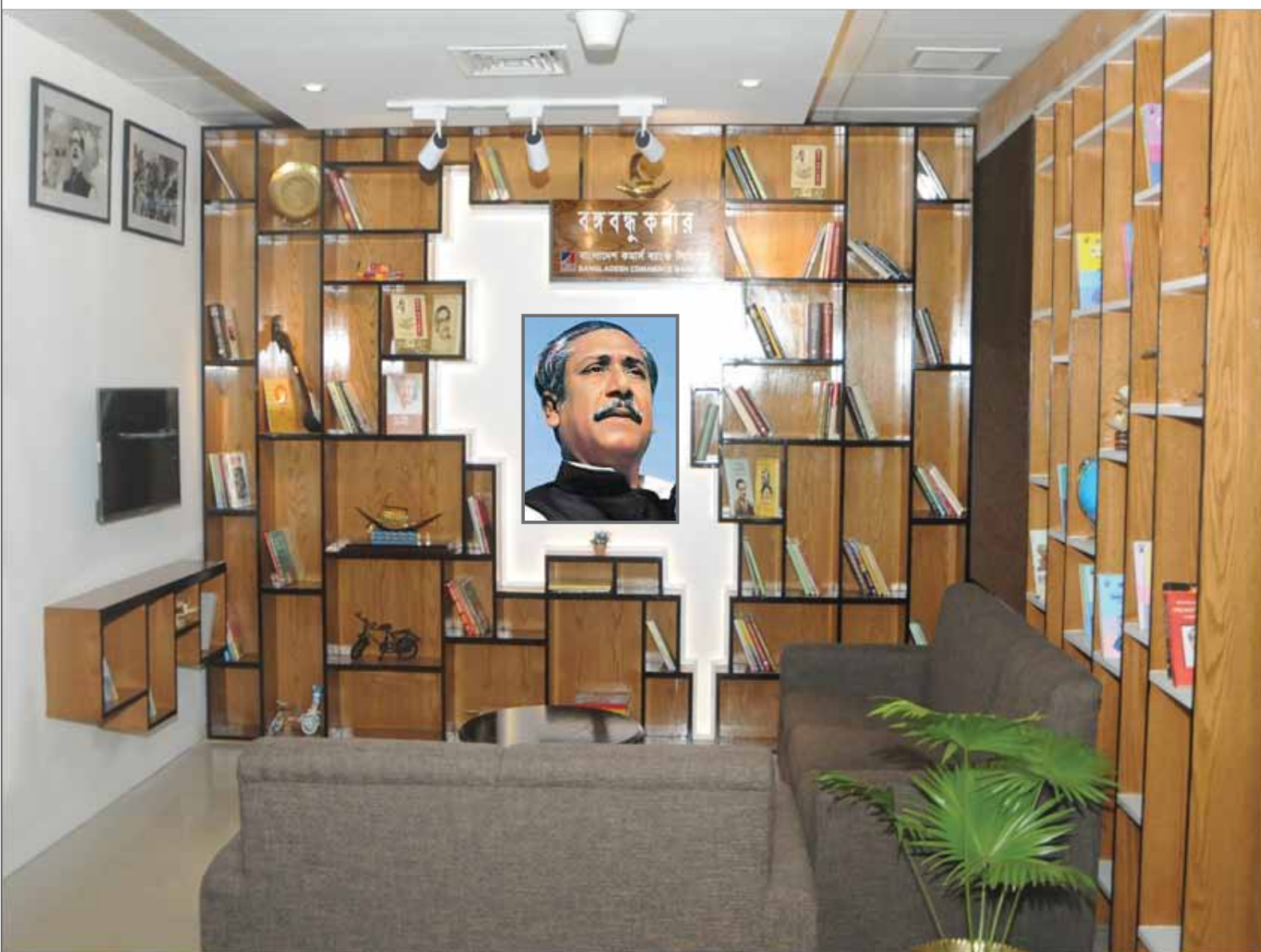


Annual Report 2020

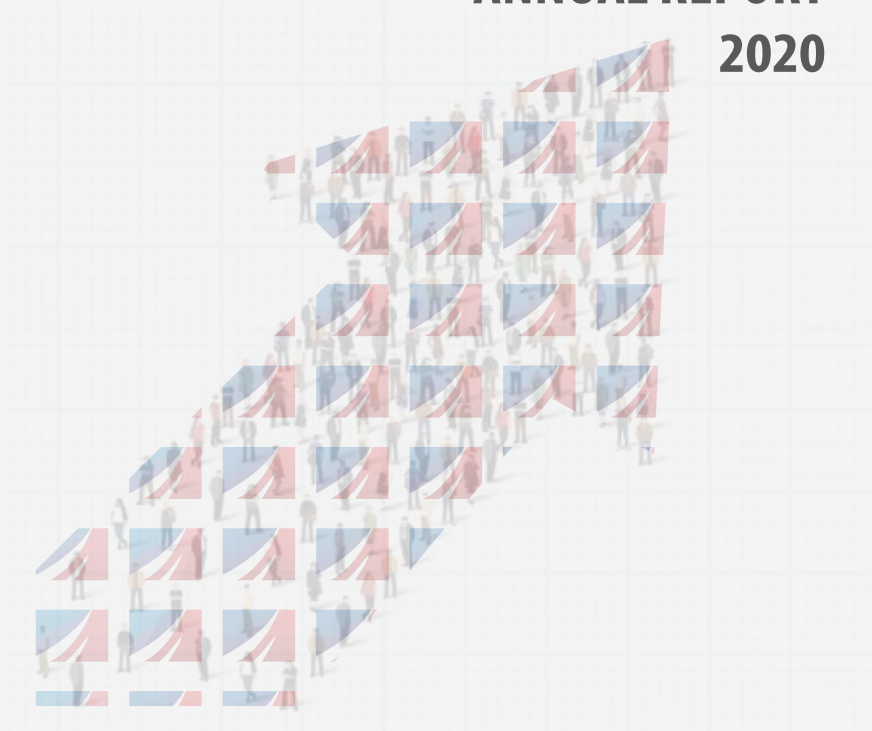


বাংলাদেশ কমার্স ব্যাংক লিমিটেড
BANGLADESH COMMERCE BANK LTD.

BANGABANDHU CORNER



ANNUAL REPORT 2020



“Banking for Development”

In this era of integration, financial landscape is changing rapidly. Banking services have taken newer form driven by newly added banking feature, adaptation of new technology and product diversification. Banks are also trying to synchronize with the process simplification, service automation and blended with varied delivery platform as per customer demands.

In line with both vision and mission, Bangladesh Commerce Bank Ltd. (BCBL) is always doing business for people’s development and welfare of the society of the country by contributing in deferent sectors of the economy. BCBL is always committed to serve masses, to enhance welfare, to develop nation as well as development for the country.

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LETTER OF TRANSMITTAL

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

Annual Report of Bangladesh Commerce Bank Limited for the year ended 31st December, 2020.

Dear Sir,

On behalf of the Board of Directors we are pleased to present before you the Bank's (BCBL) Annual Report 2020 along with Audited Financial Statements (Consolidated and Separate), Cash Flow Statements and Statement of Changes in Equity for the year ended December 31, 2020 along with the notes thereon of Bangladesh Commerce Bank Limited and its subsidiaries for your kind perusal and record.

Analysis in this report, unless explicitly mentioned otherwise are based on the financials of "The Bank" not the consolidated financials.

Sincerely Yours,



Sayed M. Estencher Billah
Company Secretary



বাংলাদেশ কমার্স ব্যাংক লিমিটেড

কর্পোরেট অফিসঃ ইউনুস ট্রেড সেন্টার (লেভেল ২২)

৫২-৫৩, দিলকুশা বা/এ, ঢাকা-১০০০।

২৩তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এতদ্বারা বাংলাদেশ কমার্স ব্যাংক লিমিটেড এর সম্মানিত শেয়ারহোল্ডারগণের জ্ঞাতার্থে জানানো যাচ্ছে যে, বাংলাদেশ কমার্স ব্যাংক লিমিটেড এর ২৩তম বার্ষিক সাধারণ সভা আগামী ১৮ সেপ্টেম্বর, ২০২১ইং তারিখ, রোজ শনিবার, সকাল ১১.০০ টায় নিম্নোক্ত কার্যাবলী সম্পাদনের নিমিত্তে ডিজিটাল প্ল্যাটফর্মে অনুষ্ঠিত হবে।

আলোচ্যসূচী :

- ১। ৩১ ডিসেম্বর, ২০২০ইং সমাপ্ত বছরের ব্যাংকের নিরীক্ষিত আর্থিক বিবরণী, ঐ তারিখে স্থিতিপত্রসহ তদ্বিষয়ে পরিচালক ও নিরীক্ষকদের প্রতিবেদন গ্রহণ ও অনুমোদন।
- ২। ব্যাংকের মেমোরেডাম এন্ড আর্টিকেলস অব এসোসিয়েশন এবং কোম্পানী আইনের বিধান মোতাবেক পরিচালকের অবসর গ্রহণ ও তদস্থলে পরিচালক নির্বাচন/পুনঃনির্বাচন।
- ৩। ২০২১ইং সালের জন্য অডিটর নিয়োগ ও পারিশ্রমিক নির্ধারণ।
- ৪। সভাপতির অনুমতিক্রমে অন্য যেকোন বিষয়ে আলোচনা।

পর্যদের আদেশক্রমে

তারিখ : আগষ্ট ১২, ২০২১

ঢাকা।

স্বা/-

(সৈয়দ মোহাম্মদ ইস্তেনচার বিল্লাহ)

কোম্পানী সচিব

বিশেষ দৃষ্টব্যঃ

- ১। কোম্পানীর ২৩তম বার্ষিক সাধারণ সভা উপলক্ষ্যে শেয়ার হস্তান্তর বহিঃ আগামী ২৩-০৮-২০২১ইং থেকে ২৫-০৮-২০২১ইং তারিখ (উভয় দিনসহ) বন্ধ থাকবে।
- ২। ২৩তম বার্ষিক সাধারণ সভায় অংশগ্রহণ ও ভোট প্রদানের যোগ্য কোম্পানীর যে কোন সদস্য/সদস্যা তার পক্ষে সভায় অংশগ্রহণ ও ভোট প্রদানের জন্য প্রক্সি নিয়োগ করতে পারবেন। প্রক্সি 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 প্রেরণ করতে হবে। যদি প্রক্সি ফরম যথাযথভাবে পূরণ ও ২০/- টাকা মূল্যের রেভিনিউ স্ট্যাম্প সংযোগপূর্বক নির্ধারিত সময়ে জমা দেয়া না হয় তাহলে প্রক্সি ফরম বৈধ বলে বিবেচিত হবে না।
- ৩। সাধারণ সভা অনুষ্ঠানের দিন ডিজিটাল প্ল্যাটফর্ম সকাল ১০.০০ ঘটিকায় খোলা হবে। এজিএম-এ সংযুক্ত হবার ওয়েব লিংক-এর বিস্তারিত প্রক্রিয়া ব্যাংকের ওয়েবসাইট www.bcbld.com -এ দেখার জন্য সম্মানিত শেয়ারহোল্ডারগণদের-কে অনুরোধ করা হলো।
- ৪। ২৩তম বার্ষিক সাধারণ সভার বার্ষিক প্রতিবেদন-২০২০, নোটিশ ও প্রক্সি ফরম ডাকযোগে সম্মানিত শেয়ারহোল্ডারবৃন্দের নিবন্ধিত ঠিকানায় প্রেরণ ও ব্যাংকের ওয়েবসাইটে আপলোড করা হবে। সভা অনুষ্ঠানের পূর্বে কেউ বার্ষিক প্রতিবেদন, নোটিশ/প্রক্সি ফরম এবং এজিএম-এ উপস্থিতির লিংক না পেয়ে থাকলে ব্যাংকের [website: www.bcbld.com](http://www.bcbld.com) বা রেজিস্টার্ড অফিসের সচিব বিভাগে যোগাযোগ করার জন্য অনুরোধ করা হলো (টেলিফোন- ০৯৬১-৩২২-১০৭০ ও ০২-২২৩৩৫৫৭০৪)।
- 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।



BANGLADESH COMMERCE BANK LTD.

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

Notice of the 23rd Annual General Meeting

Notice is hereby given that the 23rd Annual General Meeting (AGM) of the Honorable shareholders of Bangladesh Commerce Bank Limited will be held on **Saturday, 18 September, 2021** at **11.00 a.m.** through **Digital Platform** to transact the following business.

Agenda:

- 1) To receive, consider and adopt the Audited Financial Statements for the year ended 31st December 2020 along with the Reports of the Directors and Auditors' thereon.
- 2) To elect/re-elect Directors in accordance with the provisions of law and the Memorandum and Articles of Association of the Company.
- 3) To appoint Auditor(s) of the Company and fix up their remuneration for the year 2021.
- 4) To transact any other Business with the Permission of the Chair.

Dated: August 12, 2021
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 **23-08-2021 to 25-08-2021** (inclusive both days) and no shares will transfer during this period.
- 2) A Member eligible to participate and vote at the Annual General Meeting may appoint any person as a proxy 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 any Proxy Form duly filled in affixing a Revenue stamp of **Tk.20/-** is not submitted within the stipulated time, the Proxy will not be treated as valid.
- 3) On the day of Annual General Meeting Digital Platform will remain open from 10.00 am. The shareholders are requested to joining the AGM through web link, detail process for joining the meeting will also be available in the Bank's website: **www.bcblbd.com**.
- 4) Annual Report-2020 along with Notice and Proxy Form of 23rd Annual General Meeting will be sent to the registered address of all respective shareholders and the same would also be uploaded at the website of the Bank. Anybody who has not received the Annual Report, Notice/Proxy Form and link to attend the AGM 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 or 02-223355704**).
- 5) Respected Shareholders are requested to inform **regarding change of address** (if any) to the Board Division of the Registered Office of BCBL on or before **sending Annual Report**.

Vision



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

Mission

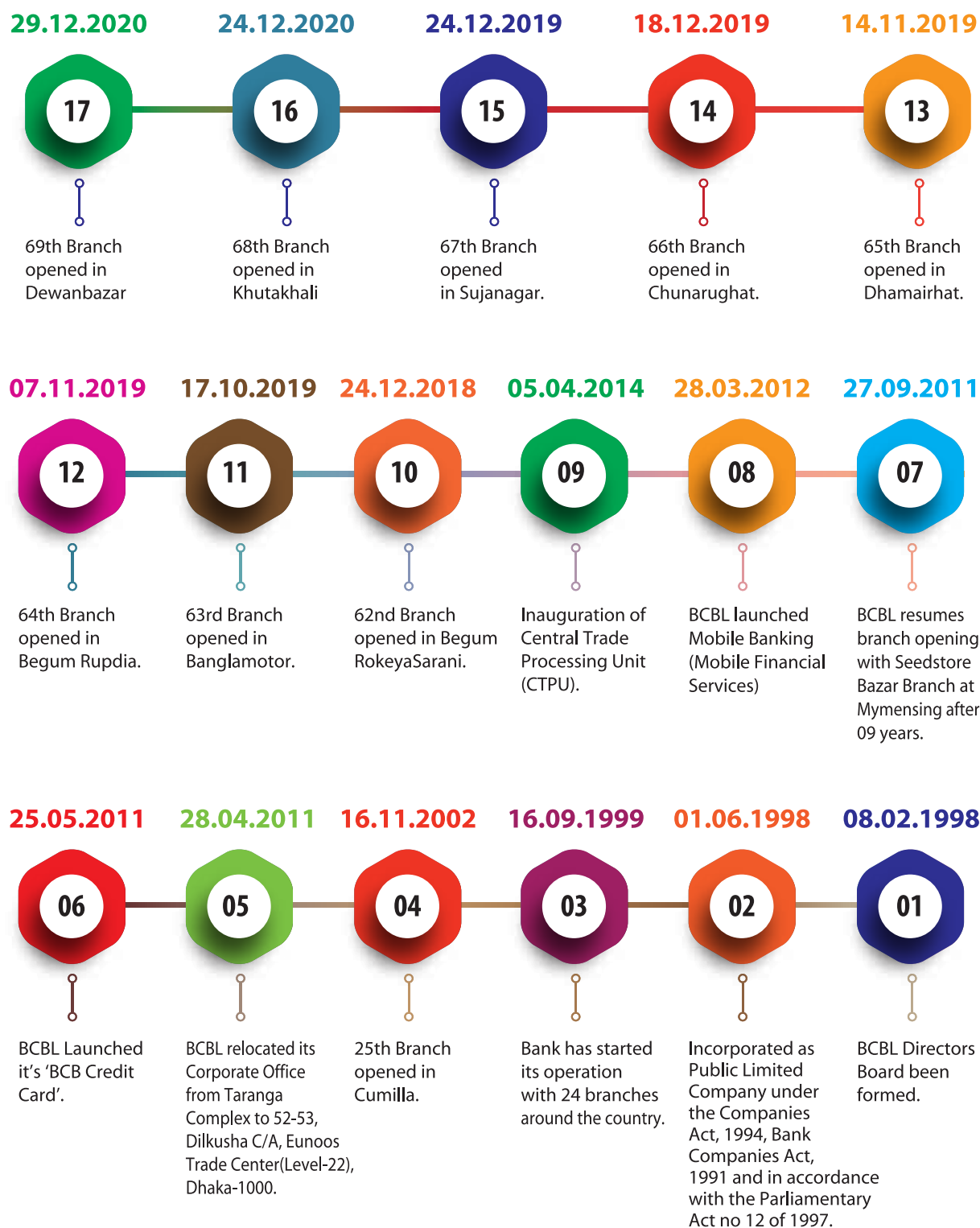


Bangladesh Commerce Bank Limited is committed to fulfill its customer needs and become their first choice in banking so that a sustainable growth reasonable return and contribution to the development of the country can be ensured with a motivated and professional work force.

OUR STRATEGIC PRIORITIES



CORPORATE MILESTONES

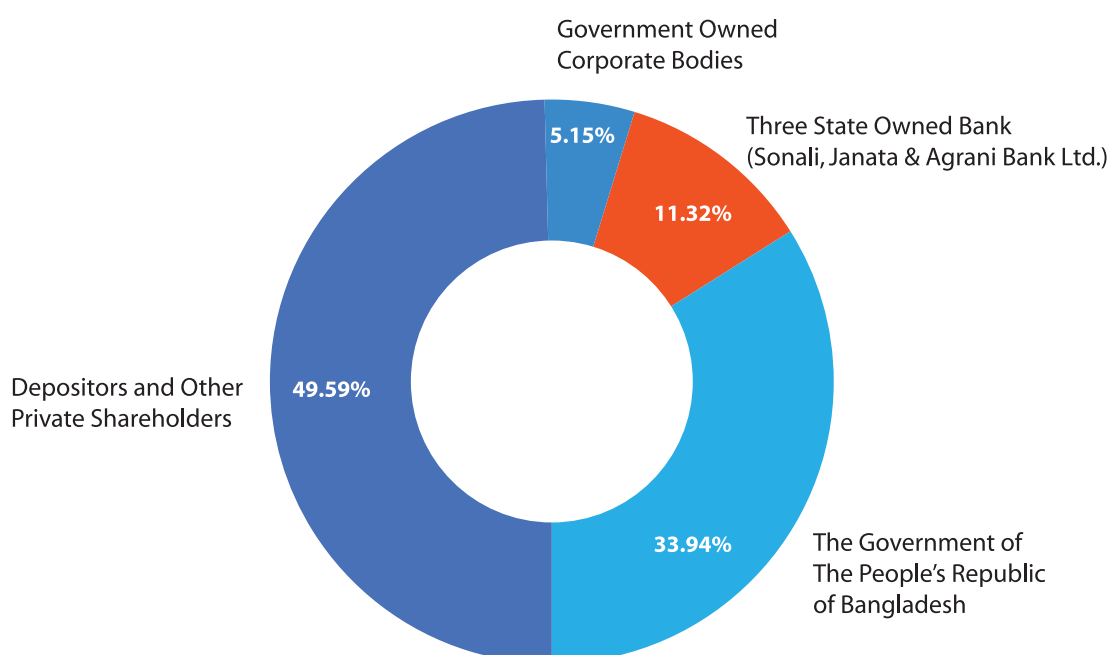


CORPORATE DIRECTORY

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>Services includes offering different types of deposit accounts 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 like Trade Business.</p> <p>However, BCBL is primarily engaged in deposit and lending activities to private and corporate clients through wholesale and retail banking. Other services typically include Visa credit/Debit card, mobile banking, custodial service, guarantees, cash management service and settlement etc.</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.
Tax Consultant	K. M. Hasan & 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
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
			19,887,428	100



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 the Directors	Status with the Committee
1.	Dr. Engr. Rashid Ahmed Chowdhury	Chairman
2.	Mr. Md. Farhad Uddin	Member
3.	Mr. Md. Wahiduzzaman Khandaker	Member
4.	Mr. Md. Azizur Rahman	Member
5.	Ms. Khondker Sabera Islam	Member
6.	Mr. Mohammed Arshed	Member
7.	Dr. Mohammad Ayub Islam	Member
8.	Mr. Md. Shafiqul Islam, FCA	Member
9.	Mr. A A M Zakaria	Member
10.	Mr. Humayun Bokhteyar, FCA	Member
11.	Mr. Omar Farooque	Ex-Officio Director

COMPOSITION OF EXECUTIVE COMMITTEE:

Sl. No.	Name of the Directors	Status with the Committee
1.	Mr. Humayun Bokhteyar, FCA	Chairman
2.	Dr. Engr. Rashid Ahmed Chowdhury	Member
3.	Mr. Mohammed Arshed	Member
4.	Dr. Mohammad Ayub Islam	Member

COMPOSITION OF AUDIT COMMITTEE:

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

COMPOSITION OF RISK MANAGEMENT COMMITTEE:

Sl. No.	Name of the Directors	Status with the Committee
1.	Mr. Mohammed Arshed	Chairman
2.	Mr. Md. Farhad Uddin	Member
3.	Mr. Md. Wahiduzzaman Khandaker	Member
4.	Mr. Md. Shafiqul Islam, FCA	Member
5.	Dr. Mohammad Ayub Islam	Member

Directors' Profile



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



Mr. Humayun Bokhteyar, FCA
Chairman, EC Committee



Mr. Md. Shafiqul Islam, FCA
Chairman, Audit Committee



Mr. Mohammed Arshed
Chairman, Risk Management Committee



Mr. Md. Farhad Uddin
Director



Mr. Md. Wahiduzzaman Khandaker
Director



Mr. Md. Azizur Rahman
Director



Ms. Khondker Sabera Islam
Director



Dr. Mohammad Ayub Islam
Director



Mr. A A M Zakaria
Director



Mr. Omar Farooque
Managing Director & CEO
(Ex-Officio Director)

**Dr. Engr. Rashid Ahmed Chowdhury**

Chairman

Dr. Engr. Rashid Ahmed Chowdhury is representing Padma Export Import & Trading Co. Limited in the Board of Directors of Bangladesh Commerce Bank Limited.

Dr. Engr. Rashid Ahmed Chowdhury was born in a reputed Muslim family of Agrabad, Chattogram. He completed his SSC from Chittagong Collegiate High School and HSC from Chittagong College. Dr. Chowdhury is an Associate in Science (Applied Science) & also an 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 completed 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 the Department of General Management & Management Information System (MIS) at Chittagong Independent University (CIU) where he has been working since 2001. He teaches both at the Undergraduate and Graduate levels at CIU and additionally have been serving as the Proctor of the university. 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 a 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 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.


Md. Farhad Uddin

Director

Mr. Md. 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 a 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.


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 Deptt. 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.


Md. Azizur Rahman

Director

Mr. Md. Azizur Rahman, son of Mr. Hakim Uddin Bayaty and Mrs. Hazera Begum was born in a humble Muslim family of Madaripur. He is a Government nominated Director of Bangladesh Commerce Bank Limited. As a civil servant, he started his service in 1994 in the Government Sector. At present, he is the Director General (Additional Secretary) of the Honorable Prime Minister's Office.


Ms. Khondker Sabera Islam

Director

Ms. Khondker Sabera Islam former Deputy Managing Director of Agrani Bank Limited is the Government nominated Director of Bangladesh Commerce Bank Limited (BCBL). Prior to this, She was the Director of Janata Bank Limited.

She was born on 1st August, 1950, her father Mr. Khondker Nurul Islam was a banker & her mother late Mrs. Rezia Khanam was an educationist. Her husband, Late Mr. Muzammel Hossain was an educationist. Ms. Khondker Sabera Islam obtained her B.A (Hon's) and M.A in Political Science from the University of Rajshahi.

She started her banking career with Sonali Bank on 17th October, 1973 as a Probationary Officer. As a prudent banker she has 34 years of banking experience and has attended a number of seminars, workshops and received different training at home and abroad conducted by prestigious and world famous Institutions.


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 is also the Managing Partner of S & A Bay of Bengal. He was born on August 03, 1971. After completion of his Graduation, he has started Business. He has more than 25 years of Business experiences. He travelled many countries on business ground.


Dr. Mohammad Ayub Islam

Director

Dr. Mohammad Ayub Islam is representing Victor Trade And Business Limited in the Board of Directors of Bangladesh Commerce Bank Limited. He is a professor & Chairman of the Department of Accounting, University of Chittagong. He has been serving as a faculty in the Department since 1988. He is a fellow member of Commonwealth Academic Staff Fellowship. He has the experience to work as a research fellow and teacher in some other universities like University of Aberdeen, UK, Independent University, Bangladesh, Preston University, USA (Bangladesh Campus) and Royal Roads University (Bangladesh Campus). He acted as a resource person in different training programs. He is the former chairman of the Bureau of Business Research of Chittagong University. He acted as the Chief Editor of the Editorial Board of Chittagong University Journal of Business Administration. He has published more than 30 articles. A book of him titled 'Forest Resource Management' is published. He has supervised 10 (ten) Ph.D. students. Dr. Islam was an Independent Director of Chittagong Stock Exchange for 6 years. He worked as a consultant in different World Bank and BOG (Government of Bangladesh) funded projects. He was also a manager of one World Bank Funded project. Dr. Islam is a treasurer of the Accounting Association of Chittagong University. He is associated with Chittagong Club Limited and Ma O Shisu Hospital, Chittagong as a member.

**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 Cumilla 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.

**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 09 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.



Humayun Bokhteyar FCA

Director

Mr. Humayun Bokhteyar FCA, is representing Pusti Vegetable Ghee Limited in the Board of Directors of Bangladesh Commerce Bank Limited. He was born in a respectable Muslim family of Satkania, Chattogram. 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.



Mr. Omar Farooque

Managing Director & CEO (Ex-Officio Director)

Mr. Omar Farooque is the Managing Director & CEO of Bangladesh Commerce Bank Limited. Prior to joining in Bangladesh Commerce Bank, he served as the Managing Director of Union Bank Limited & Bangladesh House Building Finance Corporation as well as Managing Director (Current Charge) of Janata Bank Limited. During his 38 years' banking career, he served as the Head of different divisions/departments/branches in various capacities in banks. Apart from that he worked as a Group Leader in FSRP and CBRP Cell of Agrani Bank Ltd. Earlier, he started his career as a Senior Officer in Agrani Bank in the year 1983.

Mr. Farooque is an MBA in Finance from Institute of Business Administration (IBA), University of Dhaka. He is also a Diplomaed Associate of Institute of Bankers Bangladesh (DAIBB).

He was a resource person in different training institutes including a faculty member at Bangladesh Institute of Bank Management (BIBM). During the tenure of his service, he visited United Kingdom, China, Malaysia, Thailand and Singapore. He also attended various training programs, seminars, workshops at home and abroad.

MESSAGE FROM THE HONORABLE CHAIRMAN



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

"We are committed to maintain the highest level of ethical standards of integrity, corporate governance and regulatory compliance. We have proactively upheld good governance practices and continually striving to enhance our standards."

Bismillahir Rahmanir Rahim**RESPECTED SHAREHOLDERS,**

Assalamu Alaikum,

On behalf of the Board of Directors (BoD), I welcome you all to the 23rd Annual General Meeting of Bangladesh Commerce Bank Ltd. It is my pleasure to present you the Annual Report and Audited Financial Statements of the Bank for the year 2020. I would like to express my heartfelt gratitude and thanks to you all for your continuous support and guidance to run the business overcoming the obstacles and challenges. The year 2020 has been, unlike anything in the past, a year of uncertainty induced by global Corona virus pandemic. To battle against the pandemic the Bank went out of its routine procedural norms to quickly alter its focus on conserving the safety, wellbeing of its employees & customers, maintaining all relevant guidelines to support the community we live in and operate business. Bangladesh Commerce Bank had barely paused during the COVID-19 pandemic and responded to the economic impacts and operational setbacks from Covid-19 with strong governance and oversight. As the virus took grip on the region, BCBL remain cost conscious and constructively went through rigorous cost optimization exercise. With utmost respect, I remember Father of the Nation Bangabandhu Sheikh Mujibur Rahman on his 100th Birth Anniversary and pray for his departed soul.

DEAR SHAREHOLDERS,**ECONOMIC OUTLOOK**

After an estimated 3.5 percent contraction in 2020, the global economy is projected to grow 5.5 percent in 2021 and 4.2 percent in 2022. The estimate for 2020 is 0.9 percentage point higher than projected in the October WEO forecast. This reflects the stronger-than-expected recovery on average across regions in the second half of the year. The 2021 growth forecast is revised up 0.3 percentage point, reflecting additional policy support in a few large economies and expectations of a vaccine-powered strengthening of activity later in the year, which outweigh the drag on near-term momentum due to rising infections. The upgrade is particularly large for the advanced economy group,

reflecting additional fiscal support mostly in the United States and Japan together with expectations of earlier widespread vaccine availability compared to the emerging market and developing economy group.

Consistent with recovery in global activity, global trade volumes are forecast to grow about 8 percent in 2021, before moderating to 6 percent in 2022. Services trade is expected to recover more slowly than merchandise volumes, however, which is consistent with subdued cross-border tourism and business travel until transmission declines everywhere.

Even with the anticipated recovery in 2021–22, output gaps are not expected to close until after 2022. Consistent with persistent negative output gaps, inflation is expected to remain subdued during 2021–22. In advanced economies it is projected to remain generally below central bank targets at 1.5 percent. Among emerging market and developing economies inflation is projected just over 4 percent, which is lower than the historical average of the group.

It has been observed that in the year 2020 both the life and livelihood came to a veritable halt across the globe driven by fearful public health concerns over the outbreak of COVID-19. Being slowed by 3-3% in 2020 (based on IMF), global economy has slowly started to pick up after facing far sever than the 2008-09 global financial crisis. Despite facing the pandemic induced challenges in all economic sectors, suitable and timely measures taken by the Government and Bangladesh Bank paved the way for economic recovery of Bangladesh. Country's economy managed to experience a moderate 5.24% GDP growth in FY 2020. Global economy is expected to grow by 6% in 2020 as economic activities in advanced economies are lifting up. However, transition of economy back to pre-pandemic level depends largely on scale and efficiency of vaccination programs across the globe. As most parts of the world is facing a slow rollout of Vaccines, the prospect of recovery are diverging across the countries and regions.

According to Annual Report 2020-2021 of Bangladesh Bank, Bangladesh Bureau of Statistics (BBS) estimated real GDP growth of 5.2 percent in FY20, much lower from 8.2 percent in FY19. Though Bangladesh recorded robust growth rates during the last couple of years, the outbreak of COVID-19 pandemic during the last quarter of FY20 affected national economy adversely, leading to the fall in growth. Following negative impacts of COVID-19, all major sectors witnessed a lower growth. However, the growth rate in FY20 was highest in South Asian region. The outbreak of COVID-19 has created serious impediments in attaining key monetary program objectives viz., keeping annual average CPI inflation within 5.5 percent and achieving 8.2 percent real GDP growth target for FY20. Annual average CPI inflation stood at 5.7 percent at end June 2020.

RESPECTED SHAREHOLDERS,

Throughout the core business area, Bank's operating loss for the year 2020 is Tk. 1,470.48 million. Provisions for loans and advances, taxation and other required provisions, BCBL attained net loss of Tk. 1,958.80 million. The Bank's classified loans (CL) stood at 42.33% against industry position of 8.10%. We believe that this will come down to below 20% (approximate) within short time.

The Bank listed a slightly lower performance and in all respects efficiency in banking operations has decreased. Cost to Income ratio 174.90% in 2020 which was 121.97% in the previous year. Operating loss is Tk. 1,470.48 million and Loss after taxation is Tk. 1,958.80 million due to adjustment of prior period's provision for loans & advances. ROA and ROE, two key profitability ratio, have given negative (4.79%) and (89.32%) respectively while the basic loss per share (Tk.73.94) where was earning per share (Tk. 98.49) in 2020.

HUMAN CAPITAL

We hearten employing right person in right position, develop skills, looking after enthusiastic and motivated incumbents with sustainable remuneration packages. In developing well organized human resources, we always acknowledged the individual prerequisite; sharpen the ability through learning and development programs to ensure better efficiency. To deal with variable HR needs, the human resource policy of the bank is reviewed time to time. We believe professional yet caring work environment would help to attract and retain people with high caliber. It will ensure higher level of comfort for the employees and create stronger ties with the Bank.

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 like to thank Bangladesh Bank, External Auditors, Registrar of Joint Stock Companies & Firms 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 constant and unfaltering support over the years. I am also grateful to the entire management team for their persistent hard works and achievements.

My best wishes to all of you.

Thank you,



Dr. Engr. Rashid Ahmed Chowdhury
Chairman
Bangladesh Commerce Bank Limited

Statement from Managing Director & CEO



Omar Farooque
Managing Director & CEO

In the Name of Almighty Allah, the Most Gracious and Merciful

Respected Shareholders, Honorable Members of the Board of Director & Stakeholders

Assalamu- Alaikum Wa Rahmatullah,

It is an honor and privilege for me to welcome you all in the 23rd Annual General Meeting of Bangladesh Commerce Bank Limited. It is my pleasure to present the position and performance of the Bank for the year 2020 when we are moving for a challenging situation as to ascertain our vision towards financial excellence with the whole-hearted support & guidance of our Honorable Board of Directors and confidence of our Shareholders, Customers and all Stakeholders in this pandemic situation. With great respect, I remember the father of the nation Bangabandhu Sheikh Mujibur Rahman on his 100th birth anniversary & prayed for his departed soul.

The premise under which we had to work hard for the success is enumerated in the following manners:

Global economy and operating environment:

The entire world is now engulfed with challenges of COVID-19 pandemic and there is a clear sense of uncertainties all around from this pandemic. Both Bangladesh and global economy in 2020 was impacted by a single virus of COVID-19. However, the proactive and timely measures taken by government and Bangladesh Bank to revive the economy through debt moratoriums and concessionary loan schemes under stimulus packages for pandemic affected individuals and businesses are much needed and extremely crucial. Glimpse of the major events occurred in Bangladesh economies in 2020 are:

- ❖ Bangladesh Bank declared general moratorium facility on bank loan repayment to give entrepreneurs a fresh lifeline.
- ❖ Bangladesh bank has taken policy decision to set a cap on lending rate 9% effective from 01 April 2020.
- ❖ The incentive (2%) on wage earners inward remittance act as a important role to achieve a notable foreign exchange reserve in this pandemic period. Foreign Exchange reserve reached at \$43.16 billion, while it was \$32.69 billion in the last year. Particularly negative growth of Import payment & ever exceeding volume of Inward remittance have contributed to reach Foreign Exchange Reserve at that level.
- ❖ Private sector has experienced a sluggish credit growth as entrepreneurs and business houses were reluctant to make fresh investment due to persisting uncertainty caused by Covid-19.
- ❖ During the year 2020, total export decreased by 15% to \$33,605 million, comparing to previous year which was USD 39,337 million. On the otherhand total import was USD 45,772 million in 2020 and USD55,022 million in 2019 resulting 17% negative growth. This has been attributed due to the cancellation of work order by major garment buyers of mostly European and US markets.
- ❖ The stock market in Bangladesh witnessed sharp fall in after mid March, 2020. Due to dull situation, the stock market operation was postponed in April and May period specifically due to out break of pandemic. For revival some effective measures were taken by Bangladesh Securities Exchange Commission for regaining investor's confidence and more institutional participation.

Financial performance:

This Year was very unsettling for the Banks and Financial Institutions of Bangladesh on many counts. The Corona virus outbreak along with the single digit interest rate impacted the profitability of the Bank. However, Some of the key financial achievements of our bank are:

- **Assets:** We have been maintaining formidable position to serve our valued customer through wide network of 69 branches and 3 sub-branches all over the country. Consolidated assets of the bank stood at BDT 4,088.02 crore in 2020 against BDT 3,955.04 crore in 2019, registering a growth of 3.36% where earning assets increased by 12.14%.
- **Deposit and Loans & Advances:** Despite various external challenges, Deposit of the bank increased by 6.92% and stood at 3639.34 crore and loans increased by 2.69% and stood at 2,307.97 crore at the end of 2020.
- **Non Performing Loan (NPL):** Non Performing Loan of the bank stood at BDT 977.04 crore in 2020 against BDT 1132.49 crore in 2019, i.e. the NPL decreased by 15.98% comparing to the previous year. Due to the global pandemic and single digit lending rate cap, our net interest income in 2020 decreased immensely, but to cope with the delining interest income the Bank has initiated alternative strategies like strengthening trade business, finding new avenues for generating more fee & commission income etc, which resulted an increase of 7.78% non- interest income based on 2019.
- **Operating Result:** Due to pandemic situation, business condition & policy constrain, Bank's operating loss for the year 2020 is Tk147.05 crore. But after provisions for loans and advances, taxation and other required provisions, BCBL attained net loss of Tk195.88 crore which resulted a negative EPS of Tk.98.49 per share but in the last year it was a negative EPS of Tk.64.86 per share.

Strategic Objectives:

The Bank continued to put trust on strengthening its suitable position in the Retail and SME segments while sustaining its competitive edge in the

corporate segment. This strategy will allow the Bank to optimize its risk-return balance while diversifying its portfolio. The Retail and SME Banking segment recorded sound growth, supported by strategic focus on new client acquisition and offerings clients with compliment or supplement for the services they have already taken. The bank has given emphasis on low cost deposit mobilization by initiating some speedy drives. The bank has undertaken vigorous move to enhance non-funded business as well. For capacity building proper manpower planning has been initiated. A good number of banking product and services have been introduced tailored by popular customer needs to attract new customers and also as a tool to penetrate in the untouched market of the industry. The bank has also been trying to get approval from Bangladesh bank for Shariah Based Banking, which might be helpful to rebuild the bank image & business opportunities in future.

Pro-active System & Automation:

Digital innovations are transforming at least financial systems all over the world to a great extent. Customers are demanding banking that is simple, functional, reliable, and seamless system. New opportunities for business growth associated new risks that ensuring security and safety among others. In the ever evolving market scenario strengthening digital capabilities is our key priority. We have been continuously trying to increase operational efficiency by automating and digitalizing internal operational processes. Introducing new service features in existing banking products and services that have become integral part of our day to day life. By enhancing transaction security we are committed to give our customers utmost comfort. We are working for VISA Credit Card with all attractive features. To safeguard the Bank's from ransomware / malware attacks, we have taken all necessary measures to protect data so that it can be retrieved in the event of any unwanted incident. We are also working on upgrading the current core banking solution to facilitate better customer service and to make processing job fully automated & easier. Now a days data security is a much talked and critical factor for a financial institution. We have the plan & policy to protect data from any cyber attack upgrading cyber security measures in the way of right form as and when required.

Customized Services and Mobilization of Resources:

We work towards providing excellence customer services consistently through all our banking channels. It is our objective to facilitate mass people to do banking, Considering the the fact we are planning to make operation process much more easier and time saving and feel them very comfortable when they do banking with us. It is our goal to earn customer satisfaction providing better customer services.

For productive resource mobilisation and cost rationalization, we will reduce controllable expenses to some extent and initiative has been taken to reduce to our cost to income ratio in 2021. In the coming days, we will focus more on cost rationalization to ensure eco-friendly operational environment, minimum wastages, committed human resources with positive mindset with adequate skill that will reap up the benefits for the Bank in future. We have taken initiative to develop skill and proper placement accordingly so that right man right place should be ensured for higher productivity.

Compliance and Good Governance:

Our utmost priority is to safeguard the interest of our depositors and shareholders. We continue to work closely with the regulators to ensure compliance in every aspect of risks associated with managing a bank. Our focus during 2020 was to conduct businesses prudently keeping ourselves within regulatory framework. We complied with all key the regulatory requirement like AD ratio ($63.22\% \leq 85\%$), capital market exposure ($21.86\% \leq 25\%$), that clearly shows our commitment to key stakeholders.

A responsible bank with innovation:

We believe that every small 'GREEN' step taken today would go a long way in building a greener future. Through proper planning and management, we are trying to ensure minimal wastage of our resources. We suggest our employees switch their lights off after office hours, use daylight instead of electric lights, turn off all air-conditioner after 7 p.m., moving towards paperless work as much as

possible, managing water consumption, planting trees and encouraging green practices –all these have been mainstay of our development banking activities. We will continue to drive initiatives to embed the principles of sustainable socio-economic, development to our business strategy and process for attaining excellence in the coming days. We can want to make our bank responsive, goal directed and customer friendly in near future.

