recoverable value of the Bank's investments in all the above subsidiaries stated at cost.</p> <p>Management has conducted impairment assessment and calculated recoverable value of its individual subsidiaries in accordance with IAS 36.</p>	<p>We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36.</p> <p>In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p> <p>We also checked mathematical accuracy of the model, recalculated discount rate used within the model, inputs used in the determination of assumptions within the model were challenged and corroborating information was obtained with reference to external market information, third-party sources.</p>
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Reporting on other information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other Legal and Regulatory Requirements

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

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

- (vii) the expenditures incurred were for the purpose of the Bank's business for the year;
- (viii) the consolidated financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- (ix) adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- (x) the information and explanations required by us have been received and found satisfactory;
- (xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 3,500 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has not been maintained adequately during the year.

Dated: Dhaka
April 30, 2019



Rahman Mostafa Alam & Co.
Chartered Accountants

Bangladesh Commerce Bank Limited & its Subsidiary
Consolidated Balance Sheet

As at December 31, 2018

Particulars	Notes	31.12.2018 Taka	31.12.2017 Taka
PROPERTY AND ASSETS			
Cash	3(a)	2,380,206,219	2,492,587,673
Cash in hand (including foreign currencies)	3.1(a)	401,312,499	334,875,762
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	1,978,893,720	2,157,711,911
Balance with other banks and financial institutions	4(a)	7,116,620,293	8,573,302,449
Inside Bangladesh		7,062,356,689	8,561,356,274
Outside Bangladesh		54,263,604	11,946,175
Money at call on short notice	5(a)	29,300,000	29,300,000
Investments	6(a)	4,377,642,955	4,167,667,054
Government		3,154,746,348	3,060,780,742
Others		1,222,896,608	1,106,886,312
Loans and Advances	7(a)	22,148,122,999	19,284,440,468
Loans, Cash Credit, Overdrafts etc.		22,133,482,005	19,227,364,416
Bills purchased and discounted		14,640,994	57,076,052
Fixed assets including premises, furniture and fixtures	8(a)	226,304,182	150,860,648
Other assets	9(a)	2,202,852,655	1,995,559,811
Non-banking assets	10	-	-
Total Property and Assets		38,481,049,303	36,693,718,103
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	334,230,708	180,961,542
Deposits and other accounts	12(a)	31,632,895,296	30,009,139,141
Current Account and Other Accounts etc.		5,913,588,232	7,976,671,073
Bills Payable		568,348,337	353,282,009
Savings Bank Deposits		3,293,679,365	3,133,155,564
Fixed Deposits		17,236,395,613	14,464,383,131
Other Deposits and Schemes	12.5.2	4,620,883,749	4,081,647,364
Other liabilities	13(a)	5,163,181,150	2,952,603,452
Total Liabilities		37,130,307,154	33,142,704,135
Capital/Shareholders' Equity			
Paid-up-Capital	14.2	1,988,742,800	1,988,742,800
Share Capital BCI Ltd.		15,300,000	36,500,000
Right Share Application Money		917,259,650	917,259,650
Statutory Reserve	15(a)	275,060,371	275,060,371
Other Reserve	16(a)	8,920,366	8,920,366
Revaluation Reserve for HTM Securities	17(a)	186,327,551	156,205,739
Exchange Equalization Account		-	-
Retained Earnings/(Loss on profit & loss A/C)	18(a)	(2,040,868,691)	168,324,953
Total Shareholders' Equity		1,350,742,048	3,551,013,879
Non-Controlling Interest		101	90
Total Equity		1,350,742,149	3,551,013,969
Total Liabilities and Shareholders' Equity		38,481,049,303	36,693,718,103

Bangladesh Commerce Bank Limited & its Subsidiary
Consolidated Balance Sheet

As at December 31, 2018

Particulars	Notes	31.12.2018 Taka	31.12.2017 Taka
OFF-BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		771,008,799	678,809,575
Letter of Guarantees	19.1	620,926,132	472,019,531
Irrevocable Letter of Credit		1,028,651,913	1,191,985,301
Bills for Collection		2,972,696,790	204,362,819
Other contingent liability	19.2	113,791,800	113,791,800
TOTAL CONTINGENT LIABILITIES		5,507,075,435	2,660,969,026
Other commitments			
Documentary Credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total Off-Balance Sheet items including contingent liabilities		5,507,075,435	2,660,969,026

The annexed notes 1 to 37 and Annexure A,B,C,D and E form an integral part of these consolidated financial statements.


Managing Director


Director


Director


Chairman

Signed in term of our separate report of even date.

Dated, Dhaka,
April 30, 2019


Rahman Mostafa Alam & Co.
Chartered Accountants

Bangladesh Commerce Bank Limited & its Subsidiary

Consolidated Profit and Loss Account

For the year ended December 31, 2018

Particulars	Notes	31.12.2018 Taka	31.12.2017 Taka
Interest Income	20 (a)	2,535,624,265	2,000,578,724
Interest Paid on Deposits and Borrowings etc	21(a)	1,772,316,060	1,252,735,475
Net Interest Income		763,308,205	747,843,249
Income from Investments in Shares and Securities	22(a)	347,945,035	348,285,041
Commission, Exchange Earnings & Brokerage	23(a)	290,945,267	242,362,221
Other Operating Income	24(a)	70,603,424	58,947,216
		709,493,727	649,594,478
Total operating income (A)		1,472,801,932	1,397,437,727
Salaries and Allowances	25(a)	1,191,379,340	608,936,251
Rent, Taxes, Insurance, Electricity, etc.	26(a)	158,828,932	141,682,565
Legal Expenses		1,083,478	1,347,598
Postage, Stamp, Telecommunication etc.	27(a)	29,847,819	26,592,714
Stationery, Printing, Advertisement etc.	28(a)	18,555,558	16,999,555
Managing Director's salary and fees	29	7,534,667	9,270,904
Directors' Fee and expenses	30	2,429,500	2,171,000
Auditors' Fee		333,500	333,500
Depreciation & Repairs of Bank Assets	31(a)	43,402,370	59,988,245
Other Expenses	32(a)	183,840,552	162,345,510
Total operating expenses (B)		1,637,235,715	1,029,667,842
Total Profit/ (Loss) before Provision & Taxes (C)=A-B		(164,433,783)	367,769,885
Provision for Loans & Advances	13.1.2(a)	1,801,349,141	49,798,308
Provision for deminution in value of Investment		59,737,123	23,766,344
Provision for Off Balance Sheet Items		28,877,501	5,137,340
Other provisions		10,249,516	102,350,180
Total provision (D)		1,900,213,281	181,052,172
Profit/(loss) before taxes (C-D)		(2,064,647,064)	186,717,713
Provision for Taxation		144,586,027	135,683,203
Current tax expense		29,179,286	135,677,830
Prior year tax expense		133,436,294	-
Deferred tax expense/ (Income)		(18,029,553)	5,373
Net profit/ (loss) after taxation		(2,209,233,091)	51,034,510
Appropriations			
Statutory Reserve	15	-	29,345,771
General Reserve		-	-
Dividends etc.		-	-
		-	29,345,771
Retained surplus		(2,209,233,091)	21,688,739
Earning Per Share (EPS)	34(a)	(111.09)	2.57

The annexed notes 1 to 37 and Annexure A,B,C,D and E form an integral part of these consolidated financial statements.


Managing Director


Director


Director


Chairman

Signed in term of our separate report of even date.

Dated, Dhaka,
April 30, 2019


Rahman Mostafa Alam & Co.
Chartered Accountants

Bangladesh Commerce Bank Limited & its Subsidiary

Consolidated Cash Flow Statement

For the year ended December 31, 2018

Particulars	Notes	31.12.2018 Taka	31.12.2017 Taka
A. Cash flow from operating activities			
Interest receipt		2,610,619,066	2,131,161,107
Interest payments		(1,593,816,527)	(1,110,947,726)
Dividend receipts		27,716,247	24,436,896
Fees and commission receipts in cash		157,538,567	138,287,736
Cash payment to employees		(769,030,373)	(585,943,594)
Cash payment to suppliers		(2,946,442)	(161,896,979)
Income Taxes paid		(149,364,026)	(64,891,566)
Receipts from other operating activities		273,801,410	386,966,392
Payments for other operating activities		(43,097,530)	(131,015,564)
Operating profit before changes in operating assets and liabilities		511,420,392	626,156,703
Increase/(Decrease) in operating assets & liabilities		(1,936,024,749)	1,890,391,945
Statutory Deposits		(20,214,149)	(29,345,771)
Loan & advance		(2,863,682,591)	(2,650,344,394)
Other assets		(164,421,486)	(216,472,225)
Deposits from other banks/ borrowings		1,396,883,211	1,900,000,000
Deposits from customers		142,919,450	2,875,633,580
Other liabilities		(427,509,184)	10,920,755
Net cash flows from/ (used in) operating activities (CBSIL)		127,293,987	9,160,862
Net cash flow from operating activities (A)		(1,297,310,370)	2,525,709,510
B. Cash flow from investing activities			
Purchase/ sale of government securities & bond		(109,661,361)	(498,161,849)
Purchase of property, plant & equipment		(93,965,606)	(44,628,137)
Purchase/sale of subsidiary		-	-
Net Cash flow from investing activities(CBSIL)		25,839,334	(6,251,859)
Net cash flow from/ (used in) investing activities (B)		(177,787,633)	(549,041,844)
C. Cash flow from financing activities			
Proceeds from issue of debt instruments		-	-
Long Term loan payment to BCBL		-	-
Payment for redemption of debt instruments		-	-
Receipts from issuing ordinary share/ rights share		-	-
Cash Dividend		-	-
Net cash flow from/(used in) financing activities (C)		-	-
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)		(1,475,098,002)	1,976,667,665
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and Cash Equivalents at the beginning of the year		14,155,970,862	12,179,303,197
Cash and cash equivalents at end of year		12,680,872,860	14,155,970,862
Closing Cash & Cash Equivalent			
Cash in Hand (including foreign currency)		401,312,499	334,875,762
Balance with Bangladesh Bank and its Agent Banks		1,978,893,720	2,157,711,911
Balance with Other Bank's and Financial Institutions		7,116,620,293	8,573,302,449
Money at Call on Short Notice		29,300,000	29,300,000
Prize Bond		1,297,400	613,500
Government Securities & FDR		3,153,448,948	3,060,167,241
		12,680,872,860	14,155,970,862



Managing Director



Director



Director



Chairman

Signed in term of our separate report of even date.

Dated, Dhaka,
April 30, 2019


Rahman Mostafa Alam & Co.
Chartered Accountants

Bangladesh Commerce Bank Limited & its Subsidiary
Consolidated Statement of changes in Equity

For the year ended December 31, 2018

(Amount in Taka)

Particulars	Paid up Capital	Share Premium	Non-Controlling Interest	Statutory Reserve	Revaluation Reserve	Other Reserve	Profit/(Loss)	Total
Balance as on 01 January 2018	2,942,502,450	-	90	275,060,371	156,205,739	8,920,366	168,324,954	3,551,013,970
Changes in Accounting Policy	-	-	-	-	-	-	-	-
Restated Balance	1,988,742,800	-	90	275,060,371	156,205,739	8,920,366	168,324,954	2,597,254,320
Share Capital BCLtd.	15,300,000	-	-	-	-	-	-	15,300,000
Prior Year's Adjustment	-	-	-	-	-	-	-	-
Right Share Application Money	917,259,650	-	-	-	-	-	-	917,259,650
Increase in Statutory Reserve	-	-	-	-	-	-	-	-
Revaluation Reserve for HTM Securities	-	-	-	-	30,121,812	-	-	30,121,812
Net Profit/(Loss) for the year	-	-	11	-	-	-	(2,209,193,644)	(2,209,193,633)
Balance as on 31 December 2018	2,921,302,450	-	101	275,060,371	186,327,551	8,920,366	(2,040,868,690)	1,350,742,149
Balance as on 01 January 2017	1,988,742,800	-	90	245,714,600	156,568,071	8,920,366	146,636,215	2,546,582,142
Changes in Accounting Policy	-	-	-	-	-	-	-	-
Restated Balance	1,988,742,800	-	90	245,714,600	156,568,071	8,920,366	146,636,215	2,546,582,142
Share Capital BCLtd.	36,500,000	-	-	-	-	-	-	36,500,000
Prior Year's Adjustment	-	-	-	-	-	-	-	-
Right Share Application Money	917,259,650	-	-	-	-	-	-	917,259,650
Increase in Statutory Reserve	-	-	-	29,345,771	-	-	-	29,345,771
Revaluation Reserve for HTM Securities	-	-	-	-	(362,332)	-	-	(362,332)
Issuance of Share Capital	-	-	-	-	-	-	-	-
Redemption of Share Capital	-	-	-	-	-	-	-	-
Net Profit/(Loss) for the year	-	-	-	-	-	-	21,688,739	21,688,739
Balance as on 31 December 2017	2,942,502,450	-	90	275,060,371	156,205,739	8,920,366	168,324,954	3,551,013,968


Managing Director


Director


Director


Chairman

Signed in term of our separate report of even date.

Dated, Dhaka,
April 30, 2019


Rahman Mostafa Alam & Co.
Chartered Accountants

Bangladesh Commerce Bank Limited

Balance Sheet

As at December 31, 2018

Particulars	Notes	31.12.2018 Taka	31.12.2017 Taka
PROPERTY AND ASSETS			
Cash	3	2,379,517,730	2,492,389,926
Cash in hand (including foreign currencies)	3.1	400,624,010	334,678,015
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	3.2	1,978,893,720	2,157,711,911
Balance with other banks and financial institutions	4	6,680,103,615	8,289,428,350
Inside Bangladesh		6,625,840,010	8,277,482,176
Outside Bangladesh		54,263,605	11,946,175
Money at call on short notice	5	29,300,000	29,300,000
Investments	6	4,972,049,903	4,731,377,195
Government		3,154,746,348	3,060,780,742
Others		1,817,303,555	1,670,596,453
Loans and Advances	7	22,148,122,999	19,284,440,468
Loans, Cash Credit, Overdrafts etc.		22,133,482,005	19,227,364,416
Bills purchased and discounted		14,640,994	57,076,052
Fixed assets including premises, furniture and fixtures	8	217,658,401	142,985,722
Other assets	9	1,601,558,237	1,424,917,137
Non-banking assets	10	-	-
Total Property and Assets		38,028,310,885	36,394,838,798
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	334,230,708	180,961,542
Deposits and other accounts	12	31,632,895,296	30,009,139,141
Current Account and Other Accounts etc.		5,913,588,232	7,976,671,073
Bills Payable		568,348,337	353,282,009
Savings Bank Deposits		3,293,679,365	3,133,155,564
Fixed Deposits		17,236,395,613	14,464,383,131
Other Deposits and Schemes		4,620,883,749	4,081,647,364
Other Liabilities	13	4,788,344,811	2,709,556,613
Total Liabilities		36,755,470,815	32,899,657,296
Capital/Shareholders' Equity			
Paid-up-Capital	14.2	1,988,742,800	1,988,742,800
Share Capital BCI Ltd.		15,300,000	36,500,000
Right Share Application Money		917,259,650	917,259,650
Statutory Reserve	15	275,060,371	275,060,371
Other Reserve	16	8,920,366	8,920,366
Revaluation Reserve for HTM Securities	17	186,327,551	156,205,740
Exchange Equalization Account		-	-
Retained Earnings/(Loss on profit & loss A/C)	18	(2,118,770,669)	112,492,576
Total Shareholders' Equity		1,272,840,070	3,495,181,502
Total Liabilities and Shareholders' Equity		38,028,310,885	36,394,838,798

Bangladesh Commerce Bank Limited

Balance Sheet

As at December 31, 2018

Particulars	Notes	31.12.2018 Taka	31.12.2017 Taka
OFF-BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		771,008,799	678,809,575
Letter of Guarantees	19.1	620,926,132	472,019,531
Irrevocable Letter of Credit		1,028,651,913	1,191,985,301
Bills for Collection		2,972,696,790	204,362,819
Other contingent liability	19.2	113,791,800	113,791,800
TOTAL CONTINGENT LIABILITIES		5,507,075,435	2,660,969,026
Other commitments			
Documentary Credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total Off-Balance Sheet items including contingent liabilities		5,507,075,435	2,660,969,026

The annexed notes 1 to 38 and Annexure A,B,C,D and E form an integral part of these financial statements.



Managing Director



Director



Director



Chairman

Signed in term of our separate report of even date.

Dated, Dhaka,
April 30, 2019



Rahman Mostafa Alam & Co.
Chartered Accountants

Bangladesh Commerce Bank Limited

Profit and Loss Account

For the year ended December 31, 2018

Particulars	Notes	31.12.2018 Taka	31.12.2017 Taka
Interest Income	20	2,509,263,277	1,980,349,072
Interest on Deposits and Borrowings etc	21	1,772,316,060	1,252,735,475
Net Interest Income		736,947,217	727,613,597
Income from Investments	22	302,173,107	328,019,176
Commission, Exchange Earnings & Brokerage	23	157,538,567	138,287,736
Other Operating Income	24	70,603,424	58,947,216
		530,315,099	525,254,128
Total operating income (A)		1,267,262,315	1,252,867,725
Salary and Allowances	25	1,146,353,944	576,786,134
Rent, Taxes, Insurance, Electricity, etc.	26	149,351,431	132,779,985
Legal Expenses		823,478	1,226,598
Postage, Stamp, Telecommunication etc.	27	29,192,114	26,000,916
Stationery, Printing, Advertisement etc.	28	17,321,790	15,610,762
Managing Director's salary and allowances	29	7,534,667	9,270,904
Directors' Fee	30	1,546,300	1,425,800
Audit Fees		230,000	230,000
Depreciation & Repair of Fixed Assets	31	40,471,302	57,904,244
Other Expenses	32	158,085,406	129,353,674
Total operating expenses (B)		1,550,910,431	950,589,017
Profit before Provision (C)=A-B		(283,648,116)	302,278,708
Provision for Loans & Advances	13.1	1,733,333,181	24,616,273
Provision for deminution in value of Investment	13.6	59,737,123	23,766,344
Provision for Off Balance Sheet Items	13.10	28,877,501	5,137,340
Other provisions	13.11	10,249,516	102,350,180
Total provision (D)		1,832,197,321	155,870,137
Profit/(loss) before taxes (C-D)		(2,115,845,437)	146,408,571
Provision for Taxation		115,417,807	117,000,000
Current tax expense		-	117,000,000
Prior year tax expense		133,436,294	-
Deferred tax expense / (income)		(18,018,487)	-
Net profit/ (loss) after taxation		(2,231,263,244)	29,408,571
Appropriations			
Statutory Reserve	15	-	29,345,771
General Reserve		-	-
Dividends etc.		-	-
		-	29,345,771
Retained surplus		(2,231,263,244)	62,800
Earning Per Share (EPS)	34	(112.19)	1.48

The annexed notes 1 to 37 and Annexure A,B,C,D and E form an integral part of these consolidated financial statements.


Managing Director


Director


Director


Chairman

Signed in term of our separate report of even date.

Dated, Dhaka,
April 30, 2019


Rahman Mostafa Alam & Co.
Chartered Accountants

Bangladesh Commerce Bank Limited

Cash Flows Statement

For the year ended 31 December 2018

Particulars	Notes	31.12.2018 Taka	31.12.2017 Taka
A. Cash flow from operating activities			
Interest receipts		2,610,619,066	2,131,161,107
Interest payments		(1,593,816,527)	(1,110,947,726)
Dividend receipts		27,716,247	24,436,896
Fees and commission receipts in cash		157,538,567	138,287,736
Cash payment to employees		(769,030,373)	(586,057,038)
Cash payment to suppliers		(2,946,442)	(161,896,979)
Taxes paid		(149,364,026)	(64,891,566)
Receipts from other operating activities		273,801,410	386,966,392
Payments for other operating activities		(43,097,530)	(131,015,564)
Operating cash flow before changes in operating Assets and Liabilities		511,420,392	626,043,258
Increase/(Decrease) in operating assets & liabilities		(1,936,024,751)	1,890,391,945
Statutory Deposits		(20,214,150)	(29,345,771)
Loan & advance to customers		(2,863,682,591)	(2,650,344,394)
Other assets (item-wise)		(164,421,486)	(216,472,225)
Deposits from other banks		1,396,883,211	1,900,000,000
Deposits from customers		142,919,450	2,875,633,580
Other liabilities account of customers		(427,509,185)	10,920,755
Net cash flow from/ (used in) operating activities (A)		(1,424,604,358)	2,516,435,203
B. Cash flow from investing activities			
Purchase of property, plant & equipment		(109,661,361)	(43,669,826)
Purchase/sale of Securities & bond		(93,965,606)	(498,161,846)
Net cash used in investing activities (B)		(203,626,967)	(541,831,672)
C. Cash flow from financing activities			
Receipts from issue of debt instruments		-	-
Payment for redemption of debt instruments		-	-
Receipts from issuing ordinary share/ rights share		-	-
Cash Dividend paid		-	-
Net cash flow from/ (used in) financing activities (C)		-	-
Net increase in Cash and Cash Equivalents (A+B+C)		(1,628,231,326)	1,974,603,531
Effects of exchange rate changes on cash and cash equivalents		-	-
Opening Cash and Cash Equivalents		13,871,899,017	11,897,295,487
Cash and cash equivalents at end of year		12,243,667,693	13,871,899,017
Closing Cash & Cash Equivalents			
Cash in Hand (including foreign currency)		400,624,010	334,678,015
Balance with Bangladesh Bank and its Agent Banks (including foreign currencies)		1,978,893,720	2,157,711,911
Balance with Other Bank's and Financial Institutions		6,680,103,615	8,289,428,350
Money at Call on Short Notice		29,300,000	29,300,000
Government Securities		3,154,746,348	3,060,780,741
		12,243,667,693	13,871,899,017



Managing Director



Director



Director



Chairman

Signed in term of our separate report of even date.

Dated, Dhaka,
April 30, 2019


Rahman Mostafa Alam & Co.
Chartered Accountants

Bangladesh Commerce Bank Limited
Statement of changes in Equity

For the year ended December 31, 2018

(Amount in Taka)

Particulars	Paid up Capital	Share Premium	Statutory Reserve	Revaluation Reserve	Other Reserve	Profit/(Loss)	Total
Balance as on 01 January 2018	1,988,742,800	-	275,060,371	156,205,740	8,920,366	112,492,576	2,541,421,853
Changes in Accounting Policy	-	-	-	-	-	-	-
Restated Balance	1,988,742,800	-	275,060,371	156,205,740	8,920,366	112,492,576	2,541,421,853
Share Capital BCI Ltd.	15,300,000	-	-	-	-	-	15,300,000
Right Share Application Money	917,259,650	-	-	-	-	-	917,259,650
Prior Year's Adjustment	-	-	-	-	-	-	-
Increase in Statutory Reserve	-	-	-	-	-	-	-
Revaluation Reserve for HTM Securities	-	-	-	30,121,811	-	-	30,121,811
Net Profit/(Loss) for the year	-	-	-	-	-	(2,231,263,244)	(2,231,263,244)
Balance as on 31 December 2018	2,921,302,450	-	275,060,371	186,327,551	8,920,366	(2,118,770,668)	1,272,840,070
Balance as on 01 January 2017	1,988,742,800	-	245,714,600	156,568,070	8,920,366	112,429,776	2,512,375,612
Changes in Accounting Policy	-	-	-	-	-	-	-
Restated Balance	1,988,742,800	-	245,714,600	156,568,070	8,920,366	112,429,776	2,512,375,612
Share Capital BCI Ltd.	36,500,000	-	-	-	-	-	36,500,000
Right Share Application Money	917,259,650	-	-	-	-	-	917,259,650
Prior Year's Adjustment	-	-	-	-	-	-	-
Increase in Statutory Reserve	-	-	29,345,771	-	-	-	29,345,771
Revaluation Reserve for HTM Securities	-	-	-	(362,330)	-	-	(362,330)
Net Profit/(Loss) for the year	-	-	-	-	-	62,800	62,800
Balance as on 31 December 2017	2,942,502,450	-	275,060,371	156,205,740	8,920,366	112,492,576	3,495,181,504


Managing Director

Signed in term of our separate report of even date.
Dated, Dhaka,
April 30, 2019


Director


Director


Chairman


Rahman Mostafa Alam & Co.
Chartered Accountants

Bangladesh Commerce Bank Limited
Liquidity Statement

(Asset and Liability Maturity Analysis)

As at December 31, 2018

(Amount in Taka)

Particulars	Up to 01 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	More than 5 Years	Total
Assets:						
Cash in hand & with Bangladesh Bank	2,379,517,729					2,379,517,729
Balance with other banks & financial institutions	2,672,041,446	3,740,858,024	267,204,145	-	-	6,680,103,615
Money at call and short notice	29,300,000	-	-	-	-	29,300,000
Investment	351,303,539	1,042,510,501	1,844,618,581	1,355,313,652	378,303,630	4,972,049,903
Loans and Advances	8,464,308,730	4,750,204,933	5,882,406,108	3,051,203,228	-	22,148,122,999
Fixed Assets including premises, furniture and fixtures		-	-	-	217,658,401	217,658,401
Other Assets	28,235,631	33,228,018	51,519,797	16,614,009	1,471,960,782	1,601,558,237
Non-banking assets	-	-	-	-	-	-
Total Assets	13,924,707,075	9,566,801,476	8,045,748,631	4,423,130,889	2,067,922,814	38,028,310,885
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	334,230,708	-	-	-	-	334,230,708
Deposits	5,441,565,690	10,931,531,075	10,944,116,307	4,315,682,223	-	31,632,895,295
Other Liabilities	54,294,206	2,764,071,622	1,498,481,934	471,497,049	-	4,788,344,811
Total Liabilities	5,830,090,604	13,695,602,697	12,442,598,241	4,787,179,272	-	36,755,470,815
Net Liquidity	8,094,616,471	(4,128,801,221)	(4,396,849,610)	(364,048,383)	2,067,922,814	1,272,840,070


Managing Director


Director


Director


Chairman


Rahman Mostafa Alam & Co.
Chartered Accountants

Signed in term of our separate report of even date.

Dated, Dhaka,
April 30, 2019

Bangladesh Commerce Bank Limited

Notes to the Financial Statements

For the year ended December 31, 2018

1.0 Legal Status and Nature of the Company

The Bangladesh Commerce Bank Limited was incorporated in Bangladesh as a Public Limited Company as on the 01 June 1998 under Companies Act 1994 and commenced commercial operation on the 16 September 1999. It has 62 branches all over Bangladesh.

The principal place of business is at the Registered Office at Eunoos Trade Center, Level -22, 52-53 Dilkusha C/A, Dhaka, Bangladesh. The principal activities carried out by the bank include all kinds of commercial banking activities/services to its customers through its branches.

1.1 Subsidiary of the Bank

Commerce Bank Securities & Investments Limited (CBSIL) is fully owned subsidiary company of Bangladesh Commerce Bank Limited incorporated as a private limited company on 20 September 2010 with the registrar of Joint Stock Companies & Firms, Dhaka vide certificate of incorporation no. C-87050/10. CBSIL started its operation from 01 June 2011. The main objective of the company for which was established are to carry out the business of full-fledged merchant banking activities like issue management, portfolio management, underwriting etc.

