

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

**Report on the Financial Statements**  
We have audited the accompanying consolidated financial statements of The City Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of The City Bank Limited (the "Bank"), which comprise the consolidated balance sheet and the separate balance sheet as at 31 December 2015, and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the financial statements and internal controls**  
Management is responsible for the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in note 2.1 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements of the Group and also separate financial statements of the Bank that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

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

**Opinion**  
In our opinion, the consolidated financial statements of the Group and also separate financial statements of the Bank give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2015, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in note 2.1.

### Report on Other Legal and Regulatory Requirements

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

- we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the financial statements of the Bank and considering the reports of 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;
- internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in note 49 of the financial statements appeared to be materially adequate; and
- nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Bank and its related entities other than matters disclosed in these financial statements;
- financial statements of the subsidiaries of the Bank have been audited by other auditors and have been properly reflected in the consolidated financial statements;
- in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank dealt with by the report are in agreement with the books of account;
- the expenditure incurred was for the purposes of the Bank's business;
- the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as with related guidance issued by Bangladesh Bank;
- adequate provisions have been made for advances which are, in our opinion, doubtful of recovery;
- the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- the information and explanation required by us have been received and found satisfactory; and
- we have reviewed over 80% of the risk weighted assets of the Bank and we have spent around 3,385 person hours for the audit of the books and accounts of the Bank.

Rahman Rahman Huq  
Dhaka, 28 April 2016

Rahman Rahman Huq  
Chairman

## Consolidated Balance Sheet as at 31 December 2015

PROPERTY AND ASSETS	Note	2015		2014	
		Taka	Taka	Taka	Taka
<b>Cash</b>	4	2,998,982,425	2,497,043,107		
In hand (including foreign currencies)					
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	4.a.1	12,438,634,907	8,431,511,967		
<b>Balance with other banks and financial institutions</b>	5	15,437,617,332	10,928,555,074		
In Bangladesh		15,502,528,823	3,632,420,929		
Outside Bangladesh		413,446,435	1,559,041,017		
<b>Money at call and short notice</b>	6	15,915,975,258	5,191,461,946		
<b>Investments</b>	7	95,379,167	1,998,379,167		
Government		19,691,517,972	23,737,817,554		
Others		6,325,444,956	6,689,564,261		
<b>Loans and advances/investments</b>	8	26,016,962,928	30,427,381,815		
Loans, cash credits, overdrafts, etc./investments		138,156,604,652	111,476,616,174		
Bills purchased and discounted	9	4,858,067,512	5,013,120,884		
<b>Fixed assets including premises, furniture and fixtures</b>	10	143,014,672,164	116,489,737,958		
<b>Other assets</b>	11	8,172,221,437	8,144,060,566		
<b>Non-banking assets</b>	12	4,759,716,534	3,360,953,081		
<b>Total assets</b>		792,824,667	384,551,746		
<b>214,205,369,487</b>		<b>176,925,080,453</b>			
<b>LIABILITIES AND CAPITAL</b>					
<b>Liabilities</b>					
Tier-II subordinated bond	13	3,000,000,000	3,000,000,000		
Borrowings from other banks, financial institutions and agents	14	22,079,989,593	17,196,768,200		
Deposits and other accounts	15				
Current deposits and other accounts		20,417,719,100	14,288,303,427		
Bills payable		1,976,445,056	911,682,504		
Savings bank deposits		31,213,313,434	22,987,673,384		
Fixed deposits		89,798,021,718	80,254,321,798		
Bearer certificate of deposit					
<b>Total liabilities</b>	16	143,405,499,308	118,441,981,113		
<b>Capital/shareholders' equity</b>					
Paid-up capital	17	21,136,243,153	15,976,286,808		
Statutory reserve	18	189,621,732,054	154,615,036,121		
Share premium	19				
Other reserve	20				
Surplus in profit and loss account	21				
<b>Total shareholders' equity</b>	22	24,581,102,654	22,506,994,448		
Non controlling interest		2,534,779	3,049,884		
<b>Total equity</b>		24,583,637,433	22,510,044,332		
<b>Total liabilities and shareholders' equity</b>		214,205,369,487	176,925,080,453		

### OFF-BALANCE SHEET ITEMS

Contingent liabilities	Note	2015	2014
Acceptances and endorsements		13,190,254,052	11,057,333,323
Letters of guarantee	23.1	10,218,482,911	13,089,666,220
Irrevocable letters of credit	23.2	13,817,709,300	9,569,305,671
Bills for collection	23.3	10,854,384,996	10,501,797,506
Other contingent liabilities			
<b>Total</b>		48,080,831,259	44,218,103,020
<b>Other commitments</b>			
Documentary credits and short term trade-related transactions			
Forward assets purchased and forward deposits placed	23.4	2,045,042,200	2,124,260,400
Undrawn formal standby facilities, credit lines and other commitments			
Undrawn formal standby facilities, credit lines and other commitments			
Other commitments			
<b>Total</b>		2,045,042,200	2,124,260,400
<b>Total Off-Balance Sheet items including contingent liabilities</b>		50,125,873,459	46,342,363,420

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

Managing Director & CEO, Director, Director, Chairman  
As per our report of same date.

Dhaka, 28 April 2016

Rahman Rahman Huq  
Auditor

## Consolidated Profit and Loss Account for the year ended 31 December 2015

Note	2015	2014	
<b>Interest income/profit on investments</b>	25	15,228,190,245	13,973,036,691
<b>Interest paid/profit shared on deposits and borrowings etc.</b>	26	(9,822,863,689)	(8,914,717,894)
<b>Net interest income/profit on investments</b>		5,405,326,556	5,058,318,797
<b>Investment income</b>	27	4,527,078,328	2,859,638,617
<b>Commission, exchange and brokerage</b>	28	2,142,651,667	1,968,813,803
<b>Other operating income</b>	29	1,011,514,319	871,413,619
<b>Total operating income (A)</b>		7,681,244,314	5,699,856,039
<b>Operating expenses</b>		13,086,570,870	10,758,174,836
Salaries and allowances	30	3,269,837,185	2,936,827,991
Rent, taxes, insurance, electricity, etc.	31	725,631,570	648,204,082
Legal expenses	32	26,747,198	25,960,845
Postage, stamp, telecommunication, etc.	33	76,601,819	85,691,022
Stationery, printing, advertisements, etc.	34	187,852,656	205,665,635
Chief Executive's salary and fees	35	16,409,425	15,046,921
Directors' fees	36	1,477,969	1,493,314
Auditors' fees		1,508,573	1,354,850
Charges on loan losses		306,508,366	306,508,366
Depreciation and repair of Bank's assets	37	767,892,812	671,972,530
Other expenses	38	1,243,949,218	993,227,681
<b>Total operating expenses (B)</b>		6,317,908,425	5,891,953,237
<b>Profit before provision (C = A - B)</b>		6,768,662,445	4,866,221,599
Provision for loans and advances/investments	39	(2,148,269,292)	(1,704,589,739)
Provision for off-balance sheet exposures		(21,000,000)	(20,337,274)
Other provision		(37,600,229)	(37,600,229)
<b>Total provision (D)</b>		(2,206,869,521)	(1,722,927,013)
<b>Total profit before tax (E = C - D)</b>		4,561,792,924	3,143,294,586
<b>Provision for taxation (F)</b>	40	(1,646,005,974)	(1,585,366,117)
Current tax expense		(1,646,005,974)	(1,585,366,117)
Deferred tax income / (expense)		677,355,387	150,182,944
<b>Total provision for tax (G = E - F)</b>		(968,650,587)	(1,435,183,173)
<b>Net profit after tax (G = E - F)</b>		3,593,142,337	1,708,111,413
<b>Net profit after tax attributable to:</b>			
Equity holders of the bank		3,593,142,337	1,708,111,413
Non-controlling interest			
<b>Appropriations</b>			
Statutory reserve		898,922,614	719,202,007
General reserve		898,922,614	719,202,007
<b>Retained surplus for the year</b>		2,694,194,351	989,501,700
<b>Earnings per share (EPS)</b>	45	4.10	1.95

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

Managing Director & CEO, Director, Director, Chairman  
As per our report of same date.

Dhaka, April 28, 2016

Rahman Rahman Huq  
Auditor

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

Particulars	Attributable to the equity holders of the bank									
	Paid-up capital		Statutory reserve		Share premium		Asset revaluation reserve		General reserve	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 1 January 2015	8,340,933,630	4,103,894,030	1,082,116,244	4,711,395,054	11,394,928	3,255,456,556	801,804,006	22,306,994,448	3,049,884	22,310,044,332
Surplus/(deficit) on account of revaluation of properties										
Surplus/(deficit) on account of revaluation of investments						42,763,789				42,763,789
Currency translation differences						(12,950,528)	(12,950,528)	(534,866)		(13,485,334)
Adjustment of revaluation reserve with retained earnings for charging depreciation of revalued carrying amount						(21,268,314)				(21,268,314)
Net profit/(loss) for the year						3,993,116,965	3,993,116,965	25,372	3,993,142,337	
Dividend (bonus share)	417,046,680			(417,046,680)						
Allocation for prejudice shares				(4,212,552)						(4,212,552)
Appropriation made during year		898,922,614								898,922,614
<b>Balance as at 31 December 2015</b>	<b>8,757,980,310</b>	<b>5,002,816,644</b>	<b>1,082,116,244</b>	<b>4,711,395,054</b>	<b>11,394,928</b>	<b>3,255,456,556</b>	<b>801,804,006</b>	<b>22,306,994,448</b>	<b>3,049,884</b>	<b>24,583,637,433</b>

## Consolidated Statement of Changes in Equity for the year ended 31 December 2014

Particulars	Attributable to the equity holders of the bank									
	Paid-up capital		Statutory reserve		Share premium		Asset revaluation reserve		General reserve	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 1 January 2014	6,950,778,030	3,384,692,023	1,924,634,700	3,692,068,870	11,394,928	1,874,893,562	340,728,341	18,188,190,454	581,934	18,194,010,358
Surplus/(deficit) on account of revaluation of properties										
Surplus/(deficit) on account of revaluation of investments										
Adjustment of revaluation reserve with retained earnings for charging depreciation of revalued carrying amount										
Net profit/(loss) for the year										
Dividend (bonus share)	1,390,155,600			(1,390,155,600)						
Appropriation made during year		719,202,007								719,202,007
<b>Balance as at 31 December 2014</b>	<b>8,340,933,630</b>	<b>4,103,894,030</b>	<b>1,082,116,244</b>	<b>4,711,395,054</b>	<b>11,394,928</b>	<b>3,255,456,556</b>	<b>801,804,006</b>	<b>22,306,994,448</b>	<b>3,049,884</b>	<b>22,310,044,332</b>

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

## Consolidated Cash Flow Statement for the year ended 31 December 2015

Note	2015		2014	
	Taka	Taka	Taka	Taka
<b>A) Cash flows from operating activities</b>				
Interest receipts/investment income receipts in cash		15,150,223,509	14,029,697,224	
Interest payments/profit paid on deposits		(7,264,485,479)	(7,092,741,095)	
Dividend receipts		243,250,240	178,487,759	
Fees and commission receipts in cash		1,350,573,554	1,312,545,675	
Recoveries of loans previously written-off	16.a.1	365,813,326	151,243,705	
Cash payments to employees		(3,127,614,331)	(2,814,905,381)	
Cash payments to suppliers		(97,908,144)	(96,900,942)	
Income taxes paid		(980,052,952)	(1,146,568,032)	
Receipts from other operating activities	41	5,411,123,474	3,276,239,351	
Payments for other operating activities	42	(2,390,415,357)	(2,421,615,271)	
<b>Cash generated from operating activities before changes in operating assets and liabilities (i)</b>		<b>8,660,507,840</b>	<b>5,376,292,993</b>	
<b>Increase/decrease in operating assets and liabilities</b>				
Loans and advances to customers		(26,524,935,106)	(25,622,087,613)	
Other assets	43	(959,0		



# The City Bank Limited

## Reporting and Financial Statements as at and for the year ended 31 December 2015

### Notes to the Financial Statements as at and for the year ended 31 December 2015

#### 1. Reporting entity

**1.1 Status of the Bank**  
The City Bank Limited ("the Bank") was incorporated as a public limited company in Bangladesh under The Companies Act 1913. It commenced its banking business from 14 March 1983 under the license issued by Bangladesh Bank. The Bank has 108 (2014: 100) branches, 11 (2014: 11) SME/Agri branches and 1 SME centre in Bangladesh as at 31 December 2015. The Bank had no overseas branches as at 31 December 2015. Out of the above 108 branches, 1 branch is designated as Islamic Banking Branch complying with the rules of Islamic Shariah, the modus operandi of which is substantially different from other branches run on conventional basis. It has 276 (2014: 239) ATMs as at 31 December 2015. The Bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited as a publicly traded company.

The registered office of the Bank is located at 136, Bir Uttam Mir Shawkat Sarak (Gulshan Avenue), Gulshan-2, Dhaka-1212. The consolidated financial statements of the Bank as at and for the year ended 31 December 2015 comprise the Bank and its subsidiaries (collectively the 'Group' and individually 'Group entities').

**1.2 Principal activities of the Bank**  
The principal activities of the Bank are to provide a comprehensive range of financial services including commercial banking, consumer banking, trade services, SME, retail, custody and clearing services to its customers. There have been no significant changes in the nature of the principal activities of the Bank during the financial period under audit.

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

**1.4 Off-Shore Banking**  
Off-shore Banking Unit (OBU) is a separate business unit of the Bank, governed under the rules and guidelines of Bangladesh Bank. The Bank obtained the Off-shore Banking Unit permission vide letter No. BRPD(P-31744/101)/2010-4129 dated 10 November 2009. OBU provides varied financial needs of 100% foreign owned/joint venture industrial units and foreign entities located in Export Processing Zones of Bangladesh. Separate financial statements of Off-shore Banking Unit are shown in Annexures J(1) and J(2).

**1.5 The City Brokerage Limited**  
The City Brokerage Limited ("the Company") was incorporated in Bangladesh as a private limited company on 31 March 2010 vide registration no. C-83616/10 under the Companies Act 1994. The legal status of the Company has been converted into public limited company from private limited company in June 2012 in compliance with Bangladesh Securities and Exchange Commission Rules 2000. Previously the Bank launched its brokerage division on 4 August 2009 which was subsequently separated from the Bank on 15 November 2010. On 31 December 2015 the Bank held 99.9963% shares of the Company.  
The financial statements, audited by S.F. Ahmed & Co, Chartered Accountants, have been enclosed in Appendix A.

**1.6 City Bank Capital Resources Limited**  
City Bank Capital Resources Limited (CBCLR) was incorporated in Bangladesh as a private limited company on 17 August 2009 vide registration no. C-79186/09 under the Companies Act, 1994. The registered office of CBCLR is at 10 Dilkusha Commercial Area, Jibon Bima Tower, Dhaka -1000. CBCLR delivers a whole range of investment banking services including merchant banking activities such as issue management, underwriting, portfolio management and corporate advisory. On 31 December 2015 the Bank held 99.99933% shares of CBCLR.  
The financial statements, audited by S.F. Ahmed & Co, Chartered Accountants, have been enclosed in Appendix B.

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

The Bank entered into an agreement on 4 April 2013 to purchase 75% of ordinary shares of CMTS with an agreement to acquire 100% shares of CMTS ultimately and the company became and started as subsidiary of the Bank since 5 August 2013. On 31 December 2015 the Bank held 87.20% shares of CMTS.  
The financial statements, audited by Nasharuddin Wong & Co, Chartered Accountants, have been enclosed in Appendix C.

#### 2. Basis of preparation

**2.1 Statement of compliance**  
The consolidated financial statements of the Group and financial statements of the Bank as at and for the year ended 31 December 2015 have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and the requirements of the Bank Company Act 1991, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987. In case any requirement of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank differ with those of BFRS, the requirements of the Bank Company Act 1991, and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of BFRS are as follows:

##### i) Investment in shares and securities

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

**Bangladesh Bank:** As per BRPD circular no. 14 dated 25 June 2003 investments in quoted shares and unquoted shares are revalued at the reporting date at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment on portfolio basis.

##### ii) Revaluation gain/loss on government securities

**BFRS:** As per requirement of BAS 39 where securities will fall under the category of Held for Trading (HFT), any change in the fair value of held for trading assets is recognised through profit and loss account. Securities designated as Held to Maturity (HTM) are measured at amortised cost method and interest income is recognised through the profit and loss account.

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

##### iii) Provision on loans and advances

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

**Bangladesh Bank:** As per BRPD circular no.14 (23 September 2012), BRPD circular no. 19 (27 December 2012), BRPD circular no. 05 (29 May 2013) and BRPD circular no. 16 (18 November 2014) a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained regardless of objective evidence of impairment. Also provision for sub-standard loans, doubtful loans and bad losses has to be provided at 5% to 20%, 5% to 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD circular no. 10 dated 18 September 2007 and BRPD circular no. 14 dated 23 September 2012, a general provision at 1% is required to be provided for all off-balance sheet exposures. Such provision policies are not specifically in line with those prescribed by BAS 39.

##### iv) Recognition of interest in suspense

**BFRS:** Loans and advances to customers are generally classified as 'loans and receivables' as per BAS 39 and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is not recognised in the financial statements.

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

**v) Other comprehensive income**  
**BFRS:** As per BAS 39, Other Comprehensive Income is a component of financial statements or the elements of Other Comprehensive Income are to be included in a Single Comprehensive Income (OCI) Statement.