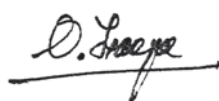
Action plan for 2021:

- Reduction of NPL at an acceptable level by which we can make interest spread at positive level.
- Prevention of future new classification through effective monitoring system by the concerned divisions.
- Effective measures to be taken for top 20 defaulters for recovery of significant amount of bad loan.
- Initiated to make treasury function easy by implementing automated treasury module.
- Bonding relationship with Islami Bank Bangladesh Limited for sharing foreign trade business which eventually boosted up our business.
- Cash FC transaction, student file processing, passport endorsement to be introduced.
- Workshop for all employees has been planned for skill development.
- Introducing VISA Card for the convergence with global standard, automated customer service in order to attain Cash Less Services.
- More Deposit Products to be launched with attractive feature and launched some new loan product as per requirement of the customer.

- Planned to open new sub-branches at potential locations to extend its network across the country.
- Initiative has taken for conversion from Conventional to Islamic Bank in order to rebuild our image through branding in proactive way.
- The bank has taken initiated to reduce its Cost of Fund below lending rate by taking low cost deposit and to rationalized deposit mix.
- Designed to start internet banking with mobile Apps which will give us new opportunities to attract the valued clients.

Gratitude:

I would like to extend my sincere thanks to the Chairman of the Board for his stewardship and prudent guidance, the members of the Board of Directors for their advice, direction and patronage and to the Governor and officials of Bangladesh Bank and other regulatory bodies for their continued support and direction. A special word of thanks to the employees at all levels for their dedication and commitment in driving the Bank forward. Finally, I would like to thank our valued shareholders, customers, business partners and other stakeholders for their faith on us and for being a continuous inspiration to deliver excellence.



Omar Farooque
Managing Director & CEO

Shareholder's Information

Five Years at a Glance

Figures in Million BDT

A. BALANCE SHEET METRIC	2020	2019	2018	2017	2016
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	(2,193)	(40)	1,273	3,495	3,466
Deposits	36,393	34,039	31,633	30,009	25,223
Borrowings	320	174	334	180	7
Loans and advances	23,080	22,476	22,148	19,284	16,634
Credit to deposit ratio (Gross)	63.42%	66.03%	70.02%	64.26%	65.95%
Credit to deposit ratio - Gross (excluding OBU loans)	63.42%	66.03%	70.02%	64.26%	65.95%
Investments	5,639	5,527	4,972	4,731	4,223
Fixed Assets	331	311	218	143	143
Interest bearing assets	24,382	21,764	3,828	26,725	21,404
Total assets	40,880	39,550	38,028	36,395	31,167

B. INCOME STATEMENT METRIC	2020	2019	2018	2017	2016
Net interest income (excluding Investment Income)	(757)	243	737	728	611
Non-interest income	37	50	71	59	61
Investment Income	429	341	302	328	331
Non Investment Income (Exchange, fees & charges)	89	125	158	138	106
Operating Revenue	(202)	759	1,267	1,253	1,109
Operating Profit (Profit before provision and tax)	(1,470)	(625)	(284)	302	216
Provision for loans, investment and other assets	517	665	1,832	156	91
Profit before tax	(1,987)	(1,290)	(2,116)	146	100
Profit after tax (PAT)	(1,959)	(1,290)	(2,231)	29	25

C. CAPITAL METRIC	2020	2019	2018	2017	2016
Risk weighted assets (RWA) under Basel III	41,512	41,489	38,791	30,204	26,719
Core capital (Tier 1)	(6,145)	(6,052)	(2,707)	797	338
Supplementary capital (Tier 2)	111	144	148	127	122
Total Capital / Regulatory capital (Tier 1 and 2)	(6,034)	(5,908)	(2,559)	924	460
Statutory capital (Paid up capital and statutory reserve)	2,264	2,264	2,264	2,264	2,234
Capital adequacy ratio (Regulatory capital/RWA)	-14.54%	-14.24%	-6.60%	3.06%	1.72%
Core capital (Tier 1) to RWA	-14.80%	-14.59%	-6.98%	2.64%	1.27%
RWA to total assets	101.55%	104.90%	102.01%	82.99%	85.73%

Shareholder's Information

Figures in Million BDT

D. CREDIT QUALITY	2020	2019	2018	2017	2016
Non performing/classified loans (NPLs)	9770.45	11,325	8,583	5,598	6,255
Specific Provision	3,586	2,999	2,499	765	741
General Provision	111	89	89	89	89
Total Provision	3,697	3,088	2,588	854	830
NPL to total loans and advance	42.33%	50.39%	38.75%	29.03%	37.60%

E. TRADE BUSINESS METRIC	2020	2019	2018	2017	2016
Export	1,268	2,542	6,174	2,284	2,629
Import (LC)	2,377	3,698	5,034	4,719	3,846
Rimittance	2,108	2,089	1,722	1,187	1,173

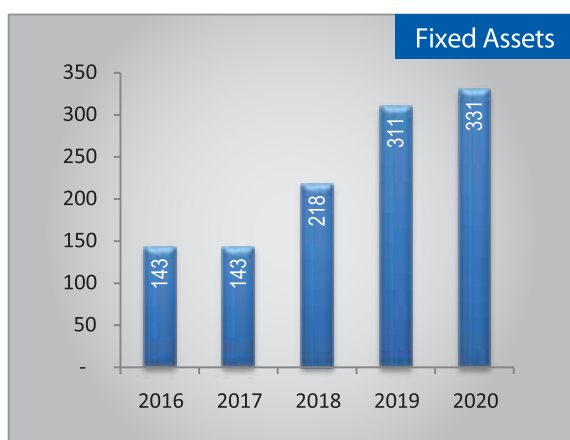
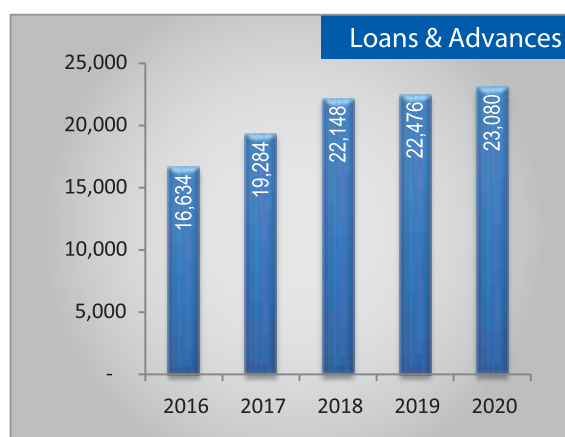
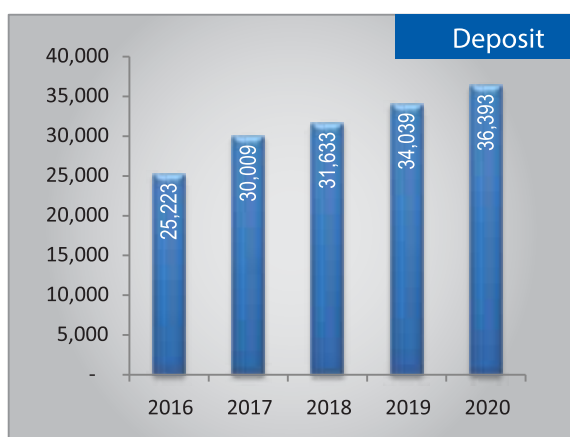
F. EFFICIENCY/PRODUCTIVITY RATIOS	2020	2019	2018	2017	2016
Return on average equity (ROE)	-89.33%	3245.24%	-175.26%	0.83%	0.72%
Return on average assets (ROA) (PAT/average assets)	-4.79%	-3.26%	-5.87%	0.08%	0.08%
Cost to income ratio (Operating expense/Total Revenue)	64.65%	182.40%	109.35%	75.87%	80.52%
Yield on advance (average)	5.67%	7.45%	7.04%	7.01%	7.64%
Cost of deposits (average)	6.18%	6.85%	5.95%	4.25%	5.04%
Net interest margin ratio (NII/Average interest bearing assets)	-2.32%	2.29%	2.18%	3.95%	2.90%
Cash reserve ratio (daily basis)	5.61%	5.71%	6.45%	6.44%	7.41%
Statutory liquidity reserve ratio	15.90%	19.84%	20.82%	19.99%	15.17%
Operating profit per employee	(1.41)	(0.57)	(0.27)	0.32	0.26
Operating profit per branch	(21.30)	(9.33)	(4.58)	5.39	4.50

G. SHARE-DISTRIBUTION METRIC	2020	2019	2018	2017	2016
Earnings per share (EPS) in BDT	(98.49)	(64.86)	(112.19)	1.48	1.26
Operating profit per share in BDT	(73.94)	(31.44)	(14.23)	15.2	10.86
Price earning ratio (times)	(1.02)	(1.54)	(0.89)	67.57	79.37

H. OTHER INFORMATION (ACTUAL FIGURE)	2020	2019	2018	2017	2016
No of branches	69	67	62	56	48
No of employees	1044	1101	1035	952	820

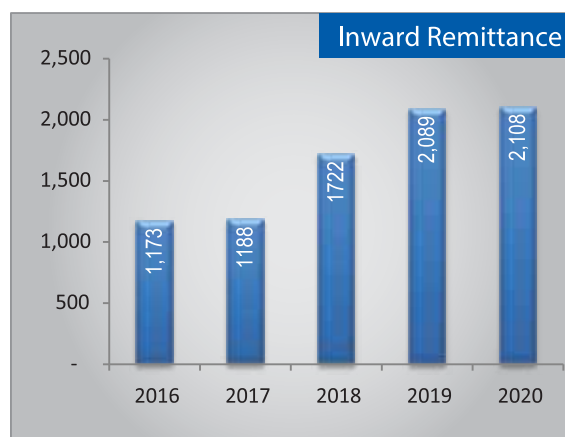
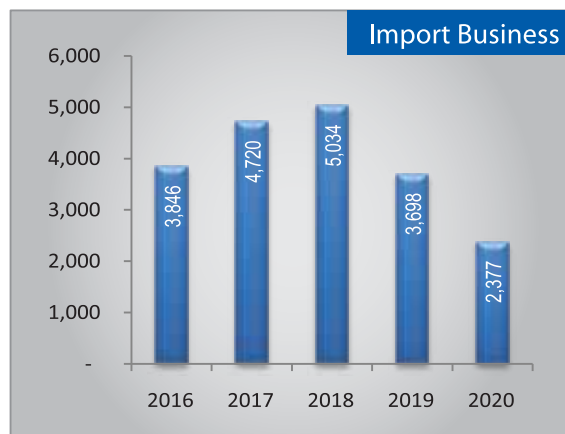
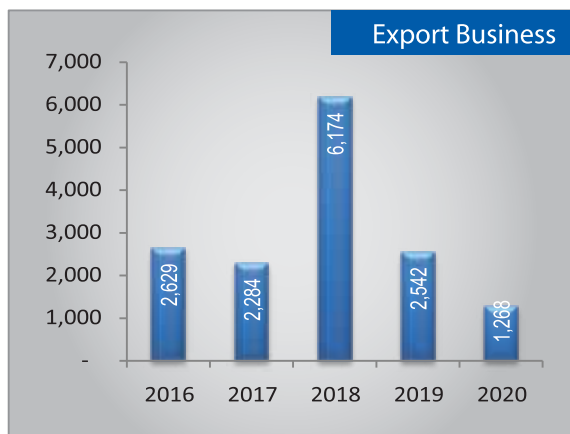
Graphical Presentation

Business Performance

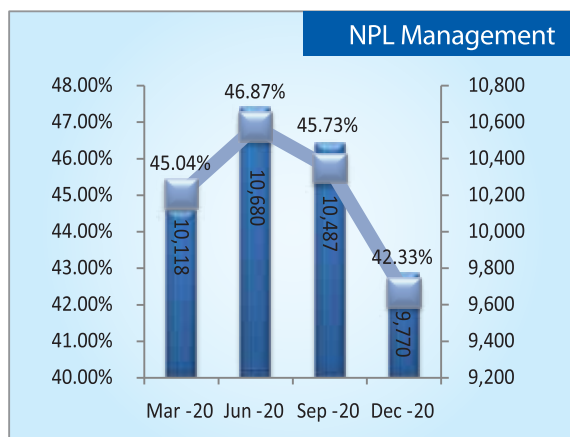


Graphical Presentation

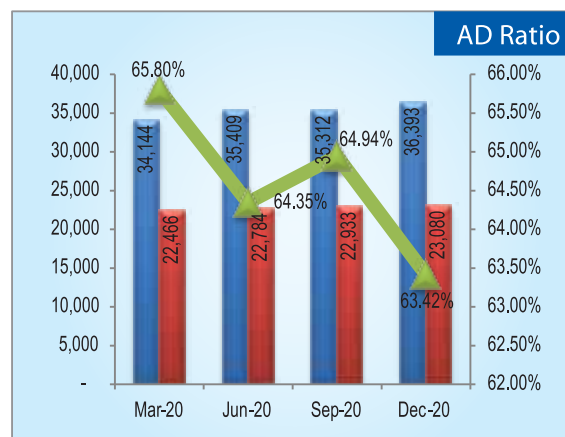
Business Performance



Operating Efficiency



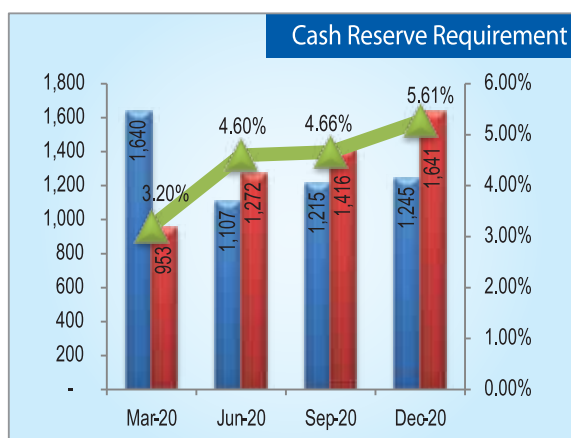
■ NPL Rate ■ NPL Amount



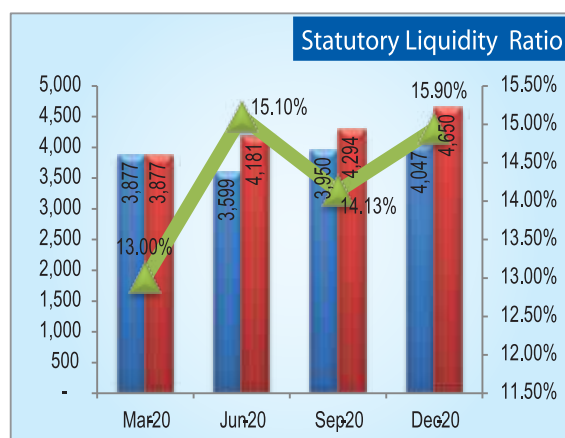
■ AD Ratio ■ Deposit ■ Loans & Advances

Graphical Presentation

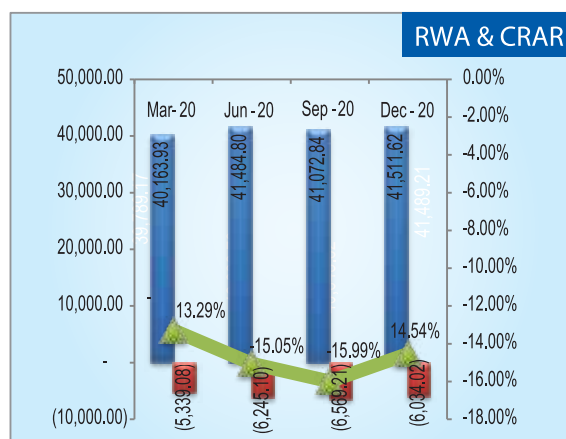
Operating Efficiency



■ CRR ■ CRR Requirement ■ CRR Maintained

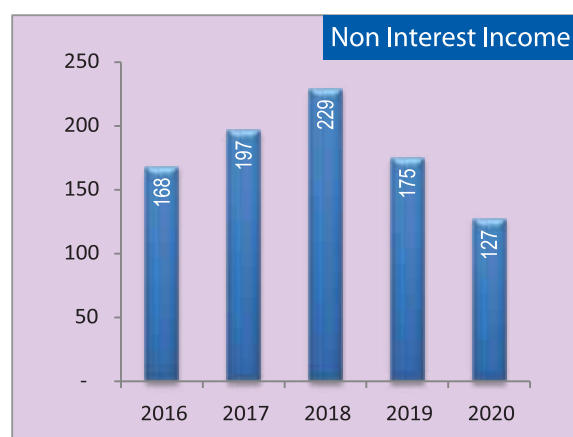
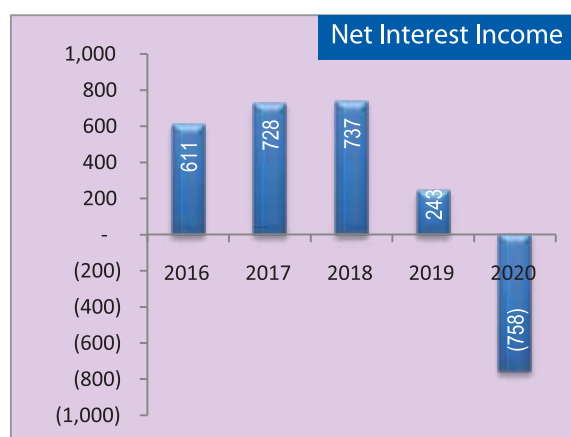


■ SLR ■ SLR Requirement ■ SLR Maintained



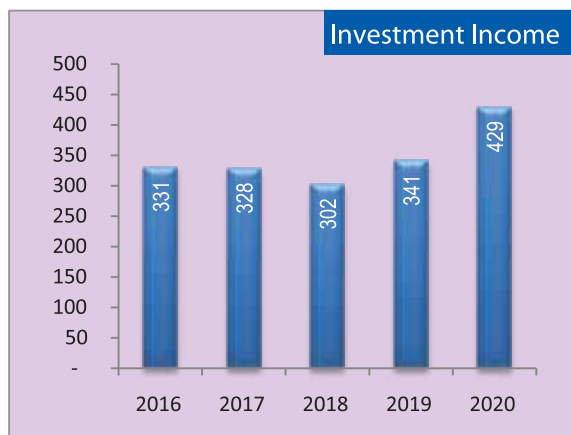
■ CRAR ■ RWA ■ Eligible Capital

Profitability

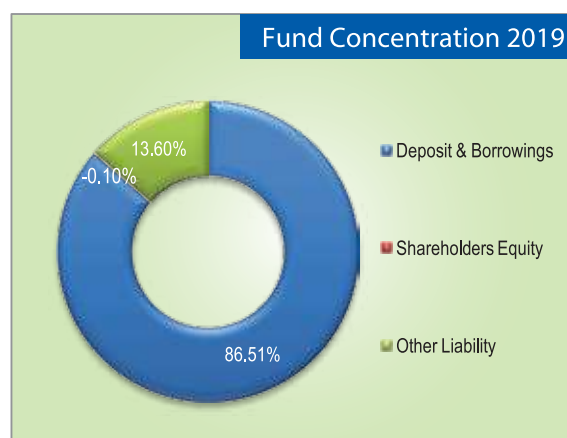
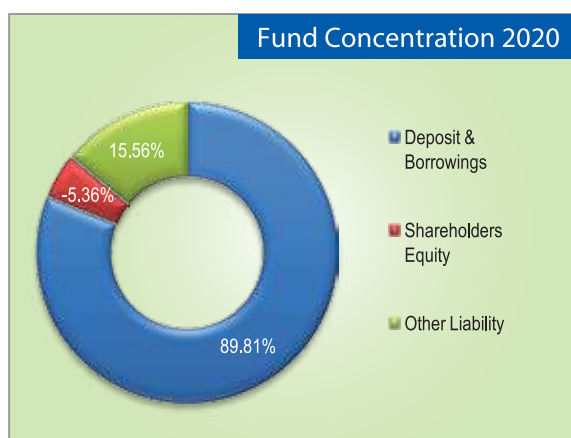
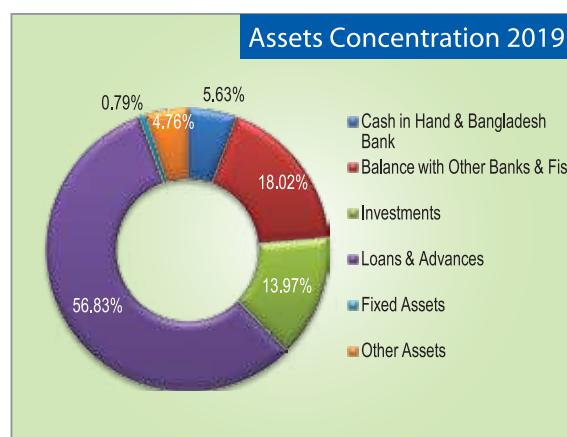
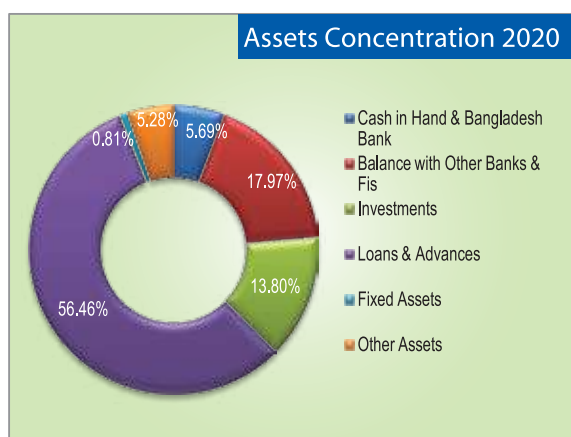


Graphical Presentation

Profitability

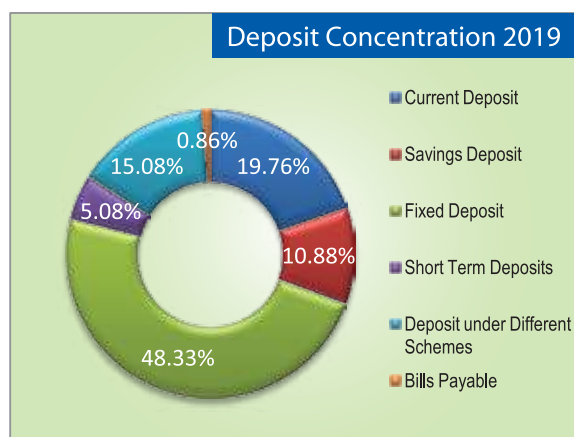
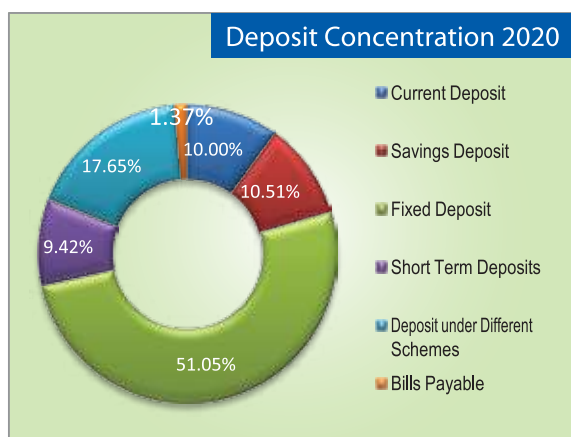


Concentration



Graphical Presentation

Concentration



Credit Ratings 2020

Long Term

Tripple B Minus
Adequate Capacity

BBB-

Short Term

ST-4
Inadequate Capacity

ST-4

Rated by : National Credit Ratings Ltd.
Date of declaration : 31st August, 2021
Valid till : 30th August, 2022

Value Addition & Distributions

Fig. in Million

Particulars	2020		2019	
	Consolidate	Bank	Consolidate	Bank
Income from banking services	2,082	1,963	2,971	2,846
less: Cost of services & supplies	2,553	2,522	2,540	2,506
Value Added by Banking Services	(471)	(558)	431	339
Non-Banking income	-	-	-	-
Provision for loans & others assets	527	517	665	665
Wealth cretion	(998)	(1,075)	(234)	(326)
Wealth distribution				
Employees as salaries & allowances	966	912	1,016	964
Government as income Tax	(18)	(29)	17	-
Statutory Reserve	-	-	-	-
Retain Earning	(1,945)	(1,959)	(1,266)	(1,290)

Economic Value Added (EVA) Statement

Fig. in Million

Particulars	2020		2019	
	Consolidate	Bank	Consolidate	Bank
SShareholder's equity	(2,078)	(2,193)	62	(40)
Add: Accumulated provision for Loans & Advances and Other assetes	4,334	3,906	3,797	3,651
Total:	2,256	1,713	3,859	3,611
Capital Employed (Average Shareholder's equity)	(1,008)	(1,116)	1,412	617
Earnings				
Profit after tax	(1,945)	(1,959)	(1,266)	(1,290)
"Add:Provision for loan & advance and other assets duiring the year"	527	517	665	665
less:Written off loans during the year	-	-	-	-
Total Earnings	(1,418)	(1,442)	(601)	(625)
"Average cost of equity (Based on weighted average rate of years treasury bond issued by the Bangladesh Government) Plus 2% risk premium"	8.08%	8.08%	10%	10%
Capital Charge(Cost of average equity)	(81.46)	(90.20)	141	62
Economic value Added	(1,337)	(1,352)	(743)	(687)

REPORT OF THE AUDIT COMMITTEE OF THE BOARD

In compliance with the Bank Company Act 1991 (as amended up to 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 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. In fulfilling its oversight responsibilities, the Audit Committee 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 337th meeting held on 26.08.2020 consisting of the following members:

Composition of the Audit Committee:

Sl. No.	Name of Directors	Position in the Committee
1.	Mr. Md. Shafiqul Islam, FCA	Chairman
2.	Mr. Md. Farhad Uddin	Member
3.	Mr. Md. Wahiduzzaman Khandaker	Member
4.	Ms. Khondker Sabera Islam	Member

**** Mr. Md. Wahiduzzaman Khandaker's** term of office (Directorship) expired on 20.09.2020

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

MEETINGS OF THE AUDIT COMMITTEE:

During the year 2020, 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 Bangladesh Bank DOS Circular Letter No. 07 dated 24.04.2011. Meeting dates were as follows:

Sl. No.	Audit Committee meetings	Date of meetings held
1.	67 th Meeting of Audit Committee	23 rd June 2020
2.	68 th Meeting of Audit Committee	19 th July 2020
3.	69 th Meeting of Audit Committee	19 th October 2020
4.	70 th Meeting of Audit Committee	21 st December 2020

Key Activities of the year 2020:

During the year 2020, the Audit Committee performed, amongst others, the following key functions, were viewed and discussed before the committee:

- Reviewed and approved the 'Annual Audit Plan 2021'.
- Reviewed Annual Integrated Health report for the year 2019.
- Approval for the draft Management Report on Accounts of the Bank for the year ended 31st December 2019 submitted by External Auditor.
- Reviewed and approved half yearly Self-Assessment of Anti-fraud of Internal controls for the year 2020.
- Evaluated performance of External Auditors.
- Reviewed and Evaluated Comprehensive Risk Management Report (CRMR).
- Evaluated Bangladesh Bank comprehensive inspection report and the recommendations made there under.
- Reviewed the effectiveness of Internal Control System of the Bank.
- Audit and Inspection reports on the branches, divisions and departments of the Corporate Office for the year 2019 and 2020 prepared by the Internal Control and Compliance Division (ICCD) of the Bank.
- Actions taken by the management in regards to the Fraud & Forgery and Irregularities detected by the Internal Audit and Inspection Team of the Bank.
- Reviewed improvement of the Bank for the year 2020 as per directives of Bangladesh Bank, DOBB and Department of Off Site Supervision (DOS) Bangladesh Bank.
- The status of recovery of classified loans and providing necessary instructions to the Management.

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 Accountants of 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:

- In the meetings the Committee has taken specific notes & its 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 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 corporate culture of the Bank.
- The process of continuous monitoring was established for avoidance of errors and omissions and repetition of lapses as 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 rectification.

- The Audit Committee will submit a 'Compliance Report' on quarterly rest to the Board mentioning any errors and Irregularities fraud and other anomalies pointed out by Internal and External Audit and Inspection Team of Bangladesh Bank.
- The corrective measures taken by the management with regard to the reports submitted by Internal Audit, Bangladesh Bank Inspection Team and External Auditors and subsequently informed the Board of Directors on a regular basis.
- This committee will supervise other assignments delegated by the Board and evaluate its own performance regularly.

Compliance with Existing Laws and Regulations:

Review whether the laws and regulations framed by the regulatory authorities (Central Bank, Securities Regulators and other bodies) and internal circular/instructions/policy/regulations approved by the Board and Management have been duly complied with.

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 continuous support while performing their duties and responsibilities in term of statutory guidelines.

On behalf of the Audit Committee



Md. Shafiqul Islam, FCA

Chairman, Audit Committee of the Board

DIRECTORS' REPORT 2020



The Board of Directors is pleased to welcome you all in the 23rd Annual General Meeting (AGM) of the Bank and present before you the Board of Directors' Reports and Audited Financial Statements together with Auditors' Reports for the year ended December 31, 2020. And a review of business and performance of the Bank, a short summary of global economy and Bangladesh economy as well as future prospects and other various aspects, world market trend are also briefly pointed out.

Global Economy

Global growth: after an estimated 3.5 percent contraction in 2020, the global economy is projected to grow 5.5 percent in 2021 and 4.2 percent in 2022. The estimate for 2020 is 0.9 percentage point higher than projected in the October WEO forecast. This reflects the stronger- than-expected recovery on average across regions in the second half of the year. The 2021 growth forecast is revised up 0.3 percentage point, reflecting additional policy support in a few large economies and expectations of a vaccine-powered strengthening of activity later in the year, which outweigh the drag on near-term momentum due to rising infections. The upgrade is particularly large for the advanced economy group, reflecting additional fiscal support mostly in the United States and Japan together with expectations of earlier widespread vaccine availability compared to the emerging market and developing economy group.

Global trade: consistent with recovery in global activity, global trade volumes are forecast to grow about 8 percent in 2021, before moderating to 6 percent in 2022. Services trade is expected to recover more slowly than merchandise volumes, however, which is consistent with subdued cross-border tourism and business travel until transmission declines everywhere.

Inflation: even with the anticipated recovery in 2021-22, output gaps are not expected to close until after 2022. Consistent with persistent negative output gaps, inflation is expected to remain subdued during 2021-22. In advanced economies it is projected to remain generally below central bank targets at 1.5 percent. Among emerging market and developing economies inflation is projected just over 4 percent, which is lower than the historical average of the group.

Advanced economies, in general, have been able to provide expansive fiscal support to households and firms (direct tax and spending measures as well as equity injections, loans and guarantees) and central banks have reinforced this with expanded asset purchase programs, funding-for-lending facilities, and for some, interest rate cuts. Reflecting the strong policy support and the anticipated widespread availability of vaccines in summer 2021, the projected output loss compared with the pre-COVID forecast is relatively smaller for advanced economies than other countries. Recovery paths vary within the group, with the US and Japan projected to regain end-2019 activity levels in the second half of 2021, while in the euro area and the United Kingdom activity is expected to remain below end-2019 levels into 2022. The wide divergence reflects to an important extent differences across countries in behavioral and public health responses to infections, flexibility and adaptability of economic activity to low mobility, preexisting trends and structural rigidities entering the crisis. The 2021 forecast for the United States is revised up 2 percentage points relative to the October 2020 WEO projection, reflecting carryover from the strong momentum in the second half of 2020 and additional support from the December 2020 fiscal package. Similarly, the 0.8 percentage point upward revision to Japan's 2021 forecast is largely because of the additional boost from the fiscal measures introduced at the end of 2020. These upgrades are partially offset by downward revisions to the 2021 forecast for the euro area reflecting an observed softening of activity toward the end of 2020, which is anticipated to continue into early 2021 amid rising infections and renewed lockdowns.

Emerging market and developing economies are also projected to trace diverging recovery paths. Considerable differentiation is expected between China where effective containment measures, a forceful public investment response, and central bank liquidity support have facilitated a strong recovery and other economies. Oil exporters and tourism-based economies within the group face particularly difficult prospects considering the expected slow normalization of cross-border travel and the subdued outlook for oil prices.

As noted in the October 2020 WEO, the pandemic is expected to reverse the progress made in poverty reduction across the past two decades. Close to 90 million people are likely to fall below the extreme poverty threshold during 2020-21. Across regions, vulnerabilities, economic structure and pre-crisis growth trends, together with the severity of the pandemic and the size of the policy response to combat the fallout, shape recovery profiles. Notable revisions to the forecast include the one for India (2.7 percentage points for 2021), reflecting carryover from a stronger-than-expected recovery in 2020 after lockdowns were eased.

Source:

World Economic Outlook, January 2021, World Bank

Global Economic Outlook

Global economic growth decelerated in 2019 compared to that of 2018 due mainly to weak demand and trade disputes between the USA and China. The outbreak of COVID-19 pandemic and its massive adverse effects have pushed the global economic growth into negative zone in 2020. Governments worldwide have imposed widespread closures, lockdown, isolation and restrictions of movement of domestic and international transports in order to contain the spread of the virus. As a result, the COVID-19 pandemic has triggered the deepest global recession since World War II and global economic activity is projected to contract sharply by 4.4% in 2020. However, growth is anticipated to pick up to 5.2% in 2021 subject to effective

implementation of monetary and fiscal stimulus packages, restoration of normal economic activities and fading of the pandemic. In advanced economies, growth declined to 1.7% in 2019 from 2.2% in 2018 and it is projected to decline to -5.8% in 2020 and increase to 3.9% in 2021. In emerging market and developing economies, growth is forecasted to decline to -3.3% in 2020 and then pick up to 6.0% in 2021.

In the United States, growth declined to 2.2% in 2019 from 3.0% in 2018. It is projected to further decrease to -4.3% in 2020 and rebound to 3.1% in 2021. In the euro area, growth decreased to 1.3% in 2019 from 1.8% in 2018 and is projected to drop further to -8.3% in 2020 and bounce back to 5.2% in 2021. However, growth in the United Kingdom increased to 1.5% in 2019 from 1.3% in 2018 and is projected to decline to -9.8% in 2020. Japan's economy is set to shrink by 5.3% in 2020.

In China, growth decreased to 6.1 percent in 2019 from 6.7 percent in 2018. China's growth is projected to slow down further to 1.9 percent in 2020 and then pick up to 8.2 percent in 2021. India's economic growth also decelerated from 6.1 percent in 2018 to 4.2 percent in 2019 and is projected to decrease further to -10.3 percent in 2020 and then pick up to 8.8 percent in 2021.

In advanced economies, inflation declined to 1.4 percent in 2019 from 2.0 percent in 2018 mainly due to lower commodity prices. Following weaker economic activity, inflation is expected to dip further to 0.8 percent in 2020. It is projected to pick up to 1.6 percent in 2021, thanks to forecasted economic activity. Inflation in emerging market and developing economies, excluding Venezuela and including Argentina, slightly increased to 5.1 percent in 2019 from 4.9 percent in 2018; while it is projected to decline to 5.0 percent in 2020 and 4.7 percent in 2021.

World trade volume growth declined considerably to just 1.0 percent in 2019 from 3.9 percent in 2018. It is projected at -10.4 percent in 2020 reflecting weaker demand for goods and services and at 8.3 percent in 2021. The growth rate of imports for advanced economies declined from 3.6 percent in 2018 to 1.7 percent in 2019. Projections suggest that imports will suffer a deep contraction of 11.5 percent in 2020 and will experience a rise of 7.3 percent in 2021. In emerging markets and developing economies, growth rate of imports decreased significantly from 5.0 percent in 2018 to -0.6 percent in 2019. It is projected to be -9.4 percent in 2020 and at 11.0 percent in 2021. Exports growth of advanced economies decreased to 1.3 percent in 2019 from 3.5 percent in 2018. It is projected to be -11.6 percent in 2020 and at 7.0 percent in 2021. Exports growth of emerging markets and developing economies declined to 0.9 percent in 2019 from 4.1 percent in 2018. It is expected that exports of emerging markets and developing economies will experience growth of -7.7 percent in 2020 and 9.5 percent in 2021.

According to IMF's WEO of October 2020, there remains pervasive uncertainty about the forecast of global economic output in 2021. The forecast depends on public health and economic factors that are inherently difficult to predict. The first source of uncertainty is related to the path of the pandemic, the needed public health response and the associated domestic activity disruptions, most notably for contact-intensive sectors. The second source of uncertainty lies in the extent of global spillovers from soft demand, weaker tourism, and lower remittances. The third source of uncertainty rests on a set of factors comprising financial market sentiment and its implications for global capital flows. Moreover, there remains uncertainty surrounding the damage to supply potential which will depend on the persistence of the pandemic shock, the size and effectiveness of the policy response, and the extent of sectoral resource mismatches. Following severe fallouts of the pandemic, all economic regions are projected to experience negative growth in 2020 for the first time.

According to Global Financial Stability Report of October 2020, a sharp easing financial conditions since late March 2020 helped prevent a financial crisis and cushion the impact of COVID-19 on the economy. Following unprecedented and timely policy response, near term global financial stability risks have been addressed. Necessary policy supports have helped maintain the flow of credit to the economy and avoid adverse macro-financial feedback loops, creating a bridge to recovery. However, vulnerabilities are rising, intensifying financial stability concerns in some countries. Vulnerabilities have increased in the nonfinancial corporate sector, as firms have taken on more debt to cope with cash shortages, and in the sovereign sector, as fiscal deficits have widened to support the economy. As the crisis unfolds, corporate liquidity pressures may create insolvency crisis due to the delay of recovery. The disconnection between rising market valuations and the evolution of the economy still persists. If policy supports are maintained, current asset valuations could be sustained for some time. However, if policy supports are reassessed or the recovery is delayed, the odds of a sharp adjustment may rise.

Source:

Annual Report 2019-2020 of Bangladesh Bank

Developments in the Bangladesh Economy

Bangladesh Bureau of Statistics (BBS) estimated real GDP growth of 5.2 percent in FY20, much lower from 8.2 percent in FY19. Though Bangladesh recorded robust growth rates during the last couple of years, the outbreak of COVID-19 pandemic during the last quarter of FY20 affected national economy adversely, leading to the fall in growth. Following negative impacts of COVID-19, all major sectors witnessed a lower growth. However, the growth rate in FY20 was highest in South Asian region. The outbreak of COVID-19 has created serious impediments in attaining key monetary program objectives viz., keeping annual average CPI inflation within 5.5 percent and achieving 8.2 percent real GDP growth target for FY20. Annual average CPI inflation stood at 5.7 percent at end June 2020.

Agriculture Sector

The growth of agriculture sector decreased slightly to 3.1 percent in FY20 from 3.9 percent in FY19. The growth rate dropped due to moderation of growth in all sub sectors of agriculture viz. crops and horticulture, animal farming, forest & related services and fishing.

Among the subsectors, fishing achieved a growth of 6.1 percent in FY20 against 6.2 percent growth in FY19. Growth in agriculture and forestry subsector fell from 3.2 percent in FY19 to 2.1 percent in FY20. Under agriculture and forestry subsector, forest and related services registered the highest growth of 6.4 percent in FY20 which was 8.3 percent in FY19. Moreover, growth in animal farming and crops and horticulture subsectors also fell from 3.5 and 2.0 percent in FY19 to 3.0 and 0.9 percent in FY20 respectively.

Industry Sector

The industry sector, constituting more than one-third of gross value added (GVA) in the economy, grew by around 6.5 percent in FY20, far below from 12.7 percent in FY19. This drop in growth was mainly led by low growth in all subsectors of industry hampered by ongoing COVID-19 pandemic. Among the subsectors, mining and quarrying; manufacturing; electricity, gas and water supply; and construction registered the growth of 4.4, 5.8, 6.2 and 9.1 percent in FY20 against 5.9, 14.2, 9.6 and 10.3 percent in FY19 respectively. The large and medium scale and small scale subsectors of manufacturing sector also registered lower growth at (5.5 and 7.8 percent respectively) in FY20 compared to 14.8 and 11.0 percent growth respectively in FY19.

Provisional data on Quantum Index of Industrial Production (QIIP) of FY20 showed a growth of only 0.3 percent which was much lower than the growth of the same period of preceding year. Out of the major groups of manufacturing industry, pharmaceuticals and medicinal chemical; machinery and equipment n.e.c; textile; printing and reproduction of recorded media; computer, electronic and optical products; other nonmetallic mineral products; food products; wood and products of wood & cork; and paper & paper products experienced higher growth (31.7, 18.6, 13.7, 13.3, 12.8, 9.2, 6.9, 6.1 and 6.0 percent respectively) in FY20. While tobacco products; other transport equipment; rubber & plastic products; and fabricated metal products except machinery registered lower growth during same period. In contrast, manufacture of motor vehicles, trailers and semi trailers; coke and refined petroleum products; electrical equipment; and wearing apparels declined sharply by 53.5, 36.6, 23.1 and 16.8 percent respectively during FY20 compared to the previous year.