2. Basis of preparation of financial statements

2.1 Consolidated and Separate Financial Statements

The separate financial statements of the Bank for the year ended 31 December 2018 main operation referred to as "the Bank." The consolidated financial statement comprise those of the Bank (parent) and its subsidiary (note 1.1), together referred to as "the Group" or individually referred to as "Group Entities/Subsidiaries" as the case may be. There were no significant changes in the operations of the Bank/Group Entities. A summary of accounting principle and policies which have been applied consistently (unless otherwise stated) are set out below:

2.1.1 Statement of compliance and basis of preparation

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 but the Financial Reporting Standards (FRS) under this council is yet to be issued for public interest entities such as banks. The Bank Company Act, 1991 was amended to require banks to prepare their financial statements under such financial reporting standards.

As the FRS is yet to be issued by FRC hence as per the provisions of the FRA (section-69), the consolidated and separate financial statements of the Group and the Bank respectively have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and in addition to this the Bank complied with the requirements of following laws and regulations from various Government bodies:

- i) The Bank Company Act, 1991 and amendment thereon;
- ii) The Companies Act, 1994;
- iii) Circulars, Rules and Regulations Issued by Bangladesh Bank (BB) time to time;
- iv) Bangladesh Securities and Exchange Rules 1987, Bangladesh Securities and Exchange ordinance 1969, Bangladesh Securities and Exchange Act 1993, Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015;
- vi) The Value Added Tax Act, 1991 and amendment thereon;

- vii) Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE) and Central Depository Bangladesh Limited (CDBL) rules and regulations; and
- vii) Financial Reporting Act 2015.

In case any requirement of the Bank Company Act 1991 and provisions and circulars issued by Bangladesh Bank (BB) differ with those of IFRSs, the requirements of the Bank Company Act 1991 and provisions and circulars issued by BB shall prevail. Material departures from the requirements of IFRS are as follows:

i) Investment in equity instruments

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

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

ii) Subsequent measurement of Government securities

IFRS: Government securities refer primarily various debt instruments which include both bonds and bills. As per requirements of IFRS 9 Financial Instruments, bonds can be categorised as "Amortised Cost (AC)" or "Fair Value Through Profit or Loss (FVTPL)" or "Fair Value through Other Comprehensive Income (FVOCI)". Bonds designated as Amortised Cost are measured at amortised cost method and interest income is recognised through profit and loss account. Any changes in fair value of bonds designated as FVTPL is recognised in profit and loss account. Any changes in fair value of bonds designated as FVOCI is recognised in other reserve as a part of equity.

As per requirements of IFRS 9, bills can be categorised either as "Fair Value Through Profit or Loss (FVTPL)" or "Fair Value through Other Comprehensive Income (FVOCI)". Any change in fair value of bills is recognised in profit and loss or other reserve as a part of equity respectively."

Bangladesh Bank: As per DOS Circular no. 05 dated 26 May 2008 and subsequent clarification in DOS Circular no. 05 dated 28 January 2009, Government securities/bills are classified into Held for Trading (HFT) and Held to Maturity (HTM). HFT securities are revalued on the basis of mark to market and at year end 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. 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 are recognised in the profit and loss account. HTM securities which have not matured as at the balance sheet date are amortised at year end and gains or losses on amortisation are recognised in other reserve as part of equity.

iii) Provision on loans and advances

IFRS: As per IFRS 9 Financial Instruments an entity shall recognize an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition, whether assessed on an individual or collective basis, considering all reasonable information (including that which is forward-looking). For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment

allowance at an amount equal to 12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD Circular no. 07 dated 21 June 2018, BRPD Circular no 13 dated 18 October 2018, BRPD circular No.15 dated 27 September 2017, BRPD circular no.16 dated 18 November 2014, BRPD circular no.14 dated 23 September 2012, BRPD circular no. 19 dated 27 December 2012, BRPD circular no. 05 dated 29 May 2013 and BRPD circular no.1 dated 20 February 2018 a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard and SMA loans) has to be maintained regardless of objective evidence of impairment. Also provision for different categories of classified loans (sub-standard, doubtful & bad and loss loans) has to be provided at 20%, 50% and 100% respectively for loans and advances depending on time past due. Again as per BRPD circular no. 14 dated 23 September 2012 and BRPD circular no. 07 dated 21 June 2018, a general provision at 1% is required to be provided for all off-balance sheet exposures except on 'bills for collection' and 'guarantees' where the counter guarantees have been issued by Multilateral Development Bank (MDB)/International Bank having BB rating grade '1' equivalent outlined in the Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III). Such provision policies are not specifically in line with those prescribed by IFRS 9.

iv) Other comprehensive income

IFRS: As per IAS 1 Presentation of Financial Statements, other comprehensive income is a component of financial statements or the elements of other comprehensive income are to be included in single comprehensive income statements.

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

v) Financial Instruments – presentations and disclosure

In several cases Bangladesh Bank guidelines categories, recognize, measure and present financial instruments differently from those prescribed in IFRS 9 Financial Instruments. Hence some disclosure and presentation requirements of IFRS 7 Financial Instruments: Disclosures and IAS 32 Financial Instruments: Presentation, cannot be made in this financial statements

vi) Repo and reverse repo transactions

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

Bangladesh Bank: As per DOS Circular letter no. 6 dated 15 July 2010 and subsequent clarification in DOS Circular no 03 dated 30 January 2012 and DOS circular no. 2 dated 23 January 2013, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (repo or stock lending), the arrangement is accounted for as a normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book.

However, as per DMD circular letter no. 7 dated 29 July 2012, non primary dealer banks are eligible to participate in the Assured Liquidity Support (ALS) programme, whereby such banks may enter collateralized repo arrangements with Bangladesh Bank. Here the selling bank accounts for the arrangement as a loan, thereby continuing to recognize the asset.

vii) Financial guarantees

IFRS: As per IFRS 9 Financial Instruments, 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 term of debt instruments. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the loss allowance determined as expected credit loss under IFRS 9. Financial guarantees are prescribed to be included within other liabilities.

Bangladesh Bank: As per BRPD circular no. 14, dated 25 June 2003, financial guarantees such as Letter of Credit, Letter of Guarantee should be treated as off balance items. No liability is recognized for the guarantee except the cash margin.

viii) Cash and cash equivalents

IFRS: Cash and cash equivalents items should be reported as cash item as per IAS 7 Statement of Cash Flows.

Bangladesh Bank: Some cash and cash equivalent items such as money at call and on short notice, treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call and on short notice is shown separately in the balance sheet. Treasury bills, Bangladesh Bank bills and prize bond are shown under investment in the balance sheet. However, in the cash flow statement, money at call and short notice and prize bonds are shown as cash and cash equivalents beside cash in hand, balance with Bangladesh Bank and other banks.

ix) Non banking assets

IFRS: There is no particular/specific guideline about non banking assets in IFRSs.

Bangladesh Bank: As per BRPD circular no. 14, dated 25 June 2003, there is a separate balance sheet item titled as non-banking asset exists in the standard format.

x) Cash flow statement

IFRS: As per IAS 7 Statement of Cash Flows, Cash Flow Statement can be prepared either in direct method or in indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD circular no. 14, dated 25 June 2003, the cash flow statement is a mixture of both the direct and the indirect methods.

xi) Balance with Bangladesh Bank

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

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

xii) Presentation of intangible asset

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

Bangladesh Bank: Intangible assets are shown in fixed assets including premises, furniture and fixtures as there is no specific regulation for intangible assets in BRPD circular no. 14 dated 25 June 2003.

xiii) Off balance sheet items

IFRS: As per IFRS, there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, off balance sheet items e.g. Letter of Credit, Letter of Guarantee, Acceptance must be disclosed separately on the face of balance sheet.

xiv) Disclosure of appropriation of profit

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

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

xv) Loans and advances/Investments net of provision

IFRS: As per IFRS 9, loans and advances/Investments should be presented net of provision.

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

xvi) Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified at amortised cost as per IFRS 9 and interest income is recognised in profit and loss account by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012, once a loan is classified as impaired, 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.

xvii) Provision on undrawn loan commitments

IFRS: As per IFRS 9 bank shall recognise credit losses on undrawn loan commitments such as Letter of Credit (L/C), Letter of Guarantee (L/G) etc. as the present value of the difference between the contractual cash flow that are due by the customer if the commitment is drawn down and the cash flows that bank expects to receive.

Bangladesh Bank: As per BRPD Circular no. 07 dated 21 June 2018 and BRPD Circular no.14 dated 23 September 2012, the Bank is required to maintain provision at 1% rate against off-balance sheet exposures (which includes all types of undrawn loan commitments).

[Also refer to (note 2.15) Compliance of International Financial Reporting Standards (IFRSs)]

2.1.2 Going Concern

The accompanying financial statements have been prepared on a going concern assumption that the Bank will continue in operation for the foreseeable future. The Bank has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The key financial parameters (including liquidity, profitability, asset quality, provision sufficiency and capital adequacy) of the Bank continued to show a healthy trend for couple of years. The rating outlook of the Bank as reported by all the rating agencies is "Stable". Besides, the management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

2.1.3 Use of estimates and judgments

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

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

Impairment losses on loans and advances

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

Other items

Other key items where estimates or judgement were involved includes:

- a) Deferred tax (Note - 9.8)
- b) Useful life of fixed assets (Note - 2.6.1.6, 8 & Annexure - A)
- c) Provisions (Note - 13)
- d) Defined benefit obligation - gratuity (Note - 13.5)

2.1.4 Materiality and aggregation

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

2.1.5 Comparative information

The accounting policies have been consistently applied by the Bank and are consistent with those used in the previous year. Comparative information is rearranged wherever necessary to conform with the current presentation.

2.2 Basis of Consolidation

The consolidated financial statements include the financial statements of Bangladesh Commerce Bank Limited and its subsidiary Commerce Bank securities and Investments Limited as those of a single economic entity.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) 10: Consolidated Financial Statements. The consolidated financial statements are prepared to a common reporting year ended 31 December 2018.

Subsidiaries

Subsidiaries' are entities controlled by the Group. The Group controls an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it has control if there are changes to one or more of the elements of control. This includes circumstances in which protective rights held (e.g. those resulting from a lending relationship) become substantive and lead to the Group having power over an investee.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Inter-company transactions, balances and inter-group gains on transaction between group companies are eliminated on consolidation.

2.3 Accounting for Provisions, Contingent Liabilities and Contingent Assets

The Bank recognizes provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No provision is recognized for-

a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or

b) Any present obligation that arises from past events but is not recognized because-

* It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

* A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for except in the extremely rare circumstances where no reliable estimate can be made.

Contingent assets are not recognized in the financial statement since these may result in the recognition of income that may never be realized. However due to regulations of Bangladesh Bank (Central Bank of Bangladesh) and Bank Company Act 1991 as amended, all items of such contingent assets/liabilities are shown as Off-Balance Sheet items under Balance Sheet of the Bank as a separate section.

2.4 Taxation

Income tax on profit for the year comprises current and deferred tax and is based on the applicable tax law in Bangladesh. It is recognized in the income statement as tax expense.

2.4.1 Current Tax

Current tax is the expected tax payable on taxable income for the year, based on tax rates and tax laws which are enacted at the reporting date, including any adjustment for tax payable in previous periods. Current tax for current and prior periods are recognized as a liability or asset to the extent that it is unpaid or refundable.

Provision for current income tax has been made @ 40% as prescribed in the Finance Act 2018 on the taxable income.

2.4.2 Deferred Tax

The Bank accounted for deferred tax as per IAS 12 Income Taxes. Deferred tax is accounted for any temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base.

Deferred tax assets, including those related to the tax effects of income tax losses and credits available to be carried forward, are recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses and credits can be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences. They are also recognized for taxable temporary differences arising on investments and it is probable that temporary differences will not reverse in the foreseeable future. Deferred tax assets associated with these interests are recognized only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and there will be sufficient taxable profits against which to utilize the benefits of the temporary difference.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realized or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement reflects the tax consequences that would follow from the manner in which the Bank, at the reporting date, recovers or settles the carrying amount of its assets and liabilities.

2.5 Reporting period

These financial statements cover one calendar year from 1 January 2018 to 31 December 2018.

2.6 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all the periods presented in these financial statements except the recognition of defined benefit obligation and plan assets relating to the gratuity fund on the balance sheet of the Bank from 2018. The net effect in opening balance for such recognition has been charged in profit and loss considering the effect as immaterial as per IAS - 8.

2.6.1.1 Cash and cash equivalents

For the purpose of presentation in the cash flow statements, cash and cash equivalents includes cash in hand and cash at bank, highly liquid interest bearing investment/securities with original maturities of less than three month.

Cash flow statement is prepared in accordance with IAS 7 Statement of Cash Flows. However cash flows from operating activities have been presented according to the format mentioned in BRPD circular no. 14 dated 25 June 2003.

2.6.1.2 Investments (categorized and reported as per Bangladesh Bank)

All investments securities are initially recognized at cost, including acquisition charges associated with the investment. Premiums are amortized and discount accredited, using the effective yield method and are taken to discount income. The valuation method of Marking to Market for investments used are:

Held to Maturity

Investments which have fixed or determinable payments and fixed maturity that the group has the positive intent and ability to held to maturity, other than those that meet the definition of 'Held at amortized cost others' are classified as held to maturity. These investment are subsequently measured at amortized cost, less any provision for impairment in value. Amortized cost is calculated by taking into account any discount or premium in acquisition. Any gain or loss on such investments is recognized in the statement of income when the investment is derecognized or impaired.

Held for Trading

Investment classified in this category are acquired principally for the purpose of selling or repurchasing -in short trading or if designated as such by the management. After initial recognition, investment are measured at present value and any change in the fair value is recognized in the statement of income for the period in which it arises. Transaction costs, if any, are not added to the value of investments at initial recognition.

Revaluation

According to DOS Circular no. 05, dated 26 May 2008, DOS Circular no. 05, dated 28 January 2009, DOS Circular no. 02, dated 19 January 2012, the HFT securities are revalued once each week using Marking to Market concept and the HTM securities are amortized once a year according to Bangladesh Bank guidelines. The HTM securities are also revaluated if they are reclassified to HFT category with the Board's approval.

Investment in quoted securities

These securities are bought and held primarily for the purpose of selling them in future or hold for dividend income which are reported at cost. Unrealized gains are not recognized in the profit and loss statement. But required provision are kept for diminution in value of investment.

Investment in unquoted securities

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

As per Bangladesh Bank DOS Circular no. 04 dated 24 November 2011, provision for diminution in value of investment was made by netting off unrealized gain/loss of shares from market price/book value less cost price.

Besides, the Bank complied with Bangladesh Bank BRPD Circular no. 14 dated 25 June 2003 as follows, All investment in shares and securities (both dealing and investment) should be revaluated at the year end. The quoted shares should be valued as per market price in the stock exchange(s) and unquoted shares as per book value of last audited balance sheet. Provision should be made for any loss arising from diminution in value of investment.

Investment in subsidiary

Investment in subsidiary is accounted at cost in the separate financial statement and consolidated in the consolidated financial statements considering as a single economic entity in accordance with the IAS 27 "Separate Financial Statements" and IFRS 10 "Consolidated Financial Statements" respectively.

Investment in associate

Investment in associate is accounted at cost in the separate financial statement and recognized in the consolidated financial statements under equity method as per IAS 28 "Investments in Associates and Joint Ventures".

Summary of recognition and measurement basis has been shown as under:

Investment Class	Initial Recognition	Measurement after Recognition	Recording of changes
Government Treasury Bills (HFT)	Cost	Marking to Market/ fair value	Loss to profit and loss a/c, gain to revaluation reserve
Government Treasury Bills (HTM)	Cost	Amortized cost	Increased or decreased in value to equity
Government Treasury Bonds (HFT)	Cost	Marking to Market/ fair value	Loss to profit and loss a/c, gain to revaluation reserve
Government Treasury Bonds (HTM)	Cost	Amortized cost	Amortized Gain/ Loss to Revaluation reserve
Zero Coupon Bond	Cost	Cost	N/A
Prize Bond and Other Bond	Cost	Cost	N/A
Debentures	Cost	Cost	Profit & Loss Account
Un-quoted Shares (ordinary)	Cost	Lower of cost or NAV of last audited account	Profit & Loss Account
Quoted shares (ordinary)	Cost	Lower of cost or market price at balance sheet date	Loss to profit and loss A/c.

Investment Class	Initial Recognition	Measurement after Recognition	Recording of changes
Investment in subsidiary	Cost	Cost less accumulated impairment, if any, in Separate Financial Statements and Consolidated in Consolidated Financial Statements	Impairment loss to profit and loss account
Investment in associate	Cost	Cost less accumulated impairment, if any, in Separate Financial Statements and equity method less accumulated impairment, if any, in Consolidated Financial Statements	Impairment loss to profit and loss account and share of post acquisition income in consolidated profit and loss

2.6.1.2.1 Impairment of investment in subsidiaries and associates

As per IAS 36 Impairment, investment recognized either at cost or equity method need to review if there is any indication of impairment exists. If any indication of impairment exists then impairment test is carried out considering the individual subsidiary/associate as a "cash generating unit (CGU)" to find if the carrying value is higher than its recoverable amount. Recoverable amount is higher of fair value less cost to sell and value in use. If the fair value less cost to sell is not readily available then value in use is calculated which is basically present value of future cash flows.

2.6.1.3 Loans and Advances

- a) Interest on loans and advances is calculated daily on product basis but charged and accounted monthly and quarterly on accrual basis.
- b) Classification and provisioning for loans and advances are created based on the period of arrears by following Bangladesh Bank BRPD Circular no. 14 dated 23 September 2012, BRPD circular no. 15 of 23 September 2012, BRPD Circular no. 19 dated 27 December 2012, BRPD Circular no. 05 dated 29 May 2013, BRPD Circular no. 16 dated 18 November 2014, BRPD Circular no. 12 dated 20 August 2017, BRPD Circular no. 01 dated 20 February 2018, BRPD Circular no. 07 dated 21 June 2018 and BRPD Circular no 13 dated 18 October 2018.

The classification rates are given below:

Consumer/ Business Unit	Rates of Provision				
	Un-classified (UC)		Classified		
	Standard	SMA	SS	DF	BL
House building	1%	1%	20%	50%	100%
Loans for professionals	2%	2%	20%	50%	100%
Other than house building and professionals	5%	5%	20%	50%	100%
Loans to BHs/ MBs against share etc.	2%	2%	20%	50%	100%
Small and medium enterprise	0.25%	0.25%	20%	50%	100%
Short term Agri/Micro credit	1%	1%	5%	5%	100%
Credit Card	2%	2%	20%	50%	100%
All others	1%	1%	20%	50%	100%
Off Balance Sheet exposure	1%	N/A		N/A	

c) Interest on classified loans and advances is calculated as per BRPD circular no. 27, dated 31 August 2010 and recognized as income on realization as per BRPD circular no. 14 and 15, dated 23 September 2012.

d) Loans and advances are written off to the extent that (i) there is no realistic prospect of recovery and (ii) against which legal cases are filed and classified as bad and loss as per BRPD circular no. 02 dated 13 January 2003 and 13 dated 07 November 2013. These write off however, will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such write off accounts are meticulously maintained and followed up.

2.6.1.4 Impairment of financial assets

At each balance sheet date, ABC Bank Limited assesses whether there is objective evidence that a financial asset or a group of financial assets i.e., loans and advances, off balance sheet items and investments are impaired. A financial asset or group of financial assets are impaired and impairment losses are incurred if there is objective evidence of impairment as a result of a loss event that occur after the initial recognition of the asset up to the balance sheet date; the loss event had an impact on the estimated future cash flows of the financial assets or the group of financial assets; and a reliable estimate of the loss amount can be made.

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

2.6.1.5 Leases

Lease of assets where the group has substantially all the risks and rewards of ownership are classified as finance leases. Leases in which a significant portion of the risk and rewards of ownership are retained by another party, the lessor are classified as operating lease.

The Bank as Lessor

Amount due from lessees under finance lease are recorded as receivables at the amount of the Bank's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Bank's net investment outstanding in respect of the leases.

The Bank as Lessee

In compliance with the International Accounting Standards (IAS) - 17 Lease, cost of assets acquired under finance lease along with obligation there against have been accounted for as assets and liabilities respectively of the company, and the interest elements have been charged as expenses.

Assets held under finance leases are recognized as non-current assets of the Bank at their fair value at the date of commencement of the lease or lower at the present value of minimum lease payments. The corresponding liabilities to the lessor is included in the balance sheet as finance lease obligation. Lease payments are apportioned between finance charges and reduction of lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

2.6.1.6 Property, plant and equipment

a) Recognition and Measurement

All fixed assets are stated at cost less accumulated depreciation as per IAS 16 Property, Plant and Equipment except Land. Land is initially measured at cost and then recognized at revaluated amount.

The cost of an item of property, plant and equipment is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the entity; and the cost of the item can be measured reliably.

The cost of the items of property, plant and equipment comprises:

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

Subsequent costs

Subsequent costs of enhancement of existing assets are recognized as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred.

b) Depreciation

Land is not depreciated. Depreciation is charged on straight-line basis. In case of acquisition of fixed assets, depreciation is charged from the month of acquisition, whereas no depreciation on assets disposed off is charged from the month of disposal. Asset category wise depreciation rates are as follows:

Category of assets	Bangladesh Commerce Bank Limited	Commerce Bank Securities & Investments Limited
Furniture and Fixture	10%	10%
Interior Decoration	20%	20%
Machinery	20%	20%
Motor Vehicles	20%	20%
Computer	30%	30%

c) Gain or Loss on disposal of Fixed Assets

Sale price of fixed assets are determined on the basis of fair value of the assets. Gain or loss on sale of assets are recognized in profit and loss account as per provision of IAS 16 Property plant and equipment.

d) Revaluation

The fair value of land is usually its market value. This value is determined by appraisal, normally undertaken by professionally qualified valuers.

The frequency of revaluation depends upon the movements in the fair value of the items of property, plant and equipment being revalued, usually at 3-5 years' interval.

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

e) Impairment of Property, Plant and Equipment

At each balance sheet date, the Bank assesses whether there is any indication that the carrying amount of the asset exceeds its recoverable amount. If any such indication exists, the Bank should estimate the recoverable amount of the asset. An asset is carried at more than its recoverable amount

if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and impairment loss is recognized as an expense in the profit and loss account unless the asset is carried at revalued amount in accordance with IAS 16 Property, Plant and Equipment, in which case any impairment loss of a revalued assets should be treated as revaluation decrease under the accounting standard. No impairment loss was recognized up to the reporting period in separate financial statement as there were no such indication existed as on balance sheet date.

f) Capital work in progress (CWIP)

Costs incurred but if the related asset is yet not ready or available to use are recognized as capital work in progress and disclosed as a part of fixed assets. Once the underlying asset is ready and available to use then it has been transferred to fixed assets. However no depreciation is calculated on CWIP.

2.6.1.7 Intangible assets

a) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets and is measured at cost less accumulated impairment losses.

b) Software

Software acquired by the Bank is stated at cost less accumulated amortization and accumulated impairment losses. Subsequent expenditure on software assets is capitalized only when it increases future economic benefits embodied in specific asset to which it relates. All expenditure is expensed as incurred. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is three to five years. Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

c) Licence

Value of the licence is recognized at cost less accumulated impairment losses.

d) Impairment of intangible assets

Intangible assets with indefinite useful life like goodwill etc. are tested for impairment at the end of each year. As per IAS 36 Impairment, any intangible assets with definite useful life are first reviewed for any indication of impairment. If any indication exists then impairment test is carried out.

2.6.1.8 Other assets

Other assets include mainly advance office rent, payment of advance income tax has not been closed yet and all other financial assets, fees and other unrealized income receivable, advance for operating expenditure and stocks of stationery and stamps etc. Any part of uncollectible other assets is subject to making provision based on their ageing as per Bangladesh Bank circular no. 14 date 25 June 2001.

2.6.1.9 Inventories

Inventories are measured at lower of cost and net realizable value as per IAS 2 Inventories.

2.6.2 Liabilities

2.6.2.1 Borrowings from other banks, financial institutions and agents

Borrowings from other banks, financial institutions and agents include interest-bearing borrowings redeemable at call, on-demand and short-term deposits lodged for periods of less than 6 months. These items are brought to account at the gross value of the outstanding balance which includes accrued interest.

2.6.2.2 Deposits

Deposits include non interest-bearing current deposit redeemable at call, interest bearing on-demand and short-term deposits, savings deposit and term deposit lodged for periods from 3 months to 12 years. These items are brought to account at the gross value of the outstanding balance which includes accrued interest.

2.6.2.3 Other Liabilities

Other liabilities comprise items such as provision for loans and advances, provision for interest receivables, provision for taxes, interest payable, interest suspense, accrued expenses. Other liability is recognized in the balance sheet according to the guideline of Bangladesh bank, IAS and IFRS, Income Tax Ordinance-1984 and internal policies of the Bank. Provisions and accrued expenses are recognized in the financial statement when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.6.3 Capital and Shareholders' Equity

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 four major objectives: exceed regulatory thresholds and meet longer-term internal capital targets, maintain strong credit ratings, manage capital levels commensurate with the risk profile of the Bank and provide the Bank's shareholders with acceptable returns.

Capital is managed in accordance with the Board-approved Capital Management Planning from time to time. Senior management develop the capital strategy and oversee the capital management planning of the Bank. The Bank's Finance, Treasury and Risk Management department are key in implementing the Bank's capital strategy and managing capital. Capital is managed using both regulatory capital measures and internal matrix.

2.6.3.1 Capital / Shareholders Equity

a. Authorized Capital

Authorized capital is the maximum amount of share capital that the bank is authorized by its Memorandum and Articles of Association.

b. Paid up share capital

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

2.6.3.2 Preference Share Capital

Preference shares are those shares which give their holders an entitlement to a fixed dividend but which do not usually carry voting rights.

2.6.3.3 Share Premium

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

2.6.3.4 Statutory Reserve

The Bank is required to transfer at least 20% of its profit before tax to the Statutory Reserve in accordance with provisions of section 24 of the Banking Companies Act, 1991. This is mandatory until such reserve is equal to the paid up capital together with amount in the share premium account.

2.6.3.5 Revaluation Reserve

Revaluation Reserve on Govt. Securities

Revaluation reserve represents revaluation on Treasury bond (HFT and HTM) in accordance with the DOS circular no. 05, dated 26 May 2008.

Assets Revaluation Reserve

Other reserve comprises Investment revaluation reserve and fixed assets revaluation reserve. Where carrying amount of an item of property, plant and equipment is increased as a result of valuation, the increased amount is credited directly to equity under the heading of assets revaluation reserve as per IAS 16 Property, Plant and Equipment. If any deferred tax is applicable on such revaluation reserve then the same is deducted from revaluation reserve directly as a component of OCI (Other Comprehensive Income).