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

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

##### vii) Repo transactions

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

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

##### viii) Financial guarantees

**BFRS:** As per BAS 39, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities.

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

##### ix) Cash and cash equivalent

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

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

##### x) Non-banking asset

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

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

##### xi) Cash flow statement

**BFRS:** Cash flow statement can be prepared either in direct method or in indirect method. 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 14, cash flow is the mixture of direct and indirect method.

##### xii) Balance with Bangladesh Bank (CRR)

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

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

##### xiii) Presentation of intangible asset

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

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

##### xiv) Off-balance sheet items

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

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

##### xv) Disclosure of appropriation of profit

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

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

##### xvi) Loans and advance net of provision

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

**Bangladesh Bank:** As per BRPD 14, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.  
(Also refer to note 3.16 for Compliance of BFRS)

#### 2.2 Basis of measurement

The financial statements of the Group have been prepared on historical cost basis except for the following:  
- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' are present at value using marking to market concept with gain crediting to revaluation reserve.  
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' are carried at amortised cost.  
- Investment in shares of listed companies are prepared at market value with gain credited to revaluation reserve.  
- Fixed assets (land and building) are carried at revalued amount.

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

**2.4 Use of estimates and judgements**  
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 recognised in the periods in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:  
- Provisions on loans and advances - as explained in note 3.3.3  
- Employee benefits - as explained in note 3.12.2 and 3.12.3  
- Income tax - as explained in note 3.13

#### 2.5 Reporting period

These financial statements cover one calendar year from 1 January 2015 to 31 December 2015.

#### 2.6 Cash flow statement

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

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

#### 2.8 Liquidity statements

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

- balance with other banks and financial institutions, money at call and short notice, etc. are on the basis of their maturity term.
  - investments are on the basis of their respective maturity.
  - loans and advances are on the basis of their repayment maturity.
  - fixed assets are on the basis of their useful lives.
  - other assets are on the basis of their realisation/amortisation.
  - borrowing from other banks, financial institutions and agents, etc. are as per their maturity/repayments.
  - deposits and other accounts are on the basis of their maturity term.
  - provision and other liability on the basis of their repayment/adjustments schedule.
- Details are shown in Annexures A and A/1.

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

#### 3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements of the Group and those of the Bank have been applied consistently by the group entities.

**3.1 Basis of consolidation**  
The consolidated financial statements include the financial statements of The City Bank Limited and those of its three subsidiaries (City Brokerage Limited, City Bank Capital Resources Limited and CBL Money Transfer Sdn. Bhd.) prepared as at and for the year ended 31 December 2015. The consolidated financial statements have been prepared in accordance with BFRS 10 'Consolidated Financial Statements':

##### 3.1.1 Subsidiaries

Subsidiaries are the entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

##### 3.1.2 Non-controlling interest

The Group elects to measure any non-controlling interests in the subsidiaries either:  
- at fair value; or  
- at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

##### 3.1.3 Transactions eliminated on consolidation

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

##### 3.2 Foreign currency transactions

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

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

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

#### 3.3 Assets and basis of their valuation

##### 3.3.1 Cash and cash equivalents

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

##### 3.3.2 Investments

All investments are initially recognised at cost including acquisition charges associated with the investment. Premiums are amortised and discount accredited using the effective or historical yield method. Accounting treatment of government treasury bills and bonds (categorised as HFT and HTM) are made in accordance with Bangladesh Bank DOS Circular letter no. 5, dated 26 May 2008 and DOS Circular letter no. 05 dated 28 January 2009.

##### Held to Maturity

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

##### Held for Trading

Investments classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or if designated as such by the management. After initial recognition, investments are measured at fair value and any change in the fair value is recognised in the profit and loss statement and revaluation reserve as per Bangladesh Bank's guideline.

##### Investment in quoted shares

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income. These are valued and reported at market price as per Bangladesh Bank's guidelines. Booking of provision for investment in securities (gain/loss net off basis) are made as per DOS Circular no.4 dated 14 November 2011.

##### Investment in unquoted shares

Investment in unquoted shares are recognised at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unquoted shares.

Value of investments has been shown as under:

Particulars	Rate
- Government Treasury Bills and Bonds (HFT) and Bangladesh Bank bill	At present value (using marking to market concept)
- Government Treasury Bills and Bonds (HTM) and Bangladesh Bank bill	At present value (using amortised cost concept)
- Prize Bond	At cost
- BHFFC -debenture	At redeemable value
- Unquoted shares	At cost or book value as per last audited balance sheet, whichever is lower
- Quoted shares	At market price

##### 3.3.3 Loans and advances/investments and provisions for loans and advances/investments

a) Loans and advances of conventional banking/investments of Islamic banking branches are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not sell in the normal course of business.

b) At each balance sheet date and periodically throughout the year, the Bank reviews loans and advances/investments to assess whether objective evidence that impairment of a loan or portfolio of loans has arisen supporting a change in the classification of loans and advances, which may result in a change in the provision required in accordance with BRPD Circular No.14 (23 September 2012), BRPD Circular No. 19 (27 December 2012), BRPD Circular No. 05 (29 May 2013) and BRPD Circular No. 16 (18 November 2014). The guidance in the circulars follows a formula based approach whereby specified rates are applied to the various categories of loans as defined in the circular. The provisioning rates are as follows:

Particulars	Rate
<b>General provision on Unclassified loans (Standard and SMA):</b>	
Unclassified small and medium enterprise financing	0.25%
Unclassified loans/investments for housing finance and loans for professionals	2%
Unclassified agricultural and micro-credits loans	2.5%
Unclassified consumer financing other than housing finance and loans for professionals	5%
Unclassified loans to brokerage house, merchant banks, stock dealers etc.	2%
All other unclassified loans and advances/investments	1%
<b>Specific provision on:</b>	
Sub-standard loans and advances/investments	20%
Doubtful loans and advances/investments	50%
Bad / loss and advances/investments	100%

BRPD Circular No.14 (23 September 2012) as amended by BRPD Circular No. 19 (27 December 2012) also provides scope for further provisioning based on qualitative judgments. In these circumstances impairment losses are calculated on individual loans considered individually significant based on which specific provisions are raised. If the specific provisions assessed under the qualitative methodology are higher than the specific provisions assessed under the formulaic approach above, the higher of the two is recognised in liabilities under 'Provision for loans and advances' with any movement in the provision charged/released in the profit and loss account. Classified loans are categorised into sub-standard, doubtful and bad/loss based on the criteria stipulated by Bangladesh Bank guideline.

##### Provisions for short term agricultural and micro-credits

Sub-standard & Doubtful	5%
Bad/Loss	100%

c) Loans and advances are written off to the extent that

- it is not realistic prospect of recovery, and
  - against which legal cases are filed, where required and classified as bad/loss as per guidelines of Bangladesh Bank.
- These write off however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such written off accounts are maintained and followed up.

d) Amounts receivable on credit cards are included in advances to customers at the amounts expected to be recovered.

##### 3.3.4 Staff loan

House building and car loan are provided to the permanent staff at a subsidised rate. Criteria and detail of type wise staff loan are given below:

House building loan: A permanent staff completing 5 years of service can avail house building loan subject to getting approval from Managing Director, CEO and recommended by the concerned divisional head.

Car loan: All permanent staff from AEP can avail car loan subject to getting approval from Managing Director, CEO and recommended by the concerned divisional head.

##### 3.3.5 Fixed assets (property, plant and equipment)

**Recognition and measurement**  
Items of fixed assets excluding land are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land and building are carried at revalued amounts.

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

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

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

##### Subsequent costs

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

#### Depreciation

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

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

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

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

#### 3.3.6 Non-banking assets

Bank has recognised the Non-Banking Assets equivalent to the final liability receivable from the client. No reserve has been created for excess of market value over adjusted liabilities.

#### 3.3.7 Provisions for other assets

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

#### 3.3.8 Intangible assets and its amortisation

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

#### 3.3.9 Reconciliation of inter-bank and inter-branch account

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

#### 3.4 Liabilities and basis of their valuation

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

#### 3.4.2 Borrowings from other banks, financial institutions and agents

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

#### 3.4.3 Deposits and other accounts

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

#### 3.4.4 Provision for liabilities



# The City Bank Limited

Report and Financial Statements as at and for the year ended 31 December 2015

## Notes to the Financial Statements as at and for the year ended 31 December 2015

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

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

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

**3.13.1 Current tax**  
Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Details are shown in note 16.a.6.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**3.17 Standards issued but not yet effective**  
The Institute of Chartered Accountants of Bangladesh (ICAB) has adopted following new standards and amendments to standards during the year 2015. All previously adopted reporting standards are consistently applied by the Bank as explained in Note 3.16.

**BFRS 9 Financial instruments:**  
**Summary of the requirements**

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

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

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

**BFRS 14 Regulatory deferral accounts:**  
**Summary of the requirements**

BFRS 14 specify the financial reporting requirements for regulatory deferral account balance that arise when an entity provides goods or services to customers at a price or rate that is subject to rate regulation.

BFRS 14 is effective for annual reporting periods beginning on or after 1 January 2016, with early adoption permitted.

**Possible impact on financial statements**  
The Bank is assessing the potential impact on its financial statements resulting from the application of BFRS 14.

**BFRS 15 Revenue from contracts with customers:**  
**Summary of the requirements**

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

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

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

**Agriculture: Bearer plants (amendments to BAS 16 and BAS 41):**  
**Summary of the requirements**

These amendments require a bearer plant, defined as a living plant, to be accounted for as property, plant and equipment and included in the scope of IAS 16 'Property, plant and equipment', instead of BAS 41 'Agriculture'.

The amendments are effective for annual reporting periods beginning on or after 1 January 2016, with early adoption permitted.

**Possible impact on financial statements**  
None. The Bank does not have any bearer plants.

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

Income and expenses are presented on a net basis only when permitted under BFRS, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

**3.19 Segment reporting**  
The Group and the Bank have no identified operating segment and as such presentation of segmental reporting is not made in the financial statements as per BFRS 8. However, geographical and business segments wise limited disclosures are furnished in note 4.6.

Inter-segment transactions are generally based on inter-bank fund transfer measures as determined by the management. Income, expenses, assets and liabilities are specifically identified with individual segments. Based on such allocation, segmental balance sheet as at 31 December 2015 and segmental profit and loss account for the year ended 31 December 2015 have been prepared.

	2015 Taka	2014 Taka
The City Bank Limited (note 4.a)	3,028,046,419	2,504,456,546
City Brokerage Limited	77,500	77,500
City Bank Capital Resources Limited	11,097	22,754
CBL Money Transfer Sdn. Bhd.	936,632	-
	<u>3,029,071,648</u>	<u>2,504,556,800</u>
Adjustments for Consolidation - City Brokerage Limited	-	(6,660,323)
Adjustments for Consolidation - City Bank Capital Resources Limited	-	(853,370)
Adjustments for Consolidation - The City Bank Limited	(30,089,223)	-
	<u>2,998,982,425</u>	<u>2,497,043,107</u>

4.a Cash in hand - The City Bank Limited	2015 Taka	2014 Taka
Local currency	2,954,191,772	2,278,163,365
Foreign currency	73,854,647	236,293,181
	<u>3,028,046,419</u>	<u>2,504,456,546</u>

4.a.1 Balance with Bangladesh Bank and its agent bank(s)	2015 Taka	2014 Taka
Local currency	11,409,598,546	7,771,615,024
Foreign currency	380,623,706	211,995,189
	<u>11,790,222,252</u>	<u>7,983,610,213</u>
Sonali Bank Limited as agent of Bangladesh Bank (Local currency)	648,412,655	447,901,754
	<u>12,438,634,907</u>	<u>8,431,511,967</u>

**4.a.2 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)**  
Cash Reserve Requirement and Statutory Liquidity Ratio have been calculated and maintained in accordance with section 33 of Banking Companies Act, 1991, BRPD circular no.11 and 12, dated 25 August 2005, MPD circular no.116/2010-1713 dated 1 December 2010 and MPD Circular No. 1 dated 23 June 2014.

The minimum Cash Reserve Ratio on the Bank's time and demand liabilities at the rate of 6.5% on bi-weekly basis has been calculated and maintained with Bangladesh Bank in current account and 13% Statutory Liquidity Ratio, excluding CRR, on the same liabilities has also been maintained in the form of treasury bills, bonds and debentures including foreign currency balances with Bangladesh Bank (CRR and SLR of December 2015 is based on weekly average time and demand liabilities balance of October 2015). Both reserves maintained by the Bank are in excess of the statutory requirements, as shown below:

a) Cash Reserve Ratio (CRR)	2015 Taka	2014 Taka
Required reserve	9,331,738,510	7,485,294,201
Actual reserve maintained	11,429,132,214	7,861,549,787
Surplus	<u>2,097,393,704</u>	<u>376,255,586</u>
b) Statutory Liquidity Ratio (SLR)		
Required reserve	18,472,064,945	14,838,000,512
Actual reserve maintained (note 4.a.3)	25,451,537,275	26,420,265,933
Surplus	<u>6,979,472,330</u>	<u>11,582,265,421</u>
4.a.3 Held for Statutory Liquidity Ratio (SLR)		
Cash in hand	3,028,046,419	2,504,456,546
Sonali Bank Limited as agent of Bangladesh Bank as per statement balance	634,579,180	464,394,000
Surplus of CRR - balance with Bangladesh Bank	2,097,393,704	376,255,586
Government securities and bonds	19,691,517,972	23,075,159,801
	<u>25,451,537,275</u>	<u>26,420,265,933</u>

5 Consolidated balance with other banks and financial institutions	2015 Taka	2014 Taka
<b>In Bangladesh</b>		
The City Bank Limited (note 5.a)	15,355,924,462	3,480,471,770
City Brokerage Limited	522,936,970	535,967,625
City Bank Capital Resources Limited	250,601,396	252,983,305
	<u>16,029,462,828</u>	<u>4,269,422,700</u>
<b>Mutual indebtedness:</b>		
Deposit with The City Bank Limited - City Brokerage Limited	(345,250,247)	(503,074,775)
Deposit with The City Bank Limited - CBL Money Transfer Sdn. Bhd.	(1,127,621)	-
Deposit with The City Bank Limited - City Bank Capital Resources Limited	(180,556,137)	(136,003,305)
	<u>(526,934,005)</u>	<u>(639,078,080)</u>
Adjustments for Consolidation - City Brokerage Limited	-	2,076,305
<b>Total in Bangladesh</b>	<u>15,502,528,823</u>	<u>3,632,420,929</u>
<b>Outside Bangladesh</b>		
The City Bank Limited (note 5.a)	263,921,673	1,493,352,573
CBL Money Transfer Sdn. Bhd.	149,524,762	65,688,444
	<u>413,446,435</u>	<u>1,559,041,017</u>
<b>Grand total</b>	<u>15,915,975,258</u>	<u>5,191,461,946</u>

5.a Balance with other banks and financial institutions - The City Bank Limited	2015 Taka	2014 Taka
In Bangladesh (note 5.a.1)	15,355,924,462	3,480,471,770
Outside Bangladesh (note 5.a.2)	263,921,673	1,493,352,573
	<u>15,619,846,135</u>	<u>4,973,824,343</u>

5.a.1 In Bangladesh	2015 Taka	2014 Taka
<b>Current accounts</b>		
Janata Bank Limited	906,160	977,735
Agrani Bank Limited	92,903,844	53,103,949
United Commercial Bank Limited	3,180	4,330
Rupali Bank Limited	317,097	318,597
Islami Bank Bangladesh Limited	612	900
Bangladesh Krishi Bank	616	1,766
Sonali Bank Limited	161,540,561	91,941,811
<b>Sub total</b>	<u>255,672,070</u>	<u>146,349,088</u>
<b>Short notice deposit accounts</b>		
Social Islami Bank Limited	-	3,615,480
Dutch-Bangla Bank Limited	29,885	-
Standard Chartered Bank	32,515,611	66,850,343
Rupali Bank Limited	66,591,265	54,999,244
AB Bank Limited	5,279,783	20,737,043
Trust Bank Limited	23,383,880	18,926,253
Bank Alfalah Limited	57,294,690	157,800,900
Sub total	<u>185,095,114</u>	<u>322,929,263</u>
<b>Savings accounts</b>		
Social Islami Bank Limited	799,970	771,973
Southeast Bank Limited	9,354,308	40,421,446
Sub total	<u>10,154,278</u>	<u>41,193,419</u>
<b>Fixed deposit receipts</b>		
Bangladesh Industrial Finance Company Limited	220,000,000	220,000,000
Southeast Bank Limited	-	200,000,000
AB Bank Limited	-	200,000,000
National Bank of Pakistan	330,000,000	-
Midland Bank Limited	200,000,000	-
One Bank Limited	785,003,000	-
Commercial Bank of Ceylon PLC	290,000,000	-
Lankabangla Finance Limited	500,000,000	300,000,000
Prime Finance & Investment Limited	50,000,000	200,000,000
Union Capital Limited	250,000,000	200,000,000
IDLC Finance Limited	2,000,000,000	700,000,000
United Finance Limited	550,000,000	350,000,000
Industrial and Infrastructure Development Finance Company Limited	500,000,000	600,000,000
MIDAS Financing Limited	150,000,000	-
Utara Finance and Investment Limited	130,000,000	-
International Leasing and Financial Services Limited	250,000,000	-
Investment Corporation of Bangladesh	7,000,000,000	-
Phoenix Finance & Investments Limited	200,000,000	-
Delta Brac Housing Finance Corporation Limited	400,000,000	-
Foreast Finance & Investment Limited	300,000,000	-
Industrial Promotion and Development Company of Bangladesh Limited	200,000,000	-
<b>Sub total</b>	<u>14,905,003,000</u>	<u>2,970,000,000</u>
<b>Total</b>	<u>15,355,924,462</u>	<u>3,480,471,770</u>