Service Sector

Despite some moderation, the service sector, comprising more than half of GVA, registered a modest growth of 5.3 percent in FY20. Within the sector, larger growth impulse in FY20 primarily came from health and social work (10.0 percent) and other financial intermediation (9.5 percent). Among the subsectors of services, wholesale and retail trade, repair of motor vehicles, motorcycles and personal & household goods; hotel and restaurants; transport, storage and communication; financial intermediation; real estate, renting and business activities; public administration and defense; education; and community, social and personal services registered the growth of 5.0, 6.5, 6.2, 4.5, 4.9, 6.0, 6.2 and 3.6 percent in FY20 which was 8.1, 7.6, 7.2, 7.4, 5.2, 6.4, 7.7 and 3.7 percent in FY19 respectively.

Exports

According to Export Promotion Bureau (EPB) export shipment data, FY20 export earnings decreased by 16.9 percent. On the other hand, the preceding fiscal year had export earnings growth of 10.6 percent. Export as percentage of GDP fell to 10.2 percent in FY20 against 13.4 percent in FY19. Only six types of products, namely vegetables, fruits, tobacco, fish, raw jute, and jute goods had positive export growth in the fiscal year under report. Contrary to these items, the rest array of products had decline in exports, of which petroleum bi-products, woven garments, knitwear, home textile and shrimps were notable.

Import

Due to COVID-19, imports (fob) stood at USD 50691 million in FY20 which was 8.6 percent lower than the previous FY19. Import of food grains achieved a higher growth of 7.8 percent in FY20 mainly due to wheat import. Import for other food items increased by 13.3 percent to USD 4887.9 million in FY20 from USD 4312.6 million in FY19. Import of oil seeds and pulses (all sorts) recorded a significant growth of 48.5 percent and 41.0 percent respectively in FY20. Except negative growth of milk and cream (5.4 percent) and edible oil (2.4 percent) all other food items of imports showed positive growth. Consumer and intermediate goods achieved at USD 25732.9 million in FY20 from USD 27565.7 million in FY19. For the pandemic situation, all items of capital goods and others categories recorded at USD 8578.3 million in FY20 which was lower than the previous fiscal year. Imports by EPZ decreased by 13.5 percent to USD 3487.7 million in FY20 compared to USD 4031.5 million in FY19.

Remittance

Inward remittances from Bangladeshi nationals working abroad continued to play a vital role in strengthening the current account balance. Remittance receipts increased by 10.9 percent to USD 18205.01 million in FY20 from USD 16419.63 million in FY19.

Due to government incentive, simplification of sending remittances in formal channel and different supportive policy regarding remittances helped expatriates to increase remittance inflows again. To facilitate the formal channel, Bangladesh Bank reduced the security deposit requirement for the exchange houses abroad to establish drawing arrangement with local banks. Presently, commercial banks have 1312 drawing arrangements with more than 334 exchange houses all over the world for collecting remittances.

During FY20, the highest amount (22.06 percent) of remittances came from Saudi Arabia followed by the United Arab Emirates (UAE) (13.58 percent), United States of America (13.20 percent), Kuwait (7.54 percent), United Kingdom (7.50 percent), Oman (6.81 percent) and Malaysia (6.76 percent). All other countries contributed to 22.55 percent of total remittance over the same period.

Foreign Direct Investment (FDI)

Foreign Direct Investment (FDI) has played a positive role for developing the Bangladesh economy. FDI is limited but it has various uses in the different sector of our economy. As a potential source of foreign exchange reserves, FDI needs to be encouraged. 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 significantly by 42.5 percent to USD 1510 million in FY20. On the other hand, portfolio investment increased significantly by 61.4 percent to USD 276 million in FY20 compared to USD 171 of preceding year.

Price Developments (Inflation)

The twelve month's average general CPI inflation was recorded 5.7 percent in June 2020 with gradually increasing by 17 basis points during FY20, which exceeded the targeted ceiling of 5.5 percent. This higher general CPI inflation was the result of higher non-food inflation on the back of higher remittance inflows and disruption of supply chains due to the COVID-19 pandemic. Food inflation remained almost similar in June 2020 though non-food inflation increased compared to the same month of the previous fiscal year. With minor fluctuations the food inflation remained unchanged at 5.5 percent in June 2020 as in June 2019, while non-food inflation increased to 5.9 percent in June 2020 from 5.4 percent in June 2019. The non-food and non energy 'core' component of CPI inflation also showed fluctuations throughout the fiscal year and stood at 5.8 percent in June 2020 from 5.5 percent in June 2019, indicating a rising inflationary pressure.

Savings and Investments

Although the provisional data report a reduction of investment growth in FY20 from a year earlier, total investment as percentage of GDP increased to 31.8 percent in FY20 from 31.6 percent in FY19. Over the same period, both the ratios of public investment to GDP and private investment to GDP registered around 10 basis points increase and stood at 8.1 percent and 23.6 percent respectively in FY20.

The provisional data report that gross national savings as percentage of GDP increased to 30.1 percent in FY20 from 29.5 percent in FY19. Similarly, domestic savings as percentage of GDP increased by 28 basis points and stood at 25.3 percent during the same period. Gross domestic savings at current market price grew a little faster (11.2 percent) than the investment (10.6 percent) resulting in a slight decrease in domestic savings investment gap as percentage of GDP to 6.4 percent in FY20 from 6.5 percent in FY19.

External Sector

Exports shrank by a larger margin than imports did in FY20. Exports fell by 17.1 percent while imports' decline was 8.6 percent. The total exports (f.o.b) in FY20 stood at USD 32830 million, which was USD 39604 million in FY19. On the other hand, the total imports (f.o.b) was USD 50691 million in FY20 in contrast to USD 55439 million in FY19. As a result, the trade deficit widened further and was recorded USD 17861 million in FY20, which was USD 15835 million in the preceding fiscal year. Current account balance stood at USD (-) 4849 million in FY20 against USD (-) 5102 million in FY19. Workers' remittances inflow, which was USD 18205 million in FY20, set the base for improved current account position. FY20's overall balance (USD 3655 million) was higher than that of the preceding fiscal year by a large margin riding on huge financial account build-up.

According to Export Promotion Bureau (EPB) export shipment data, FY20 export earnings decreased by 16.9 percent. On the other hand, the preceding fiscal year had export earnings growth of 10.6 percent. Export as percentage of GDP fell to 10.2 percent in FY20 against 13.4 percent in FY19. Only six types of products, namely vegetables, fruits, tobacco, fish, raw jute, and jute goods had positive export growth in the fiscal year under report. Contrary to these items, the rest array of products had decline in exports, of which petroleum bi-products, woven garments, knitwear, home textile and shrimps were notable.

Import (f.o.b) declined by 8.6 percent in FY20 against 1.8 percent increase in FY19 (chart 1.8). Import as percentage of GDP stood at 15.4 percent in FY20, while it was 18.3 percent in FY19. Foodgrains, mainly wheat, import payments rose by 7.8 percent in FY20. Other major import items which had increases in FY20, included crude petroleum, oil seeds, pulses, pharmaceutical products, spices and sugar. On the other hand, import of capital machinery, yarn, fertilizer and metals suffered drastic fall in the fiscal year under report.

Gross international foreign exchange reserves stood at USD 36,073 million at the end of June 2020 covering 8.5 months of import payments. Workers' remittances which grew by 10.9 percent constituted the main pillar of the reserves.

The annual average exchange rate stood at BDT 84.8 per USD in June 2020 against BDT 84.0 per USD in June 2019. Hence, the average exchange rate depreciated by 0.9 percent in FY20, which was lower than 2.3 percent depreciation in the preceding fiscal year. With a view to ensuring stability in the local foreign exchange market, BB sold USD 835 million and purchased USD 877 million during the FY20. However, the nominal effective exchange rate (NEER) index (FY16=100) calculated against 15-currency basket increased by 2.6 percent in FY20. Similarly, the real effective exchange rate (REER) index (FY16=100) increased by 6.9 percent in the same fiscal year (Chart 1.9 and 1.10). The increases in NEER and REER indices in FY20 indicated appreciation of BDT in the international market.

Outstanding external debt stock increased from USD 38475.5 million at the end of FY19 to USD 44202.2 million at the end of FY20. Similarly, the outstanding external debt to GDP ratio also increased from 12.7 percent to 13.4 percent over the period.

Capital Market Outlook

Capital market is considered the second largest segment of financial system in the country. It plays significant role in the economy by providing funds for the long term investment and development which contributes to economic growth. The market comprised of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE), where DSE is pioneering in the exploration of economic advancement of the country. The instruments in these exchanges are equity securities (shares), debentures and corporate bonds. The regulator body of capital market is Bangladesh Securities and Exchange Commission (BSEC). Bangladesh Bank has been playing proactive role also to steady functioning and development of the market as well. In collaboration with DSE, third and final workshop of technical series titled 'Practical tips for preparing your next report: Bringing it all together' under Global Report Initiative (GRI) conducted on 22 January 2020. Moreover, DSE and Shenzhen Stock Exchange jointly designed, developed and launched CNI-DSE Select Index (CDSET) on 30 December 2019. Chart 8.2 shows that Dhaka Stock Exchange (DSE) broad index and the market

capitalisation of DSE were decreasing during July-December in FY20. However, both the index and the market capitalisation were increasing during January February, but had decreased in March. During May-June, the index and market capitalisation showed declining trend. The DSE index and the market capitalisation decreased to 4452.93 and BDT 3395.51 billion respectively at the end of December 2019. Having with a downward trend, the index and the market capitalisation stood at 3989.1 and BDT 3119.7 billion respectively at the end of FY20.

Growth Outlook

The Government has set the target of real GDP growth at 8.2 percent for FY21. Although the target appears to be ambitious, still it is achievable considering that the COVID-19 related pandemic situation will improve and the economy will rebound strongly following a V-shaped recovery path aided by the successful and timely implementation of the stimulus packages undertaken by the Government and Bangladesh Bank amounting to BDT 1201.5 billion which is 4.3 percent of GDP.

With the easing of containment and social distancing in domestic economy during the last month of FY20, economic activities were getting back their momentum, though, slowly. However, at the beginning of FY21, outbreaks of monsoon floods in the northern, north-eastern and south-eastern region of the country was devastating and destroyed many houses and roads including embankments. Livelihood or economic activities, functioning of local markets, crops, livestock and fisheries have been severely affected, creating downside risks to the growth outlook.

Banking Sector Performance, Regulation and Bank Supervision

The performance of the banking sector of Bangladesh has been largely affected by the COVID-19 pandemic situation for the last four months of FY20. Almost all the large financial markets around the world have been extremely impaired due to the lockdown aiming at hindering the escalation of pandemic. Bangladesh has also lost huge export earnings and its pace of internal production has been reduced significantly due to 66 (sixty six) days long countrywide lockdown. Both the internal and external situations of the financial market have created enormous pressure on the banking sector. Despite these, all scheduled banks of the country remained operational for specified time in every working day during the lockdown period to provide regular banking services to their customers. Moreover, to help the scheduled banks and non-bank financial institutions (NBFIs) to survive in this critical situation and to continue their contribution in revamping the country's economy, Bangladesh Bank (BB) has announced a series of policies and prudential measures from the very beginning of the pandemic situation. These include but not limited to, re-fixation of the regulatory liquidity ratios to ensure additional liquidity in the banking sector, issuance of sufficient prudential guidelines to maintain proper office environment in the banks for continuing the business activities in a limited scale as well as compensation package for the employees as frontline workers during the lockdown period, easing of foreign trade and foreign currency transaction regulations, temporary relaxation in the loan classification policy, modeling and implementation of the Govt. stimulus packages for different segments of the economy and refinance schemes to provide liquidity support to those packages and introduction of special fund for capital market investment etc. Furthermore, the preannounced ceiling of lending rate was also introduced from April 01, 2020. As a part of supervisory activities, regular and special on-site inspections have been conducted throughout the year. The performance of the Risk Management Committee at the board level of banks is also being evaluated regularly. Special monitoring has been continued by BB to oversee the liquidity level of the banking sector which results in a sufficient and strong level of aggregate liquidity at the end of FY20. Besides, BB continues its efforts to reduce overall NPLs of the banking sector. At the end of FY20, the overall NPL ratio and Capital to Risk weighted Asset Ratio (CRAR) stood at 9.56 percent and 11.63 percent respectively.

Banking Sector Performance

Depending on the ownership structure, there are four categories of scheduled banks in Bangladesh: state-owned commercial banks (SCBs), state-owned development financial institutions (SBs), private commercial banks (PCBs) and foreign commercial banks (FCBs). Total number of scheduled banks operated in 2019 was 59. Two (02) new banks (Prabashi Kallyan Bank, Community Bank) have received license and started their operation. Besides, one new bank (Bengal Commercial Bank) has got license as scheduled bank as on 23 February 2020. The number of bank branches increased to 10,578 at the end of December 2019 from 10,286 of December 2018. On the other hand, depending on the mode of operations (e.g. conventional and Islami Shariah based), there are three types of banks: full-fledged conventional banks, full-fledged Islami Shariah based banks and banks with dual operation.

In 2019, the SCBs held 24.5 percent share of the total assets which was 25.6 percent in 2018. PCBs' share of the total assets increased slightly to 67.79 percent in 2019 from 67.0 percent in 2018. The FCBs held 5.5 percent share of the total assets in 2019, showing an increase of 0.3 percent over the last year. The SBs' share of the total assets was 2.2 percent in 2019 which was same in 2018. At the end of December 2019, total assets of the banking sector stood at BDT 16298.4 billion which was 11.84 percent higher than that of the previous year.

Total deposits of the banking sector stood at BDT 12145.2 billion in 2019 which was BDT 10798.7 billion in 2018, showing an increase of 12.46 percent. From the year 2018 to 2019, considering the share in total deposit of the banking sector, SCBs' share decreased from 26.6 percent to 25.0 percent, PCBs' share increased from 66.0 percent to 68.1 percent, FCBs' share decreased from 4.8 percent to 4.3 percent and SBs' share remained same which was 2.6 percent in both years.

Source:

Annual Report 2019-2020 of Bangladesh Bank

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 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 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 now running by efficient and expert Cluster Heads 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

Banking industry passed a challenging year in terms of governance, capital adequacy, profitability and soundness in 2020. Despite intensified challenges BCBL has exerted best effort to manage its portfolio efficiently. The overall business of the bank has grown in 2020 compared to the year 2019. The deposit has increased by 6.92% to BDT. 36,393.40 million, consolidated loans & advances has increased 2.69% and total investment including Govt. and others has increased by 2.04%.

Status of asset quality

As on 31st December 2020, NPL ratio of the banking industry stood at 8.10%, which was 9.30% one year back. The NPL ratio of BCBL was 42.33% at the end of year 2020, which was 50.39% at the end of year 2019. The status of unclassified and classified loan of the Bank is as follows:

Classification Type	31st December 2020	31st December 2019
Unclassified	13,309,238,089	11,150,336,126
1) Standard + Staff Loan	12,200,305,484	10,236,036,545
2) SMA	1,108,932,605	91,42,99,581
Non Performing Loan	9,770,453,424	11,325,362,993
Sub-Standard	583,914,586	66,97,24,993
Doubtful	145,825,923	177,425,999
Bad or loss	9,040,712,915	10,478,212,001
Total	23,079,691,514	22,475,699,119
NPL Ratio	42.33%	50.39%

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 2020.

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 2020 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 03 June' 2018, along with a certificate from a practicing Chartered Accountant has been provided in corporate governance report.



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

Corporate Events 2020



The Annual Business
Conference-2020 of Bangladesh
Commerce Bank Limited

Commerce Bank observes
International Mother Language
Day



Corporate Events 2020

Commerce Bank observes Independence Day



SME Fair

Inaugurates of Bangladesh Commerce Bank Visa Card



Corporate Events 2020

Commerce Bank observes National Mourning Day on Virtual Platform



Bangladesh Commerce Bank Limited organized its 22nd Annual General Meeting on Digital Platform.

Corporate Events 2020

Bangladesh Commerce Bank Limited celebrates its Founding Anniversary



Bangladesh Commerce Bank Ltd. has inaugurated its 68th Branch "Khutakhali Branch" at Chakaria Cox's Bazar.

Bangladesh Commerce Bank Ltd. has inaugurated its 69th Branch "Dewan Bazar Branch" at Chattagram.



Corporate Events 2020

Bangladesh Commerce Bank
observes Victory Day on Virtual
Platform



Report On Corporate Governance

Corporate Governance in “Accountability to the providers of capital” and BCBL always emphasize on accountability toward all stakeholders through proper practicing good governance. The management of BCBL is committed to protect the 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 the 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 2020 including Managing Director as an ex-officio member. Directors were elected by the shareholders of the Bank and Nominated by ministry of Finance, Govt. of Bangladesh as per parliamentary Act 12 of 1997. All the Board members are highly competent in terms of academic and professional qualification & expertise 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 the Board of Directors. Directors meet at least once in a month to discuss and decide on different agenda(s) 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 held on regular basis, usually once in every month. However, emergency meeting is called as and when required. Meeting agenda(s) are fixed and all relevant information, references and detailed working papers are communicated with the Board members well before the date of the 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 2020, total Twelve Board Meetings were held; the attendance records of those meetings are as follows:

Sl. No.	Name of the Directors	Total Meeting held	Eligible to Attend Meeting	No. of Meeting Attended	No. of Meeting Absent/Leave
1.	Dr. Engr. Rashid Ahmed Chowdhury	12	12	12	-
2.	Mr. Md. Farhad Uddin	12	12	11	Leave Granted
3.	Mr. Md. Wahiduzzaman Khandaker	08	08	08	-
4.	Mr. Md. Azizur Rahman	12	12	0	Absent
5.	Ms. Khondker Sabera Islam	08	08	07	Leave Granted
6.	Mr. Mohammed Arshed	12	12	10	Leave Granted
7.	Dr. Mohammad Ayub Islam	06	06	06	-
8.	Mr. Md. Shafiqul Islam, FCA	12	12	12	-
9.	Mr. A A M Zakaria	12	12	11	Leave Granted
10.	Mr. Humayun Bokhteyar FCA	12	12	12	-

** Mr. Md. Wahiduzzaman Khandaker's term of office (Directorship) expired on 20.09.2020.

**** Ms. Khondker Sabera Islam** joined as Director of BCBL in its 335th Meeting of the Board of Directors was held on 23.06.2020 and **Dr. Mohammad Ayub Islam** joined as Director of BCBL in its 337th Meeting of the Board of Directors was held on 26.08.2020.

Directors who could not attend the meeting(s) with valid reason were granted leave of absence by the Chairman of the Board otherwise marked as absent.

Ownership Composition

As on 31st December, 2020 the shareholding composition among different category is given below:

Sl. No.	Category	Name of Holders	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, 2020 is as follows:

Sl. No.	Name of the Directors	Designation	Share held as on 31.12.2020	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	Total 67,50,000	
3.	Mr. Md. Wahiduzzaman Khandaker Government Nominated.	Director		
4.	Mr. Md. Azizur Rahman Government Nominated.	Director		
5.	Ms. Khondker Sabera Islam Government Nominated.	Director		
6.	Mr. Mohammed Arshed Representative of Karnaphuli Prakritik Gas Limited	Director	13,015	
7.	Dr. Mohammad Ayub Islam Representative of Victor Trade and Business Ltd.	Director	29,062	
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 the Board of Directors, shareholders of BCBL in its' 22nd AGM held on 19th September, 2020 appointed Rahman Mostafa Alam & Co., Chartered Accountants as the statutory auditors for the year 2020. The 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 2020:

- * 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 the regulatory body for conducting comprehensive as well as special audit which surfaced notable findings for BCBL. During the year 2020 Bangladesh Bank carried out comprehensive inspection on BCBL banking operations of Head Office, Principal Branch, Dilkusha 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 vide BRPD Circular No. 11 dated 27 October 2013. The Committee is constituted with four 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, the 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 with the Committee
1	Mr. Md. Shafiqul Islam, FCA	Chairman
2	Mr. Md. Farhad Uddin	Member
3	Mr. Md. Wahiduzzaman Khandaker	Member
4	Ms. Khondker Sabera Islam	Member

In 2020, 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 is shown below:

Sl. No	Name of the Directors	Total Meeting held	Eligible to Attend Meeting	No. of Meeting Attended	No. of Meeting Absent/Leave
1.	Mr. Md. Shafiqul Islam, FCA	4	4	4	-
2.	Mr. Md. Farhad Uddin	4	4	4	-
3.	Mr. Md. Wahiduzzaman Khandaker	4	2	2	-
4.	Ms. Khondker Sabera Islam	4	2	2	-

Risk Management Committee

BCBL 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 the Bank's regular operation and it's on 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 awareness 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 with the Committee
1.	Mr. Mohammed Arshed	Chairman
2.	Mr. Md. Farhad Uddin	Member
3.	Mr. Md. Wahiduzzaman Khandaker	Member
4.	Dr. Mohammad Ayub Islam	Member
5.	Mr. Md. Shafiqul Islam, FCA	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 with 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, Sustainable Finance 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 Senior 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 as per 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 meet regularly to specify bank's direction and strategy effectively.
- To represent bank to shareholders to explain the bank's mission, vision and future goals.
- To ensure no participation in the 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/EC/Audit/Risk Management 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.

Management Committees of BCBL

To ensure effective structure of corporate governance and to carry out daily operations to the best interest of the stakeholders of 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 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. No.	Name of the Members	Designation
01.	Mr. Omar Farooque	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 Mobile Banking, BACH, AML & TFP and Akti Bari Akti Kamar
05.	Mr. Mohammad Ziaul Karim	EVP & Head of FAD, CMD & Investment Division
06.	Mr. Afzal Hossain Khan	SVP & Head of Recovery Division
07.	Mr. H.M. Abul Kalam Azad	SVP & Head of IT & Card
08.	Mr. S.M. Reazur Rahman	SVP & Head of Risk Management Division
09.	Mr. Mohammad Abu Taher	SVP & Head of Trade Division
10.	Mr. Sayed Md. Estencher Billah	VP & Company Secretary
11.	Mr. S.M. Showkat Hossain	VP & Head of Human Resources Division
12.	Mr. Md. Mozammel Hossain	SVP & Head of Credit Administration Division
13.	Mr. Kazi Fakhru Alam	SAVP & Head of BCCD & SME
14.	Mr. Fakhir Nazmul Alam	SAVP & Head of Legal Affairs Division
15.	Mr. Nazim Anwar	SAVP & Head of Marketing, Establishment & GSD

Twelve meetings of the committee held during the year 2020 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.

SENIOR MANAGEMENT TEAM:



Sl. No.	Name of the Members	Designation
01.	Mr. Omar Farooque	Chairman
02.	Mr. Zafar Alam	Member
03.	Mr. Kazi Md. Rezaul Karim	Member
04.	Mr. S. M. Jahangir Akhter	Member
05.	Mr. Mohammad Ziaul Karim	Member
06.	Mr. Afzal Hossain Khan	Member
07.	Mr. H.M. Abul Kalam Azad	Member
08.	Mr. S.M. Reazur Rahman	Member
09.	Mr. Mohammad Abu Taher	Member
10.	Mr. Sayed Md. Estencher Billah	Member Secretary
11.	Mr. Shah Sarwar Mustafa Abul Ulayee	Member
12.	Mr. S.M. Showkat Hossain	Member
13.	Mr. Md. Mozammel Hossain	Member
14.	Mr. Kazi Fakhrul Alam	Member
15.	Mr. Fakhir Nazmul Alam	Member
16.	Mr. Nazim Anwar	Member

EXECUTIVES OF BCBL

Designation	NAME
Managing Director	Omar Farooque
Additional Managing Director	Zafar Alam
Senior Executive Vice President	Ziauddin Sawlet Ghani
Executive Vice President	Mohammad Ziaul Karim
Executive Vice President	Md. Zahangir Alam
Senior Vice President	Md. Shamsul Alam
Senior Vice President	Lipe Azad
Senior Vice President	Shah Sarwar Mustafa Abul Ulayee
Senior Vice President	S.M. Reazur Rahman
Senior Vice President	H.M. Abul Kalam Azad
Senior Vice President	Md. Kamruzzaman Akhand
Senior Vice President	Muhammad Abu Taher
Senior Vice President	S. M. Showkat Hossain
Vice President	Md. Mojibur Rahman Khan
Vice President	Shah Md. Junaed Ibne Amin
Vice President	Sayed Md. Estencher Billah
Vice President	Md. Mozammel Hossain
Vice President	Mohammad Nasir Uddin
Senior Assistant Vice President	Mohammad Rezaul Haque
Senior Assistant Vice President	Mohammed Belal
Senior Assistant Vice President	Md. Mahabub Morshed
Senior Assistant Vice President	Md. Farid Hasan
Senior Assistant Vice President	S. M. Amir Hossain
Senior Assistant Vice President	Md. Syful Islam
Senior Assistant Vice President	Nazim Anwar
Senior Assistant Vice President	Mohammed Jafar Iqbal
Senior Assistant Vice President	Md. Abul Kalam Azad
Senior Assistant Vice President	Mohammed Abul Kalam Azad
Assistant Vice President	Md. Abul Hossain
Assistant Vice President	Syed Taimurul Hoque
Assistant Vice President	Mutasim-Bin-Shahid
Assistant Vice President	Md. Harun-Ar-Rashid
Assistant Vice President	Mohammad Arif Uddin
Assistant Vice President	Md. Abu Yousuf
Assistant Vice President	Abdul Munim Chowdhury
Assistant Vice President	Firoz Ahmed
Assistant Vice President	Saad Hossain Sharif
Assistant Vice President	Md. Habibur Rahman
Assistant Vice President	Mohammad Shariful Islam
Assistant Vice President	Md. Arif Ali
Assistant Vice President	Md. Sarwar Mahmud
Assistant Vice President	Md. Omar Faruk Bhuiyan
Assistant Vice President	Mainuddin Ahmed Siddique

SUSTAINABILITY REPORT



Sustainable Finance is not just another way of doing corporate social responsibility (CSR) rather it is an effort to keep the earth livable. Fundamentally sustainable Finance refers to endorsing environment-friendly practices and reducing carbon footprint from banking activities.

Bangladesh is one of the emerging economics of the world and has witnessed rapid industrial growth over the last two decades that has contributed significantly to the rise in the country's GDP. On the other hand, we are at risk of environmental pollution and climate impact in the form of natural and man-made disasters. Floods, tropical cyclones, storm, surges, drought are likely to become more frequent and severe in the coming years. We need to protect our financing from the risks arising out of the deteriorating environment scenario and climate changes. As per conversation of environment and Sustainable Development Goals and social protection, credit operations of banks must be conducted by addressing of environmental and social issues through Environmental and Social Risk Management. Bangladesh Bank advised to banks/financial institutions to finance eco-friendly products/initiatives to make eco-friendly finance more familiar to the all stakeholders including clients and banks/financial institutions as well as to facilitate for implementing various development plans of Bangladesh Government such as perspective plan of Bangladesh : 2010-2021, National Sustainable Development Strategy 2016-2030 and Sustainable Development Goals (SDG) .

Sustainable finance refers to any form of financial service that includes investment, insurance, banking, accounting, trading, economical and financial advice integrating environmental, social and governance (ESG) criteria into the business or investment decisions for lasting benefits of both clients and society at large. Sustainable Finance is about Green Banking, Sustainable Agriculture, Sustainable CMSME, CSR that includes Socially Responsible Finance activities with respect to sustainability.

'Go-green' approach in banking sector has basically two forms. Firstly, through adoption of environmental and social responsibility in bank's day to day operations like wise use of paper, energy conservation etc. and secondly, by including sustainability in to banks' products and strategies like green lending, etc.

Comprehended the importance of Green Banking and policy guideline from Bangladesh Bank, Bangladesh Commerce Bank Limited has formulated Green Banking Policy. We have established a Sustainable Finance Committee and Sustainable Finance Unit. A participation agreement signed on 03.04.2018 between Bangladesh Bank and Bangladesh Commerce Bank Limited as participant in the Refinance Scheme for Green Products/Initiatives. Another participation agreement under Financing Brick Kiln Efficiency Improvement Project between Bangladesh Bank and Bangladesh Commerce Bank Limited which was signed on 05.06.2018. As on December 2020, Bangladesh Commerce Bank Limited financed BDT 450.00 million in Brick Kiln Efficiency Improvement Project. At the end of the year 2020 received principal amount BTD 241.20 million is under Bangladesh Bank refinance facilities.

CHIEF RISK OFFICER'S REPORT

ON RISK MANAGEMENT

Banks in the process of financial intermediation are confronted with various kinds of financial and non-financial risks viz., credit, interest rate, foreign exchange rate, liquidity, equity price, commodity price, legal, regulatory, reputational, operational, etc. These risks are highly interdependent and events that affect one area of risk can have ramifications for a range of other risk categories. Thus, top management of banks should attach considerable importance to improve the ability to identify, measure, monitor and control the overall level of risks undertaken.

Effective risk management is fundamental to the success and resilience of the Bank and is recognized as key in the Bank's overall approach to strategy management. Bangladesh Commerce Bank Ltd has a strong, disciplined risk culture where managing risk is a responsibility shared by all of the Bank's employees.

Risks Areas in Banking:

Risks in Banking Sector			
Sl	Core Risk Areas	Sl	Other Material Risk
1	Credit risk	7	Business risk
2	Market risk	8	Reputational risk
3	Operational risk	9	Residual risk
4	Liquidity risk	10	Settlement risk
5	Money laundering risk	11	Strategic risk
6	ICT risk	12	Human Resources risk
		13	Environmental and Climate Change Risk

Risk Management Framework

The primary goals of risk management are to ensure that the outcomes of risk-taking activities are consistent with the Bank's strategies and risk appetite, and that there is an appropriate balance between risk and reward in order to maximize shareholder value.

BCBL's Enterprise-Wide Risk Management Framework articulates the foundation for achieving these goals.

This Framework is subject to constant evaluation in order for it to meet the challenges and requirements of the contemporary market in which the Bank operates, including regulatory standards and industry best practices. The risk management programs of the Bank's subsidiaries align in all material respects to the Bank's risk management framework, although the actual execution of their programs may be different.

The Bank's risk management framework is applied on an enterprise- wide basis and consists of five key elements:

- Risk Governance
- Risk Appetite
- Risk Management Tools
- Risk Identification and Assessment
- Risk Culture



Risk Management Principles

Risk-taking and risk management activities across the enterprise are guided by the following principles:

Balancing Risk and Reward – business and risk decisions are consistent with strategies and risk appetite.

Understand the Risks – all material risks to which the Bank is exposed, including both financial and non-financial, are identified and managed.

Forward Thinking – emerging risks and potential vulnerabilities are proactively identified. Shared **Accountability** – every employee is responsible for managing risk.

Customer Focus – understanding our customers and their needs is essential to all business and risk decision-making.

Protect our Brand – all risk-taking activities must be in line with the Bank's risk appetite, BCBL Code of Conduct, values and policy principles.

Controls – maintaining a robust and resilient control environment to protect our stakeholders.

Resilience – being prepared operationally and financially to respond to adverse events.

Compensation – performance and compensation structures reinforce the Bank's values and promote sound risk taking behavior.

Risk Appetite & Risk Appetite framework:

Risk appetite defines the level of risk we are prepared to accept across the different risk types, taking into consideration varying levels of financial and operational stress. Risk appetite is to our decision making processes, including on going business planning and setting of strategy, new product approvals and business change initiatives.

Risk Appetite framework plays a core instrumental role for better alignment of overall corporate strategy, risk mitigation and capital allocation. Therefore, Business Strategy, Risk Appetite and Management Action Trigger are interlinked with each other.

In terms of Bangladesh Bank instructions vide DOS Circular Letter No. 13 dated September 09, 2015, DOS letter No. DOS (RMMS) 1154/1/2018-847 dated February 28, 2018 and subsequent DOS Circular No. 04 dated October 08, 2018, the Bank has a Board approved Risk Appetite statement for the year-2020.

Risk Management Process:

Credit Risk	The risk of loss to BCBL from the failure of clients, customers or counterparties, including sovereigns, to fully honor their obligations to BCBL, including the whole and timely payment of principal, interest, collateral and others.	Credit risk teams identify, evaluate, sanction, limit and monitor various forms of credit exposure, individually and in aggregate.
Market Risk	The risk of loss arising from potential adverse changes in the value of BCBL's assets and liabilities from fluctuation in market variables including, but not limited to, interest rates, foreign exchange, equity prices, commodity prices, credit spreads, implied volatilities and asset correlations	A range of complementary approaches to identify and evaluate market risk are used to capture exposure to market risk. These are measured, controlled and monitored by market risk specialists.
Treasury and Capital Risk	<p><i>Liquidity risk:</i> The risk that the BCBL is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets.</p> <p><i>Capital risk:</i> The risk that BCBL has an insufficient level or composition of capital to support its normal business activities and to meet its regulatory capital requirements under normal operating environments or stressed conditions (both actual & as defined for internal planning or regulatory testing purposes).</p> <p><i>Interest rate risk in the Banking Book:</i> The risk that BCBL is exposed to capital or income volatility because of a mismatch between the interest rate exposures of its (non-traded) assets and liabilities.</p>	Treasury and capital risk is identified and managed by specialists in Capital Planning, Liquidity, Asset and Liability Management and Market Risk. A range of approaches are used appropriate to the risk, such as; limits; plan monitoring; internal and external stress testing.
Operational Risk	The risk of loss to the BCBL from inadequate or failed processes or systems, human factors or due to external events (for example fraud) where the root cause is not due to credit or market risks.	Operational risk comprises the following risks; data management and information, execution risk, financial reporting, fraud, payments processing, people, physical security, premises, prudential regulation, supplier, tax, technology and transaction operations.
Model Risk	The risk of the potential adverse consequences from financial assessments or decisions based on incorrect or misused model outputs and reports.	Models are independently validated and approved prior to implementation and their performance is monitored on a continual basis.

Conduct Risk	The risk of detriment to customers, clients, market integrity, competition or the BCBL from the inappropriate supply of financial services, including instances of willful or negligent misconduct.	The Compliance function sets the minimum standards required, and provides oversight to monitor that these risks are effectively managed & escalated where appropriate.
Reputation Risk	The risk that an action, transaction, investment or event, decision or business relationship will reduce trust in the BCBL's integrity and/or competence.	Reputation risk is managed by embedding our purpose and values & maintaining a controlled culture within the BCBL, with the objective of acting with integrity, enabling strong and trusted relationships with customers & clients & broader society.

Board Risk Management Committee (BRMC):

Bangladesh Bank vide their BRPD Circular No. 11 dated October 27, 2013 made formation of a sub-committee of the Board naming "Risk Management Committee" to play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently. Subsequently, Bangladesh Bank, vide their DOS Circular No. 04 dated October 08, 2018 renamed the committee as Board Risk Management Committee. Following are the present members of Risk Management Committee of the Board of Directors:

Sl.	Names	Position in the Committee
01	Mr. Mohammed Arshed	Chairman
02	Mr. Md. Farhad Uddin	Member
03	Mr. Md. Wahiduzzaman Khandaker	Member
04	Dr. Mohammad Ayub Islam	Member
05	Mr. Md. Shafiqul Islam, FCA	Member

The broad parameters of BCBL's risk management function encompass:

- Comprehensive risk measurement approach;
- Risk management policies approved by the Board which is consistent with the broader business strategies, capital strength, management expertise and overall willingness to assume risk;
- Guidelines and other parameters used to govern risk taking including detailed structure of prudential limits;
- Strong MIS for reporting, monitoring and controlling risks;
- Well laid out procedures, effective control and comprehensive risk reporting framework;
- Periodical review and evaluation.

Executive Risk Management Committee (ERMC):

BCBL has its Executive Risk Management Committee (ERMC) which includes heads of all core risk management divisions & other senior officials of the Bank. Top management of BCBL is aware of bank's risk profile on an ongoing basis and submits updated report to ERMC for review on regular basis. For effective oversight of risk management by ERMC, the members of ERMC is provided with sufficient information and they get enabled to understand the bank's risk profile, how risks are assessed and as well. To serve this purpose of ERMC, members oversee the development, implementation and maintenance of an appropriate Management Information System (MIS) that identify, measure, monitor and control bank's various risks. And finally through effective communications among the members of the committee provide necessary guidance which are mentioned in respective minutes and ensured necessary action taken by the concerned parties. This committee convenes every month with the name of "Executive Risk Management Committee (ERMC)".

The Executive Risk Management Committee is responsible for:

- Identifying, measuring & managing bank's existing & potential risks through detailed risk analysis;
- Holding meeting at least once in a month based on the findings of risk reports and taking appropriate decisions to minimize/control risks;
- Ensuring incorporation of all the decisions in the meeting minutes with proper dissemination of responsibilities to concerned divisions/departments;
- Minimizing/controlling risks through ensuring proper implementation of the decisions;
- Reviewing risks involved in new products and activities and ensuring that the risks can be measured, monitored, and controlled adequately;
- Implementing the decisions of BRMC & board meetings regarding risk issues;
Assessing requirement of adequate capital in line with the risk exposures and ensuring maintenance of the same through persuading senior management and board;
- Contributing to formulation of risk policies.

The Executive Risk Management Committee consists of the following members:

SI	Name	Position
01	Mr. Kazi Md. Rezaul Karim, DMD	Chief Risk Officer
02	Mr. S. M. Jahangir Akhter, SEVP	Member
03	Mr. Mohammad Ziaul Karim, EVP	Member
04	Mr. Md. Afzal Hossain Khan, SVP	Member
05	Mr. S.M. Reazur Rahman, SVP	Member Secretary
06	Mr. Muhammacl Abu Taher, SVP	Member
07	Mr. Md. Kamrunzzaman Akhand, SVP	Member
08	Mr. Moharnmad Zakaria, SVP	Member
09	Mr. Kazi Fakhrul Alam, SAVP	Member
10	Mr. Nazim Anwar, SAVP	Member
11	Mr. Md. Kamal Hossain, AVP & CFO	Member

Risk Management Division (RMD):

Risk Management Division (RMD) of the bank is responsible for establishing bank's risk management framework and to ensure that the procedures for identification, monitoring, mitigating and managing risks are in place and Bangladesh Bank risk management guidelines, core risk management guidelines of each area and Capital Adequacy under Basel Accord are being complied effectively. BCBL's risk mitigating technique is not to wait for the risk to manifest but to take precautionary measures before incident happens.

To supplement the stand, RMD is extensively working on capacity building and exchange of ideas about risk management for creating a robust risk awareness and risk management culture within the bank.

The main functions of the department include, but not limited to, the following:

- Coordinate the implementation of a Board-endorsed Risk Management Framework;
- Check the methodologies and processes of managing risk are being followed in the manner intended;
- Provide analytical support to the executive-level risk committees in formulating risk management strategies and making functional risk decisions;
- Support management and business units in implementing the approved Risk Management Policies and processes, and ensure they are integrated into the business operations and with Internal Control and compliance processes;

- e. Coordinate the process to identify, measure, control or mitigate, treat, monitor and report risk exposures;
- f. Keep the Board and management informed of the latest development in international standards and practices on Risk Management (in general and specific to financial institutions); and
- g. Provide technical advice and support to the Board and management in improving and advancing the Risk Management system of the Bank as the legal and regulatory environments, standards and/or the business focus of the Bank change.

Overview of Risk Management during the Year 2020:

In compliance with BRPD Circular No-11, dated: October 27, 2013, 04 (four) Board Risk Management Committee Meetings were held in the year 2020 wherein different issues had been reviewed related to Risk Management, Internal Control System, and approved the ICAAP (Internal capital Assessment Process) for BCBL, Strengthening & updating Risk Management System in BCBL and Periodic Risk Management Paper, Stress Testing Result & Internal Capital Assessment Process (ICAAP).

It is to be noted that Risk Management Division works strictly in accordance with risk management guidelines for BCBL which was approved by the Board of directors on 18/12/2024. Risk Management Division collects all relevant data from the Branches & Head Office for analyzing risk in preparing Stress Testing Result, Risk Management Paper.

In all 04 (four) meetings in 2020, the Board Risk Management Committee directed the Bank Management to ensure monitoring the activities of Task Force/Recovery Cell and fast resolve the Suite files with the Court of Law. The Committee advised to ensure close monitoring of the classified loans & their recovery so that newly disbursed loans would not get classified. The Committee instructed for the formation of effective Recovery Team towards realization of the default loans as well as to reduce the unrealized loss of the Bank's share portfolio. It was added that a rationale distribution & disbursement of the loans zone-wise and sanction of small loans reducing concentration on large loans should be ensured.

While reporting to Bangladesh Bank & other entities on the Capital of the Bank, the Committee advised to exemplify appropriate reasons with updated data on why current capital of the Bank cannot be increased. The Committee also advised to take necessary initiatives for dwindling the gap of CRAR, keep the ledger balance well maintained in accordance with the sanction limit while bringing Geographical Concentration for other divisions like Dhaka & Chittagong, take pragmatic measures on realizing default loans from the Top-20 defaulters.