Actuarial Reserve

Actuarial reserve arises from actuarial gain/loss as per actuarial valuation report carried out by professional actuary time to time. Actuarial gain/loss was recognized in equity as a component of equity net of any deferred tax impact.

2.6.3.6 Non-controlling interest (NCI)

Non-controlling interest (NCI) in business is that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent. The portion of the NCI in Commerce Bank Securities & Investments Limited is Tk. 101.00.

2.7 Employee Benefits

2.7.1 Provident Fund (Defined Contribution Plan)

A "Defined Contribution Plan" is a post employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal constructive obligation to pay further amounts. Provident Fund benefits are given to the staff of the Bank in accordance with the registered Provident Fund Rules. The commissioner of Income Tax, Large Tax Payers Unit, Dhaka has approved the Provident Fund as a recognized fund within the meaning of section 2(52) read with the provisions of part - B of the First Schedule of Income Tax ordinance 1984. The recognition took effect from 31st October 2016. The fund is operated by a Board of Trustees consisting of 05 (five) members of the Bank. All confirmed employees of the Bank are contributing 10% of their basic salary as subscription of the fund. The bank also contributes equal amount of the employees' contribution to the fund. Upon completion of 5 years of service length after confirmation employees are entitled to 100% of employer's contribution along with his/her own contribution. Interest earned from the investments is credited to the members' account on half yearly basis.

2.7.2 Gratuity Fund (Defined Benefit Plan)

"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 recognized Gratuity fund on 27th November 2016. The fund is operated by a Board of Trustees consisting of 5 (five) members of the Bank. Employees are entitled to Gratuity benefit after completion of minimum 5 (five) years of service in the Bank and after completion of 10 (Ten) years will get double of it's last one month's basic. The Gratuity is calculated on the basis of last basic pay and is payable at the rate of one month's basic

pay for every completed year of service. Gratuity fund is a "Defined Benefit Plan" and contribution to Gratuity Fund is measured through the result of actuarial valuation of the fund. Bank's management wants to actuary valuation of its gratuity fund in next year. The Bank's net obligation in respect of gratuity is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in OCI. The Bank determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense, current service cost and other expenses related to defined benefit plans are recognised as salaries and allowances in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

2.7.3 Other Employee Benefits

Life Insurance

The objective of the scheme is to provide death benefits to its confirmed employees drawn designation wise to the nominee.

Subsidized Scheme - Staff Loan

Personal, House building and car loans are provided to the permanent staff at a subsidized rate. Criteria and details of types wise staff loan is given below:

Personal Loan: A permanent staff can avail personal loan taking approval from department head and head of HR subject to completion of a specific service length and performance rating.

House building Loan: A permanent staff completing 5 year of service can avail house building loan taking approval from House Building Loan Committee subject to performance rating and completed service length with Bangladesh Commerce Bank.

Car Loan: All confirmed staff at job grade from Assistant Vice President and above can avail staff car loan taking approval from concerned authority.

2.8 Revenue Recognition

Interest Income

Interest income is recognized on an accruals basis. Interest on loans and advances ceases to be taken into income when such advances are classified, kept in interest suspense account. Interest on classified advances is accounted for on a realization basis as per Bangladesh Bank guidelines.

Investment Income

Income on investments is recognized on an accruals basis. Investment income includes interest on treasury bills, treasury bonds, zero coupon, shares, debentures and fixed deposit with other banks.

Income on Bills purchased and discounted

Income on Bills purchased and Discounted is recognized on accrual basis.

Interest and fees receivable on credit cards

Interest and fees receivable on credit cards are recognized on an accruals basis. Interest and fees cease to be taken into income when the recovery of interest and fees is in arrear for over three months. Thereafter, interest and fees are accounted for on realization basis.

Fees and Commission Income

The Bank earns fees and commission from a diverse range of services provided to its customers. These

include fees and commission income arising on financial and other services provided by the Bank including trade finance, credit cards, debit cards, passport endorsement, visa processing, student service, loan processing, loan syndication, locker facilities and SMS banking etc. Fees and commission income arises on services rendered by the Bank are recognized on a realization basis.

Dividend Income on Shares

Dividend income from investment in shares is recognized when the Banks right to receive the dividend is established. It is recognized when:

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

Gain or loss on sale of property, plant and equipment

The gain or loss on the disposal of premises and equipment is determined as the difference between the carrying amount of the assets at the time of disposal and the proceeds of disposal and is recognized as an item of other income in the year in which the significant risks and rewards of ownership are transferred to the buyer.

Interest paid and other expenses

Interest paid and other expenses are recognized on an accrual basis.

2.9 Earnings Per Share

Earnings Per Share (EPS) has been computed by dividing the basic earning by the weighted average number of ordinary shares outstanding at the end of the year as per IAS 33 Earnings Per Share.

Basic earnings

This represents earnings for the year attributable to ordinary shareholders. Net profit after tax less preference dividend has been considered as fully attributable to the ordinary shareholders.

Weighted average number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighted factor. The time weighting factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the year.

The basis of computation of number of shares is in line with the provisions of IAS 33 Earnings Per Share. The logic behind this basis is, that the bonus shares are issued to the existing shareholders without any consideration, and therefore, the number of shares outstanding is increased without an increase in resources generating new earnings. In contrast, other shares were issued against consideration in cash or in kind, and accordingly there is an increase in resource generating new earnings. Therefore, the total number of shares issued in 2018 has been multiplied by a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the period.

Diluted earnings per share

The objective of diluted earnings per share is consistent with that of basic earnings per share; that is, to provide a measure of the interest of each ordinary share in the performance of an entity taking into account dilutive potential ordinary shares outstanding during the year.

2.10 Basis of preparation of liquidity statement

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

- a) Balances with other bank and financial institutions, money at call and short notice etc. are on the basis of their maturity term.
- b) Investments are on the basis of their residual maturity term.
- c) Loans and advances are on the basis of their repayment/ maturity schedule.

- d) Fixed assets are on the basis of their useful life.
 e) Other assets are on the basis of their adjustment.
 f) Borrowing from other banks, financial institutions and agents as per their maturity/ repayment term
 g) Deposits and other accounts are on the basis of their maturity term and behavioral past trend.
 h) Other long term liability on the basis of their maturity term.
 i) Provisions and other liabilities are on the basis of their settlement.

2.11 Compliance of International Financial Reporting Standard (IFRS)

Ref.	Name of the standards	Status
IFRS-1	First-time adoption of International Financial Reporting Standards	Not applicable
IFRS-2	Share-based Payment	Not applicable
IFRS-3	Business Combinations	Complied
IFRS-4	Insurance Contracts	Not applicable
IFRS-5	Non-current assets Held for Sale and Discounted Operations	Not applicable
IFRS-6	Exploration for and Evaluation of Mineral Resources	Not applicable
IFRS-7	Financial Instruments: Disclosures	Complied *
IFRS-8	Operating Segments	Complied
IFRS-9	Financial Instruments	Complied *
IFRS-10	Consolidated Financial Statements	Complied
IFRS-11	Joint Arrangements	Not applicable
IFRS-12	Disclosure of Interests in Other Entities	Not applicable
IFRS-13	Fair Value Measurement	Complied
IFRS-14	Regulatory Deferral Accounts	Not applicable
IFRS-15	Revenue from Contracts with Customers	Complied
IAS-1	Presentation of Financial Statements	Complied
IAS-2	Inventories	Not applicable
IAS-7	Statement of Cash Flows	Complied
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
IAS-10	Events after the Reporting Period	Complied
IAS-12	Income taxes	Complied
IAS-16	Property, Plant and Equipment	Complied
IAS-17	Leases	Complied
IAS-19	Employee Benefits	Complied
IAS-20	Accounting for Government Grants and Disclosure of Government Assistance	Not applicable
IAS-21	The Effect of Changes in Foreign Exchange Rates	Complied
IAS-23	Borrowing Cost	Complied
IAS-24	Related Party Disclosures	Complied
IAS-26	Accounting and Reporting by Retirement Benefit Plans	Not applicable
IAS-27	Separate Financial Statements	Complied
IAS-28	Investment in Associates	Complied
IAS-29	Financial Reporting in Hyperinflationary Economies	Not applicable

Ref.	Name of the standards	Status
IAS-32	Financial Instruments: Presentation	Complied *
IAS-33	Earnings Per Share	Complied
IAS-34	Interim Financial Reporting **	Complied
IAS-36	Impairment of Assets	Complied
IAS-37	Provisions, Contingent Liabilities and Contingent Assets	Complied
IAS-38	Intangible Assets	Complied
IAS-39	Financial Instruments: Recognition and Measurement	Complied *
IAS-40	Investment Property	Not applicable
IAS-41	Agriculture	Not applicable

* Complied to the extent possible subject to compliance to Bangladesh Bank guidelines in this respect.

** Complied in the preparation of interim financial reports of the Bank.

Reason for departure from IFRS

The central Bank of Bangladesh ("Bangladesh Bank") as regulator to the Banking Industry has issued a number of circulars/directives which are not consistent with the requirements specified in the IAS/IFRS as referred above. In such cases the Bank has followed the regulatory requirements specified by the Bangladesh Bank (note - 2.1.1).

Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however, the Company has not early adopted the following new or amended standards in preparing these financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group and the Bank when will be applicable.

A. IFRS 16 Leases

As per IFRS 16 Lease, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16 eliminates the classification of leases by the lessee as either finance leases or operating leases. IFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases. For lessors, IFRS 16 retains most of the requirements in IAS 17. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently. The Bank is reviewing all of the Company's leasing arrangements in light of the new lease accounting rules in IFRS 16.

B. IFRS 17 Insurance Contracts

Insurance Contracts are effective for annual periods beginning on or after 1 January 2021. Earlier adoption is permitted. This has not been applied in preparing these consolidated and separate financial statements.

2.12 Risk Management

Risk is an inherent part of the business activities and risk management is pivotal for the sustainability of business. This era of globalisation enables hefty expansion of business activities that ultimately increases competition level for organizations drastically. Financial crisis and volatility in economic growth in some developed countries set the example of imperativeness towards comprehensive risk management. Types of risk, however, vary from business to business but preparing a risk

management plan involves a conjoint process. A comprehensive risk management plan must enumerate strategies for dealing with risks specific to any business but should not be limited to those.

When it comes to banking business, risk management is in the heart of this business. Banks are to strive for a prudent risk management discipline to combat unpredictable situation. These days, it is transparent that banking organizations are in need of setting up systematic and vigilant way to monitor the activities that are major influencers of this particular business.

The standards of Risk Management as guided by the Bank for International Settlements (BIS) and particularly Basel Committee on Banking Supervision (BCBS) has been applied by bank regulators across the world. The Central Bank of Bangladesh i.e. Bangladesh Bank also issued revised risk management guidelines in October 2018, which forms the basis of risk management of all scheduled banks in Bangladesh. The guidelines require that the banks adopt enhanced policies and procedures of risk management. The risk management of banks broadly cover 4 (four) core risk areas of banking i.e. a. Credit Risk b. Operational Risk, c. Liquidity Risk & d. Market Risk. Bangladesh Bank also prescribes that there should be separate desk for each of these risk type under risk management division.

BCBL's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment & measurement procedures and continuous monitoring. BCBL continues to focus on improving its risk management systems not only to ensure compliance with regulatory requirements but also to ensure better risk-adjusted return and optimal capital utilization keeping in mind the business objectives. For sound risk management, BCBL manages risk in strategic layer, managerial layer and operational layer. The assets and liabilities of Bangladesh Commerce Bank Limited is managed so as to minimize (to the degree prudently possible) the Bank's exposure to risk, while at the same time attempting to provide a stable and steadily increasing flow of net interest income, an attractive rate of return on an appropriate level of capital and a level of liquidity adequate to respond to the needs of depositors and borrowers and earnings enhancement opportunities. These objectives are accomplished by setting clear plan with control and reporting process, the key objective of which is the coordinated management of the Bank's assets and liabilities, current banking laws and regulations, as well as prudent and generally acceptable banking practices.

2.12.1 Credit Risk Management

Credit risk is most simply defined as the potential that a bank borrower or counterparty will fail to meet its obligations in accordance with agreed terms and conditions. The goal of credit risk management is to maximize a bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters.

Considering key elements of Credit Risk, the Bank has segregated duties of the officers/ executives involved in credit related activities. Separate Division for Corporate, SME, Retail and Credit Cards are entrusted with the duties of maintaining effective relationship with customers, marketing credit products, exploring new business opportunities, etc. For transparency in operations during the entire credit process, teams for i. Credit Approval, ii. Asset Operations, iii. Recovery Unit and Special Asset Management have been set up.

The entire process involves relationship teams of respective Asset Portfolio (Retail, SME and Corporate) booking the clients, the underwriting team conducting thorough assessment before placing the facility for approval from the authority. Risk assessment includes borrower risk analysis, Industry risk analysis, financial risk analysis, security risk analysis, account performance risk analysis & environmental & social risk analysis of the Customer. Post-approval, the Credit Administration Department ensures compliance of all legal formalities, completion of documentation including security of proposed facility and finally disburses the amount. The above arrangement has not only ensured segregation of duties and accountability but also helped in minimizing the risk of compromise with quality of the credit portfolio.

2.12.2 Foreign Exchange Risk Management

Foreign Exchange risk arises from fluctuation in currency prices influenced by various macro and micro economic factors. Today's financial institutions engage in activities starting from basic currency buy, sell, imports, exports and remittances to complex structured products. Within the Bank, the Treasury department is vested with the responsibility to measure and minimize the risk associated with bank's foreign currency position.

All treasury functions are clearly demarcated between treasury front office, mid office and back office. The front office is involved only in dealing activities, mid office is involved in monitoring of rate, limit etc. and the back office is responsible for all related processing functions. Treasury front and back office personnel are guided as per Bangladesh Bank core risk management guideline and their respective job description. They are barred from performing each other's job. 'Treasury Front Office', 'Mid office' and 'Treasury Back Office' has separate and independent reporting lines to ensure segregation of duties and accountability but also helps minimize the risk of compromise. The full function is operated under the foreign exchange risk management policy of the bank updated based on the latest Foreign Exchange Guideline of central bank.

Dealing room is well equipped with Reuter's dealing system, Eikon, Bloomberg, a number of FX trading platforms, voice logger etc. State of the art treasury system is in place to ensure Straight Through Processing (STP) of all deals, which also facilitates Mid office in effective monitoring and Back office with different reports along with easy processing of transactions. Counter party limit is set by the Credit Committee and monitored by mid office. Well-articulated dealers trading limit, stop-loss limit and currency wise open position limits are in place which are being monitored by Mid office. Trigger levels are set for the dealers, Chief Dealer and Head of Treasury. The entire FX transactions are carried on by a number of well trained, young and dynamic dealers ensuring all local and global regulatory compliances.

2.13.3 Asset Liability Management

Changes in market liquidity and or interest rate exposes Bank's business to the risk of loss, which may, in extreme cases, threaten the survival of the institution. Thus it is essential that the level of balance sheet risks are effectively managed, appropriate policies and procedures are established to control and limit these risks and proper resources are available for evaluating and controlling these risks. The Asset Liability Committee (ALCO) of the bank monitors Balance Sheet risk and liquidity risks of the Bank.

Asset liability Committee (ALCO) reviews the country's overall economic position, Bank's Liquidity position, ALM Ratios, Interest Rate Risk, Capital Adequacy, Deposit Advanced Growth, Cost of Deposit and yield on Advance, Foreign Exchange GAP, Market Interest Rate, Loan loss provision adequacy and deposit and lending pricing strategy.

2.13.4 Prevention of Money Laundering

In recognition of the fact that financial institutions are particularly vulnerable to be used by money launderers. BCBL has established a Anti Money Laundering Policy. The purpose of the Anti Money Laundering Policy is to provide a guideline within which to comply with the laws and regulations regarding money laundering both at country and international levels and thereby to safeguard the Bank from potential compliance, financial and reputational risks. Know Your Customer (KYC) procedures have been set up with address verification. As apart of monitoring account transaction, the estimated transaction profile and high value transactions are being reviewed electronically. Training has been taken as a continuous process for creating/developing awareness among the officers.

2.13.5 Internal Control and Compliance

Internal Control is the mechanism to provide reasonable assurance to Bank on an ongoing basis regarding the achievement of objectives in the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws, regulations and internal

policies. The primary objective of Internal Control and Compliance is to help the Bank perform better and add value through use of its resources. Through internal control system, Bank identifies its weaknesses associated with the process and adopts appropriate measures to overcome that.

The main objectives of internal control are as follows:

- a) Operations Objectives: achievement of bank's basic mission and vision;
- b) Reporting Objectives: timely, accurate, and comprehensive reporting, financial and non-financial, internal and external; and
- c) Compliance Objectives: conducting activities and taking specific actions in accordance with applicable laws and regulations.

The Bank has established an effective internal control system whose primary aim is to ensure the overall management of risks and provide reasonable assurance that the objectives set by the Bank will be met. It has been designed to develop a high level risk culture among the personnel of the Bank, establish efficient and effective operating model of the Bank, ensure reliability of internal and external information including accounting and financial information, secure the Bank's operations and assets, and comply with laws, regulatory requirements and internal policies.

The key functionalities that have been established in reviewing adequacy and integrity of the system of internal controls are as follows:

- a) Various committees are established by the Board to assist the Board in ensuring the effectiveness of Bank's daily operations and that the Bank's operations are in accordance with the corporate objectives, strategies and the annual budget as well as the policies and business directions that have been approved.
- b) The internal audit department of the Bank checks for compliance with policies and procedures and the effectiveness of the internal control systems on an ongoing basis using samples and rotational procedures and highlight significant findings in respect of any non-compliance.
- c) Audits are carried out on various departments/units, all branches in accordance with the annual audit plan approved by the Audit Committee of the Board. The frequency of audits of branches is determined by the level of risk assessed, to provide an independent and objective report. Findings of the internal audit are submitted to the Audit Committee of the Board for review at their periodic meetings.
- d) The Audit Committee of the Board of the Bank reviews internal control issues identified by the Internal Audit Department, Bangladesh Bank, External Auditors and management and evaluates the adequacy and effectiveness of the risk management and internal control systems. They also review the internal audit functions with particular emphasis on the scope of audits and quality of internal audits. The minutes of the Audit Committee meetings of the Board are tabled at the meetings of the Board of Directors of the Bank on a periodic basis.
- e) Self-Assessment of Anti-Fraud Internal Controls is carried out on semi-annual basis and is sent to Bangladesh Bank as per requirement of DOS Circular Letter No. 10, dated 09 May 2017 issued by Bangladesh Bank.
- f) In assessing the internal control system, identified officers of the Bank continued to review and update all procedures and controls that are connected with significant accounts and disclosures of the Financial Statements of the Bank. The Internal Audit Department of the Bank continued to verify the suitability of design and effectiveness of these procedures and controls on an ongoing basis.

2.13.5.1 Internal Audit

Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. Audit staff of BCBL has combination of business, Professional and IT knowledge based personnel. Audit Department is committed to meet the standards of best professional practices. BCBL Audit is applying risk based internal audit methodology for doing their audit functions. Risk based internal audit includes, in addition to selective transaction testing, an evaluation of the risk management systems and control procedures prevailing in various areas of the Bank's operations.

2.13.5.2 Compliance

BCBL establishes a best compliance culture throughout the organization by encouraging employees to comply with policies, procedures and regulation.

To establish and uphold the momentum of compliance culture, BCBL has strong Compliance Department under Internal Control & Compliance Division which is dedicated for ensuring compliance of guidelines/observations/ recommendations of Regulatory and Internal Audit/Investigation. In line with that 3 (three) separate units are formed under Compliance Department, namely Regulatory Compliance Unit, Internal Compliance Unit, & Investigation Unit.

Compliance team firmly supports Bangladesh Bank Team in their inspection at branches/head office and ensures submission of compliance response to Bangladesh Bank appropriately and timely, monitor compliance activities of Branch, Division, Department and other offices, verify the internal control system of organization operational activities as per Bangladesh Bank and other Regulatory Guidelines. Investigation Unit conducts investigation and submits the report onward as per management requirement and analyze fraud cases to ascertain responsible parties and recommend appropriate action. Compliance Department also ensures required reporting to Management, Board Audit Committee & Regulators accordingly.

2.13.5.3 Monitoring

BCBL has separate monitoring department under Internal Control & Compliance Division which is dedicated to verify the internal control system & operational activities of the Bank on an ongoing basis. Monitoring department ensures maintenance of DCFCL at Branches and Departments as a regulatory requirement and also submits Self-Assessment of Anti-Fraud Internal Controls report and Bank's Health report to Bangladesh Bank.

2.13.5.4 Concurrent Audit

As per the directives provided by Bangladesh Bank as Guidelines on Internal Control and Compliance in Banks, Concurrent Audit Department was formed to make it in line with the guidelines. Concurrent audit team scrutinize whether the bank is following the guidelines of internal & regulatory bodies time to time. This unit exclusively conducts spot/ surprise audit of continuing operational activities in various branches.

2.13.5.5 Fraud and Forgery

Fraud and forgery have become very important issues in recent years. These have a major impact on our country's economy as a whole, impeding the economic development. BCBL has always been very focused in controlling fraud & forgery by establishing and maintaining proper control systems. Now a day's fraud and forgery appears in diverse form. To prevent fraud and forgery, BCBL formed Investigation Unit under Compliance & Monitoring Department of Internal Control & Compliance Division to deal with such kind of incidences. This wing exclusively deals with all kinds of fraud and forgery and act independently as the first contact point/ information unit where internal and external fraud and forgery incidences are escalated, investigated and reviewed.

To protect the bank and its stakeholder's interest, Investigation Team performs thorough investigation to identify the perpetrator and the root cause of the reported incident. As a remedial course of action, preventive measures are recommended to the business/functional unit to take necessary action relating to process improvement, recovery of misappropriated amount, adjustment of the operational loss and to take appropriate action against the perpetrator. The investigation reports are also placed to the Board Audit Committee for their direction and guidance. All fraud and forgery which were identified in 2018 were also duly reported to Bangladesh Bank on regular basis following their prescribed format and adequate provision has been maintained in the books of accounts. On the other hand management is exerting their all-out efforts to recover the loss amount incurred due to fraud.

2.14 Implementation of BASEL- III

To cope up with the international best practices and to make the bank's capital shock absorbent 'Guidelines on Risk Based Capital Adequacy (RBCA) for banks' (Revised Regulatory Capital Framework in line with BASEL II) was introduced from 1 January 2009 as a parallel run with BRPD Circular No. 10, dated 25 November 2002 (BASEL I). At the end of parallel run, BASEL II regime started from January 01, 2010 and the guidelines on RBCA came fully into force with its subsequent supplements/revisions. After that Bangladesh Bank issued 'Guidelines on Risk Based Capital Adequacy (RBCA) for banks' (Revised Regulatory Capital Framework in line with BASEL III) vide its BRPD Circular 18 dated December 21, 2014 that BASEL III reporting start from January 2015 and full implementation will start from January 2019. Instructions regarding Minimum Capital Requirement (MCR), Adequate Capital and Disclosure requirement as stated in the guidelines had to be followed by all scheduled banks for the purpose of statutory compliance. BASEL III framework has three main components referred to as pillars:

- i) Pillar I addresses minimum capital requirement;
- ii) Pillar II elaborates the process for assessing the overall capital adequacy aligned with risk profile of a bank as well as capital growth plan; and
- iii) Finally, Pillar III gives a Framework of public disclosure on the position of a bank's risk profiles, capital adequacy, and risk management system.

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. "Basel III: A global regulatory framework for more resilient banks and banking systems" (known as Basel III capital regulations) in December 2010. Basel III reforms strengthen the bank-level i.e. micro prudential regulation, with the intention to raise the resilience of individual banking institutions in periods of stress. Besides, the reforms have a macro prudential focus also, addressing system wide risks, which can build up across the banking sector, as well as the pro-cyclical amplification of these risks over time. These new global regulatory and supervisory standards mainly addressed the following areas:

- a) Raise the quality and level of capital to ensure banks are better able to absorb losses on both a going concern and a gone concern basis;
- b) Increase the risk coverage of the capital framework;
- c) Introduce leverage ratio to serve as a backstop to the risk-based capital measure;
- d) Raise the standards for the supervisory review process (Pillar II); and
- e) Public disclosures (Pillar III) etc.

To ensure smooth transition to Basel III, appropriate transitional arrangements have been provided for meeting the minimum Basel III capital ratios, full regulatory adjustments to the components of capital etc. Consequently, Basel III capital regulations would be fully implemented as on January 1, 2019.

Basel - III is to be calculated both on separate financial statements (SOLO) basis and consolidated basis and both are submitted to Bangladesh Bank accordingly.

We have fully complied with all the directives provided by the Central Bank from time to time, starting from Pillar I, II and III reporting requirements to periodic Stress Testing activity etc. Formation of BASEL Steering Committee chaired by the Managing Director of the bank helps us to ensure supreme governance and strict regimentation at execution level. At the end of 2018, all the variables are completely ready to cope up the full implementation of BASEL III.

2.15 Off Balance Sheet items

Off Balance Sheet Items include various non-derivative financial instruments primarily letter of credit (L/C), letter of guarantee (L/G), acceptance and endorsements, bills for collection etc. and various derivative instruments like forward contracts and currency rate swaps etc.

2.15.1 Derivative financial instruments

The fair value of the derivatives (forward contracts, currency rate swaps etc.) are recognized in the profit and loss of the Bank as per IFRS 9. The value of the contract itself is shown as an item of other contingent liabilities as per Bangladesh Bank guidelines.

2.15.2 Provision on off balance sheet exposures

No provision is kept on items of derivatives as there is no exposure on such gross value for the Bank. Provision for other off balance sheet items made as per BRPD circular no. 14 of 23 September 2012 and BRPD circular no. 7 of June 21, 2018 except on 'bills for collection' and 'guarantees' where the counter guarantees have been issued by Multilateral Development Bank (MDB)/International Bank having BB rating grade '1' equivalent outlined in the Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III).

2.16 Accounting for Changes in Policy, Accounting Estimates and Errors

IAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors, states that the effect of a change in accounting policy and correction of error if material is to be applied retrospectively and change in an accounting estimate is to be applied prospectively. The carrying amount of assets, liabilities, or equity may be changed following a change in accounting estimates in the period of the change. The Bank followed the same accordingly.

2.17 Events after reporting period

As per IAS - 10 "Events after the Reporting Period" events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of event can be identified: (a) Adjusting events after the reporting period which provide evidence of conditions which existed at the end of the reporting period; and (b) Non adjusting events after the reporting period, are those that are indicative of conditions that arose after the reporting period.

2.18 Related party disclosures

Related Party is a party related to an entity if:

- i) Directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under control with, the company; has an interest in the company, that gives it significant influence over the company; or has joint control over the company;
- ii) The party is an associate (as defined in IAS 28 Investment in Associates);
- iii) The party is a joint venture in which the entity is a venture (as per IAS 31 Interests in Joint Ventures);
- iv) The party is member of the key management of personal of the entity or its parent;
- v) The party is a close member of the family of any individual referred to in (i) or (iv);
- vi) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- vii) The party is post-employment benefit plan for the benefit of employees of the entity. or of any entity that is related party of the entity.