5.a.2 Outside Bangladesh (Nostro accounts)	2015 Taka	2014 Taka
<b>Current accounts</b>		
Mashreq Bank, New York, USA	USD 30,803,201	40,649,779
Habib American Bank, New York, USA	USD 67,577,926	25,752,678
Citibank N.A. New York, USA	USD (19,785,990)	290,423,969
HSBC, New York, USA	USD 12,440,334	95,579,700
Standard Chartered Bank, New York, USA	USD (7,043,814)	252,532,255
Standard Chartered Bank, Frankfurt, Germany	EUR 13,716,548	14,236,263
Deutsche Bank, Frankfurt, Germany	EUR 1,388,194	(19,733,111)
Arab National Bank, Riyadh	SAR 341,820	339,368
Bank of Tokyo Mitsubishi Ltd., Japan	JPY 5,776,137	327,408,794
Deutsche Bank Trust Comp. USA	USD 241,251	13,916,423
Bank of Tokyo Mitsubishi Ltd., Kolkata, India	ACUD 658,845	649,590
AB Bank Ltd., Mumbai, India	ACUD (15,621,278)	(7,282,137)
Sonali Bank Ltd., Kolkata, India	ACUD 1,205,510	1,681,001
NIB Bank Limited, Karachi, Pakistan	ACUD 5,238,849	7,664,386
Standard Chartered Bank, Nepal	ACUD 382,661	379,975
Commerz Bank AG, Frankfurt, Germany	USD 8,723,740	48,678,184
Commercial Bank of Ceylon, Colombo, Sri Lanka	ACUD 603,561	605,992
Bank of Bhutan, Bhutan	ACUD (233,281)	1,929,403
Commerz Bank AG, Frankfurt, Germany	EUR 7,535,835	15,935,161
Commerz Bank AG, Frankfurt, Germany	CHF 6,618,323	420,189
Mashreq Bank, Mumbai, India	ACUD 36,413,608	1,362,206
Mashreq Bank, Mumbai, India	EUR 387,963	260,744
HDFC Bank Ltd, Mumbai, India	ACUD 1,105,009	7,197,806
Banca Popolare Di Vicenza, Italy	EUR 2,526,255	389,500
Standard Chartered Bank, London	GBP 20,212,890	2,778,531
Mashreq Bank, London	GBP 4,534,975	5,775,588
Kookmin Bank, Korea	USD 3,452,520	3,648,592
Commerz Bank AG, Frankfurt	AUD 7,266,929	4,236,503
Standard Chartered Bank, Mumbai, India	ACUD 14,847,632	3,564,948
Mashreq Bank, New York, USA (For OBU Operation)	USD (37,338,548)	193,527,541
Commerz Bank AG, Frankfurt, Germany (For OBU Operation)	USD 10,289,384	118,995,233
Commerz Bank AG, Frankfurt, Germany (For OBU Operation)	EUR 44,773,466	247,509
<b>Sub total</b>	<u>224,040,455</u>	<u>1,453,752,563</u>

5.a.2 Outside Bangladesh (Nostro accounts)	2015 Taka	2014 Taka
<b>Term deposits</b>		
Mashreq Bank Limited, New York, USA	USD 39,250,150	



# The City Bank Limited

Report and Financial Statements as at and for the year ended 31 December 2015

## 7.b Investments - City Brokerage Limited

	2015 Taka	2014 Taka
Membership		
Dhaka Stock Exchange Limited	580,999,000	580,999,000
Chittagong Stock Exchange Limited	19,001,000	19,001,000
	<b>600,000,000</b>	<b>600,000,000</b>
Investments in shares (note 7.b.1)	446,061,583	714,596,534
	<b>1,046,061,583</b>	<b>1,314,596,534</b>

7.b.1 This represents investment made by the City Brokerage Limited in purchase of shares of various companies listed in Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) through its dealer account. Cost price of the investment is Taka 451,465,814 (2014: 681,163,713) as on 31 December 2015.

## 7.c Investments - City Bank Capital Resources Limited

	2015 Taka	2014 Taka
Government securities:		
Treasury bonds	-	107,259,700
	-	<b>107,259,700</b>
Others		
Investments in quoted shares	227,084,378	166,793,521
Investments in unlisted securities (note 7.c.1)	129,000,000	129,000,000
	<b>356,084,378</b>	<b>295,793,521</b>
	<b>356,084,378</b>	<b>403,053,221</b>

7.c.1 This represent investment made by CBCL in purchase of equity shares of ADN Telecom Limited and preference shares of Regent Energy and Power Co. Limited.

## 8. Consolidated Loans and advances/investments

	2015 Taka	2014 Taka
Loans/investments, cash credits, overdrafts, etc.		
The City Bank Limited (note 8.a)	138,229,433,769	111,607,480,204
City Brokerage Limited (note 8.b)	2,197,481,201	2,157,150,421
City Bank Capital Resources Limited (note 8.c)	303,818,478	205,562,153
	<b>140,730,733,448</b>	<b>113,970,192,778</b>

### Mutual indebtedness:

Loan from The City Bank Limited - City Brokerage Limited*	(2,561,883,319)	(2,445,596,363)
Loan from City Brokerage Limited - City Bank Capital Resources Limited	(12,245,477)	(8,797,878)
Loan from The City Bank Limited - CBL Money Transfer Sdn. Bhd.	-	(39,182,363)
	<b>(2,574,128,796)</b>	<b>(2,493,576,604)</b>
Bills purchased and discounted (note 9)	138,156,604,652	111,476,616,174
The City Bank Limited	4,858,067,512	5,013,120,884
	<b>143,014,672,164</b>	<b>116,489,737,058</b>

\*City Brokerage Limited availed loan facilities @10.50% p.a. from its parent company for extending margin financing to its customers.

## 8.a Loans and advances/investments - The City Bank Limited

	2015 Taka	2014 Taka
Loans/investments, cash credits, overdrafts, etc. (note 8.a.1)	138,229,433,769	111,607,480,204
Bills purchased and discounted (note 8.a.2)	4,858,067,512	5,013,120,884
	<b>143,087,501,281</b>	<b>116,620,601,088</b>

### 8.a.1 Loans/investments, cash credits, overdrafts, etc.

	2015 Taka	2014 Taka
<b>Inside Bangladesh</b>		
Secured overdrafts	1,359,958,689	328,581,662
Quard against TDR	960,850	14,921,980
Cash credits	20,199,582,332	16,966,883,190
House building loans	990,711,996	816,712,986
Loans against trust receipt	2,266,404,698	4,489,476,729
Loans against imported merchandise	23,644,911	18,343,799
Payment against document	33,480,602	46,921,119
Consumer credit schemes	42,375	42,375
Lease finance/izara (note 8.a.5)	24,915,770	34,232,750
Hire purchase/shirkatul melk	191,096,103	181,566,562
Industrial credits	61,886,924,246	58,006,062,919
Export development fund	6,163,443,169	3,196,996,417
Staff loans (note 8.a.14)	2,843,370,280	2,284,076,596
City card loans	5,638,843,198	5,063,695,794
Small and medium enterprise loans	8,278,014,316	6,989,121,736
Transportation loans	1,088,105,786	1,104,431,991
Bai-muajjal, Bi Salam, Murabah	16,393,661,119	1,319,416,856
City Drive	205,949,837	187,461,090
City solution	5,126,391,210	5,623,459,368
City Express	2,890,959,802	2,391,660,708
City Gems	2,361,543	1,583,859
Loan against Payroll	313,224,214	-
Other loans and advances	2,305,386,723	2,541,829,718
	<b>138,229,433,769</b>	<b>111,607,480,204</b>
<b>Outside Bangladesh</b>		
	<b>138,229,433,769</b>	<b>111,607,480,204</b>

### 8.a.2 Bills purchased and discounted

	2015 Taka	2014 Taka
<b>Payable Inside Bangladesh</b>		
Inland bills purchased	1,314,998,334	2,177,599,432
<b>Payable Outside Bangladesh</b>		
Foreign bills purchased and discounted	3,543,069,178	2,835,521,452
	<b>4,858,067,512</b>	<b>5,013,120,884</b>

### 8.a.3 Performing loans and advances/investments

	2015 Taka	2014 Taka
Gross loans and advances/investments	143,087,501,281	116,620,601,088
Non-performing loans and advances/investments (note 8.a.3.1)	(10,844,779,615)	(6,858,621,133)
	<b>132,242,721,666</b>	<b>109,761,979,955</b>

### 8.a.3.1 Non-performing loans and advances/investments

	2015 Taka	2014 Taka
Opening balance	6,858,621,133	7,251,011,770
Addition during the year	12,537,741,311	9,238,105,116
Reduction during the year	(8,551,582,828)	(9,630,495,753)
Closing balance	<b>10,844,779,615</b>	<b>6,858,621,133</b>

### 8.a.4 Residual maturity grouping of loans and advances/investments including bills purchased and discounted

	2015 Taka	2014 Taka
Repayable on demand	6,604,302,693	9,184,811,007
Not more than 3 months	35,940,817,688	38,904,335,546
More than 3 months but not more than 1 year	52,109,182,564	30,213,091,997
More than 1 year but not more than 5 years	37,657,953,389	31,637,282,383
More than 5 years	10,775,244,947	6,681,080,155
	<b>143,087,501,281</b>	<b>116,620,601,088</b>

### 8.a.5 Lease finance/izara

	2015 Taka	2014 Taka
Lease rental receivable within 1 year	7,489,366	19,622,536
Lease rental receivable within 5 years	28,085,122	18,729,911
Lease rental receivable after 5 years	-	-
<b>Total lease/izara rental receivable</b>	<b>35,574,488</b>	<b>38,352,447</b>
Unearned interest receivable	(10,658,718)	(4,119,677)
<b>Net lease/izara finance</b>	<b>24,915,770</b>	<b>34,232,750</b>

### 8.a.6 Loans and advances/investments

	2015 Taka	2014 Taka
Loans	116,668,931,898	94,297,093,372
Cash credits	20,199,582,332	16,966,883,190
Overdrafts	1,360,919,539	343,503,642
	<b>138,229,433,769</b>	<b>111,607,480,204</b>
Bills purchased and discounted (note 8.a.2)	4,858,067,512	5,013,120,884
	<b>143,087,501,281</b>	<b>116,620,601,088</b>

### 8.a.7 Concentration of loans and advances/investments including bills purchased and discounted

	2015 Taka	2014 Taka
Advances to allied concerns of directors	403,711,997	154,050,923
Advances chief executive and other senior executives	107,742,707	100,299,825
Advances to customer groups	16,600,133,163	15,451,637,590
Industrial loans and advances/investments	116,335,261,179	92,137,654,756
Others loans and advances/investments	9,640,652,235	8,776,957,994
	<b>143,087,501,281</b>	<b>116,620,601,088</b>

### 8.a.8 Industry-wise loans and advances

	2015		2014	
	% of total loan	Taka	% of total loan	Taka
Agricultural industries	2.70%	3,870,179,388	3.63%	4,230,808,271
Large and medium industries	50.34%	72,032,516,242	43.12%	50,288,485,352
Small and cottage industries	1.51%	2,161,598,097	1.46%	1,699,016,394
Commerce and trade industries	17.05%	24,394,295,537	17.89%	20,864,870,569
Insurance, real estate and service industries	13.83%	19,789,268,122	17.01%	19,839,747,663
Transportation and communications industries	4.09%	5,845,195,781	4.53%	5,283,597,906
Others	10.48%	4,994,448,113	12.36%	14,414,074,633
	<b>100.00%</b>	<b>143,087,501,281</b>	<b>100.00%</b>	<b>116,620,601,088</b>

### 8.a.9 Geographical location-wise loans and advances

	2015		2014	
	% of total loan	Taka	% of total loan	Taka
<b>Inside Bangladesh</b>				
<b>Urban:</b>				
Dhaka	78.23%	111,933,960,904	73.84%	86,110,951,121
Chittagong	14.35%	20,539,323,241	17.64%	20,569,940,959
Sylhet	0.31%	445,122,374	0.33%	382,407,802
Rajshahi	2.29%	3,272,203,975	2.90%	3,377,326,998
Khulna	1.15%	1,644,340,873	1.10%	1,278,802,410
Rangpur	1.92%	2,746,695,477	1.49%	1,742,780,197
Barisal	0.18%	253,218,173	0.20%	229,589,149
	<b>98.43%</b>	<b>140,834,865,017</b>	<b>97.49%</b>	<b>113,691,798,636</b>
<b>Rural:</b>				
Dhaka	1.07%	1,528,674,869	1.52%	1,776,801,588
Chittagong	0.40%	576,528,120	0.66%	767,186,218
Sylhet	0.07%	93,633,118	0.29%	343,877,389
Rajshahi	0.04%	53,800,157	0.04%	40,937,257
	<b>1.57%</b>	<b>2,252,636,264</b>	<b>2.51%</b>	<b>2,928,802,452</b>
<b>Total inside Bangladesh</b>	<b>100.00%</b>	<b>143,087,501,281</b>	<b>100.00%</b>	<b>116,620,601,088</b>
<b>Outside Bangladesh</b>	-	-	-	-
<b>Grand total</b>	<b>100.00%</b>	<b>143,087,501,281</b>	<b>100.00%</b>	<b>116,620,601,088</b>

## 8.a.10 Sector-wise loans and advances

	2015		2014	
	% of total loan	Taka	% of total loan	Taka
Public sector	0.53%	763,107,491	0.58%	674,817,910
Private sector	99.47%	142,324,393,790	99.42%	115,945,783,178
	<b>100.00%</b>	<b>143,087,501,281</b>	<b>100.00%</b>	<b>116,620,601,088</b>

### 8.a.11 Securities against loans/investments including bills purchased and discounted

	2015 Taka	2014 Taka
Collateral of movable/immovable assets	110,848,705,130	86,770,777,057
Local banks and financial institutions guarantee	4,858,067,512	5,013,120,884
Foreign banks guarantee	-	-
Export documents	6,196,923,771	3,243,917,536
Fixed Deposit Receipts (FDR)	3,945,205,757	3,627,709,724
FDR of other banks	-	-
Government guarantee	763,107,491	674,817,910
Personal guarantee	7,394,795,908	10,112,936,097
Other securities	9,080,695,712	7,177,321,880
	<b>143,087,501,281</b>	<b>116,620,601,088</b>

### 8.a.12 Detail of large loan/investments

As at 31 December 2015 there were 33 (31 December 2014: 21) borrowers or group with whom amount of outstanding loans and advances/investments exceeded 10% of the total capital of the Bank. Total capital of the Bank was Taka 22,574,877 million as at 31 December 2015 (Taka 23,484,066 million as at 31 December 2014).

	2015 Taka	2014 Taka
Number of borrowers or groups	33	21
Amount of outstanding advances/investments (Taka)	45,611,119,680	30,260,106,011
Amount of classified advances/investments therein (Taka)	-	-

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

i) Loans/investments considered good in respect of which the Bank is fully secured	126,612,009,661	99,330,343,111
ii) Loans/investments considered good against which the Bank holds no security other than the debtors' personal guarantee	7,394,795,908	10,112,936,097
iii) Loans/investments considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	9,080,695,712	7,177,321,880
iv) Loans/investments adversely classified; provision not maintained there against	-	-
	<b>143,087,501,281</b>	<b>116,620,601,088</b>
v) Loans/investments due by directors or officers of the banking company or any of them either separately or jointly with any other persons	<b>3,247,082,277</b>	<b>2,438,127,519</b>
vi) Loans/investments due from companies or firms in which the directors of the Bank have interest as directors, partners or managing agents or in case of private companies as members	<b>401,348,333</b>	<b>151,742,223</b>
vii) Maximum total amount of advances/investments, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either separately or jointly with any other person.	<b>3,247,082,277</b>	<b>2,438,127,519</b>
viii) Maximum total amount of advances/investments, including temporary advances/investments granted during the year to the companies or firms in which the directors of the banking company have interest as directors, partners or managing agents or in the case of private companies, as members	-	-
ix) Due from other banking companies	-	-
x) Classified loans and advances/investments		
(a) Classified loans and advances/investments on which interest has not been charged	7,763,140,111	4,846,123,926
Increase of specific provision	1,655,036,143	(673,330,169)
Amount of loans written off	1,650,030,441	1,818,008,976
Amount realised against loans previously written off	451,753,183	151,243,705
(b) Provision on classified loans and advances/investments	4,626,939,779	2,971,903,636
(c) Provision kept against loans/investments classified as bad debts	3,866,367,069	2,434,523,177
(d) Interest credited to Interest Suspense Account	1,610,706,655	1,258,733,673
xi) Cumulative amount of written off loans/investments		
Opening balance	9,759,505,545	8,



# The City Bank Limited

Report and Financial Statements as at and for the year ended 31 December 2015

## 11.c Other assets - City Bank Capital Resources Limited

	2015 Taka	2014 Taka
Advances, deposits and prepayments	364,355	363,750
Advance income tax	14,467,355	7,655,745
Deferred tax assets	4,365,848	-
Stamps in hand	47,030	97,900
Account receivable	68,195,282	34,940,788
	<b>87,439,870</b>	<b>43,058,183</b>

## 11.d Other assets - CBL Money Transfer Sdn. Bhd.

	2015 Taka	2014 Taka
Advances, deposits and prepayments	<b>6,174,669</b>	<b>17,412,657</b>

## 12. Non - banking assets

	2015 Taka	2014 Taka
Income generating:		
Share	128,263,300	134,219,400
Non-income generating:		
Land	664,561,367	250,332,346
	<b>792,824,667</b>	<b>384,551,746</b>

The City Bank Limited has been awarded absolute ownership on 40 mortgage properties through verdict of honourable Court under section 33 (7) of Artha Rin Adalat Ain, 2003. The Bank also acquired some lien shares as settlement of loan. These have been recorded at Taka 792,824,667 as non-banking assets.