The Committee also advised to improve the Asset Quality of the Bank & reduce its Cost of Fund, checking Nostro Account balance in regular intervals, reduce the SMA Category loans by increasing contacts with the customers. The Management would address the Off-Balance Sheet Exposure immediately, bringing the amount of deposit collected from different Banks to zero, take pragmatic initiatives on collection of Core Deposit as well as reduce risk of the Bank through providing small loans rather than large loans. The Committee exerted concern on the shortfall of Provision & advised for taking effective steps for resolving the same. The Committee also advised that the Branches should send loan proposals exerting due diligence and take approval from the Credit Administration Division (CAD) before disbursing loans of BDT 1.00 crore & above.



Kazi Md. Rezaul Karim
DMD & Chief Risk Officer (CRO)

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 its 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) 50% of Revaluation gain/ loss on investment (HFT) as per guideline the balance of 31.12.2014 is considered after deducting 40%.</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	-548.07	-536.57
		Right Share Application Money	91.73	91.73
		CET1 Capital	-614.53	-603.04
		Additional Tier 1 Capital	0.00	0.00
		Total Tier 1 Capital	-614.53	-603.04
(c)	Regulatory Adjustments/Deductions from capital	Particulars	Solo	Conso.
		Provision Shortfall in NPL	386.99	386.99
		Provision Shortfall in Share	----	----
		Total Adjustment	386.99	386.99
		BDT in Crore		
(d)	Total eligible capital	Particulars	Solo	Conso.
		Total eligible capital	-603.40	-591.91

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 -14.07% & -14.54% respectively as against the minimum regulatory requirement of 12.50%. Tier-I capital adequacy ratio for Consolidated is -14.34% as well as Solo is -14.80% 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	<p style="text-align: right;">BDT in Crore</p> <table> <tr> <th>Particulars</th><th>Solo</th><th>Conso.</th></tr> <tr> <td>Capital requirement for Credit Risk</td><td>382.28</td><td>387.72</td></tr> </table>	Particulars	Solo	Conso.	Capital requirement for Credit Risk	382.28	387.72									
Particulars	Solo	Conso.															
Capital requirement for Credit Risk	382.28	387.72															
(c)	Capital requirement for Market Risk	<p style="text-align: right;">BDT in Crore</p> <table> <tr> <th>Particulars</th><th>Solo</th><th>Conso.</th></tr> <tr> <td>Capital requirement for Market Risk</td><td>9.78</td><td>9.78</td></tr> </table>	Particulars	Solo	Conso.	Capital requirement for Market Risk	9.78	9.78									
Particulars	Solo	Conso.															
Capital requirement for Market Risk	9.78	9.78															
(d)	Capital requirement for Operational Risk	<p style="text-align: right;">BDT in Crore</p> <table> <tr> <th>Particulars</th><th>Solo</th><th>Conso.</th></tr> <tr> <td>Capital requirement for Operational Risk</td><td>23.06</td><td>23.06</td></tr> </table>	Particulars	Solo	Conso.	Capital requirement for Operational Risk	23.06	23.06									
Particulars	Solo	Conso.															
Capital requirement for Operational Risk	23.06	23.06															
(e)	Total capital, CET1 capital, Total Tier 1 capital and Tier 2 capital ratio: • For the consolidated group; and • For stand alone	<p style="text-align: right;">BDT in Crore</p> <table> <tr> <th>Particulars</th><th>Solo</th><th>Conso.</th></tr> <tr> <td>CRAR</td><td>-14.54%</td><td>-14.07%</td></tr> <tr> <td>CET1 Capital Ratio</td><td>-14.80%</td><td>-14.34%</td></tr> <tr> <td>Total Tier 1 Capital Ratio</td><td>-14.80%</td><td>-14.34%</td></tr> <tr> <td>Total Tier 2 Capital Ratio</td><td>0.27%</td><td>0.26%</td></tr> </table>	Particulars	Solo	Conso.	CRAR	-14.54%	-14.07%	CET1 Capital Ratio	-14.80%	-14.34%	Total Tier 1 Capital Ratio	-14.80%	-14.34%	Total Tier 2 Capital Ratio	0.27%	0.26%
Particulars	Solo	Conso.															
CRAR	-14.54%	-14.07%															
CET1 Capital Ratio	-14.80%	-14.34%															
Total Tier 1 Capital Ratio	-14.80%	-14.34%															
Total Tier 2 Capital Ratio	0.27%	0.26%															
(f)	Capital Conservation Buffer	For bank the requirement of capital conservation buffer is 2.50%. The Bank maintained 0% capital conservation buffer as on 31/12/2020.															
(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: • 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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		<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>																
<ul style="list-style-type: none">• Description of approaches followed for specific and general allowances and statistical methods;		<table><tr><th>Particulars</th><th>Rate</th></tr><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></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%
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		<p>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.</p>																

		<table><tr><th>Particulars</th><th>Rate</th></tr><tr><td>Specific provision on Sub-Standard loans and advances / investments.</td><td>20%</td></tr><tr><td>Specific provision on Doubtful loans and advances/investments.</td><td>50%</td></tr><tr><td>Specific provision on bad / loss loans and advances/invests.</td><td>100%</td></tr></table> <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>	Particulars	Rate	Specific provision on Sub-Standard loans and advances / investments.	20%	Specific provision on Doubtful loans and advances/investments.	50%	Specific provision on bad / loss loans and advances/invests.	100%
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Specific provision on bad / loss loans and advances/invests.	100%									
<ul style="list-style-type: none">• Discussion of the bank's credit risk management policy;		<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><tr><th>Loan Type</th><th>BDT in Crore</th></tr><tr><td>Demand Loan</td><td>111.19</td></tr><tr><td>Loan General</td><td>565.04</td></tr><tr><td>Cash Credit (Hypo)</td><td>371.36</td></tr><tr><td>Agriculture Loan</td><td>98.68</td></tr><tr><td>Overdraft</td><td>494.36</td></tr><tr><td>SME Loan</td><td>216.56</td></tr><tr><td>Payment Against Document (PAD)</td><td>108.76</td></tr><tr><td>Loan against Trust Receipt (LTR)</td><td>174.95</td></tr><tr><td>House Building Loan</td><td>67.25</td></tr><tr><td>Credit Card</td><td>2.37</td></tr><tr><td>Consumer Credit</td><td>4.44</td></tr><tr><td>Staff Loan</td><td>43.85</td></tr><tr><td>Bill Purchase / Discounted</td><td>2.31</td></tr><tr><td>Loans & Advances (BCI)</td><td>46.85</td></tr><tr><td>Total</td><td>2307.97</td></tr></table>	Loan Type	BDT in Crore	Demand Loan	111.19	Loan General	565.04	Cash Credit (Hypo)	371.36	Agriculture Loan	98.68	Overdraft	494.36	SME Loan	216.56	Payment Against Document (PAD)	108.76	Loan against Trust Receipt (LTR)	174.95	House Building Loan	67.25	Credit Card	2.37	Consumer Credit	4.44	Staff Loan	43.85	Bill Purchase / Discounted	2.31	Loans & Advances (BCI)	46.85	Total	2307.97
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(c)	Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.	<table><tr><th>Segment</th><th>BDT in Crore</th></tr><tr><td>Dhaka Division</td><td>1578.37</td></tr><tr><td>Chittagong Division</td><td>437.59</td></tr><tr><td>Rajshahi Division</td><td>112.00</td></tr><tr><td>Khulna Division</td><td>111.14</td></tr><tr><td>Sylhet Division</td><td>25.20</td></tr><tr><td>Barisal</td><td>20.28</td></tr><tr><td>Rangpur</td><td>23.39</td></tr><tr><td>Total</td><td>2307.97</td></tr></table>	Segment	BDT in Crore	Dhaka Division	1578.37	Chittagong Division	437.59	Rajshahi Division	112.00	Khulna Division	111.14	Sylhet Division	25.20	Barisal	20.28	Rangpur	23.39	Total	2307.97														
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(d)	Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.	<table><tr><th>Industry</th><th>BDT in Crore</th></tr><tr><td>Agricultural Loan</td><td>98.68</td></tr><tr><td>Industrial Loan (other than working capital)</td><td>186.57</td></tr><tr><td>Working capital Loan</td><td>344.75</td></tr><tr><td>Import Credit</td><td>394.84</td></tr><tr><td>Commercial Loan</td><td>844.94</td></tr><tr><td>RMG & Textile</td><td>266.57</td></tr><tr><td>Construction Loan</td><td>67.25</td></tr><tr><td>Transport and Communication Loan</td><td>9.73</td></tr><tr><td>Consumer Credit</td><td>4.44</td></tr><tr><td>All Others Loans</td><td>90.20</td></tr><tr><td>Total</td><td>2307.97</td></tr></table>	Industry	BDT in Crore	Agricultural Loan	98.68	Industrial Loan (other than working capital)	186.57	Working capital Loan	344.75	Import Credit	394.84	Commercial Loan	844.94	RMG & Textile	266.57	Construction Loan	67.25	Transport and Communication Loan	9.73	Consumer Credit	4.44	All Others Loans	90.20	Total	2307.97								
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(e)	Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.	<table><tr><th>Residual Maturity</th><th>BDT in Crore</th></tr><tr><td>Re-payable on demand</td><td>298.25</td></tr><tr><td>Not more than 3 months</td><td>414.53</td></tr><tr><td>More than 3 Months but less than 1 year</td><td>986.32</td></tr><tr><td>More than 1 year but less than 5 years</td><td>418.34</td></tr><tr><td>More than 5 years</td><td>190.53</td></tr><tr><td>Total</td><td>2307.97</td></tr></table>	Residual Maturity	BDT in Crore	Re-payable on demand	298.25	Not more than 3 months	414.53	More than 3 Months but less than 1 year	986.32	More than 1 year but less than 5 years	418.34	More than 5 years	190.53	Total	2307.97																		
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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><tr><th>Industry</th><th>BDT in Crore</th></tr><tr><td>Agricultural Loan</td><td>98.68</td></tr><tr><td>Industrial Loan (other than working capital)</td><td>186.57</td></tr><tr><td>Working capital Loan</td><td>344.75</td></tr><tr><td>Import Credit</td><td>394.84</td></tr><tr><td>Commercial Loan</td><td>844.94</td></tr><tr><td>RMG & Textile</td><td>266.57</td></tr><tr><td>Construction Loan</td><td>67.25</td></tr><tr><td>Transport and Communication Loan</td><td>9.73</td></tr><tr><td>Consumer Credit</td><td>4.44</td></tr><tr><td>All Others Loans</td><td>90.20</td></tr><tr><td>Total</td><td>2307.97</td></tr></table>	Industry	BDT in Crore	Agricultural Loan	98.68	Industrial Loan (other than working capital)	186.57	Working capital Loan	344.75	Import Credit	394.84	Commercial Loan	844.94	RMG & Textile	266.57	Construction Loan	67.25	Transport and Communication Loan	9.73	Consumer Credit	4.44	All Others Loans	90.20	Total	2307.97		
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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><tr><th>Particulars</th><th>BDT in Crore</th></tr><tr><td>Gross Non Performing Assets (NPAs)</td><td>977.05</td></tr><tr><td>NPAs to Outstanding Loans & advances</td><td>42.34%</td></tr><tr><td colspan="2">Movement of Non Performing Assets (NPAs)</td></tr><tr><td>Opening balance</td><td>1132.54</td></tr><tr><td>Additions/(Reductions)</td><td>-155.49</td></tr><tr><td>Closing balance</td><td>977.05</td></tr><tr><td colspan="2">Movement of specific provisions for NPAs</td></tr><tr><td>Opening balance</td><td>308.76</td></tr><tr><td>Provisions made during the period</td><td>49.82</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>358.58</td></tr></table>	Particulars	BDT in Crore	Gross Non Performing Assets (NPAs)	977.05	NPAs to Outstanding Loans & advances	42.34%	Movement of Non Performing Assets (NPAs)		Opening balance	1132.54	Additions/(Reductions)	-155.49	Closing balance	977.05	Movement of specific provisions for NPAs		Opening balance	308.76	Provisions made during the period	49.82	Write-off	---	Write-back of excess provisions	---	Closing balance	358.58
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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).
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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.	<div>BDT in Crore</div> <table><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><tr><td>Share Portfolio</td><td>53.17</td><td>28.07</td><td>53.17</td><td>28.07</td></tr></table>	Particulars	Solo		Conso.		Cost	Mkt Value	Cost	Mkt Value	Share Portfolio	53.17	28.07	53.17	28.07				
Particulars	Solo			Conso.																
	Cost	Mkt Value	Cost	Mkt Value																
Share Portfolio	53.17	28.07	53.17	28.07																
(c)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	<div>BDT in Crore</div> <table><tr><th>Particulars</th><th>Solo</th><th>Conso.</th></tr><tr><td>Realized gains/(losses)</td><td>8.91</td><td>8.91</td></tr></table>	Particulars	Solo	Conso.	Realized gains/(losses)	8.91	8.91												
Particulars	Solo	Conso.																		
Realized gains/(losses)	8.91	8.91																		
(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.	<div>BDT in Crore</div> <table><tr><th>Particulars</th><th>Solo</th><th>Conso.</th></tr><tr><td>Un-realized gains/(losses)</td><td>(25.09)</td><td>(25.09)</td></tr></table> <table><tr><th>Particulars</th><th>Solo</th><th>Conso.</th></tr><tr><td>Latent revaluation gains/(losses)</td><td>---</td><td>---</td></tr></table> <table><tr><th>Particulars</th><th>Solo</th><th>Conso.</th></tr><tr><td>Amount of above include in capital</td><td>---</td><td>---</td></tr></table>	Particulars	Solo	Conso.	Un-realized gains/(losses)	(25.09)	(25.09)	Particulars	Solo	Conso.	Latent revaluation gains/(losses)	---	---	Particulars	Solo	Conso.	Amount of above include in capital	---	---
Particulars	Solo	Conso.																		
Un-realized gains/(losses)	(25.09)	(25.09)																		
Particulars	Solo	Conso.																		
Latent revaluation gains/(losses)	---	---																		
Particulars	Solo	Conso.																		
Amount of above include in capital	---	---																		
(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.	<div>BDT in Crore</div> <table><tr><th>Particulars</th><th>Solo</th><th>Conso.</th></tr><tr><td>Specific market risk</td><td>2.81</td><td>2.81</td></tr><tr><td>General market risk</td><td>2.51</td><td>2.51</td></tr></table>	Particulars	Solo	Conso.	Specific market risk	2.81	2.81	General market risk	2.51	2.51									
Particulars	Solo	Conso.																		
Specific market risk	2.81	2.81																		
General market risk	2.51	2.51																		

6. Interest rate risk in the banking book (IRRBB):**6.1 Qualitative Disclosures**

(a)	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>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 BCBLs 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)

The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to managements method for measuring IRRBB, broken down by currency (as relevant).

Particulars	BDT in Crore
Market value of assets	4083.90
Market value of liabilities	4221.95
Weighted Average of Duration of Liabilities (DL)	3.39
Weighted Average of Duration of Assets (DA)	3.71
Duration GAP (DA-DL)	0.21
Yield to Maturity (YTM -Assets)	8.84%
Yield to Maturity (YTM -Liability)	5.75%

Particulars	Magnitude of interest rate change		
	1%	2%	3%
Fall in market value of equity	(19.00)	(38.00)	(57.00)

Stress Testing:

Particulars	Magnitude of Shock (BDT in Crore)		
	1%	2%	3%
Regulatory Capital	-628.34	-636.07	-643.79
RWA	4144.29	4144.29	4144.29
CRAR	-15.16%	-15.35%	-15.53%

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.	<table> <tr> <th colspan="3">BDT in Crore</th></tr> <tr> <th>Particulars</th><th>Solo</th><th>Conso.</th></tr> <tr> <td>Interest rate risk</td><td>2.51</td><td>2.51</td></tr> <tr> <td>Equity position risk</td><td>5.32</td><td>5.32</td></tr> <tr> <td>Foreign exchange risk</td><td>1.95</td><td>1.95</td></tr> <tr> <td>Commodity risk</td><td>--</td><td>--</td></tr> </table>	BDT in Crore			Particulars	Solo	Conso.	Interest rate risk	2.51	2.51	Equity position risk	5.32	5.32	Foreign exchange risk	1.95	1.95	Commodity risk	--	--
BDT in Crore																				
Particulars	Solo	Conso.																		
Interest rate risk	2.51	2.51																		
Equity position risk	5.32	5.32																		
Foreign exchange risk	1.95	1.95																		
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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		<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>
	Performance gap of executives and staffs	
	Potential external events	<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

<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	23.06	23.06

9. Liquidity Ratio:

9.1 Qualitative Disclosures

<p>(a)</p>	<p>Views of BOD on system to reduce liquidity Risk</p> Methods used to measure Liquidity risk	<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)	Liquidity Coverage Ratio	
	Net Stable Funding Ratio (NSFR)	
	Stock of High quality liquid assets	
	Total net cash outflows over the next 30 calendar days	
	Available amount of stable funding	
	Required amount of stable funding	

Particulars	BDT in Crore
Liquidity Coverage Ratio	100.93%
Net Stable Funding Ratio (NSFR)	119.31%
Stock of High quality liquid assets	621.29
Total net cash outflows over the next 30 calendar days	615.54
Available amount of stable funding	2747.24
Required amount of stable funding	2302.62

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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	<p>Approach for calculating exposure</p>	<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)	-614.53	-603.04
		Exposure measure :		
		On balance sheet exposure	3729.44	3729.44
		Off balance sheet exposure	460.98	370.58
		Less: Regulatory adjustment made to Tier I capital	386.99	386.99
		Total exposure (B)	3803.43	3713.03
		Leverage Ratio (A/B)	-16.16%	-16.24%

11. Remuneration

11.1 Qualitative Disclosures

(a)	<p>Information relating to the bodies that oversee remuneration. Disclosures should include:</p>	<p>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 imply in Directive of Bangladesh Bank (DOBB).</p>
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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>Banks remuneration policy is designed for permanent, contractual, consultant and advisory service/employees. Banks 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><tr><th>Designation of the employees</th><th>Number of Employees</th></tr><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>10</td></tr><tr><td>Vice Prescient</td><td>5</td></tr></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	10	Vice Prescient	5
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	10																	
Vice Prescient	5																	
(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 firms 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 come 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>																

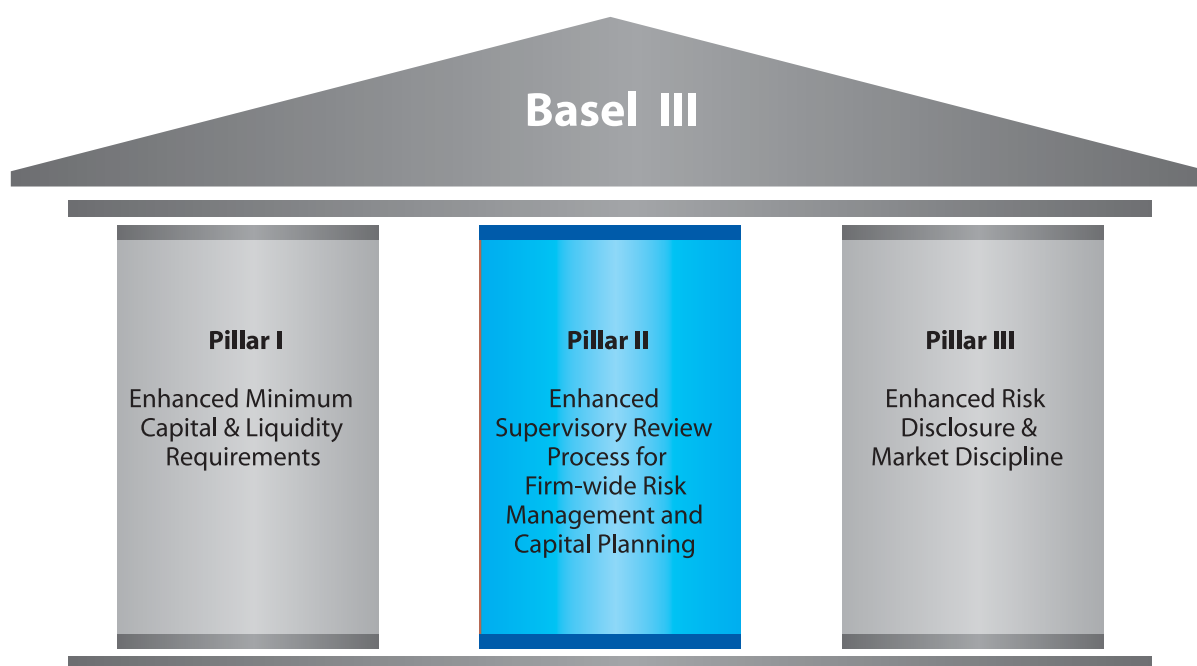
	<p>processes. Disclosures should include:</p> <p>An overview of the key risks that the bank takes into account when implementing remuneration measures.</p> <p>An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure (values need not be disclosed).</p> <p>A discussion of the ways in which these measures affect remuneration.</p> <p>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:</p> <p>An overview of main performance metrics for bank, top-level business lines and individuals.</p> <p>A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance.</p> <p>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 employees 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. This 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 2017 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><tr><th>Particulars</th><th>BDT in Crore</th></tr><tr><td>Number of employees having received a variable remuneration award during the financial year</td><td>Nil</td></tr><tr><td>Number and total amount of guaranteed bonuses awarded during the financial year.</td><td>Two festival bonus paid to employees worth BDT 3.69 Crore.</td></tr><tr><td>Number and total amount of sign-on awards made during the financial year.</td><td>Nil</td></tr><tr><td>Number and total amount of severance payments made during the financial year.</td><td>Nil</td></tr></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 3.69 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
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 3.69 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												
(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><tr><th>Particulars</th><th>BDT in Crore</th></tr><tr><td>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>Nil</td></tr><tr><td>Total amount of deferred remuneration paid out in the financial year.</td><td>Nil</td></tr></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				
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												
(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 86.83 Crore has been paid in 2020 and no variable remuneration was paid in said period.											

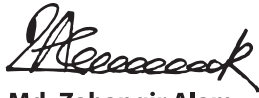
(k)	<p>Quantitative information about employees exposure to implicit (eg fluctuations in the value of shares or performance units) and explicit adjustments (eg clawbacks or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:</p> <p>Total amount of 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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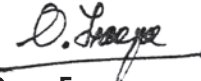
CEO's and CFO's declaration to the Board of Directors

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 2020 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.



Md. Zahangir Alam
Executive Vice President & CFO



Mr. Omar Farooque
Managing Director & CEO

Product's of BCBL

BCB Savings Bank Account.

- 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 or Joint account is possible.

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/-, 1000/- 2000/-, 5000/-, 10000/- & 20000/-.
- 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%

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. 5000.00/-
- 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)

BBCB Students' Savings Account:

- Student's bellow 6 years up to 18 years of age is applicable for opening the account.
- This is a joint account which cannot be opened with anyone else other than parents or legal Guardian.
- 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.
- Rate of interest is – 7.25%
- Interest will be paid half yearly & on daily balance.

BCB Bibaho Suridh Scheme Account:

- 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. 1000/-, 2000/-, 3,000/- 4000/- 5000/-, 10,000/-, 15,000/-, 20,000/- & 25,000/-.
- Duration of the Scheme is 05 (five), 10 (ten) years & 15 (Fifteen) years & 20 (Twenty) years.
- A Loan Privilege of up to tk. 10.00 Lakh is possible (Conditions Apply).
- Annual Rate of Interest: 09.00%
- Premature Encashment is possible (Conditions Apply).

**BCB Shiksha Suridh
Scheme Account**

- 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. 1000/-, 2000/-, 3,000/- 4000/- 5000/-, 10,000/-, 15,000/-, 20,000/- & 25,000/-.
- Duration of the Scheme is 05 (five), 10 (ten) years & 15 (Fifteen) years & 20 (Twenty) years.
- A Loan Privilege of up to tk 10.00 Lakh is possible (Conditions Apply).
- Annual Rate of Interest: 09.00%
- Premature Encashment is possible (Conditions Apply).

**BCB Chikisha Suridh
Scheme Account**

- 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. 1000/-, 2000/-, 3,000/- 4000/- 5000/-, 10,000/-, 15,000/-, 20,000/- & 25,000/-.
- Duration of the Scheme is 05 (five), 10 (ten) years & 15 (Fifteen) years & 20 (Twenty) years.
- A Loan Privilege of up to tk 10.00 Lakh is possible (Conditions Apply).
- Annual Rate of Interest: 09.00%
- Premature Encashment is possible (Conditions Apply).

**BCB Current Deposit
Account**

- Any matured citizen 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. 1000.00 is required for opening the Account.
- Withdrawal of any amount at any date is allowed.
- Rate of interest is – 0%
- Opening of any Individual, Joint or Institutional account is possible.

BCB Special Notice Deposit Account (SND)

- Any matured citizen 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. 1000.00 is required for opening the Account.
- Withdrawal of any amount at any date is allowed.
- Rate of interest is – 2.5% - 3.00%
- Opening of any Individual, Joint or Institutional account is possible.

BCB Double Benefit Scheme

- Any matured citizen 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. 25,000.00 or multiple is possible.
- Deposited amount would be doubled in 08 (Eight) years.
- A loan.

BCB Monthly Income Scheme

- Any matured citizen 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. 1, 00,000.00 or multiple is possible for a period of 03 (three) years.
- Maximum amount of profit withdrawal is Taka. 900.00 tk. per Lakh (monthly).
- A loan privilege of up to 90 % is possible against the entire deposited amount.

BCB Fixed Deposit

- A term deposit account that can be opened by any matured citizen of Bangladesh at any branch of BCB.
- Current Rate of Interest is 6.00%

BCB Senior Citizen

- Priority services at branches with special attention.
- Faster transfer of funds
- Online options to pay your bills & others
- Free ATM debit card (For 1st year only)
- Free Internet Banking Service
- Free SMS Banking Service
- 25% discount on lockers charges (Subject to availability)
- No Service Charge
- No withdrawal restriction
- Minimum balance Tk.5,000.00
- Closing charge as per schedule

BCB Senior Citizen (Monthly Income Scheme)

- It is an attractive Monthly Income Scheme Specially designed for senior citizens.
- This project helps the family to live on a budgetary basis.
- This Product will help retirees to get a regular monthly income.
- Monthly Profit will be transferred to it's linked account automatically and at maturity Profit + Principal amount will also be credited automatically to the respective linked account after closing the contract with clients. So the scheme is totally hassle free.
- No Closing Charge.
- A thanks letter will be given after opening of the account.
- A message will be given instead of manual receipt when credited the monthly profit to respective linked account.

BCB Tarunyo

- Minimum balance Tk. 500.00
- Priority services at branches
- Faster transfer of funds
- Online options to pay your tuition fees & others
- Free ATM debit card (For 1st year only)
- Free Internet Banking Service
- Free SMS Banking Service
- No Service Charge
- No withdrawal restriction
- Closing charge as per schedule

Future Business Outlook

BCBL upholds the principle of maintaining asset quality and therefore, focuses on strict supervision of its asset portfolio with utmost care. It is committed to extend high quality services to its clients through different financial products and profitable utilization of fund by undertaking various lending operations including financing trade, commerce and industry etc. In conducting lending operations BCBL always bears in mind the essence of proper risk identification and their effective management.

BCBL's organizational structure aims at supporting the strategies of mitigating risks in credit operation. Credit approval at any level is made based on the recommendation of the Business & Investment Committee. With recommendation of the Business & Investment Committee, the credit proposal is placed for approval/negation by the authority authorized to do so.

Outbreak of global pandemic COVID-19 has a serious impact on Import, Export business alongside with other business sector in Bangladesh. In Banking sector facing a severe problem due to the intensifying growth of non-performing loans (NPLs). Such Skyrocketing NPLs created negative impact on depositors mind which results in liquidity crisis for banks. On top of that, the capped interest rate regime from 2020 is also putting the potential threat of low profitability for banks.

Notwithstanding the above drawbacks, the worldwide outbreak of deadly coronavirus disease which began to strike in Bangladesh from early March 2020, Bangladesh economy displayed its inherent resilience reflected through a notable 5.2 percent real GDP growth where all other South-Asian economies experiences economic contractions in FY20. Aided by prudent fiscal and monetary policy measures, the growth momentum of Bangladesh continues, recording growth of 6.1 percent that well supported by rebounded exports and import growth amid sustained high growth of inward remittance throughout the year.

It is worth mentioning that the Government of Bangladesh has so far announced 28 stimulus packages worth of Taka 1.35 trillion which is approximately 4.9 percent of FY20's current price GDP, for mitigate the adverse impacts of the outbreak of COVID-19 of Bangladesh economy and facilitating faster economic recovery.

Bangladesh Bank has appropriately adopted a range of policy measures for ensuring uninterrupted banking and mobile/digital financial services even in the lockdown situation, injecting sufficient loanable funds for the banks and other NBFIs, reducing the cost of loanable funds, establishing funds for promoting new entrepreneurs, and enhancing the productivity of export sector and extending the refinancing facilities for the priority sectors including Agriculture, CMSMEs, Large-industries, Export-oriented industries, and Service sector. Bangladesh Bank has taken the responsibility of implementing Government's nine (9) stimulus packages along its own three (3) stimulus packages amounting to nearly Taka 1.0 trillion for covering COVID-19 related disruptions, of which 85.6 percent have already been implemented.

Moreover, the rapid expansion of the mobile and digital financial services, agent banking, technology-driven sub-branch opening by banks in the underprivileged remote areas have played a vital role in stimulating domestic demand especially by time and cost-effective remittance distributions among the recipients and opening new job opportunities e.g. freelancing. Business in all sectors is increasing gradually and in banking sectors by introducing more diversified deposits and loan products, accelerating Foreign Trade, rapid digitalization of banking sector predicts the future growth of banking sector in Bangladesh. Banks also increasing loans and advances on various sector i.e. RMG, SME, HBL, OD etc. also helped Banks to stand firmly.

Keeping eye on the above changed business environment, BCBL aims to achieve its' goal by taking forward looking strategies. Our prime growth strategies and measures are as follows:

01. Keeping up credit/lending operational resilience by following regulatory aspiration and maintaining highest level of credit discipline.
02. To tackle Covid-19, disbursing loan target as the part of 'Financial Stimulus Package' of Bangladesh Bank of Tk. 60.00 crore for Corporate Sectors and Tk. 50.00 crore for SME sector.our best effort also be employed to achieve the target of disbursing Tk. 24.00 crore in the Agricultural Sector.
03. For tackling recent BB lending cap of 9.00%, BCBL's newly designed eight (08) nos. of assets products to be penetrated in the markets.
04. Shifting towards commission & fee-based income from the non-funded & guarantee based business from the current fund-based lending. To support our clients bank designed, developed and approved some lucrative funded and non funded based products, so that our branches could easily go to the market to procure business.
05. Moreover, Bank has already implemented commission free pay order issuing system and all aspect of online transaction that could help our business simultaneously.
06. Continuing financing to the real economy and support its recovery. Emphasis will be given on SME and Agri-based industry.
07. Re-construction of loan portfolios in combination with high yielding investments, low risk investment & funded-non-funded mixed investment.
08. Prudent management of credit risks and significant improvement of credit operation efficiencies by following of Bangladesh Banks' CRM Guidelines and BCBL's credit policy.
09. Lowering NPLs by increasing quality lending/investment.



**Bangladesh Commerce Bank Limited
and its Subsidiary**

**"Report on the Audit of the Consolidated
and Separate Financial Statements"**

For the year ended 31st December, 2020

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, 2020 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 described 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, 2020, 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 Banking Companies Act 1991, the Companies Act 1994 and other applicable laws and regulations.

Basis for Qualified Opinion

1. As per BRPD circular no. 11 dated August 14, 2008 and minimum capital requirement in BASEL III, required capital including reserve fund are Tk. 400 crore and paid up capital not less than Tk. 200 crore. The same is also required by the bank as per section 13 (2) of Bank Company Act (Amendment) 2013. Subsequently as per BRPD letter no. p-3/745(49)/2019-2133 dated March 11, 2019 minimum Paid-up Capital and Reserve Fund of the Bank shall be increased to Tk. 500 crore. On this regard in 2020 the bank has Paid up Capital 198.87 crore and capital including Reserve Fund Tk. (603.40) crore {Tk. (590.83) crore in 2019} which result required capital shortfall of Tk. 1,103.40 crore {shortfall of Tk. 990.83 crore in 2019}.
2. As per ITO 1984 section 82C para 5 & 8, the entity does not charge Tax expense amounting Tk. 42,910,998 (Tk. 12,811,292 in 2018; Tk. 14,457,767 in 2019 and Tk. 15,641,939 in 2020) in P/L for 3 consecutive years.

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	Our response to key audit matters
Measurement of provision for loans and advances	
Refer note no. 7 and 13.1 to the financial statements	
<p>The process for estimating the provision for customer loans associated with credit risk is significant and complex.</p> <p>For the individual analysis for large exposure, provisions calculation considers the estimates of future business performance and the market value of collateral provided for availing loan 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 23,079,691,514 (2019: BDT 22,475,699,119) and the Bank reported provision for loans of BDT 3,697,349,803 (2019: BDT 3,087,546,803).</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Loan 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

Refer note no. 6.2.1 to the financial statements

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.

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.

We tested a sample of investments valuation as at December 31, 2020 and compared our results to the recorded value.

Finally we assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

IT systems and controls

Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.

Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application based controls are operating effectively.

We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting.

We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.

We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.

We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.

Carrying value of investments in subsidiary by the Bank

Refer note no. 6(a) to the financial statements

The Bank has invested in equity shares of one subsidiaries, namely Commerce Bank Securities and Investment Limited as at December 31, 2020 the carrying value of this investment is BDT 649,999,910.

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.

We have reviewed Management's analysis of impairment assessment and recoverable value calculation of subsidiaries in accordance with IAS 36.

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.

We also checked mathematical accuracy of the model,

Management has conducted impairment assessment and calculated recoverable value of its individual subsidiaries in accordance with IAS 36.

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.

Measurement of deferred tax assets

Refer note no. 9.8 to the financial statements

At year end of 2020 the Bank reported total net deferred tax assets of BDT 25,161,476 (2019: liability BDT 3,552,731) and deferred tax income of BDT 28,714,207).

Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.

We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of DTAs and the assumptions used in estimating the Bank's future taxable income.

We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. The Bank has sufficient taxable profit to recover the deferred tax assets in foreseeable future.

We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTA's.

Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.

Legal and regulatory matters

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.

These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.

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.

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.

We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.

We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.

We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.

We also assessed the Bank's provisions and contingent liabilities disclosure.

Recognition of Interest Income	
Refer note no. 22 to the financial statements	
Recognition of investment income has significant and wide influence on financial statements.	We tested the design and operating effectiveness of key control over recognition and measurement of the investment income.
Recognition and measurement of investment income has involvement of complex IT environment.	We performed test of operating effectiveness on automated control in place to measure and recognize the same.
This is one of the key performance indicators of the Group and the Bank and therefore there is an inherent risk of fraud and error in recognition of the same.	We also performed substantive procedure to check whether the investment income is recognized completely and accurately.
	We assessed the appropriateness, presentation and disclosure against relevant International Accounting Standards (IAS) and Bangladesh Bank guidelines.

Emphasis of Matter

We draw attention to followings:

1. Note 2.1.2 of the financial statements which describes management's assessment regarding the bank's ability to continue as going concern;
2. Note 2.6.3.1 of the financial statements, which describe matter related to implementation of "Right share issue on Paid up share capital" for the non-compliance with Parliamentary Act No.12,1997;
3. Note 4.1.3 of the financial statements regarding investment in FDR which seems risky.
Our opinion is not modified in respect of matters described above.

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.

Auditors' 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 3,300 person hours; and
- (xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has not been maintained adequately during the year.