2.19 Director's responsibilities on statement

The board of directors takes the responsibilities for the preparation and presentation of these financial statements.

2.20 Segment reporting

As per IFRS 8 "Operating Segments", an operating segment is a component of an entity:

- That engages in business activities from which it may earn revenues and incur expenses (include revenues and expenses relating to transactions with other components of the same entity);
- Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performances, and
- For which discrete financial information is available.

The Bank identifies segment based on its business segment as well as its subsidiary. Business segment comprises SME, Retail, Corporate and Treasury under Conventional banking.

2.21 General

- Figures appearing in the financial statements have been rounded off to the nearest Taka.
- Figures of previous year have been rearranged wherever considered necessary to conform to the current year's presentation.
- The expenses, irrespective of capital or revenue nature, accrued / due but not paid have been provided for in the books of the accounts.

		31.12.2018 Taka	31.12.2017 Taka
3	Cash		
	Cash in hand (Note 3.1)	400,624,010	334,678,015
	Balance with Bangladesh Bank and its agent bank(s) (Note 3.2)	1,978,893,720	2,157,711,911
		2,379,517,730	2,492,389,926
3(a)	Consolidated Cash		
	Bangladesh Commerce Bank Limited	2,379,517,730	2,492,389,926
	CBSIL	688,489	197,747
		2,380,206,219	2,492,587,673
3.1	Cash in Hand		
	In local currency	400,624,010	334,678,015
	In foreign currencies	-	-
		400,624,010	334,678,015
3.1(a)	Consolidated Cash in Hand		
	Bangladesh Commerce Bank Limited (Note 3.1)	400,624,010	334,678,015
	CBSIL	688,489	197,747
		401,312,499	334,875,762
3.2	Balance with Bangladesh Bank and its agent bank(s)		
	Balance with Bangladesh Bank		
	In local currency	1,714,392,958	1,823,052,456
	In foreign currencies	251,410,343	284,378,717
		1,965,803,301	2,107,431,173
	Balance with Sonali Bank in local currency (as agent of Bangladesh Bank)	13,090,419	50,280,738
		1,978,893,720	2,157,711,911
3.2(a)	Consolidated Balance with Bangladesh Bank and its agent bank(s)		
	Bangladesh Commerce Bank Limited (Note 3.2)	1,978,893,720	2,157,711,911
	CBSIL	-	-
		1,978,893,720	2,157,711,911
3.3	Statutory Deposit		

As per MPD circular No- 01 dated 03 April 2018 of Bangladesh Bank (effective from 15 April 2018), all scheduled banks have to maintain a CRR of minimum 5% on daily basis and 5.50% on bi-weekly basis on weekly average demand and time liabilities of the base month which is two months back of reporting month (i.e. CRR of December 2018 was based on weekly average balance of October 2018). BCBL has been maintaining it bi-weekly basis.

	31.12.2018 Taka	31.12.2017 Taka
3.4 Cash Reserve Ratio (CRR) : 5.50% of Average Demand & Time Liabilities		
Required Reserve	1,461,955,529	1,697,526,983
Actual Reserve held with Bangladesh Bank	1,714,392,958	1,823,052,456
TT in Transit	-	-
	1,714,392,958	1,823,052,456
Surplus/(Deficit)	252,437,429	125,525,473
Maintained Ratio	6.45%	6.98%
3.5 Statutory Liquidity Ratio (SLR) : 13% of Average Demand & Time Liabilities		
Required Reserve	3,455,531,251	3,395,053,966
Actual Reserve held	3,820,817,604	3,571,263,947
Surplus/(Deficit)	365,286,353	176,209,981
Maintained Ratio	14.37%	13.67%
Average Deposit (Demand & Time Liabilities)	26,581,009,627	26,115,799,738
4 BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS		
In Bangladesh (Note 4.1)	6,625,840,010	8,277,482,175
Outside Bangladesh (NOSTRO A/C) (Note 4.2)	54,263,605	11,946,175
	6,680,103,615	8,289,428,350
4(a) CONSOLIDATED BALANCE WITH OTHER BANKS AND FINANCIAL INSTITUTIONS		
Bangladesh Commerce Bank Limited (Note 4)	6,680,103,615	8,289,428,350
CBSIL	436,516,678	283,874,099
	7,116,620,293	8,573,302,449
4.1 In Bangladesh		
Current Deposits:	99,858,361	97,415,948
Agrani Bank Ltd.	63,705,653	59,662,212
Janata Bank Ltd.	2,090,509	2,109,360
Bangladesh Krishi Bank	-	1,000
Trust Bank Ltd.	1,587,555	671,800
Sonali Bank.	17,204,264	16,949,733
Dutch Bangla Bank Limited	2,072,899	374,199
Pubali Bank Ltd.	2,078,588	3,283,328
Al-Arafah Islami Bak Ltd.	9,082,946	3,596,326
Commerce Bank Securities & Investment Ltd.	-	5,229,912
BASIC Bank Limited	2,026,097	5,230,000
Rupali Bank Limited	9,850	308,079
	23,448,631	12,835,671
STD Accounts:		
Sonali Bank Ltd.	5,562,497	8,883,903
First Securities Bank Limited	500,000	-
Uttara Bank Limited	134,078	130,045
Janata Bank Ltd.	6,913,064	99,493
Rupali Bank Limited	3,091,937	6,000
Social Islami Bank Limited	2,082,842	3,716,230
Agrani Bank Ltd.	5,164,213	-
	6,502,533,018	8,167,230,556
FDR Accounts:		
Reliance Finane Ltd.	1,600,000,000	1,350,000,000
People's Leasing and Financial Services Ltd.	1,398,700,000	1,400,000,000
International Leasing & Financial Services Ltd.	1,330,000,000	1,350,000,000
Union Bank Ltd.	1,000,000,000	400,000,000
Bangladesh Industrial & Finance Company Limited(BIFC)	768,533,018	717,230,556
Premier Leasing & Finance Ltd.	105,300,000	150,000,000
FAS Finance & Investment Ltd.	200,000,000	300,000,000
First Lease Finance & Investment Ltd.	100,000,000	100,000,000
Hajj Finance Company Ltd.	-	350,000,000
Fareast Finance & Investment	-	100,000,000
GSP Finance Company Ltd.	-	400,000,000
Bangladesh Finance & Investment Limited	-	350,000,000
IPDC Finance Limited	-	400,000,000
Lanka Bangla Finance Limited	-	500,000,000
National Finance Limited	-	300,000,000
	6,625,840,010	8,277,482,175

4.1.1 Balance With other Bank & Financial Institutions (Current Deposits and STD Accounts)

31.12.2018
Taka

Name of Banks & Financial Institutions	On Demand	Up to 1 month	1 to 3 months	6 months to 1 year	1 to 5 years	Over 5 years	Total
Agrani Bank Ltd.	68,869,867	-	-	-	-	-	68,869,867
Janata Bank Ltd.	9,003,573	-	-	-	-	-	9,003,573
Al-Arafah Islami Bak Ltd.	9,082,946	-	-	-	-	-	9,082,946
Trust Bank Ltd.	1,587,555	-	-	-	-	-	1,587,555
Sonali Bank Ltd.	22,766,760	-	-	-	-	-	22,766,760
Dutch Bangla Bank Ltd.	2,072,899	-	-	-	-	-	2,072,899
Pubali Bank Ltd.	2,078,588	-	-	-	-	-	2,078,588
Uttara Bank Ltd.	134,078	-	-	-	-	-	134,078
Rupali Bank Ltd.	3,101,787	-	-	-	-	-	3,101,787
Social Islami Bank Ltd.	2,082,842	-	-	-	-	-	2,082,842
BASIC Bank Ltd.	2,026,097	-	-	-	-	-	2,026,097
First Securities Bank Ltd.	500,000	-	-	-	-	-	500,000
Grand total	123,306,993	-	-	-	-	-	123,306,993

4.2 Outside Bangladesh

Non Interest-bearing Accounts
Interest-bearing Accounts

Non Interest-bearing Accounts

Habib Metropolitan Bank, Pakistan
Sonali Bank Ltd. Kolkata
Mashreq Bank PSC, NY
NIB Bank Karachi
Standard Chartered Bank, Kolkata, India
Standard Chartered Bank, Mumbai, India
United Bank of India, Kolkata

Total

	31.12.2018 Taka	31.12.2017 Taka
	54,263,605	11,946,175
Non Interest-bearing Accounts	54,263,605	11,946,175
Interest-bearing Accounts	-	-
Habib Metropolitan Bank, Pakistan		2,359
Sonali Bank Ltd. Kolkata	1,053,723	1,505,816
Mashreq Bank PSC, NY	43,974,278	5,947,589
NIB Bank Karachi	12,135	11,962
Standard Chartered Bank, Kolkata, India	4,491,720	
Standard Chartered Bank, Mumbai, India		4,427,477
United Bank of India, Kolkata	4,731,749	50,973
	54,263,605	11,946,175
	-	-
Total	54,263,605	11,946,175

4.2.1 Non Interest bearing A/C (Outside Bangladesh NOSTRO A/C)

Particulars	Currency Name	31.12.2018			31.12.2017		
		Amount in FC	Conversion Rate per Unit FC	Amount in BDT	Amount in FC	Conversion Rate per Unit FC	Amount in BDT
Habib Metropolitan Bank, Pakistan	USD\$	-	-	-	29	82.70	2,359
Sonali Bank Ltd. Kolkata	USD\$	12,559.3	83.90	1,053,723	18,208	82.70	1,505,816
Mashreq Bank Psc, Ny	USD\$	524,127.3	83.90	43,974,278	71,918	82.70	5,947,589
NIB Bank Karachi	USD\$	144.6	83.90	12,135	145	82.69	11,962
Standard Chartered Bank Mumbai (Acud)	USD\$	53,536.6	83.90	4,491,720	53,537	82.70	4,427,477
United bank of India, Kolkata	USD\$	3,944,017.8	1.199728	4,731,749	616	82.70	50,973
		4,534,386		54,263,605	144,452		11,946,175

Note: Balance with other Bank and financial institutions includes Taka 4,491,720 equivalent to USD 53,536.60 which was frozen by Standard Chartered Bank (former the American Express Bank) based on the order of the Calcutta High court against which provision is yet to be made.

		31.12.2018 Taka	31.12.2017 Taka
4.3	Maturity grouping of foreign currency balances	54,263,605	11,946,175
	On demands	54,263,605	11,946,175
	Upto 1 month	-	-
	1-3 month	-	-
	3-6 month	-	-
	6-9 month	-	-
	9 months to 1 year	-	-
	1 year and above	-	-
5	MONEY AT CALL ON SHORT NOTICE		
	Inside Bangladesh (Note: 5.1)	29,300,000	29,300,000
	Outside Bangladesh (Note: 5.2)	-	-
		29,300,000	29,300,000
5.1	In Bangladesh Banks		
	ICB Islamic Bank Ltd.	29,300,000	29,300,000
		29,300,000	29,300,000
5.2	Outside Bangladesh	-	-
5(a)	CONSOLIDATED MONEY AT CALL AND SHORT NOTICE		
	Bangladesh Commerce Bank Limited	29,300,000	29,300,000
	CBSIL	-	-
		29,300,000	29,300,000
6	INVESTMENTS	4,972,049,903	4,731,377,195
6.1	Government Securities		
	Treasury Bond/ Bill		
	30-day Bangladesh Bank Bill	-	1,198,940,189
	91-day Treasury Bill	347,839,908	148,890,944
	182-day Treasury Bill	990,029,420	
	364-day Treasury Bill	541,118,538	245,346,250
	2-year Treasury Bond	350,024,150	348,509,350
	5-year Treasury Bond	172,481,809	297,215,090
	10-year Treasury Bond	624,056,585	693,833,295
	15-year Treasury Bond	89,524,865	89,275,720
	20-year Treasury Bond	38,373,673	38,156,404
		3,153,448,948	3,060,167,242
	Prize Bond	1,297,400	613,500
		3,154,746,348	3,060,780,742
6.1.1	Government Securities (HFT)		
	91-day Treasury Bill	-	-
	182-day Treasury Bill	-	-
	364-day Treasury Bill	-	245,346,250
	2-year Treasury Bond	350,024,150	348,509,350
	5-year Treasury Bond	172,481,809	176,535,265
	10-year Treasury Bond	187,947,963	257,226,843
	15-year Treasury Bond	49,079,523	48,833,075
	20-year Treasury Bond	13,319,126	13,102,877
		772,852,571	1,089,553,659

Note: Money at Call and Short Notice includes Taka 29,300,000, which was frozen by ICB Islami Bank (former Al-Baraka Bank) since 23-01-2007. The Bangladesh Bank vide circular # BRPD(R-1)651/(10)/2007-446 dated 02 August, 2007 has given directives for repayment of such balances which are yet to be implemented by the Bank.

	31.12.2018 Taka	31.12.2017 Taka
6.1.2 Government Securities (HTM)		
30-day Bangladesh Bank Bill	-	1,198,940,189
91-day Treasury Bill	347,839,908	148,890,944
182-day Treasury Bill	990,029,420	-
364-day Treasury Bill	541,118,538	-
2-year Treasury Bond	-	-
5-year Treasury Bond	-	120,679,825
10-year Treasury Bond	436,108,622	436,606,452
15-year Treasury Bond	40,445,342	40,442,645
20-year Treasury Bond	25,054,547	25,053,527
	2,380,596,377	1,970,613,582
6.2 Other Investments		
Shares in quoted companies	679,403,645	636,296,543
Shares in un-quoted companies (Note: 6.2.1)	364,000,000	264,000,000
Corporate Bond (Note: 6.2.2)	116,400,000	112,800,000
Investment in Sonali Polaris FTL	7,500,000	7,500,000
Investment in Subsidiary	649,999,910	649,999,910
	1,817,303,555	1,670,596,453
Details of Investment in quoted shares are shown in Annexure-E		
6.2.1 Shares in un-quoted companies		
Summit Narayangonj Power Unit-II Ltd.	72,000,000	72,000,000
Summit Barisal Power Ltd.	192,000,000	192,000,000
Ace Alliance Power Ltd	100,000,000	-
	364,000,000	264,000,000
6.2.2 Corporate Bond		
Non Convertible Bond-Golden Harvest	50,000,000	-
ONE Bank Subordinated Bond	40,000,000	60,000,000
BSRM Convertible Bond	26,400,000	52,800,000
	116,400,000	112,800,000
6.3 Maturity Grouping of Investments		
Repayable on demand	105,942,901	100,814,722
With a residual maturity upto 1 month	1,175,376,463	1,118,482,216
With a residual maturity of more than 1 month but less than 3 months	246,849,066	234,900,306
With a residual maturity of more than 3 months but less than 1 year	1,184,854,457	1,127,501,426
With a residual maturity of more than 1 year but less than 2 years	877,135,612	834,677,751
With a residual maturity of more than 2 years	1,381,891,404	1,315,000,774
	4,972,049,903	4,731,377,195
6(a) Consolidated Investment	4,377,642,955	4,167,667,054
Government Securities		
Bangladesh Commerce Bank Limited (Note: 6.1)	3,154,746,348	3,060,780,742
CBSIL	-	-
	3,154,746,348	3,060,780,742
Other Investments		
Bangladesh Commerce Bank Limited (Note: 6.2)	1,817,303,555	1,670,596,453
CBSIL	55,592,963	86,289,769
	1,872,896,518	1,756,886,222
Less: Inter Company Transaction	(649,999,910)	(649,999,910)
	1,222,896,608	1,106,886,312

	31.12.2018 Taka	31.12.2017 Taka
7 LOANS AND ADVANCES	22,148,122,999	19,284,440,468
7.1 As per classification into the following broad categories		
Inside Bangladesh		
Demand Loan	962,081,626	811,154,023
Loan General	5,611,323,897	5,213,709,252
Cash Credit (Hypo)	4,517,346,770	4,522,054,269
Agriculture Loan	322,594,817	352,316,746
Overdraft	4,834,317,278	2,646,327,094
SME Loan	1,086,193,283	1,014,905,542
Payment Against Document (PAD)	1,089,791,957	1,104,982,133
Loan against Trust Receipt (LTR)	2,109,546,241	2,054,518,699
House Building Loan	682,774,633	584,299,798
Credit Card	24,556,655	22,921,861
Consumer Credit	30,457,690	26,211,050
Staff Loan	401,503,620	372,267,096
Loans & Advances (BCI)	460,993,538	501,696,852
	22,133,482,005	19,227,364,416
Outside Bangladesh	-	-
	22,133,482,005	19,227,364,416
7.2 Bills Purchased and Discounted		
Payable in Bangladesh		
Inland Bills Purchased	14,640,994	57,076,052
Payable outside Bangladesh	-	-
Foreign Bills Purchased	-	-
	14,640,994	57,076,052
	22,148,122,999	19,284,440,468
7.3 As per the remaining maturity grouping of loans and advances in the following order		
Re-payable on demand	8,464,308,730	7,151,277,924
Not more than 3 months	4,750,204,933	4,019,987,590
More than 3 Months but less than 1 year	5,882,406,108	4,503,486,097
More than 1 year but less than 5 years	3,051,203,228	3,609,688,856
More than 5 years	-	-
	22,148,122,999	19,284,440,468
7.4 Countrywise Classification of Loans and Advances		
Inside Bangladesh	22,148,122,999	19,284,440,468
Outside Bangladesh	-	-
	22,148,122,999	19,284,440,468
7.5 Loans and advances on the basis of significant concentration		
a) Loans and advances to directors of the bank	-	-
b) Loans and advances to Chief Executive & other senior executives	105,054,274	108,708,231
c) Loans and advances to customer group amounting more than 10% of bank's total capital	9,684,612,680	7,762,935,149
d) Other customers	11,956,474,868	11,040,529,993
e) Staff Loan	401,981,177	372,267,095
	22,148,122,999	19,284,440,468
Loans and advances allowed to each customer exceeding 10% of Bank's total capital fund Number of the Clients (See Annexure-B)	20	16
7.6 Classification of Loan as per geographical concentration		
Dhaka Division	15,320,032,044	12,807,583,797
Chittagong Division	4,269,029,139	4,107,807,896
Rajshahi Division	1,089,554,004	620,566,993
Khulna Division	818,774,120	1,044,734,904
Sylhet Division	272,957,428	290,904,438
Barisal	163,236,071	190,679,302
Rangpur	214,540,193	222,163,138
	22,148,122,999	19,284,440,468

	31.12.2018 Taka	31.12.2017 Taka
7.7 Industrial concentration of Loans & Advances (including Bill purchased and discounted)		
Food & Beverage industries	349,524,657	726,958,246
Furniture & Fixture	24,298,357	23,219,570
Printing, publishing & allied industries	59,208,764	33,516,598
Petroleum & coal Products	1,038,576,319	839,621,756
RMG & Textile	2,131,637,253	1,886,687,307
Non-metallic mineral products	727,716,589	585,422,937
Basic metal products	408,781,328	476,683,097
Pharmaceutical industries	-	159,009,874
Cement industries	136,518,367	181,013,270
Small Scale Industries	1,025,731,572	919,366,254
Power Generation & Gas	327,303,657	346,381,259
Other manufacturing industries	743,125,625	686,821,450
Rural Credit & Agri Loan	620,249,093	580,135,167
Import Credit	4,153,954,570	4,026,981,795
Trade & Commerce	7,294,877,956	5,443,318,528
Others	3,106,618,892	2,369,303,360
Total	22,148,122,999	19,284,440,468
7.8 Sector wise concentration of Loans & Advances (including Bill purchased and discounted)		
Agricultural Loan	620,249,093	580,135,167
Industrial Loan (other than working capital)	2,263,528,750	2,193,542,713
Working capital Loan	2,977,155,543	2,784,447,233
Import Credit	4,153,954,570	4,026,981,795
Commercial Loan	8,369,200,228	6,283,265,492
RMG & Textile	2,131,637,253	1,886,687,307
Construction Loan	682,693,432	584,299,797
Transport and Communication Loan	97,906,127	90,521,478
Consumer Credit	2,948,617	49,132,909
All Others Loans	848,849,386	805,426,577
Total	22,148,122,999	19,284,440,468
7.9 Loans & Advances to Executives & all other staffs		
Staff House Building Loan	345,083,339	330,171,410
Staff Car Loan	38,435,908	29,306,073
Staff loan against Provident Fund	17,984,375	12,789,612
	401,503,622	372,267,095

7.9.1 Required Provision for Loans & Advances

Particulars	2018				2017	
	Outstanding Loans	Base for provision	Rate	Required Provision	Base for provision	Provision
Un-classified	13,163,778,197	13,163,778,197		147,224,999	14,992,138,427	1,758,265,707
i) Standard	13,098,161,167	13,098,161,167		101,468,205	13,251,216,219	80,248,007
a) CCS	17,985,077	17,985,077	5%	899,254	70,399,341	3,519,967
b) HBL	477,672,123	477,672,123	2%	9,553,442	505,314,904	10,106,298
c) LP	3,213,000	3,213,000	2%	64,260	3,393,982	67,880
d) Small Enterprise Fin	4,673,148,077	4,673,148,077	0.25%	11,682,870	3,669,025,426	9,172,564
e) Loans against Share	695,000	695,000	2%	13,900	3,024,059	60,481
f) Agricultural Credit	160,440,050	160,440,050	1.00%	1,604,401	276,927,252	2,769,273
g) Others	7,765,007,840	7,765,007,840	1%	77,650,078	8,350,864,160	54,551,545
ii) Staff Loan	401,503,622	401,503,622	0%	-	372,267,095	-
iii) SMA	65,617,030	65,617,030		539,150	63,188,258	283,751
iv) UC by Writ Pettition				1,851,780,999	1,677,733,950	1,677,733,950
Sub-Standard	72,853,074	37,288,060	20%	7,457,612	50,093,250	6,198,545
Doubtful	101,282,032	35,777,015	50%	17,888,508	73,000,976	36,500,488
Bad or Loss	8,408,706,074	6,266,022,105	100%	6,266,022,105	3,265,174,837	3,265,174,837
Total	22,148,122,999	19,904,368,999		8,290,374,223		5,066,139,578

Total Required Provision for Loans and Advances

8,290,374,223**5,066,139,578**

Total Provision Maintained

2,587,546,803**854,213,622**

Excess/ (Short) Provision

(5,702,827,420)**(4,211,925,956)**

	31.12.2018 Taka	31.12.2017 Taka
7.10 Classification of Loan & Advances		
Un-classified	13,565,281,819	13,686,673,998
i) Standard	13,499,664,789	13,623,483,314
ii) SMA	65,617,030	63,190,684
Sub-Standard	72,853,074	100,876,019
Doubtful	101,282,032	173,209,659
Bad or Loss	8,408,706,074	5,323,680,792
Total	22,148,122,999	19,284,440,468
7.11 Particulars of Loans and Advances		
(1) Debts considered good in respect of which the Bank Company is fully secured;	1,076,157,111	898,546,817
(2) Debts considered good against which the Banking Company holds no security other than the debtor's personal guarantee;	2,968,347,671	2,057,594,877
(3) Debts considered good & secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors;	1,743,315,299	1,264,008,177
(4) Loans adversely classified; provision not maintained there against;	5,904,011,171	3,608,883,217
(5) Debts due by directors or officers of the banking company of any of these separately or jointly with any other person;	401,503,622	372,267,095
(6) Loan due from companies or firms which the directors of the banking company directors, partners or managing agents or in the case have interest as of private companies as members;	-	-
(7) Maximum total amount of advances including temporary advance made at any time during the year to directors or managers or officers of the banking companies or any of them either separately or jointly with any other person;	-	-
(8) Maximum total amount of advances including temporary advance granted during the year to the companies or firm in which the directors of the banking or company have interest as directors, companies as members;	-	-
(09) Due from banking companies.	-	-
(10) Amount of classified loan on which interest has been charged		
a) Increase / (decrease) in provision	1,733,333,181	24,616,273
Amount of loan written off from provision		
Amount realized against loan previously written off		
b) Amount of provision kept against loan classified as "Bad/Loss" as at reporting date	2,498,684,851	765,351,670
c) Interest creditable to the interest Suspense Accounts;	762,627,056	805,123,051
(11) Details of loan written off		
a) Cumulative amount of written-off loan at the end of the year (b+c)	104,677,212	104,677,212
b) Cumulative amount of written-off loans (opening)	104,677,212	104,677,212
c) Amount of written-off loan during the year	-	-
d) Amount realized (including adjustment) against loan previously written-off	7,020,125	7,020,125
Previous year	7,020,125	7,020,125
Current year	-	-
e) Net outstanding amount of written-off loan at the end of the year (a-d)	97,657,087	97,657,087
f) Amount of written-off loan for which law suit has been filed	86,554,424	86,554,424
7.12 Bills Purchased and Discounted	14,640,994	57,076,052
7.13 As per classification into the following broad categories		
Payable in Bangladesh	14,640,994	57,076,052
Payable outside Bangladesh	-	-
	14,640,994	57,076,052
7.14 As per the remaining maturity grouping in the following order		
Payable within 1 month	14,640,994	57,076,052
Over 1 month but less than 3 months	-	-
Over 3 months but less than 6 months	-	-
6 months or more	-	-
	14,640,994	57,076,052

Note: The outstanding balance of large loan of the bank stood at Taka 966.80 Crore as on 31 Dec 2018.