Name of Parties	Type of assets	Booking Date	2015 Taka	2014 Taka
M/S Overseas Liner Agency	953 decimal land	29/Dec/11	11,436,000	11,436,000
M/S Habib Bastra Bitan	16.50 decimal land	29/Dec/11	1,485,000	1,485,000
M/S Misti enterprise	19.50 decimal land	29/Dec/11	819,523	819,523
M/S World Resources Ltd	10 katha 1 chhattak land	29/Dec/11	69,466,379	69,466,379
M/S Chowdhury Electronics	2.7 decimal land	29/Dec/11	1,657,880	1,657,880
M/S Silva Synthetic Fabrics	475.50 decimal land	29/Dec/11 & 29/Dec/15	211,670,625	101,202,742
L.J.S Enterprise	181.96 decimal land	29/Dec/11	3,677,959	3,677,959
M/S Sikder Construction	14.96 decimal land	29/Dec/11	12,131,206	12,131,206
M/s. Nan Business Associates	5 decimal land & 1.518 sft floor	27/Dec/12	8,340,000	8,340,000
Mr. Sharifuzzaman (Nawab)	20.5 decimal land	27/Dec/12	2,950,867	2,950,867
M/s. Ananna Enterprise	17.32 decimal land	27/Dec/12	10,240,097	10,240,097
Shibpur Rice Mill	150.75 decimal land	27/Dec/12	1,829,498	1,829,498
Tajjel Store	5.90 decimal land	27/Dec/12	2,461,873	2,461,873
Rahman Traders	22.00 decimal land	27/Dec/12	1,171,273	1,171,273
M/s. Chand & Sons	6.60 decimal land	10/Oct/13	1,850,139	1,850,139
M/s. Ashraf Traders	12.25 decimal land	20/Oct/13	3,352,735	3,352,735
M/s. Rafique Repairing & Motor Machinery Parts Friends International	8 acre land	20/Oct/13	1,371,088	1,371,088
Lucky Trade Concern	225.35 decimal land	3/Mar/14	14,888,087	14,888,087
M/s Mostafa Store	7.89 decimal land	29/Jun/15	130,326,220	-
M/s General Services	2.7 decimal land	20/Dec/15	747,144	-
M/s Galeeb International	375.5 decimal land	20/Dec/15	1,905,964	-
M/s Balaka Industries	8.25 decimal land	22/Dec/15	3,507,045	-
Aiif Builders & Co.	7 katha land	22/Dec/15	6,390,367	-
M/s Dhaka Eylet & Bartack Center	4.51 decimal land	22/Dec/15	13,647,649	-
M/s Alamin Engineering	34 decimal land	23/Dec/15	4,710,476	-
M/s S S Poultry Feed	2.50 katha land and 8.25 decimal land	23/Dec/15	4,152,867	-
M/s Sathi Foods & Oil Industries	12.32 decimal land	23/Dec/15	10,683,879	-
M/s G T Corporation	1.75 katha land	24/Dec/15	658,713	-
M/s MIM Pictures International	51.5 decimal land	24/Dec/15	1,763,421	-
M/s Shaans Denim	1670 sft Flat	24/Dec/15	34,880,000	-
M/s Aparal King Limited	16.34 decimal land	24/Dec/15	7,189,924	-
M/s Suchi Enterprise	50.24 decimal land	24/Dec/15	3,602,354	-
M/s A B Traders	3.63 acre land	24/Dec/15	899,503	-
M/s The Media Advertising	17.50 decimal land and 5 katha land	24/Dec/15	1,627,948	-
M/s Mondira Medico	12.20 decimal land and 3 acre land	24/Dec/15	4,496,291	-
M/s. Nan Business Associates	256 decimal land	28/Dec/15	55,181,250	-
M/s Tajco Ltd	1.60 acre land	30/Dec/15	15,049,194	-
Abrar Steel Mills Ltd.	Prime Bank Ltd.'s share	15/Nov/12	99,550,000	107,800,000
Globe International	Bank Asia Ltd.' share	28/Dec/14	28,713,300	26,419,400
			<b>792,824,667</b>	<b>384,551,746</b>

## 13. Tier-II subordinated bond

In year 2014, the bank with prior consent of regulatory bodies, i.e. Bangladesh Securities and Exchange Commission and Bangladesh Bank, issue Tier-II Subordinated Bond to several banks and financial institutions. Issued bonds are 6 years unsecured instruments. Cap of interest on the issued bonds is 12.5% to 14.5%. Institution wise subscription towards the bonds are:

	2015 Taka	2014 Taka
Mercantile Bank Limited	783,000,000	783,000,000
BRAC Bank Limited	548,000,000	548,000,000
Meghna Bank Limited	313,000,000	313,000,000
NRB Bank Limited	313,000,000	313,000,000
IDLC Finance Limited	313,000,000	313,000,000
NRB Commercial Bank Limited	196,000,000	196,000,000
Pubali Bank Ltd.	196,000,000	196,000,000
Saudi-Bangladesh Industrial and Agricultural Investment Company Limited	180,000,000	180,000,000
Dhaka Bank Limited	79,000,000	79,000,000
United Finance limited	79,000,000	79,000,000
	<b>3,000,000,000</b>	<b>3,000,000,000</b>

## 14. Consolidated borrowings from other banks, financial institutions and agents

	2015 Taka	2014 Taka
The City Bank Limited (note 14.a)	22,079,989,593	16,943,904,708
City Brokerage Limited (note 14.b)	2,444,712,644	2,698,459,855
CBL Money Transfer Sdn. Bhd. (note 14.c)	111,578,739	39,215,899
	<b>24,636,280,976</b>	<b>19,681,580,462</b>
Mutual indebtedness:		
Loan from The City Bank Limited-City Brokerage Limited	2,444,712,644	(2,445,596,363)
Loan from The City Bank Limited-CBL Money Transfer Sdn. Bhd.	(111,578,739)	(39,215,899)
	<b>22,079,989,593</b>	<b>17,196,768,200</b>

## 14.a Borrowings from other banks, financial institutions and agents

	2015 Taka	2014 Taka
In Bangladesh (note 14.a.1)	18,620,517,535	12,656,687,708
Outside Bangladesh (note 14.a.2)	3,459,472,058	4,287,217,000
	<b>22,079,989,593</b>	<b>16,943,904,708</b>

## 14.a.1 In Bangladesh

	2015 Taka	2014 Taka
Dhaka Bank Limited	785,003,000	-
United Commercial Bank Limited	-	300,000,000
Rupali Bank Limited	2,400,000,000	1,750,000,000
Sonali Bank Limited	-	3,000,000,000
State Bank of India	370,000,000	150,000,000
BASIC Bank	250,000,000	1,000,000,000
Dutch-Bangla Bank Limited	-	500,000,000
Janata Bank Limited	-	900,000,000
Agrani Bank Limited	-	1,000,000,000
One Bank Limited	1,000,000,000	-
Mutual Trust Bank Limited	210,000,000	-
Jamuna Bank Limited	10,000,000	-
Bank Asia Limited	550,000,000	-
Midland Bank Limited	80,000,000	-
Commercial Bank of Ceylon	290,000,000	-
PLC	-	497,960,000
Support Refinance against EDF loan from Bangladesh Bank	5,434,689,117	3,254,293,037
Refinance against SME loan from Bangladesh Bank	240,825,418	304,434,671
Borrowings from Bangladesh Bank	7,000,000,000	-
	<b>18,620,517,535</b>	<b>12,656,687,708</b>

## 14.a.2 Outside Bangladesh

	2015 Taka	2014 Taka
International Finance Corporation	785,003,000	1,948,735,000
Nederlandsche Financierings-Maatschappij Voor Ontwikkelingslanden N.V (FMO)	785,003,000	1,169,241,000
Global Climate Partnership Fund S.A.Sicav-Sif (GCPF)	1,177,504,500	1,169,241,000
Mashreq Bank NY	601,944,920	-
United Bank of UAE	110,016,638	-
	<b>3,459,472,058</b>	<b>4,287,217,000</b>

## 14.a.3 Borrowings secured/unsecured from other banks, financial institutions and agents

	2015 Taka	2014 Taka
Secured	-	497,960,000
Unsecured	22,079,989,593	16,445,944,708
	<b>22,079,989,593</b>	<b>16,943,904,708</b>

## 14.a.4 Maturity grouping of borrowings from other banks, financial institutions and agents

	2015 Taka	2014 Taka
Payable on demand	5,190,325,171	8,618,520,723
Up to 1 month	1,409,678,075	555,364,919
Over 1 month but within 3 months	5,766,939,963	1,342,596,639
Over 3 months but within 1 year	7,636,482,405	3,837,116,720
Over 1 year but within 5 years	899,059,479	1,421,064,707
Over 5 years	1,177,504,500	1,169,241,000
	<b>22,079,989,593</b>	<b>16,943,904,708</b>

14.b City Brokerage Limited has taken overdraft loans from Mutual Trust Bank Limited and The City Bank Limited for extending margin financing and pre-funding support for foreign trade of foreign clients at the rate of 15.00% and 10.50% respectively subject to revisions by the banks' management from time to time.

14.c CBL Money Transfer Sdn Bhd. has taken overdraft facility from The City Bank Ltd. For pre-funding support for remitting foreign currency from Malaysia @ 4.00%

## 15. Consolidated deposits and other accounts

	2015 Taka	2014 Taka
The City Bank Limited (note 15.a)	143,728,733,410	118,726,515,538
City Brokerage Limited	206,897,810	350,722,128
City Bank Capital Resources Limited	40,997,916	22,155,143
CBL Money Transfer Sdn. Bhd.	711,548	1,010,808
Inter-company indebtedness (note 15.b)	(571,841,376)	(650,910,560)
Adjustments for Consolidation - City Brokerage Limited	-	(6,660,323)
Adjustments for Consolidation - City Bank Capital Resources Limited	-	(851,621)
	<b>143,405,499,308</b>	<b>118,441,981,113</b>

## 15.a Deposits and other accounts - The City Bank Limited

	2015 Taka	2014 Taka
Local bank deposits (note 15.a.1)	4,876,289,356	8,128,128,416
Customer and other deposits	138,852,444,054	110,598,387,122
	<b>143,728,733,410</b>	<b>118,726,515,538</b>

## 15.a.1 Local bank deposits

Name of Bank	2015				
	CD Taka	SND Taka	FDR Taka	Mudaraba savings deposit Taka	Total Taka
Trust Bank Limited	-	155,472,412	300,000,000	-	455,472,412
Dutch-Bangla Bank Limited	-	114,329	-	-	114,329
Prime Bank Limited	271,444	-	-	-	271,444
Islami Bank Bangladesh Limited	-	-	-	1,262,891,877	1,262,891,877
Sonali Bank Ltd.	-	-	-	-	-
Southeast Bank Limited	-	1,350,257	-	-	1,350,257
Al Arafah Islami Bank Limited	-	-	-	27,675,852	27,675,852
Jamuna Bank Limited	-	-	-	267,068	267,068
Bangladesh Krishi Bank	1,176	-	-	-	1,176
Bank Asia Limited	-	211,410	-	-	211,410
Pubali Bank Limited	-	835,560	-	-	835,560
BRAC Bank Limited	-	3,141,200	-	-	3,141,200
Social Islami Bank Limited	-	-	-	11,971	11,971
Export Import Bank of Bangladesh Ltd.	-	-	1,000,000	2,012,353,002	3,012,353,002
AB Bank Limited	-	88,605	-	-	88,605
Eastern Bank Limited	-	315,617	-	-	315,617
Standard Bank Limited	-	79,786	-	-	79,786
Shahjalal Islami Bank Limited	-	-	-	1,148,149	1,148,149
IFIC Bank Limited	-	-	-	-	-
Modhumoti Bank Limited	-	104,460,178	-	-	104,460,178
NRB Bank Limited	-	2,001,626	-	-	2,001,626
The Farmers Bank Limited	-	3,597,837	-	-	3,597,837
	<b>272,620</b>	<b>271,668,817</b>	<b>1,300,000,000</b>	<b>3,304,347,920</b>	<b>4,876,289,356</b>

## 15.a.2 Deposits and other accounts

	2015 Taka	2014 Taka
Current deposits and other accounts		
Current, Al-wadeeah, and Manarah current deposits	12,975,704,505	9,770,145,337
Foreign currency deposits	1,252,189,024	1,428,590,333
Security deposits receipts	3,860,158	3,882,658
Sundry deposits (note 15.a.3)	6,340,411,149	3,270,763,698
	<b>20,572,164,836</b>	<b>14,473,382,026</b>

## Bills payable

	2015 Taka	2014 Taka
Pay orders issued	1,961,706,177	896,728,084
Pay slips issued	4,365,596	4,399,837
Demand draft	10,373,283	10,554,583
	<b>1,976,445,056</b>	<b>911,682,504</b>

## Savings bank deposits (note 15.a.4)

	2015 Taka	2014 Taka
	<b>31,213,313,434</b>	<b>22,987,673,384</b>

## Fixed deposits

	2015 Taka	2014 Taka
Fixed deposits, Mudaraba, and Manarah fixed deposits	74,730,509,524	69,797,456,591
Short notice deposits, Mudaraba, and Manarah short notice deposits	10,108,768,378	6,578,834,618
Non resident deposits	307,068,139	47,156,073

16.c	Other liabilities - City Bank Capital Resources Limited	2015 Taka	2014 Taka
	Payable to The City Bank Limited	55,879,532	18,491,674
	Payable to City Brokerage Limited	8,226,727	8,797,878
	VAT and TDS Payable	2,433,684	1,396,039
	Accrued expenses	646,163	110,719
	Other payables	6,231,615	5,730,836
	Provision for diminution in value of investment	43,658,476	21,452,478
	Provision for taxation	23,485,942	18,206,886
		<b>140,562,139</b>	<b>74,186,510</b>

16.d	Other liabilities - CBL Money Transfer Sdn. Bhd.	2015 Taka	2014 Taka
	Settlement Obligation	42,588,250	21,487,465
	Accrued expenses	508,353	1,671,765
	Others payable	2,564,270	5,868,407
		<b>45,660,873</b>	<b>29,027,637</b>

17.	Share capital	2015 Taka	2014 Taka
17.1	<b>Authorised:</b>		
	1,500,000,000 ordinary shares of Taka 10.00 each	<b>15,000,000,000</b>	<b>10,000,000,000</b>

17.2	Issued, subscribed and fully paid up:	No. of shares	2015 Taka	2014 Taka
	Ordinary shares of Taka 10.00 each issued for cash	240,463,470	2,404,634,700	2,404,634,700
	Ordinary shares of Taka 10.00 each issued as bonus shares: up to 31 December 2014	593,629,893	5,936,298,930	5,936,298,930
	from 1 January - 31 December 2015	41,704,668	417,046,680	-
		<b>875,798,031</b>	<b>8,757,980,310</b>	<b>8,340,933,630</b>

The Bank offered 1:1 right share during the year 2010 and on the record date the outstanding number of shares was 19,639,125 as the bonus for 2009 was credited before the record date for right share. During the course of right exercise the honourable High Court issued an injunction order against 392,778 shares. The verdict of the Court was to restrain exercise of right shares against the said 392,778 shares and also asked to maintain provision for future dividend, which may be declared on the aforementioned shares. Accordingly, the Bank maintained a reserve of Taka 49,185,729 till 31 December 2015 for subsequent declared stock dividend for the prejudice shares, which is shown under surplus in profit and loss account.

17.3	History of issued, subscribed and fully paid up capital:	Accounting year	Declaration	No. of share	Value of capital	Cumulative
		1983	Opening capital	3,400,000	34,000,000	34,000,000
		1985	Further subscription	1,000,000	10,000,000	44,000,000
		1987	Initial public offer	3,600,000	36,000,000	80,000,000
		1990	1:1 Right issue	8,000,000	80,000,000	160,000,000
		2002	1:2 Right issue	8,000,000	80,000,000	240,000,000
		2004	1:1 Right issue	24,000,000	240,000,000	480,000,000
		2005	50% stock dividend	24,000,000	240,000,000	720,000,000
		2006	50% stock dividend	36,000,000	360,000,000	1,080,000,000
		2007	10% stock dividend	10,800,000	108,000,000	1,188,000,000
		2008	15% stock dividend	17,200,000	172,000,000	1,360,000,000
		2009	15% stock dividend	20,493,000	204,930,000	1,571,130,000
		2010	25% stock dividend	39,278,250	392,782,500	1,963,912,500
		2010	1:1 Right issue	192,463,470	1,924,634,700	3,888,547,200
		2011	30% stock dividend	116,656,410	1,166,564,100	5,055,111,300
		2012	25% stock dividend	126,377,782	1,263,777,820	6,318,889,120
		2013	10% stock dividend	63,188,891	631,888,910	6,950,778,030
		2014	20% stock dividend	139,015,560	1,390,155,600	8,340,933,630
		2015	5% stock dividend	41,704,668	417,046,680	8,757,980,310
				<b>875,798,031</b>	<b>8,757,980,310</b>	

Although face value of paid up capital was split into Taka 10 from Taka 100 during the year 2011, we considered face value of share @ Taka 10 from the inception of the bank for this statement.