Firm's Name : Rahman Mostafa Alam & Co., Chartered Accountants

Signature :



Auditors' Name : Md. Anwaruzzaman FCA, **Enroll. No.:** 1268

Date : April 27, 2021

Place : Dhaka

DVC : 2104271268AS704904

Bangladesh Commerce Bank Limited & its Subsidiary

Consolidated Balance Sheet

As at December 31, 2020

Particulars	Notes	31.12.2020 Taka	31.12.2019 Taka
PROPERTY AND ASSETS			
Cash	3(a)	2,327,148,132	2,228,869,959
Cash in hand (including foreign currencies)	3.1(a)	460,644,415	455,087,672
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2(a)	1,866,503,717	1,773,782,287
Balance with other banks and financial institutions	4(a)	7,655,304,792	7,437,646,794
Inside Bangladesh		7,549,149,345	7,296,161,632
Outside Bangladesh	4.2	106,155,447	141,485,162
Money at call on short notice	5(a)	29,300,000	29,300,000
Investments	6(a)	5,087,265,517	4,992,517,303
Government		3,811,256,809	3,589,011,618
Others		1,276,008,708	1,403,505,685
Loans and Advances	7(a)	23,079,691,514	22,475,699,119
Loans, Cash Credit, Overdrafts etc.		23,056,599,340	22,475,501,823
Bills purchased and discounted		23,092,174	197,296
Fixed assets including premises, furniture and fixtures	8(a)	339,766,843	318,450,685
Other assets	9(a)	2,904,162,156	2,507,848,701
Non-banking assets	10	-	-
Total Property and Assets		41,422,638,953	39,990,332,561
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11(a)	320,192,409	174,407,792
Deposits and other accounts	12(a)	36,393,401,405	34,038,702,544
Current Account and Other Accounts etc.		3,640,459,699	6,725,298,141
Bills Payable		497,123,211	294,368,934
Savings Bank Deposits		3,825,993,970	3,703,981,784
Short Term Deposit		3,429,948,715	1,730,377,450
Fixed Deposits		18,578,216,776	16,450,267,500
Deposits under Different Schemes	12.5(a)	6,421,659,034	5,134,408,735
Other liabilities	13(a)	6,787,150,929	5,715,536,451
Total Liabilities		43,500,744,743	39,928,646,787
Capital/Shareholders' Equity			
Paid-up-Capital	14.2	1,988,742,800	1,988,742,800
Share Capital BCI Ltd.		15,300,000	15,300,000
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)	82,309,891	163,704,467
Exchange Equalization Account		-	-
Retained Earnings/(Loss on profit & loss A/C)	18(a)	(5,365,698,959)	(3,307,301,971)
Total Shareholders' Equity		(2,078,105,881)	61,685,683
Non-Controlling Interest		91	91
Total Equity		(2,078,105,790)	61,685,774
Total Liabilities and Shareholders' Equity		41,422,638,953	39,990,332,561

Bangladesh Commerce Bank Limited & its Subsidiary

Consolidated Balance Sheet

As at December 31, 2020

Particulars	Notes	31.12.2020 Taka	31.12.2019 Taka
OFF-BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		324,061,649	335,197,566
Letter of Guarantees	19.1	472,299,049	4,489,600
Irrevocable Letter of Credit		666,559,929	1,025,805,388
Bills for Collection		3,034,767,615	2,933,190,377
Other contingent liability	19.2	112,112,334	113,791,800
TOTAL CONTINGENT LIABILITIES		4,609,800,576	4,412,474,731
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		4,609,800,576	4,412,474,731

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


Managing Director


Director


Director


Chairman

Signed in terms of our separate report of even date

Firm's Name : Rahman Mostafa Alam & Co., Chartered Accountants

Signature : 

Auditors' Name : Md. Anwaruzzaman FCA, **Enroll No.:** 1268

Date : April 27, 2021

Place : Dhaka

DVC : 2104271268AS704904

Bangladesh Commerce Bank Limited & its Subsidiary

Consolidated Profit and Loss Account

For the year ended December 31, 2020

Particulars	Notes	31.12.2020 Taka	31.12.2019 Taka
Interest Income	20 (a)	1,433,297,960	2,353,154,280
Interest Paid on Deposits and Borrowings etc	21(a)	2,165,160,284	2,086,735,951
Net Interest Income		(731,862,324)	266,418,329
Income from Investments in Shares and Securities	22(a)	437,634,435	348,441,952
Commission, Exchange Earnings & Brokerage	23(a)	173,801,287	219,166,760
Other Operating Income	24(a)	37,395,318	50,517,639
Total operating income (A)		648,831,040	618,126,351
		(83,031,284)	884,544,679
Salaries and Allowances	25(a)	965,614,905	1,016,150,316
Rent, Taxes, Insurance, Electricity, etc.	26(a)	151,081,571	183,476,152
Legal Expenses		2,080,335	1,060,875
Postage, Stamp, Telecommunication etc.	27(a)	30,848,882	27,444,407
Stationery, Printing, Advertisement etc.	28(a)	12,761,823	14,745,496
Managing Director's salary and fees	29	2,245,161	7,199,999
Directors' Fee and expenses	30(a)	1,963,600	2,133,600
Auditors' Fee		230,000	230,000
Depreciation & Repairs of Bank Assets	31(a)	118,282,669	96,581,486
Other Expenses	32(a)	68,255,613	120,680,316
Total operating expenses (B)		1,353,364,560	1,469,702,647
Total Profit/ (Loss) before Provision & Taxes (C)=A-B		(1,436,395,844)	(585,157,968)
Provision for Loans & Advances	13.1.2	619,803,000	500,000,000
Provision for deminution in value of Investment	13.6	(63,329,966)	90,350,625
Provision for Off Balance Sheet Items	13.10	(39,320,457)	-
Other provisions	13.11	9,873,000	74,420,000
Total provision (D)		527,025,577	664,770,625
Profit/(loss) before taxes (C-D)		(1,963,421,421)	(1,249,928,592)
Provision for Taxation		(18,088,250)	16,504,691
Current tax expense		10,652,951	16,516,071
Prior year tax expense		-	-
Deferred tax expense/ (Income)		(28,741,201)	(11,380)
Net profit/ (loss) after taxation		(1,945,333,171)	(1,266,433,283)
Appropriations			
Statutory Reserve		-	-
General Reserve		-	-
Dividends etc.		-	-
Retained surplus		(1,945,333,171)	(1,266,433,283)
Earning Per Share (EPS)	34(a)	(97.82)	(63.68)

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


 Managing Director


 Director

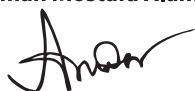

 Director


 Chairman

Signed in term of our separate report of even date

Firm's Name : Rahman Mostafa Alam & Co., Chartered Accountants

Signature :



Auditors' Name : Md. Anwaruzzaman FCA,

Enroll No.: 1268

Date : April 27, 2021

Place : Dhaka

DVC : 2104271268AS704904

Bangladesh Commerce Bank Limited & its Subsidiary

Consolidated Cash Flow Statement

For the year ended December 31, 2020

Particulars	Notes	31.12.2020 Taka	31.12.2019 Taka
A. Cash flow from operating activities			
Interest receipts		1,377,708,345	2,507,293,263
Interest payments		(2,041,260,501)	(1,860,662,961)
Dividend receipts		60,791,994	8,248,993
Fees and commission receipts in cash		89,347,573	124,703,014
Cash payment to employees		(914,370,466)	(971,539,083)
Cash payment to suppliers		(184,532,269)	(215,178,584)
Income Taxes paid		(51,888,595)	(63,431,066)
Receipts from other operating activities		215,985,346	127,081,984
Payments for other operating activities		(62,697,448)	(171,763,366)
Operating profit before changes in operating assets and liabilities		(1,510,916,020)	(515,247,807)
Increase/(Decrease) in operating assets & liabilities		1,964,694,828	1,450,626,667
Statutory Deposits		-	-
For the year ended December 31, 2020		(603,992,395)	(327,576,119)
Other assets		5,553,083	(175,633,209)
Deposits from other banks/ borrowings		567,838,421	(159,822,916)
Deposits from customers		1,662,960,658	2,179,964,258
Other liabilities		332,335,061	(66,305,347)
Net cash flows from/ (used in) operating activities (CBSIL)		76,167,845	(27,937,435)
Net cash flow from operating activities (A)		529,946,652	907,441,425
B. Cash flow from investing activities		22,128,833	(235,277,359)
Purchase/ sale of government securities & bond		(87,149,433)	(93,164,301)
Purchase of property, plant & equipment		109,278,266	(142,113,057)
Purchase/sale of subsidiary		-	-
Net Cash flow from investing activities(CBSIL)		(78,284,164)	(68,208,554)
Net cash flow from/ (used in) investing activities (B)		(56,155,331)	(303,485,913)
C. Cash flow from financing activities			
Proceeds from issue of debt instruments		145,784,617	-
Long Term loan payment to BCBL		-	-
Payment for redemption of debt instruments		(81,394,577)	-
Receipts from issuing ordinary share/ rights share		-	-
Cash Dividend		-	-
Net cash flow from /(used in) financing activities (C)		64,390,040	-
Net increase in Cash and Cash Equivalents (A+B+C)		538,181,362	603,955,511
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and Cash Equivalents at the beginning of the year		13,284,828,371	12,680,872,860
Cash and cash equivalents at end of year		13,823,009,733	13,284,828,371
Closing Cash & Cash Equivalent			
Cash in Hand (including foreign currency)		460,644,415	455,087,672
Balance with Bangladesh Bank and its Agent Banks		1,866,503,717	1,773,782,287
Balance with Other Bank's and Financial Institutions		7,655,304,792	7,437,646,794
Money at Call on Short Notice		29,300,000	29,300,000
Prize Bond		1,723,400	864,400
Government Securities & FDR		3,809,533,409	3,588,147,218
		13,823,009,733	13,284,828,371



Managing Director



Director



Director




Chairman

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

For the year ended December 31, 2020

(Amount in Taka)

Particulars	Paid up Capital	Share Premium	Non-Controlling Interest	Statutory Reserve	Revaluation Reserve	Other Reserve	Profit/(Loss)	Total
Balance as on January 01, 2020	2,921,302,450	-	91	275,060,371	163,704,467	8,920,366	(3,307,301,971)	61,685,774
Changes in Accounting Policy	-	-	-	-	-	-	-	-
Restated Balance	1,988,742,800	-	91	275,060,371	163,704,467	8,920,366	(3,307,301,971)	(870,873,876)
Share Capital BCI Ltd.	15,300,000	-	-	-	-	-	-	15,300,000
Adjustment for the application of IFRS-16 (Lease)	-	-	-	-	-	-	(27,736,815)	(27,736,815)
Prior Year's Adjustment	-	-	-	-	-	-	(85,327,000)	(85,327,000)
Right Share Application Money	917,259,650	-	-	-	-	-	-	917,259,650
Increase in Statutory Reserve	-	-	-	-	-	-	-	-
Revaluation Reserve for HTM Securities	-	-	-	-	(81,394,576)	-	-	(81,394,576)
Net Profit/(Loss) for the year	-	-	-	-	-	-	(1,945,333,408)	(1,945,333,408)
Balance as on December 31, 2020	2,921,302,450	-	91	275,060,371	82,309,891	8,920,366	(5,365,699,194)	(2,078,106,026)
Balance as on January 01, 2019	2,942,502,450	-	101	275,060,371	186,327,551	8,920,366	(2,040,868,690)	1,371,942,149
Changes in Accounting Policy	-	-	-	-	-	-	-	-
Restated Balance	1,988,742,800	-	101	275,060,371	186,327,551	8,920,366	(2,040,868,690)	418,182,499
Share Capital BCI Ltd.	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	-	-	-	-	(22,623,084)	-	-	(22,623,084)
Issuance of Share Capital	-	-	-	-	-	-	-	-
Redemption of Share Capital	-	-	-	-	-	-	-	-
Net Profit/(Loss) for the year	-	-	(10)	-	-	-	(1,266,433,281)	(1,266,433,291)
Balance as on December 31, 2019	2,921,302,450	-	91	275,060,371	163,704,467	8,920,366	(3,307,301,971)	61,685,774


Managing Director


Director


Director


Chairman

Bangladesh Commerce Bank Limited

Balance Sheet

As at December 31, 2020

Particulars	Notes	31.12.2020 Taka	31.12.2019 Taka
PROPERTY AND ASSETS			
Cash	3	2,326,682,438	2,228,437,802
Cash in hand (including foreign currencies)	3.1	460,178,721	454,655,515
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	3.2	1,866,503,717	1,773,782,287
Balance with other banks and financial institutions	4	7,316,827,628	7,097,019,774
Inside Bangladesh		7,210,672,181	6,955,534,612
Outside Bangladesh		106,155,447	141,485,162
Money at call on short notice	5	29,300,000	29,300,000
Investments	6	5,639,485,584	5,526,518,659
Government	6.1	3,811,256,809	3,589,011,618
Others	6.2	1,828,228,775	1,937,507,041
Loans and Advances	7	23,079,691,514	22,475,699,119
Loans, Cash Credit, Overdrafts etc.		23,056,599,340	22,475,501,823
Bills purchased and discounted		23,092,174	197,296
Fixed assets including premises, furniture and fixtures	8	331,244,347	310,989,021
Other assets	9	2,156,963,759	1,882,407,245
Non-banking assets	10	-	-
Total Property and Assets		40,880,195,270	39,550,371,620
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11	320,192,409	174,407,792
Deposits and other accounts	12	36,393,401,406	34,038,702,543
Current Account and Other Accounts etc.		3,640,459,699	6,725,298,141
Bills Payable		497,123,211	294,368,934
Savings Bank Deposits		3,825,993,970	3,703,981,784
Short Term Deposit		3,429,948,715	1,730,377,450
Fixed Deposits		18,578,216,776	16,450,267,500
Deposits under Different Schemes		6,421,659,035	5,134,408,735
Other Liabilities	13	6,359,615,929	5,377,021,223
Total Liabilities		43,073,209,744	39,590,131,559
SHAREHOLDERS' EQUITY			
Capital/Shareholders' Equity			
Paid-up-Capital	14.2	1,988,742,800	1,988,742,800
Share Capital BCI Ltd.		15,300,000	15,300,000
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	82,309,891	163,704,467
Exchange Equalization Account		-	-
Retained Earnings/(Loss on profit & loss A/C)	18	(5,480,607,552)	(3,408,747,594)
Total Shareholders' Equity		(2,193,014,474)	(39,759,939)
Total Liabilities and Shareholders' Equity		40,880,195,270	39,550,371,620

Bangladesh Commerce Bank Limited

Balance Sheet

As at December 31, 2020

Particulars	Notes	31.12.2020 Taka	31.12.2019 Taka
OFF-BALANCE SHEET ITEMS			
Contingent Liabilities			
Acceptances and Endorsements		324,061,649	335,197,566
Letter of Guarantees	19.1	472,299,049	4,489,600
Irrevocable Letter of Credit		666,559,929	1,025,805,388
Bills for Collection		3,034,767,615	2,933,190,377
Other contingent liability	19.2	112,112,334	113,791,800
TOTAL CONTINGENT LIABILITIES		4,609,800,576	4,412,474,731
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		4,609,800,576	4,412,474,731

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


Managing Director


Director


Director


Chairman

Signed in term of our separate report of even date

Firm's Name : Rahman Mostafa Alam & Co., Chartered Accountants

Signature :



Auditors' Name : Md. Anwaruzzaman FCA, **Enroll No.:** 1268

Date : April 27, 2021

Place : Dhaka

DVC : 2104271268AS704904

Bangladesh Commerce Bank Limited

Profit and Loss Account

For the year ended December 31, 2020

Particulars	Notes	31.12.2020 Taka	31.12.2019 Taka
Interest Income	20	1,407,580,192	2,329,880,260
Interest on Deposits and Borrowings etc	21	2,165,160,284	2,086,735,951
Net Interest Income		(757,580,092)	243,144,308
Income from Investments	22	428,978,272	340,686,814
Commission, Exchange Earnings & Brokerage	23	89,347,573	124,703,014
Other Operating Income	24	37,395,318	50,233,779
		555,721,163	515,623,607
Total operating income (A)		(201,858,929)	758,767,915
Salary and Allowances	25	912,125,305	964,339,084
Rent, Taxes, Insurance, Electricity, etc.	26	140,843,234	173,272,277
Legal Expenses		2,080,335	1,010,875
Postage, Stamp, Telecommunication etc.	27	30,151,306	26,808,114
Stationery, Printing, Advertisement etc.	28	12,163,728	13,552,193
Managing Director's salary and allowances	29	2,245,161	7,199,999
Directors' Fee	30	1,374,000	1,546,000
Audit Fees		230,000	230,000
Depreciation & Repair of Fixed Assets	31	116,237,654	94,607,762
Other Expenses	32	51,175,119	101,407,914
		1,268,625,844	1,383,974,218
Total operating expenses (B)		(1,470,484,773)	(625,206,303)
Profit before Provision (C)=A-B		609,803,000 -	500,000,000
Provision for Loans & Advances	13.01	(63,329,966)	90,350,625
Provision for deminution in value of Investment	13.06	(39,320,457)	-
Provision for Off Balance Sheet Items	13.10	9,873,000	74,420,000
Other provisions	13.11		
		517,025,577	664,770,625
Total provision (D)		(1,987,510,350)	(1,289,976,927)
Profit/(loss) before taxes (C-D)		(28,714,207)	-
Provision for Taxation		-	-
Current tax expense		-	-
Prior year tax expense		(28,714,207)	-
Deferred tax expense / (income)			
Net profit/ (loss) after taxation		(1,958,796,143)	(1,289,976,927)
Appropriations			
Statutory Reserve	15	-	-
General Reserve		-	-
Dividends etc.		-	-
		(1,958,796,143)	(1,289,976,927)
Retained surplus		(98.49)	(64.86)
Earning Per Share (EPS)	34		

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



Managing Director

Director

Director

Chairman

Signed in term of our separate report of even date

Firm's Name : Rahman Mostafa Alam & Co., Chartered Accountants**Signature** : **Auditors' Name** : Md. Anwaruzzaman FCA, **Enroll No.:** 1268**Date** : April 27, 2021**Place** : Dhaka**DVC** : 2104271268AS704904

Bangladesh Commerce Bank Limited

Cash Flows Statement

For the year ended December 31, 2020

Particulars	Notes	31.12.2020 Taka	31.12.2019 Taka
A. Cash flow from operating activities			
Interest receipts		1,377,708,345	2,507,293,263
Interest payments		(2,041,260,501)	(1,860,662,961)
Dividend receipts		60,791,994	8,248,993
Fees and commission receipts in cash		89,347,573	124,703,014
Cash payment to employees		(914,370,466)	(971,539,083)
Cash payment to suppliers		(184,532,269)	(215,178,584)
Taxes paid		(51,888,595)	(63,431,066)
Receipts from other operating activities		215,985,346	127,081,984
Payments for other operating activities		(62,697,448)	(171,763,366)
Operating cash flow before changes in operating assets and liabilities		(1,510,916,020)	(515,247,807)
Increase/(Decrease) in operating assets & liabilities		1,964,694,828	1,450,626,667
Statutory Deposits			
Loan & advance to customers		(603,992,395)	(327,576,119)
Other assets (item-wise)		5,553,083	(175,633,209)
Deposits from other banks		567,838,421	(159,822,916)
Deposits from customers		1,662,960,658	2,179,964,258
Other liabilities account of customers		332,335,061	(66,305,347)
Net cash flow from/ (used in) operating activities (A)		453,778,807	935,378,860
B. Cash flow from investing activities			
Purchase of property, plant & equipment		(87,149,433)	(142,113,057)
Purchase/sale of Securities & bond		109,278,266	(93,164,301)
Net cash used in investing activities (B)		22,128,833	(235,277,359)
C. Cash flow from financing activities			
Receipts from issue of debt instruments		145,784,617	-
Payment for redemption of debt instruments		(81,394,577)	-
Receipts from issuing ordinary share/ rights share		-	-
Cash Dividend paid		-	-
Net cash flow from/ (used in) financing activities (C)		64,390,041	-
Net increase in Cash and Cash Equivalents (A+B+C)		540,297,681	700,101,501
Effects of exchange rate changes on cash and cash equivalents		-	-
Opening Cash and Cash Equivalents		12,943,769,194	12,243,667,693
Cash and cash equivalents at end of year		13,484,066,875	12,943,769,194
Closing Cash & Cash Equivalents			
Cash in Hand (including foreign currency)		460,178,721	454,655,515
Balance with Bangladesh Bank and its Agent Banks (including foreign currencies)		1,866,503,717	1,773,782,287
Balance with Other Bank's and Financial Institutions		7,316,827,628	7,097,019,774
Money at Call on Short Notice		29,300,000	29,300,000
Government Securities		3,811,256,809	3,589,011,618
		13,484,066,875	12,943,769,194


 Managing Director


 Director



 Director


 Chairman

Bangladesh Commerce Bank Limited
Statement of changes in Equity
 For the year ended December 31, 2020

(Amount in Taka)

Particulars	Paid up Capital	Share Premium	Statutory Reserve	Revaluation Reserve	Other Reserve	Profit/(Loss)	Total
Balance as on January 01, 2020	2,004,042,800	-	275,060,371	163,704,467	8,920,366	(3,408,747,594)	(957,019,589)
Changes in Accounting Policy	-	-	-	-	-	-	-
Restated Balance	1,988,742,800	-	275,060,371	163,704,467	8,920,366	(3,408,747,594)	(972,319,589)
Share Capital BCI Ltd.	15,300,000	-	-	-	-	-	15,300,000
Right Share Application Money	917,259,650	-	-	-	-	-	917,259,650
Adjustment for the application of IFRS-16 (Lease)	-	-	-	-	-	(27,736,815)	(27,736,815)
Prior Year's Adjustment	-	-	-	-	-	(85,327,000)	(85,327,000)
Increase in Statutory Reserve	-	-	-	-	-	-	-
Revaluation Reserve for HTM Securities	-	-	-	(81,394,577)	-	-	(81,394,577)
Net Profit/(Loss) for the year	-	-	-	-	-	(1,958,796,143)	(1,958,796,143)
Balance as on December 31, 2020	2,921,302,450	-	275,060,371	82,309,891	8,920,366	(5,480,607,552)	(2,193,014,474)
Balance as on January 01, 2019	2,004,042,800	-	275,060,371	186,327,551	8,920,366	(2,118,770,668)	355,580,421
Changes in Accounting Policy	-	-	-	-	-	-	-
Restated Balance	1,988,742,800	-	275,060,371	186,327,551	8,920,366	(2,118,770,668)	340,280,421
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	-	-	-	(22,623,084)	-	-	(22,623,084)
Net Profit/(Loss) for the year	-	-	-	-	-	(1,289,976,926)	(1,289,976,926)
Balance as on December 31, 2019	2,921,302,450	-	275,060,371	163,704,467	8,920,366	(3,408,747,594)	(39,759,939)


Managing Director


Director


Director


Chairman

Bangladesh Commerce Bank Limited


Liquidity Statement

(Asset and Liability Maturity Analysis)

As at December 31, 2020

(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	1,081,282,438	-	-	-	1,245,400,000	2,326,682,438
Balance with other banks & financial institutions	1,639,701,071	3,373,789,219	2,303,337,337	-	-	7,316,827,628
Money at call and short notice	29,300,000	-	-	-	-	29,300,000
Investment	1,700,026	898,313,602	1,020,715,490	1,699,325,776	2,019,430,690	5,639,485,584
Loans and Advances	8,041,697,043	3,756,698,619	5,582,597,947	5,698,697,905	-	23,079,691,514
Fixed Assets including premises, furniture and fixtures	-	-	-	24,146,642	307,097,705	331,244,347
Other Assets	149,811,523	176,189,627	273,144,262	88,094,814	1,469,723,532	2,156,963,759
Non-banking assets	-	-	-	-	-	-
Total Assets	10,943,492,101	8,204,991,067	9,179,795,036	7,510,265,137	5,041,651,927	40,880,195,270
Liabilities:						
Borrowing from Bangladesh Bank, other banks, financial institutions and agents	-	-	3,999,905	316,192,504	-	320,192,409
Deposits	6,308,160,316	10,759,934,842	12,386,679,054	6,834,547,786	104,079,408	36,393,401,406
Other Liabilities	67,164,810	3,660,422,702	1,996,994,056	635,034,362	-	6,359,615,929
Total Liabilities	6,375,325,127	14,420,357,543	14,387,673,015	7,785,774,652	104,079,408	43,073,209,744
Net Liquidity	4,568,166,975	(6,215,366,476)	(5,207,877,979)	(275,509,514)	4,937,572,519	(2,193,014,474)



Managing Director



Director



Director



Chairman

Bangladesh Commerce Bank Limited**Notes to the Financial Statements**

As at and for the year ended on December 31, 2020

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 69 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 on December 31, 2020 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) The Value Added Tax Act, 1991 and amendment thereon;
- v) Financial Reporting Act 2015;
- vi) Parliamentary Act No.12,1997;

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, BRPD Circular No. 03 dated 21.04.2019 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 and BRPD Circular No. 03 dated 21.04.2019, 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.

The management has taken various strategies for enhancing of Tier-1 Capital through increase of Paid up capital by issuing Right share and the process already reach in final stage. The bank management have already taken to introduce 8 (Eight) new loan product and 5 (five) new deposit product to expand the business and also various strategy like special taskforce formation to regularise the default loan so that provision shortfall reduced which will ultimately increase the eligible capital of the Bank. Aside under BRPD circular of Bangladesh Bank, Bangladesh Commerce Bank Ltd. already have achieved significant improvement to regularised bank quality product.

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.

COVID-19 disclosure in the financial statements

On 30 January 2020, the World Health Organization declared the outbreak of a novel corona virus (COVID-19) as a pandemic, which continues to spread worldwide. In response to the outbreak, the Government of Bangladesh and stock exchanges of Bangladesh declared general holiday from 26 March 2020. Since then the Company temporarily closed its office and branches stopping all of its operations due to health concerns associated with COVID-19. While the disruption is currently expected to be temporary, there is uncertainty around the duration as well as the recovery timeline. Therefore, while the Company expects this matter to negatively impact its business. The Company has considered key accounting considerations related to conditions that may result from the COVID -19.

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 on December 31, 2020.

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 2020 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 January 01, 2020 to December 31, 2020.

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 2019. 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 Assets and the basis of their valuation

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 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, Bangladesh Commerce 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

IFRS 16: "Lease" has come into force on 1st January 2019, as adapted by the Institute of Chartered Accountants of Bangladesh (ICAB). An entity shall applied IFRS 16 using modified retrospective approach where the entity measured the Lease liability at the present value of the remaining lease payments, discounted it using the entity's increment borrowing rate at the date of initial application and recognised a right of initial application on a lease by lease basis. Bangladesh Commerce Bank Ltd will comply IFRS 16 Leases from the year 2020.

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.

g) Lease asset- Office rent: Right of use of asset

Right of use of asset and Lease liability shall be treated according to IFRS-16

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. Appellate Division of Honorable Supreme Court of Bangladesh dismissed Civil Petition for leave to Appeal No.1154/2014 regarding the issue of right share of Bangladesh Commerce Bank Limited. Resultantly, raising capital to the required level through right issue may require amending the Act. no.12 of 1997 is time consuming. Upon amending the act to a manner allowing us to offer right share, it may be predictable with highly likelihood that Bangladesh Commerce Bank Ltd (BCBL) will be able to raise capital to the required level capital to the required level within 3 months

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.

Staff Car scheme: All confirmed staff at job grade from Assistant Vice President and above can avail staff car scheme taking approval from competent authority. The Board of Directors in its 325th Board meeting dated 16.10.2019 has revised " Car Loan policy -2011" through which existing Staff enlisted car loan been transferred to Bank's Fixed Asset in our financial statement.

"Workers' profit Participation and Welfare Fund (WPPF): As per Banking Companies Act 1991, Section 11, "No banking company shall employ or continue the employment of any person whose remuneration or part of whose remuneration takes the form of commission or a share in the profit of a company."To comply with the said section of the said act the bank didn't maintain WPPF."

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	Not applicable
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
IFRS-16	Leases	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	Paritally Complied**
IAS-10	Events after the Reporting Period	Complied
IAS-12	Income taxes	Complied
IAS-16	Property, Plant and Equipment	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
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.

** Partially complied, As per IAS-8, The effect of the retrospective application or retrospective restatement are not determinable because not readily available data but all the required calculation is done accordingly in case of changing policy of staff car loan to staff Car Scheme facility.

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

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.

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:

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. ICCD of BBL comprises mainly of four units/departments- Internal Audit, Compliance Unit, Monitoring Unit and Concurrent Audit.

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.

BCBL has a strong internal audit team comprised of three units to carry out the audit activities, namely Head Office Audit, Distribution Audit (which carryout audit on all Branches. BCBL also introduced Risk Based Audit system and audit team conducts comprehensive, spot, surprise audits in various Branches, various Departments & Division. Internal Audit helps the organization to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

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 2019 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

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 2019, 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:

- i) 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);
- ii) 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
- iii) 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 Name of the Financial Position and Income Statements

As per Banking Companies Act 1991, bank has to prepare its financial statement according to first schedule of the said act which was amended by section 38(4) and published by BRPD circular no. 14 dated June 25, 2003. The forms of first schedule stated the name of the component of financial statement as Balance Sheet, Profit & Loss Account and Bangladesh Commerce Bank Limited stated the names accordingly.

Moreover, as per paragraph 10 of IAS-1, "An entity may use title for the statements other than those used in this Standard." So Bangladesh Commerce Bank Limited also complies IAS-1 in this regard.

2.22 General

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

Bangladesh Commerce Bank Limited

Notes to the Financial Statements

For the year ended on December 31, 2020

		31.12.2020 Taka	31.12.2019 Taka
3	Cash		
	Cash in hand (Note 3.1)	460,178,721	454,655,515
	Balance with Bangladesh Bank and its agent bank(s) (Note 3.2)	1,866,503,717	1,773,782,287
		2,326,682,438	2,228,437,802
3(a)	Consolidated Cash		
	Bangladesh Commerce Bank Limited	2,326,682,438	2,228,437,802
	CBSIL	465,694	432,157
		2,327,148,132	2,228,869,959
3.1	Cash in Hand		
	In local currency	434,217,855	454,655,515
	In foreign currencies	25,960,866	-
		460,178,721	454,655,515
3.1(a)	Consolidated Cash in Hand		
	Bangladesh Commerce Bank Limited (Note 3.1)	460,178,721	454,655,515
	CBSIL	465,694	432,157
		460,644,415	455,087,672
3.2	Balance with Bangladesh Bank and its agent bank(s)		
	Balance with Bangladesh Bank		
	In local currency	1,637,128,579	1,548,517,671
	In foreign currencies	220,153,877	201,518,623
		1,857,282,456	1,750,036,294
	Balance with Sonali Bank in local currency (as agent of Bangladesh Bank)	9,221,261	23,745,993
		1,866,503,717	1,773,782,287
3.2(a)	Consolidated Balance with Bangladesh Bank and its agent bank(s)		
	Bangladesh Commerce Bank Limited (Note 3.2)	1,866,503,717	1,773,782,287
	CBSIL	-	-
		1,866,503,717	1,773,782,287
3.3	Statutory Deposit		
	As per MPD circular No- 03 dated April 09, 2020 of Bangladesh Bank (effective from April 15, 2020), all scheduled banks have to maintain a CRR of minimum 3.5% on daily basis and 4.00% 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 2020 was based on weekly average balance of October 2020). BCBL has been maintaining it bi-weekly basis.		
3.4	Cash Reserve Ratio (CRR) : 4.00% of Average Demand & Time Liabilities		
	Required Reserve	1,245,372,000	1,608,119,000
	Actual Reserve held with Bangladesh Bank	1,640,588,410	1,670,982,250
	TT in Transit	-	-
		1,640,588,410	1,670,982,250
	Surplus/(Deficit)	395,216,410	62,863,250
	Maintained Ratio	5.61%	5.71%
3.5	Statutory Liquidity Ratio (SLR) : 13% of Average Demand & Time Liabilities		
	Required Reserve	4,047,457,000	3,801,009,622
	Actual Reserve held	4,649,912,330	4,130,275,921
	Surplus/(Deficit)	602,455,330	329,266,299
	Maintained Ratio	15.90%	14.13%
	Average Deposit (Demand & Time Liabilities)	29,238,535,555	29,238,535,555

		31.12.2020 Taka	31.12.2019 Taka
4	Balance with other banks and financial institutions		
	In Bangladesh (Note 4.1)	7,210,672,181	6,955,534,612
	Outside Bangladesh (NOSTRO A/C) (Note 4.2)	106,155,447	141,485,162
		7,316,827,628	7,097,019,774
4(a)	Balance with other banks and financial institutions		
	In Bangladesh	7,549,149,345	7,296,161,632
	Outside Bangladesh (NOSTRO A/C)	106,155,447	141,485,162
		7,655,304,792	7,437,646,794
4(b)	Consolidated Balance with other banks and financial institutions		
	Bangladesh Commerce Bank Limited (Note 4)	7,316,827,628	7,097,019,774
	CBSIL	338,477,164	340,627,020
		7,655,304,792	7,437,646,794
4.1	In Bangladesh		
4.1.1	Current Deposits:	91,331,204	120,635,495
	Agrani Bank Ltd.	33,713,621	66,442,844
	Janata Bank Ltd.	1,918,669	13,062,178
	Others Schedule Bank	160,248	830,930
	Trust Bank Ltd.	2,078,015	296,075
	Sonali Bank.	6,913,923	23,239,310
	Dutch Bangla Bank Limited	1,565,599	569,249
	Pubali Bank Ltd.	-	2,535,578
	Al-Arafah Islami Bak Ltd.	9,006,153	10,008,990
	Commerce Bank Securities & Investment Ltd.	29,627,312	1,806,796
	BASIC Bank Limited	18,912	22,102
	Rupali Bank Limited	670,825	1,821,443
	Islami Bank Bangladesh Ltd.	5,652,929	-
	Exim Bank Bangladesh Ltd.	5,000	-
4.1.2	STD Accounts:	29,759,709	5,317,849
	Sonali Bank Ltd.	787,295	1,013,962
	Rajshahi Krishi Unnayan Bank	2,023	100,000
	Uttara Bank Limited	141,062	141,254
	Janata Bank Ltd.	1,335,127	1,424,409
	Union Bank Ltd.	99,875	-
	Social Islami Bank Limited	4,023,841	2,608,065
	Agrani Bank Ltd.	23,370,487	30,159
4.1.3	FDR Accounts:	7,089,581,268	6,829,581,268
	Reliance Finance Ltd.(AVIVA)	2,910,000,000	2,500,000,000
	People's Leasing and Financial Services Ltd.	1,542,548,250	1,542,548,250
	International Leasing & Financial Services Ltd.	1,474,900,000	1,474,900,000
	Bangladesh Industrial & Finance Company Limited(BIFC)	768,533,018	768,533,018
	Premier Leasing & Finance Ltd.	103,600,000	103,600,000
	FAS Finance & Investment Ltd.	200,000,000	200,000,000
	First Lease Finance & Investment Ltd.	90,000,000	90,000,000
	Term Deposit With Other Bank	-	150,000,000
		7,210,672,181	6,955,534,612

A meeting was held on 27th January 2021 at 3.00 pm among CEO's of scheduled Commercial Banks and Mr. Fazle Kabir, Governor of Bangladesh Bank was presiding over the meeting through video conferencing. Honorable Governor has advised the CEO's of schedule banks not to withdraw the deposited money from the financial institutions rather renew it where necessary. He has also advised the financial institutions to repay the individual's deposit on priority basis from their sources of cash receipt or recovery of loans. At the same time he has requested the CEO's of scheduled bank to abstain from filing of suit against People's Leasing which is to be windings up.

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

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	31.12.2020 Taka
							Total
Agrani Bank Ltd.	57,084,108	-	-	-	-	-	57,084,108
Janata Bank Ltd.	3,253,796	-	-	-	-	-	3,253,796
Al-Arafah Islami Bak Ltd.	9,006,153	-	-	-	-	-	9,006,153
Trust Bank Ltd.	2,078,015	-	-	-	-	-	2,078,015
Sonali Bank Ltd.	7,701,217	-	-	-	-	-	7,701,217
Dutch Bangla Bank Ltd.	1,565,599	-	-	-	-	-	1,565,599
Islami Bank Banglaesh Ltd.	5,652,929	-	-	-	-	-	5,652,929
Uttara Bank Ltd.	141,062	-	-	-	-	-	141,062
Rupali Bank Ltd.	670,825	-	-	-	-	-	670,825
Social Islami Bank Ltd.	4,023,841	-	-	-	-	-	4,023,841
Rajshahi Krishi Unnayan Bank	2023	-	-	-	-	-	2,023
Other Schedule Bank	160,248	-	-	-	-	-	160,248
BASIC Bank Ltd.	18,912	-	-	-	-	-	18,912
Union Bank Ltd.	99,875	-	-	-	-	-	99,875
Commerce Bank Securities & Investment Ltd.	29,627,312	-	-	-	-	-	29,627,312
Exim Bank Bangladesh Ltd.	5,000	-	-	-	-	-	5,000
Grand total	121,090,912	-	-	-	-	-	121,090,912

4.2 Outside Bangladesh

Non Interest- bearing Accounts
Interest-bearing Accounts

4.2.1 Non Interest-bearing Accounts

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

Total

31.12.2020 Taka	31.12.2019 Taka
106,155,447	141,485,162
106,155,447	141,485,162
-	-
370,873	1,042,975
96,086,988	134,955,222
12,266	12,280
4,539,963	4,545,257
5,145,357	929,427
106,155,447	141,485,162
-	-
106,155,447	141,485,162

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

Particulars	Currency Name	31.12.2020			31.12.2019		
		Amount in FC	Conversion Rate per Unit FC	Amount in BDT	Amount in FC	Conversion Rate per Unit FC	Amount in BDT
Sonali Bank Ltd. Kolkata	USD\$	4,373.5	84.80	370,873	12,285	84.90	1,042,975
Mashreq Bank Psc, Ny	USD\$	1,133,101.3	84.80	96,086,988	1,589,579	84.90	134,955,222
NIB Bank Karachi	USD\$	144.6	84.80	12,266	145	84.90	12,280
Standard Charted Bank, Mumbai (Acud)	USD\$	53,537.3	84.80	4,539,963	53,537	84.90	4,545,257
United bank of India, Kolkata	USD\$	60,676.4	84.80	5,145,357	10,947	84.90	929,427
		1,251,833		106,155,447	1,666,492		141,485,162

Note: Balance with other Bank and financial institutions includes Taka 5,42,63,605 equivalent to USD 16,66,492 which was freezed 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.

		31.12.2020 Taka	31.12.2019 Taka
4.2.3 Maturity grouping of foreign currency balances		106,155,447	141,485,162
On demands		106,155,447	141,485,162
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		5,639,485,584	5,526,518,659
6.1 Government Securities Treasury Bond/ Bill			
30-day Bangladesh Bank Bill		-	-
91-day Treasury Bill		849,031,947	247,394,808
182-day Treasury Bill		-	349,140,478
364-day Treasury Bill		49,293,525	1,374,207,323
2-year Treasury Bond		404,186,501	-
5-year Treasury Bond		553,413,955	148,779,983
10-year Treasury Bond		1,624,187,535	1,148,291,896
15-year Treasury Bond		89,613,086	83,018,085
20-year Treasury Bond		239,806,862	237,314,644
		3,809,533,409	3,588,147,218
Prize Bond		1,723,400	864,400
		3,811,256,809	3,589,011,618
6.1.1 Government Securities (HFT)			
91-day Treasury Bill		-	-
182-day Treasury Bill		-	-
364-day Treasury Bill		-	-
2-year Treasury Bond		-	-
5-year Treasury Bond		-	148,779,983
10-year Treasury Bond		34,751,395	32,999,395
15-year Treasury Bond		49,161,301	42,569,711
20-year Treasury Bond		14,202,863	11,694,191
		98,115,560	236,043,282

Note: Money at Call and Short Notice includes Taka2,93,00,000, which was freezed 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.

		31.12.2020 Taka	31.12.2019 Taka
6.1.2 Government Securities (HTM)			
30-day Bangladesh Bank Bill		-	-
91-day Treasury Bill		849,031,947	247,394,808
182-day Treasury Bill		-	349,140,478
364-day Treasury Bill		49,293,525	1,374,207,323
2-year Treasury Bond		404,186,501	-
5-year Treasury Bond		553,413,955	-
10-year Treasury Bond		1,589,436,139	1,115,292,501
15-year Treasury Bond		40,451,784	40,448,374
20-year Treasury Bond		225,603,998	225,620,453
		3,711,417,850	3,352,103,937
6.2 Other Investments			
Shares in quoted companies (Annexure-E)		650,221,296	688,007,131
Shares in quoted companies (Special Fund 200 Crore) (Annexure-F)		27,174,237	-
Shares in un-quoted companies (Note: 6.2.1)		443,333,332	522,000,000
Corporate Bond (Note: 6.2.2)		50,000,000	70,000,000
Investment in Sonali Polaris FTL		7,500,000	7,500,000
Investment in Subsidiary		649,999,910	649,999,910
		1,828,228,775	1,937,507,041
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.		48,000,000	60,000,000
Summit Barisal Power Ltd.		132,000,000	162,000,000
Ace Alliance Power Ltd		83,333,332	100,000,000
Confidence Power Rangpur Ltd		50,000,000	50,000,000
Confidence Power Bogura Unit-2 Ltd		50,000,000	50,000,000
Zodaic Power Chittagong Ltd		80,000,000	100,000,000
		443,333,332	522,000,000
6.2.2 Corporate Bond			
Non Convertible Bond-Golden Harvest		50,000,000	50,000,000
ONE Bank Subordinated Bond		-	20,000,000
BSRM Convertible Bond		-	-
		50,000,000	70,000,000
6.3 Maturity Grouping of Investments (BGTB)			
Repayable on demand		-	864,400
With a residual maturity upto 1 month		-	349,140,478
With a residual maturity of more than 1 month but less than 3 months		898,325,472	295,813,191
With a residual maturity of more than 3 months but less than 1 year		-	2,296,265,001
With a residual maturity of more than 1 year but less than 2 years		488,121,885	1,698,077,138
With a residual maturity of more than 2 years		2,423,086,052	886,358,442
		3,809,533,409	5,526,518,650
6(a) Consolidated Investment		5,087,265,517	4,992,517,303
Government Securities			
Bangladesh Commerce Bank Limited (Note: 6.1)		3,811,256,809	3,589,011,618
CBSIL		-	-
		3,811,256,809	3,589,011,618
Other Investments			
Bangladesh Commerce Bank Limited (Note: 6.2)		1,828,228,775	1,937,507,041
CBSIL		97,779,843	115,998,554
		1,926,008,618	2,053,505,595
Less: Inter Company Transaction		(649,999,910)	(649,999,910)
		1,276,008,708	1,403,505,685

		31.12.2020 Taka	31.12.2019 Taka
7	LOANS AND ADVANCES	23,079,691,514	22,475,699,119
7.1	As per classification into the following broad categories		
	Inside Bangladesh		
	Demand Loan	1,088,837,358	1,136,601,545
	Loan General	6,461,009,240	5,639,712,168
	Cash Credit (Hypo)	3,713,599,526	3,848,365,173
	Agriculture Loan	986,826,877	819,776,409
	Overdraft	4,966,542,554	5,063,181,246
	SME Loan	1,386,522,894	1,237,087,986
	Payment Against Document (PAD)	1,087,583,456	1,079,530,312
	Loan against Trust Receipt (LTR)	1,749,490,308	2,035,694,209
	House Building Loan	672,513,528	662,646,088
	Credit Card	23,651,874	23,950,334
	Consumer Credit	19,248,294	38,385,980
	Staff Loan	432,216,334	426,085,593
	Loans & Advances (BCI)	468,557,097	464,484,780
		23,056,599,340	22,475,501,823
	Outside Bangladesh	-	-
		23,056,599,340	22,475,501,823
7.2	Bills Purchased and Discounted		
	Payable in Bangladesh	-	-
	Inland Bills Purchased	23,092,174	197,296
	Payable outside Bangladesh	-	-
	Foreign Bills Purchased	-	-
		23,092,174	197,296
		23,079,691,514	22,475,699,119
7.3	As per the remaining maturity grouping of loans and advances		
	in the following order		
	Re-payable on demand	8,041,697,043	2,921,845,982
	Not more than 3 months	3,756,698,619	3,989,358,621
	More than 3 Months but less than 1 year	5,582,597,947	9,720,864,619
	More than 1 year but less than 5 years	5,698,697,905	4,063,730,354
	More than 5 years	-	1,779,899,543
		23,079,691,514	22,475,699,119
7.4	Countrywise Classification of Loans and Advances		
	Inside Bangladesh	23,079,691,514	22,475,699,119
	Outside Bangladesh	-	-
		23,079,691,514	22,475,699,119
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	82,751,486	89,880,495
	c) Loans and advances to customer group amounting more than 10% of bank's total capital	9,668,839,872	9,799,821,560
	d) Other customers	12,895,883,822	12,249,791,966
	e) Staff Loan	432,216,334	336,205,098
		23,079,691,514	22,475,699,119
	Loans and advances allowed to each customer exceeding 10% of Bank's total capital fund Number of the Clients (See Annexure-B)	20	20
7.6	Classification of Loan as per geographical concentration (Division)		
	Dhaka	15,783,708,616	15,457,547,150
	Chittagong	4,375,932,744	4,185,835,603
	Rajshahi	1,119,966,981	1,057,849,176
	Khulna	1,111,404,641	1,062,207,281
	Sylhet	252,036,269	277,182,674
	Barisal	202,777,131	203,822,019
	Rangpur	233,865,132	231,255,216
		23,079,691,514	22,475,699,119

	31.12.2020 Taka	31.12.2019 Taka
7.7 Industrial concentration of Loans & Advances (including Bill purchased and discounted)		
Food & Beverage industries	691,408,642	789,132,680
Furniture & Fixture	40,822,751	29,260,840
Printing, publishing & allied industries	86,237,467	64,452,320
Petroleum & coal Products	1,252,329,976	1,198,738,564
RMG & Textile	2,665,701,874	2,384,726,460
Non-metallic mineral products	559,312,358	481,842,562
Basic metal products	285,209,645	336,056,354
Cement industries	77,046,587	96,448,522
Small Scale Industries	1,216,032,567	1,183,046,456
Power Generation & Gas	488,426,798	445,024,575
Other manufacturing industries	616,414,526	650,835,873
Rural Credit & Agri Loan	986,826,877	819,776,409
Import Credit	3,949,003,295	4,252,607,929
Trade & Commerce	9,696,361,054	9,421,895,770
Others	468,557,097	321,853,805
Total	23,079,691,514	22,475,699,119
7.8 Sector wise concentration of Loans & Advances (including Bill purchased and discounted)		
Agricultural Loan	986,826,877	819,776,409
Industrial Loan (other than working capital)	2,428,122,564	2,309,178,550
Working capital Loan	2,885,103,652	2,965,708,564
Import Credit	3,949,003,295	4,252,607,929
Commercial Loan	8,475,056,328	8,052,590,551
RMG & Textile	2,665,701,873	2,384,726,460
Construction Loan	672,513,528	662,629,795
Transport and Communication Loan	97,341,672	99,524,508
Consumer Credit	19,248,294	38,385,980
All Others Loans	900,773,431	890,570,373
Total	23,079,691,514	22,475,699,119
7.9 Loans & Advances to Executives & all other staffs		
Staff House Building Loan	410,447,377	398,035,690
Staff Car Loan	2,673,951	2,646,502
Staff loan against Provident Fund	19,095,006	25,403,401
	432,216,334	426,085,593

Note: Staff Car scheme: All confirmed staff at job grade from Assistant Vice President and above can avail staff car scheme taking approval from competent authority. The Board of Directors in its 325th Board meeting dated 16.10.2019 has revised "Car Loan policy -2011" through which existing Staff enlisted car loan been transferred to Bank's Fixed Asset in our financial statement .