		31.12.2018 Taka	31.12.2017 Taka
7(a) CONSOLIDATED LOANS AND ADVANCES			
Bangladesh Commerce Bank Limited		22,133,482,005	19,227,364,416
Less: Inter Company Transaction		-	-
		22,133,482,005	19,227,364,416
Add: Bill Purchased & Discount		14,640,994	57,076,052
		22,148,122,999	19,284,440,468
8 Fixed assets (Details are shown in annexed - A)			
Motor Vehicles		25,182,107	26,180,800
Furniture & Fixture		38,154,776	22,730,336
Machinery & Equipment		45,470,214	23,165,265
Computer & Accessories		8,689,117	6,677,212
Interior Decoration		93,120,668	53,247,704
Hardware & Software Automation		7,041,520	10,984,406
		217,658,401	142,985,722
8(a) Consolidated fixed assets including premises, furniture and fixtures			
Bangladesh Commerce Bank Limited (Note: 8)		217,658,401	142,985,722
CBSIL		8,645,781	7,874,926
		226,304,182	150,860,648
9 Other Assets			
Advance Income Tax (Note: 9.1)		930,121,269	862,299,243
Stock of Stationery, Stamps & Security Stationery (Note: 9.2)		9,376,541	10,612,654
Advance Rent, Advertisement, etc. (Note: 9.3)		87,550,570	47,910,354
Accrued Interest & Commission Receivable (Note: 9.4)		346,708,862	217,435,269
Security Deposits (Note: 9.5)		1,448,755	1,437,195
Suspense Accounts (Note: 9.6)		53,657,267	60,135,064
Sundry Assets (Note: 9.7)		160,396,838	110,537,816
Deferred Tax Assets (Note: 9.8)		12,298,135	-
BCBL General Account (Note: 9.9)		-	114,549,542
		1,601,558,237	1,424,917,137
9.1 Advance Income Tax			
Opening Balance		862,299,243	797,407,677
Prior Year's Adjustment		-	-
Addition during the year		67,822,026	64,891,566
		930,121,269	862,299,243
9.2 Stock of Stationery, Stamps & Security Stationery			
Stock of Stationery		5,626,903	5,922,615
Stock of Stamp		838,600	657,780
MICR Printing Security Stationery		1,205,346	2,299,510
Stock of Security Stationery		1,705,692	1,732,749
		9,376,541	10,612,654
9.3 Advance Rent, Advertisement, etc.			
Advance Rent		87,110,483	47,441,049
Prepaid Insurance Premium		8,767	50,705
Prepaid Expenses for Hardware & Software		428,600	418,600
Prepaid Advertisement		2,720	-
		87,550,570	47,910,354
9.4 Accrued Interest & Commission Receivable			
Interest Receivable		335,263,306	206,303,269
Dividend Receivables from Share and Debenture		11,445,556	11,132,000
		346,708,862	217,435,269
9.5 Security Deposits			
Security Deposits		1,448,755	1,437,195

	31.12.2018 Taka	31.12.2017 Taka
9.6 Suspense Accounts		
Sundry Debtors	40,146,677	25,711,114
Advance against TA/DA	105,514	59,534
Advance against Sanchay Patra	3,234,408	14,513,216
Advance against Printing Stationary	20,668	12,263
Advance Against Fixed Assets	10,150,000	19,838,937
	53,657,267	60,135,064
9.7 Sundry Assets		
Cash Remittance	4,000,000	7,000,400
Foreign Remittance Settlement A/C	8,715,254	6,335,661
ATM cash settlement	2,447,940	1,696,500
Protested Bill	81,378,924	33,174,385
Excise Duty Adjustment (FDR)	8,154,720	6,630,870
Sub-total (a)	104,696,838	54,837,816
Blocked Assets:		
Sundry Deposits with National Bank Ltd.	3,500,000	3,500,000
Advance against Building	52,200,000	52,200,000
Sub-total (b)	55,700,000	55,700,000
Grand-total (a+b)	160,396,838	110,537,816
9.8 Deferred Tax Assets		
Opening Balance	-	-
Add : Addition during the year	12,298,135	-
Less: Adjustment during the year	-	-
Closing Balance	12,298,135	-
9.9 BCBL General Account		
BCBL General Account Cr.	-	21,181,041,576
BCBL General Account Dr.	-	21,295,591,118
	-	114,549,542
9(a) Consolidated Other Assets		
Bangladesh Commerce Bank Limited (Note: 9)	1,601,558,237	1,424,917,137
CBSIL	601,294,418	570,642,674
	2,202,852,655	1,995,559,811
10 Non Banking Assets	-	-
11 Borrowings from Bangladesh Bank, other Banks, Financial Institutions and Agents		
From Inside Bangladesh - Call Borrowings from Banks	200,000,000	140,000,000
From Inside Bangladesh - Re-finance Scheme under SME	134,230,708	40,961,542
From Outside Bangladesh	-	-
	334,230,708	180,961,542
11(a) Consolidated Borrowings from Bangladesh Bank, other Banks, Financial Institutions and Agents		
Bangladesh Commerce Bank Limited	334,230,708	180,961,542
CBSIL	-	-
	334,230,708	180,961,542
11.2 Maturity-wise borrowings		
Repayable on demand	334,230,708	180,961,542
Not more than 3 months	-	-
Over 3 Months but less than 1 year	-	-
Over 1 year but not less 5 years	-	-
Over 5 years	-	-
	334,230,708	180,961,542

		31.12.2018 Taka	31.12.2017 Taka
11.3 Security wise borrowings			
Secured (by Bangladesh Bank deposits)		-	-
Unsecured		334,230,708	180,961,542
		334,230,708	180,961,542
12 Deposits and other Accounts			
Current Deposits and Other Accounts	(Note: 12.1)	5,913,588,232	7,976,671,073
Bills Payable	(Note: 12.2)	568,348,337	353,282,009
Savings Bank Deposits	(Note: 12.3)	3,293,679,365	3,133,155,564
Fixed Deposits	(Note: 12.4)	17,236,395,613	14,464,383,131
Other Deposits	(Note: 12.5)	4,620,883,749	4,081,647,364
		31,632,895,296	30,009,139,141
12.1 Current Deposits and Other Accounts			
Current Deposits		2,029,689,542	1,896,519,042
Short Term Deposit		3,883,898,690	6,080,152,031
		5,913,588,232	7,976,671,073
12.2 Bills Payable			
Pay Order Payable		566,982,258	351,915,930
D.D. Payable		1,366,079	1,366,079
		568,348,337	353,282,009
12.3 Savings Bank Deposits			
Local Currency		3,293,679,365	3,133,155,564
Foreign Currencies		-	-
		3,293,679,365	3,133,155,564
12.4 Fixed Deposits			
Deposits without Bank		12,739,512,402	11,364,383,131
Bank Deposits		4,496,883,211	3,100,000,000
		17,236,395,613	14,464,383,131
12.5 Other Deposits and Schemes			
Other Deposits	(Note: 12.5.1)	1,505,560,434	1,219,898,318
Deposits under Different Schemes	(Note: 12.5.2)	3,115,323,315	2,861,749,046
		4,620,883,749	4,081,647,364
12.5.1 Other Deposits			
Margin on Letter of Credit		120,351,202	141,520,640
Margin on Letter of Guaranty		32,458,014	22,391,264
Margin on Letter of Shipping Guaranty		82,653,147	21,929,746
Export Fund Development		4,986,399	5,976,044
EBEK Grant Payable		52,660,591	14,093
Risk Fund		680,137	713,507
Service charge / CIB Service Charge		716,289	487,963
Buying House Commission		3,417,138	-
Revenue Stamp/ Stamp		160	10
Export Bill		267,438	317,932
Margin on FBP / Acceptance on B/B LC / Margin on LTR		4,980,520	249,288
BEFTN & BACPS/ITCL/S-cash		10,175,418	12,735,297
Sundry Creditors		34,434,039	34,282,126
Interest Payable on Deposits		1,157,779,942	979,280,408
		1,505,560,434	1,219,898,318
12.5.2 Deposits under different schemes			
Monthly Income/Pension Scheme		29,700,000	61,285,000
Life Pension Deposit Scheme		7,340,370	9,012,270
Marriage Deposit Scheme		56,846,726	53,200,018
Millionaire Deposit Scheme		142,722,949	189,894,338
Monthly Savings Schemes		2,095,141,150	1,705,387,278
Education Deposit Scheme		15,681,877	16,446,689
Lakhpoti Deposit Scheme		12,592,313	20,716,794
Triple Deposit Scheme		17,104,985	22,099,521
Kotipoti Deposit Scheme		98,187,021	89,562,101
Double Deposit Scheme		469,383,245	490,264,901
Investor Deposit Scheme		170,622,679	203,880,136
		3,115,323,315	2,861,749,046

		31.12.2018 Taka	31.12.2017 Taka
12.5(a) Consolidated Other Deposits			
Bangladesh Commerce Bank Limited	(Note: 12.5)	4,620,883,749	4,081,647,364
CBSIL		-	-
		4,620,883,749	4,081,647,364
12.6 Maturity wise Classification Payable:			
On Demand		1,205,997,461	1,144,092,100
Within 1 Month		4,108,351,481	3,897,464,651
More than 1 month but less than 6 months		6,614,833,644	6,275,285,944
More than 6 month but less than 1 year		11,206,072,828	10,630,851,067
More than 1 year but within 5 years		2,845,266,961	2,699,215,842
More than 5 year but within 10 years		5,652,372,922	5,362,229,537
Over 10 years and Unclaimed		-	-
		31,632,895,296	30,009,139,141
12(a) Consolidated Deposits and other Accounts			
Bangladesh Commerce Bank Limited		31,632,895,296	30,009,139,141
CBSIL		-	-
		31,632,895,296	30,009,139,141
13 Other Liabilities			
Provision for Loans and Advances	(Note: 13.1)	2,587,546,803	854,213,622
Interest Suspense Accounts	(Note: 13.2)	762,627,056	805,123,051
Provision for Current Income Tax	(Note: 13.3)	692,780,873	640,886,578
Provision for Deferred Tax	(Note: 13.4)	-	5,720,352
Provision for Gratuity	(Note: 13.5)	-	-
Provision for Share & Debenture Unrealized Gain / Loss	(Note: 13.6)	218,359,485	158,622,362
Provision for IT Assets	(Note: 13.7)	284,111	284,111
Accrued Expense Payable	(Note: 13.8)	2,405,332	2,163,612
Cash Incentive		5,661,784	13,867,234
Provision for (Incentive) Bonus	(Note: 13.9)	1,485,083	27,695,878
Provision for Off Balance Sheet Exposure	(Note: 13.10)	55,070,787	26,193,286
VAT/Tax Payable to NBR		78,291,788	60,436,043
Provision for Other Assets	(Note: 13.11)	124,600,000	114,350,484
BCBL General Accounts	(Note: 13.12)	259,231,709	-
		4,788,344,811	2,709,556,613
Note: As per tripartite meeting held between Bangladesh Bank, Rahman Mostafa Alam & Co. (External Auditor) and Bank Management on 9th April 2019 all the parties to the meeting agreed on that bank has a provision shortfall of BDT 570.28 Crore. Bangladesh Bank has given deferral permission for maintaining provision shortfall proportionately from 2019 to 2022 vide letter ref: DBI-1/116/2019-947 dated: 30/04/2019.			
13.1 Provision for Loans and Advances			
General Provision	(Note: 13.1.1)	88,861,952	88,861,952
Specific Provision	(Note: 13.1.2)	2,498,684,851	765,351,670
		2,587,546,803	854,213,622
13.1.1 General Provision			
Opening Balance		88,861,952	88,861,952
Add : Transferred during the year		-	-
Less: Adjustment during the year		-	-
		88,861,952	88,861,952
13.1.2 Specific Provision			
Opening Balance		765,351,670	740,735,396
Less: Fully Provided Bad Loan Written off		-	-
Add : Received from Previous Written off Bad Loan		-	-
Add : Specific Provision Kept for the year		1,733,333,181	24,616,273
Less: Provision no more Required due to Recovery of Bad Loan		-	-
Less: Interest Waiver During the Year		-	-
Add : Net Charge in the Profit and Loss Account		-	-
		2,498,684,851	765,351,670

		31.12.2018 Taka	31.12.2017 Taka
13.1.2(a) Consolidated Specific Provision			
Bangladesh Commerce Bank Limited	Note: 13.1.2)	2,498,684,851	765,351,670
CBSIL		146,581,484	80,624,878
		2,645,266,335	845,976,548
13.2 Interest Suspense A/C			
Opening Balance		805,123,051	810,630,729
Add : Addition during the year		88,657,703	119,259,409
Less: Interest Realized during the year		131,153,698	124,767,087
Less: Written off during the year		-	-
		762,627,056	805,123,051
13.3 Provision for Current Income Tax			
Opening Balance		640,886,578	532,348,916
Add : Current year tax		-	117,000,000
Add : Prior years tax		133,436,294	-
Less: Adjustment during the year		(81,541,999)	(8,462,338)
		692,780,873	640,886,578

13.3.1 Income Tax

Accounting Year	Assessment Year	Provision as per Accounts	Tax Payable as per Assessment Order	Cumulative Surplus/ (Shortfall)	Status
31-12-2004	2005-2006	-	26,010,067.00	(26,010,067)	Appeal is pending at the tribunal and honorable high court.
31-12-2005	2006-2007	-	33,452,050.00	(59,462,117)	
31-12-2006	2007-2008	-	51,371,498.00	(110,833,615)	
31-12-2007	2008-2009	-	-	(110,833,615)	Settled
31-12-2008	2009-2010	-	20,662,000.00	(131,495,615)	Appeal has been filed under section 173 in LTU.
31-12-2009	2010-2011	110,635,242	110,635,242	(131,495,615)	Settled
31-12-2010	2011-2012	100,000,000	32,401,165.00	(63,896,780)	Appeal is pending at the commissioner of taxes.
31-12-2011	2012-2013	155,000,000	120,521,399.00	(29,418,179)	
31-12-2012	2013-2014	65,000,000	121,175,046.00	(85,593,225)	
31-12-2013	2014-2015	67,953,707	-		Under Assessment in LTU.
31-12-2014	2015-2016	89,552,613	-		
31-12-2015	2016-2017	3,515,417	-		
31-12-2016	2017-2018	95,925,092	-		
31-12-2017	2018-2019	117,000,000	-		
31-12-2018	2019-2020	-	-		Due date to submit return 30 June 2019.

		31.12.2018 Taka	31.12.2017 Taka
13.4 Provision for Deferred Tax Liability			
Opening Balance		5,720,352	5,720,352
Add : Addition during the year		-	-
Less: Adjustment during the year		(5,720,352)	-
		-	5,720,352
13.5 Provision for Gratuity			
Opening Balance		-	15,000,000
Add : Addition during the year		384,858,238	20,000,000
Less: Transfer to Gratuity Fund		(384,858,238)	(35,000,000)
Less: Adjustment during the year		-	-
		-	-

	31.12.2018 Taka	31.12.2017 Taka
13.6 Provision for Share & Debenture (Unrealized Gain/Loss)		
Opening Balance	158,622,362	174,049,121
Add : Addition during the year	59,737,123	23,766,344
Less: Adjustment during the year	-	(39,193,102)
	218,359,485	158,622,362
13.7 Provision for IT Assets		
Opening Balance	284,111	284,111
Add : Addition during the year	-	-
Less: Adjustment during the year	-	-
	284,111	284,111
13.8 Accrued Expenses Payable		
Sancypatra	100,000	100,000
Accrued Rent	-	-
Others	2,075,332	1,833,612
Wasa Bill/Electricity bill	-	-
Audit Fee	230,000	230,000
	2,405,332	2,163,612
13.9 Provision Incentive Bonus		
Opening Balance	27,695,878	28,799,550
Add : Addition during the year	-	18,950,970
Less: Adjustment during the year	(26,210,795)	(20,054,642)
	1,485,083	27,695,878
13.10 Provision for Off Balance Sheet Exposure		
Opening Balance	26,193,286	21,055,946
Add : Addition during the year	28,877,501	5,137,340
Less: Adjustment during the year	-	-
	55,070,787	26,193,286
13.11 Provision for Other Assets		
Opening Balance	114,350,484	11,700,000
Add : Addition during the year	10,249,516	102,350,180
Less: Adjustment during the year	-	(300,304)
	124,600,000	114,350,484
Note: Amount of Provision for Other Assets includes BCBL General Account, Advance Rent, Interior Decoration, Protested Bill, Sundry Deposits NBL, Sundry Debtors & Interest Suspense for BDT 7.85 Crore, 0.84 Crore, 0.05 Crore, 1.66 Crore, 0.35 Crore, 0.68 Crore and BDT 1.03 Crore respectively.		
13.12 BCBL General Account		
BCBL General Account Cr.	23,084,787,130	-
BCBL General Account Dr.	22,825,555,421	-
	259,231,709	-
13(a) Consolidated Other Liabilities		
Bangladesh Commerce Bank Limited	4,788,344,811	2,709,556,613
CBSIL	374,836,339	243,046,838
	5,163,181,150	2,952,603,451
Less: Inter Company Transaction	-	-
	5,163,181,150	2,952,603,452
14. Capital		
14.1 Authorized Capital		
100000000 Ordinary share of Tk. 100 each	10,000,000,000	10,000,000,000
14.2 Issued, Subscribed and Paid up Capital		
19,887,428 Ordinary share of Tk. 100 each	1,988,742,800	1,988,742,800

Break up of Issued, Subscribed & Paid up Capital as follows :

Particulars	No. of Shares as on 31 Dec, 2018	% of Total	31.12.2018	31.12.2017
			Amount in Taka	Amount in Taka
Directors	8	0.00%	800	800
KA Category - Government	6,750,000	33.94%	675,000,000	675,000,000
KHA Category - Three State Owned Bank	2,249,982	11.31%	224,998,200	224,998,200
GA Category - Autonomous/Govt owned corporate bodies	1,024,613	5.15%	102,461,300	102,461,300
Depositors and other private shareholders	9,862,825	49.59%	986,282,500	986,282,500
Total	19,887,428	100.00%	1,988,742,800	1,988,742,800

14.3 Capital to Risk weighted assets ratio (CRAR)

In terms of section 13

Tier – I (Core Capital)

Paid up capital

Right Share Application Money

Share capital BCI

Non-Repayable share premium account

Statutory Reserve

General Reserve

Retained Earnings

Minority interest in subsidiaries

Non cumulative Irredeemable preference share

Deductions from Tier-I (Core Capital) :

Book value of Goodwill

Shortfall in provisions required against classified assets

Shortfall in provisions required against investment in shares

Remaining deficit on account of revaluation of investments in securities after netting off from any other surplus on the securities.

Reciprocal crossholdings of bank capital/subordinated debt

Any investment exceeding the approved limit under section 26(2) of Bank Company Act, 1991.

Investments in subsidiaries which are not consolidated

Other if any

Total Eligible Tier-I Capital**Tier –II (Supplementary Capital)**

General Provision on Unclassified Loans

Revaluation Reserve for HTM Securities

Assets Revaluation Reserve

All Others Preference Share

General Provision (Off balance sheet items)

Exchange Equalization Fund

Total Eligible Capital (Tier-I + Tier-II)

Total Risk Weighted Assets (As per BASEL-III guideline)

Required Capital

Details are shown in Annexure - D**Actual Capital Held:**

Core Capital

Supplementary Capital

Capital to Risk weighted assets ratio (CRAR)

Core Capital to RWA

Supplementary Capital to RWA

	31.12.2018 Taka	31.12.2017 Taka
	1,086,512,519	3,338,975,763
	1,988,742,800	1,988,742,800
	917,259,650	917,259,650
	15,300,000	36,500,000
	-	-
	275,060,371	275,060,371
	8,920,366	8,920,366
	(2,118,770,669)	112,492,576
	-	-
	-	-
	3,793,918,284	2,542,522,200
	-	-
	3,792,683,374	2,542,522,200
	1,234,910	-
	-	-
	-	-
	-	-
	-	-
	-	-
	(2,707,405,765)	796,453,562
	147,916,724	127,007,193
	88,861,952	88,861,952
	3,983,985	11,951,955
	-	-
	-	-
	55,070,787	26,193,286
	-	-
	(2,559,489,041)	923,460,755
	38,790,758,741	30,204,323,691
	4,000,000,000	4,000,000,000
	(2,707,405,765)	796,453,562
	147,916,724	127,007,193
	(2,559,489,041)	923,460,755
	(6.60%)	3.06%
	(6.98%)	2.64%
	0.38%	0.42%

Note: Raising capital to the required level through public issue may require amending the act no. 12 of 1997 which is now under process in Ministry of Bank and Financial Institutions. Although through letter ref: DOS(BSS-6)/1162/2(3)/2016-1082 dated: 29 February 2016 Bangladesh Bank permits Bangladesh Commerce Bank Limited to raise capital through issuance of right share within 3 months of changing the law by Honorable Parliament.

	31.12.2018 Taka	31.12.2017 Taka
15 Statutory Reserve		
Opening Balance	275,060,371	245,714,600
Less : Transferred during the year to provision for loans & advances	-	-
Add : Transferred during the year	-	29,345,771
	275,060,371	275,060,371
15(a) Consolidated Statutory Reserve		
Bangladesh Commerce Bank Limited	275,060,371	275,060,371
CBSIL	-	-
	275,060,371	275,060,371
16 Other Reserve		
Opening Balance	8,920,366	8,920,366
Add : Transferred during the year	-	-
Less: Adjustment during the year	-	-
	8,920,366	8,920,366
16(a) Consolidated Other Reserve		
Bangladesh Commerce Bank Limited	8,920,366	8,920,366
CBSIL	-	-
	8,920,366	8,920,366
17 Revaluation Reserve for HTM Securities		
Opening Balance	156,205,739	156,568,071
Add : Transferred during the year	30,121,812	-
Less: Adjustment during the year	-	(362,332)
	186,327,551	156,205,739
17(a) Consolidated Revaluation Reserve for HTM Securities		
Bangladesh Commerce Bank Limited	186,327,551	156,205,739
CBSIL	-	-
	186,327,551	156,205,739
18 Profit and Loss Accounts / Retained Earnings		
Opening Balance	112,492,576	112,429,775
Prior year's Adjustment	-	-
Profit/ (Loss) for the year as per Profit and Loss accounts	(2,231,263,244)	62,800
	(2,118,770,669)	112,492,576
18(a) Consolidated Profit and Loss Accounts / Retained Earnings		
Bangladesh Commerce Bank Limited (Note: 18)	(2,118,770,669)	112,492,576
CBSIL	77,901,978	55,832,377
	(2,040,868,691)	168,324,953
19 Contingent Liabilities and Other Commitments		
Acceptances and Endorsements	771,008,799	678,809,575
Letter of Guarantees (Note: 19.01)	620,926,132	472,019,531
Irrevocable Letter of Credit	1,028,651,913	1,191,985,301
Bills for Collection	2,972,696,790	204,362,819
Other contingent liability (Note: 19.02)	113,791,800	113,791,800
	5,507,075,435	2,660,969,026
19.1 Letter of Guarantees		
Money for which the Bank is contingently liable in respect of guarantee issued favoring		
Directors	-	-
Government	536,160,707	448,218,414
Bank and Other Financial Institution	-	-
Others	84,765,426	23,801,117
	620,926,132	472,019,531
Commitments		
Less than 1 Year	620,926,132	472,019,531
Equal to or more than 1 year	-	-
	620,926,132	472,019,531

		31.12.2018 Taka	31.12.2017 Taka
19.2 Other Contingent Liabilities			
Companies Liabilities for L/G		9,443,000	9,443,000
Companies Liabilities for L/C		3,732,320	3,732,320
Bills for Collection		6,000	6,000
Tax liability		100,610,480	100,610,480
		113,791,800	113,791,800
Note: Tax liability for BCI period relates to assessment year 1989-90, 1990-91, 1991-92, 1992-93, 1993-94, which are pending at the Supreme Court . This has been carried forward since long which is shown under contingent liability for BDT 71,192,301. And Income Tax Assessment of BCBL for the year 2005-2006, 2006-2007, 2007-2008, 2009-2010, 2011-2012 and 2012-2013 are pending before appeal which amounted BDT 29,418,179.			
20 Interest Income			
Interest received from Loans and Advances		1,839,549,340	1,321,597,638
Interest received from Banks & Other financial Institutions		669,713,937	658,751,434
		2,509,263,277	1,980,349,072
20 (a) Consolidated interest Income			
Bangladesh Commerce Bank Limited	(Note: 20)	2,509,263,277	1,980,349,072
CBSIL		26,360,988	20,229,652
		2,535,624,265	2,000,578,724
Less: Inter Company Transaction		-	-
		2,535,624,265	2,000,578,724
21 Interest Paid on Deposits			
Interest Paid on Deposits		1,751,639,715	1,247,992,497
Interest Paid on Borrowing		20,676,345	4,742,977
Interest Paid on Foreign Bank Accounts		-	-
Discount Paid		-	-
		1,772,316,060	1,252,735,475
21(a) Consolidated interest Paid on Deposits			
Bangladesh Commerce Bank Limited	(Note: 21)	1,772,316,060	1,252,735,475
CBSIL		-	-
		1,772,316,060	1,252,735,475
Less: Inter Company Transaction		-	-
		1,772,316,060	1,252,735,475
22 Income from Investment			
Treasury Bill/Bond		205,404,113	226,624,197
Capital Gain		53,059,969	55,489,211
Dividend on Share		27,716,247	24,436,896
Corporate Bond		15,992,778	21,468,872
Revaluation of Govt. Securities		-	-
		302,173,107	328,019,176
22(a) Consolidated Income from Investment			
Bangladesh Commerce Bank Limited	(Note: 22)	302,173,107	328,019,176
CBSIL		45,771,928	20,265,865
		347,945,035	348,285,041
23 Exchange, Commission and Brokerage			
Commission		110,720,252	86,921,678
Exchange Earnings		46,818,315	51,366,058
Brokerage		-	-
		157,538,567	138,287,736
23(a) Consolidated Exchange, Commission and Brokerage			
Bangladesh Commerce Bank Limited	(Note: 23)	157,538,567	138,287,736
CBSIL		133,406,700	104,074,485
		290,945,267	242,362,221

		31.12.2018 Taka	31.12.2017 Taka
24 Other Operating Income			
Rent on Locker		161,000	185,412
Other Receipts	(Note: 24.1)	70,442,424	58,761,803
		70,603,424	58,947,215
24.1 Other Receipts			
Accounts Maintenance Charge		56,082,022	41,209,750
Appraisal Fee		5,953,668	9,095,155
Postage		1,917,247	1,845,853
Telex, Telephone & Telegram Recoveries		6,489,487	6,611,046
		70,442,424	58,761,804
24(a) Consolidated Other Operating Income			
Bangladesh Commerce Bank Limited	(Note: 24)	70,603,424	58,947,216
CBSIL		70,603,424	58,947,216
25 Salary and Allowances			
Basic Salary		339,551,295	254,332,923
Allowances		328,787,358	234,767,713
Gratuity		384,858,238	20,000,000
Provident Fund		30,291,414	23,456,036
Bonus		62,865,639	44,229,462
		1,146,353,944	576,786,134
25(a) Consolidated Salary and Allowances			
Bangladesh Commerce Bank Limited	(Note: 25)	1,146,353,944	576,786,134
CBSIL		45,025,396	32,150,117
		1,191,379,340	608,936,251
26 Rent, Taxes, Insurance, Electricity, etc.			
Rent		92,413,304	79,505,210
Rates and Taxes		12,573,812	13,947,844
Insurance		19,669,976	17,194,248
Car Insurance, Tax		3,281,416	3,027,981
Electricity/Gas/Water Bill		21,412,923	19,104,703
		149,351,431	132,779,985
26(a) Consolidated Rent, Taxes, Insurance, Electricity, etc.			
Bangladesh Commerce Bank Limited	(Note: 26)	149,351,431	132,779,985
CBSIL		9,477,501	8,902,580
		158,828,932	141,682,565
27 Postage, Telegram, Telephone			
Telephone		3,833,932	4,354,115
Postage, Telegram & Connectivity		25,358,182	21,646,802
		29,192,114	26,000,916
27(a) Consolidated Postage, Telegram, Telephone			
Bangladesh Commerce Bank Limited	(Note: 27)	29,192,114	26,000,916
CBSIL		655,705	591,798
		29,847,819	26,592,714
28 Stationery, Printing & Advertisement			
Printing Stationery		6,295,265	6,181,358
Other Stationery		6,203,509	6,902,642
Security Stationery		1,876,573	667,400
Publicity and Advertisement		2,946,443	1,859,362
		17,321,790	15,610,762
28(a) Consolidated Stationery, Printing & Advertisement			
Bangladesh Commerce Bank Limited	(Note: 28)	17,321,790	15,610,762
CBSIL		1,233,768	1,388,792.50
		18,555,558	16,999,555