17.3.a	Percentage of shareholdings at the closing date	Particulars	2015 Taka	2015 Percentage (%)	2014 Taka	2014 Percentage (%)
		Sponsors and general public	6,689,912,900	76.39%	6,514,060,940	78.10%
		Financial institutions	2,068,067,410	23.61%	1,826,872,690	21.90%
			<b>8,757,980,310</b>	<b>100.00%</b>	<b>8,340,933,630</b>	<b>100.00%</b>

17.4	Classification of shareholders by holding	2015	2014		
		Number of share holders	Number of share holders		
		No. of Shares	% of total holding		
		01 - 500 shares	33,375	4,452,945	0.51%
		501 - 5,000 shares	18,440	31,681,220	3.62%
		5,001 - 10,000 shares	2,222	15,756,706	1.80%
		10,001 - 20,000 shares	1,188	16,332,084	1.86%
		20,001 - 30,000 shares	388	9,405,177	1.07%
		30,001 - 40,000 shares	151	5,189,902	0.59%
		40,001 - 50,000 shares	118	5,427,240	0.62%
		50,001 - 100,000 shares	224	15,925,546	1.82%
		100,001 - 1,000,000 shares	249	77,343,836	8.83%
		Over 1,000,000 shares	115	694,283,375	79.27%
			<b>56,470</b>	<b>875,798,031</b>	<b>100.00%</b>
			<b>71,874</b>	<b>8,757,980,310</b>	<b>100.00%</b>

As per Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III), all scheduled banks are required to calculate Capital Adequacy Ratio based on 'Solo' basis as well as on 'Consolidated' basis. Capital Adequacy Ratio is calculated in accordance with the phase-in arrangements for Basel III implementation in 2015 and in accordance with Basel II in 2014. All amounts are stated in Taka crores except for those, if any, stated otherwise.

17.5	Consolidated Capital Adequacy Ratio	2015 Taka in crore	2014 Taka in crore
	<b>Common Equity Tier 1 Capital (CET1)</b>		
	Paid up capital	875.80	834.09
	Non-repayable share premium account	66.09	108.21
	Statutory reserve	500.28	410.39
	General reserve	1.14	1.14
	Retained earnings (note 21)	215.97	80.18
	Dividend equalization reserve	-	-
	Minority interest in subsidiaries	0.25	0.30
		<b>1,659.53</b>	<b>1,434.32</b>
	<b>Regulatory Adjustments / Deductions from CET1</b>		
	Deferred tax assets	(68.83)	-
	20% of Excess Investment in equity of other banks, FI and Ins. Co.	(66.83)	-
	Book value of goodwill and value of any contingent assets which are shown as assets	(0.86)	(1.04)
		<b>1,523.01</b>	<b>1,433.28</b>
	<b>Tier 2 Capital</b>		
	Tier-II subordinated bond	300.00	300.00
	General provision (note 17.5.2)	163.94	245.03
	Assets revaluation reserve (up to 50%)	235.57	235.57
	Revaluation reserve for equity instruments (up to 10%)	28.27	28.27
	Revaluation reserve for HTM securities (up to 50%)	1.10	1.10
	Revaluation reserve for HFT (up to 50%)	20.33	20.33
		<b>749.21</b>	<b>830.30</b>
	<b>Regulatory Adjustments / Deductions from Tier 2 capital</b>		
	20% of Tier-II subordinated bond	(60.00)	-
	20% of revaluation reserve for fixed assets and securities	(57.05)	-
		<b>632.16</b>	<b>830.30</b>
	<b>Total capital</b>	<b>2,155.17</b>	<b>2,263.57</b>
	<b>Total assets</b>	<b>21,420.54</b>	<b>17,692.51</b>
	<b>Total risk weighted assets (note 17.5.1)</b>	<b>16,058.15</b>	<b>15,214.36</b>
	<b>Required capital (10% of risk weighted assets)</b>	<b>1,605.82</b>	<b>1,521.44</b>
	<b>Surplus</b>	<b>549.35</b>	<b>742.14</b>
	<b>Total Capital Ratio</b>	<b>13.42%</b>	<b>14.88%</b>
	<b>T-1 Capital Ratio</b>	<b>9.48%</b>	<b>9.43%</b>
	<b>Leverage Ratio</b>	<b>6.64%</b>	<b>7.96%</b>
	<b>Liquidity Coverage Ratio</b>	<b>163.34%</b>	<b>135.84%</b>
	<b>Net Stable Funding Ratio</b>	<b>100.99%</b>	<b>152.59%</b>

17.5.1	Risk weighted assets	2015 Taka in crore	2014 Taka in crore
	<b>A. Credit Risk</b>		
	On-Balance sheet	11,574.70	9,907.57
	Off-Balance sheet	1,540.60	2,314.86
		<b>13,115.30</b>	<b>12,222.43</b>
	<b>B. Market Risk</b>	<b>1,300.14</b>	<b>1,548.09</b>
	<b>C. Operational Risk</b>	<b>1,642.71</b>	<b>1,443.84</b>
	<b>Total risk weighted assets (A+B+C)</b>	<b>16,058.15</b>	<b>15,214.36</b>

17.5.2	General provision maintained against unclassified loan/investments & outstanding off-balance sheet exposures	2015 Taka in crore	2014 Taka in crore
	General provision maintained against unclassified loan/investments (note 16.a.1)	161.20	195.97
	General provision maintained against outstanding off balance sheet exposures (note 16.a.2)	51.16	49.06
		<b>212.36</b>	<b>245.03</b>

1.25% of Risk weighted assets for credit risk*	2015 Taka in crore	2014 Taka in crore
	<b>163.94</b>	<b>152.78</b>

\*In accordance with Basel III, general provisions/general loan-loss reserve eligible for inclusion in Tier 2 is limited to a maximum 1.25% of credit risk weighted assets.

17.5.a	Capital Adequacy Ratio - The City Bank Limited	2015 Taka in crore	2014 Taka in crore
	<b>Common Equity Tier 1 Capital (CET1)</b>		
	Paid up capital	875.80	834.09
	Non-repayable share premium account	66.09	108.21
	Statutory reserve	500.28	410.39
	General reserve	1.14	1.14
	Dividend equalization reserve	-	-
	Retained earnings (note 21.a)	308.77	164.61
		<b>1,752.08</b>	<b>1,518.44</b>
	<b>Regulatory Adjustments / Deductions from CET1</b>		
	Deferred tax assets	(68.42)	-
	20% of Excess Investment in equity of other banks, FI and Ins. Co.	(60.51)	-
		<b>1,623.15</b>	<b>1,518.44</b>

17.5.a.1	Risk weighted assets	2015 Taka in crore	2014 Taka in crore
	<b>Tier 2 Capital</b>		
	Tier-II subordinated bond	300.00	300.00
	General provision (note 17.5.a.2)	166.39	245.03
	Assets revaluation reserve (up to 50%)	235.57	235.57
	Revaluation reserve for equity instruments (up to 10%)	27.93	27.93
	Revaluation reserve for HTM securities (up to 50%)	1.10	1.10
	Revaluation reserve for HFT (up to 50%)	20.33	20.33
		<b>751.32</b>	<b>829.96</b>

17.5.a.1	Regulatory Adjustments / Deductions from Tier 2 capital	2015 Taka in crore	2014 Taka in crore
	20% of Tier-II subordinated bond	(60.00)	-
	20% of revaluation reserve for fixed assets and securities	(56.99)	-
		<b>634.34</b>	<b>829.96</b>
	<b>Total capital</b>	<b>2,257.49</b>	<b>2,348.41</b>

17.5.a.1	Total assets	2015 Taka in crore	2014 Taka in crore
	<b>Total assets</b>	<b>21,484.04</b>	<b>17,722.75</b>
	<b>Total risk weighted assets (note 17.5.a.1)</b>	<b>16,094.99</b>	<b>15,229.15</b>
	<b>Required capital (10% of risk weighted assets)</b>	<b>1,609.50</b>	<b>1,522.92</b>
	<b>Surplus</b>	<b>647.99</b>	<b>825.49</b>

17.5.a.1	Total Capital Ratio	2015	2014
	<b>T-1 Capital Ratio</b>	<b>10.08%</b>	<b>9.97%</b>
	<b>Leverage Ratio</b>	<b>7.06%</b>	<b>8.40%</b>
	<b>Liquidity Coverage Ratio</b>	<b>161.34%</b>	<b>135.88%</b>
	<b>Net Stable Funding Ratio</b>	<b>100.15%</b>	<b>150.82%</b>

17.5.a.1	Credit Risk	2015 Taka in crore	2014 Taka in crore
	<b>A. Credit Risk</b>		
	On-Balance sheet	11,770.23	10,098.75
	Off-Balance sheet	1,540.60	2,314.86
		<b>13,310.83</b>	<b>12,413.61</b>
	<b>B. Market Risk</b>	<b>1,165.51</b>	<b>1,388.44</b>
	<b>C. Operational Risk</b>	<b>1,618.65</b>	<b>1,427.10</b>
	<b>Total Risk weighted assets (A+B+C)</b>	<b>16,094.99</b>	<b>15,229.15</b>

17.5.a.2	General provision maintained against unclassified loan/investments & outstanding off balance sheet exposures	2015 Taka in crore	2014 Taka in crore
	General provision maintained against unclassified loan/investments (note 16.a.1)	161.20	195.97
	General provision maintained against outstanding off balance sheet exposures (note 16.a.2)	51.16	49.06
		<b>212.36</b>	<b>245.03</b>

17.5.a.2	1.25% of Risk weighted assets for credit risk	2015 Taka in crore	2014 Taka in crore
		<b>166.39</b>	<b>155.17</b>

Eligible amount of general provision

18.	Statutory reserve	2015 Taka	2014 Taka
	Opening balance	4,103,894,030	3,384,692,023
	Addition during the year (20% of pre-tax profit)	898,922,614	719,202,007
	Closing balance	<b>5,002,816,644</b>	<b>4,103,894,030</b>

19.	Share premium	2015 Taka	2014 Taka
	Opening balance	1,082,116,244	1,924,634,700
	Adjustment for issuance of stock dividend	(421,259,231)	(842,518,456)
	Closing balance	<b>660,857,013</b>	<b>1,082,116,244</b>

Share premium was received against issue of 19,246,347 right shares during the year 2010.

20.	Consolidated other reserve	2015 Taka	2014 Taka
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# The City Bank Limited

Report and Financial Statements as at and for the year ended 31 December 2015

28. Consolidated commission, exchange and brokerage	2015 Taka	2014 Taka
The City Bank Limited (note 28.a)	1,884,279,518	1,769,286,398
City Brokerage Limited	175,169,749	176,176,307
City Bank Capital Resources Ltd	38,455,879	13,848,302
CBL Money Transfer Sdn. Bhd.	53,531,796	15,556,241
	<u>2,151,436,942</u>	<u>1,974,867,238</u>
Inter-company transactions	(8,500,000)	(6,053,435)
City Bank Capital Resources Limited with The City Bank Limited	(285,275)	-
City Bank Limited with CBL Money Transfer Sdn. Bhd.	<u>2,142,651,667</u>	<u>1,968,813,803</u>
<b>28.a Commission, exchange and brokerage - The City Bank Limited</b>		
Letters of credit	229,563,471	224,202,119
Letters of guarantee	85,294,497	92,913,745
Export bills	31,064,501	23,815,108
Bills purchased	46,783	160,694
Accepted bills	168,227,965	203,560,306
OBC, IBC etc.	458,681	442,498
PO, DD, TT, TC, etc.	916,737	1,274,430
NRB operation	15,991,771	16,251,605
Other fees and charges (note 28.a.1)	555,506,731	544,389,975
Other commissions	20,000,482	8,391,350
	<u>1,107,071,619</u>	<u>1,115,401,830</u>
Exchange gain including gain from foreign currency dealings (note 28.a.2)	777,207,899	653,884,558
	<u>1,884,279,518</u>	<u>1,769,286,388</u>
<b>28.a.1 Other fees and charges</b>		
Service and other charges	529,649,212	466,802,042
Structured finance fee	22,937,723	70,809,589
Commitment fee	2,919,796	6,778,344
	<u>555,506,731</u>	<u>544,389,975</u>
<b>28.a.2 Net exchange gain</b>		
Exchange gain	779,553,511	657,021,587
Exchange loss	(2,345,612)	(3,137,029)
	<u>777,207,899</u>	<u>653,884,558</u>
<b>29. Consolidated other operating income</b>		
The City Bank Limited (note 29.a)	1,003,435,729	857,064,973
City Brokerage Limited	1,295,252	12,022,816
City Bank Capital Resources Ltd	4,070,935	29,591
CBL Money Transfer Sdn. Bhd.	2,712,403	2,296,239
	<u>1,011,514,319</u>	<u>871,413,619</u>
<b>29.a Other operating income - The City Bank Limited</b>		
Rental income	39,946	76,250
Swift recoveries	32,491,240	27,476,907
Profit from sale of fixed assets	-	478,551
Credit card income (note 29.a.1)	876,421,198	739,227,787
Rebate received from foreign banks	59,241,686	33,706,262
Others	35,241,659	56,099,216
	<u>1,003,435,729</u>	<u>857,064,973</u>
<b>29.a.1 Credit card income</b>		
Card issue fees	210,967,079	143,924,939
Late payment fees	116,244,452	101,804,872
Merchant commission	430,853,097	382,353,152
Interchange fees	40,950,947	31,929,023
Mark-up, excess limit, cash advance fees etc.	77,405,623	79,215,801
	<u>876,421,198</u>	<u>739,227,787</u>
<b>30. Consolidated salaries and allowances</b>		
The City Bank Limited	3,166,373,641	2,846,791,183
City Brokerage Limited	47,771,531	44,154,724
City Bank Capital Resources Limited	31,418,196	23,681,576
CBL Money Transfer Sdn. Bhd.	24,273,817	22,200,508
	<u>3,269,837,185</u>	<u>2,936,827,991</u>
<b>31. Consolidated rent, taxes, insurance, electricity etc.</b>		
The City Bank Limited (note 31.a)	674,541,834	601,600,416
City Brokerage Limited (note 31.b)	29,956,598	35,897,651
City Bank Capital Resources Limited	4,774,062	3,025,114
CBL Money Transfer Sdn. Bhd.	16,359,076	7,680,901
	<u>725,631,570</u>	<u>648,204,082</u>
<b>31.a Rent, taxes, insurance, electricity etc. - The City Bank Limited</b>		
Rent	367,951,062	351,552,180
Rates and taxes	46,230,823	34,504,802
Insurance	136,573,247	118,071,974
Power and electricity	123,786,702	97,471,460
	<u>674,541,834</u>	<u>601,600,416</u>
<b>31.b Rent, taxes, insurance, electricity etc. - City Brokerage Limited</b>		
Rent	13,164,712	14,433,541
Rates and taxes	12,262,172	19,151,633
Insurance	319,345	228,300
Power and electricity	4,210,369	2,084,177
	<u>29,956,598</u>	<u>35,897,651</u>
<b>32. Consolidated legal expenses</b>		
The City Bank Limited (note 32.a)	25,639,943	24,576,045
City Brokerage Limited	680,100	1,067,500
City Bank Capital Resources Limited	447,155	317,300
	<u>26,747,198</u>	<u>25,960,845</u>
<b>32.a Legal expenses - The City Bank Limited</b>		
Legal expenses	25,312,011	24,336,366
Others	327,932	239,679
	<u>25,639,943</u>	<u>24,576,045</u>
<b>33. Consolidated postage, stamps, telecommunication etc.</b>		
The City Bank Limited (note 33.a)	70,980,951	80,017,694
City Brokerage Limited (note 33.b)	3,473,222	3,803,895
City Bank Capital Resources Limited	611,353	534,481
CBL Money Transfer Sdn. Bhd.	1,536,293	1,334,952
	<u>76,601,819</u>	<u>85,691,022</u>
<b>33.a Postage, stamps, telecommunication etc. - The City Bank Limited</b>		
Postage/courier service	19,131,749	24,562,871
Telegram, telex, fax & swift charge	2,251,169	13,359,032
Telephone - office	42,663,613	35,915,405
Telephone - residence	6,934,420	6,180,386
	<u>70,980,951</u>	<u>80,017,694</u>
<b>33.b Postage, stamps, telecommunication etc. - City Brokerage Limited</b>		
Postage	11,268	44,042
Telegram, telex, fax and e-mail	2,766,805	3,050,981
Telephone bill	695,149	708,872
	<u>3,473,222</u>	<u>3,803,895</u>
<b>34. Consolidated stationary, printing and advertisements etc.</b>		
The City Bank Limited (note 34.a)	183,857,261	201,469,360
City Brokerage Limited	1,753,434	1,472,383
City Bank Capital Resources Limited	1,039,777	972,526
CBL Money Transfer Sdn. Bhd.	1,202,184	1,751,366
	<u>187,852,656</u>	<u>205,665,635</u>
<b>34.a Stationery, printing and advertisements etc. - The City Bank Limited</b>		
Office and security stationery (note 34.a.1)	93,912,750	65,669,466
Computer consumable stationery	22,059,171	26,766,556
Publicity and advertisement (note 34.a.2)	67,885,340	109,033,338
	<u>183,857,261</u>	<u>201,469,360</u>
<b>34.a.1 Office and security stationery</b>		
Office stationery	65,840,844	45,391,559
Security stationery	28,071,906	20,277,907
	<u>93,912,750</u>	<u>65,669,466</u>
<b>34.a.2 Publicity and advertisement</b>		
Advertisement Sponsorship-Magazine	22,021,701	46,330,171
Advertisement Sponsorship-Others	9,743,864	29,003,253
Advertisement-Television and radio	20,166,925	11,384,057
Advertisement-Miscellaneous	15,952,850	22,315,857
	<u>67,885,340</u>	<u>109,033,338</u>
<b>35. Chief Executive's salary and fees</b>		
Basic salary	7,928,750	7,200,000
Festival bonus and other allowances	8,482,675	7,846,921
	<u>16,409,425</u>	<u>15,046,921</u>
<b>36. Consolidated Directors' fees</b>		
The City Bank Limited (note 36.a)	1,244,000	1,145,000
City Brokerage Limited	80,000	140,000
City Bank Capital Resources Limited	153,969	161,000
CBL Money Transfer Sdn. Bhd.	-	47,314
	<u>1,477,969</u>	<u>1,493,314</u>