7.9.1 Required Provision for Loans & Advances

Particulars	2020				2019	
	Outstanding Loans	Base for provision	Rate	Required Provision	Base for provision	Provision
Un-classified	13,309,238,089	12,200,305,484		87,977,000	9,143,714,709	82,427,000
I) Standard	11,768,089,150					
a) CCS	82,825,401	82,825,401	2%	1,656,508	52,281,000	2,614,050
b) HBL	360,417,614	360,417,614	1%	3,604,176	361,281,715	7,225,635
c) LP	5,090,571	5,090,571	2%	101,811	3,767,108	75,342
d) Small Enterprise Fin	4,196,658,933	4,196,658,933	0.25%	10,491,647	3,837,616,211	9,594,041
e) Loans against Share	7,874,737	7,874,737	2%	157,495	2,543,226	50,865
f) Agricultural Credit	472,771,133	472,771,133	1.00%	4,727,711	129,893,128	1,298,931
g) Others	6,642,450,761	6,642,450,761	1%	66,424,508	3,874,083,562	38,740,836
ii) Staff Loan	432,216,334	432,216,334	1%	4,322,163	-	-
iii) SMA	1,108,932,605	-	-	813,143	882,248,759	7,494,745
iv) UC by Writ Pettition	-	-	100%	1,352,976,000	1,180,736,000	1,180,714,000
v. Special Gen.Provision Cov				16,055,959		
Sub-Standard	583,914,586	289,950,168	20%	57,750,810	383,751,988	76,750,398
Doubtful	145,825,923	40,074,772	50%	20,037,386	60,243,989	30,121,972
Bad or Loss	9,040,712,915	7,377,948,656	100%	7,377,948,656	7,544,589,608	7,544,589,608
Total	23,079,691,514	19,908,279,080		8,917,067,974	18,313,036,294	8,914,602,977

Total Required Provision for Loans and Advances

Total Provision Maintained

(Note: 13)

Excess/ (Short) Provision against Loans & Advance

Excess/ (Short) Provision against Other Assets

8,917,067,974	8,914,602,977
3,697,349,803	3,087,546,803
(5,219,718,171)	(5,827,056,174)
(52,200,000)	-
(5,271,918,171)	(5,827,056,174)

	31.12.2020 Taka	31.12.2019 Taka
7.10 Classification of Loan & Advances		
Un-classified	13,309,238,089	11,150,336,126
i) Standard	11,768,089,150	10,236,036,545
ii) Staff loan	432,216,334	
iii) SMA	1,108,932,605	914,299,581
Sub-Standard	583,914,586	669,724,993
Doubtful	145,825,923	177,425,999
Bad or Loss	9,040,712,915	10,478,212,001
Total	23,079,691,514	22,475,699,119
7.11 Particulars of Loans and Advances		
(1) Debts considered good in respect of which the Bank Company is fully secured;	1,203,231,850	1,078,753,752
(2) Debts considered good against which the Banking Company holds no security other than the debtor's personal guarantee;	3,734,568,530	3,074,864,854
(3) Debts considered good & secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors;	2,547,526,941	1,818,327,016
(4) Loans adversely classified; provision not maintained there against;	6,682,906,621	6,872,361,351
(5) Debts due by directors or officers of the banking company of any of these separately or jointly with any other person;	432,216,334	426,442,935
(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	-	-
Amount of loan written off from provision	-	-
Amount realized against loan previously written off	10,000	17,000
b) Amount of provision kept against loan classified as "Bad/Loss" as at reporting date	3,507,990,521	2,498,684,851
c) Interest creditable to the interest Suspense Accounts;	1,261,938,716	862,639,492
(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	5,424,309	8,266,826
Previous year	-	8,266,826
Current year	-	-
e) Net outstanding amount of written-off loan at the end of the year (a-d)	98,890,157	96,410,386
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	23,092,174	197,296
7.12.1 As per classification into the following broad categories		
Payable in Bangladesh	23,092,174	197,296
Payable outside Bangladesh	-	-
	23,092,174	197,296
7.12.2 As per the remaining maturity grouping in the following order		
Payable within 1 month	23,092,174	197,296
Over 1 month but less than 3 months	-	-
Over 3 months but less than 6 months	-	-
6 months or more	-	-
	23,092,174	197,296

		31.12.2020 Taka	31.12.2019 Taka
7(a) CONSOLIDATED LOANS AND ADVANCES			
Bangladesh Commerce Bank Limited		23,056,599,340	22,475,501,823
Less: Inter Company Transaction		-	-
		23,056,599,340	22,475,501,823
Add: Bill Purchased & Discount		23,092,174	197,296
		23,079,691,514	22,475,699,119
8 Fixed assets (Details are shown in annexed - A)			
Motor Vehicles		44,120,332	53,599,427
Furniture & Fixture		64,334,088	50,743,058
Machinery & Equipment		39,830,022	39,836,979
Computer & Accessories		35,514,152	49,898,950
Interior Decoration		100,283,506	87,102,589
Hardware & Software Automation		23,015,605	29,808,018
Right of use of Asset		24,146,642	-
		331,244,347	310,989,021
8(a) Consolidated fixed assets including premises, furniture and fixtures			
Bangladesh Commerce Bank Limited (Note: 8)		331,244,347	310,989,021
CBSIL		8,522,496	7,461,664
		339,766,843	318,450,685
9 Other Assets			
Advance Income Tax (Note: 9.1)		1,045,414,186	993,525,591
Stock of Stationery, Stamps & Security Stationary (Note: 9.2)		16,168,674	15,052,428
Advance Rent, Advertisement, etc. (Note: 9.3)		67,717,574	74,481,093
Accrued Interest & Commission Receivable (Note: 9.4)		680,145,663	451,924,661
Security Deposits (Note: 9.5)		1,491,755	1,491,755
Suspense Accounts (Note: 9.6)		45,093,196	55,663,520
Sundry Assets (Note: 9.7)		170,822,836	184,391,622
Deferred Tax Assets (Note: 9.8)		25,161,476	-
BCBL General Account (Note: 9.9)		104,948,400	105,876,575
		2,156,963,759	1,882,407,245
9.1 Advance Income Tax			
Opening Balance		993,525,591	930,121,269
Prior Year's Adjustment		-	-
Addition during the year		51,888,595	63,404,322
		1,045,414,186	993,525,591
9.2 Stock of Stationery, Stamps & Security Stationary			
Stock of Stationery		5,382,690	5,814,775
Stock of Stamp		1,358,052	1,200,810
MICR Printing Security Stationary		7,792,603	6,386,501
Stock of Security Stationary		1,635,329	1,650,342
		16,168,674	15,052,428
9.3 Advance Rent, Advertisement, etc.			
Advance Rent		67,132,205	73,979,415
Prepaid Insurance Premium		78,917	46,192
Prepaid Expenses for Hardware & Software		451,600	451,600
Prepaid Advertisement		3,885	3,885
Prepaid Expenses Mfs provider		50,967	-
		67,717,574	74,481,093
9.4 Accrued Interest & Commission Receivable			
Interest Receivable		667,676,613	437,167,161
Dividend Receivables from Share		12,469,050	14,757,500
		680,145,663	451,924,661
9.5 Security Deposits			
Security Deposits		1,491,755	1,491,755

		31.12.2020 Taka	31.12.2019 Taka
9.6	Suspense Accounts		
	Sundry Debtors	24,702,927	36,649,121
	Advance against TA/DA	32,000	29,000
	Legal Expense	31,650	31,800
	Advance against Sanchay Patra	13,260,001	5,441,751
	Deferred expenditure	71,268	-
	Advance Against Proposed Branches	6,951,500	13,511,848
	Advance Salary	43,850	-
		45,093,196	55,663,520
9.7	Sundry Assets		
	Cash Remittance	500	6,000,000
	Foreign Remittance Settlement A/C	21,045,672	29,447,892
	ATM cash settlement	1,464,500	3,494,500
	Protested Bill	81,563,944	81,378,924
	Excise Duty Adjustment (FDR)	11,048,220	8,370,306
	Sub-total (a)	115,122,836	128,691,622
	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)	170,822,836	184,391,622
9.8	Deferred Tax Assets		
	Opening Balance	-	12,298,135
	Add : Addition during the year	25,161,476	-
	Less: Adjustment during the year	-	12,298,135
	Closing Balance	25,161,476	-
9.9	BCBL General Account		
	BCBL General Account Cr.	26,550,401,341	25,201,040,075
	BCBL General Account Dr.	26,655,349,741	25,306,916,650
		104,948,400	105,876,575
9(a)	Consolidated Other Assets		
	Bangladesh Commerce Bank Limited	2,156,963,759	1,882,407,245
	CBSIL	747,198,397	625,441,456
		2,904,162,156	2,507,848,701
10	Non Banking Assets	-	-
11	Borrowings from Bangladesh Bank, other Banks, Financial Institutions and Agents		
	From Inside Bangladesh - Call Borrowings from Banks	-	50,000,000
	From Inside Bangladesh - Re-finance Scheme under SME	320,192,409	124,407,792
	From Outside Bangladesh	-	-
		320,192,409	174,407,792
11(a)	Consolidated Borrowings from Bangladesh Bank, other Banks, Financial Institutions and Agents		
	Bangladesh Commerce Bank Limited	320,192,409	174,407,792
	CBSIL	-	-
		320,192,409	174,407,792
11.2	Maturity-wise borrowings		
	Repayable on demand	320,192,409	174,407,792
	Not more than 3 months	-	-
	Over 3 Months but less than 1 year	-	-
	Over 1 year but not less 5 years	-	-
	Over 5 years	-	-
		320,192,409	174,407,792

		31.12.2020 Taka	31.12.2019 Taka
11.3 Security wise borrowings			
Secured (by Bangladesh Bank deposits)		-	-
Unsecured		320,192,409	174,407,792
		320,192,409	174,407,792
12 Deposits and other Accounts			
Current Deposits and Other Accounts	(Note: 12.1)	3,640,459,699	6,725,298,141
Bills Payable	(Note: 12.2)	497,123,211	294,368,934
Savings Bank Deposits	(Note: 12.3)	3,825,993,970	3,703,981,784
Short Term Deposits	(Note: 12.4)	3,429,948,715	1,730,377,450
Fixed Deposits	(Note: 12.5)	18,578,216,776	16,450,267,500
Deposits under Different Schemes	(Note: 12.6.2)	6,421,659,034	5,134,408,735
		36,393,401,405	34,038,702,543
12.1 Current Deposits and Other Accounts			
Current Deposits		1,789,941,786	2,094,530,380
Other Deposits	(Note: 12.6.1)	1,850,517,913	4,630,767,761
		3,640,459,699	6,725,298,141
12.2 Bills Payable			
Pay Order Payable		495,782,332	293,002,855
D.D. Payable		1,340,879	1,366,079
		497,123,211	294,368,934
12.3 Savings Bank Deposits			
Local Currency		3,825,993,970	3,703,981,784
Foreign Currencies		-	-
		3,825,993,970	3,703,981,784
12.4 Short Term Deposits			
Local Currency		3,429,948,715	1,730,377,450
Foreign Currencies		-	-
		3,429,948,715	1,730,377,450
12.5 Fixed Deposits			
Deposits without Bank		13,820,619,770	12,260,508,915
Bank Deposits		4,757,597,006	4,189,758,585
		18,578,216,776	16,450,267,500
12.6 Other Deposits and Schemes			
Other Deposits	(Note: 12.6.1)	1,850,517,913	4,630,767,761
Deposits under Different Schemes	(Note: 12.6.2)	6,421,659,034	5,134,408,735
		8,272,176,947	9,765,176,496
12.6.1 Other Deposits			
Margin on Letter of Credit		117,402,244	53,750,649
Margin on Letter of Guaranty		26,120,477	33,940,044
Margin on Letter of Shipping Guaranty		7,004,531	2,377,321
Margin on E gp		3,530,907	1,191,700
Beftn Return Account		5,882,063	938,685
Export Fund Development		-	4,538,120
EBEK Grant Payable		768	3,068,478,264
Risk Fund		574,967	632,137
Service charge / CIB Service Charge		767,486	862,485
Buying House Commission		3,204,237	4,670,979
Revenue Stamp/ Stamp		430	180
Margin on FBP / Acceptance on B/B LC / Margin on LTR		4,856,977	4,729,270
BEFTN & BACPS/ITCL/S-cash/Payza Wallet		692,882	11,596,320
Sundry Creditors		172,727,228	59,208,674
Interest Payable on Deposit		1,507,752,716	1,383,852,932
		1,850,517,913	4,630,767,761

		31.12.2020 Taka	31.12.2019 Taka
12.6.2 Deposits under different schemes			
Monthly Income/Pension Scheme		1,635,185,000	867,050,000
Life Pension Deposit Scheme		4,546,495	5,679,231
Marriage Deposit Scheme		37,196,626	64,262,193
Millionaire Deposit Scheme		112,444,164	136,200,161
Monthly Savings Schemes		2,845,604,746	2,461,752,019
Education Deposit Scheme		7,328,595	47,327,191
Lakhopoti Deposit Scheme		3,946,118	9,654,189
Triple Deposit Scheme		16,491,203	16,491,203
Kotipoti Deposit Scheme		110,506,785	106,413,487
Double Deposit Scheme		1,519,930,902	1,276,737,973
Investor Deposit Scheme		128,478,400	142,841,087
		6,421,659,034	5,134,408,735
12.5(a) Consolidated Other Deposits			
Bangladesh Commerce Bank Limited	(Note: 12.5)	8,272,176,947	9,765,176,496
CBSIL		-	-
		8,272,176,947	9,765,176,496
12.6 Maturity wise Classification Payable:			
On Demand		1,892,448,095	1,297,718,355
Within 1 Month		4,415,712,221	4,420,807,918
More than 1 month but less than 6 months		10,759,934,842	7,117,917,999
More than 6 month but less than 1 year		12,386,679,054	12,058,339,146
More than 1 year but within 5 years		6,834,547,786	3,061,660,807
More than 5 year but within 10 years		104,079,408	6,082,258,319
Over 10 years and Unclaimed		-	-
		36,393,401,406	34,038,702,544
12(a) Consolidated Deposits and other Accounts			
Bangladesh Commerce Bank Limited		36,393,401,405	34,038,702,543
CBSIL		-	-
		36,393,401,405	34,038,702,543
13 Other Liabilities			
Provision for Loans and Advances	(Note: 13.1)	3,697,349,803	3,087,546,803
Interest Suspense Accounts	(Note: 13.2)	1,261,938,716	862,639,493
Provision for Current Income Tax	(Note: 13.3)	647,266,508	647,266,508
Provision for Deferred Tax	(Note: 13.4)	-	3,552,731
Provision for Gratuity	(Note: 13.5)	47,253,395	116,979,736
Provision for Share & Debenture Unrealized Gain / Loss	(Note: 13.6)	245,380,144	308,710,110
Provision for IT Assets	(Note: 13.7)	284,111	284,111
Accrued Expense Payable	(Note: 13.8)	52,253,016	3,494,361
Impress Fund Payable		45,767,356	7,422,863
Cash Incentive		3,048,675	2,344,675
Provision for (Incentive) Bonus	(Note: 13.9)	-	-
Provision for Off Balance Sheet Exposure	(Note: 13.10)	15,750,330	55,070,787
VAT/Tax Payable to NBR		88,164,305	82,689,047
Provision for Other Assets	(Note: 13.11)	208,893,000	199,020,000
Lease Liability	(Note: 13.12)	46,266,570	-
BCBL General Accounts	(Note: 13.13)	-	-
		6,359,615,929	5,377,021,223

Note: As per tripartite meeting held between Bangladesh Bank, Rahman Mostafa Alam & Co. (External Auditor) and Bank Management on 16th March 2021 all the parties to the meeting agreed on that bank has a provision requirement of BDT 919.39 (905.94+13.44) Crore. After keeping BDT 392.20 crore, remaining amount BDT 527.19 crore. Bangladesh Bank has given deferral permission for maintaining provision shortfall proportionately from 2021 to 2023 vide letter ref: DBI-1/116/2021-1012 dated: 08/04/2021.

		31.12.2020 Taka	31.12.2019 Taka
13.1 Provision for Loans and Advances			
General Provision	(Note: 13.1.1)	95,515,127	88,861,952
Special General Provision-COVID 19	(Note: 13.1.2)	16,055,959	-
Specific Provision	(Note: 13.1.3)	3,585,778,717	2,998,684,851
		3,697,349,803	3,087,546,803
13.1.1 General Provision			
Opening Balance		88,861,952	88,861,952
Add : Transferred during the year		6,653,175	-
Less: Adjustment during the year		-	-
		95,515,127	88,861,952
13.1.2 Special General Provision-COVID 19			
Opening Balance		-	-
Add : Transferred during the year		16,055,959	-
Less: Adjustment during the year		-	-
		16,055,959	-
13.1.3 Specific Provision			
Opening Balance		2,998,684,851	2,498,684,851
Less: Fully Provided Bad Loan Written off		-	-
Add : Received from Previous Written off Bad Loan		-	-
Add : Specific Provision Kept for the year		587,093,866	500,000,000
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		-	-
		3,585,778,717	2,998,684,851
13.1.2(a) Consolidated Specific Provision			
Bangladesh Commerce Bank Limited	(Note: 13.1.2)	3,585,778,717	2,998,684,851
CBSIL		156,581,484	146,581,484
		3,742,360,201	3,145,266,335
13.2 Interest Suspense A/C			
Opening Balance		862,639,493	762,627,056
Add : Addition during the year		459,389,069.48	164,198,802
Less: Interest Realized during the year		60,089,846.19	64,186,365
Less: Written off during the year		-	-
		1,261,938,716	862,639,493
13.3 Provision for Current Income Tax			
Opening Balance		647,266,508	692,780,873
Add : Current year tax		-	-
Add : Prior years tax		-	-
Less: Adjustment during the year		-	(45,514,365)
		647,266,508	647,266,508

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)	
31-12-2011	2012-2013	155,000,000	120,521,399.00	(29,418,179)	Appeal is pending at the commissioner of taxes.
31-12-2012	2013-2014	65,000,000	121,175,046.00	(85,593,225)	
31-12-2013	2014-2015	67,953,707	-	(17,639,518)	
31-12-2014	2015-2016	89,552,613	-	71,913,095	Assessment due at LTU
31-12-2015	2016-2017	3,515,417	15,477,010.00	59,951,502	
31-12-2016	2017-2018	95,925,092	66,396,600.00	89,479,994	Appeal is pending at the commissioner of taxes.
31-12-2017	2018-2019	117,000,000	74,329,843.00	132,150,151	
31-12-2018	2019-2020	-	-	-	Assessment due at LTU
31-12-2019	2020-2021	-	-	-	Assessment due at LTU
31-12-2020	2021-2022	-	-	-	Return to be submitted.

	31.12.2020 Taka	31.12.2019 Taka
13.4 Provision for Deferred Tax Liability		
Opening Balance	3,552,731	-
Add : Addition during the year	-	3,552,731
Less: Adjustment during the year	(3,552,731)	-
	-	3,552,731
13.5 Provision for Gratuity		
Opening Balance	116,979,736	-
Add : Addition during the year	47,253,395	116,979,736
Less: Transfer to Gratuity Fund	(116,979,736)	-
Less: Adjustment during the year	-	-
	47,253,395	116,979,736
13.6 Provision for Share & Debenture (Unrealized Gain/Loss)		
Opening Balance	308,710,110	218,359,485
Add : Addition during the year	-	90,350,625
Less: Adjustment during the year	63,329,966	-
	245,380,144	308,710,110
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		
Sancyapatra	100,000	100,000
Accrued Expense Payable	2,633,031	-
Others (including penal interest provision)	49,289,985	3,164,361
Audit Fee	230,000	230,000
	52,253,016	3,494,361
Provision against Penal interest (others) has been imposed by BB for CRR shortfall in the period of COVID 19 pandemic according to BB order, Section 36(4) of 1971 and DOS circular No: 03/2010. As per BB Letter reference No: DOS(SR)1153/142/26/2020-3341, dated: 29/10/2020.		
13.9 Provision Incentive Bonus		
Opening Balance	-	1,485,083
Less: Adjustment during the year	-	(1,485,083)
	-	-
13.10 Provision for Off Balance Sheet Exposure		
Opening Balance	55,070,787	55,070,787
Add : Addition during the year	-	-
Less: Adjustment during the year	39,320,457	-
	15,750,330	55,070,787
13.11 Provision for Other Assets		
Opening Balance	199,020,000	124,600,000
Add : Addition during the year	9,873,000	74,420,000
Less: Adjustment during the year	-	-
	208,893,000	199,020,000
Note: Amount of Provision for Other Assets includes BCBL General Account, Advance Rent, Interior Decoration, Protested Bill, Sundry Deposits NBL & Sundry Debtors for BDT8.7740 Crore, 1.683 Crore, 0.10 Crore, 8.1563 Crore, 0.35 Crore, 1.8260 Crore respectively.		
13.12 Lease Liability		
Opening Balance	67,133,967	-
Add: Addition	2,232,760	-
Less: Adjustment	23,100,157	-
	46,266,570	-

		31.12.2020 Taka	31.12.2019 Taka
13.13 BCBL General Account			
BCBL General Account Cr.		-	-
BCBL General Account Dr.		-	-
		-	-
13(a) Consolidated Other Liabilities			
Bangladesh Commerce Bank Limited	(Note: 13)	6,359,615,929	5,377,021,223
CBSIL		427,535,000	338,515,228
		6,787,150,929	5,715,536,451
Less: Inter Company Transaction		-	-
		6,787,150,929	5,715,536,451
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 December 31, 2020	% of Total	31.12.2020	31.12.2019
			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

	31.12.2020 Taka	31.12.2019 Taka
14.3 Capital to Risk weighted assets ratio (CRAR)		
In terms of section 13		
Tier – I (Core Capital)	(2,275,324,365)	(203,464,407)
Paid up capital	1,988,742,800	1,988,742,800
Right Share Application Money	917,259,650	917,259,650
Share capital BCI	15,300,000	15,300,000
Non-Repayable share premium account	-	-
Statutory Reserve	275,060,371	275,060,371
General Reserve	8,920,366	8,920,366
Retained Earnings	(5,480,607,552)	(3,408,747,594)
Minority interest in subsidiaries	-	-
Non cumulative Irredeemable preference share	-	-
Deductions from Tier-I (Core Capital) :	3,869,958,135	5,848,823,683
Book value of Goodwill	-	-
Shortfall in provisions required against classified assets	3,869,958,135	5,848,823,683
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	-	-

	31.12.2020 Taka	31.12.2019 Taka
Total Eligible Tier-I Capital	(6,145,282,500)	(6,052,288,090)
Tier –II (Supplementary Capital)	111,265,457	143,932,739
General Provision on Unclassified Loans	95,515,126.97	88,861,952
Revaluation Reserve for HTM Securities	-	-
Assets Revaluation Reserve	-	-
All Others Preference Share	-	-
General Provision (Off balance sheet items)	15,750,330	55,070,787
Exchange Equalization Fund	-	-
Total Eligible Capital (Tier-I + Tier-II)	(6,034,017,043)	(5,908,355,351)
Total Risk Weighted Assets (As per BASEL-III guideline)	41,511,618,189	41,489,211,684
Required Capital	5,000,000,000	5,000,000,000
Details are shown in Annexure - D		
Actual Capital Held:		
Core Capital	(6,145,282,500)	(6,052,288,090)
Supplementary Capital	111,265,457	143,932,739
	(6,034,017,043)	(5,908,355,351)
Capital to Risk weighted assets ratio (CRAR) (Required 12.50%)	-14.54%	-14.24%
Core Capital to RWA	-14.80%	-14.59%
Supplementary Capital to RWA	0.27%	0.35%

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.

15 Statutory Reserve		
Opening Balance	275,060,371	275,060,371
Less : Transferred during the year to provision for loans & advances	-	-
Add : Transferred during the year	-	-
	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 & HFT Securities		
Opening Balance	163,704,467	186,327,551
Add : Transferred during the year	20,357,238	41,484,078
Less: Adjustment during the year	101,751,814	64,107,162
	82,309,891	163,704,467
17(a) Consolidated Revaluation Reserve for HTM Securities		
Bangladesh Commerce Bank Limited	82,309,891	163,704,467
CBSIL	-	-
	82,309,891	163,704,467

		31.12.2020 Taka	31.12.2019 Taka
18 Profit and Loss Accounts / Retained Earnings			
Opening Balance		(3,408,747,594)	(2,118,770,669)
Prior year's Adjustment		(85,327,000)	-
Adjustment for the application of IFRS-16 (Lease)		(27,736,815)	-
Profit/ (Loss) for the year as per Profit and Loss accounts		(1,958,796,143)	(1,289,976,926)
		(5,480,607,552)	(3,408,747,594)
18(a) Consolidated Profit and Loss Accounts / Retained Earnings			
Bangladesh Commerce Bank Limited (Note: 18)		(5,480,607,552)	(3,408,747,594)
CBSIL		114,908,593	101,445,623
		(5,365,698,959)	(3,307,301,971)
19 Contingent Liabilities and Other Commitments			
Acceptances and Endorsements		324,061,649	335,197,566
Letter of Guarantees (Note: 19.01)		472,299,049	4,489,600
Irrevocable Letter of Credit		666,559,929	1,025,805,388
Bills for Collection		3,034,767,615	2,933,190,377
Other contingent liability (Note: 19.02)		112,112,334	113,791,800
		4,609,800,576	4,412,474,731
19.1 Letter of Guarantees			
Money for which the Bank is contingently liable in respect of guarantee issued favoring			
Directors		-	-
Government		465,863,641	-
Bank and Other Financial Institution		-	-
Others		6,435,408	4,489,600
		472,299,049	4,489,600
Commitments			
Less than 1 Year		472,299,049	4,489,600
Equal to or more than 1 year		-	-
		472,299,049	4,489,600
19.2 Other Contingent Liabilities			
Companies Liabilities for L/G		-	9,443,000
Companies Liabilities for L/C		-	3,732,320
Bills for Collection		-	6,000
Tax liability		100,610,480	100,610,480
Interest receivable		11,501,854	-
		112,112,334	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		1,121,501,970	1,653,695,249
Interest received from Banks & Other financial Institutions		286,078,222	676,185,011
		1,407,580,192	2,329,880,260
20 (a) Consolidated interest Income			
Bangladesh Commerce Bank Limited (Note: 20)		1,407,580,192	2,329,880,260
CBSIL		25,717,768	23,274,020
		1,433,297,960	2,353,154,280
Less: Inter Company Transaction		-	-
		1,433,297,960	2,353,154,280

		31.12.2020 Taka	31.12.2019 Taka
21 Interest Paid on Deposits			
Interest Paid on Deposits		2,100,532,682	2,072,682,791
Interest Paid on Borrowing		16,143,330	14,053,160
Interest Paid on Foreign Bank Accounts		-	-
Penal interest paid to BB		48,484,272	-
Discount Paid		-	-
		2,165,160,284	2,086,735,951
<p>Penal interest has been imposed by BB for CRR shortfall in the period of COVID 19 pandemic according to BB order, Section 36(4) of 1971 and DOS circular No: 03/2010. As per BB Letter reference No: DOS(SR)1153/142/26/2020-3341, dated: 29/10/2020.</p>			
21(a) Consolidated interest Paid on Deposits			
Bangladesh Commerce Bank Limited	(Note: 21)	2,165,160,284	2,086,735,951
CBSIL		-	-
		2,165,160,284	2,086,735,951
Less: Inter Company Transaction		-	-
		2,165,160,284	2,086,735,951
22 Income from Investment			
Treasury Bill/Bond		191,884,699	255,589,616
Capital Gain		171,390,028	66,390,205
Dividend on Share		58,503,545	8,248,993
Corporate Bond		7,200,000	10,458,000
		428,978,272	340,686,814
22(a) Consolidated Income from Investment			
Bangladesh Commerce Bank Limited	(Note: 22)	428,978,272	340,686,814
CBSIL		8,656,163	7,755,138
		437,634,435	348,441,952
23 Exchange, Commission and Brokerage			
Commission		64,789,765	85,635,331
Exchange Earnings		24,557,808	39,067,684
Brokerage		-	-
		89,347,573	124,703,014
23(a) Consolidated Exchange, Commission and Brokerage			
Bangladesh Commerce Bank Limited	(Note: 23)	89,347,573	124,703,014
CBSIL		84,453,713	94,463,746
		173,801,286	219,166,760
24 Other Operating Income			
Rent on Locker		159,595	189,500
Other Receipts	(Note: 24.1)	37,235,723	50,044,279
		37,395,318	50,233,779
24.1 Other Receipts			
Maintenance Charge		33,961,636	41,286,270
Appraisal Fee		2,851,673	4,168,549
Postage		392,822	1,248,498
Telex, Telephone & Telegram Recoveries		29,592	3,340,963
		37,235,723	50,044,279
24(a) Consolidated Other Operating Income			
Bangladesh Commerce Bank Limited	(Note: 24)	37,395,318	50,233,779
CBSIL		-	283,860
		37,395,318	50,517,639

		31.12.2020 Taka	31.12.2019 Taka
25	Salary and Allowances		
	Basic Salary	408,922,754	405,689,010
	Allowances	355,811,761	344,891,267
	Gratuity	47,253,395	116,979,736
	Provident Fund	33,187,063	31,897,292
	Bonus	66,950,332	64,881,779
		912,125,305	964,339,084
25(a)	Consolidated Salary and Allowances		
	Bangladesh Commerce Bank Limited (Note: 25)	912,125,305	964,339,084
	CBSIL	53,489,600	51,811,233
		965,614,905	1,016,150,316
26	Rent, Taxes, Insurance, Electricity, etc.		
	Rent	90,629,688	114,953,318
	Rates and Taxes	19,950	4,684,307
	Insurance	23,375,829	23,478,124
	Car Insurance, Tax	4,376,589	5,405,448
	Electricity/Gas/Water Bill	22,441,178	24,751,080
		140,843,234	173,272,277
26(a)	Consolidated Rent, Taxes, Insurance, Electricity, etc.		
	Bangladesh Commerce Bank Limited (Note: 26)	140,843,234	173,272,277
	CBSIL	10,238,337	10,203,875
		151,081,571	183,476,152
27	Postage, Telegram, Telephone		
	Telephone	3,780,451	4,097,065
	Postage, Telegram & Connectivity	26,370,855	22,711,049
		30,151,306	26,808,114
27(a)	Consolidated Postage, Telegram, Telephone		
	Bangladesh Commerce Bank Limited (Note: 27)	30,151,306	26,808,114
	CBSIL	697,576	636,293
		30,848,882	27,444,407
28	Stationery, Printing & Advertisement		
	Printing Stationery	4,833,330	5,126,208
	Other Stationery	5,491,232	6,734,608
	Security Stationery	250,132	130,740
	Publicity and Advertisement	1,589,034	1,560,637
		12,163,728	13,552,193
28(a)	Consolidated Stationery, Printing & Advertisement		
	Bangladesh Commerce Bank Limited (Note: 28)	12,163,728	13,552,193
	CBSIL	598,095	1,193,303
		12,761,823	14,745,496
29	Managing Director's salary and allowances		
	Basic Salary	1,554,774	4,800,000
	House Maintenance / Furnishing	690,387	2,399,999
		2,245,161	7,199,999
30	Directors' fees & honorium		
	Directors' fees & honorium	1,374,000	1,546,300
		1,374,000	1,546,300
30(a)	Consolidated Directors' fees & honorium		
	Bangladesh Commerce Bank Limited (Note: 30)	1,374,000	1,546,000
	CBSIL	589,600	587,600
		1,963,600	2,133,600

		31.12.2020 Taka	31.12.2019 Taka
31 Depreciation and Repair of Fixed Assets			
Depreciation of Fixed Assets		107,025,424	72,428,977
Repairs and Maintenance		9,212,230	22,178,785
		116,237,654	94,607,762
31(a) Consolidated Depreciation and Repair of Fixed Assets			
Bangladesh Commerce Bank Limited (Note: 31)		116,237,654	94,607,762
CBSIL		2,045,015	1,973,724
		118,282,669	96,581,486
32 Other Expenditure			
Business Development		933,795	761,915.76
Conveyance		4,980,337	5,631,494.46
Maintenance Charge		525,000	5,529,046.85
Computer Photocopy Paper		1,680,647	2,078,397.02
BB Clearing Charge		24,239	667,971.90
Evaluation Fee		1,262,657	4,881,518.20
Vat on other Expense		105,486	388,092.55
Tax on other Expense		242,650	72,119.61
Photocopy & Photograph		355,035	707,484.92
Entertainment		4,531,187	8,421,239
Excise Duty		526,845	1,546,150
Exchange Loss		6,553,083	7,714,398
Fuel & Lubricants of Car		1,552,198	3,217,624
Honorarium		1,055,775	1,197,135
Laundry		1,344,497	803,025
Internet Bill		141,998	199,258
Loss on Revaluation on Investment		8,752,907	27,039,185
Loss on Sale of Share		-	1,790,780
Medical charge		-	745
Misce Expense		1,050,422	697,965
Training		42,551	2,131,774
Donation/CSR		1,663,914	8,292,871
Travelling & Daily Allowances		2,037,823	5,922,714
Uniform		374,923	827,952
Software & Harware Maintenance		6,557,784	9,581,759
Bank Charge		965,508	1,305,299
Service fee to VISA		1,681,099	-
Finance cost- Lease Liability		2,232,760	-
		51,175,119	101,407,914
32(a) Consolidated Other Expenditure			
Bangladesh Commerce Bank Limited (Note: 31)		51,175,119	101,407,914
CBSIL		17,080,494	19,272,402
		68,255,613	120,680,316
33 Closing Cash and Cash Equivalent			
Cash in hand (including foreign currencies)		460,178,721	454,655,515
Balance with Bangladesh Bank & Sonali Bank (Including foreign currencies)		1,866,503,717	1,773,782,287
Balance with Other Bank & Financial Institutions		7,316,827,628	7,097,019,774
Money at Call and short notice		29,300,000	29,300,000
Investment Government		3,811,256,809	3,589,011,618
		13,484,066,874	12,943,769,194

	31.12.2020 Taka	31.12.2019 Taka
34 Earnings Per Share (EPS)		
Net Profit after Tax	(1,958,796,143)	(1,289,976,926)
Number of Ordinary Share	19,887,428	19,887,428
Earnings Per Share	(98.49)	(64.86)
34(a) Consolidated Earnings Per Share (EPS)		
Net Profit after Tax	(1,945,333,171)	(1,266,433,281)
Number of Ordinary Share	19,887,428	19,887,428
Consolidated Earnings Per Share (EPS)	(97.82)	(63.68)
35 Net Asset Value Per Share (NAV)		
a) Capital / Share holders' Equity for the year	(2,193,014,474)	(39,759,939)
b) Number of Outstanding Share	19,887,428	19,887,428
Net Asset Value Per Share (NAV) (a÷b)	(110.27)	(2.00)
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	453,778,807	935,378,860
b) Number of Outstanding Share	19,887,428	19,887,428
Net Operating Cash Flow Per Share (NAV)(a÷b)	22.82	47.03
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 2020 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, 2020

Annexure-A

(Amount in Taka)

Particulars	Cost				Rate of Dep.	Depreciation				Written down value as at 31.12.2020	Written down value as on 31.12.2019
	Balance as at 01.01.2020	Addition during the year	Sale / Adjustment during the year	Total as at 31.12.2020		Charged upto 01.01.2020	Charged during the year	Adjustment during the year	Total as at 31.12.2020		
1	2	3	4	5 (2 + 3 - 4)	6	7	8	9	10 (7 + 8 - 9)	11 (5 - 10)	12
Furniture and Fixtures	76,005,867	21,000,529	-	97,006,396	10%	24,384,530	6,482,362	-	30,866,892	64,334,088	50,743,058
Mechanical Appliances	154,547,993	11,182,492	-	165,730,485	20%	119,736,280	11,988,650	-	131,724,930	39,830,022	39,836,979
Motor Vehicles	116,273,223	10,600,000	-	126,873,223	20%	61,151,208	19,964,102	-	81,115,310	44,120,332	53,599,427
Software	62,453,145	2,976,838	-	65,429,983	20%	32,429,066	11,214,915	-	43,643,981	23,015,605	29,808,018
Interior Decoration	208,117,842	35,307,750	-	243,425,592	20%	119,249,596	21,788,565	-	141,038,161	100,283,506	87,102,589
Computer & Accessories	119,223,578	6,081,824	-	125,305,402	30%	70,155,871	20,336,320	-	90,492,191	35,514,152	49,898,950
Sub Total (C)	736,621,648	87,149,433	-	823,771,081	-	427,106,550	91,774,914	-	518,881,464	307,097,705	310,989,021
Total (A+B+ C)	736,621,648	87,149,433	-	823,771,081	-	427,106,550	91,774,914	-	518,881,464	307,097,705	310,989,021

As on December 31, 2019

(Amount in Taka)

Particulars	Cost				Rate of Dep.	Depreciation				Written down value as at 31.12.2019	Written down value as on 31.12.2018
	Balance as at 01.01.2019	Addition during the year	Sale / Adjustment during the year	Total as at 31.12.2019		Charged upto 01.01.2019	Charged during the year	Adjustment during the year	Total as at 31.12.2019		
1	2	3	4	5 (2 + 3 - 4)	6	7	8	9	10 (7 + 8 - 9)	11 (5 - 10)	12
Furniture and Fixtures	57,954,725	18,051,142	-	76,005,867	10%	18,601,420	5,783,109	-	24,384,530	50,743,058	38,154,776
Mechanical Appliances	148,948,333	5,599,660	-	154,547,993	20%	108,022,464	11,713,816	-	119,736,280	39,836,979	45,470,214
Motor Vehicles	99,240,863	17,032,360	-	116,273,223	20%	39,828,825	21,322,383	-	61,151,208	53,599,427	25,182,107
Software	30,195,921	32,257,224	-	62,453,145	20%	22,867,889	9,561,177	-	32,429,066	29,808,018	7,041,520
Interior Decoration	192,186,308	15,931,534	-	208,117,842	20%	98,143,111	21,106,485	-	119,249,596	87,102,589	93,120,668
Computer & Accessories	65,374,800	53,848,779	-	119,223,578	30%	57,626,140	12,529,731	-	70,155,871	49,898,950	8,689,117
Sub Total (C)	593,900,950	142,720,698	-	736,621,648	-	345,089,849	82,016,701	-	427,106,550	310,989,021	217,658,401
Total (A+B+ C)	593,900,950	142,720,698	-	736,621,648	-	345,089,849	82,016,701	-	427,106,550	310,989,021	217,658,401

Bangladesh Commerce Bank Limited

Lease Asset Schedule

As on December 31, 2020

Annexure-A

(Amount in Taka)

Particulars	Cost			Rate of Dep.	Depreciation			Written down value as at 31.12.2020	Written down value as on 31.12.2019
	Balance as at 01.01.2020	Addition during the year	Sale / Adjustment during the year		Charged during the year	Adjustment during the year	Total as at 31.12.2020		
1	2	3	4	6	8	9	10 (7+8-9)	11 (5-10)	12
Right of use of Asset		39,397,152	-		15,250,510	-	15,250,510	24,146,642	
Total	-	39,397,152	-	-	15,250,510	-	15,250,510	24,146,642	-