		31.12.2018 Taka	31.12.2017 Taka
29	Managing Director's salary and allowances		
	Basic Salary	4,450,467	5,651,613
	House Maintenance / Furnishing	1,976,200	2,511,291
	Bonus	1,108,000	1,108,000
	Other Allowances	-	-
		7,534,667	9,270,904
30	Directors' fees & honorium		
	Directors' fees & honorium	1,546,300	1,425,800
	Other financial benefits	1,546,300	1,425,800
30(a)	Consolidated Directors' fees & honorium		
	Bangladesh Commerce Bank Limited (Note: 30)	1,546,300	1,425,800
	CBSIL	883,200	745,200
		2,429,500	2,171,000
31	Depreciation and Repair of Fixed Assets		
	Depreciation of Fixed Assets	34,988,492	43,782,660
	Repairs and Maintenance	5,482,810	14,121,584
		40,471,302	57,904,244
31(a)	Consolidated Depreciation and Repair of Fixed Assets		
	Bangladesh Commerce Bank Limited (Note: 31)	40,471,302	57,904,244
	CBSIL	2,931,068	2,084,001
		43,402,370	59,988,245
32	Other Expenditure		
	Business Development	819,914	-
	BB Clearing Charges	285,381	26,310
	Computer Accessories/Software	396,820	1,169,993
	Conveyance	3,044,298	2,506,326
	Maintenance Charge (ATM)	6,101,912	3,918,750
	CSR / Donation / Subscription	4,140,217	2,458,636
	Entertainment	7,073,628	5,852,296
	Excise Duty	1,698,950	2,034,500
	Exchange Loss	4,764,150	4,858,838
	Foreign Bank Charge/Commission	1,548,211	1,909,358
	Fuel & Lubricants of Car	4,484,570	3,154,519
	Honorarium	496,750	300,000
	Laundry	621,238	373,894
	Internet Bill	180,684	78,778
	Evaluations Fees	1,950,073	1,355,500
	Loss on Revaluation on Investment	62,069,049	52,481,949
	Loss on Sale of Share	11,611,295	2,632,918
	Managers' meeting /Conference	-	614,430
	Medical charge	9,895	13,570
	Office Maintenance / Table Desk Stationeries	498,644	1,040,223
	Miscellaneous	502,086	2,221,489
	Photocopy/Fax/E-mail	1,515,299	821,694
	Service charges on Elite force	32,879,805	27,593,120
	Tax & VAT	504,935	2,226,334
	SWIFT Charges	3,039,095	2,253,874
	Training	1,117,589	1,289,815
	Travelling & Daily Allowances	6,024,786	5,471,452
	Uniform	706,131	695,107
		158,085,406	129,353,674
32(a)	Consolidated Other Expenditure		
	Bangladesh Commerce Bank Limited (Note: 31)	158,085,406	129,353,674
	CBSIL	25,755,146	32,991,836
		183,840,552	162,345,510

	31.12.2018 Taka	31.12.2017 Taka
33 Closing Cash and Cash Equivalent		
Cash in hand (including foreign currencies)	400,624,010	334,678,015
Balance with Bangladesh Bank & Sonali Bank (Including foreign currencies)	1,978,893,720	2,157,711,910
Balance with Other Bank & Financial Institutions	6,680,103,615	8,289,428,350
Money at Call and short notice	29,300,000	29,300,000
Investment Government	3,154,746,348	3,060,780,742
	12,243,667,693	13,871,899,017
34 Earnings Per Share (EPS)		
Net Profit after Tax	(2,231,263,244)	29,408,571
Number of Ordinary Share	19,887,428	19,887,428
Earnings Per Share	(112.19)	1.48
34(a) Consolidated Earnings Per Share (EPS)		
Net Profit after Tax	(2,209,233,091)	51,034,509
Number of Ordinary Share	19,887,428	19,887,428
Consolidated Earnings Per Share (EPS)	(111.09)	2.57
35 Net Asset Value Per Share (NAV)		
a) Capital / Share holders' Equity for the year	1,272,840,069	3,495,181,502
b) Number of Outstanding Share	19,887,428	19,887,428
Net Asset Value Per Share (NAV) (a÷b)	64.00	175.75
Note: Capital / Share holders' equity for the year including Right Share Application Money Taka. 917,259,650.00		
36 Net Operating Cash Flow Per Share		
a) Net Cash flows from Operating Activities	(1,424,604,358)	2,516,435,203
b) Number of Outstanding Share	19,887,428	19,887,428
Net Operating Cash Flow Per Share (NAV)(a÷b)	(71.63)	126.53

37 Related Party Transactions

While making any related party transactions the management always pays proper attention to economic efficiency and competitive pricing and necessary approval from Bangladesh Bank and other authorities had been obtained whenever applicable. Significant related party transactions of the Bank for the period January to December 2018 are not exist.

38 Risk factors and risk management

Implementations of other Core Risk Management Guidelines are being followed. Credit Risk Grading is done for all commercial exposure. Bank's Asset Liability Committee is entrusted with the responsibility of managing short-term & long-term liquidity. ALM Guidelines & ICT Guidelines have also been implemented in accordance with the Guidelines issued by Bangladesh Bank & it has been approved by the Board of Directors. The Bank has established its KYC & operation control procedure for the prevention of Money Laundering. The Bank has strengthened the Internal Control and Compliance Division (ICCD) to ensure comprehensive audit thereof. As regards ICT Risk Management physical security of Hardware & Software are under process & will be strengthened soon.

Bangladesh Commerce Bank Limited
Fixed Assets including premises, furniture & Fixtures Schedule
 As on December 31, 2018

Annexure-A

(Amount in Taka)

Particulars	Cost				Rate of Dep.	Depreciation				Written down value as at 31.12.2018	Written down value as on 31.12.2017
	Balance as at 01.01.2018	Addition during the	Sale / Adjustment during the	Total as at 31.12.2018		Charged upto 01.01.2018	Charged during the year	Adjustment during the	Total as at 31.12.2018		
1	2	3	4	5 (2 + 3 - 4)	6	7	8	9	10 (7 + 8 - 9)	11 (5 - 10)	12
Furniture and Fixtures	40,187,470	17,767,254	-	57,954,725	10%	16,730,282	3,069,667	-	19,799,949	38,154,776	22,730,336
Mechanical Appliances	117,350,887	31,597,446	-	148,948,333	20%	97,235,917	6,242,203	-	103,478,120	45,470,214	23,165,265
Motor Vehicles	56,822,639	218,224	-	57,040,863	20%	24,280,280	7,578,476	-	31,858,756	25,182,107	26,180,800
Software	26,219,727	3,976,194	-	30,195,921	20%	19,211,706	3,942,695	-	23,154,401	7,041,520	10,984,406
Interior Decoration	137,932,456	54,253,852	-	192,186,308	20%	89,256,637	9,809,003	-	99,065,641	93,120,668	53,247,704
Computer & Accessories	63,526,600	1,848,200	-	65,374,800	30%	52,339,235	4,346,447	-	56,685,682	8,689,117	6,677,212
Sub Total (C)	442,039,779	109,661,171	-	551,700,950	-	299,054,057	34,988,492	-	334,042,549	217,658,401	142,985,722
Total (A+B+C)	442,039,779	109,661,171	-	551,700,950	-	299,054,057	34,988,492	-	334,042,549	217,658,401	142,985,722

(Amount in Taka)

As on 31 December, 2017

Particulars	Cost				Rate of Dep.	Depreciation				Written down value as at 31.12.2017	Written down value as on 31.12.2016
	Balance as at 01.01.2017	Addition during the	Sale / adjustment	Total as at 31.12.2017		Charged upto 01.01.2017	Charged during the year	Adjustment during the	Total as at 31.12.2017		
1	2	3	4	5 (2 + 3 - 4)	6	7	8	9	10 (7 + 8 - 9)	11 (5 - 10)	12
Furniture and Fixtures	50,075,851	1,851,546	11,739,927	40,187,470	10%	23,676,535	5,520,526	11,739,927	17,457,135	22,730,336	26,397,284
Mechanical Appliances	101,326,546	16,575,206	778,726	117,123,026	20%	85,604,871	11,131,616	2,778,726	93,957,761	23,165,265	15,721,675
Motor Vehicles	43,514,968	15,770,510	2,234,978	57,050,500	20%	29,315,968	3,788,710	2,234,978	30,869,701	26,180,800	17,199,000
Software	50,195,220	500,000	24,475,493	26,219,727	20%	35,289,401	4,421,413	24,475,493	15,235,321	10,984,406	14,904,819
Interior Decoration	134,370,849	5,262,686	1,701,078	137,932,457	20%	75,712,260	12,843,986	3,871,493	84,684,753	53,247,704	58,658,590
Computer & Accessories	86,138,434	2,536,431	25,148,265	63,526,600	30%	75,921,245	6,076,408	25,148,265	56,849,387	6,677,212	10,217,189
Sub Total (C)	465,621,868	42,496,379	66,078,467	442,039,780	-	325,520,280	43,782,660	70,248,882	299,054,058	142,985,722	143,098,556
Total (A+B+C)	465,621,868	42,496,379	66,078,467	442,039,780	-	325,520,280	43,782,660	70,248,882	299,054,058	142,985,722	143,098,556

Bangladesh Commerce Bank Limited

Details of large loan

As at December 31, 2018

Annexure-B

SL	Group/ Client Name	Outstanding (Taka in crore)		
		Funded	Non-Funded	Total
1	SB Group	183.94	-	183.94
2	Jamuna Agro Camical	116.30	-	116.30
3	Nur-un-nobi & Allied Concern	104.23	-	104.23
4	M/S Marine Vegetable Oil Mills	63.58	-	63.58
5	Dhaka Trading House	46.76	-	46.76
6	Pran RFL Group	44.88	-	44.88
7	F.R Jute Trading Co. Ltd.	42.78	-	42.78
8	Suruj Miah Spinning Mills	40.70	-	40.70
9	M/s Sharmin Jute and Ballers	40.61	-	40.61
10	Hi-Tech Ceramic Industries Ltd.	34.50	-	34.50
11	Abdul Monem Sugar Refinery Ltd.	30.58	-	30.58
12	M/S Islam Brothers	29.66	-	29.66
13	Basundhara Group	27.96	-	27.96
14	M/S Lithun Fabrics	27.37	-	27.37
15	Toy Woods (BD) Co. Ltd.	20.58	5.43	26.01
16	Dharmapur Ceramic Ind. Ltd.	25.10	-	25.10
17	M/S M.N. Akter & Co.	24.49	-	24.49
18	Brand Maker Property Management Ltd	23.09	-	23.09
19	Saif Powertec Ltd.	20.78	-	20.78
20	Faith Group	13.23	0.25	13.48
Total		961.12	5.68	966.80

Bangladesh Commerce Bank Limited
Highlights of the Overall Activities of the Bank

Annexure-C**(Amount in Taka)**

SI	Particulars	2018	2017
01	Paid up Capital	1,988,742,800	1,988,742,800
02	Right Share Application Money	917,259,650	917,259,650
03	Total Eligible Capital (as per Basel-III)	(2,559,489,041)	923,460,755
04	Surplus/(Deficit) Capital	(6,559,489,041)	(3,076,539,245)
05	Total Assets	38,028,310,885	36,394,838,798
06	Total Deposits	31,632,895,296	30,009,139,141
07	Total Loans and Advances	22,148,122,999	19,284,440,468
08	Total Contingent Liabilities and Commitments	5,507,075,435	2,660,969,026
09	Advances Deposits Ratio(%)	70.02	64.26
10	Classified Loans to Advance Ratio(%)	38.75	29.03
11	Profit After Tax and Provision	(2,231,263,244)	29,408,571
12	Classified Advance	8,582,841,180	5,597,766,470
13	Provision kept against Classified Advance	2,498,684,851	765,351,670
14	Surplus/(Deficit) Provision	(5,702,827,420)	(4,211,925,956)
15	Cost of Fund (%)	9.85	7.49
16	Interest Earning Assets	13,565,281,819	13,686,673,999
17	Non Interest Earning Assets	19,490,979,163	17,976,787,604
18	Return on Investment (ROI)%	6.08	6.93
19	Return on Assets (ROA)%	(5.87)	0.08
20	Income from Investment	302,173,107	328,019,176
21	Earnings Per Share (EPS)	(112.19)	1.48
22	Profit Per Share	(112.19)	1.48
23	Price - Earnings Ratio (Times)	(0.89)	67.62

** Each share of Bangladesh Bank Commerce Bank Limited has a face value of BDT100.00

Bangladesh Commerce Bank Limited
Minimum Capital Requirement (MCR) as per BASEL-III
Under Risk Based Capital Adequacy

Annexure-D

As on December 31, 2018

Particulars	Amount (Tk.)
A. Regulatory Capital:	
1. Common Equity Tier-1 Capital (CET-1)	(2,707,405,765)
2. Additional Tier-1 Capital (AT-1)	-
3. Tier-2 Capital	147,916,723.89
4. Total Regulatory Capital (1+2+3)	(2,559,489,041)
B. Total Risk Weighted Assets (RWA):	38,790,758,741
C. Capital to Risk weighted assets ratio (CRAR) (A4/B)*100	-6.60%
D. Core Capital to RWA (A1/B)*100	-6.98%
E. Supplementary Capital to RWA (A2/B)*100	0.38%
F. Minimum Capital Requirement (MCR)	4,000,000,000

Risk Weighted Assets (RWA)
As on 31 December 2018

SI	Particulars	Amount (Tk.)
A.	Credit Risk:	34,828,329,977
	On-Balance sheet	29,643,518,794
	Off- Balance sheet	5,184,811,183
B.	Market Risk	1,731,835,100
C.	Operational Risk	2,230,593,664
	Total: Risk Weighted Assets (RWA) (A+B+C)	38,790,758,741

Bangladesh Commerce Bank Limited

Investment In Shares

As at December 31,2018

Annexure-E

(Amount In Taka)

Particulars	No. Of Shares	Avg. Rate	Total Cost	Market Value Of Shares	Unrealised Gain/(Loss)
ACFL	7,846	40.00	313,840	330,317	16,477
AIL	89,760	103.86	9,322,810	5,717,712	(3,605,098)
BARKAPOW	68,200	40.28	2,747,409	1,909,600	(837,809)
BEXIMCO	88,200	85.95	7,580,878	2,072,700	(5,508,178)
BPML	10,807	72.00	778,104	905,627	127,523
CENTRALPHL	1,198,050	20.55	24,618,825	16,652,895	(7,965,930)
CITYGENINS	156,667	43.84	6,867,734	2,099,338	(4,768,396)
DELTALIFE	21,900	199.38	4,366,476	2,404,620	(1,961,856)
DESCO	126,397	101.31	12,805,704	5,106,439	(7,699,265)
ECABLES	100	217.81	21,778	23,410	1,632
FUWANGCER	605,000	19.60	11,858,671	7,986,000	(3,872,671)
FUWANGFOOD	605,000	22.40	13,554,207	9,075,000	(4,479,207)
IBP	294	9.09	2,673	9,143	6,470
IFIC	536,770	25.94	13,925,673	5,850,793	(8,074,880)
ILFSL	66,185	50.47	3,340,400	906,735	(2,433,666)
INTECH	797,000	57.84	46,102,247	44,791,400	(1,310,847)
INTRACO	266	9.53	2,534	7,129	4,595
JAMUNAOIL	13,200	231.00	3,049,136	2,514,600	(534,536)
KDSALTD	500,000	81.26	40,631,251	26,350,000	(14,281,251)
LEGACYFOOT	10,243	218.30	2,236,088	1,944,121	(291,967)
MAKSONSPIN	231,863	50.48	11,703,583	1,738,973	(9,964,610)
MIRACLEIND	46,224	56.32	2,603,214	1,650,197	(953,018)
MLDYEING	4,229	20.88	88,305	125,601	37,296
MPETROLEUM	84,700	263.36	22,306,574	15,974,420	(6,332,154)
NBL	216,529	18.50	4,005,313	2,013,720	(1,991,593)
NCCBANK	187,073	25.32	4,737,392	2,974,461	(1,762,931)
NPOLYMAR	122,000	81.80	9,979,943	8,662,000	(1,317,943)
ORIONPHARM	40,000	58.53	2,341,273	1,472,000	(869,273)
PADMAOIL	30,000	339.12	10,173,456	6,756,000	(3,417,456)
PENINSULA	624,324	33.99	21,221,027	17,980,531	(3,240,496)
REGENTTEX	178,500	30.26	5,401,787	2,784,600	(2,617,187)
RSRMSTEEL	170,200	69.31	11,797,065	7,914,300	(3,882,765)
RUPALIBANK	685,417	50.21	34,417,222	24,537,929	(9,879,293)
SILVAPHL	9,193	31.74	291,799	276,709	(15,090)
SINOBANGLA	100,000	61.90	6,190,126	5,140,000	(1,050,126)
SKTRIMS	5,545	9.09	50,411	256,734	206,323
SOUTHEASTB	518,560	27.04	14,024,295	8,089,536	(5,934,759)
STANDBANKL	306,207	15.72	4,813,021	3,337,656	(1,475,365)
TITASGAS	10,000	87.89	878,921	364,000	(514,921)
UCB	130,410	44.29	5,775,543	2,295,216	(3,480,327)
UNIQUEHRL	200,000	114.98	22,996,000	10,560,000	(12,436,000)
VFSTDL	4,222	32.78	138,415	244,032	105,617
ACIFORMULA	30,000	220.99	6,629,757	4,614,000	(2,015,757)
BDWELDING	374,370	24.89	9,316,890	5,989,920	(3,326,970)
BEACONPHAR	142,000	27.12	3,851,040	2,300,400	(1,550,640)
BSCL	77,000	196.09	15,098,930	7,199,500	(7,899,430)
DSHGARME	42,813	231.02	9,890,590	8,956,480	(934,110)
FIRSTFIN	5,000	14.12	70,621	28,500	(42,121)
GBBPOWER	82,708	29.13	2,409,491	884,976	(1,524,515)
GOLDENSON	56,250	47.65	2,680,049	601,875	(2,078,174)
HAKKANIPUL	287,600	90.11	25,916,808	21,167,360	(4,749,448)
JMISMDL	1,000	235.97	235,973	254,100	18,127
KTL	11,070	9.09	100,640	280,071	179,431
LIBRAINFU	12,328	1200.59	14,800,911	12,319,370	(2,481,541)
MIDASFIN	204,600	76.07	15,563,963	5,094,540	(10,469,423)
MONNOCERA	4,100	341.72	1,401,057	1,006,960	(394,097)
PADMALIFE	474,768	34.55	16,404,426	11,869,200	(4,535,226)
SAMORITA	156,988	77.06	12,098,094	11,020,558	(1,077,536)
SSSTEEL	13,491	10.00	134,910	134,910	-
UNITEDAIR	1,522,500	28.07	42,738,376	4,415,250	(38,323,126)
BCB ICL GROWTH FUND	10,000,000	10.00	100,000,000	100,900,000	900,000
TOTAL	-	-	679,403,645	460,844,161	(218,559,485)



**AUDITORS' REPORT AND
AUDITED FINANCIAL STATEMENTS OF**

Commerce Bank Securities and Investment Limited

For the Year Ended 31 December, 2018



**Independent Auditors' Report
To the Shareholders of Commerce Bank Securities and Investment Limited
Report on the Audit of the Financial Statements**

Opinion:

We have audited the financial statements of Commerce Bank Securities and Investment Limited, which comprise the Statement of Financial Position as at 31 December 2018, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, and other applicable laws and regulations.

Basis for Opinion:

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

Emphasis of Matter:

We draw attention to note 16 to the accompanying financial statement which describe the matter relating to provision for negative equities against margin loan and unrealized loss against investment in dealer account as at 31 December 2018. Our opinion is not qualified in respect of this matter.

Other information:

Management is responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated and separate financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements:

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

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

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

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

Report on other Legal and Regulatory Requirements:

In accordance with the Companies Act 1994, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of account, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The Statement of Financial Position, Statement of Profit and Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditure were incurred for the purpose of the Company's business for the year.

Dated, Dhaka
06 March 2019


MABS & J Partners
Chartered Accountants

Commerce Bank Securities and Investment Limited
Statement of Financial Position

As at 31 December, 2018

Particulars	Notes	31.12.2018 Taka	31.12.2017 Taka
ASSETS			
Non - Current Assets:		64,813,949	94,916,335
Property, Plant and Equipment	4	8,645,78	7,874,926
DSE Membership		562,500	750,000
Investment	5	55,592,962	86,289,769
Deferred Tax	6	12,706	1,640
Current Assets:		1,037,924,379	853,962,880
Advance, Deposit and Prepayments	7	3,760,679	984,300
Accounts Receivable	8	27,939,828	27,172,390
Margin Loan to Investors	9	515,871,815	513,564,805
Cash and Cash Equivalents	10	437,205,167	284,071,846
Advance Taxes	11	53,146,890	28,169,539
Total Assets		1,102,738,328	948,879,215
EQUITY AND LIABILITIES			
Shareholders' Equity:		727,901,989	705,871,839
Share Capital	12	650,000,000	650,000,000
Retained Earnings	13	77,901,989	55,871,839
Current Liabilities		374,836,339	243,007,376
Accounts Payable	14	135,797,776	100,257,082
Provision for Expenses	15	35,531,623	34,379,246
Provision for Bad Loan and Erosion	16	146,581,484	80,624,878
Liability for Income Tax	17	56,925,456	27,746,170
Total Equity and Liabilities		1,102,738,328	948,879,215

The annexed notes from 01 to 30 and annexure A to D form an integral part of these financial statements.



Chief Executive Officer



Director



Director

This is the Statement of Financial Position referred to in our separate report of even date annexed.

Dated : 19 March 2019
Place : Dhaka



MABS & J Partners
Chartered Accountants

Commerce Bank Securities and Investment Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December, 2018

Particulars	Notes	31.12.2018 Taka	31.12.2017 Taka
Operating Income:	18	144,253,019	124,415,621
Less: Operating Expenses	19	21,141,415	29,350,313
Gross Profit		123,111,605	95,065,308
Less: Administrative Expenses	20	65,183,869	49,732,110
Net Operating Income		57,927,736	45,333,198
Add: Other Income	21	61,286,595	20,157,980
Net Profit before Provision and Tax		119,214,331	65,491,178
Less: Provision for Bad Loan and Erosion	23	68,015,960	25,182,035
Less: Income Tax Expenses		29,168,220	18,683,204
Income Tax	24	29,179,286	18,677,830
Deferred Tax		(11,066)	5,373
Net Profit after tax transferred to Retained Earnings		22,030,151	21,625,940
Earnings per share (EPS)	25	0.34	0.33

The annexed notes form an integral part of the Statement of Profit or Loss and Other Comprehensive Income .



Chief Executive Officer



Director



Director

This is the Statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of even date annexed.

Dated : 19 March 2019
Place : Dhaka



MABS & J Partners
Chartered Accountants

Commerce Bank Securities and Investment Limited

Statement of Cash Flows

For the year ended 31 December, 2018

Particulars	Notes	31.12.2018 Taka	31.12.2017 Taka
A. Cash Flow from Operating Activities:			
Cash Receipts from:		205,539,615	144,573,602
Brokerage commission		125,156,959	96,794,760
CDBL fees (Note -26)		6,812,746	6,463,390
Interest income		11,802,632	8,455,446
Other income		61,286,595	20,157,980
Service charge		269,000	258,000
Dealer account		211,683	12,444,026
Cash Payments:		78,245,628	135,412,740
Income tax (Note - 27)		24,977,351	17,418,803
Salary and Allowances		44,350,921	31,268,381
Other Operating and Administrative expense (Note-28)		8,917,355	86,725,556
Net Cash Flow from Operating Activities:		127,293,987	9,160,862
B. Cash Flow from Investing Activities:			
Purchase of Property, Plant and Equipment		(2,737,963)	(958,311)
Sell of DSE Shares		187,500	-
Investment in Margin Loan		(2,307,010)	53,782,556
Investments in Listed Shares		30,696,807	(59,076,103)
Net Cash used in Investing Activities		25,839,334	(6,251,859)
C. Cash Flow from Financing Activities:		-	-
D. Net Cash inflow from total Activities (A+B+C)		153,133,321	2,909,003
E. Opening Cash and Cash Equivalents		284,071,846	281,162,842
F. Closing Cash and Cash Equivalents (D+E)		437,205,167	284,071,846
Break up of Closing Cash and Cash Equivalents:		437,205,167	284,071,846
Cash in Hand		688,489	197,747
Cash at Bank		349,845,097	202,550,024
Fixed Diposit (FDR)		86,671,581	81,324,075



Chief Executive Officer



Director



Director

Dated : 19 March 2019

Place : Dhaka

Commerce Bank Securities and Investment Limited

Statement of Changes in Equity

For the year ended 31 December, 2018

Particulars	Share Capital	Retained Earnings	Total
Balance as on 01 January, 2017	650,000,000	34,245,898	684,245,898
Profit during the year		21,625,940	21,625,940
Balance as on 31 December, 2017	650,000,000	55,871,838	705,871,838
Balance as on 01 January, 2018	650,000,000	55,871,838	705,871,838
Profit during the year		22,030,151	22,030,151
Balance as on 31 December, 2018	650,000,000	77,901,989	727,901,989



Chief Executive Officer



Director



Director

Dated : 19 March 2019

Place : Dhaka

Commerce Bank Securities and Investment Limited

Notes to the Financial Statements

For the year ended 31 December, 2018

1. SIGNIFICANT ACCOUNTING POLICIES AND OTHER INFORMATION:**1.1 Legal Form of the Enterprise**

Commerce Bank Securities and Investment Limited (CBSIL) is a Public Limited Company incorporated in Bangladesh under the Companies Act, 1994. It was registered with the Registrar of Joint Stock Companies & Firms on 20 September, 2010 and was granted registration number C-87050/10. CBSIL started its operation from 01 June, 2011.

1.2 Address of Registered Office and Principal Place of Business:

The principal place of business is the Registered Office at Taranga Complex, 19 Rajuk Avenue, Motijheel C/A, Dhaka-1000.

1.3 Nature of Business Activities:

The principal objectives of the Company for which it was established are to carry on the business of stock brokers, dealers in relation to shares and securities dealings and other services as mentioned in the Memorandum and Articles of Association of the Company.

The company is a trading right entitlement certificate (TREC) holder of DSE bearing TREC NO. 180, presently allotted with 2,886,042 DSE shares against total entitlement of 5,772,084 shares.

2 Basis for preparation of Financial Statements :**2.1 Statement of Compliance**

The Financial Statements of Commerce Bank Securities and Investment Limited have been prepared in accordance with the Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), Companies Act, 1994 and other applicable Laws and Regulations.

2.2 Measurement bases used in preparing the Financial Statements

The elements of financial statements have been measured on "Historical Cost" basis, which is one of the most commonly adopted base provided in "the framework for the preparation and presentation of financial statements" issued by the International Accounting Standards Board (IASB).