36.a Directors' fees - The City Bank Limited	2015 Taka	2014 Taka
Meeting fees	1,244,000	1,145,000
As per BRPD Circular No. 3, dated 18 January 2010, each director was entitled to have Taka 5,000 as honorarium for attending each meeting till 3 October 2015. After issuing Bangladesh Bank's Circular, BRPD Circular No. 11, dated 4 October 2015, directors' entitlement as honorarium for attending each meeting was revised to Taka 8,000.		
<b>37. Consolidated depreciation and repair</b>		
The City Bank Limited (note 37.a)	751,381,043	655,357,809
City Brokerage Limited (note 37.b)	9,975,950	11,197,329
City Bank Capital Resources Limited (note 37.c)	3,324,043	3,009,326
CBL Money Transfer Sdn. Bhd.	3,211,776	2,408,966
	<u>767,892,812</u>	<u>671,973,530</u>
<b>37.a Depreciation and repair of bank's assets - The City Bank Limited</b>		
Depreciation	459,605,305	386,436,430
<b>Repairs and maintenance:</b>		
Premises	19,469,773	17,663,904
Furniture and fixtures	2,866,288	2,829,507
Office equipment-IT Support	62,846,064	54,146,364
Vehicle	201,437,668	184,400,176
Others	5,155,945	9,881,428
	<u>291,775,738</u>	<u>268,921,379</u>
See Annexure D for details of depreciation.	<u>761,381,043</u>	<u>655,357,809</u>
<b>37.b Depreciation and repair - City Brokerage Limited</b>		
<b>Depreciation:</b>		
Furniture and fixtures	2,404,668	2,056,562
Office equipment	3,606,080	5,295,428
Vehicle	957,895	957,895
Software	264,096	145,140
	<u>7,232,739</u>	<u>8,455,025</u>
<b>Repairs and maintenance:</b>		
Furniture and fixtures/office equipment	2,643,090	2,458,610
Vehicle	100,121	283,694
	<u>2,743,211</u>	<u>2,742,304</u>
	<u>9,975,950</u>	<u>11,197,329</u>
<b>37.c Depreciation and repair - City Bank Capital Resources Limited</b>		
<b>Depreciation:</b>		
Furniture and fixtures	629,097	146,856
Office equipment	282,837	463,247
Vehicle	1,046,102	917,880
Software	328,460	328,464
	<u>2,286,496</u>	<u>1,856,447</u>
<b>Repairs and maintenance:</b>		
Furniture and fixtures/office equipment	769,602	67,200
Vehicle	267,945	1,085,679
	<u>1,037,547</u>	<u>1,152,879</u>
	<u>3,324,043</u>	<u>3,009,326</u>
<b>38. Consolidated other expenses</b>		
The City Bank Limited (note 38.a)	1,219,574,521	975,630,311
City Brokerage Limited	15,299,735	12,003,335
City Bank Capital Resources Limited	3,025,194	3,543,689
CBL Money Transfer Sdn. Bhd.	6,049,768	2,050,346
	<u>1,243,949,218</u>	<u>993,227,681</u>
<b>38.a Other expenses - The City Bank Limited</b>		
Entertainment	13,795,529	11,715,159
Books, magazines and newspapers etc.	1,194,766	977,752
Medical	573,929	5,455,202
Cash carrying charges	18,480,205	11,313,521
Subscription to institutions	8,028,032	6,203,547
Donations	30,996,495	31,287,844
Professional fees	9,274,882	16,802,075
Travelling expenditure and conveyance - Staff	38,138,358	35,703,602
Business Expansion Cost	261,073,543	152,387,630
Annual general meeting	5,919,237	22,117,779
Guard Salary	110,905,555	89,233,947
Security expenses	26,030,522	22,308,487
Business Process Outsourcing-Online	46,344,266	37,515,995
Vehicle rental expenditure	15,477,000	11,393,250
Staff activities and welfare	13,569,136	6,723,450
Washing and cleaning	25,788,334	21,878,412
Credit card (note 38.a.1)	308,440,130	293,171,720
IT Support & Software maintenance	83,581,910	61,244,822
Royalty adjustment	37,827,420	37,827,412
CIB Charges	794,930	1,014,060
Remittance charges	247,931	324,799
Fuel	21,348,043	22,590,931
Others (note 38.a.2)	141,744,368	74,439,815
	<u>1,219,574,521</u>	<u>975,630,311</u>
<b>38.a.1 Credit card expenses</b>		
Card processing and personalisation	28,811,628	37,777,041
VISA international expenses	65,518,063	55,130,357
ATM expenditure - IT support	4,697,288	27,145,824
Other expenditure - cards	209,413,151	173,118,498
	<u>308,440,130</u>	<u>293,171,720</u>
<b>38.a.2 Others include NRB bank charges and fraud forgeries etc.</b>		
<b>39. Consolidated provision for loans and advances/investments</b>		
The City Bank Limited (note 39.a)	2,147,500,000	1,540,000,000
City Brokerage Limited	769,292	164,589,739
	<u>2,148,269,292</u>	<u>1,704,589,739</u>
<b>39.a Provision for loans and advances/investments - The City Bank Limited</b>		
Provision for classified loans and advances/investments	2,147,500,000	780,298,403
Provision for unclassified loans and advances/investments	-	759,701,597
	<u>2,147,500,000</u>	<u>1,540,000,000</u>
<b>40. Consolidated provision for taxation</b>		
Current tax:		
The City Bank Limited (note 40.a)	1,588,720,538	1,531,252,396
City Brokerage Limited	33,742,657	35,906,835
City Bank Capital Resources Limited	23,542,779	18,206,886
	<u>1,646,005,974</u>	<u>1,585,366,117</u>
Deferred tax:		
The City Bank Limited (note 40.a)	(672,989,539)	(150,182,944)
City Bank Capital Resources Limited	(4,365,848)	-
	<u>(677,355,387)</u>	<u>(150,182,944)</u>
<b>Income tax on profit</b>	<u>968,650,587</u>	<u>1,435,183,173</u>
<b>40.a Provision for Taxation - The City Bank Limited</b>		
<b>Current tax:</b>		
Provision for income tax has been made according to Income Tax Ordinance, 1984. During the year, an amount of Taka 1,588,720,538 for prior year (2014: Taka 1,531,252,396) has been kept as provision for income tax.		
<b>Deferred tax:</b>		
Deferred tax is provided using the Balance sheet method for timing difference arising between the tax base of assets and liabilities and their carrying values for reporting purposes as per Bangladesh Accounting Standard (BAS) - 12. During the year, net amount of Taka 672,989,539 (2014: Taka 150,182,944) has been recognised as deferred tax income.		
The charge for taxation is based upon profit for the year comprises:		
Current tax on taxable income @ 40%	1,708,720,538	1,414,752,396
Adjustment for prior year	(120,000,000)	116,500,000
	<u>1,588,720,538</u>	<u>1,531,252,396</u>
Net deferred tax liability/(asset) originated for temporary differences	(672,989,539)	(150,182,944)
<b>Income tax on profit</b>	<u>915,730,999</u>	<u>1,381,069,452</u>
<b>41. Consolidated receipts from other operating activities</b>		
The City Bank Limited (note 41.a)	5,298,980,716	3,234,838,731
City Brokerage Limited	51,926,209	849,247
City Bank Capital Resources Limited	57,504,146	38,390,587
CBL Money Transfer Sdn. Bhd.	2,712,403	2,160,786
	<u>5,411</u>	

### iii) Statement of debts due by companies or firms in which the Directors (including Ex-Directors) of the Bank have interests as on 31 December 2015

#### A) Statement of funded debts due by the Directors of the bank company as at 31 December 2015

(Figures in Lac Taka)

Sl. No.	Names of Directors	Present status with the bank	Name of the institution	Types of facility	Outstanding as at 31 December 2015 as on 31-12-2006 Foreign Currency	Classification status	Value of eligible security
1	Mr. Rubel Aziz	Chairman	Self	Credit Card	8.18	Unclassified	Marked as lien of \$ 25 lac in RFCDA/C & Tk. 2.78 lac in FDR
2	Mr. Aziz Al Kaiser	Director	Self	Credit Card	3.50	-Do-	Marked as lien of \$ 0.10 lac in RFCDA/C & Tk. 3.00 lac in FDR
3	Mr. Hossain Mahmood	Director	Self	Credit Card	0.63	-Do-	Marked as lien of \$ 0.05 lac in RFCDA/C
4	Mrs. Syeda Shaireen Aziz	Director	Self	Credit Card	7.11	-Do-	Marked as lien of Tk. 7.22 lac in FDR
5	Mr. Mohammad Shoeb	Director	Self	Credit Card	1.63	-Do-	Marked as lien of \$ 0.04 lac in RFCDA/C
6	Ms. Tabassum Kaiser	Director	Self	Credit Card	0.01	-Do-	Marked as lien of \$ 0.05 lac in RFCDA/C & Tk. 3.00 lac in FDR
7	Mr. Hossain Khaled	Director	Self	Credit Card	2.56	-Do-	Marked as lien of \$ 0.05 lac in RFCDA/C & Tk. 3.00 lac in FDR

#### B) Statement of other funded debts due by the Directors of the bank company as at 31 December 2015

(Figures in Lac Taka)

Sl. No.	Names of Directors	Present status with the bank	Name of the institution	Types of facility	Outstanding as at 31 December 2015	Classification status	Value of eligible security
1	Mr. Deen Mohammad	Director	Rupayan Port & Logistic Services Ltd	STL	4,013.48	Unclassified	Registered mortgage of 17,18.50 decimal land and Registered charge on fixed and floating assets

#### C) Statement of non-funded debts due by the companies or firms in which the Directors of the bank company have interests as at 31 December 2015

(Figures in Lac Taka)

Sl. No.	Name of Director	Present Status with the Bank	Name of the Institution	Types of Facility	Outstanding as at 31 December 2015	Classification status	Value of eligible security
1	Mr. Hossain Khaled & Mr. Hossain Mahmood	Director	Monowar Industries (Pvt) Ltd	BG	0.12	Unclassified	100% Margin
2	Mr. Hossain Khaled & Mr. Hossain Mahmood	Director	Eulon Plastic Private Ltd.	BG	5.62	-Do-	10% Margin
3	Mr. Rajibul Haq Chowdhury	Director	Shahida Trading Corporation	BG	4.11	-Do-	100% margin

#### D) Statement of funded debts due by the companies or firms in which the Ex-Director of the banking company have interests as at 31 December 2015

(Figures in Lac Taka)

Sl. No.	Names of Ex-Directors	Present status with the bank	Names of the institutions	Types of facility	Outstanding as at 31 December 2015	Amount of provision created	Status of classification	Amount of share holding	Nature of security with value	Remarks
1	Mr. Zakaria Hossain Choudhury and Mrs. Hosne Ara Begum	Ex-Director	A.M. Traders	CC (Pledge)	-	-	Tk. 120.28 lac, BLW	-	-	Money Suit No. 60/2006. Stayed as per High Courts Ordered by FAT No. 568/06. Account has been written off.
			Ahsan Traders	CC (Pledge)	-	-	BLW	-	-	Artha Exe. Case No. 15/2005. The proceeding of the Execution Suit is Stayed by the Order of High Court Division. Tk. 50.29 lac was partially recovered on 15.10.2014. The a/c will be settled as per direction of the Court.
2	Mr. A.B.M. Feroj	Ex-Director	M/s R.P. Electrical Industries	Term Loan	-	-	Tk. 41.95 lac, BLW	-	-	20 post dated cheque. The Court has passed an order regarding detention to the convict borrower by (civil jail for 60 days) month from the date of Arrest.
3	Mr. Saleh Ahmed Chowdhury	Ex-Director	Saleh Fashions Ltd.	CC (Hypo)	Tk. 38.71 lac	-	BL	-	-	a) Hypo. of machineries installed in the factory worth Tk. 24.00 lac. b) Mortgage of land & factory worth Tk. 26.80 lac. c) Mortgage of 5 katha land with 2 storied building worth Tk. 1.00 crore and (d) 1st charge created with RJSC.
			M/s Hasan Enterprise	LIM	-	-	Tk. 530.23 lac, BLW	-	-	Artha Exe. Case No. 196/04. Next date is fixed on 26.01.2016 for Return of Warrant of Arrest.
4	Mr. Azrul Haque Chowdhury	Ex-Director	M/s Shahida Trading Corporation	BG	Tk. 4.11	-	UC	-	-	100% margin
5	Mr. Anwar Hossain & Mr. Monowar Hossain	Ex-Director	Monowar Industries (Pvt) Ltd and related Business	BG	Tk. 5.75	-	UC	-	-	Margin Tk. 0.57 lac

#### E) Compensation of key management personnel

Refer to note: 36.a

#### 48. Events after reporting period

- Board of Directors in its 489th meeting held on 28 April 2016 decided to recommend 22% cash dividend subject to approval of shareholders and regulatory authorities.
- Bank entered into an agreement with International Finance Corporation (IFC) on 9 February 2016 for issuing ordinary shares to IFC to the extent of 5.0% of outstanding no. of shares of the bank, which has already been approved by the shareholders in an Extra Ordinary General Meeting, held on 27 March 2016 and is applied to concerned regulatory authorities for getting Regulators' consent. Under this agreement 46,560,231 shares will be issued at taka 28.30 per share which includes 18.30 as premium and face value of taka 10. The proceeds will be treated as Tier-I Capital of the Bank to help the Bank increase its investment and Loan portfolio. In addition to this issue, IFC also agreed to provide USD 20,000,000 as convertible loan to the Bank for 3 years and the conversion option can be exercised by IFC after 1 year of disbursement of the said loan.

#### 49. General

##### 49.1 Core risk management

BRPD circular no. 17 (7 October 2003) and BRPD circular no. 4 (5 March 2007) require banks to put in place an effective risk management system. Bangladesh Bank monitors the progress of implementation of these guidelines through its on-site inspection teams through routine inspection. The risk management systems in place at the Bank are discussed below.

##### 49.1.1 Credit risk

It arises mainly from lending, trade finance, leasing and treasury businesses. This can be described as potential loss arising from the failure of a counter party to perform as per contractual agreement with the Bank. The failure may result from unwillingness of the counter party or decline in his/her financial condition. Therefore, the Bank's credit risk management activities have been designed to address all these issues.

The Bank has segregated duties of the officers/executives, involved in credit related activities. Separate Corporate/SME/Retail divisions have been formed at Head Office which are entrusted with the duties of maintaining effective relationship with customers, marketing of credit products, exploring new business opportunities etc. Moreover, credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, three separate units have been formed within the Credit Risk Management (CRM) Division. These are (a) Credit Risk Management Unit (b) Credit Administration Unit and (c) Credit Monitoring and Recovery Unit. Credit Risk Management Unit is entrusted with the duties of maintaining asset quality, assessing risk in lending, sanctioning credit, formulating policy/strategy for lending operation, etc. For retail lending, a separate Retail Finance Centre (RFC) has been formed to assess risk, approve and monitor retail loans.

A thorough risk assessment is done before sanction of any credit facility at Credit Risk Management Units. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the credit facility etc. The assessment process starts at the relationship level and ends at Credit Risk Management Unit when it is approved/declined by the competent authority. Credit approval authority has been delegated to the individual executives. Proposals beyond their delegation are approved/declined by the Executive Committee and/or the Board of Directors of the Bank.

In determining Single borrower/Large loan limit, the instructions of Bangladesh Bank are strictly followed. Internal audit is conducted at regular intervals to ensure compliance of Bank's and Regulatory policies. Loans are classified as per Bangladesh Bank's guidelines.

##### 49.1.2 Asset liability management risk

For better management of asset and liability risk, the Bank has an established Assets Liability Committee (ALCO) which meets at least once a month. The members of ALCO as at 31 December 2015 were as follows:

Mr. Sohail R K Hussain	Managing Director & Chief Executive Officer
Mr. Faruq M. Ahmed	Additional Managing Director & CRO
Mr. Mashur Arefin	AMD (Operations) & CCO
Mr. Sheikh Mohammad Maroof	DMD & Head of Wholesale Banking
Mr. Md Abdul Wadud	DMD & Head of CRM
Mr. Abdur Rahman	Head of Branch
Mr. Zayed Amin	Head of Retail Banking
Mr. Mohammad Mahbubur Rahman	Chief Financial Officer
Mr. Mohammad Azizur Rahman Shuman	Head of Risk Management Division
Mr. Md. Monzur Mofiz	Head of Commercial Banking
Ms. Parul Das	Head of Finance

The ALCO's primary function is to formulate policies and guidelines for the strategic management of the bank using pertinent information through the ALCO process together with knowledge of the individual businesses managed by members of the committee. ALCO regularly reviews the Bank's overall asset and liability position, forward looking asset and liability pipeline, overall economic position, the Bank's liquidity position, capital adequacy, balance sheet risk, interest risk and makes necessary changes in its mix as and when required.

The Bank maintains specified liquidity and funding ratio limits to ensure financial flexibility to cope with unexpected future cash demands. ALCO monitors the liquidity and funding ratios on an ongoing basis and ascertains liquidity requirements under various stress situations. In order to ensure liquidity against all commitments, the Bank reviews the behaviour patterns of liquidity requirements. The Bank has an approved Liquidity Contingency Plan (LCP) which is reviewed and updated on an annual basis by ALCO. All regulatory requirements including CRR, SLR and RWA are reviewed by ALCO.