Bangladesh Commerce Bank Limited

Details of large loan

As at December 31, 2020

Annexure-B

SL	Group/ Client Name	Outstanding (Taka in crore)		
		Funded	Non-Funded	Total
1	SB Exim Bangladesh	198.83	-	198.83
2	Jamuna Agro chemical	115.02	-	115.02
3	Nur-un-nobi & Allied Concern	104.19	-	104.19
4	Marrine Vegetable Oils Ltd	63.63	-	63.63
5	Dhaka Trading House	46.81	-	46.81
6	M/S.F.R.Jute Trading Co. Ltd.	50.36	-	50.36
7	Suruj Miah Spinning Mills	40.73	-	40.73
8	M/S Sharmin Jute Balers,	40.60	-	40.60
9	Pran RFL Group	31.57	-	31.57
10	Smile Appareals Ltd.	11.71	22.56	34.27
11	M/S Islam Brothers	37.02	-	37.02
12	Abdul Monem Sugar Refinery Ltd.	30.30	-	30.30
13	Dharmapur Ceramics Industries Ltd.	32.90	-	32.90
14	Lithun Febrics Ltd	26.79	-	26.79
15	Brand Maker Property Management Ltd.	29.37	-	29.37
16	M. N. Akter & Co.	24.56	-	24.56
17	Saif powertec Ltd.	24.80	-	24.80
18	Toy Woods (BD) Co. Ltd.	21.85	0.07	21.92
19	Somerset Properties Ltd.	22.41		22.41
20	Faith Group.	13.43		13.43
Total		966.88	22.63	989.51

Bangladesh Commerce Bank Limited
Highlights of the Overall Activities of the Bank
For the year ended December 31, 2020

Annexure-C
(Amount in Taka)

SI #	Particulars	2020	2019
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)	(6,034,017,043)	(5,908,355,351)
04	Surplus/(Deficit) Capital	(11,034,017,043)	(10,908,355,351)
05	Total Assets	40,880,195,270	39,550,371,620
06	Total Deposits	36,393,401,406	34,038,702,544
07	Total Loans and Advances	23,079,691,514	22,475,699,119
08	Total Contingent Liabilities and Commitments	4,609,800,576	4,412,474,731
09	Advances Deposits Ratio(%)	63.42	66.03
10	Classified Loans to Advance Ratio(%)	42.33	50.39
11	Profit After Tax and Provision	(1,958,796,143)	(1,289,976,926)
12	Classified Advance	9,770,453,424	11,325,362,993
13	Provision kept against Classified Advance	3,585,778,717	2,998,684,851
14	Surplus/(Deficit) Provision	(5,219,718,171)	(5,827,056,174)
15	Cost of Fund (%)	9.84	11.05
16	Interest Earning Assets	13,309,238,090	11,150,336,126
17	Non Interest Earning Assets	21,931,471,596	22,873,516,835
18	Return on Investment (ROI)%	7.61	6.16
19	Return on Assets (ROA)%	(4.79)	(3.26)
20	Income from Investment	428,978,272	340,686,814
21	Earnings Per Share (EPS)	(98.49)	(64.86)
22	Profit Per Share	(98.49)	(64.86)
23	Price - Earnings Ratio (Times)	(1.02)	(1.54)

*** Each share of Bangladesh Commerce Bank Limited has a face value of BDT 100.00

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

As on December 31, 2020

Annexure-D

Particulars	Amount (Tk.)
A. Regulatory Capital:	
1. Common Equity Tier-1 Capital (CET-1)	(6,145,282,500)
2. Additional Tier-1 Capital (AT-1)	-
3. Tier-2 Capital	111,265,456.97
4. Total Regulatory Capital (1+2+3)	(6,034,017,043)
B. Total Risk Weighted Assets (RWA):	41,511,618,189
C. Capital to Risk weighted assets ratio (CRAR) (A4/B)*100	-14.54%
D. Core Capital to RWA (A1/B)*100	-14.80%
E. Supplementary Capital to RWA (A2/B)*100	0.27%
F. Minimum Capital Requirement (MCR)	5,000,000,000

Risk Weighted Assets (RWA)

As on December 31, 2020

SI #	Particulars	Amount (Tk.)
A.	Credit Risk:	38,227,924,390
	On-Balance sheet	32,465,673,670
	Off- Balance sheet	5,762,250,720
B.	Market Risk	977,676,174
C.	Operational Risk	2,306,017,625
	Total: Risk Weighted Assets (RWA) (A+B+C)	41,511,618,189

Bangladesh Commerce Bank Limited

Investment In Shares

As at December 31, 2020

Annexure-E

(Amount In Taka)

Particulars	No. of Shares	Avg. Rate	Total Cost	Market Value of Shares	Unrealised Gain/(Loss)
AIL*	294,250	84.43	24,843,897	7,915,325	(16,928,572)
BARKAPOWER*	72,974	37.65	2,747,409	1,875,432	(871,977)
CENTRALPHL*	1,198,050	20.55	24,618,825	14,496,405	(10,122,420)
CITYGENINS*	156,667	43.84	6,867,734	4,715,677	(2,152,057)
DELTALIFE*	36,900	147.47	5,441,626	2,516,580	(2,925,046)
DESCO*	126,397	101.31	12,805,704	4,398,616	(8,407,088)
FORTUNE*	61,950	33.23	2,058,603	1,437,240	(621,363)
FUWANGFOOD*	605,000	22.40	13,554,207	9,498,500	(4,055,707)
GBBPOWER*	82,708	29.13	2,409,491	1,215,808	(1,193,683)
HRTEX*	35,000	47.95	1,678,299	1,403,500	(274,799)
IBNSINA*	9,292	260.80	2,423,308	2,267,248	(156,060)
IFIC*	900,491	18.49	16,647,115	13,687,463	(2,959,651)
JAMUNAOIL*	13,200	231.00	3,049,136	2,184,600	(864,536)
KDSALTD*	564,375	71.99	40,631,251	24,663,188	(15,968,063)
MAKSONSPIN*	231,863	50.48	11,703,583	2,133,140	(9,570,443)
MPETROLEUM*	84,700	263.36	22,306,574	16,770,600	(5,535,974)
NBL*	450,090	12.18	5,483,285	3,150,630	(2,332,655)
NCCBANK*	348,672	19.26	6,714,225	4,602,470	(2,111,754)
PADMAOIL*	30,000	339.12	10,173,456	6,153,000	(4,020,456)
PENINSULA*	624,324	33.99	21,221,027	14,047,290	(7,173,737)
PRIMELIFE*	67,004	71.24	4,773,596	3,477,508	(1,296,088)
REGENTTEX*	189,299	28.54	5,401,787	1,722,621	(3,679,166)
RSRMSTEEL*	170,200	69.31	11,797,065	4,186,920	(7,610,145)
RUPALIBANK*	897,460	42.94	38,539,453	25,757,102	(12,782,351)
RUPALILIFE*	48,960	62.75	3,072,199	2,824,992	(247,207)
SALAMCRST*	73,883	23.25	1,717,685	1,581,096	(136,588)
SILVAPHL*	4,826	30.24	145,917	88,316	(57,601)
SOUTHEASTB*	744,676	21.55	16,044,327	9,308,450	(6,735,877)
STANDBANKL*	553,668	11.76	6,510,432	4,595,444	(1,914,987)
TITASGAS*	10,000	87.89	878,921	308,000	(570,921)
UCB*	350,623	24.64	8,640,457	4,943,784	(3,696,672)
UNIQUEHRL*	200,000	114.98	22,996,000	7,920,000	(15,076,000)
ACIFORMULA	30,000	220.99	6,629,757	3,543,000	(3,086,757)
APEXFOODS	8,000	180.95	1,447,627	1,003,200	(444,427)
APEXTANRY	20,000	148.69	2,973,762	2,138,000	(835,762)
BDWELDING	1,500	24.64	36,964	30,000	(6,964)
BEXIMCO	88,200	85.95	7,580,878	5,027,400	(2,553,478)
CRYSTALINS	10,878	10.00	108,780	428,593	319,814
CVOPRL	69,000	215.74	14,886,282	7,962,600	(6,923,682)
DELTASPINN	200,000	6.16	1,231,774	1,320,000	88,226
ECABLES	1,320	270.21	356,675	223,740	(132,935)
ESQUIRENIT	20,860	45.00	938,700	548,618	(390,082)
FIRSTFIN	5,000	14.12	70,621	32,500	(38,121)
FUWANGCER	605,000	19.60	11,858,671	7,078,500	(4,780,171)
GEMINISEA	4,400	277.27	1,220,005	635,800	(584,205)
GOLDENSON	56,250	47.65	2,680,049	630,000	(2,050,049)
ILFSL	69,494	48.07	3,340,400	416,964	(2,923,436)
INTECH	313,180	55.81	17,478,782	11,462,388	(6,016,394)
LIBRAINFU	21,328	1,124.63	23,986,203	13,709,638	(10,276,565)
MIDASFIN	214,957	72.41	15,563,963	3,955,209	(11,608,754)
MIRACLEIND	48,072	54.15	2,603,214	1,639,255	(963,959)
NLTUBES	33,379	127.58	4,258,619	3,448,051	(810,568)
PADMALIFE	228,000	34.55	7,877,975	4,674,000	(3,203,975)
RINGSHINE	131,995	8.61	1,136,421	844,768	(291,653)
RUNNERAUTO	18,066	84.83	1,532,612	919,559	(613,053)
SEAPEARL	1,865	26.37	49,180	147,522	98,342
STYLECRAFT	4,125	335.02	1,381,958	643,913	(738,046)
UNITEDAIR	1,516,500	28.07	42,569,949	2,426,400	(40,143,549)
BCB ICL GROWTH FUND	10,000,000	10.00	100,000,000	104,300,000	4,300,000
ICL Balance Fund	1,805,341	10.26	18,524,903	19,804,591	1,279,688
Total	-	-	650,221,296	404,841,152	(245,380,144)

Bangladesh Commerce Bank Limited
Investment In Shares (Special Fund 200 Crore)

As at December 31, 2020

Annexure-F

(Amount in Taka)

Particulars	No. of Shares	Avg. Rate	Total Cost	Market Value of Shares	Unrealised Gain/(Loss)
CONFIDCEM*	88,780	114.04	10,124,200	10,769,014	644,814
FIRSTSBANK*	900,000	9.22	8,296,560	8,100,000	(196,560)
SAIFPOWER*	1,426	13.88	19,798	25,668	5,870
SSSTEEL*	160,000	16.38	2,621,232	2,944,000	322,768
ROBI	271,122	22.55	6,112,445	8,079,436	1,966,990
Total	-	-	27,174,237	29,918,118	2,743,880

AUDITORS' REPORT AND AUDITED FINANCIAL STATEMENTS OF

Commerce Bank Securities and Investment Limited

For the Year Ended 31 December, 2020



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 2020, and 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 give a true and fair view of the financial position of the company as at 31 December 2020, and its profit or loss and other comprehensive income and its changes in equity, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirement that is relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 statements 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 2020. Our opinion is not qualified in respect of this matter.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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

Management is responsible for the preparation of financial statements that give a true and fair view 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Commission Act, 1993 and the Securities and Exchange Commission Rules, 1987 and other applicable laws and regulations, we also report that:

- a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) The expenditures incurred were for the purpose of the Bank's business for the year.

Dated : 28 March 2021
Place : Dhaka

Signed for & on behalf of



MABS & J Partners
Chartered Accountants



S H Talukder FCA
Partner

ICAB Enrollment No: 1244
DVC No: 2103311244AS136502

Commerce Bank Securities and Investment Limited
Statement of Financial Position

As at 31 December, 2020

Particulars	Notes	31.12.2020 Taka	31.12.2019 Taka
ASSETS			
Non - Current Assets:		106,915,919	124,046,804
Property, Plant and Equipment	3	8,522,496	7,461,664
DSE Membership	4	562,500	562,500
Investment	5	97,779,843	115,998,554
Deferred Tax	6	51,080	24,086
Current Assets:		1,085,527,674	965,914,047
Advance Taxes	7	87,510,282	72,184,804
Advance, Deposit and Prepayments	8	2,349,852	3,727,533
Accounts Receivable	9	40,049,596	25,756,047
Margin Loan to Investors	10	616,675,086	523,186,486
Cash and Cash Equivalents	11	338,942,858	341,059,177
Total Assets		1,192,443,593	1,089,960,851
EQUITY AND LIABILITIES			
Shareholders' Equity:		764,908,593	751,445,623
Share Capital	12	650,000,000	650,000,000
Retained Earnings	13	114,908,593	101,445,623
Current Liabilities:		427,535,000	338,515,228
Accounts Payable	14	148,316,524	78,686,547
Provision for Expenses	15	41,542,515	42,805,671
Provision for Bad Loan and Erosion	16	156,581,484	146,581,484
Provision for Income Tax	17	81,094,477	70,441,526
Total Equity and Liabilities		1,192,443,593	1,089,960,851

The annexed notes from 01 to 30 and annexure A to G 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.

Signed for & on behalf of

Dated : 28 March 2021
Place : Dhaka


MABS & J Partners
Chartered Accountants


S H Talukder FCA
Partner

ICAB Enrollment No: 1244
DVC No: 2103311244AS136502

Commerce Bank Securities and Investment Limited
Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2020

Particulars	Notes	31.12.2020 Taka	31.12.2019 Taka
Operating Income:	18	104,949,846	113,277,081
Less: Operating Expenses	19	14,124,953	15,513,584
Gross Profit		90,824,893	97,763,497
Less: Administrative Expenses	20	70,613,764	70,214,845
Net Operating Income		20,211,129	27,548,652
Add: Other Income	21	13,877,798	12,499,672
Net Profit before Provision and Tax		34,088,927	40,048,324
Less: Provision for Bad Loan and Erosion	22	10,000,000	-
Less: Income Tax Expenses		10,625,957	13,504,691
Income Tax	23	10,652,951	13,516,071
Deferred Tax		(26,994)	(11,380)
Less: Prior Year's adjustments (VAT Payable)	24	-	3,000,000.00
Net Profit after tax transferred to Retained Earnings		13,462,970	23,543,634
Earnings per share (EPS)	25	0.21	0.36

The annexed notes 01 to 30 and annexure A to G 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 Financial Position referred to in our separate report of even date annexed.

Signed for & on behalf of

Dated : 28 March 2021

Place : Dhaka



MABS & J Partners

Chartered Accountants



S H Talukder FCA

Partner

ICAB Enrollment No: 1244

DVC No: 2103311244AS136502

Commerce Bank Securities and Investment Limited

Statement of Cash Flows

For the year ended 31 December, 2020

Particulars	Notes	31.12.2020 Taka	31.12.2019 Taka
A. Cash Flow from Operating Activities:			
Cash Receipts from:		118,827,644	125,776,753
Brokerage commission		79,193,955	87,866,806
CDBL fees	26.00	4,456,493	5,330,856
Interest income		17,291,341	15,969,590
Other income		13,877,798	12,499,672
Service charge		329,000	327,000
Dealer account		3,679,057	3,782,829
Less : Cash Payments		42,659,799	153,714,188
Income tax	27.00	15,325,478	19,037,914
Salary and Allowances		52,651,400	50,873,133
Other Operating and Administrative expense	28.00	(25,317,079)	83,803,141
Net Cash Flow from Operating Activities:		76,167,845	(27,937,435)
B. Cash Flow from Investing Activities:			
Purchase of Property, Plant and Equipment		(3,014,275)	(488,292)
Investment in Margin Loan		(93,488,600)	(7,314,671)
Investments in Listed Shares		18,218,711	(60,405,591)
Net Cash used in Investing Activities		(78,284,164)	(68,208,554)
C. Cash Flow from Financing Activities:		-	-
D. Net Cash inflow from total Activities (A+B+C)		(2,116,319)	(96,145,989)
E. Opening Cash and Cash Equivalents		341,059,177	437,205,167
F. Closing Cash and Cash Equivalents (D+E)		338,942,858	341,059,177
Break up of Closing Cash and Cash Equivalents:		338,942,858	341,059,177
Cash in Hand		465,694	432,157
Cash at Bank		242,194,664	189,217,020
TREC Holder's Margin		-	60,000,000
Fixed Deposit		96,282,500	91,410,000


 Chief Executive Officer


 Director


 Director

Dated : 28 March 2021
Place : Dhaka

Commerce Bank Securities and Investment Limited

Statement of Changes in Equity

For the year ended 31 December, 2020

Particulars	Share Capital	Retained Earnings	Total
Balance as on 01 January, 2020	650,000,000	101,445,623	751,445,623
Profit during the year		13,462,970	13,462,970
Balance as on 31 December, 2020	650,000,000	114,908,593	764,908,593
Balance as on 01 January, 2019	650,000,000	77,901,989	727,901,989
Profit during the year		23,543,634	23,543,634
Balance as on 31 December, 2019	650,000,000	101,445,623	751,445,623



Chief Executive Officer



Director



Director

Dated : 28 March 2021

Place : Dhaka

Commerce Bank Securities and Investment Limited**Notes to the Financial Statements**

For the year ended 31 December, 2020

1. FUNDAMENTALS OF THE COMPANY 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.

2 Accounting concepts, policies adopted & other information 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 IAS & IFRS as adopted in Bangladesh, Companies Act, 1994 and other applicable Laws and Regulations.

2.1.1 Other regulatory compliance:

As required, CBSIL also complies with the applicable provisions of the following major laws/ statutes:

- i) Securities and Exchange Rules, 1987;
- ii) Securities and Exchange Commission Act, 1993;
- iii) Securities and Exchange Commission (Stock-Dealer, Stock-Broker and Authorized Representatives) Rules, 2000;
- iv) Income Tax Ordinance, 1984;
- v) Income Tax Rules, 1984; -Negotiable Instruments Act, 1881; and
- vi) 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 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 Changes in Equity;
- (iv) Statement of Cash Flows, and
- (v) Notes to the Financial Statements.

Statement of Cash Flows is prepared under direct method as required by IAS 7 and the Securities and Exchange Rules 1987.

2.5 Use of Estimates and Judgments:

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. It also requires disclosures of contingent assets and liabilities at the date of the financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed through ongoing concern basis.

2.6 Branch Accounting:

The company has been operating seven branches located at Dhaka, Narayanganj and Chattogram and accordingly the accounting consolidation is being maintained through Head Office.

2.7 Reporting Period:

These Financial Statements have prepared from 01 January 2020 to 31 December 2020.

2.8 Compliance Report on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs):

The Financial Reporting Council of Bangladesh (FRC) is the sole authority for adoption of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs). While preparing the financial statements, CBSIL applied most of IASs and IFRSs as adopted by the FRC. Details are given below:

Name of the IAS	IAS No	Status
Presentation of Financial Statements	1	Applied*
Statement of Cash Flows	7	Applied*
Accounting Policies, Changes in Accounting Estimates & Errors	8	Applied
Events after the Reporting Period	10	Applied
Income Taxes	12	Applied
Property, Plant & Equipment	16	Applied
Employee Benefits	19	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Financial Instruments: Presentation	32	Applied*
Earnings per Share	33	Applied
Provisions, Contingent Liabilities & Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	Applied
Name of the IFRS	IFRS No	Status
Financial Instruments: Disclosures	7	Applied*
Financial Instruments	9	Applied*
Revenue from contracts with customers	15	Applied

*In order to comply with certain specific rules and recognitions of the regulatory authority, Bangladesh Securities and Exchange Commission (BSEC) which are different to IAS/IFRS, local laws and regulations will be prevailed.

2.09 Property, Plant and Equipment:

Property, Plant and Equipment 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 as follows:

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

2.10 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 company is compelled to resort to 'margin call' 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.

2.11 Investment in Listed Securities:

Investments in listed securities are carried at cost. Where cost is more or less than market price, provision for such loss/gain has been made considering each individual investment as guided by BSEC.

2.12 Cash & Cash Equivalents:

Cash and cash equivalent consists of cash in hand, bank balances at the end of the year that are readily convertible to known amount of cash.

2.13 Advance, Deposits & Prepayments:

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to statements of comprehensive income or other account heads.

Security deposits are measured at payment value.

2.14 Accrued Expenses and Other Payables:

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

2.15 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.

2.16 Deferred Tax:

The Company recognized deferred tax in accordance with the provision of International Accounting Standards (IAS)-12 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 receivable or payable 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.

2.17 Provision:

Provision is recognized in the statement of financial position when the company has a legal and constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and are liable estimate thereof can be made.

2.18 Revenue Recognition:**Brokerage commission:**

Brokerage commission is recognized as income at the same time of selling or buying order executed.

Other Operating Income:

Dividend income is recognized when right to receive or payment is established whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realized or loss is incurred. Other operating income arises on services provided by the company are recognized on accrual basis.

2.19 Other Expenses:

Other expenses are also recognized and recorded on accrual basis.

2.20 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.

2.21 Number Of Employees

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

2.22 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.

2.23 Related Party Disclosure:

As per International Accounting Standard (IAS) 24: "Related Party Disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in note 30.

2.24 Events After the Reporting Date:

Events after the reporting date that provides additional information about company's financial position at the reporting date are reflected in the financial statements. Events after the reporting date that are material but not adjusting event are discussed in the notes when material.

Particulars	Notes	31.12.2020 Taka	31.12.2019 Taka
3.00 Property, Plant and Equipment:			
Furniture and Fixture		1,275,706	1,389,650
Office Renovation		3,112,636	2,740,795
Electronic Equipments		3,030,856	2,222,377
Computer and Software		1,103,298	1,108,841
		8,522,496	7,461,664
Physically verified on the year end date and found no reasonable ground for impairment and therefore, no action warrants. For details, please refer to Annexure - A.			
4.00 DSE Membership:		562,500	562,500
The Company possesses Trading Right Entitlement Certificate (TREC) of DSE bearing TREC NO. 180 and presently holds 54,11,329 ordinary shares of DSE against total entitlement of 72,15,106 ordinary shares.			
5.00 Investment :			
Investment in Shares :			
(i) Dealer account (Annexure-B)		54,563,023	90,481,659
(ii) Strategic account (Annexure-C)		43,216,820	25,516,895
		97,779,843	115,998,554
Confirmation from CDBL upon the number of securities of 50 companies have been obtained. For details, please refer to Annexure- B & Annexure- C.			
IAS and IFRS mandate to show investment in market price and the difference between the cost and market price to be accordingly treated in the income statement. On the other hand, BSEC, being the regulator of stock brokers realizing the precarious situation due to Bangladesh Stock Markets, has allowed to spread such erosion in four years from 2019 to 2022. Under the circumstances, the company has made reasonable provision for bad loan and erosion during the reporting period in compliance with the regulator's directives as shown in Note-16.			
6.00 Deferred Tax			
WDV of Property, Plant and Equipment as per Financial Statements		8,522,496	7,461,664
WDV of Property, Plant and Equipment as per Tax Base		8,679,666	7,530,482
Temporary difference for Property, Plant and Equipment		157,170	68,818
Tax Rate		32.5%	35%
Deferred Tax Asset/ (Liabilities)		51,080	24,086
Deferred Tax Expense (Income) for the year			
Deferred Tax Asset as at the opening of the year		24,086	12,706
Less: Deferred Tax Asset as at the closing of the year		51,080	24,086
Deferred Tax Expenses (Income) for the year		(26,994)	(11,380)
7.00 Advance Taxes:			
Opening Balance	(Annexure-D)	72,184,804	53,146,890
TAX deducted at source (TDS)	(Note - 7.01)	14,841,496	15,390,531
TAX paid during the period		483,982	3,647,383
		87,510,282	72,184,804
The entire amount of advance tax of Tk. 87,510,282 is supported by certificates/statements from bank therefore, confirmed. The amount is adjustable against tax demand.			
7.01 TAX deducted at source (TDS):			
TDS by DSE on Turnover		13,029,545	13,848,379
TDS on FDR Interest		714,426	530,491
TDS on Interest Income from other Bank Deposit		102,104	217,199
TDS on Income from Dividend. (Annexure -G)		995,421	794,462
		14,841,496	15,390,531

Particulars	Notes	31.12.2020 Taka	31.12.2019 Taka
8.00 Advances, Deposits & Prepayments:			
Advance against expenses	(Note - 8.01)	1,703,577	2,785,533
Security deposit	(Note - 8.02)	10,000	10,000
Car Loan to Employee(s)	(Note - 8.03)	636,275	932,000
		2,349,852	3,727,533
All considered good.			
8.01 Advance against expenses			
Advance against Office Rent			
Opening Balance		2,533,481	3,750,679
Add: Paid during the Current Year		154,800	-
Less: Adjusted during the year		1,190,830	1,217,198
		1,497,451	2,533,481
Advances against expenses:			
Opening Balance		252,052	104,046
Add: Paid during the year		-	887,180
Less: Adjusted during the year		(45,926)	(739,174)
		206,126	252,052
		1,703,577	2,785,533
8.02 Security Deposit:			
Telephone Demand Note		10,000	10,000
		10,000	10,000
8.03 Car Loan to Employee (after adjustment):			
		636,275	932,000
		636,275	932,000
9.00 Accounts Receivables :			
Dhaka Stock Exchange (DSE)	(Note - 9.01)	38,183,728	23,981,317
Clients (Non-margin account holders)		968,892	886,830
FDR Interest		860,630	851,554
Other receivables		36,346	36,346
		40,049,596	25,756,047
Receivable from DSE is confirmed. The amount of Tk. 968,892 is receivable from 1,012 No. of clients (non-margin account holders). The amount of FDR Interest receivable is subsequently realized. Other receivables represent amount of WASA bill paid in advance. All considered good.			
9.01 Dhaka Stock Exchange (DSE):			
(i) Receivable from DSE-Broker		18,455,282	23,981,317
(ii) Receivable from DSE-Dealer		19,728,446	-
		38,183,728	23,981,317
10.00 Margin Loan to Investors			
		616,675,086	523,186,486
		616,675,086	523,186,486
The amount of margin loan is lent to 300 no. of borrowers as against 298 of the previous year. The anticipated loss that may arise in future has been made good by provisioning as per BSEC circular detailed in note no. 16			
11.00 Cash and Cash Equivalents:			
Cash in Hand	(Note - 11.01)	465,694	432,157
Cash at Bank	(Note - 11.02)	242,194,664	189,217,020
Fixed Deposit Receipts	(Note - 11.03)	96,282,500	91,410,000
TREC Holder's Margin to DSE	(Note - 11.04)	-	60,000,000
		338,942,858	341,059,177

Particulars	Notes	31.12.2020 Taka	31.12.2019 Taka
11.01 Cash in Hand:			
Cash in Hand (Branches & Head office)		62,000	62,000
Petty Cash		403,694	370,157
		465,694	432,157
Cash in hand, both in head office and in branches, has been physically verified at the year end date and found correct.			
11.02 Cash at Bank:			
1. BCBL, Principal Branch (CD: 2767)		5,974,179	6,275,765
2. BCBL, Principal Branch (STD: 49)		-	-
3. BCBL, Principal Branch (CD: 2307)		40,649	41,339
4. IFIC, Stock Ex. Br. (CD-Dealer: 291-001)		-	5,000
5. IFIC, Stock Ex. Br. (SND-Dealer: 291-041)		21,480,983	15,622,055
6. CBSIL Strategic Investment A/c No. (CD 3377, BCBL Pr, Br.)		942,667	194,544
7. CBSIL Strategic Investment -Matured Fund (BO ID-26990)		1,000,726	-
8. Collateral Deposit to DSE for investment in IPO		9,996,000	-
9. Consolidated Customers A/C: (Note - 11.2.1)		202,759,459	167,078,316
		242,194,664	189,217,020
Balance in BCBL, Pr. Br. (STD: 49) was Tk. 0.66. The account is lying dormant during the reporting period. As per instruction of NBR and DSE, Strategic Investment-Matured Fund (BO ID -26990) has been separated from Consolidated Customers' account. As regards collateral deposit to DSE for investment in IPO, Tk. 10 million was deposited to DSE designated bank account and acknowledgement thereof has been obtained from the concerned bank. All other balances are confirmed and reconciled.			
11.2.1 Consolidated Customers A/C:			
BCBL, Principal Branch (CD: 2306)		44,960,206	74,156,228
IFIC, Stock Ex. Br. (CD-Broker: 290-001)		141,417,245	89,484,818
BCBL, Principal Branch, Public Issue Application A/c (STD: 78)		16,382,008	3,437,270
		202,759,459	167,078,316
11.03 Fixed Deposit Receipts:			
(i) BCBL Principal Branch, A/c No: 00233004102		30,405,000	42,771,802
(ii) BCBL Principal Branch, A/c No: 00233004103		10,135,000	13,625,108
(iii) BCBL Principal Branch, A/c No: 00233004632		30,405,000	35,013,089
(iv) BCBL Principal Branch, A/c No: 00233005138		25,337,500	-
		96,282,500	91,410,000
Receipts against serial (ii) & (iv) above are in the possession of the company and other two receipts have been kept as lien to DSE in order to avail maximum margin limit of the company.			
11.04 TREC Holder's Margin to DSE:		-	60,000,000
		-	60,000,000
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

Particulars	Notes	31.12.2020 Taka	31.12.2019 Taka
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Total Share Holding Position as on December 31, 2020

Name of the Shareholders	% of Shareholdings	Face Value
Bangladesh Commerce Bank Limited	99.9999986%	649,999,910
Mr. A. Q. Siddiqui	0.0000002%	10
Mr. Mahmudul Haq Bhuiyan	0.0000002%	10
Mr. Md. Emdadul Hoque	0.0000002%	10
Mr. Rana Kaisar	0.0000002%	10
Mr. Anis Ahmed	0.0000002%	10
Mr. Manwar Hossain	0.0000002%	10
Mr. Syed Abdul Hamid	0.0000002%	10
Mr. Nasir Uddin Ahmed, FCA	0.0000002%	10
Mr. Abbas Uddin Ahmed	0.0000002%	10
TOTAL	100%	650,000,000

13.00 Retained Earnings:

Opening Balance	101,445,623	77,901,989
Add: Net Profit during the year	13,462,970	23,543,634
	114,908,594	101,445,623

14.00 Accounts Payable:

(i) Clients	147,428,372	78,367,701
(ii) Dhaka Stock Exchange (DSE) (Note - 14.01)	888,152	318,846
	148,316,524	78,686,547

(i) The amount of Taka 147,428,372 is payable to 14,430 no. of BO account holders having credit balance in their respective accounts at the year end date. As a matter of policy, each account holder is supplied with portfolio statement along with account balance at the end of each working day. Thus, the balance is confirmed.

14.01 Dhaka Stock Exchange (DSE):

(i) Payable to DSE-Broker	874,795	173,176
(ii) Payable to DSE-Dealer	13,357	145,670
	888,152	318,846

(ii) The amount payable to DSE is confirmed.

15.00 Provision for Expenses

(i) Office Rent	25,359,209	24,444,360
(ii) Provision for CDBL charge	523,260	283,119
(iii) Interest Waiver	7,344,326	7,344,326
(iv) Employees' Provident Fund	-	2,812
(v) Payable to Supplier	118,257	118,257
(vi) Electricity, Gas and Water	1,005,376	1,068,484
(vii) Arrear salary	249,567	203,359
(viii) Provision for Salary Fixation Arrear	3,900,487	2,089,727
(ix) Networking Line Charge	89,824	103,612
(x) Audit Fees	115,000	115,000
(xi) Tax Consultancy Fees	207,000	82,800
(xii) Security Service	432,254	396,504
(xiii) Stamp	33,040	24,540
(xiv) Dividend Payable (Clients)	-	1,261,060
(xv) Provision for Other Expenses	1,143,004	2,204,392
(xvi) Withholding VAT (Note - 15.01)	343,158	3,047,622
(xvii) Withholding Tax (Note - 15.02)	678,751	15,697
	41,542,515	42,805,671

The entire amount, except (i) and (iii), either has subsequently been paid or is under the process of payment.

Particulars	Notes	31.12.2020 Taka	31.12.2019 Taka
15.01 Withholding VAT			
Opening Balance		3,047,622	516,612
Add: VAT deducted at Source		1,143,927	679,245
Add: Prior Year's adjustments-Provision for VAT		-	3,000,000
Less: VAT Paid		(3,848,391)	(1,148,235)
		343,158	3,047,622
The Liability has subsequently been paid			
15.02 Withholding Tax			
Opening Balance		15,697	152,771
Add: Tax Deducted at Source (TDS)		4,057,981	2,100,679
Less: Paid During the period		(3,394,927)	(2,237,752)
		678,751	15,697
The Liability has subsequently been paid			
16.00 Provision for Bad Loan & Erosion:			
Opening Balance		146,581,484	146,581,484
Less: Adjustment During the Year		-	-
Add: Current Year Provision		10,000,000	-
Total Provision		156,581,484	146,581,484
Total negative equity against margin loan and unrealized loss in company's own portfolios (Dealer account and Strategic Investment account) for the year 2020 is Tk. 288,269,094 and Tk. 3,955,850 respectively. Total required provision is Tk. 146,112,472 up to 31/12/2020 according to the Bangladesh Securities and Exchange Commission (BSEC) Directive no. BSEC/CMRRCD/2009-193/196 dated December 28, 2016, Directive no. BSEC/CMRRCD/2009-193/203 dated December 28, 2017 and Directive no. BSEC/SRI/2018/Policy/3/2018/931, dated December 24, 2018 and Directive no. BSEC/SRI/2018/Policy/3/2020/68, dated January 12, 2020. Against the amount of Tk. 146,112,472, an amount of Tk. 14,65,81,484 has already been provided up to 31 December, 2019 resulting an excess provision of Tk. 469,012. However, further provision of Tk. 10,000,000 has been made for the year 2020 on lump sum basis and now therefore, the total provision stands at Tk. 156,581,484 at the end of 2020.			
Unrealized Gain/(loss) (Annexure-B)		(6,243,710)	(29,608,524)
Unrealized Gain/(loss) (Annexure-C)		2,287,860	(1,100,339)
		(3,955,850)	(30,708,863)
17.00 Provision for Income Tax			
Opening Balance	(Annexure-E)	70,441,526	56,925,456
Current Year Income Tax	(Note - 23)	10,652,951	13,516,071
		81,094,477	70,441,526
18.00 Operating Income:			
(i) Brokerage commission on Turnover (represents commission income from BO Account holders against buy and sale of securities)		79,193,955	87,866,806
(ii) Interest Income from Margin Loan		17,291,341	15,969,590
(iii) BO Accounts Maintenance Charge		4,393,880	5,170,090
(iv) Closing, Transfer, Transmission & Demat Fee from BO Account holders		62,613	160,766
(v) Margin Documentation & Renewal Charge from Margin Account holders		329,000	327,000
(vi) Income/(Loss) from Dealer Account (Annexure -F)		3,679,057	3,782,829
		104,949,846	113,277,081
TDS of Tk. 13,029,545 by DSE from no. (i) on the basis of turnover which has been shown as advance in note no. 7.01.			
19.00 Operating Expenses:			
Hawla Charge		100	50
Laga Charge (@ 0.025% on Transaction value)		6,506,735	6,914,232
Networking Line Charge		1,026,417	1,115,082
CDBL Charges (include CNS, transfer, transmission, BO maintenace fees)		6,521,891	7,381,292
DSE Charges (include IPO bidding fees, IPF bill, DBA subscription)		69,810	102,927
		14,124,953	15,513,584

Particulars	Notes	31.12.2020 Taka	31.12.2019 Taka
20.00 Administrative Expenses:			
Salary and Allowances		52,651,400	50,873,133
Security Service		838,200	938,100
Office Rent		6,831,285	6,893,948
Electricity, Gas and Water		3,407,052	3,309,927
Telephone, Mobile and Fax		693,343	636,293
Repair and Maintenance		91,572	301,315
SMS Service Charges		33,512	97,939
Directors' Meeting Attendance Fees		589,600	587,600
Depreciation of Fixed Assets		1,953,443	1,672,409
Audit Fees		115,000	115,000
Tax Consultancy Fees		165,600	165,600
Office Maintenance		319,428	524,909
Computer and Software Maintenance		218,854	204,722
Office Beautification and Utensil		49,450	56,850
Printing		48,875	73,419
Office Stationary		472,774	411,804
Postage & Courier Expense		4,233	8,546
Information Technology Enable Services (ITES)		49,511	79,567
Photocopy		132	291
Entertainment		775,571	1,181,232
Traveling and Conveyance		155,620	244,479
Business Development		184,496	112,343
Advertisement		40,200	86,900
Training and Development		7,667	48,250
Newspaper and Periodicals		21,561	54,794
Insurance Expense		31,373	14,500
AGM Expenses		136,068	325,354
Board Meeting Expenses		20,240	91,536
Annual Sports and Picnic		14,553	500,000
Legal Fees		72,613	50,000
License Renewal Fee		377,939	364,329
Bank Charge		231,670	160,701
Stamp		10,930	29,055
		70,613,764	70,214,845
In all applicable cases VAT is included.			
21.00 Other Income:			
(i) Interest Income from FDR		7,153,332	5,349,057
(ii) Interest Income from other Bank Deposit		1,273,095	1,955,374
(iii) Dividend Income (Annexure - G)		4,977,106	3,972,309
(iv) Charge For Dishonor Cheque		254,550	428,998
(v) IPO Charges Income		219,715	510,075
(vi) Miscellaneous income		-	283,860
		13,877,798	12,499,672

The amount of TDS from no. i, ii and iii have been shown in advance in note no. 07 and all the above amount are stated in gross.

Particulars	Notes	31.12.2020 Taka	31.12.2019 Taka
20.00 Administrative Expenses:			
Salary and Allowances		52,651,400	50,873,133
Security Service		838,200	938,100
Office Rent		6,831,285	6,893,948
Electricity, Gas and Water		3,407,052	3,309,927
Telephone, Mobile and Fax		693,343	636,293
Repair and Maintenance		91,572	301,315
SMS Service Charges		33,512	97,939
Directors' Meeting Attendance Fees		589,600	587,600
Depreciation of Fixed Assets		1,953,443	1,672,409
Audit Fees		115,000	115,000
Tax Consultancy Fees		165,600	165,600
Office Maintenance		319,428	524,909
Computer and Software Maintenance		218,854	204,722
Office Beautification and Utensil		49,450	56,850
Printing		48,875	73,419
Office Stationary		472,774	411,804
Postage & Courier Expense		4,233	8,546
Information Technology Enable Services (ITES)		49,511	79,567
Photocopy		132	291
Entertainment		775,571	1,181,232
Traveling and Conveyance		155,620	244,479
Business Development		184,496	112,343
Advertisement		40,200	86,900
Training and Development		7,667	48,250
Newspaper and Periodicals		21,561	54,794
Insurance Expense		31,373	14,500
AGM Expenses		136,068	325,354
Board Meeting Expenses		20,240	91,536
Annual Sports and Picnic		14,553	500,000
Legal Fees		72,613	50,000
License Renewal Fee		377,939	364,329
Bank Charge		231,670	160,701
Stamp		10,930	29,055
		70,613,764	70,214,845
In all applicable cases VAT is included.			
21.00 Other Income:			
(i) Interest Income from FDR		7,153,332	5,349,057
(ii) Interest Income from other Bank Deposit		1,273,095	1,955,374
(iii) Dividend Income (Annexure - G)		4,977,106	3,972,309
(iv) Charge For Dishonor Cheque		254,550	428,998
(v) IPO Charges Income		219,715	510,075
(vi) Miscellaneous income		-	283,860
		13,877,798	12,499,672

The amount of TDS from no. i, ii and iii have been shown in advance in note no. 07 and all the above amount are stated in gross.