2.3 Going Concern

Financial Statements have been prepared on going concern basis as there was no significant doubt or uncertainty to continue the operation of the company in the foreseeable future.

2.4 Components of Financial Statements:

According to International Accounting Standard (IAS) - 1, as adopted by ICAB as BAS-1 "presentation of financial statements" the complete set of financial statements includes the following components:

- (i) Statement of Financial Position;
- (ii) Statement of Profit or Loss and Other Comprehensive Income ;
- (iii) Statement of Cash Flows;
- (iv) Statement of Changes in Equity, and
- (v) Notes to the Financial Statements.

3 SIGNIFICANT ACCOUNTING POLICIES:

3.1 Fixed Assets and Depreciation :

Fixed Assets have been stated at cost less accumulated depreciation. Depreciation is charged on reducing balance method over the periods appropriate to the estimated useful lives of different types of assets:

Category	Rate
Furniture & Fixture	10%
Office Renovation	20%
Electronic Equipments	20%
Computer & Software	20%

3.2 Cash Flow Statement

Statement of Cash Flows is prepared principally in accordance with BAS 7 and the cash flows from operating activities have been presented under direct method as required by the Securities and Exchange Rules 1987.

3.3 Margin loan

CBSIL extends margin loan to the BO Account holders at an agreed ratio (between investors deposit and loan amount) of purchased securities against the respective account. The investors are to maintain the margin as per set rules and regulations. The margin is monitored on daily basis as it changes due to change in market prices of stocks. If the margin falls below the minimum requirement, the investors are required to deposit additional fund to maintain the margin as per rules, otherwise the securities are sold to bring the margin to the required level.

Interest on Margin Loan

Interest on Margin Loan is recognized as revenue on an accrual basis and interest receivable on such loan is added with original loan on quarterly basis.

3.4 Investment in listed securities:

Investments in listed securities are carried at cost. Adequate provision has been made considering each individual investment (where cost is less than market price) as guided by BSEC. Unrealized loss has been provided to the extent of 50% in the Statement of Profit or Loss and Other Comprehensive Income

3.5 Cash and Cash Equivalents:

Cash & Cash Equivalents consist of cash in hand, bank balances and fixed deposits that are readily convertible to known amount of cash.

3.6 Accrued Expenses and Other Payables:

Liabilities are recognized for the goods and services received, whether invoiced or not for those goods and services. Payables are not interest bearing and are stated at their nominal value.

3.7 Provision for Taxation:

Provision has been made to cover the estimated tax liability for the year based on Tax Laws and Regulations applicable to CBSIL.

3.8 Deferred Tax:

The Company recognized deferred tax in accordance with the provision of Bangladesh Accounting Standards (BAS)-12. Deferred tax due to temporary difference deductible or taxable for the events or transaction recognized in the Statement of Profit or Loss and Other Comprehensive Income. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount/reported amount in financial statements. Deferred tax asset or liability is the amount of income tax payable or receivable in future period(s) recognized in the current period. The deferred tax assets/income or liability/expense does not create a legal liability/recoverability to and from the income tax authority.

3.9 Reporting Currency and Level of Precision

The figures in the financial statements represent Bangladesh Currency (Taka), which have been rounded-off to the nearest Taka.

3.10 Number Of Employees

59 (Fifty Nine) employees were engaged in this company throughout the financial year, each of whom received remuneration over Tk. 36,000 per year. For each employee having taxable income, due income tax has been deducted from their salary and duly deposited to Sonali Bank.

3.11 General

Comparative figures and account titles in the financial statements have been re-arranged/re-classified, where necessary, to conform to changes in presentation in the current year.

Particulars	Notes	31.12.2018 Taka	31.12.2017 Taka
4.00 Property, Plant and Equipments:			
Furniture and Fixture		1,399,234	1,467,348
Office Renovation		3,425,994	2,928,462
Electronic Equipments		2,605,932	2,344,402
Computer and Software		1,214,621	1,134,713
		8,645,781	7,874,926
For details, please refer to Annexure - A			
5.00 Investment :			
Investment in Shares		55,592,962	86,289,769
		55,592,962	86,289,769
For details, please refer to Annexure - B			
6.00 Deferred Tax			
WDV of Fixed Assets as per Financial Statements		8,645,781	7,874,925
WDV of Fixed Assets as per Tax Base		8,682,084	7,879,612
Temporary Difference for Fixed Assets		36,303	4,687
Tax Rate		35%	35%
Deferred Tax Asset/ (Liabilities)		12,706	1,640
Deferred Tax Expenses for 2018:			
Calculation of Deferred Tax Expenses on Cost			
Deferred Tax Asset as on 31 December, 2017		1,640	7,014
Less: Deferred Tax Asset as on 31 December, 2018		12,706	1,640
Deferred Tax Expenses accounted for during the year 2018		(11,066)	5,373
7.00 Advances, Deposits & Prepayments:			
Advance against expenses	(Note - 7.01)	3,750,679	974,300
Security deposit	(Note - 7.02)	10,000	10,000
		3,760,679	984,300
7.01 Advance against Office Rent:			
Opening Balance		974,300	673,700
Add: Paid during the Current Year		3,512,880	540,000
Less: Adjusted during the year		736,501	239,400
		3,750,679	974,300
7.02 Security Deposit:			
Telephone Demand Note		10,000	10,000
		10,000	10,000
8.00 Accounts Receivables :			
Dhaka Stock Exchange (DSE)		25,372,068	23,523,636
Clients		1,681,227	2,816,310
FDR Interest		807,407	757,841
Others		79,126	74,603
		27,939,828	27,172,390
9.00 Margin Loan to Investors		515,871,815	513,564,805
10.00 Cash and Cash Equivalents:			
Cash in Hand	(Note - 10.01)	688,489	197,747
Cash at Bank	(Note - 10.02)	349,845,097	202,550,024
Fixed Deposit Receipts	(Note - 10.03)	86,671,581	81,324,075
		437,205,167	284,071,846
10.01 Cash in Hand:			
Cash in Hand (Branches)		62,000	62,000
Petty Cash		626,489	135,747
		688,489	197,747

Particulars	Notes	31.12.2018 Taka	31.12.2017 Taka
10.02 Cash at Bank:			
1. BCBL, Principal Branch (CD: 2767)		38,886,825	18,845,237
2. BCBL, Principal Branch (STD: 49)		682	1,345,761
3. BCBL, Principal Branch (CD: 2307)		42,259	43,409
4. IFIC, Stock Ex. Br. (CD-Dealer: 291-001)		5,000	4,867
5. IFIC, Stock Ex. Br. (SND-Dealer: 291-041)		42,213,027	5,080,401
6. CBSIL Strategic Investment A/c No. (CD 3377, BCBL Pr. Br.)		20,981,864	-
7. Consolidated Customers A/C: (Note - 10.2.1)		247,715,439	177,230,349
		349,845,097	202,550,024
10.2.1 Consolidated Customers A/C:			
BCBL, Principal Branch (CD: 2306)		56,517,955	111,506,103
BCBL, Principal Branch (STD: 50)		619,413	973,835
IFIC, Stock Ex. Br. (CD-Broker: 290-001)		187,482,613	5,000
IFIC, Stock Ex. Br. (SND-Broker: 290-041)		-	62,269,175
BCBL, Principal Branch, Public Issue Application A/c (STD: 78)		3,095,458	2,476,236
		247,715,439	177,230,349
10.03 Fixed Deposit Receipts:			
BCBL Principal Branch, A/c No: 00233004102		40,549,860	37,978,727
BCBL Principal Branch, A/c No: 00233004103		12,925,369	12,113,871
BCBL Principal Branch, A/c No: 00233004632		33,196,351	31,231,476
		86,671,581	81,324,075
11.00 Advance Taxes			
Opening Balance		28,169,539	10,750,735
Tax paid at source (Note - 11.01)		24,977,351	17,418,803
		53,146,890	28,169,539
11.01 Tax paid at source			
TDS by DSE on Turnover		19,941,362	14,559,833
TDS on FDR Interest		598,167	427,510
TDS on Interest Income from other Bank Deposit		979,545	866,373
TDS on Income from Dividend. (Annexure -D)		1,573,686	1,565,088
TDS on Capital gain on Sale of DSE Shares		1,884,592	-
		24,977,351	17,418,803
12.00 Share Capital			
Authorized Capital:			
100,000,000 Ordinary Share of Tk 10/- each		1,000,000,000	1,000,000,000
12.01 Issued, Subscribed and Paid-up Capital			
65,000,000 Ordinary Shares of Tk 10/- each		650,000,000	650,000,000

Total Share Holding Position as on December 31, 2018

Name of the Shareholders	% of Shareholdings	No. of Shares	Face Value
Bangladesh Commerce Bank Limited	99.9999986%	64,999,991	649,999,910
Mr. A. Q. Siddiqui	0.0000002%	1	10
Mr. Mahmudul Haq Bhuiyan	0.0000002%	1	10
Mr. Md. Emdadul Hoque	0.0000002%	1	10
Mr. Rana Kaisar	0.0000002%	1	10
Mr. Anis Ahmed	0.0000002%	1	10
Mr. Manwar Hossain	0.0000002%	1	10
Mr. Syed Abdul Hamid	0.0000002%	1	10
Mr. Nasir Uddin Ahmed, FCA	0.0000002%	1	10
Mr. Abbas Uddin Ahmed	0.0000002%	1	10
TOTAL	100%	65,000,000	650,000,000

Particulars	Notes	31.12.2018 Taka	31.12.2017 Taka
13.00 Retained Earnings:			
Opening Balance		55,871,839	34,245,898
Add: Net Profit during the year		22,030,151	21,625,940
		77,901,989	55,871,839
14.00 Accounts Payable:			
Clients		128,915,555	98,679,257
Dhaka Stock Exchange (DSE)		6,882,221	1,577,825
		135,797,776	100,257,082
15.00 Provision for Expenses			
Office Rent		22,340,396	20,917,424
Provision for CDBL charge		369,331	260,584
Interest Waiver		7,344,326	7,344,326
Incentive for Loan Recovery		-	1,595,115
Employees' Provident Fund		2,812	2,812
Payable to Supplier		1,257,231	85,861
Commission Rebate		262,739	874,036
Electricity, Gas and Water		815,573	745,382
Arrear salary		10,172	24,330
Provision for Salary Fixation Arrear		1,327,094	1,327,094
Networking Line Charge		43,788	47,400
Audit Fees		103,500	103,500
Tax Consultancy Fees		276,000	224,250
Security Service		535,079	316,004
Stamp		15,840	7,050
Dividend Payable (Clients)		2,987	282,688
Provision for Other Expenses		154,586	169,005
Withholding VAT	(Note - 15.01)	516,612	39,289
Withholding Tax	(Note - 15.02)	152,771	13,096
Supplimentary Duty		785.64	-
		35,531,623	34,379,246
15.01 Withholding VAT			
Opening Balance		39,289	2,708
VAT Received		1,218,556	591,536
Less: VAT Paid		(741,233)	(554,955)
The Liability has subsequently been paid		516,612	39,289
15.02 Withholding Tax			
Opening Balance		13,096	-
Less: Paid During the period		(1,331,633)	(706,802)
Add: Received		1,471,308	719,899
The Liability has subsequently been paid		152,771	13,096
16.00 Provision for Bad Loan & Erosion:			
Opening Balance		80,624,878	58,082,863
Less: Adjustment During the Year		(2,059,354)	(2,640,020)
Add: Current Year Provision	(Note - 23)	68,015,960	25,182,035
Total Provision		146,581,484	80,624,878

Total negative equity against margin loan and unrealized loss in company's own portfolio (Dealer account) for the year 2018 is Tk. 282,177,481 and Tk. 10,985,487 respectively. Total required provision is Tk. 146,581,484. According to the Bangladesh Securities and Exchange Commission (BSEC) circulars reference নং-এসইসি/ সিএফআরআরসিডি/২০০৯-১৯৩/১৯৬ dated 28 December 2017 and নং-এসইসি/সিএমআরআরসিডি/২০০৯-১৯৩/১৯৬ dated 28th December 2018 requirements of maintaining provision against such loss is 20% and balance have to be provided within December 2020 on quarterly basis. The company, however, has made 50% provision up to 31 December, 2018

Particulars	Notes	31.12.2018 Taka	31.12.2017 Taka
17.00 Liabilities for Income Tax			
Opening Balance		27,746,170	9,068,339
Current Year Income Tax	(Note - 24)	29,179,286	18,677,830
		56,925,456	27,746,170
18.00 Operating Income:			
Brokerage commission (represents commission income from BO Account holders against buy and sale of securities)		125,156,959	96,794,760
Interest Income from Margin Loan		11,802,632	8,455,446
BO Accounts Maintenance Charge		6,269,540	6,091,063
Closing, Transfer, Transmission & Demat Fee from BO Account holders		543,206	372,327
Margin Documentation & Renewal Charge from Margin Account holders		269,000	258,000
Income/(Loss) from Dealer Account (Annexure -C)		211,683	12,444,026
		144,253,019	124,415,621
19.00 Operating Expenses:			
Hawla Charge		250	1,300
Laga Charge		9,861,344	7,278,326
Networking Line Charge		1,132,697	1,143,600
Interest Waiver		-	12,402,946
CDBL Charges		9,953,464	8,436,302
DSE Charges		193,660	87,839
		21,141,415	29,350,313
20.00 Administrative Expenses:			
Salary and Allowances		44,350,921	31,268,381
Security Service		674,475	683,736
Car Allowance		-	198,000
Office Rent		6,301,903	6,160,996
Electricity, Gas and Water		3,175,598	2,741,584
Telephone, Mobile and Fax		655,705	591,798
Repair and Maintenance		963,960	319,068
SMS Service Charges		145,487	103,154
Directors Meeting Attendance Fees		883,200	745,200
Depreciation of Fixed Assets		1,967,108	1,764,933
Audit Fees		103,500	103,500
Tax Consultancy Fees		138,000	352,650
Office Maintenance		791,501	799,184
Computer and Software Maintenance		473,654	183,813
Office Beautification and Utensil		57,923	51,950
Printing		267,181	68,928
Office Stationery		190,557	457,309
Postage & Courier Expense		5,620	2,247
Information Technology Enable Services (ITES)		60,000	153,865
Photocopy		3,658	927
Entertainment		1,193,218	1,057,390
Traveling and Conveyance		178,724	219,224
Business Development		498,341	184,706
Advertisement		215,800	132,300
Training and Development		53,000	127,046
Newspaper and Periodicals		52,611	46,276
Insurance Expense		55,688	182,867
AGM Expenses		225,909	141,646
Board Meeting Expenses		158,355	147,416
Annual Sports and Picnic		275,000	250,000
Legal Fees		260,000	-
License Renewal Fee		604,862	303,450
Bank Charge		183,020	175,967
Stamp		19,390	12,600
		65,183,869	49,732,110

Particulars	Notes	31.12.2018 Taka	31.12.2017 Taka
21.00 Other Income:			
Interest Income from FDR		5,968,086	4,645,217
Interest Income from other Bank Deposit		8,590,270	7,128,989
Dividend Income (Annexure - D)		7,868,428	7,825,439
Charge For Dishonor Cheque		507,070	138,000
Capital Gain from sale of DSE shares		37,691,817	-
IPO Charges Income		660,925	420,335
		61,286,595	20,157,980
22.00 Total no. of DSE Shares at the beginning of the year		7,215,106	
Less: Sold During the year		1,803,777	
No. of DSE Shares at the closing of the year		5,411,329	
Cost price of DSE Share (per share) (7,50,000/ Total DSE Share)		0.104	
Total cost of DSE share		187,500	
Sell price per share		21	
Total sell price lying with BCBL Pr. Br. A/c No.. Shown in note no 10.2		37,879,317	
Amount of Capital gain		37,691,817	
Source tax deducted		1,884,591	
23.00 Provision for Bad Loan & Erosion (Current Year):			
Negative Equity against Margin Loan		282,177,481	260,451,077
Portfolio Erosion		10,985,487	8,298,515
Total		293,162,968	268,749,592
Total Provision made @50%		146,581,484	80,624,878
Less: Opening Balance		(80,624,878)	(58,082,863)
Add: Adjustment during the year		2,059,354	2,640,020
Current Year Provision		68,015,960	25,182,035
24.00 Income Tax Exp.:			
Profit before Tax & Provision		119,214,331	65,491,178
Less: Income from Capital gain		(37,691,817)	-
Less: Income from Dealer Account (Annexure- C)		(211,683)	(12,444,026)
Less: Income from Dividend (Annexure -D)		(7,868,428)	(7,825,439)
Assessed profit		73,442,403	45,221,713
Less: Income U/S 82C		56,975,319	
Income other than U/S 82C		16,467,085	
35% Tax on Income U/S 82C: Tk. 56,975,319		19,941,362	
35% Tax other than Capital Gain and Dividend Income: Tk. 16,467,085		5,763,480	15,868,340
10% Tax on gain on Dealer Account : Tk. 211,683		21,168	1,244,403
20% Tax on gain on Dividend Income: Tk. 7,868,428-Tk. 25,000		1,568,686	1,565,088
5% Tax on capital gain from sale of DSE Shares: Tk. 37,691,817		1,884,591	-
		29,179,286	18,677,830
25.00 Earnings per share (EPS):			
Net Profit/Loss after tax		22,030,151	21,625,940
Total Number of outstanding Shares		65,000,000	65,000,000
		0.34	0.33
26.00 CDBL Fees			
BO Acc. Opening, Closing, Demat Fee		543,206	372,327
Annual Accounts Maintenance Charge		6,269,540	6,091,063
		6,812,746	6,463,390
27.00 Income Tax Paid			
Tax paid at source	(Note - 11.01)	24,977,351	17,418,803
Tax paid during the period		-	-
		24,977,351	17,418,803

Particulars	Notes	31.12.2018 Taka	31.12.2017 Taka
28.00 Cash payments as Other Operating & Administrative expenses			
Operating Expenses		21,141,415	29,350,313
Less: Interest on Borrowing		-	-
		21,141,415	29,350,313
Administrative Expenses		65,183,869	49,732,110
Less: Salary and Allowances paid		(44,350,921)	(31,268,381)
		20,832,948	18,463,729
		41,974,362	47,814,042
Adjusted for non cash flow items			
Depreciation		(1,967,108)	(1,764,933)
Increase/(decrease) in Advance, Deposit & Prepayments		2,776,379	300,600
Increase/(decrease) in Accounts Receivable		767,439	5,809,202
(Increase)/Decrease in Accounts Payable		(35,540,694)	34,740,786
(Increase)/Decrease in Provision for Expenses		(1,152,377)	(2,814,160)
Provision for Bad Loan & Erosion		2,059,354	2,640,020
		(33,057,007)	38,911,514
		8,917,355	86,725,556

29.00 Events after reporting period

No material events occurred after Balance Sheet date which could affect the values reported in the financial statements.

30.00 Related Party Disclosure:

Commerce Bank Securities and Investment Ltd. in normal course of business carried out a number of transactions with other entities that fall within the definition of related party contained in Bangladesh Accounting Standard 24: Related Party Disclosures. The related parties. At 31 December 2018,

30.01 Bangladesh Commerce Bank Ltd.:

1. BCBL, Principal Branch (CD: 2767)	38,886,825	18,845,237
2. BCBL, Principal Branch (STD: 49)	682	1,345,761
3. BCBL, Principal Branch (CD: 2307)	42,259	43,409
4. BCBL, Principal Branch (CD: 2306)	56,517,955	111,506,103
5. BCBL, Principal Branch (STD: 50)	619,413	973,835
6. CBSIL Strategic Investment A/c No. (CD 3377, BCBL Pr, Br.)	20,981,864	-
7. BCBL, Principal Branch, Public Issue Application A/c (STD: 78)	3,095,458	2,476,236
	120,144,457	135,190,582

30.02 Fixed Deposit Receipts:

1. BCBL Principal Branch, A/c No: 00233004102	40,549,860	37,978,727
2. BCBL Principal Branch, A/c No: 00233004103	12,925,369	12,113,871
3. BCBL Principal Branch, A/c No: 00233004632	33,196,351	31,231,476
	86,671,581	81,324,075

30.03 Bangladesh Commerce Bank Limited (BCBL Portfolio In Investment with CBSIL):

As on 31st December 2018;

BO Account Name	Cost Price	Market price	Ledger balance
Bangladesh Commerce Bank Ltd. (CC 5740)	579,403,645.57	359,809,250.60	130,049.50

Commerce Bank Securities and Investment Limited
Schedule of Property, Plant and Equipments

As at December 31, 2018

Annexure - A

Particulars	COST			Dep. Rate	Depreciation			W.D.V
	Balance as on 01.01.2018	Addition during the year	Balance as on 31.12.2018		Balance as on 01.01.2018	Charged for the year	Balance as on 31.12.2018	
	Taka	Taka	Taka		Taka	Taka	Taka	
Furniture and Fixture	2,291,147	87,356	2,378,503	10%	823,798	155,470	979,269	1,399,234
Office Renovation	9,906,404	1,354,030	11,260,434	20%	6,977,941	856,499	7,834,440	3,425,994
Electronic Equipments	7,069,776	913,013	7,982,789	20%	4,725,374	651,483	5,376,857	2,605,932
Computer and Software	2,731,467	383,564	3,115,031	20%	1,596,754	303,655	1,900,410	1,214,621
Total as on 31 December, 2018	21,998,794	2,737,963	24,736,756		14,123,867	1,967,108	16,090,974	8,645,781
Total as on 31 December, 2017	21,040,483	958,311	21,998,794		12,358,933	1,764,934	14,123,867	7,874,927

Depreciation as per tax base

Particulars	COST			Rate	Depreciation			W.D.V as on 31.12.2018
	Balance as on 01.01.2018	Addition during the year	Balance as on 31.12.2018		Balance as on 01.01.2018	Charged for the year	Balance as on 31.12.2018	
	Taka	Taka	Taka		Taka	Taka	Taka	
Furniture & Fixture	2,291,147	87,356	2,378,503	10.00%	823,798	155,470	979,269	1,399,234
Office Renovation	9,906,404	1,354,030	11,260,434	20.00%	6,977,941	856,499	7,834,440	3,425,994
Electronic Equipments	7,069,776	913,013	7,982,789	15.00%	4,578,848	510,591	5,089,439	2,893,349
Computer & Software	2,731,467	383,564	3,115,031	30.00%	1,738,593	412,931	2,151,525	963,506
Total as on December 31, 2018	21,998,793	2,737,963	24,736,756		14,119,181	1,935,491.32	16,054,672	8,682,084

Commerce Bank Securities and Investment Limited
Investment Schedule

As at December 31, 2018

Annexure - B

Name of the Company	Opening Balance	Quantity					Amount in Taka				Unrealised Gain/Loss
		Acquired during the year	Rights Share received	Bonus Share received	Sold during the year	Total Quantity as on 31.12.18	Total Cost	Average Cost Per Share	Total Market Value as on 31.12.18		
1	2	3	4	5	6	7=(2+3+4+5-6)	8	9	10	11=(10-9)	
ALIF		110,000		10,000	110,000	10,000	122,616	12.26	91,000	(31,616)	
BARKAPOWER	92,000	-		9,200	-	101,200	3,574,809	35.32	2,833,600	(741,209)	
DSEBD	2,886,042				-	2,886,042	0	0.00	-	-	
EXIMBANK	50,000	10,000			-	60,000	1,062,779	17.71	708,000	(354,779)	
FARCHEM		45,000		4,500	45,000	4,500	76,001	16.89	68,850	(7,151)	
FUWANGFOOD		56,000			15,000	41,000	703,421	17.16	615,000	(88,421)	
GP	17,000	25,764			35,764	7,000	2,990,100	427.16	2,571,100	(419,000)	
GPHISPAT	68,250	1,750		3,000	40,000	33,000	1,307,543	39.62	1,155,000	(152,543)	
ICB	7,350	9,650		750	2,000	15,750	2,312,332	146.81	1,830,150	(482,182)	
IFIC	40,000	10,000		6,000	-	56,000	939,687	16.78	610,400	(329,287)	
LANKABAFIN	40,000	15,375	20,000	5,625	-	81,000	3,595,789	44.39	1,854,900	(1,740,889)	
PLFSL		34,000			-	34,000	454,484	13.37	190,400	(264,084)	
RNSPIN	125,000	-		12,500	105,000	32,500	595,008	18.31	286,000	(309,008)	
SAIFPOWER	96,000	-		7,680	96,000	7,680	257,451	33.52	161,280	(96,171)	
SALVOCHEM		178,572		2,728	124,000	57,300	1,157,034	20.19	974,100	(182,934)	
SQURPHARMA	25,000	32,269		945	43,769	14,445	4,243,467	293.77	3,671,919	(571,548)	
UCB	50,000	10,000			-	60,000	1,431,802	24	1,056,000	(375,802)	
ZAHEENSPIN		35,000		3,500	35,000	3,500	65,906	19	39,200	(26,706)	
ACFL		31,385			23,539	7,846	313,840	40	330,317	16,477	
ACI		3,302		108	202	3,208	1,338,639	417	1,046,450	(292,189)	
AIL		48,000		3,300	13,000	38,300	2,968,201	77	2,439,710	(528,491)	
AMBEEPHA		1,192			550	642	503,705	785	496,330	(7,375)	

APOLOISPAT	143,000		4,290	130,000	17,290	330,954	19	141,778	(189,176)
BPML	34,580			25,935	8,645	622,440	72	724,451	102,011
BSRMLTD	55,700		500	53,700	2,500	203,267	81	195,500	(7,767)
CENTRALPHL	72,000		3,600	-	75,600	1,796,180	24	1,050,840	(745,340)
IBP	11,775		294	11,775	294	2,673	9	9,143	6,470
INTRACO	21,333		266	21,333	266	2,534	9.53	7,129	4,595
KTL	20,127		1,006	10,063	11,070	100,640	9.09	280,071	179,431
LHBL	160,000			10,000	150,000	9,913,371	66.09	6,525,000	(3,388,371)
LIBRAINFU	2,472			2,372	100	99,436	994.36	99,930	494
MAKSONSPIN	128,250			82,250	46,000	496,685	11	345,000	(151,685)
MLDYEING	12,079		1,208	9,058	4,229	35,242	8	125,601	90,360
OLYMPIC	2,500	2,500		4,300	2,328	505,228	217	503,314	(1,915)
REGENTTEX	53,000	53,000	1,500	95,000	1,500	31,761	21	23,400	(8,361)
SHASHADNIM	35,000		1,260	9,000	27,260	1,765,819	65	1,649,230	(116,589)
SILVAPHL	18,387			9,193	9,194	91,940	10	276,739	184,799
SIMTEX	17,000			13,000	4,000	126,997	32	132,000	5,003
SKTRIMS	20,163		504	15,121	5,546	50,420	9	256,780	206,360
SSSTEEL	13,492				13,492	134,920	10	-	(134,920)
UNIONCAP	96,550		1,450	63,000	35,000	558,402	16	434,000	(124,402)
USMANIAGL	46,380		2,520	46,380	2,520	284,412	113	264,348	(20,064)
VFSTDL	14,075		703	10,556	4,222	38,386	9	244,032	205,646
WMSHIPYARD	65,000	65,000	6,600	200,500	26,000	528,781	20	517,400	(11,381)
YPL	73,500	73,500	2,205	73,500	2,205	53,594	24.31	29,106	(24,488)
BRACBANK	10,000				10,000	727,861	72.79	727,000	(861)
MEGHNALIFE	7,900				7,900	603,269	76.36	615,410	12,141
OLYMPIC	12,000				12,000	2,614,900	217.91	2,594,400	(20,500)
PADMAOIL	500				500	112,775	225.55	112,600	(175)
SIMTEX	30,700				30,700	1,006,077	32.77	1,013,100	7,023
AMBEEPHA	2,522				2,522	2,007,746	796.09	1,949,758	(57,987)
FINEFOODS	17,650				17,650	731,640	41.45	730,710	(930)
TOTAL	3,690,642	1,780,650	20,000	1,584,860	4,085,446	55,592,962	5,828	44,607,476	(10,985,487)