##### 49.1.3 Foreign exchange risk

Foreign exchange risk is defined as the potential change in earnings due to change in market prices. The foreign exchange risk of the Bank is minimal as all the transactions are carried out on behalf of the customers against underlying L/C commitments and other remittance requirements.

Treasury Department independently conducts the transactions and the back office of treasury is responsible for verification of the deals and passing of their entries in the books of account. All foreign exchange transactions are revalued at Mark-to-Market rate as determined by Bangladesh Bank at the month-end. The Bank maintains various nostro accounts in order to conduct operations in different currencies including TK. The senior management of the Bank sets limits for handling nostro account transactions. All Nostro accounts are reconciled on a monthly basis and outstanding entries beyond 30 days are reviewed by the management for its settlement.

As at 31 December 2015, no debt entry was unreconciled for 3 months or more, therefore no provision is kept in accordance with FEPD circular no. 677 (13 September 2005).

##### 49.1.4 Internal control and compliance

Effective internal controls are the foundation of safe and sound banking. A properly designed and consistently enforced system of operational and financial internal control helps a bank's management safeguard the bank's resources, produce reliable financial reports and comply with laws and regulations. Effective internal control also reduces the possibility of significant errors and irregularities and assists in their timely detection when they do occur.

Internal Control and Compliance (ICC) operates independently as a division consisting three units (Audit & Inspection, Monitoring and Compliance) with prime responsibility to determine risks by evaluating overall Business, Operations & Credit Portfolios of the Bank. The key objective of ICC is to assist and guide in all aspects of the bank using adequate resources for identification of weaknesses and taking appropriate measures to overcome the same to be a compliant bank.

ICC has a unique reporting line to the Bank's Board of Directors through the Audit Committee and to the Managing Director & CEO. Thus it acts as a bridge between the board and the Bank's management. An effective organizational structure has been established by exercising durable Internal Control culture within the Bank.

##### 49.1.5 Reputation risk arising from money laundering incidences

Money laundering risk is defined as the loss of reputation and expenses incurred as penalty for being negligent in prevention of money laundering. For mitigating the risks, the Bank has a designated Chief Compliance Officer at Head Office and Compliance Officers at branches, who independently review the transactions of the accounts to verify suspicious transactions. Manuals for prevention of money laundering have been established and Transaction profile has been introduced. Training is continuously given to all the category of Officers and Executives for developing awareness and skill for identifying suspicious activities/transactions.

##### 49.1.6 Information technology

The Bank's IT has gone through a gigantic transformation from where it started. After several years of continuous efforts, standardization of both back-end as well as front-end operations of bank is complete. Now through wide array of customizable products and services, IT can bring about equivalent contribution to profits.

Relevant hardware, software and networking equipment is in place to support operations of online branches, internet banking, SMS service, call centre, Tele Banking, POS and ATM network. These devices are providing superior performance resulting in better end-user satisfaction. To ensure uninterrupted and smooth customer service in all branches and SME centres, IT division continuously work on performance tuning for database and application, networking and server hardware on regular basis. Continuous investments are going on to do the necessary upgradation on hardware and software to increase the Bank's centralised online banking and other peripheral service requirements.

#### 49.2 Audit Committee

According to BRPD circular no. 12 (23 December 2002), all banks are advised to constitute an audit committee comprising members of the Board. The audit committee will assist the Board in fulfilling its oversight responsibilities including implementation of the objectives, strategies and overall business plans set by the Board for effective functioning of the bank. The committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct.

The Bank, being a listed entity bank, have a board of directors from whom to select an audit committee. The Audit Committee of the Board of Directors consist of four members of the Board, which meets on a regular basis with the senior management of the Bank, and with the internal and external auditors to consider and review the nature and scope of the reviews and the effectiveness of the systems of internal control and compliance as well as the financial statements of the Bank. All audit reports issued by internal and external auditors and all inspection/audit reports issued by Bangladesh Bank are sent to the Audit Committee.

##### 49.2.1 Particulars of audit committee

Pursuant to the BRPD Circular no. 12 dated 23 December 2002, the Audit Committee of the Board of Directors as at 31 December 2015 consisted of the following 4 members of the Board:

Name	Status with bank	Status with committee	Educational qualification
Mr. Tanjib-Ul Alam	Director	Convener	LL.B
Mr. Mohammad Shoeb	Director	Member	BBA
Mrs. Syeda Shaireen Aziz	Director	Member	BBA
Mr. Rafiqul Islam Khan	Director	Member	HSC

##### 49.2.2 Meetings held by the Audit Committee with senior management to consider and review the Bank's Financial Statements:

During the period under review the Audit Committee held several meetings to oversee/review various functions including reviewing the quarterly financial statements in compliance with the Bangladesh Bank circular.

##### Meetings held by the committee during the year by date:

- 48th Committee Meeting held on 25 April 2015
- 49th Committee Meeting held on 14 July 2015
- 50th Committee Meeting held on 25 November 2015
- 51st Committee Meeting held on 28 December 2015

##### 49.2.3 Steps taken for implementation of an effective internal control procedure of the Bank:

Through circular the Audit Committee placed its report regularly to the Board of Directors of the Bank mentioning its review results and recommendations on internal control system, compliance of rules and regulations and establishment of good governance within stipulated time.

#### 49.3 Interest rate risk

Interest rate risk may arise either from trading portfolio or from non-trading portfolio. The trading portfolio of the Bank consists of Government treasury bills and bonds of different maturities. Interest rate risk arises from mismatches between the future yield of an asset and their funding cost. Asset Liability Committee (ALCO) monitors the interest rate movement on a regular basis and Treasury Division actively manages the Balance Sheet gap profitably on a regular basis.

#### 49.4 Equity risk

Equity risk arises from movement in market value of equities held. The risks are monitored by Special Banking Wing under a well designed policy framework. The total market value of equities held was higher than the total cost price at the balance sheet date (Annexure-C).

#### 49.5 Operational risk

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

#### 49.6 Implementation of BASEL-III

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

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

##### Internal Capital Adequacy Assessment Process (ICAAP)

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

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

- inform the Board of Directors about
  - assessing risks
  - initiatives to mitigate identified risks
  - capital requirement to support the operations in light of identified risks

##### ii) comply with Bangladesh Bank's requirement.

#### 49.7 Exchange rates

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

	2015 Taka	2014 Taka
USD 1 =	78.5003	77.9494
ACU 1 =	78.5003	77.9494
GBP 1 =	116.3492	120.9697
AUD 1 =	57.3013	63.3417
EUR 1 =	85.7969	94.5955
CHF 1 =	79.3935	78.6454
JPY 1 =	0.6519	0.6470
SAR 1 =	20.9197	20.7696

#### 49.8 Credit Rating of the Bank

As per the BRPD instruction circular no. 6 dated 5 July 2006, the Bank has done its credit rating by Credit Rating Agency of Bangladesh Limited (CRAB) based on the financial statements dated 31 December 2014.

Particulars	Date of Rating	Long term	Short term	Rating Valid
Entity Rating	25-Jun-15	AA2	ST-2	30-Jun-16
		Very strong capacity & very high quality	Strong capacity for timely repayment	

#### 49.9 Fraud and administrative error

During the year 2015, total number and amount of fraud forgeries, detected in the Bank were 18 and TK 11,324,629.42 respectively. Out of 18 cases, 5 instances were occurred by bank's employees and the rests were administrative errors. Out of total fraud, TK 2,220,183 had no financial impact and TK 5,962,870 had already been recovered and adequate provisions have been maintained against the rest amount. Administrative actions have already been taken against alleged officials and out of 18 instances, 15 cases have already been settled.

#### 49.10 Number of employees

The number of employees engaged for the whole year or part thereof who received a total remuneration of TK 36,000 p.a. or above were 2,716 at the end of December 2015 as against 2,535 at the end of December 2014.

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

Managing Director & CEO  
Director  
Director  
Chairman

### Consolidated Liquidity Statement (Analysis of maturity of assets and liabilities) as at 31 December 2015

Particulars	As at 31 December 2014					Total
	Up to 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	
	Taka	Taka	Taka	Taka	Taka	Taka
<b>Assets</b>						
Cash in hand	6,105,878,822	10,526,247,247	1,136,672,058	-	9,331,738,510	15,437,617,332
Balance with other banks and financial institutions	4,253,055,953	5,379,167	-	-	-	15,915,975,258
Money at call and short notice	-	5,379,167	90,000,000	-	-	95,379,167
Investments	7,308,600	851,835,414	5,222,590,034	5,814,810,456	14,120,418,424	26,016,962,928
Loans and advances/investments	6,604,302,693	38,312,701,215	49,664,469,920	37,657,953,389	10,775,244,947	143,014,672,144
Fixed assets including premises, furniture and fixtures	-	-	-	-	8,172,221,437	8,172,221,437
Other assets	1,442,275,821	1,114,781,218	1,273,070,277	346,524,993	583,064,225	4,759,716,534
Non banking assets	-	-	-	-	792,824,667	792,824,667
<b>Total assets (A)</b>	<b>18,412,821,889</b>	<b>50,805,565,094</b>	<b>57,302,181,456</b>	<b>44,702,113,505</b>	<b>42,982,687,543</b>	<b>214,205,369,487</b>
<b>Liabilities</b>						
Tier-II subordinated bond	6,800,003,246	5,766,939,963	7,636,482,405	899,059,479	600,000,000	3,000,000,000
Borrowings from other banks, financial institutions and agents	14,448,095,929	37,534,264,249	22,644,604,590	3,809,159,445	58,825,103,780	137,061,228,001
Other accounts	51,600,073	1,496,402,126	4,796,269,108	-	-	6,344,271,307
Provision and other liabilities	345,833,312	2,585,203,063	2,352,718,777	7,408,691,945	7,443,796,056	21,136,243,153
<b>Total liabilities (B)</b>	<b>21,445,532,560</b>	<b>47,382,809,401</b>	<b>37,430,074,888</b>	<b>15,516,910,869</b>	<b>67,846,404,336</b>	<



# The City Bank Limited

Report and Financial Statements as at and for the year ended 31 December 2015

Name of the Banks	Account type	Currency type	31 December 2015			31 December 2014		
			FC amount	Exchange rate	Equivalent Taka	FC amount	Exchange rate	Equivalent Taka
Kookmin Bank, Korea	CD	USD	43,981	78.5003	3,452,520	46,807	77.9494	3,648,592
Commerz Bank AG, Frankfurt	CD	AUD	126,820	57.3013	7,296,929	66,883	63.3417	4,236,503
Standard Chartered Bank, Mumbai, India	CD	ACUD	189,141	78.5003	14,847,632	45,734	77.9494	3,564,948
Mashreq Bank, New York, USA (For OBU Operation)	CD	USD	(475,648)	78.5003	(37,338,548)	2,482,733	77.9494	193,527,541
Commerz Bank AG, Frankfurt, Germany (For OBU Operation)	CD	EUR	131,074	78.5003	10,289,384	1,526,570	77.9494	118,995,233
Commerz Bank AG, Frankfurt, Germany (For OBU Operation)	CD	EUR	521,854	85.7969	44,773,466	2,617	94.5955	247,509
Mashreq Bank Limited, New York, USA	TD	USD	500,000	78.5003	39,250,150	-	77.9494	-
Sonali Bank, Kolkata, India	TD	ACUD	8,039	78.5003	631,068	8,022	77.9494	625,310
Mashreq Bank, New York, USA (For OBU Operation)	TD	USD	-	78.5003	-	500,000	77.9494	38,974,700
			12,016,185		263,921,673	520,958,968		1,493,352,571

## Investment in Shares as at 31 December 2015

Sl. No.	Name of the company	Type of shares	Face value	Number of shares	Cost of holding	Average cost	Quoted rate per share as at 31 Dec 2015	Total market value as at 31 Dec 2015	
								Taka	Taka
<b>Quoted Ordinary Share</b>									
1	AB Bank Limited	A	10	540,916	40,660,844	75.17	20.90	11,305,144	
2	Dhaka Bank Limited	A	10	1,583,630	53,706,970	33.91	19.70	31,197,511	
3	Mercantile Bank Limited	A	10	1,245,173	37,621,008	30.21	10.70	13,323,351	
4	Mutual Trust Bank Limited	A	10	554,954	20,896,707	-	19.50	10,821,603	
5	Pubali Bank Limited	A	10	390,608	23,140,398	59.24	21.60	8,437,133	
6	Rupali Bank Limited	A	10	33,288	2,773,450	83.32	32.30	1,075,202	
7	Shahjalal Islami Bank Limited	A	10	231,081	6,131,438	26.53	13.50	3,119,594	
8	Standard Bank Limited	A	10	1,073,642	23,965,596	22.32	9.20	9,877,506	
9	United Commercial Bank Limited	A	10	16,694,040	262,746,140	15.74	21.30	355,583,052	
10	Social Islami Bank Limited	A	10	12,067,059	185,265,267	15.35	14.40	173,765,590	
11	Trust Bank Limited	A	10	1,735,333	63,849,536	36.79	24.10	41,821,525	
12	Investment Corporation of Bangladesh	A	100	14,330	3,729,350	260.25	106.90	1,531,877	
13	Pragati Life Insurance Company Limited	A	10	102,787	9,760,894	27.10	2.70	2,785,528	
14	Mercantile Insurance Company Limited	A	10	113,661	2,937,765	25.96	13.00	1,469,793	
15	Peoples Insurance Company Limited	A	10	85,584	2,458,850	28.73	12.60	1,078,356	
16	Peoples Insurance Company Limited	A	10	100,200	3,308,460	33.02	16.00	1,603,200	
17	Continental Insurance Company Limited	A	10	55,300	1,701,300	-	14.40	796,320	
18	Agrani Insurance Company Limited	A	10	40,328	1,057,150	-	17.00	685,576	
19	Sonar Bangla Insurance Limited	A	10	74,938	1,507,600	20.12	15.10	1,131,564	
20	Power Grid Company of Bangladesh Limited	A	10	767,800	61,666,976	80.32	45.90	35,242,020	
21	Sumit Purabanchol Power Company Limited	N	10	105,000	5,927,808	-	55.20	5,796,000	
22	Saf Powercell Limited	A	10	387	21,570	55.74	66.80	25,852	
23	Dhaka Electricity Supply Company Limited	A	10	432,129	53,060,381	122.79	51.80	22,384,282	
24	Summit Power Limited	A	10	430,000	17,076,000	39.71	39.70	17,071,000	
25	Khulna Power Company Limited	A	10	240,000	18,571,760	77.38	74.90	19,776,000	
26	BSRM Steels Limited	A	10	163,170	29,505,429	-	96.30	15,713,271	
27	Beximco Limited	A	10	840,835	100,801,276	119.88	29.00	24,384,215	
28	Matin Spinning Mills Ltd	N	10	842,923	37,620,159	44.63	40.70	34,306,966	
29	Heidelberg Cement Bangladesh Limited	A	10	25,334	16,569,053	654.02	562.10	14,240,241	
30	AFC Agro Biotech Limited	A	10	354,598	22,357,468	-	66.80	23,527,468	
31	IDLC Finance Limited	A	10	60,853,549	634,539,444	10.43	63.60	3,870,285,716	
32	Perfume Chemical Ind. Limited	Z	10	28	3,500	125.00	59.00	1,652	
33	Raspi Inc. (BD) Limited	Z	10	366,000	6,153,414	16.81	1.90	695,400	
34	Rangamati Food Products Limited	Z	10	64,500	645,000	10.00	13.80	890,100	
35	German Bangla Joint Venture Foods Limited	Z	10	21,000	210,000	10.00	3.60	75,600	
36	Somorita Hospital Limited	A	10	135	-	-	80.50	10,868	
	<b>Total</b>				<b>1,782,147,923</b>			<b>4,753,841,218</b>	
<b>Unquoted Ordinary Shares</b>									
1	Central Depository Bangladesh Limited	10	2,284,721	6,277,770	2.75	-	-	-	
2	KARMA Sangsthan Bank Limited	100	100,000	10,000,000	100.00	-	-	-	
3	Industrial & Infrastructural Development Finance Company Limited	10	7,329,110	42,453,820	5.79	-	-	-	
4	Venture Investment Partners Bangladesh Limited	100	202,176	18,000,000	89.03	-	-	-	
	<b>Total</b>			<b>76,731,590</b>					
<b>Unquoted redeemable preference Shares</b>									
1	Unique Hotel & Resort Limited	100	750,000	45,000,000	60.00	-	-	-	
2	Desh Cambridge Kumargoan Power Limited	100	66,661	6,666,021	100.00	-	-	-	
	<b>Total</b>			<b>51,666,021</b>					