Particulars	Notes	31.12.2020 Taka	31.12.2019 Taka
22.00 Provision for Bad Loan & Erosion:			
Negative Equity against Margin Loan		288,269,094	311,527,020
Portfolio Erosion		3,955,850	30,708,863
Total Negative Equity and Portfolio Erosion		292,224,944	342,235,883
Total Provision made		156,581,484	146,581,484
Less: Opening Balance		(146,581,484)	(146,581,484)
Add: Adjustment during the year		-	-
Current Year Provision		10,000,000	-
23.00 Income Tax Exp. (please read the note no. 23 in conjunction with note no. 23.01):			
Profit before Provision and Tax		34,088,927	40,048,325
Less: Income U/S 82C		22,718,930	27,977,495
Income other than U/S 82C		11,369,996	12,070,830
32.50% Tax on Income U/S 82C: Tk. 22,718,930		7,383,652	9,792,123
" 20% Tax on gain on Dividend Income (Tk. 1,427,818- Tk. 50,000) "		275,564	242,963
10% Tax on gain on Dealer Account : Tk. 1,055,437		105,544	120,448
32.50% Tax on other Income: Tk. 8,886,742		2,888,191	3,360,536
		10,652,951	13,516,071
23.01 Calculation of apportioned profit and TAX thereon:			

Particulars	Notes	31.12.2020 Taka	31.12.2019 Taka
28.00 Cash payments as Other Operating & Administrative expenses			
Operating Expenses		14,124,953	15,513,584
Less: Interest on Borrowing		-	-
		14,124,953	15,513,584
Administrative Expenses		70,613,764	70,214,845
Less: Salary and Allowances paid		(52,651,400)	(50,873,133)
		17,962,364	19,341,712
		32,087,318	34,855,295
Adjusted for non cash flow items			
Depreciation		(1,953,443)	(1,672,409)
Increase/(decrease) in Advance, Deposit & Prepayments		(1,377,681)	(33,146)
Increase/(decrease) in Accounts Receivable		14,293,549	(2,183,781)
(Increase)/Decrease in Accounts Payable		(69,629,978)	57,111,230
(Increase)/Decrease in Provision for Expenses		1,263,156	(7,274,048)
Provision for Bad Loan & Erosion		-	-
Prior Year's adjustments-Provision for VAT		-	3,000,000
		(57,404,396)	48,947,845
		(25,317,079)	83,803,141
29.00 Events after 31/12/2020:			
No material events occurred after 31/12/2020 which could affect the values reported in the financial statements.			
30.00 Related Party Disclosure:			
During the year 2020, Commerce Bank Securities and Investment Ltd. carried out a number of transactions with BCBL resulted in the balance as at the year end date as follows:			
30.01 Bangladesh Commerce Bank Ltd.:			
1. BCBL, Principal Branch (CD: 2767)		5,974,179	6,275,765
2. BCBL, Principal Branch (STD: 49)		0.66	0.66
3. BCBL, Principal Branch (CD: 2307)		40,649	41,339
4. BCBL, Principal Branch (CD: 2306)		44,960,206	74,156,227
6. BCBL, Principal Branch (CD: 3377)		942,667	194,544
7. BCBL, Principal Branch (STD: 78)		16,382,008	3,437,270
		68,299,711	84,105,146
30.02 Fixed Deposit Receipts:			
1. BCBL Principal Branch, A/c No: 00233004102		30,405,000	42,771,802
2. BCBL Principal Branch, A/c No: 00233004103		10,135,000	13,625,108
3. BCBL Principal Branch, A/c No: 00233004632		30,405,000	35,013,089
4. BCBL Principal Branch, A/c No: 00233005138		25,337,500	-
		96,282,500	91,410,000

30.03 Bangladesh Commerce Bank Limited (BCBL Portfolio In Investment with CBSIL): As on 31st December 2020;

BO Account Name	Cost Price	Market Value	Ledger Balance
Bangladesh Commerce Bank Ltd. (CC 5740)	531,696,414.58	280,736,561.30	16,324,555.79
Bangladesh Commerce Bank Ltd. Special Purpose Fund (CC 27945)	27,174,235.73	29,918,117.60	13,302,736.45

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

As at December 31, 2020

Annexure - A

Particulars	COST			Dep.Rate	Depreciation			W.D.V
	Balance as on 01.01.2020	Addition during the year	Balance as on 31.12.2020		Balance as on 01.01.2020	Charged for the year	Balance as on 31.12.2020	
	Taka	Taka	Taka		Taka	Taka	Taka	Taka
Furniture and Fixture	2,523,325	27,800	2,551,125	10%	1,133,674	141,745	1,275,419	1,275,706
Office Renovation	11,260,434	1,150,000	12,410,434	20%	8,519,638	778,159	9,297,797	3,112,636
Electronic Equipments	8,154,828	1,566,193	9,721,021	20%	5,932,451	757,714	6,690,165	3,030,856
Computer and Software	3,286,461	270,282	3,556,743	20%	2,177,620	275,825	2,453,445	1,103,298
Total as on 31 December, 2020	25,225,048	3,014,275	28,239,323		17,763,383	1,953,443	19,716,826	8,522,496
Total as on 31 December, 2019	24,736,757	488,292	25,225,048		16,090,974	1,672,409	17,763,383	7,461,664

Commerce Bank Securities and Investment Limited
Investment Schedule - Dealer Account

As at December 31, 2020

Annexure - B

Name of the Company	Quantity					Amount in Taka			
	Opening Balance	Acquired during the year	Right Share received	Bonus Share received	Sold During the Year	Total Quantity as on 31.12.20	Total Cost	Average Cost Per Share	Unrealised Gain/Loss
1	2	3	4	5	6	7=(2+3+4+5-6)	8	9	10
ACI	3,000	-	-	300	-	3,300	1,088,619	329.88	811,800
ADNTEL	18,968	198,000	-	-	76,968	140,000	8,582,796	61.31	9,002,000
BARKAPOW	100,000	-	-	7,000	-	107,000	3,511,579	32.82	2,749,900
BBSCABLES	-	27,000	-	1,700	10,000	18,700	1,139,947	60.96	1,024,760
BSC	-	135,000	-	3,000	88,000	50,000	2,336,730	46.73	2,235,000
CRYSTALINS	-	10,878	-	-	-	10,878	108,780	10.00	428,593
DBH	-	115,280	-	-	85,280	30,000	2,852,053	95.07	2,778,000
DOMINAGE	-	24,813	-	800	24,813	800	7,407	9.26	27,600
DSEBD	2,886,042	-	-	-	-	2,886,042	0	0.00	-
DSSL	110,000	-	-	16,500	110,000	16,500	295,909	17.93	211,200
GP	8,000	2,492	-	-	-	10,492	3,970,950	378.47	3,641,773
GPHISPAT	36,750	-	-	1,837	36,750	1,837	61,790	33.64	56,212
ICB	19,800	200	-	1,000	-	21,000	2,604,821	124.04	2,074,800
IFADAUTOS	10,000	5,000	-	300	15,000	300	21,690	72.30	14,160
LANKABAFIN	49,000	-	-	2,450	-	51,450	2,175,229	42.28	1,615,530
LHBL	130,000	-	-	-	-	130,000	8,307,119	63.90	6,214,000
NURANI	71,500	-	-	7,150	71,500	7,150	76,395	10.68	55,055
OLYMPIC	12,500	7,500	-	-	-	20,000	4,036,939	201.85	3,822,000
ORIONPHARM	-	125,000	-	-	115,000	10,000	549,080	54.91	547,000
PHARMAID	-	7,088	-	-	2,088	5,000	2,406,453	481.29	2,373,500
PTL	-	88,000	-	1,000	88,000	1,000	62,031	62.03	53,000
PLFSL	34,000	-	-	-	-	34,000	454,484	13.37	102,000
RINGSHINE	115,609	10,000	-	16,486	140,689	1,406	12,023	8.55	8,998
SEAPEARL	3,916	-	-	-	2,051	1,865	17,764	9.53	147,522
SHURWID	-	52,000	-	-	32,000	20,000	504,378	25.22	434,000
SQURPHARMA	24,610	-	-	1,230	-	25,840	6,554,709	254	5,671,880
STANCERAM	-	3,300	-	-	2,300	1,000	362,103	362	307,900
UCB	66,000	-	-	3,300	-	69,300	1,431,802	20.66	977,130
UTTARAFIN	-	20,000	-	-	-	20,000	1,029,441	51.47	934,000
TOTAL	3,699,695	831,551	-	64,053	900,439	3,694,860	54,563,023	2,933.92	48,319,314
									(6,243,709)

Commerce Bank Securities and Investment Limited
Investment Schedule-CBSIL Strategic Investment Account

As at December 31, 2020

Annexure - C

		Quantity					Amount in Taka				
SL #	Name of the Company	Opening Balance	Acquired during the year	Right Share received	Bonus Share received	Sold During the Year	Total Quantity as on 31.12.20	Total Cost	Average Cost Per Share	Total Market Value as on 31.12.20	Unrealised Gain/Loss
	1	2	3	4	5	6	7=(2+3+4+5-6)	8	9	10	11=(10-8)
1	ADNTEL	-	355,077	-	-	202,417	152,660	8,958,701	58.68	9,816,038	857,337
2	DBH	8,918	20,000	-	1,337	10,000	20,255	2,012,657	99.37	1,875,613	(137,044)
3	EASTERNINS	-	158,079	-	-	146,829	11,250	1,055,887	93.86	1,195,875	139,988
4	EIL	-	170,000	-	-	140,000	30,000	1,020,765	34.03	1,002,000	(18,765)
5	GHAIL	-	85,000	-	-	-	85,000	1,824,165	21.46	1,419,500	(404,665)
6	GRAMEENS2	-	185,000	-	-	135,000	50,000	810,608	16.21	840,000	29,393
7	ICB	-	18,000	-	800	-	18,800	1,775,221	94.43	1,857,440	82,219
8	IFIC	-	500,000	-	-	100,000	400,000	5,784,335	14.46	6,080,000	295,665
9	KPPL	-	50,000	-	-	-	50,000	965,724	19.31	880,000	(85,724)
10	LHBL	-	353,697	-	-	323,697	30,000	1,256,943	41.90	1,434,000	177,057
11	NITOLINS	-	184,510	-	-	154,510	30,000	1,871,655	62.39	1,914,000	42,345
12	PARAMOUNT	-	126,100	-	2,442	122,042	6,500	339,413	52.22	848,900	509,487
13	PROVATIINS	-	92,250	-	-	82,250	10,000	811,064	81.11	844,000	32,936
14	PTL	-	91,500	-	750	76,580	15,670	873,698	55.76	830,510	(43,188)
15	QUASEMIND	-	103,655	-	-	75,655	28,000	1,308,981	46.75	1,288,000	(20,981)
16	ROBI	-	271,121	-	-	-	271,121	6,782,261	25.02	8,079,406	1,297,145
17	SAMATALETH	-	8,000	-	-	2,000	6,000	924,009	154.00	641,400	(282,609)
18	SEMILLECMF	-	255,000	-	-	55,000	200,000	2,176,631	10.88	2,040,000	(136,631)
19	SHURWID	-	50,000	-	-	-	50,000	1,075,806	21.52	1,085,000	9,194
20	SPCL	-	50,065	-	201	40,000	10,266	795,323	77.47	752,498	(42,826)
21	STYLECRAFT	-	5,000	-	-	-	5,000	792,972	158.59	780,500	(12,472)
	TOTAL	8,918	3,132,054	-	5,530	1,665,980	1,480,522	43,216,820	1,239.42	45,504,680	2,287,860

Commerce Bank Securities and Investment Limited

Advance Taxes

From 2016 to 2020

Annexure - D

Accounting Year /Assessment year	Opening Balance	Tax Deducted At Source (TDS)		Tax paid		Total Tax Paid		Closing Balance	
	Taka	Taka	3	Taka	4	Taka	5=(3+4)	Taka	6=(2+5)
1	2								
For Y.E. 20 (A. Y. 21-22)	72,184,804	14,841,496		483,982		15,325,478		87,510,282	
For Y.E. 19 (A. Y. 20-21)	53,146,890	15,390,531		3,647,383		19,037,914		72,184,804	
For Y.E. 18 (A. Y. 19-20)	28,169,538	24,977,351		-		24,977,351		53,146,890	
For Y.E. 17 (A. Y. 18-19)	10,750,735	17,418,803		-		17,418,803		28,169,538	
For Y.E. 16 (A. Y. 17-18)	515,319	10,235,416		-		10,235,416		10,750,735	

Commerce Bank Securities and Investment Limited
Provision for Income Tax
 From 2010 to 2020

Accounting Year/Assessment year		Opening Balance		Provision for the year		Advance Adjusted		Tax Paid		Closing Balance	
		Taka	2	Taka	3	Taka	4		6	Taka	8=(2+3-4-5-6)
1											
For Y.E. 20 (A. Y. 21-22)			70,441,526		10,727,378		-		-		81,168,904
For Y.E. 19 (A. Y. 20-21)			56,925,455		13,516,071		-		-		70,441,526
For Y.E. 18 (A. Y. 19-20)			27,746,169		29,179,286		-		-		56,925,455
For Y.E. 17 (A. Y. 18-19)			9,068,339		18,677,830		-		-		27,746,169
For Y.E. 16 (A. Y. 17-18)			-		9,068,339		-		-		9,068,339
For Y.E. 15 (A. Y. 16-17)			2,282,687		7,312,633		(10,110,639)		-		(515,319)
For Y.E. 14 (A. Y. 15-16)			5,210,218		10,303,307		(13,230,838)		-		2,282,687
For Y.E. 13 (A. Y. 14-15)			3,307,448		10,453,427		(8,550,657)		-		5,210,218
For Y.E. 12 (A. Y. 13-14)			5,428,770		8,868,269		(10,989,591)		-		3,307,448
*For Y.E. 11 (A. Y. 12-13)			-		10,294,313		4,865,543		-		5,428,770
For Y.E. 10 (A. Y. 11-12)			-		-		-		-		-

Annexure - E

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

As at December 31, 2020

Annexure - F

SL	Instruments	Sold Qty.	Bought Price	Sold Price	Realised Gain/(Loss)
		No	Tk.	Tk.	Tk.
1	ACFL	25,000	591,945	620,342	28,397
2	ACTIVEFINE	45,000	1,089,608	698,476	(391,132)
3	ADNTEL	76,968	2,832,726	3,093,640	260,915
4	ADVENT	52,500	1,400,630	1,397,285	(3,345)
5	AL-HAJTEX	45,000	3,829,370	1,456,483	(2,372,887)
6	ALIF	60,000	403,302	411,691	8,389
7	ANLIMAYARN	4,000	137,504	137,487	(17)
8	ANWARGALV	3,000	229,679	229,095	(583)
9	AOL	13,206	132,060	519,926	387,866
10	APEXFOODS	1,000	125,310	130,896	5,587
11	BATBC	5,000	7,562,555	5,920,876	(1,641,678)
12	BBSCABLES	10,000	649,164	673,627	24,463
13	BDWELDING	28	731	753	21
14	BEACONPHAR	6,200	282,247	293,952	11,705
15	BENGALWTL	80,200	2,093,685	1,362,616	(731,069)
16	BEXIMCO	170,000	4,224,665	4,425,670	201,005
17	BGIC	152,692	6,204,132	6,479,685	275,553
18	BNICL	60,000	2,497,882	2,489,306	(8,576)
19	BPML	15,000	716,438	731,966	15,528
20	BRACBANK	80,000	3,579,928	3,592,384	12,456
21	BSC	88,000	4,166,731	4,248,105	81,374
22	BSCCL	81,500	10,477,374	10,728,961	251,587
23	BSRMLTD	10,000	502,369	499,416	(2,953)
24	BXPHERMA	43,000	4,887,913	4,940,738	52,825
25	CAPMIBBLMF	30,000	307,230	329,753	22,523
26	CENTRALPHL	80,000	1,863,992	1,023,232	(840,760)
27	CITYBANK	100,000	2,482,860	2,507,058	24,198
28	CONFIDCEM	3,000	356,283	369,723	13,439
29	COPPERTECH	24,978	646,144	555,012	(91,131)
30	DBH	85,280	8,027,566	8,167,260	139,694
31	DOMINAGE	24,813	240,723	1,001,652	760,929
32	DSSL	110,000	1,972,740	1,439,919	(532,821)
33	DUTCHBANGL	2,000	125,394	128,703	3,309
34	EASTERNINS	71,930	6,747,761	7,048,938	301,177
35	EASTLAND	30,000	1,115,835	1,141,188	25,353
36	EIL	87,310	873,100	2,028,952	1,155,852
37	ESQUIRENIT	20,860	938,700	548,207	(390,493)
38	EXIMBANK	60,000	1,062,780	710,255	(352,525)
39	FEDERALINS	10,000	162,122	165,776	3,654
40	FEKDIL	30,000	316,239	353,805	37,566

SL	Instruments	Sold Qty.	Bought Price	Sold Price	Realised Gain/(Loss)
		No	Tk.	Tk.	Tk.
41	FINEFOODS	3,000	142,003	142,694	691
42	FORTUNE	35,000	674,999	680,287	5,288
43	FUWANGFOOD	59,000	782,535	771,955	(10,579)
44	GBBPOWER	156,000	2,359,049	2,379,896	20,847
45	GENEXIL	392	3,409	24,285	20,876
46	GHAIL	64,000	1,162,410	1,174,812	12,401
47	GPHISPAT	36,750	1,236,108	972,466	(263,643)
48	IBNSINA	100	19,856	21,289	1,433
49	IBP	69,000	1,373,336	1,400,470	27,134
50	ICBAGRANI1	20,000	116,088	107,920	(8,168)
51	ICBAMCL2ND	357,945	3,009,231	3,085,252	76,021
52	IDLC	10,000	578,934	584,561	5,627
53	IFADAUTOS	15,000	1,084,464	648,640	(435,824)
54	IFIC	123,810	1,612,192	1,323,773	(288,418)
55	INTRACO	8,000	113,594	113,315	(279)
56	IPDC	40,000	1,145,984	1,174,419	28,435
57	ISLAMIBANK	20,000	472,042	534,310	62,268
58	ISLAMIINS	20,000	836,626	705,840	(130,786)
59	KAY&QUE	2,987	650,038	672,993	22,954
60	KPCL	37,000	1,876,424	1,929,823	53,399
61	KTL	15,000	166,120	166,867	747
62	LEGACYFOOT	1,000	72,153	71,544	(609)
63	LINDEBD	720	915,931	927,356	11,426
64	MAKSONSPIN	56,000	584,752	464,451	(120,301)
65	MERCINS	39,000	1,684,353	1,723,552	39,198
66	MIRACLEIND	31,000	738,748	757,204	18,456
67	MLDYEING	3,000	138,207	152,277	14,071
68	MONNOCERA	1,000	109,389	109,817	429
69	MPETROLEUM	1,500	275,056	278,291	3,235
70	NAHEEACP	87,000	4,762,678	5,029,042	266,364
71	NEWLINE	4,282	40,023	67,643	27,619
72	NFML	30,000	283,212	285,786	2,574
73	NITOLINS	165,000	10,189,075	10,817,845	628,770
74	NORTHNRINS	50,000	1,969,475	1,801,625	(167,850)
75	NPOLYMAR	40,000	3,122,668	3,188,870	66,202
76	NTC	1,000	534,545	537,421	2,875
77	NTLTUBES	29,810	4,708,010	3,103,399	(1,604,611)
78	NURANI	71,500	763,920	550,137	(213,783)
79	ORIONPHARM	115,000	6,816,294	6,764,891	(51,403)
80	PADMAOIL	1,000	202,051	202,768	716
81	PARAMOUNT	32,000	1,272,614	1,298,780	26,166
82	PEOPLESINS	60,000	2,152,375	2,092,221	(60,153)
83	PHARMAID	2,088	871,881	897,177	25,296
84	PIONEERINS	34,000	2,105,777	2,247,257	141,480
85	PROGRESLIF	4,000	549,288	584,086	34,797

SL	Instruments	Sold Qty.	Bought Price	Sold Price	Realised Gain/(Loss)
		No	Tk.	Tk.	Tk.
86	PROVATIINS	30,000	1,440,078	1,501,974	61,896
87	PTL	88,000	5,385,827	5,241,047	(144,779)
88	PURABIGEN	5,000	96,072	106,420	10,348
89	QUASEMIND	17,857	682,128	688,309	6,181
90	RDFOOD	60,000	875,155	841,367	(33,788)
91	RENWICKJA	200	315,743	326,540	10,797
92	REPUBLIC	140,700	6,438,743	6,599,727	160,984
93	RINGSHINE	140,689	1,202,455	899,734	(302,721)
94	ROBI	271,121	2,711,210	6,772,941	4,061,731
95	RUNNERAUTO	52,463	3,384,544	2,953,847	(430,697)
96	RUPALIINS	75,000	3,196,408	3,299,927	103,520
97	RUPALILIFE	13,000	688,454	712,313	23,859
98	SAIFPOWER	63,000	999,340	1,008,436	9,097
99	SAIHAMCOT	20,000	359,768	385,710	25,942
100	SAIHAMTEX	16,000	452,346	457,659	5,314
101	SALVOCHEM	80,000	1,568,616	1,129,552	(439,064)
102	SAPORTL	70,000	2,074,555	2,235,864	161,309
103	SEAPEARL	2,051	19,536	88,761	69,225
104	SEMLIBLSF	101,000	777,660	785,919	8,260
105	SEMLLECMF	50,000	385,290	399,700	14,410
106	SHURWID	32,000	962,314	982,242	19,929
107	SILCOPHL	108,248	3,057,500	2,814,954	(242,545)
108	SILVAPHL	50,000	941,190	926,811	(14,379)
109	SINGERBD	17,000	2,828,710	2,903,252	74,542
110	SINOBANGLA	49,500	3,389,761	3,066,373	(323,389)
111	SONARBAINS	54,000	2,269,473	2,326,840	57,368
112	SONARGAON	10,000	245,484	260,105	14,621
113	SPCL	73,000	5,791,381	5,815,210	23,830
114	SSSTEEL	90,000	1,420,662	1,438,862	18,200
115	STANCERAM	2,300	1,321,423	1,349,285	27,862
116	SUMITPOWER	118,000	4,909,668	4,957,424	47,756
117	UNIONCAP	90,000	671,499	674,494	2,995
118	UPGDCL	4,240	975,847	990,439	14,592
119	VFSTDL	4,000	77,658	80,340	2,681
120	WATACHEM	10,300	3,570,938	3,557,708	(13,230)
121	WMSHIPYARD	92,713	1,432,815	1,444,327	11,513
122	ZAHEENSPIN	393,823	3,546,155	3,261,977	(284,178)
123	1STPRIMFMF	250,000	4,449,440	4,749,556	300,116
124	ACFL	146,401	3,177,520	3,393,696	216,176
125	ADNTEL	202,417	8,867,001	8,968,320	101,319
126	AGRANINS	80,000	3,069,427	2,917,487	(151,940)
127	AOL	20,000	1,218,913	1,191,106	(27,807)
128	ASIAINS	20,000	1,435,997	1,476,662	40,665
129	ASIAPACINS	8,187	413,754	415,588	1,834
130	BATBC	1,000	1,470,492	1,181,579	(288,912)

SL	Instruments	Sold Qty.	Bought Price	Sold Price	Realised Gain/(Loss)
		No	Tk.	Tk.	Tk.
131	BBSCABLES	55,000	3,659,983	3,553,513	(106,469)
132	BEACONPHAR	5,000	232,965	239,520	6,555
133	BENGALWTL	191,012	4,059,186	3,439,294	(619,892)
134	BEXIMCO	175,000	4,071,410	4,272,423	201,013
135	BGIC	70,000	2,740,456	3,032,442	291,986
136	BNICL	30,000	1,005,753	1,022,263	16,510
137	BPML	17,395	714,623	726,641	12,017
138	BSC	30,000	1,490,988	1,503,986	12,998
139	BXPHERMA	5,000	589,442	634,524	45,082
140	CAPMIBBLMF	130,000	1,465,659	1,558,830	93,171
141	CENTRALPHL	140,000	1,973,950	1,988,204	14,254
142	CITYBANK	87,105	1,503,488	1,523,438	19,949
143	CONFIDCEM	40,000	4,785,814	4,450,055	(335,759)
144	CONTININS	50,000	2,659,994	2,773,186	113,192
145	COPPERTECH	152,700	3,727,779	4,188,599	460,820
146	CVOPRL	5,000	678,459	576,633	(101,826)
147	DBH	10,000	1,044,100	989,258	(54,843)
148	DHAKAINS	15,000	488,781	478,021	(10,760)
149	EASTERNINS	146,829	9,974,268	10,347,269	373,001
150	EASTLAND	150,000	5,634,515	5,502,050	(132,465)
151	EIL	140,000	5,519,637	5,474,481	(45,156)
152	ESQUIRENIT	40,000	1,185,820	1,255,975	70,155
153	FAREASTLIF	24,000	1,094,608	1,155,684	61,076
154	FBFIF	100,000	590,440	629,528	39,088
155	FEKDIL	50,000	561,120	459,411	(101,709)
156	FORTUNE	37,800	930,666	701,917	(228,749)
157	FUWANGFOOD	125,000	1,683,860	1,801,390	117,530
158	GP	20,500	5,520,749	5,957,905	437,156
159	GRAMEENS2	135,000	1,863,891	1,876,092	12,201
160	HAKKANIPUL	85,500	4,443,780	5,155,662	711,882
161	IBP	20,000	424,864	439,120	14,256
162	ICBAMCL2ND	838,085	6,818,185	7,138,773	320,588
163	IFADAUTOS	10,000	539,076	442,114	(96,962)
164	IFIC	100,000	1,361,020	1,458,905	97,885
165	ILFSL	58,000	244,093	249,213	5,120
166	INTRACO	7,500	139,554	104,778	(34,776)
167	ISLAMIINS	20,000	840,630	768,313	(72,317)
168	ISNLTD	15,000	645,483	605,546	(39,938)
169	ITC	60,000	1,960,470	1,838,283	(122,187)
170	KAY&QUE	22,950	4,861,873	5,053,902	192,029
171	KDSALTD	20,000	883,764	921,825	38,061
172	KOHINOOR	6,123	2,724,716	2,974,399	249,683
173	LANKABAFIN	100,000	2,231,675	2,530,601	298,926
174	LHBL	323,697	12,964,225	13,785,957	821,732
175	LINDEBD	500	607,262	605,595	(1,667)
176	MERCINS	25,000	1,186,790	1,214,089	27,299
177	MHSMML	75,000	756,510	699,122	(57,388)
178	MIRACLEIND	137,314	3,111,593	3,232,714	121,122
179	NAHEEACP	171,310	7,872,068	8,368,121	496,053
180	NAVANACNG	6,000	251,588	267,399	15,811

SL	Instruments	Sold Qty.	Bought Price	Sold Price	Realised Gain/(Loss)
		No	Tk.	Tk.	Tk.
181	NCCBANK	80,000	1,080,808	1,135,148	54,340
182	NEWLINE	100,000	1,272,540	1,342,831	70,291
183	NITOLINS	154,510	9,080,467	9,859,958	779,491
184	NORTHRNINS	20,000	748,560	779,415	30,855
185	NTLTUBES	3,000	423,982	374,639	(49,343)
186	ORIONINFU	57,117	4,711,335	4,747,217	35,881
187	ORIONPHARM	120,802	7,310,442	7,440,140	129,698
188	PADMAOIL	560	113,193	113,563	370
189	PARAMOUNT	122,042	4,941,107	7,002,799	2,061,693
190	PEOPLESINS	180,000	6,577,030	6,987,525	410,495
191	PHENIXINS	20,000	934,700	917,312	(17,389)
192	PIONEERINS	22,000	1,461,939	1,504,271	42,332
193	PRAGATILIF	5,200	633,869	653,441	19,571
194	PROVATIINS	82,250	5,233,568	5,646,673	413,105
195	PTL	76,580	4,317,033	5,021,277	704,244
196	PURABIGEN	30,000	996,747	1,019,235	22,488
197	QUASEMIND	75,655	3,506,452	3,805,033	298,582
198	RDFOOD	50,000	826,660	788,414	(38,246)
199	REGENTTEX	124,743	1,332,941	1,304,015	(28,926)
200	REPUBLIC	281,265	12,500,221	12,466,493	(33,728)
201	RINGSHINE	50,000	405,810	384,185	(21,625)
202	RSRMSTEEL	15,000	391,896	404,696	12,800
203	RUNNERAUTO	14,000	853,804	871,254	17,450
204	RUPALIINS	30,000	1,194,894	1,347,988	153,094
205	RUPALILIFE	115,696	7,278,395	7,333,309	54,914
206	SAIHAMCOT	68,600	1,279,548	1,370,114	90,567
207	SAMATALETH	2,000	334,951	345,588	10,637
208	SAMORITA	10,360	702,725	828,185	125,460
209	SANDHANINS	70,000	2,257,691	2,278,875	21,184
210	SEAPEARL	10,000	570,512	599,798	29,286
211	SEMLFBSLGF	99,573	1,085,704	1,116,294	30,590
212	SEMLLECMF	55,000	445,836	439,670	(6,166)
213	SHEPHERD	70,000	1,742,510	1,650,626	(91,884)
214	SILCOPHL	60,000	1,765,842	1,618,785	(147,057)
215	SINGERBD	10,000	1,340,175	1,370,640	30,465
216	SINOBANGLA	99,366	7,063,367	5,330,921	(1,732,446)
217	SKTRIMS	20,000	1,136,558	1,181,114	44,556
218	SONALIANS	4,500	1,587,040	1,553,842	(33,198)
219	SOUTHEASTB	50,000	690,515	679,490	(11,025)
220	SPCL	40,000	3,252,004	3,352,621	100,617
221	SQUARETEXT	42,650	1,403,565	1,413,981	10,417
222	SSSTEEL	75,000	1,038,075	1,003,969	(34,106)
223	STANDARINS	52,500	2,384,412	2,118,460	(265,952)
224	SUMITPOWER	40,000	1,755,488	1,666,749	(88,739)
225	UNIONCAP	51,750	295,394	274,920	(20,474)
226	UNITEDFIN	50,000	935,700	999,250	63,550
227	ZAHEENSPIN	652,663	5,894,439	4,631,220	(1,263,219)
TOTAL					3,679,057

Commerce Bank Securities and Investment Limited
Dividend Income on Shares

For the year ended 31 December, 2020

Annexure - G

Sl. No.	Instruments	Quantity No.	Face Value Tk.	Rate	Dividend Tk.	TDS Tk.	Net Dividend Tk.
1	SOURPHARMA	23,000	10	42%	96,600.00	19,320.00	77,280.00
2	IFADAUTOS	18,000	10	10%	18,000.00	3,600.00	14,400.00
3	BENGALWTL	50,000	10	5%	25,000.00	5,000.00	20,000.00
4	RUNNERAUTO	17,206	10	10%	17,228.30	3,445.66	13,782.64
5	GP	8,000	10	90%	32,125.80	6,425.16	25,700.64
6	IBP	60,000	10	2%	11,800.00	2,360.00	9,440.00
7	OLYMPIC	12,500	10	50%	62,500.00	12,500.00	50,000.00
8	GPHISPAT	35,000	10	5%	17,500.00	3,500.00	14,000.00
9	GENEXIL	2,617	10	5%	1,350.06	270.01	1,080.05
10	FRACTION				27.20	5.44	21.76
11	SILCOPHL	7,294	10	2%	1,473.03	294.61	1,178.42
12	ACFL	7,846	10	10%	8,000.00	1,600.00	6,400.00
13	DSE	5,411,329	10	5%	2,705,664.50	541,132.90	2,164,531.60
14	ADVANTPHARMA	45,000	10	2%	9,000.00	1,800.00	7,200.00
15	COPPERTECH	4,741	10	7%	3,320.10	664.02	2,656.08
16	NEWLINE	7,513	10	3%	2,272.36	454.47	1,817.89
17	BARAKAPOWER	106,000	10	10%	106,000.00	21,200.00	84,800.00
18	ESQUIRENIT	20,860	10	15%	31,290.00	6,258.00	25,032.00
19	SINOBANGLA INDUSTRIES	15,800	10	10%	15,800.00	3,160.00	12,640.00
20	INDOBANGLA PHARMA	60,000	10	2%	12,000.00	2,400.00	9,600.00
21	MAKSONSPIN	56,000	10	2%	11,200.00	2,240.00	8,960.00
22	PTL	20,000	10	15%	30,000.00	6,000.00	24,000.00
23	GP	8,000	10	40%	32,000.00	6,400.00	25,600.00
24	BATBC	5,000	10	400%	200,000.00	40,000.00	160,000.00
25	LAFARGEHOLCIM LTD	130,000	10	10%	130,000.00	26,000.00	104,000.00
26	GP INTERIM	20,000	10	52%	104,000.00	20,800.00	83,200.00
27	REPUBLIC	10,000	10	7%	7,000.00	1,400.00	5,600.00
28	RUNNERAUTO	30,000	10	10%	30,000.00	6,000.00	24,000.00

Sl. No.	Instruments	Quantity No.	Face Value Tk.	Rate	Dividend Tk.	TDS Tk.	Net Dividend Tk.
29	UCBL	66,000	10	5%	33,000.00	6,600.00	26,400.00
30	EXIM	60,000	10	10%	60,000.00	12,000.00	48,000.00
31	LBF	49,000	10	7%	34,300.00	6,860.00	27,440.00
32	BATBC	5,000	10	300%	150,000.00	30,000.00	120,000.00
33	KAY&Q	4,500	10	7.5%	3,375.00	675.00	2,700.00
34	HAKKANI	28,000	10	2%	5,600.00	1,120.00	4,480.00
35	FORTUNESHOOES	210,000	10	2%	42,000.00	8,400.00	33,600.00
36	SINOBANGLAND	93,300	10	10%	93,300.00	18,660.00	74,640.00
37	SUMMITPOWER	40,000	10	15%	60,000.00	12,000.00	48,000.00
38	GP	12,500	10	40%	50,000.00	10,000.00	40,000.00
39	BATBC	1,000	10	400%	40,000.00	8,000.00	32,000.00
40	DBH	8,918	10	20%	17,836.00	3,567.20	14,268.80
41	AMBEEPHARMA	2,700	10	30%	8,100.00	1,620.00	6,480.00
42	PARAMOUNT INS. LTD.	122,100	10	2%	24,420.00	4,884.00	19,536.00
43	DBH	FRACTION			81.19	16.24	64.95
44	GP INTERIM	5,000	10	130%	65,000.00	13,000.00	52,000.00
45	ICML 2ND MF	766,885	10	5%	389,692.50	77,938.50	311,754.00
46	GRAMEEN MF1 SCHEEM1	135,000	10	7%	100,750.00	20,150.00	80,600.00
47	REPUBLIC	35,000	10	7%	24,500.00	4,900.00	19,600.00
48	PIONEERINS	12,000	10	20%	24,000.00	4,800.00	19,200.00
49	BATBC	1,000	10	300%	30,000.00	6,000.00	24,000.00
Total					4,977,106	995,421	3,981,685

OUR BRANCHES

SL	Name of Division	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, Lutfur Rahman 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	09613222801, 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	Monir Tower (Level-2) 167/1 Fakirapool, DIT Extension Road, Motijheel, 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	Hazi Nujomuddin 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	Golorious Mollah 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
32	Banglamotor	Padma Life Tower, Holding No-115,Kazi Nazrul Islam Avenue,Hatirjheel,Dhaka.	09613226401,09613226402 E-mail-banglamotor@bcbl.com.bd
Chattogram			
33	Agrabad	56, Jibon Bima Bhaban, Agrabad C/A, Chattogram.	9613226001-4, 031-717974, 031-717973, 2522781, Fax: 031-724879 E-mail: agrabad@bcbl.com.bd
34	Jubilee Road	30, Imam Gazzali Market (1st Floor), Jubilee Road, Chattogram.	09613221901,031-627837, Fax: 031-2850065 E-mail: jubileeroad@bcbl.com.bd
35	Khatungonj	304, SW Tower, (1st Floor), Lama Bazar, Kotwali, Khatungonj, Chattogram.	09613222301,031-618821, 2864559 Fax: 031-728145 E-mail: khatungonj@bcbl.com.bd
36	Chaktai	68, Rajakhali Road, New Chaktai, Chattogram-400	09613222201, 031-2867575, 031-634612, Fax: 031-636412 E-mail: chaktai@bcbl.com.bd
37	Dewanhat	1128, Sheikh Mujib Road, Ahmed Mansion, Chattogram.	09613221201,031-2513622 Fax: 031-728145 E-mail: dewanhat@bcbl.com.bd
38	Muradpur	Karim's Icon (2nd Floor), 73/74, CDA Avenue, Muradpur,Chittagong.	09613223096, 031-655982, 656154 E-mail- muradpur@bcbl.com.bd
39	Comilla	35/32 Zilla School Road Kandirpar, Cumilla	09613222601,081-69951 Fax: 081-69902 E-mail: comilla@bcbl.com.bd
40	Feni	Idris Plaza, Holding No-612 (1st& 2nd Floor), Islampur Road, Feni Bazar, Feni	09613222901,0331-69011 Fax-0331-69012 E-mail-feni@bcbl.com.bd
41	Mandari Bazar	Babosayee Samitee Market (1st Floor) Lakshmipur Sadar, Lakshmipur.	0381-55634, Fax: 0381-55633 E-mail: mbazar@bcbl.com.bd

SL	Branch Name	Address	Contacts
42	Kangshanagar Bazar	Kangshanagar Bazar, Burichang, Cumilla-3520	09613224501-2 E-mail: kangshanagar@bcbl.com.bd
43	A K Khan Moor	H#825, Jakir Hossain Road, Ward No#9, Chittagong City Corporation, Pahartoli, Chittagong.	09613225301,09613225302 E-mail: akkhanmoor@bcbl.com.bd
44	Lohagara	Sayed Plaza, Lohagara, Chattogram	09613225401,09613225402 E-mail: lohagara@bcbl.com.bd
45	Kumira	Boro Kumira, Shitakundo, Chattogram	01818395954 E-mail: kumira@bcbl.com.bd
46	Dhamairhat	Uttar Rangunia Uchha Biddaloy Shopping Complex, Lalanagar, Rangunia, Chattogram.	09613226601,09613226602 E-mail: dhamairhat@bcbl.com.bd
47	Khutakhali	Shamshul Alam New Market (1st floor), Word No-5, 17 No Khutakhali Union, Thana-Chakaria, Cox's Bazar	Phone: 01788749700 Email: khutakhali@bcbl.com.bd
48	Dewanbazar	Faruk Tower (1st floor), Dewan Bazar, Kotawali Thana, Chattogram	Phone: 01713375099 Email: dewanbazar@bcbl.com.bd
Khulna			
49	Khulna	141, Sir Iqbal Road, Khulna-9100	09613224001-4, 041-732595, 041-2830144, 810911, Fax: 041-810911 E-mail: khulna@bcbl.com.bd
50	Daulatpur	727, Jessore Road, Daulatpur, Khulna-9202	09613221701, 041-761604 Fax: 041-762589 E-mail: daulatpur@bcbl.com.bd
51	Jessore	Mohsin Super Market, 10 R. N. Road Jashore.	09613223501, Fax: 042171180 E-mail: jessore@bcbl.com.bd
52	Kopil Muni	Sorojini Banijjo Beponi Market (1st floor), Kopilmuni Sohachori Vidda Mondir, P/O-Kopilmuni. P/S- Paikgacha, Dist. Khulna	09613224101, E-mail: kopilmuni@bcbl.com.bd
53	Lohagara	Nawab Plaza(1st Floor), Ward no-04 , Lohagara, Narail	09613226201-3 E-mail: lohagaranarail@bcbl.com.bd
54	Rupdia	Hiron Super Market, Rupdia, Narendrapur, Katwali, Jessore.	09613226501, 09613226502 E-mail: rupdia@bcbl.com.bd
Rajshahi			
55	Bogra	676, Chamber Bhaban, Jhawtola, Bogura-5800	09613228001-4, 051-65441 Fax: 051-65710 E-mail: bogra@bcbl.com.bd
56	Naogaon	Kader Manson (1st Floor) Naogaon Main Road, Naogaon	09613221801, 0741-81118 Fax: 0741-63222 E-mail: naogaon@bcbl.com.bd

SL	Branch Name	Address	Contacts
57	Rajshahi	341, Station Road, Metropolitan Market (1st Floor), Rajshahi.	09613225201, 09613225202 E-mail: rajshahi@bcbl.com.bd
58	Sujanagar	Haji Abdul Kuddus Shopping Mol, Pabna- Sujangar-Kashinathpur Road	09613226801, 09613226802 E-mail: sujanagar@bcbl.com.bd
59	Ahmedpur	Nahar Plaza (2nd Floor), Baraigram, Ahmedpur, Nator.	09613225501, 09613225502 E-mail: ahmedpur@bcbl.com.bd
Barishal			
60	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
61	Batajore	Batajor Bazar Batajor, Gournadi Barishal.	09613223901 E-mail: batajore@bcbl.com.bd
Sylhet			
62	Sylhet	Gellariya Shopping & Apartment Complex (2nd Floor), West Zinda Bazar, Jallarpur Road, Sylhet	09613221096, 0821-723210 Fax: 0821-728487 E-mail: sylhet@bcbl.com.bd
63	Juri	Hazilmzad Ali Market Vobanigonj Bazar, Juri Moulvibazar.	09613223701, 086275719 Fax: 08627-57192 E-mail: juri@bcbl.com.bd
64	Shamshernagar	Rahim Manson, Shamshernagar, Upazilla:- Kamolganj, Zilla: Moulvibazar	09613225101, 09613225102 E-mail: shamshernagar@bcbl.com.bd
65	Chunarughat	Niranjan City, Holding No-0095-00, Balla Road, Chunarughat, Habigonj.	09613226701, 09613226702 E-mail: chunarughat@bcbl.com.bd
Rangpur			
66	Dinajpur	SM Tower (2nd Floor) Bahadur Bazar Dinajpur.	09613223401, 053166556 Fax: 0531-66555 E-mail: dinajpur@bcbl.com.bd
67	Rangpur	Moin Plaza (1st Floor), 12 Station Road, Rangpur City Corporation, Rangpur.	0128877726 E-mail: rangpur@bcbl.com.bd
Mymensingh			
68	Seedstore Bazar	Hobir Bari, Seedstore Bazar, Valuka, Mymensingh	09613222701, E-mail: seedstore@bcbl.com.bd
69	Mymensingh	Moin Plaza (1st Floor), 12 Station Road, Rangpur City Corporation, Rangpur.	0128877726 E-mail: rangpur@bcbl.com.bd

BCBL Network District Coverage





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 **23rd Annual General Meeting** of the Company to be held on Saturday, **18 September, 2021** at 11.00 a.m. at through Digital Platform.

As witness my/our hands this _____ day of _____ 2021.

(Signature of the Shareholder(s))

Folio No: _____

No. of Shares: _____

Date: _____

(Signature of the proxy)



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

Note: Signature must agree with the recorded signature.



Corporate Office : Eunoos Trade Center, Level-22, 52-53, Dilkusha C/A, Dhaka-1000.
PABX: 9559831, 9571581, 9585703, 9587823 Fax: 88-02-9568218, web: bcblbd.com
Email: info@bcbl.com, SWIFT: BCBLBDDH, G.P.O. Box No. : 475

Call Center No. : 16270