Commerce Bank Securities and Investment Limited
Capital Gain/(Loss) on Sale of Shares

As at December 31, 2018

Annexure - C

SL	Instruments	Sold Qty.	Bought Price	Sold Price	Realised Gain/(Loss)
		No	Tk.	Tk.	Tk.
1	ACFL	23,539	941,560	1,466,531	524,971
2	ACI	202	94,793	95,009	216
3	ACTIVEFINE	11,000	486,318	491,338	5,020
4	ADVENT	13,822	138,220	599,406	461,186
5	AIL	13,000	1,332,908	1,345,601	12,693
6	ALIF	110,000	1,381,086	1,067,080	(314,006)
7	AMANFEED	8,000	582,577	579,278	(3,299)
8	AMBEEPHA	550	363,957	373,876	9,920
9	ANLIMAYARN	5,000	165,828	167,067	1,239
10	ANWARGALV	26,400	2,077,646	2,104,491	26,845
11	APEXFOODS	30,005	5,229,946	5,339,330	109,385
12	APEXSPINN	7,250	918,994	936,432	17,438
13	APOLOSPAT	130,000	2,488,408	1,000,205	(1,488,203)
14	ARGONDENIM	78,000	2,616,026	2,017,767	(598,260)
15	AZIZPIPES	1,193	247,234	246,163	(1,072)
16	BBS	11,000	401,061	397,380	(3,681)
17	BBSCABLES	36,500	4,066,171	4,052,272	(13,899)
18	BDAUTOCA	6,013	699,122	708,447	9,325
19	BDFINANCE	75,000	1,136,817	1,172,471	35,654
20	BDLAMPS	7,389	1,415,433	1,443,914	28,481
21	BDTHAI	104,250	2,485,650	2,491,167	5,518
22	BDWELDING	60,500	1,255,466	1,290,045	34,579
23	BERGERPBL	720	1,231,194	1,273,330	42,136
24	BEXIMCO	225,750	6,397,256	6,525,022	127,766
25	BPML	25,935	1,867,320	3,457,155	1,589,835
26	BRACBANK	35,000	2,628,214	2,669,753	41,539
27	BSRMLTD	53,700	5,427,452	5,496,394	68,943
28	BXPHARMA	38,700	3,988,960	4,015,480	26,520
29	CITYBANK	9,000	361,485	342,630	(18,855)
30	CNATEX	115,000	1,358,311	460,503	(897,808)
31	CONFIDCEM	200	40,250	43,750	3,500
32	CVOPRL	4,000	933,005	927,369	(5,636)
33	DAFODILCOM	5,000	176,133	178,871	2,738
34	DESHBANDHU	39,500	765,430	762,410	(3,020)
35	DOREENPWR	2,500	292,194	289,991	(2,203)
36	DSHGARME	1,792	417,418	426,974	9,557
37	DSSL	159,587	3,350,714	3,414,073	63,359
38	EASTRN LUB	3,665	4,584,479	4,641,687	57,208
39	EBL	1,000	43,234	43,468	233
40	EHL	7,000	375,307	391,420	16,113

SL	Instruments	Sold Qty.	Bought Price	Sold Price	Realised Gain/(Loss)
		No	Tk.	Tk.	Tk.
41	FARCHEM	45,000	760,010	789,421	29,412
42	FASFIN	16,000	252,689	252,996	307
43	FINEFOODS	52,500	1,805,189	1,860,086	54,897
44	FORTUNE	4,000	136,456	135,493	(963)
45	FUWANGCER	116,500	2,114,645	2,081,058	(33,587)
46	FUWANGFOOD	15,000	307,728	299,780	(7,948)
47	GEMINISEA	17,042	7,115,617	7,181,915	66,298
48	GENNEXT	193,600	1,852,984	1,199,432	(653,553)
49	GP	35,764	17,371,315	17,484,873	113,558
50	GPHISPAT	40,000	1,743,388	1,730,096	(13,292)
51	GSPFINANCE	77,750	2,068,059	2,086,132	18,073
52	HAKKANIPUL	52,500	3,441,249	3,358,044	(83,205)
53	IBNSINA	6,135	1,654,161	1,681,974	27,813
54	IBP	11,775	115,077	459,392	344,315
55	ICB	2,000	312,652	268,578	(44,074)
56	IFADAUTOS	72,400	9,784,461	9,801,988	17,527
57	IMAMBUTTON	9,000	296,868	301,673	4,805
58	INTECH	7,000	181,945	192,457	10,512
59	INTRACO	21,333	210,796	814,475	603,679
60	ISLAMIBANK	13,279	451,455	456,591	5,136
61	ITC	22,000	1,014,097	1,000,755	(13,342)
62	KPCL	5,100	476,649	513,532	36,883
63	KPPL	979	14,995	18,682	3,687
64	KTL	10,063	100,630	256,320	155,690
65	LEGACYFOOT	18,000	1,516,281	1,808,873	292,593
66	LHBL	10,000	603,768	614,238	10,470
67	LIBRAINFU	2,372	1,929,642	2,016,284	86,642
68	LINDEBD	1,765	2,250,662	2,256,057	5,395
69	MAKSONSPIN	82,250	849,524	851,000	1,476
70	MEGHNALIFE	25,036	1,525,918	1,520,286	(5,632)
71	METROSPIN	111,000	1,390,235	1,400,159	9,924
72	MIRACLEIND	26,000	1,068,241	1,074,376	6,136
73	MLDYEING	9,058	85,548	284,603	199,055
74	MONNOCERA	68,427	9,795,768	9,935,627	139,858
75	MONNOSTAF	391	478,020	571,655	93,634
76	NAHEEACP	37,347	2,199,856	2,473,662	273,805
77	NATLIFEINS	12,195	2,394,651	2,430,822	36,170
78	NAVANACNG	2,000	145,908	147,563	1,655
79	NBL	40,000	500,357	492,647	(7,710)
80	NHFIL	59,000	3,322,934	3,333,691	10,757
81	NORTHERN	10,300	3,176,384	3,330,546	154,162
82	NPOLYMAR	11,900	1,014,782	1,027,798	13,016
83	NTC	800	512,691	514,105	1,415
84	NLTUBES	3,000	374,234	381,552	7,318
85	NURANI	226,000	4,775,962	4,973,334	197,372

SL	Instruments	Sold Qty.	Bought Price	Sold Price	Realised Gain/(Loss)
		No	Tk.	Tk.	Tk.
86	OIMEX	8,128	116,392	370,835	254,443
87	OLYMPIC	4,300	1,202,507	1,199,810	(2,697)
88	PDL	24,000	386,813	391,150	4,337
89	PENINSULA	82,500	2,192,687	2,609,735	417,048
90	PHARMAID	12,878	6,639,759	6,755,889	116,131
91	POPULARLIF	30,000	3,532,674	3,885,444	352,770
92	PREMIERCEM	3,000	292,613	197,783	(94,829)
93	PTL	8,500	509,222	500,885	(8,337)
94	QUEENSOUTH	23,742	667,970	962,335	294,366
95	RAHIMTEXT	2,880	1,043,254	1,053,039	9,786
96	RDFOOD	56,000	939,722	922,415	(17,307)
97	REGENTTEX	95,000	2,164,502	2,104,038	(60,463)
98	RENATA	1,015	1,195,482	1,215,423	19,941
99	RNSPIN	105,000	1,922,340	908,775	(1,013,565)
100	RSRMSTEEL	13,000	896,325	905,722	9,396
101	RUPALIBANK	1,000	58,343	58,457	114
102	SAIFPOWER	96,000	3,218,198	1,980,876	(1,237,322)
103	SAIHAMCOT	50,000	1,048,240	1,025,705	(22,535)
104	SAIHAMTEX	10,000	320,833	323,266	2,433
105	SALVOCHEM	124,000	3,046,164	3,077,784	31,620
106	SHASHADNIM	9,000	664,483	648,668	(15,815)
107	SHEPHERD	79,000	2,606,486	2,663,628	57,142
108	SILVAPHL	9,193	91,930	266,503	174,573
109	SIMTEX	13,000	552,813	557,681	4,869
110	SINGERBD	5,550	1,079,220	1,096,400	17,180
111	SINOBANGLA	2,000	105,880	110,708	4,828
112	SKTRIMS	15,121	151,210	614,025	462,815
113	SONALIANSH	9,725	2,712,125	2,884,741	172,616
114	SQURPHARMA	43,769	13,632,993	13,723,725	90,732
115	STYLECRAFT	1,376	2,036,614	2,048,418	11,804
116	SUMITPOWER	2,000	86,262	86,336	73
117	TOSRIFA	44,500	1,145,296	1,152,825	7,529
118	TUNGHAI	108,000	1,588,010	553,098	(1,034,913)
119	UNIONCAP	63,000	1,199,947	1,210,080	10,134
120	UNIQUEHRL	15,500	865,193	859,818	(5,375)
121	UNITEDAIR	110,000	651,475	296,774	(354,701)
122	UPGDCL	4,200	1,248,398	1,262,573	14,174
123	USMANIAGL	46,380	5,569,182	5,624,042	54,859
124	UTTARABANK	10,000	280,566	278,119	(2,447)
125	VFSTDL	10,556	102,364	430,359	327,995
126	WATACHEM	22,633	6,504,771	6,609,882	105,111
127	WMSHIPYARD	200,500	5,535,632	5,558,164	22,532
128	YPL	73,500	1,786,381	951,077	(835,304)
129	ZAHEENSPIN	35,000	659,043	372,873	(286,170)
TOTAL					211,683

Commerce Bank Securities and Investment Limited
Dividend Income on Shares

For the year ended 31 December, 2018

Annexure - D

Sl. No.	Instruments	Quantity		Face Value		Rate	Dividend		TDS		Net Dividend	
		No.		Tk.			Tk.		Tk.	Tk.	Tk.	
1	BXPHARMA	1,200		10		13%	1,500		300		1,200	
2	PENINSULA	55,000		10		5%	27,500		5,500		22,000	
3	GPHISPAT	65,000		10		5%	32,500		6,500		26,000	
4	SAIHAMCOT	46,500		10		12%	55,800		11,160		44,640	
5	BARKAPOWER	80,000		10		5%	40,000		8,000		32,000	
6	TITASGAS	5,000		10		22%	11,000		2,200		8,800	
7	SAIFPOWER	75,000		10		5%	37,500		7,500		30,000	
8	NAHEEACP	11,444		10		5%	5,722		1,144		4,578	
9	WATACHEM	3,000		10		10%	3,000		600		2,400	
10	SAIHAMTEX	7,500		10		10%	7,500		1,500		6,000	
11	WMSHIPYARD	7,500		10		20%	15,000		3,000		12,000	
12	GP	2,500		10		100%	25,000		5,000		20,000	
13	LANKABAFIN	75,000		10		8%	56,250		11,250		45,000	
14	UCB	60,000		10		10%	60,000		12,000		48,000	
15	FINEFOODS	11,200		10		10%	11,200		2,240		8,960	
16	NHFIL	54,000		10		19%	102,600		20,520		82,080	
17	TRUSTBANK	60,000		10		13%	75,000		15,000		60,000	
18	GP	6,500		10		125%	81,250		16,250		65,000	
19	BSRMLTD	5,000		10		10%	5,000		1,000		4,000	
23	DSEBD	5,772,084		10		13%	7,215,106		1,443,021		5,772,085	
		Total					7,868,428		1,573,686		6,294,742	

Our Branches Network

SL	Branch Name	Address	Contacts
		Call Center	16270
Dhaka			
01	Principal	19, Rajuk Avenue, Taranga Complex (Ground Floor), Motijheel C/A, Dhaka-1000.	09613222001,7112069, 9561551,09613222002 Fax: 9585023 E-mail: principal@bcbl.com.bd
02	Dilkusha	Boliadi Mansion (1st Floor), 16, Dilkusha C/A, Dhaka-1000	09613225001-6,9578578, 9570105,9571375 Fax: 9571375 E-mail: dilkusha@bcbl.com.bd
03	Bangshal	141,LutforRahman Lane, North South Road, Bangshal, Dhaka-1100.	09613221501-4, 9580624,9566140 Fax: 9566140 E-mail: bangshal@bcbl.com.bd
04	Moulvibazar	40, Imamgonj, Moulvibazar, Dhaka-1100	09613222096, 7343769 Fax: 7311051 E-mail: moulvibazar@bcbl.com.bd
05	Dholaikhal	23, Goal Ghat Lane (1st Floor), Wari, Dholaikhal, Dhaka-1100.	09613221196, 9590344 Fax:7118665 E-mail: dholaikhal@bcbl.com.bd
06	Banglabazar	52, North Brook Hall Road, Banglabazar, Dhaka-1100.	09613221301-3, 47115256, 47119034, Fax: 7121878 E-mail: banglabazar@bcbl.com.bd
07	Zigatola	25/1, Zigatola, Dhaka-1209	09613221601,9668558, 58614119 ,Fax: 9622154 E-mail: zigatola@bcbl.com.bd
08	Green Road	75, Greenroad (1st floor), Hossain Tower, Farmgate, Dhaka.	09613221401-5,58154664, Fax: 58126886 E-mail: greenroad@bcbl.com.bd
09	Mouchak	238/1, Maruf Market (1st Floor), Outer Circular Road, Malibagh, Dhaka.	09613223001, 8312061, 8321072 Fax: 8321072 E-mail: mouchak@bcbl.com.bd
10	Mirpur	Plot#2, Avenue-6, Section-1, Mirpur, Dhaka-1216	09613222101-4, 55075192-3 Fax: 8051722 E-mail: mirpur@bcbl.com.bd
11	Gulshan	Landview Commercial Complex, 28 Gulshan North C/A, Gulshan Circle-2, Dhaka-1212.	09613227001-7,8881045, 9854019, 8881044 Fax: 8882044 E-mail: gulshan@bcbl.com.bd
12	Khilgaon	290/3, Block-A, Nahar Tower (1st Floor), Railgate, Khilgaon, Dhaka-1219.	09613222501,7213779 Fax: 7215803 E-mail: khilgaon@bcbl.com.bd

SL	Branch Name	Address	Contacts
13	Uttara	House-60, Sector-13, Gorib-E-Neous Avenue Uttara, Dhaka-1230	0961322280, 8921555 E-mail: uttara@bcbl.com.bd
14	Bijoy Nagar	Al-Raji Complex House# 166/167, Woard# 36 Shahid Syed Nazrul Islam Sarani Bijoy Nagar, Dhaka.	09613223101, 7115625 Fax-02-7115957 E-mail: bijoy Nagar@bcbl.com.bd
15	Foreign Exchange	Surma Tower (Level-2) 59/2 Purana Paltan Dhaka-1000.	09613223601,9573467, 9573468 Fax: 02-9573469 E-mail: fex@bcbl.com.bd
16	Savar	63/14 Bazar Road, Islam Plaza, Savar, Dhaka.	09613223801,7742151 Fax: 02-7742150 E-mail: savar@bcbl.com.bd
17	Pragati Sarani	KA/218, Kuril Chourasta, Zakir Complex (1st Floor), Dhaka.	09613224096,09613224097, 8417359 Fax: 02-8417506 E-mail: pragati@bcbl.com.bd
18	Meraj Nagar	Meraj Nagar Supper Market (2nd Floor), Shaympur, Kadomtoli, Dhaka-1362.	09613224401,09613224403 09613224402, E-mail: meraj Nagar@bcbl.com.bd
19	Bandura	Puraton Bandura, Nawabgonj, Dhaka.	09613223301, E-mail: bandura@bcbl.com.bd
20	Dhamrai	Keyetpara, Dhamrai Bazar, Dhamrai, Dhaka.	09613222401,7730237 Fax: 7730237 E-mail: dhamrai@bcbl.com.bd
21	Narayanganj	69, Bangabundu Road, Tokeyo Plaza 1 (2nd Floor) , Ward no-15, Narayanganj City Corporation, DIT, Narayanganj-1400.	09613229001-5, 645054, 7640321, 7644750 Fax:7645054 E-mail: narayanganj@bcbl.com.bd
22	Kathgora Bazar	HaziNujomuddin Super Market, Kathgora Bazar, Post:Jirabo, Union:Ashulia, Ward no-1. P/S- Ashulia, Dhaka.	09613224301,7792634 Fax: 02-7792632 E-mail: kathgora@bcbl.com.bd
23	Shibchar	47, Shadar Road, Shibchar, Madaripur	0662456101, 09613224601-3 E-mail: shibchar@bcbl.com.bd
24	Kaliakoir	Rajob Ali Super Market (2nd Floor), Kaliakoir Bazar, Gazipur.	0982251848-9 096132224701-3 E-mail: kaliakoir@bcbl.com.bd
25	Sonargaon	Salina Plaza(1st Floor), Mograpara Sonargaon, Narayanganj.	7656033,09613224802 09613224801, E-mail: sonargaon@bcbl.com.bd

SL	Branch Name	Address	Contacts
26	Balla	Balla Bazar, Battola (Kaporpatti), Kalihati, Tangail.	09613224902,09613224907 09613224901 E-mail: balla@bcbl.com.bd
27	Gazipur Chowrasta	Mubarak Complex, Ward No-16, Gazipur City Corporation, Joydebpur, Gazipur.	09613225051, 09613225052 E-mail: gazipur@bcbl.com.bd
28	Banani	Antorip (1stFloor), House#2, Road No:11, Block No:F, Banani, Dhaka	09613225701,09613225702 E-mail: banani@bcbl.com.bd
29	Aganagar	Shawon Plaza (1st floor), Aganagar , South Keranigonj, Dhaka.	01711587835 E-mail: aganagar@bcbl.com.bd
30	Rokeya Sarani	GoloriousMollah Tower, Holding No-745, West Shewrapara, Mirpur, Dhaka North City Corporation, Dhaka.	09613226301-3 E-mail: rokeyasarani@bcbl.com.bd
31	Panchdona	Haji ShamsulHaque Plaza(1st Floor), Meherpara, Panchdona, Narsingdi	09613225601,09613225602 E-mail: panchdona@bcbl.com.bd
Chattogram			
32	Agrabad	56, JibonBimaBhaban, Agrabad C/A, Chattogram.	9613226001-4, 031-717974, 031-717973, 2522781 Fax: 031-724879 E-mail: agrabad@bcbl.com.bd
33	Jubilee Road	30, Imam Gazzali Market (1st Floor), Jubilee Road, Chattogram.	09613221901,031-627837, Fax: 031-2850065 E-mail: jubileeroad@bcbl.com.bd
34	Khatungonj	304, SW Tower, (1st Floor), Lama Bazar, Kotwali, Khatungonj, Chattogram.	09613222301,031-618821, 2864559 Fax: 031-728145 E-mail: khatungonj@bcbl.com.bd
35	Chaktai	68, Rajakhali Road, New Chaktai, Chattogram-400	09613222201, 031-2867575, 031-634612, Fax: 031-636412 E-mail: chaktai@bcbl.com.bd
36	Dewanhat	1128, Sheikh Mujib Road, Ahmed Mansion, Chattogram.	09613221201,031-2513622 Fax: 031-728145 E-mail: dewanhat@bcbl.com.bd
37	Muradpur	MCS Tower (1st Floor), Holding No: 7/8, Opposite of Jalil Building, MuradpurHathajari Road, Panchlish, Chattogram.	09613223096,031-655982, 656154 E-mail: muradpur@bcbl.com.bd
37	Comilla	35/32 Zilla School Road Kandirpar, Cumilla	09613222601,081-69951 Fax: 081-69902 E-mail: comilla@bcbl.com.bd
39	Feni	Haji AbulKashem Super Market Kamlapatti, House# 463 Word# 17, Feni Sadar	09613222901,0331-69011 Fax: 0331-69012 E-mail: feni@bcbl.com.bd

SL	Branch Name	Address	Contacts
40	Mandari Bazar	BabosayeeSamitee Market (1st Floor) LakshmipurSadar, Lakshmipur.	0381-55634, Fax: 0381-55633 E-mail: mbazar@bcbl.com.bd
41	Kangshanagar Bazar	Kangshanagar Bazar, Burichang, Cumilla-3520	09613224501-2 E-mail: kangshanagar@bcbl.com.bd
42	A K Khan Moor	H#825, JakirHossain Road, Ward No#9, Chittagong City Corporation, Pahartoli, Chattogram.	09613225301,09613225302 E-mail: akkhanmoor@bcbl.com.bd
43	Lohagara	Sayed Plaza, Lohagara, Chattogram	09613225401,09613225402 E-mail: lohagara@bcbl.com.bd
44	Kumira	BoroKumira, Shitakundo, Chattogram	01818395954 E-mail: kumira@bcbl.com.bd
Khulna			
45	Khulna	141, Sir Iqbal Road, Khulna-9100	09613224001-4, 041-732595, 041-2830144, 810911, Fax: 041-810911 E-mail: khulna@bcbl.com.bd
46	Daulatpur	727, Jessore Road, Daulatpur, Khulna-9202	09613221701,041-761604 Fax: 041-762589 E-mail: daulatpur@bcbl.com.bd
47	Jessore	Mohsin Super Market, 10 R. N. Road Jashore.	09613223501, Fax:042171180 E-mail: jessore@bcbl.com.bd
48	Kopil Muni	SorojiniBanijjoBeponiMarket(1st floor), KopilmuniSohachoriViddaMondir, P/O-Kopilmuni. P/S- Paikgacha, Dist:Khulna.	09613224101, E-mail: kopilmuni@bcbl.com.bd
49	Lohagara	Nawab Plaza(1st Floor), Ward no-04 , Lohagara, Narail	09613226201-3 E-mail: lohagaranarail@bcbl.com.bd
Rajshahi			
50	Bogra	676, Chamber Bhaban, Jhawtola, Bogura-5800	09613228001-4,051-65441 Fax: 051-65710 E-mail: bogra@bcbl.com.bd
51	Naogaon	Kader Manson (1st Floor) Naogaon Main Road, Naogaon	09613221801,0741-81118 Fax: 0741-63222 E-mail: naogaon@bcbl.com.bd
52	Rajshahi	341, Station Road, Metropolitan Market (1st Floor), Rajshahi.	09613225201,09613225202 E-mail: rajshahi@bcbl.com.bd
53	Ahmedpur	Nahar Plaza (2nd Floor), Baraigram, Ahmedpur, Nator.	09613225501, 09613225502 E-mail: ahmedpur@bcbl.com.bd

SL	Branch Name	Address	Contacts
Barishal			
54	Barisal	Elahi Tower, Holding no-523, Ward no-8, Bazar Road, Barisal Sadar, Barishal.	09613224201,0431-2176433 Fax: 0431-61616 E-mail: barisal@bcbl.com.bd
55	Batajore	Batajor Bazar Batajor, Gournadi Barishal.	09613223901 E-mail: batajore@bcbl.com.bd
Sylhet			
56	Sylhet	Gellariya Shopping & Apartment Complex (2nd Floor), West Zinda Bazar, Jallarpar Road, Sylhet	09613221096,0821-723210 Fax: 0821-728487 E-mail: sylhet@bcbl.com.bd
57	Juri	Hazilmzad Ali Market Vobanigonj Bazar, Juri Moulvibazar.	09613223701,086275719 Fax: 08627-57192 E-mail: juri@bcbl.com.bd
58	Shamshernagar	Rahim Manson, Shamshernagar, Upazilla:- Kamolganj, Zilla: Moulvibazar	09613225101,09613225102 E-mail: shamshernagar@bcbl.com.bd
Rangpur			
59	Dinajpur	SM Tower (2nd Floor) Bahadur Bazar Dinajpur.	09613223401,053166556 Fax: 0531-66555 E-mail: dinajpur@bcbl.com.bd
60	Rangpur	Moin Plaza (1st Floor), 12 Station Road, Rangpur City Corporation, Rangpur.	0128877726 E-mail: rangpur@bcbl.com.bd
Mymensingh			
61	Seedstore Bazar	Hobir Bari, Seedstore Bazar, Valuka, Mymensingh	09613222701, E-mail: seedstore@bcbl.com.bd
62	Mymensingh	Moin Plaza (1st Floor), 12 Station Road, Rangpur City Corporation, Rangpur.	0128877726 E-mail: rangpur@bcbl.com.bd

BCBL Network District Coverage



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বিবাহ
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*বিস্তারিত জানতে ব্যাংকের যেকোন শাখায় যোগাযোগ করুন।



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Bangladesh Commerce Bank Limited

Corporate Office: Eunoos Trade Center (Level-22),
52-53, Dilkusha C/A, Dhaka-1000, Bangladesh

PROXY FORM

I/We _____ of _____
_____ being a Shareholder of **Bangladesh Commerce Bank Limited** do hereby appoint
Mr./Ms. _____ of _____

as my/our proxy to attend and vote for me/us and on my/our behalf at the **21st Annual General Meeting** of the Company to be held on Saturday, **30 November 2019** at 10.00 a.m. at **Kurmitola Golf Club, Kurmitola, Dhaka Cantonment, Dhaka-1206** and at any adjournment thereof.

As witness my/our hands this _____ day of _____ 2019.

(Signature of the proxy)

Folio No (if any): _____

No. of Shares: _____

Date: _____

Affix
Revenue
Stamp of
Tk. 20.00

(Signature of the Shareholder)

Folio No:

No. of Shares:

Date:

Note: The proxy form should reach the Registered Office of the Company not less than 72 hours before the time fixed for the meeting.

Signature Verified

Authorized Signatory
Bangladesh Commerce Bank Limited



Bangladesh Commerce Bank Limited

Corporate Office: Eunoos Trade Center (Level-22),
52-53, Dilkusha C/A, Dhaka-1000, Bangladesh

ATTENDANCE SLIP

I/We hereby record my/our attendance at the **21st Annual General Meeting** of the Company to be held on Saturday, **30 November 2019** at 10.00 a.m. at **Kurmitola Golf Club, Kurmitola, Dhaka Cantonment, Dhaka-1206**.

Folio No: _____

No. of Shares: _____

Name of the Member/proxy: _____

Signature: _____

Date: _____

Note: Please present this slip at the reception desk. Non Shareholder & Children will not be allowed at the meeting.