## Schedule of fixed assets including premises, furniture and fixtures as at 31 December 2015

Particulars	Cost/Revaluation				Depreciation/Amortisation				Written down value as at 31 Dec 2015
	Balance as at 1 Jan 2015	Additions during the year	Adjustments during the year	Disposals during the year	Balance as at 31 Dec 2015	Balance as at 1 Jan 2015	Charged during the year	Disposals/adjustments during the year	
<b>Own assets</b>	4,232,440,000	-	-	-	4,232,440,000	-	-	-	4,232,440,000
Land	2,056,539,234	37,731,442	-	-	2,094,270,676	4,955,706	59,588,115	-	2,039,738,265
Building	402,482,070	57,913,225	(38,231,443)	-	422,163,852	-	-	-	422,163,852
Work-in-Progress-Building	921,863,216	192,031,581	(107,270,170)	-	1,006,624,627	366,787,169	89,686,366	-	455,453,335
Furniture and fixtures	1,755,946,460	394,930,852	(102,891,871)	-	2,048,154,441	1,165,801,631	203,673,099	-	1,429,474,720
Office equipment and machinery	260,483,259	19,862,159	-	-	280,345,418	63,629,352	13,391,465	-	177,020,817
Software	28,091,157	17,434,837	(9,068,660)	-	36,457,334	-	-	-	36,457,334
Work-in-Progress-Software	225,786,205	26,628,113	-	(60,500)	291,913,818	176,480,172	34,266,261	(60,489)	210,865,934
Bank's vehicles	8,883,590,691	746,532,209	(267,261,984)	(60,500)	10,372,800,327	1,777,634,039	459,695,306	(60,489)	2,237,178,837
<b>Sub-total</b>	<b>8,883,590,691</b>	<b>746,532,209</b>	<b>(267,261,984)</b>	<b>(60,500)</b>	<b>10,372,800,327</b>	<b>1,777,634,039</b>	<b>459,695,306</b>	<b>(60,489)</b>	<b>8,135,621,490</b>
<b>Leased assets</b>	-	-	-	-	-	-	-	-	-
Vehicle	-	-	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>	<b>8,883,590,691</b>	<b>746,532,209</b>	<b>(267,261,984)</b>	<b>(60,500)</b>	<b>10,372,800,327</b>	<b>1,777,634,039</b>	<b>459,695,306</b>	<b>(60,489)</b>	<b>8,135,621,490</b>

## Schedule of fixed assets including premises, furniture and fixtures as at 31 December 2014

Particulars	Cost/Revaluation				Depreciation/Amortisation				Written down value as at 31 Dec 2014
	Balance as at 1 Jan 2014	Additions during the year	Adjustments during the year	Disposals during the year	Balance as at 31 Dec 2014	Balance as at 1 Jan 2014	Charged during the year	Disposals/adjustments during the year	
<b>Own assets</b>	3,453,520,000	-	-	-	3,453,520,000	-	-	-	3,453,520,000
Land	1,925,945,744	-	-	-	1,925,945,744	2,385,955,771	428,438,097	-	2,691,589,529
Building	248,160,155	154,321,915	-	-	402,482,070	75,097,445	49,067,016	(119,208,755)	402,482,070
Work-in-Progress-Building	809,539,425	111,923,791	-	-	921,463,216	292,286,912	74,480,257	366,787,169	555,696,047
Furniture and fixtures	1,434,038,080	324,608,081	-	(2,700,511)	1,755,946,460	946,320,249	215,174,880	(2,693,497)	1,460,149,229
Office equipment and machinery	226,355,464	34,107,795	-	-	260,463,259	51,134,262	12,495,066	-	196,833,907
Software	11,151,078	43,248,194	(26,308,115)	-	28,091,157	-	-	-	28,091,157
Work-in-Progress-Software	204,471,225	11,834,980	(3,450,000)	-	212,856,205	135,770,991	31,219,211	9,490,000	176,480,172
Bank's vehicles	8,312,681,971	680,914,756	(6,150,591)	(9,883,590,691)	1,568,696,857	386,436,439	(112,412,252)	1,777,634,039	8,105,956,571
<b>Sub-total</b>	<b>8,312,681,971</b>	<b>680,914,756</b>	<b>(6,150,591)</b>	<b>(9,883,590,691)</b>	<b>1,568,696,857</b>	<b>386,436,439</b>	<b>(112,412,252)</b>	<b>1,777,634,039</b>	<b>8,105,956,571</b>
<b>Leased assets</b>	-	-	-	-	-	-	-	-	-
Vehicle	-	-	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>	<b>8,312,681,971</b>	<b>680,914,756</b>	<b>(6,150,591)</b>	<b>(9,883,590,691)</b>	<b>1,568,696,857</b>	<b>386,436,439</b>	<b>(112,412,252)</b>	<b>1,777,634,039</b>	<b>8,105,956,571</b>

## Statement of tax position as at 31 December 2015

Accounting year	Assessment year	Tax provision made on the basis of accounts	Tax as per assessment	Excess/(shortage) of provision	Tax paid	Present status
		Taka	Taka	Taka	Taka	
2003	2004-2005	190,000,000	264,849,320	(74,849,320)	117,624,734	Reference application filed to High Court
2004	2005-2006	442,791,678	315,574,683	127,216,995	283,102,018	Reference application filed to High Court

## Name of Directors and their interest in different entities as at 31 December 2015

Sl. No.	Name of Directors	Status with CBL	Entities where they have interest	% of Interest
1	Mr. Rubel Aziz	Chairman	<b>Managing Director</b> Partex Beverage Limited Partex Plastics Limited Partex Accessories Limited Partex Plastics Furniture Limited Fotomora Limited Partex Properties Limited Partex Foundry Limited Partex Jute Mills Limited Partex Corporate Limited Partex Aviation Limited Partex Petro Limited Sakhi Fisheries Limited Partex Batteries Limited Partex Building Materials Limited <b>Director</b> Partex Real Estate Limited Partex Sugar Mills Limited Partex Rotor Spinning Mills Limited Partex Energy Limited Janata Insurance Co. Limited Partex Spinning Mills Limited Partex Ceramics Limited	1.00% 85.00% 37.50% 37.50% 10.00% 85.00% 80.00% 75.00% 50.00% 50.00% 85.00% 90.00% 80.00% 80.00% 15.00% 15.00% 37.50% 37.50% 25.00% 25.00%
2	Mr. Deen Mohammad	Director	<b>Chairman</b> Phoenix Finance & Investment Limited Apollo Ispat Limited Phoenix Spinning Mills Limited Rangdhanu Spinning Mills Limited Phoenix Securities Limited <b>MD &amp; Chairman</b> Phoenix Textile Mills Limited Eastern Dyeing & Calendaring Works Ltd. <b>Director</b> Phoenix Insurance Company Limited	3.15% 3.29% 37.30% 7.20% 5.00% 60.00% 42.00% 2.89%

Sl. No.	Name of Directors	Status	Entities where they have interest	% of Interest
3	Mr. Aziz Al-Kaiser	Director	<b>Vice-Chairman</b> Partex Star Group <b>Managing Director</b> Star Particle Board Mills Limited Partex PVC Inds. Limited New Light Star Apparels Limited Convey Martime Co. Limited Partex Furniture Inds. Limited Partex Builders Limited Partex Laminates Limited Partex Limited Fairhope Housing Limited Partex Cables Limited Partex Aromarine Logistics Limited <b>Director</b> Danish Condensed Milk (BD) Limited Danish Foods Limited Danish Milk Bangladesh Limited Rubel Steel Mills Limited Danish Distribution Network Limited Voice Tel Limited Sky Telecommunication Limited Subma Bhum Housing Limited GSP Finance Company (BD) Limited	- 75

## Notes to the Balance Sheet and Profit and Loss Account of Islamic Banking Branch for the year ended 31 December 2015

9 Commission, exchange and brokerage	2015		2014	
	USD	Taka	USD	Taka
Commission on letters of credit	1,198,171	1,042,376	-	-
Commission on letters of guarantee	210,500	93,000	-	-
Commission on export bills	11,500	43,934	-	-
Commission on bills purchased	46,783	107,443	-	-
Commission on accepted bills	1,371,308	1,051,856	-	-
Commission on OBC, IBC etc.	822	1,154	-	-
Commission on PO, DD, TT, TC, etc.	24,300	44,700	-	-
Other Fees and charges (Note - 9.1)	2,253,584	2,571,659	-	-
Other commission	-	-	-	-
	<b>5,116,967</b>	<b>4,956,122</b>		
Exchange gain	-	-	-	-
Brokerage	-	-	-	-
	<b>5,116,967</b>	<b>4,956,122</b>		
<b>9.1 Other fees and charges</b>				
Service charges on deposits	1,308,645	1,995,802	-	-
Cheque book issue fees	195,350	207,525	-	-
Investment processing fees	652,408	259,832	-	-
Clearing return	86,500	99,500	-	-
Charges on account closing and transfer	10,681	9,000	-	-
	<b>2,253,584</b>	<b>2,571,659</b>		
<b>10 Other operating income</b>				
Postage/telex/SWIFT/fax recoveries	526,255	760,555	-	-
Locker rent	39,946	76,250	-	-
Miscellaneous earnings (Note - 10.1)	368,801	2,870,558	-	-
	<b>934,803</b>	<b>3,707,363</b>		
<b>10.1 Miscellaneous earnings includes earning from early settlement of loan, issuing various certificate and bank statements on demand of customers.</b>				
<b>11 Other expenses</b>				
Online communication expenses	1,347,000	1,595,000	-	-
Training, seminar and workshop	30,720	175,133	-	-
Entertainment	137,132	271,046	-	-
Conveyance	106,480	73,219	-	-
Newspapers	3,936	3,220	-	-
Miscellaneous expenses	3,519,693	3,485,659	-	-
	<b>5,144,961</b>	<b>5,603,277</b>		

## Balance Sheet of Off-Shore Banking Units As at 31 December 2015

PROPERTY AND ASSETS	Note	2015		2014	
		USD	Taka	USD	Taka
<b>Cash</b>					
Cash in hand (including foreign currencies)		-	-	-	-
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		-	-	-	-
<b>Balance with other banks and financial institutions</b>					
In Bangladesh		10,000,000	785,003,000	-	-
Outside Bangladesh	1	225,786	17,724,302	312,770,283	-
		<b>10,225,786</b>	<b>802,727,302</b>	<b>312,770,283</b>	
<b>Money at call and short notice</b>					
<b>Investments in shares &amp; securities</b>					
Government		-	-	-	-
Others		-	-	-	-
<b>Loans and advances</b>					
Loans, cash credits, overdrafts, etc.	2	78,154,029	6,135,114,754	5,475,342,460	-
Bills purchased and discounted		44,115,375	3,463,070,211	2,375,819,989	-
		<b>122,269,405</b>	<b>9,598,184,965</b>	<b>7,851,162,449</b>	
<b>Fixed assets including premises, furniture and fixtures</b>					
Other assets		153,926	12,083,227	21,092,333	-
<b>Non-banking assets</b>					
<b>Total assets</b>		<b>132,649,117</b>	<b>10,412,995,494</b>	<b>8,185,025,065</b>	
<b>LIABILITIES AND CAPITAL</b>					

Liabilities:		2015		2014	
		USD	Taka	USD	Taka
<b>Borrowings from other banks, financial institutions and agents</b>	3	54,069,539	4,244,475,058	4,287,217,000	-
<b>Deposits and other Accounts</b>		3,210,350	252,013,405	457,485	-
Other liabilities		75,369,228	5,916,507,031	3,897,350,580	-
<b>Total liabilities</b>	4	<b>132,649,117</b>	<b>10,412,995,494</b>	<b>8,185,025,065</b>	
<b>Capital/shareholders' equity</b>					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
Share premium		-	-	-	-
Other reserve		-	-	-	-
Surplus in profit and loss account		-	-	-	-
<b>Total liabilities and shareholders' equity</b>		<b>132,649,117</b>	<b>10,412,995,494</b>	<b>8,185,025,065</b>	
<b>OFF-BALANCE SHEET ITEMS</b>					
<b>Contingent liabilities</b>					
Acceptances and endorsements		-	-	-	-
Letters of guarantee		-	-	-	-
Irrevocable letters of credit		438,864	34,450,920	50,089,294	-
Bills for collection		368,496	28,927,072	-	-
Other contingent liabilities		-	-	-	-
		<b>807,360</b>	<b>63,377,992</b>	<b>50,089,294</b>	
<b>Other commitments</b>					
<b>Total Off-Balance Sheet items including contingent liabilities</b>		<b>807,360</b>	<b>63,377,992</b>	<b>50,089,294</b>	

## Profit and Loss Account of Off-Shore Banking Units for the year ended 31 December 2015

Note	2015		2014	
	USD	Taka	USD	Taka
Interest income	6,609,560	518,852,469	476,764,278	-
Interest paid on borrowings	(4,540,982)	(356,468,452)	(262,992,563)	-
<b>Net interest income</b>	<b>2,068,578</b>	<b>162,384,017</b>	<b>213,771,715</b>	
Commission and exchange	127,684	10,023,259	41,791,039	-
Other operating income	-	-	-	-
<b>Total operating income</b>	<b>2,196,263</b>	<b>172,407,276</b>	<b>255,562,754</b>	
Rent, taxes, insurance, electricity, etc.	-	-	-	-
Legal expenses	5,451	427,876	424,767	-
Other operating expenses	141,029	11,070,795	474,890	-
<b>Total operating expenses</b>	<b>146,479</b>	<b>11,498,671</b>	<b>899,657</b>	
<b>Net operating profit</b>	<b>2,049,783</b>	<b>160,908,605</b>	<b>254,663,097</b>	
Provision for loans and advances/investments	(224,493)	(17,622,769)	(70,945)	-
Provision for Off-Balance Sheet exposures	(5,966)	(468,361)	(500,893)	-
Provision for diminution in value of investments	-	-	-	-
Other provision	-	-	-	-
<b>Total provision</b>	<b>(230,459)</b>	<b>(18,091,130)</b>	<b>(571,838)</b>	
<b>Total profit before taxes</b>	<b>1,819,324</b>	<b>142,817,475</b>	<b>254,091,259</b>	

## Notes to the Balance Sheet and Profit and Loss Account of Off-Shore Banking Units for the year ended 31 December 2015

1 Balance with other banks and financial institutions	2015		2014	
	USD	Taka	USD	Taka
In Bangladesh	10,000,000	785,003,000	-	-
Outside Bangladesh	225,786	17,724,302	312,770,283	-
	<b>10,225,786</b>	<b>802,727,302</b>	<b>312,770,283</b>	
OBU maintain its own account relating Offshore Banking business separately in Mashreq Bank, New York, USA.				
<b>2 Loans and advances</b>				
Loans, cash credits, overdrafts, etc.	64,738,861	5,082,020,004	5,475,342,460	-
Term Loan	13,415,168	1,053,094,750	500,893	-
Short Term Loan	78,154,029	6,135,114,754	5,475,342,460	-
	<b>146,308,058</b>	<b>12,268,229,508</b>	<b>10,971,735,713</b>	
Bills purchased and discounted	44,115,375	3,463,070,211	2,375,819,989	-
	<b>122,269,405</b>	<b>9,598,184,965</b>	<b>7,851,162,449</b>	
<b>3 Borrowings from other banks, financial institutions and agents</b>				
In Bangladesh	10,000,000	785,003,000	4,287,217,000	-
Outside Bangladesh	44,069,539	3,459,472,058	4,287,217,000	-
	<b>54,069,539</b>	<b>4,244,475,058</b>	<b>8,574,434,000</b>	
<b>4 Other liabilities</b>				
Government Levy and VAT payable	8,329	653,827	636,336	-
Payable to main operation	73,722,317	5,787,224,018	3,786,529,209	-
Provision for loans and advances	1,212,322	95,167,658	77,544,889	-
Provision for off balance sheet exposure	12,347	969,254	500,893	-
Interest suspense account	48,220	3,785,255	31,016	-
Interest payable	280,762	22,039,910	32,108,237	-
Others	84,931	6,667,109	-	-
	<b>75,369,228</b>	<b>5,916,507,031</b>	<b>3,897,350,580</b>	
<b>5 Interest income</b>				
Loan and advances	4,373,581	343,327,447	396,147,638	-
Bills purchased and discounted	2,235,979	175,525,022	80,616,640	-
	<b>6,609,560</b>	<b>518,852,469</b>	<b>476,764,278</b>	
<b>6 Commission, exchange and brokerage</b>				
Commission income	131,586	10,329,573	36,602,407	-
Exchange gain	(3,902)	-	5,138,532	-
	<b>127,684</b>	<b>10,023,259</b>	<b>41,791,039</b>	

## HIGH LIGHTS

Sl. no.	Particulars	Annexure-K	
		As at 31 December 2015	As at 31 December 2014
1	Paid-up capital	Taka 8,757,98	8,340,93
2	Total capital	Taka 22,574,87	23,484,06
3	Capital surplus/(deficit)	Taka 6,479,88	8,254,91
4	Total assets	Taka 214,840,42	177,227,52
5	Total deposits	Taka 143,728,73	118,726,52
6	Total loans and advances/investments	Taka 143,087,50	116,620,60
7	Total contingent liabilities and commitments	Taka 50,125,87	46,342,36
8	Credit deposit ratio **	% 79.20%	63.52%
9	Percentage of classified loans/investments against total loans and advances/investments	% 7.58%	5.88%
10	Amount of classified loans/investments during the period	Taka 10,844,78	6,858,62
11	Provisions kept against classified loans/investments	Taka 4,626,94	2,971,90
12	Provision surplus/(deficit) against classified loans/investments	Taka 78,97	4,91
13	Cost of fund	% 5.91%	6.30%
14	Interest earning assets	Taka 167,912,60	139,522,17
15	Non-interest earning assets	Taka 46,927,81	37,705,35
16	Return on investment (ROI)	% 18.78%	11.14%
17	Return on assets (ROA)	% 1.90%	1.42%
18	Net asset value per share*	Taka 29.13	27.72
19	Profit after tax and provision	Taka 3,578,88	2,214,94
20	Income from investment	Taka 4,390,72	2,789,92
21	Earnings per share*	Taka 4.09	2.53
22	Net income per share*	Taka 4.09	2.53
23	Price earning ratio	Times 4.99	8.62

\* Net asset value, earnings per share and net income per share for the comparative period was adjusted for bonus share of 2014, credited in 2015.

\*\* As per Bangladesh Bank Reporting